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DECLARATION OF

COVENANTS, CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS

FOR

GREEN HILL AT QUARTERPATH
WILLIAMSBURG, VIRGINIA

Tax Map Nos.:

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**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS**

GREEN HILL AT QUARTERPATH

This Declaration of Covenants, Conditions, Restrictions and Reservation of Easements (this "Declaration") is made this ___ day of _____, 2014, by **QUARTERPATH WILLIAMSBURG, LLC**, a Virginia limited liability company ("Declarant") [index as a grantor].

WITNESSETH

WHEREAS, Declarant is the owner of certain land located in the City of Williamsburg, Virginia more particularly described in **Exhibit A** attached hereto as a part hereof, said land together with such "Additional Land" as shall be hereafter subjected to this Declaration being referred to as the "Property;" and

WHEREAS, Declarant wishes to establish and assure a uniform plan for the development of the Property and to enhance and protect the economic and aesthetic value and desirability of the Property and the health, safety and welfare of the residents of the Property; and

WHEREAS, the Property is located within the Quarterpath at Williamsburg Community ("Quarterpath") which is governed by the Master Declaration of Covenants, Easements and Restrictions for Quarterpath at Williamsburg (Mixed-Use) (the "Master Declaration") dated April 10, 2014, and recorded with the Clerk's Office of the Circuit Court for the City of Williamsburg and County of James City, Virginia, as Instrument Nos. 140709 and 140006168. This Association and each "Lot" and "Dwelling Unit" will, in addition to the provisions of this Declaration, be subject to the provisions of the Master Declaration.

NOW, THEREFORE, Declarant declares that the Property is hereby subjected to and shall be held, sold, occupied and conveyed subject to this Declaration.

Declarant further declares that this Declaration and all amendments and supplements made pursuant hereto shall run with the land and shall be binding upon Declarant, the Association (as hereinafter defined), each Owner (as hereinafter defined), each Resident (as hereinafter defined) their heirs, successors and assigns and all parties claiming under them or under this Declaration and shall inure to the benefit of and be enforceable by the parties described in Section 14.3 hereof.

The Property is adjacent to other property (the "Additional Land") owned by Declarant. The Additional Land is described in **Exhibit B** attached hereto. Declarant contemplates the extension of this Declaration to the real estate described in **Exhibit B** or portions thereof. However, Declarant shall not be obligated to bring all or any part of the Additional Land within the scheme of development established by this Declaration, and no negative reciprocal easement shall arise out of this Declaration so as to benefit or bind any portion of the Additional Land until such portion of the Additional Land is expressly subjected to this Declaration in accordance with

Section 7.1 below and then such portion of the Additional Land shall be subject to any additions, deletions, withdrawals and modifications as are made pursuant to Section 7.2 and Section 7.3 below.

The Green Hill at Quarterpath Association, Inc., referred to herein, has been established as a community association for the Owners and Residents of the Property.

ARTICLE I. Definitions

The words used in this Declaration which begin with capital letters (other than words which would be normally capitalized) shall, unless indicated to the contrary, have the meanings ascribed to them in Article I of this Declaration, or as otherwise defined elsewhere in this Declaration. Masculine words such as “he,” “him,” and “his” have been utilized solely for convenience of reference and where utilized they shall also mean and include the feminine counterparts of such words.

1.1. **“Additional Land”** shall mean and refer to the real estate described in **Exhibit B** to the Declaration.

1.2. **“Annual Assessments”** shall mean and refer to the Annual General Assessment and the Services Assessment levied by the Association in each of its fiscal years pursuant to Article IV of this Declaration.

1.3. **“Annual General Assessment”** shall mean and refer to the annual charge assessed equally against, and payable by, all Class “A” Members and established pursuant to Article IV of this Declaration.

1.4. **“Articles”** shall mean and refer to the Articles of Incorporation of The Green Hill at Quarterpath Association, Inc. filed with the Commonwealth of Virginia State Corporation Commission, as the same may be from time to time amended, supplemented, modified and/or restated.

1.5. **“Assessable Property”** shall mean and refer to all of the Property except such part or parts thereof as may from time to time constitute Exempt Property.

1.6. **“Association”** shall mean and refer to The Green Hill at Quarterpath Association, Inc., a Virginia nonstock corporation, its successors and assigns. The Association is sometimes referred to as the Corporation.

1.7. **“Board of Directors”** and **“Board”** shall mean and refer to the Board of Directors of the Association.

1.8. **“City”** shall mean and refer to the City of Williamsburg, Virginia.

1.9. **“Class A Members”** shall mean and refer to all Owners of Lots (other than Exempt Property) except, during the Development Period, Declarant.

1.10. “**Class B Member**” shall mean and refer to Declarant.

1.11. “**Clerk’s Office**” shall mean and refer to the Clerk’s Office of the Circuit Court for the City of Williamsburg, Virginia.

1.12. “**Cluster**” shall mean and refer to a group of Lots designated as such by the Declarant.

1.13. “**Community Facilities**” and/or “**Common Area**” (which terms are used interchangeably in this Declaration), shall mean and refer to all personal and real property (including without limitation, real property owned in fee simple, leasehold interests in real property, and easement rights in real property) and the improvements thereon from time to time owned or leased by the Association for the common use and enjoyment of the Members. Community Facilities and/or Common Area may (but need not) include any common areas, easement areas, public, neighborhood or community buildings, recreational facilities, natural open space easements, natural resource facilities, parks and other open space land, lakes and streams, Stormwater Management Facilities and drainage facilities including but not limited to Best Management Practice facilities (“BMP’s”), all private streets, alleyways, pipestem driveways, sidewalks, pathway and bikeway systems, pedestrian facilities, cable television facilities, design amenities and other community facilities and buildings needed in connection with water supply, sewage disposal, gas, electric, or other utility lines, equipment or installations. The Association is responsible for management and maintenance of all Common Area and Community Facilities.

1.14. “**Covenants Committee**” shall mean and refer to the Covenants Committee so named and established in accordance with Article V of this Declaration.

1.15. “**Declarant**” shall mean and refer to Quarterpath Williamsburg, LLC, a Virginia limited liability company, its successors and assigns; provided, however, that no successor or assignee of Declarant shall have any rights or obligations of Declarant hereunder unless such rights and obligations are specifically set forth in an instrument of succession or assignment designating a party as Declarant hereunder or which pass by operation of law, and such successor or assign accepts the same. Declarant reserves the right to assign in whole or in part its rights as the “Declarant” to any Owner of all or any part of the Property or any owner of any portion of the Additional Land.

1.16. “**Declarant Affiliate**” shall mean any other natural person, corporation, limited liability company, limited liability partnership, general partnership, limited partnership, or sole proprietorship (a) owning, owned by, or under common control with, the Declarant, (b) of which Declarant is a member or partner, or (c) which is a member of Declarant. The existence of an intermediary between Declarant and Declarant Affiliate shall not affect the Declarant Affiliate’s status as such.

1.17. “**Declaration**” shall mean and refer to this Declaration of Covenants, Conditions, Restrictions and Reservation of Easements as it may from time to time be amended, supplemented, modified and/or restated in the manner provided herein.

1.18. “**Development Period**” shall mean and refer to the period commencing on the date of this Declaration first set forth above and terminating on the earlier of (a) one year after the date on which a Declarant no longer owns any part of the Property or the Additional Land; or (b) any earlier date specified by the Declarant in a written notice to the Association that the Development Period is to terminate on that date.

1.19. “**Dwelling Unit**” shall mean any portion of the Property, as improved, intended for any type of independent ownership for use and occupancy as a residence by one household and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) a condominium unit, an apartment or cooperative unit, duplex unit, a townhouse, single family attached and detached or zero lot line home, as may be used and defined as herein provided or as provided in subsequent amendments or supplements to the Declaration covering all or part of the Property.

1.20. “**Exempt Property**” shall mean and refer to (i) all interests in land (including any Lots) and structures and Community Facilities owned by the Association for so long as the Association shall be the owner thereof; (ii) all land and structures owned by Declarant; and (iii) all properties dedicated to and accepted by a public authority.

1.21. “**Governing Documents**” shall mean the Declaration, the Articles, the Bylaws of the Association, and Rules adopted by the Board.

1.22. “**Land Development Activity**” shall mean and refer to any building, construction, reconstruction or repair of a Dwelling Unit, roadways, curbing, sidewalks, utility services or any other Structure on a Lot or any other portion of the Property by Declarant and/or by other persons regularly engaged in the building or construction business, if such Person is granted approval in writing by Declarant.

1.23. “**Lot**” shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property which has been subjected to this Declaration and upon which a Dwelling Unit(s) could be constructed in accordance with City zoning and subdivision ordinances and to each condominium unit or apartment or cooperative unit on the Property created in accordance with the applicable laws of Virginia in effect from time to time. “Lot” shall not mean or refer to Community Facilities.

1.24. “**Master Association**” shall mean Quarterpath Mixed-Use Community Association, Inc., a Virginia nonstock corporation or its successors or assigns.

1.25. “**Master Declaration**” shall mean the Master Declaration of Covenants, Easements and Restrictions for Quarterpath at Williamsburg (Mixed-Use), dated April 10, 2014, and recorded with the Clerk’s Office of the Circuit Court for the City of Williamsburg and County of James City, Virginia, as Instrument Nos. 140709 and 140006168.

1.26. “**Member**” shall mean each Class A Member and Class B Member of the Association.

1.27. “**Mortgagee**” shall mean the holder of any recorded mortgage, or the trustee and beneficiary of any recorded deed of trust, encumbering one or more of the Lots. “Mortgage,” as used herein, shall include deeds of trust. References to the “holder” of a Mortgage shall include the trustee and the beneficiary under any recorded Deed of Trust. “First Mortgagee” as used herein, shall mean a holder of a Mortgage with priority over all other Mortgages on the Lot or Lots encumbered by such Mortgage. As used in this Declaration, the term “Mortgagee” shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term “institutional mortgagee” or “institutional holder” shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association (“FNMA”), Federal Home Loan Mortgage Corporation (“FHLMC”), all corporations and any agency or department of the United States Government or of any state or municipal government. References herein to the foreclosure of a Mortgage shall include the exercise of a power of sale under such Mortgage, as well as a judicial foreclosure of the Mortgage.

1.28. “**Owner**” shall mean and refer to the record owner, whether one or more persons or entities, of any Lot which is part of the Property but excluding in all cases any party holding an interest merely as security for the performance of an obligation. For the purpose of this definition, the owner of Lots in an apartment in which the Dwelling Units are held out for rent, shall be the record owner of the apartment building or buildings. The owner of Lots in a cooperative shall be the cooperative corporation.

1.29. “**Person**” shall mean and refer to any individual, corporation, limited liability company, joint venture, partnership, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other separate legal entity.

1.30. “**Property**” shall mean and refer to those certain lands in Williamsburg, Virginia, more particularly described in **Exhibit A** attached hereto, together with such Additional Land as may be hereinafter subjected to this Declaration pursuant to the provisions hereof.

1.31. “**Property Owners’ Association Act**” shall mean and refer to the Virginia Property Owners’ Association Act set forth in § 55-508, *et seq.*, of the Code of Virginia, as the same may be from time to time amended, repealed or superseded. In the event such act is repealed and superseded by another act of similar intent and purposes, such term shall be deemed to refer to the successor act.

1.32. “**Resident**” shall mean and refer to (i) each individual occupying any Dwelling Unit pursuant to a lease agreement with the Owner thereof who, if requested by the Board of Directors, has delivered proof of such lease agreement to the Board of Directors; (ii) members of the immediate family of such individual or of an Owner who actually reside within the Property and in the same household with each such individual or Owner; and (iii) any person who has a fixed place of habitation at a Dwelling Unit of any such individual or Owner to which, whenever he is absent, he has the intention of returning.

1.33. “**Services Assessment**” shall mean and refer to the charge or charges imposed upon the owners of Lots in a Cluster or other section of the Property or against a Subassociation for certain services rendered pursuant to Article IV of this Declaration.

1.34. “**Special Assessment**” shall mean and refer to any special charge established pursuant to Article IV of this Declaration.

1.35. “**Stormwater Management Facilities**” shall mean and refer to the stormwater management and detention or retention facilities located on, and exclusively serving, the Property.

1.36. “**Structure**” shall mean and refer to:

(a) Any Community Facility,

(b) Any structure, thing or object (other than trees, shrubbery, landscaping and hedges less than two feet high) the placement of which upon any Lot may affect the appearance of such Lot, including, but not limited to, any building, garage, porch, shed, greenhouse, bathhouse, coop, cage, house trailer, covered or uncovered patio, swimming pool, fence, curbing, paving, wall, signboard, antenna, satellite dish, statue, flagpole, or similar structure or any other temporary or permanent improvement on such Lot,

(c) Any excavation, fill, ditch, dam, berm or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot, and any Lot, and

(d) Any change of more than six inches in the grade of any lot.

1.37. “**Subassociation**” shall mean and refer to an owners association, including but not necessarily limited to a homeowners association or condominium unit owners association, created pursuant to a declaration or other appropriate instrument recorded in the Clerk’s Office which subjects a portion of the Property to covenants, conditions and/or restrictions in addition to those set forth in this Declaration and grants rights to such association with respect to such portion of the Property. During the Development Period, any such association shall be created only by Declarant or with its written consent.

1.38. “**Subdivision Plat**” shall mean and refer to any subdivision plat which creates any Lots or creates any parcel of land on which condominium or cooperative units are located.

ARTICLE II. Community Facilities

2.1. **Title to Common Area and Community Facilities.** Subject to Section 55-509.1 of the Property Owners’ Association Act, Declarant shall convey the Common Areas in each phase of the Property to the Association in fee simple, free and clear of all liens, but subject to this Declaration, and any liens in connection with Declarant loans, and all other easements,

conditions and restrictions of record, as soon as practical after the phase is subjected to this Declaration, including but not limited to all stormwater drainage and detention-retention facilities located thereon, if any, and which requirement for maintenance is described herein. The Association shall accept title to any portion of the Property offered to the Association by the Declarant or as directed by the Declarant.

2.2. **Maintenance Obligations of the Association.**

(a) The Association shall be responsible for the maintenance, management, operation and control of the Common Area and Community Facilities and all Structures thereon (including fixtures, personal property and equipment related thereto). The Association shall keep the Common Area in good, clean and attractive condition as determined by the Board of Directors.

(b) The Association shall also be responsible to maintain any Stormwater Management Facilities in a manner which permits them to perform the functions for which they are designed and constructed.

Further, notwithstanding anything to the contrary contained herein, the Association shall be responsible for all maintenance obligations and responsibilities of the Declarant under the ordinances and regulations of the City and under any such agreements with the City, concerning the maintenance of said Facilities, whether heretofore or hereafter executed by Declarant, or heretofore or hereafter recorded in the Clerk's Office.

2.3. **Rights of Enjoyment of Community Facilities.** Each Owner shall have a right and nonexclusive easement of enjoyment in and to the Community Facilities which shall be appurtenant to and shall pass with the title to his Lot. Such easement and rights shall be subject to the following provisions:

(a) The right of the Board of Directors to adopt, promulgate, enforce, and from time to time amend, reasonable rules and regulations pertaining to the use of the Community Facilities which shall enhance the preservation of such facilities and the safety and convenience of the users thereof. Any Owner may delegate his right of enjoyment to the Common Area and the Common Facilities, to persons residing in the Dwelling Unit on his Lot and to his guests, and he may transfer such right to his tenants, subject to such rules and regulations and fees as may be established from time to time by the Association; provided, however, that such rights shall terminate as to any Resident when such person ceases to have the status of a Resident. Such rules and regulations may include limitations on the number of guests of Owners and Residents who may use the Community Facilities at any one time.

(b) The right of the Board of Directors to suspend the voting rights and the right of any Owner, Resident or other authorized user to use all or any portion of the Community Facilities (with the exception of any streets or access ways) for a violation of this Declaration or the Bylaws of the Association or an infraction of the Association's rules and regulations for period(s) until such violation is cured.

(c) Subject to Subsection 55-513B of the Property Owners' Association Act, the right of the Board of Directors to suspend the right of any Owner, Resident or authorized user to use the Community Facilities (with the exception of any streets or access ways) for so long as any Annual General Assessment, Services Assessment or Special Assessment for such Lot remains unpaid and overdue or so long as the membership fee, dues, fees and other charges remain unpaid by the authorized user thereof.

(d) Subject to Subsection 55-513B of the Property Owners' Association Act, the right of the Board of Directors to levy fines, late fees, interest and penalties for violations of the provisions of this Declaration or the Bylaws of the Association or any reasonable rules or regulations adopted by the Board of Directors pursuant to the provisions hereof and/or applicable law.

(e) The right of Declarant to construct additional Community Facilities thereon in accordance with Section 2.4.

(f) The right of the Board of Directors to grant easements or rights-of-way.

(g) The right of the Board of Directors without approval of the Members of the Association from time to time to borrow money for the purpose of acquiring, constructing, equipping, improving, repairing, replacing or maintaining Community Facilities, and in aid thereof, to mortgage the Community Facilities.

(h) The Association may at any time dedicate or transfer all or a part of the Community Facilities to any public agency, authority, or entity including, without limitation, the City, or to any nonprofit organization upon such terms and conditions as shall be agreed upon by such agency, authority, entity or organization and the Board of Directors, including, without limitation, terms and conditions providing for the use of such Community Facilities by the public in general and terms and conditions pertaining to the maintenance and repair of such Community Facilities and the assessments of Owners and/or Residents for the costs of such maintenance and repair.

(i) The right to regulate parking on Common Areas and Community Facilities (including areas which are Common Areas and Community Facilities by virtue of easements) through the granting of easements, licenses, or promulgation of rules and regulations. In areas where parking is provided on private streets and parking bays owned by the Association, the Board shall have the right, but not the obligation, to assign and reserve parking spaces for the exclusive use of individual Owners or Residents.

2.4. **Additional Community Facilities.**

(a) Declarant may without the consent of any Class A Member, from time to time, during the Development Period, (i) construct additional Community Facilities on real property owned by the Association, and (ii) subject to Section 55-509.1 of the Property Owners' Association Act, convey additional real property to the Association, the City, or to a utility company along with any Structure (including related fixtures, equipment and furnishings) located thereon. During the Development Period, Declarant shall have the right to exchange

and/or substitute Common Facilities of comparable nature and quality for previously conveyed Common Facilities in which case the Association shall execute such deeds and other documents as are necessary to evidence such exchange.

(b) The Association shall not construct any capital addition or capital improvement to the Community Facilities or annex any additional Community Facilities (other than as provided in Section 2.4(a)) unless such addition, improvement, or annexation shall have been authorized by the Board of Directors and, during the Development Period, Declarant. Nothing contained in this subparagraph shall be construed so as to require the consent of any Class A Member for the construction or renovation of Community Facilities or other amenities by Declarant.

2.5. **Damage or Destruction of Common Area by Owner.** Owners and each person lawfully occupying a Lot may use the Common Areas only for the purpose or purposes for which the Common Areas reasonably are intended and subject to any applicable restrictions under law. Any Common Area which has not been improved for a particular use is intended to remain in its natural condition unless or until so improved, and any use thereof by an Owner and each person lawfully occupying a Lot shall not damage or disturb such natural condition or the enjoyment thereof by other Owners. If any Common Area or improvement thereon is damaged or destroyed by an Owner, or such Owner's tenants, guests, licensees, agents or family members, the Association may repair such damage at the Owner's expense. The Association shall repair such damage in a good and workmanlike manner either in conformance with the original plans and specifications of the area or improvement involved or, in the discretion of the Board of Directors, as the Common Area or improvement may have been modified or altered. The Board may specially assess the cost of any such repairs against such Owner's Lot, and such Special Assessment shall constitute a lien upon such Owner's Lot and be collectible in the same manner as other Assessments set forth herein.

ARTICLE III.

Association Membership, Voting Rights, Board of Directors

3.1. **Organization of the Association.** The Association has been organized as a nonstock corporation under the laws of the Commonwealth of Virginia (i) to provide for the acquisition, construction, management, maintenance and care of the Common Area and the Community Facilities, and any other area for which the Association is responsible pursuant to this Declaration, the Master Declaration or otherwise; (ii) to be a "Residential Association" as defined and described in the Master Declaration and to perform all of the obligations and have and exercise all of the rights of an Additional Association, (iii) at its option, but subject to preemption by the Master Association pursuant to the Master Declaration, to obtain, manage and maintain services for the Property, or sections thereof including, but not limited to, as necessary, refuse collection, grass mowing, street cleaning, landscape and Stormwater Management Facilities maintenance, parking area maintenance and management, and snow plowing; (iv) subject to preemption by the Master Association pursuant to the Master Declaration to provide for the maintenance of any land within any of the Property which is intended to be conveyed to the Association; and (v) to take other acts or action which would promote the health, safety or welfare of the Owners and Residents. The Association is charged with such further duties and

invested with such powers as are prescribed by applicable law and set forth in the Articles or in the Bylaws, as all of the same may be amended from time to time. The Articles and Bylaws of the Association shall not be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. The initial Articles and the initial By-Laws are set forth on Exhibits C and D to this Declaration.

3.2. **Membership in the Association.** The Association shall have the following classes of membership:

Class A. Class A Members shall be all Owners excluding the Association and excluding the Declarant for so long as it is the Class B Member. A Person shall automatically become a Class A Member upon his becoming an Owner of a Lot which is not Exempt Property and shall remain a Class A Member for so long as he is an Owner of such Lot. Class A membership shall be appurtenant to and may not be separated from ownership of any Lot which is not Exempt Property.

Class B. The Class B Member shall be the Declarant.

3.3. **Voting Rights of Members.**

(a) Each Class A Member shall be entitled to one (1) vote on each matter submitted to the members for each Lot owned by such Class A Member which is not Exempt Property. If more than one Dwelling Unit is located on any Lot (which is not Exempt Property), the Class A Member owning such Lot shall be entitled to one (1) vote for each Dwelling Unit located on such Lot. Any Class A Member who is in violation of this Declaration as determined by the Board of Directors in accordance with the provisions hereof and regulations established hereunder, where such violation continues for 30 days or more after written notice by the Board to such Class A Member, shall not be entitled to vote during any period after such 30th day in which such violation continues.

If a Lot shall be owned by more than one Owner, such Owners shall be deemed to constitute a single Class A Member as to such Lot for voting purposes and shall collectively be entitled to a single vote for such Lot (or for each Dwelling Unit located on such Lot) as to each matter properly submitted to the Members.

(b) The Class B Member shall be entitled to one hundred (100) votes on each matter submitted to the Members for each Lot owned. The Class B membership shall terminate and become converted to Class A membership (in which case Declarant shall be entitled to one (1) vote on each matter submitted to the Members for each Lot, or if more than one Dwelling Unit is located on such Lot, one vote for each Dwelling Unit located on such Lot, owned by the Declarant notwithstanding that such Lot(s) may constitute Exempt Property) upon the termination of the Development Period.

(c) Notwithstanding the foregoing, in the event of annexation of any Additional Land after the termination of the Development Period, the Class B membership shall be reinstated with respect to all Lots owned by Declarant on the annexed property to equal one-hundred (100) votes for each annexed Lot owned. Class B membership shall cease and be

converted to Class A membership (in which case the Declarant shall be entitled to one (1) vote on each matter submitted to the Members for each Lot, or if there is more than one Dwelling Unit located on a Lot, one vote for each Dwelling Unit located on such Lot, owned by the Declarant notwithstanding that such Lot(s) may constitute Exempt Property) one (1) year after the date on which Declarant no longer owns any part of such annexed property.

(d) Any vote of the Members shall be taken without regard to class or category of membership except in those instances requiring the affirmative vote or approval of each class or category of membership in accordance with this Declaration, the Articles, or the Bylaws.

3.4. **Board of Directors.** The business and affairs of the Association shall be managed by a Board of Directors. As long as Declarant has the status of a Class B Member, it shall have the exclusive right to appoint the Board of Directors, and it shall have the right, in its sole and absolute discretion, to elect to have one or more of such board positions elected by the Class A membership. Thereafter, Directors shall be elected by the Members in accordance with Article IV of the Bylaws of the Association. The number of directors shall be determined in accordance with the provisions of the Bylaws of the Association.

3.5. **Adoption of Further Rules and Regulations.** The Board of Directors may make such rules and regulations consistent with the terms of this Declaration and the Association's Articles and Bylaws and the Virginia Nonstock Corporation Act as it deems advisable with respect to any meeting of Members, proof of membership in the Association, evidence of right to vote, appointment and duties of inspectors of votes, registration of Members for voting purposes, voting by proxy and other matters concerning the conduct of meetings and voting. Without limiting the generality of the foregoing sentence, if the Board of Directors shall so determine and if permitted under applicable law, voting on elections and other matters, including any matters requiring the approval of the Class A Members as provided in this Declaration, may be conducted by mail, ballot or by electronic or computerized means.

3.6. **Limitation of Liability.** The Association and its Board of Directors shall not be liable for any failure of any services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Areas or its facilities, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any Members for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Areas or its facilities. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or its facilities, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE IV.
Covenant for Assessments

4.1. **Creation of the Lien and Personal Obligation of Assessments.** Subject to the limitations in Section 4.6, Declarant hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association such Annual General Assessments, Services Assessments and Special Assessments (collectively "Assessments" or separately, each "Assessment") as are established and are to be paid and collected as hereinafter provided. The Annual General Assessments, Services Assessments and Special Assessments, together with late fees, interest thereon and costs of collection thereof as hereinafter provided, 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 thereon, late charges, and cost of collection thereof, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. No Owner may escape liability for the Assessments provided for herein by non-use of the Community Facilities or abandonment of his Lot or any Dwelling Unit thereon. No Owner may escape liability for the Assessments provided for herein in the event the Community Facilities have not been completed in any given year.

4.2. **Purpose of Assessments.** The Assessments levied by the Association shall be used exclusively to carry out the business and responsibilities of the Association including, but not limited to (i) the payment of all "General Assessments," "Service Area Assessments", "Special Assessments", "Capital Improvement Assessments" and assessments for "Limited Common Area Expenses" (as such terms are defined in the Master Declaration), levied or assessed by the Master Association against the Association as a Residential Association, (ii) the acquisition, construction, management, operation, maintenance and care, repair or replacement and insuring of the Community Facilities and services; (iii) obtaining, managing and maintaining services for the Property, or sections thereof including, as necessary, refuse collection, the operation of street lighting, and maintenance; (iv) the payment of any amounts lawfully assessed against the Association or the Property pursuant to any cost sharing agreement or other covenants, conditions or restrictions or similar document, including, but not limited to any cost sharing agreement for pool and fitness facilities or other amenities made available to the Lot Owners (including amenities in a condominium project); (v) the performance of any obligations imposed by the Master Declaration, (vi) promoting the recreation, health, safety and welfare of the Members; and (vii) such other purposes as are set forth in this Declaration, the Articles and the Bylaws.

4.3. **Establishment of Annual General Assessment.**

(a) The Association shall levy in each of its fiscal years an Annual General Assessment against each Lot which is not Exempt Property. The amount of such Annual General Assessment shall be established by the Board of Directors at least thirty (30) days in advance of the beginning of each calendar year. The amount of the Annual General Assessment shall be the same for each Lot, except that the first Annual General Assessment on each Lot imposed pursuant to this Subsection 4.3(a) shall be adjusted according to the number of months remaining in the calendar year from the date of conveyance. The Annual General Assessment

and the Services Assessment described in Section 4.4 are collectively known as the “Annual Assessments.”

(b) If any Lot contains or is to contain more than one Dwelling Unit then the amount of the Annual General Assessment for such Lot shall be determined by multiplying the amount of the Assessment pursuant to Subsection 4.3(a) by the number of Dwelling Units contained on such Lot.

(c) The amount of the Annual General Assessment shall be determined by the Board of Directors according to its estimate of the cost of meeting the Association’s obligations.

4.4. **Services Assessments.** A Services Assessment may be levied by the Board of Directors against the Lots (which are not Exempt Property) in a Cluster or other section of the Property (which is not Exempt Property) or against a Subassociation. The amount of the Services Assessment shall be determined by the Board of Directors according to the estimated cost of providing services or rights of use to the Lots in such section, Subassociation, or Cluster, which services or rights are not enjoyed by all of the Members of the Association. The amount of a Services Assessment shall be the same for each Lot in any Cluster or particular section but multiplied by the number of Dwelling Units located upon the Lot in the same manner as is described in Subsection 4.3(b) but need not be uniform with the Services Assessment imposed upon Lots in other Clusters or other sections of the Property. A Subassociation or the majority of the Owners within a particular Cluster or other section of the Property may request special services from the Association, and if the Board of Directors shall approve such request a Services Assessment against the Subassociation or the Lots within such Cluster or section may be levied.

4.5. **Special Assessments.** In addition to the Annual General Assessment and Services Assessment authorized above, the Board of Directors may levy in any fiscal year of the Association, a Special Assessment payable over not more than the next three (3) succeeding years for the purpose of defraying, in whole or in part, operating deficits and/or the cost of any construction, reconstruction, repair or replacement of the Community Facilities, including fixtures and personal property related thereto or upon public lands within the Property. Pursuant to Section 55-514 of the Property Owners’ Association Act, such Special Assessment may be rescinded if, at a meeting called within sixty (60) days of notice of the Special Assessment, the majority of the votes of the Class A members who are voting in person or proxy agree. Special Assessments shall be imposed against Lots which are not Exempt Property in the same manner as Annual General Assessments as provided in Subsections 4.3(a) and (b). The Board of Directors may levy Special Assessments against individual Lots as provided in Section 13.2.

4.6. **Exemption.** Notwithstanding any provision of this Declaration, the Articles or Bylaws of the Association to the contrary, the Declarant and any Declarant Affiliate shall not be obligated for, nor subject to, any Annual Assessments, Services Assessment, or Special Assessment for any Lot, Dwelling Unit, or portion of the Property which it may own, except to the extent that construction of its Dwelling Units has been completed and the same are being leased by it to third parties.

4.7. **Date of Commencement of Assessments.** The Annual General Assessment and Services Assessment, if any, provided for in this Article IV shall commence as to each Lot on the date of conveyance of the Lot to a Class A Member. The first Annual General Assessment and Services Assessment (if any) shall be adjusted for each Lot according to the number of days remaining in the month in which settlement occurs and the number of months remaining in the calendar year.

4.8. **Repair and Replacement Reserve.** As a part of any Annual Assessments the Board of Directors shall obtain from Owners contributions to capital on a regular basis, which contributions will be used to establish a replacement and repair reserve. Such reserve may be in addition to any reserve that may be established by the Master Association. Such contributions shall be paid monthly or at such time as Annual General Assessments are due and be in an amount to be designated from time to time by the Board of Directors in accordance with reserve studies completed or obtained by the Board of Directors in accordance with the requirements of the Property Owners' Association Act. Such funds shall be deposited in an account with a lending institution, the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. Such funds also may, in the discretion of the Board of Directors, be invested in Money Market Funds which, although they themselves are not guaranteed by the United States Government, invest solely in United States Government securities (or in State bonds which are backed in principal by the State). The replacement reserve may be expended only for the purpose of the replacement and repair of the Community Facilities. A General or Operating Reserve may be established by the Board of Directors for other purposes at the sole discretion of the Board of Directors. Reserve studies shall be conducted and/or obtained by the Board of Directors at least as often as specified in the Property Owners' Association Act.

4.9. **Working Capital Fund.** For both the initial sale and all resales of a Lot, the Board of Directors shall collect a working capital contribution (the "Working Capital Contribution") from the new Owner (i.e., the purchaser) of a Lot (other than Declarant), and the new Owner shall be obligated to pay such contribution to the Association at the time of closing on the Lot. Such contribution shall be in the amount of _____ Dollars (\$____.00), (in addition to any applicable Subassociation assessment which may be payable to a Subassociation), and shall be utilized for the business of the Association and providing the necessary working fund for it. During the Development Period, Declarant (and after the Development Period, the Board of Directors) shall have the right, authority, and power to unilaterally increase or decrease the amount of the Working Capital Contribution from time to time. Any increase or decrease in the amount of the contribution assessment (whether a single increase or decrease or more than one increase or decrease) of more than fifty percent (50%) of the initial or any subsequent amount within a period of one year shall require the approval of a majority of the Owners. The Working Capital Contribution shall constitute a lien on such Lot until paid. Notwithstanding the foregoing to the contrary, the obligation to pay the Working Capital Contribution shall not be applicable to the purchase of a Lot by a Mortgagee or its designee or any other purchaser at a foreclosure sale or acquisition by a Mortgagee or its designee of a Lot by deed-in-lieu of foreclosure or to any sale of a Lot by a Mortgagee or its designee or any such other purchaser which was acquired in either such fashion.

4.10. **Notice and Due Dates.** Written notice specifying (i) the amount of each Annual General Assessment, Services Assessment and Special Assessment, and (ii) the number and amounts of the installments by which each such Assessment is to be paid, shall be given to the Owners of each Lot subject thereto. Assessments shall be paid monthly, quarterly, semi-annually or annually, in advance, as the Board of Directors may direct. If the Board of Directors consents, such assessments described herein may be collected by a Subassociation for the Lots subject to such Subassociation and transmitted to the Association.

4.11. **Effect on Nonpayment of Assessments; Remedies of the Association.** Any installment of an Assessment not paid on or before the due date shall be delinquent and the Association may exercise any or all of the following remedies: (a) if not paid within thirty (30) days after the due date, upon notice to the Owner declare the entire balance of any Assessment due and payable in full; (b) charge a late fee of five percent (5%) of such amount for assessments which are not received within seven (7) days after the due date; (c) charge interest on any installment delinquent for a period of more than thirty (30) days at the rate equal to twelve percent (12%) per annum, from the first day of delinquency until paid; (d) file a memorandum of lien in the Clerk's Office as provided in the Property Owners' Association Act; (e) bring an action at law against the Owners of the Lot to collect the same; and (f) foreclose the lien against the Lot. Such lien may be enforced or foreclosed by the Association as provided in the Property Owners Association Act. In any proceeding against an Owner or Lot, the amount which may be recovered by the Association shall include all costs of the proceeding, including reasonable attorneys' fees, as well as interest, late fees and any administrative fees.

4.12. **Certificate of Payment.** The Association shall, upon written request by an Owner, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments, if any, on a specified Lot have been paid. The Association shall furnish said Certificate within ten (10) days of receipt of the written request. A properly executed certificate of the Association as to the status of Assessments on a Lot shall be binding upon the Association as of the date of its issuance.

4.13. **Subordination of the Lien to Mortgages.** The lien of the Assessments, once perfected, shall have the priority set forth in Subsection 55-516A of the Property Owners' Association Act. Without limiting the generality of the foregoing, and notwithstanding anything to the contrary contained in this Declaration, the lien of Assessments on any Lot shall be subordinate to any Mortgage encumbering such Lot recorded prior to the perfection of such lien.

ARTICLE V. Covenants Committee

5.1. **Composition and Appointment.** There shall be a Covenants Committee (the "Covenants Committee") which shall initially consist of three (3) members appointed by Declarant, who may be the same persons as those appointed by the Declarant to the Board of Directors. Declarant reserves the right at its discretion to increase or decrease the number of members of the Covenants Committee during the Development Period. Members of the Covenants Committee shall serve at the pleasure of the Declarant during the Development Period. Declarant may continue to appoint the members to the Covenants Committee until the

Development Period has terminated. Following the end of the Development Period, the number of members of the Covenants Committee and the individuals who will serve in that capacity shall be determined by the Board of Directors. Following the end of the Development Period, any member of the Covenants Committee may be removed with or without cause by the Board of Directors.

5.2. **Powers and Duties.**

(a) The Covenants Committee shall serve as an architectural review committee and shall also advise the Board of Directors as to the external design, appearance and location of the Lots and Structures thereon so they may enforce the architectural provisions of this Declaration, enforce the requirements of the recorded subdivision plats, deeds of subdivision and provisions of zoning ordinances, and preserve and enhance values and to maintain a harmonious relationship among Structures and the Property. The Covenants Committee may, with the consent of the Board of Directors, delegate to a Subassociation the responsibilities described above with respect to the Lots subject to such Subassociation and may thereafter revoke such delegation. However, the Covenants Committee has the right to advise the Board of Directors to enforce its design guidelines or the provisions of this Article in the event the Subassociation fails to do so.

(b) The Covenants Committee shall serve in such other capacities as may be determined, from time to time, by the Board of Directors in advising it regarding the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association.

(c) The actions taken by the Covenants Committee shall in all respects be subject to the actions duly taken by the Master Association or any committee thereof, including the Design Review Committee. In no event may the Covenants Committee take any action which would lessen or revoke any standard imposed by the Master Association or the Design Review Committee but may impose higher or stricter standards.

5.3. **Submission of Plans to Covenants Committee.** Except for such Structures or landscaping as may be constructed or installed by Declarant, no Structure of any kind whatsoever shall be commenced, erected, placed, moved onto or permitted on any Lot, nor shall any existing Structure upon any Lot be removed or altered in any way which materially changes the exterior appearance thereof (including change of exterior color) until plans and specifications therefor shall have been submitted to the Covenants Committee and approved in writing by the Covenants Committee. Such plans and specifications shall be in such form and shall contain such information as the Covenants Committee may reasonably require, but shall in all cases include:

(a) A site plan showing the location of all proposed and existing Structures on the Lot and all existing Structures on adjoining Lots,

(b) Exterior elevations for the proposed Structures,

(c) Specifications of materials, color scheme and other details affecting the exterior appearance of the proposed Structures,

- (d) Description of the plans or provisions for landscaping or grading, and
- (e) Explanation of the proposed use of the Structure.

The provisions of this Section 5.3 shall not apply to Land Development Activity as defined in Article I of this Declaration.

5.4. **Approvals/Denials.** Any approval or disapproval of a requested action by the Covenants Committee shall be in writing. In denying any application, the Covenants Committee shall specify the reasons for such denial. The Covenants Committee may approve an application subject to such conditions and qualifications as the Covenants Committee deems appropriate. No approval, or deemed approval, of any application by the Covenants Committee or to the Board of Directors, shall eliminate the requisite for any approval required by the Master Declaration.

5.5. **Failure of the Covenants Committee to Act.** If the Covenants Committee shall fail to act upon any request submitted to it within sixty (60) days after complete submission thereof, such request may be submitted to the Board of Directors for approval. If the Board of Directors shall fail to act within thirty (30) days after submission to it, then such request shall be deemed to have been approved as submitted, and no further action shall be required; provided, however, that such failure to act by the Board of Directors shall not relieve the Owner of the obligation of complying with the architectural standards, covenants, design guidelines and rules and regulations set forth herein or adopted in accordance herewith in connection with the proposed action which was the subject of such submission.

5.6. **Rules, Regulations and Policy Statements.** The Covenants Committee may recommend, from time to time, subject to the approval and adoption of the Board of Directors, reasonable rules and regulations pertaining to its authorized duties and activities under this Declaration and may from time to time issue statements of policy with respect to architectural standards and such other matters as it is authorized to act on. The Covenants Committee may adopt rules of procedure, subject to the prior approval and adoption of the Board of Directors, which rules of procedure may include provisions substantially to the following effect:

(a) The Covenants Committee shall hold meetings as necessary and at such time as is determined by the Board of Directors. Meetings of the Covenants Committee may be called by the Chairman of the Covenants Committee or by a majority of the members of said Covenants Committee.

(b) A majority of the members of the Covenants Committee present at any meeting shall constitute a quorum.

(c) The Covenants Committee shall maintain minutes of its meetings and a record of the votes taken thereat.

(d) All meetings of the Covenants Committee shall be open to the Members of the Association and any vote of the Covenants Committee shall be taken at an open meeting. Nothing contained herein, however, shall prevent the Covenants Committee from meeting in

closed session or executive session to discuss matters before the Covenants Committee in accordance with the Property Owners' Association Act.

(e) A copy of all minutes, rules, regulations and policy statements of the Covenants Committee shall be filed with the records of the Association and shall be maintained by the Association as a permanent public record. The Association shall make copies thereof available to any interested person at a reasonable cost or shall make such minutes, rules, regulations and policy statements available to any person for copying.

5.7. **Expenses of the Covenants Committee.** The Covenants Committee may charge reasonable fees for the processing of any requests, plans and specifications. The Association shall pay all ordinary and necessary expenses of the Covenants Committee. In addition, in connection with the discharge of its responsibilities, the Covenants Committee may engage or consult with architects, engineers, planners, surveyors, attorneys and others. Any Person seeking the approval of the Covenants Committee agrees to pay all fees thus incurred by the Covenants Committee. The payment of all such fees is a condition of the approval or disapproval by the Covenants Committee of any plans and the commencement of review of any plans may be conditioned upon the payment of the Covenants Committee's estimate of such fees.

5.8. **Right of Entry.** The Board of Directors and the Covenants Committee through their authorized officers, employees and agents shall have the right to enter upon any Lot at all reasonable times for the purpose of ascertaining whether such Lot or the construction, erection, placement, remodeling or alteration of any Structure and landscaping thereon is in compliance with the provisions of this Article and Article VI without the Association or the Covenants Committee or such officer, employee or agent being deemed to have committed a trespass or wrongful act solely by reason of such action or actions.

5.9. **Land Development.** Notwithstanding any other provisions of this Declaration, any Land Development Activity (as defined in Article I) shall not require the approval of or be subject to review by the Covenants Committee, nor shall any of the other provisions of this Article V apply to any Land Development Activity.

5.10. **Limitation of Liability.** The approval by the Covenants Committee and/or the Board of Directors of any plans, and any requirement by the Covenants Committee and/or the Board of Directors that the plans be modified, shall not constitute a warranty or representation by the Covenants Committee and/or the Board of Directors of the adequacy, technical sufficiency or safety of the Structures described in such plans, as the same may be modified, and the Covenants Committee and the Board of Directors shall have no liability whatsoever for the failure of the plans or the Structures or landscaping to comply with applicable building codes, laws and ordinances or to comply with sound engineering, architectural or construction practices. In addition, in no event shall the Covenants Committee or the Board of Directors have any liability whatsoever to an Owner, a contractor or any other party for any costs or damages (consequential or otherwise) that may be incurred or suffered on account of the Covenants Committee's or the Board of Directors' approval, disapproval or conditional approval of any plans.

ARTICLE VI.

General Restrictions on the Use of Lots; Improvements Made Thereon

6.1. **Zoning Regulations.** The Property shall not be used for any purpose other than as permitted in the City zoning ordinances or the laws, rules, or regulations of any governmental authority in force and effect on the date of recording of this Declaration (including any special use permit issued with respect to the Property) as the same may be hereafter from time to time amended. This restriction shall not apply to any use for which a special use permit or special exception under City zoning ordinances or other governing regulations, as the same may be hereafter from time to time amended, is finally granted provided such use is recommended by the Covenants Committee and approved in writing by the Board of Directors. The use of a particular Lot is, however, further limited or restricted as hereinafter expressly provided in the provisions of this Article.

6.2. **No Use Contrary to Law and No Nuisances.** No noxious or offensive trade, services or activities shall be conducted on or upon any portion of the Property nor shall anything be done thereon which may be or become a continuing annoyance or hazard or nuisance to the Owners or Residents of the Property. No use of any Lot or part thereof or any Structure thereon shall be made, nor shall any materials or products be manufactured, processed or stored thereon or therein, contrary to Federal, State or local laws or regulations, or which shall cause an undue fire hazard to adjoining Lots. This Section shall not be construed to prohibit the conduct of such professional services in residential areas as are approved by the Board of Directors and are in compliance with local zoning regulations, nor shall this Section apply to any Land Development Activity.

6.3. **Structures.** Except for Structures constructed by Declarant, the architectural character of all Structures, or alterations, additions, or improvements thereof (other than interior alterations not affecting the external appearance of a Structure) when visually related to each other and the surrounding natural environment shall be, in the opinion of the Covenants Committee or Board of Directors, harmonious in terms of type, size, scale, form, color and material. Except as otherwise herein provided, no Structure shall be painted, stuccoed or surfaced with any material unless and until approved in writing in accordance with objective, performance-oriented guidelines established by the Covenants Committee. All such alterations, additions or improvements shall be commenced within six (6) months and completed within twelve (12) months of approval by the Covenants Committee or Board of Directors. The foregoing provisions of this Section shall not apply to any Land Development Activity. Satellite antennae or dishes may only be installed in locations approved by the Covenants Committee, provided that any location designated by the Covenants Committee or Board of Directors shall enable the antennae or satellite dish to receive an adequate signal to perform its intended function.

6.4. **Screens and Fences.** Except for any fence installed by Declarant or the Association, and except for any Land Development Activity, no fence or screen shall be installed on a Lot except in accordance with the rules established by the Covenants Committee and with the prior written approval in accordance with Article V.

6.5. **Outside Storage or Operations.** No outside storage of lumber, metals, or bulk materials of any kind, except building materials stored during the course of construction of any Structure, shall be permitted and no refuse or trash shall be kept, stored or allowed to accumulate on any Lot, unless such item is visually screened in a manner approved in accordance with Article V. No outside storage and operations shall extend above the top of any such screening. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open, on any day that a pick-up is to be made or the evening of the preceding day, at such place on the Lot so as to provide access to the persons making such pick-up. All trash or refuse containers shall be removed from streets, walkways on the exterior portions of Lots following pick-up on the day of the pick-ups. At all other times, such containers shall be stored so as to be visually screened from all streets and adjacent and surrounding Lots. The Covenants Committee may formulate and adopt reasonable rules and regulations relating to the size, shape, color and type container permitted and the manner of storage of same on any Lot. The provisions of this Section shall not be applicable to any Land Development Activity.

6.6. **Signs, Mailboxes and Lighting.** Except for any such items installed by Declarant, or in connection with any Land Development Activity, the location, color, nature, size, design and construction of all signs, mailboxes or outdoor lights shall be approved in accordance with Article V, and must be in keeping with the character of the Property and in accord with guidelines established by the Covenants Committee.

6.7. **Vehicles and Parking.** No commercial truck, commercial bus, taxicabs or other commercial vehicle of any kind, boats, trailers, campers, recreational vehicles and/or motor homes shall be parked in any visible location on the Property except in connection with the initial construction of Structures or in connection with the provision of commercial services to the Declarant, the Association, or other Owners. Commercial vehicles shall be deemed to include cars and vans in styles normally used for private purposes but painted with or carrying commercial advertising, logos, or business names or containing visible commercial materials. No disabled vehicle or vehicle on which current registration plates are not displayed shall be parked on any Lot or on Common Area. The repair or extraordinary maintenance of vehicles shall not be carried out on any Lot or on the Common Areas. In any portions of the Property where on-street parking is allowed, Declarant and/or the Association shall have the right to regulate and restrict such on-street parking, including, but not limited to, the right to restrict on-street parking altogether and/or to restrict parking to one side of the road and/or right-of-way. In addition to all other remedies available to the Association, the Association may enforce the provisions of this Section 6.7 by towing any non-complying vehicle.

6.8. **Animals.** No livestock, poultry or other animals shall be kept or bred on any Lot, and in no event shall any stable, hatch, barn, coop or other housing or shelter for animals or for the storage of materials be placed or maintained upon any Lot. Notwithstanding anything to the contrary herein contained, dogs, cats and other usual household pets may be kept on the Property provided that such household pets shall be subject to any City regulations and the rules and regulations established by the Board of Directors and further provided that said pets are not raised or bred for any commercial purposes. The Board of Directors shall be authorized to remove any pets or other animals which are kept in violation of the Declaration or Rules and Regulations.

6.9. **Garages.** No garage shall be utilized for other than the purpose of parking and storage of vehicles and other types of items normally stored in garages in first-class residential neighborhoods. No garage may be converted into or used for living space.

6.10. **Air and Water Pollution.** Except in connection with any Land Development Activity (provided that the same is not in violation of any applicable law), no use of any Lot will be permitted which emits pollutants into the atmosphere, or discharges liquid or solid wastes or other harmful matter into any waterway, in excess of environmental standards applicable thereto as may be established by the Covenants Committee and approved by the Board of Directors, which standards shall at a minimum meet the requirements of Federal and State law and any regulations thereunder applicable to the Property. No waste or any substance or materials of any kind shall be discharged into any private or public sewer serving the Property, or any part thereof, in violation of any regulations of the City or any private or public body having jurisdiction. No person shall dump garbage, trash or other refuse into any waterway on the Property.

6.11. **Leasing of Dwelling Units.**

(a) All leases of Dwelling Units shall be for an initial term of not less than six (6) consecutive months. The foregoing provision shall not be applicable to the Declarant, or any Declarant Affiliate.

(b) The Board may adopt a rule that an Owner shall deposit with the Board a deposit to be held as security to cover any damages to the Common Area or Community Facilities caused by the Tenant(s). This amount will be returned to the Owner, without interest, at the end of the term of the lease or series of leases, less any amounts necessary to cover such damages, if any, caused by the Tenant(s). The Board reserves the right to establish from time to time the security deposit requirements and amount, and if deemed to be appropriate, increase or decrease the amount to be held, without the requirement of an amendment to the Declaration; provided, however, no such establishment of a requirement in excess of \$500.

(c) Any Dwelling Unit Owner shall promptly provide to his Tenant(s), at the Dwelling Unit Owner's expense, a copy of the Association's Declaration, Bylaws, Resolutions, Rules and Regulations and any amendments thereto (collectively referred to as the "Association Instruments"), and shall provide in all leases for a Dwelling Unit (a) that the Tenant(s) shall be bound by the Association Instruments and (b) that a breach of the Association Instruments by the Tenant(s) shall be a breach of the lease and (c) that the Tenant agrees that the Association shall have the right to enforce compliance with the Association Instruments directly against the Tenant(s). Notwithstanding the provisions of this Section to the contrary, the Tenant(s) shall be bound by the terms of the Association Instruments even if the Dwelling Unit Owner-Landlord has failed to comply herewith. Any Dwelling Unit Owner shall provide a copy of the signed lease to the Board promptly after its execution.

(d) The Tenant(s) of any Dwelling Unit shall be responsible for any damage to the Common Area or Community Facilities, caused by the Tenant(s) and/or his guests and invitees, and shall be responsible for legal fees, court costs, or other costs incurred by the Association in removing the Tenant(s).

6.12. **Maintenance of Premises and Improvements.** With the exception of maintenance or landscaping to be provided by the Association or by the Master Association, each Owner or Resident shall at all times keep his premises, buildings, improvements and appurtenances in a safe, clean, neat and sanitary condition. Appropriate maintenance shall include the painting (or other appropriate external care) of all buildings and other improvements all in a manner and with such frequency as is consistent with good property management practices. All Owners of Lots on which storm water management or storm drainage easements exist must keep such area free of debris so as not to impede drainage. The Owner or Resident shall comply with all laws, ordinances and regulations pertaining to health, safety and pollution, and shall provide for storage and removal of trash and rubbish from his premises.

6.13. **Enforcement of Maintenance.** Subject to the rights of the Master Association, and except with respect to Land Development Activity, the Covenants Committee, or its agent, during normal business hours, shall have the right (after 10 days notice to the Owner or Resident of any Lot involved, setting forth the maintenance action to be taken, and if at the end of such time reasonable steps to accomplish such action have not been taken by the Owner or Resident) to do any and all maintenance work reasonably necessary in the opinion of the Covenants Committee, to keep such Lot, whether unimproved, improved or vacant, in neat and good order, such cost and expense to be paid to the Covenants Committee upon demand and if not paid within thirty (30) days thereof, then to become a lien upon the Lot affected. The Covenants Committee, or its agent, shall further have the right (upon like notice and conditions) to cause to have trimmed or pruned, at the expense of the Owner or Resident, any hedge, tree or any other planting that, in the opinion of the Covenants Committee, by reasons of its location on the Lot, or the height to or the manner in which it is permitted to grow, is detrimental to the adjoining Lots or contrary to the rules and regulations of the Covenants Committee. The lien provided under this Section shall have the same priority and shall be enforced in the same manner as a lien for a Special Assessment.

6.14. **Maintenance During Construction.** During construction it shall be the responsibility of each Owner causing the construction to be performed to ensure that his construction site is kept free of unsightly accumulation of rubbish and scrap materials, and that construction materials, trailers, shacks and the like are kept in a neat and orderly manner. No burning of any trash and no accumulation or storage of litter or trash of any kind (other than that reasonable and customary in construction projects) shall be permitted on any Lot.

6.15. **Miscellaneous.** Without prior review and approval by the Covenants Committee and approval by the Board of Directors:

(a) no water pipe, gas pipe, sewer pipe, or drainage pipe, or industrial process pipe, except hoses and movable piping used for irrigation purposes, shall be installed or maintained on any Lot above the surface of the ground, except in connection with any Land Development Activity;

(b) no Structure shall be used for any purpose other than that for which it was originally designed;

(c) except for the creation of a condominium or cooperative, no Lot shall be split, divided, or subdivided for sale, resale, gift, transfer or otherwise.

(d) no Lot or portion thereof shall be used for any mining, boring, quarrying, drilling, removal of, or any other exploitation of subsurface natural resources, which would conflict with the surface development.

6.16. **Rules.** From time to time the Board of Directors may adopt general rules, including but not limited to rules to regulate potential problems relating to the use of property and the well-being of Members and Residents, such as the definition of nuisances, keeping of animals, storage and use of all vehicles, parking of vehicles, storage and use of machinery, use of outdoor drying lines, antennas, satellite dishes, signs, trash and trash containers, restrictions on sprinkler and irrigation systems, private irrigation wells and uses of lakes, water bodies and wetlands, maintenance and removal of vegetation on the Property and the type and manner of application of fertilizers or other chemical treatments to the Property in accord with non-point source pollution control standards. All such rules and any subsequent amendments thereto shall be binding on all Members and Residents of the Property, including their tenants, guests and invitees, except where expressly provided otherwise in such rule. Such rules as adopted from time to time are herein incorporated by reference and shall be as binding as if set forth herein in full; provided, however, that in the event of a conflict between any provision(s) in the rules and the Declaration, Bylaws or Articles, the Declaration, Bylaws or Articles, as applicable, shall control.

6.17. **Declarant Exemption.** The foregoing provisions of Article VI shall not be applicable to Declarant.

ARTICLE VII. Annexations, Withdrawals and Conversions

7.1. **Additions by Declarant.** Declarant hereby reserves the right (but not the obligation) at any time within the Development Period to subject to this Declaration, by recordation of a supplemental declaration, or make subject to by incorporation by reference in any deed of conveyance or annex to this Declaration, any Additional Land, at its sole option; provided. Declarant may impose additional or different restrictions, easements and covenants on such Additional Land as Declarant deems necessary and appropriate. Action under this Section shall not require the prior approval of the Class A Members.

7.2. **Additions by the Members.** Land other than the Additional Land may be subjected, annexed or submitted to this Declaration with the written consent of (i) 66 2/3% of the Class A Members, and (ii) during the Development Period, with the consent of the Class B Member.

7.3. **Withdrawable Real Estate.** During the Development Period, Declarant shall have the right, without the consent of the Association or any Owner, to execute and record an amendment to the Declaration withdrawing any portion of the Property which it owns from the operation of this Declaration.

ARTICLE VIII.
Easements

8.1. **General Easement.** Declarant reserves the right and easement to use all areas owned by the Association, as may be needed for repair, maintenance or construction on any Community Facility or as may be required by City for bond release.

8.2. **Models, Sales Offices of Declarant.** Declarant hereby reserves to itself and its designees the right to: (i) use any Lots owned or leased by Declarant, any other Lot with the written consent of the Owner thereof or any portion of the Community Facilities (including any improvements) as models, management offices, sales offices, a visitors' center, construction offices, customer service offices or sales office parking areas (provided, however, that Declarant shall remain responsible for the upkeep and operating expenses of any Community Facilities used for the foregoing purposes); and (ii) place and maintain (and relocate and remove) in any location on the Community Facilities or the common elements of any condominium or on any Lot, street and directional signs, temporary promotional signs, plantings, street lights, entrance features, "theme area" signs, lighting, stone, wood or masonry walls or fences and other related signs and landscaping features; provided, however, that all signs shall comply with Declarant guidelines and Declarant shall obtain the consent of the Owner of any Lot on which the foregoing are placed.

8.3. **Crossover Easement.** If the Owner (including Declarant) of any Lot must, in order to make responsible repairs or improvements to a Structure on his Lot, enter or cross any area owned or to be owned by the Association, or a Lot of another Owner, such Owner shall have an easement to do so, provided that said Owner shall use the most direct, feasible route in entering and crossing over such an area and shall restore the surface so entered or crossed to its original condition at the expense of said Owner, and further provided that such easement shall not exist on the Lot of any other Owner if the purpose for the entrance or crossing is one requiring, by virtue of Article V of this Declaration, approval of either the Board of Directors or the Covenants Committee, unless such approval has been given.

8.4. **Blanket Easement.** An easement is hereby retained in favor of Declarant and granted to the Association over the Lots and any area owned by the Association for the installation of landscaping or construction of signage, a common cable television system, a common irrigation system, or any other item installed for the common enjoyment and/or benefit of the Owners, provided that the same does not interfere with any Land Development Activity. An easement is further granted for the purpose of the repair and maintenance of any of the foregoing items so installed. Any entry upon any Lot or any area owned by the Association to effectuate the foregoing purposes shall not be deemed trespass. As to each Lot on which the applicable Dwelling Unit has been completed, the applicable Owner covenants not to damage or destroy any facilities so installed and shall hold the Association and/or Declarant harmless from the cost of repairing or replacing any facility damaged or destroyed by such Owner, his family, his guests or invitees.

8.5. **Easement and Right of Entry by Law Enforcement Officials, Etc.** An easement and right of entry through and upon the Property is hereby granted to law enforcement officers, rescue squad personnel, firefighting and other emergency personnel of the City, and to

vehicles operated by said personnel while in the performance of their duties. Said emergency personnel shall also have the right of enforcement of cleared emergency vehicle access on roadways and driveways on the Property.

8.6. **Utility Easements.** Easements over the Property for the installation and maintenance of electric, telephone, cable television, water, gas, roof drains connected directly to storm sewer, drainage and sanitary sewer lines and facilities and the like are hereby reserved by Declarant, together with the right to grant and transfer the same. Declarant also reserves the right to enter onto the Community Facilities for the purpose of completing the improvements thereon, and on the Lots, and for the further purpose of carrying out any correction of defects in workmanship or materials in the Property or the improvements thereon.

The rights and duties with respect to easements for sanitary sewer and water, cable television, electricity, gas and telephone lines and facilities in favor of the Declarant, including the utility easements granted pursuant to this Section, shall be governed by the following:

(a) Whenever water, sanitary sewer, roof drains connected directly to storm sewer, footing drains, condensation lines, electricity, gas, cable television or telephone connections, lines, cables or any portion thereof (including gas lines remaining beneath other Lots and the improvements thereon), are or have been installed within the Property, the Owner of any Lot or the Association shall have the right, and is hereby granted an easement to the extent necessary, to enter upon or have a utility company enter upon any portion of the Property in which said installations lie, to repair, replace and generally maintain said installations.

(b) The right granted in paragraph (a) above shall be only to the extent necessary to entitle the Owner or Association serviced by said installation to its full and reasonable use and enjoyment and provided further that any one exercising said right shall be responsible for restoring the surface of the easement area so used to its condition prior to such use.

(c) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to its Board of Directors, who shall decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

8.7. **Drainage Easement.** Each Owner of a Lot on which a storm drainage or storm water management easement exists shall keep such area free of debris so as not to impede drainage. Each Owner covenants to provide such additional easements for drainage and water flow as the contours of the Property and the arrangement of buildings by Declarant thereon requires; provided, however that such easements shall not have a material adverse effect upon any Lot on which said easements are utilized. Declarant reserves an easement over all Lots and the Community Facilities for the purpose of correcting any drainage deficiency, whether such deficiency is located on such Lot or Community Facility or on adjoining property which right shall include but not be limited to the right to re-grade and/or alter the existing grade of Lots and the Community Facilities.

8.8. **Encroachment Easement.** Each Lot within the Property is hereby declared to have an easement, one (1) foot in width over all adjoining Lots and Common Areas, for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, roof overhangs, gutters, architectural or other appendages, draining of rain water from roofs, or any other similar cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement, or shifting; provided, however, that any Owner or his agents shall be liable for any negligence or misconduct while on another Owner's Lot. In the event a Structure on any Lot is partially or totally destroyed and then repaired or rebuilt, the Owner of each Lot agrees that minor encroachments over adjoining Lots and on Common Areas owned by the Association shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. In addition, a like easement shall exist in favor of the Association in the event of minor encroachment of any of the Community Facilities upon any Lot.

8.9. **Transferability.** To the extent any easement or right enumerated in this Article VIII shall inure to the benefit of Declarant, Declarant shall, without waiving any future rights, have the right to transfer its easement and rights hereunder.

8.10. **Exercise of Easement Rights.** Declarant and each Owner shall exercise prudence and care in connection with the entry upon any other Owner's Lot pursuant to the easements granted in this Declaration and shall use its or his best efforts to minimize disturbance of the other Owner and damage to his Lot or property. The Owner entering another Owner's Lot covenants, at his sole expense, to promptly repair any damage to such Lot and to provide to the Owner of any Lot upon which he is entering, evidence of the existence of liability insurance in such amounts and with such carriers as are reasonably deemed adequate by the Board of Directors of the Association. The violation of any rule or regulation adopted by the Association, or the breach of this Declaration, shall give the Board of Directors of the Association the right, in addition to any other right or remedy elsewhere available to it:

(a) To enter onto any Lot as to which such violation or breach exists, and to summarily abate and remove, at the expense of the violating Owner, any Structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of this Declaration, and the Board of Directors of the Association shall not be deemed to have trespassed; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

All expenses of the Board of Directors or the Association in connection with such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the legal rate until paid, shall be charged to and assessed against such defaulting Owner, and such charge shall have the same force and effect as a Special Assessment against such Owner's Lot, and the Association shall have a lien for all of the same upon the Lot of such defaulting Owner, and a security interest under the Virginia Uniform Commercial Code on all fixtures and personal property located in his Dwelling Unit or located elsewhere on the Property. Any and all of such rights and remedies

may be exercised at any time and from time to time, cumulatively or otherwise, by the Board of Directors of the Association.

8.11. **Granting of Easements.** Declarant hereby reserves to itself and also grants to the Association, the right to grant and reserve easements, rights-of-way and licenses over and through: (i) the Common Area; (ii) any Lot within ten (10) feet of any boundary line of the Lot abutting a public or private street or ten (10) feet from any other Lot boundary line (except that no easements may be granted which run or will run under a building except to serve such building); and (iii) within any designated easement areas shown on subdivision plats for any Lot or Common Area; for any purpose necessary or desirable for the orderly development of the Property or the Additional Land or for any other reasonable purpose. If the person installing the utility or providing a service requests a specific easement by separate recordable document, then Declarant or the Board of Directors, without Owner or Member approval, shall have the power to record a deed locating such easements.

ARTICLE IX. Party Walls

The rights and duties of the Owners of Lots with respect to party walls shall be governed by the following:

9.1. **General Rules of Law to Apply.** Each wall which is constructed as a part of the original construction on the Property and any part of which is placed on the dividing line between separate Lots, shall constitute a party wall, and with respect to such wall, each of the adjoining Owners shall assume the burdens and be subject to an easement for that portion of a party wall on his Lot, and be entitled to the benefits of these covenants and, to the extent not inconsistent herewith, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions, shall apply thereto.

9.2. **Sharing of Repair and Maintenance and Destruction by Fire or Other Casualty.** If any such party wall is damaged or destroyed by fire or other casualty or by some cause other than the act of one of the adjoining Owners, his agents, family, guests or tenants (including ordinary wear and tear and deterioration from lapse of time) then, in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly, in proportion to their respective use of the party wall.

9.3. **Repairs Necessitated by Act of One Owner.** If any such party wall is damaged or destroyed through the act of one adjoining Owner or any of his agents or guests or members of his family or tenants (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall, then the first of such Owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly, without cost to the adjoining Owner.

9.4. **Other Changes.** In addition to meeting the other requirements of these covenants, and of any building code or similar regulations or ordinances, any Owner proposing

to modify, make additions to or rebuild his residence in any manner which requires the extension or other alteration of any party wall shall first obtain the written consent of the adjoining Owner.

9.5. **Right to Contribution Runs With Land.** The right of any Owner to contribution from any other Owner under this Article IX shall be appurtenant to the land and shall pass to such Owner's successors in title.

9.6. **Dispute.** In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to its Board of Directors, who shall decide the dispute, and the decision of such Board of Directors shall be final and conclusive upon the parties. In the event the affected Owners are subject to a Subassociation, the Board of Directors may delegate its duties and authority with respect to this Article to such Subassociation.

9.7. **Condominium Exempt.** The provisions of this Article IX shall not apply to any condominium or condominium units on the Property which are created in accordance with the Virginia Condominium Act.

ARTICLE X. Mortgages

10.1. **Notice to Board of Directors.** An Owner who acquires a Dwelling Unit and/or Lot shall promptly notify the Board of Directors of his name and address. Any Mortgagee may give written notice to the Association of its name and address and the address of the Lot to which its mortgage applies.

10.2. **Notice of Default, Casualty or Condemnation.** Upon written request, the Association shall give notice to any Mortgagee of the Owner's default in paying an assessment or any other default with respect to that Mortgagee's Lot which has not been cured within 60 days of the date such assessment became due or the date the Association notified such Owner of the default, respectively.

10.3. **Other Rights of Mortgagees.** Upon written request, any Mortgagee shall be entitled to receive written notice of meetings of the Association, and all Mortgagees or their designees shall be entitled to attend meetings of the Association and shall have the right of to speak at such meetings. All Mortgagees shall have the same right as an Owner to examine the books and records of the Association available to Owners pursuant to Section 55-510 of the Property Owners' Association Act during normal business hours after reasonable notice and for purposes reasonably related to its interest.

10.4. **No Restriction on Land Development Activity.** Notwithstanding anything to the contrary contained in this Declaration, no Land Development Activity as to any of the Property shall be restricted or impaired.

10.5. **Failure of Mortgagee to Respond.**

Any Mortgagee who receives a written request from the Board to consent to any action shall be deemed to have consented to such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Mortgagee's receipt of such request, provided such request advises the recipient (IN SOLID CAPITAL LETTERS) that its consent will, pursuant to the terms of this Declaration, be deemed given if a timely response is not made and is delivered to the Mortgagee by certified or registered mail, return receipt requested at the address of such Mortgagee for notices that is set forth in its Mortgage (or such other address for notices as such Mortgagee may designate to the Association in writing from time to time).

No request under this Section shall be effective unless it (i) identifies the name of each mortgagor or grantor under the applicable Mortgage; (ii) refers specifically to "the Quarterpath at Williamsburg Project in Williamsburg, Virginia"; (iii) refers specifically to this "Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Green Hill at Quarterpath"; (iv) identifies the number of days after receipt of such request by which a response is required pursuant to this Section; and (v) identifies the address of the Association to which a response is to be made.

ARTICLE XI. Insurance and Casualty Losses

11.1. **Insurance.** The Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Community Facilities and may, by written agreement with any Subassociation, assume the insurance responsibility for the Property held by or the responsibility of such Subassociation against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Neither the Association nor any such Subassociation shall have any right or power to obtain or maintain property insurance with respect to any Dwelling Unit owned by an Owner; and nothing herein shall impair any right of an Owner or its Mortgagee to collect any property insurance proceeds as to a Dwelling Unit or to dispose of the same (including, without limitation, the right to apply the same to the indebtedness secured by the applicable Mortgage, without any requirement to apply the same to repair and restoration); provided, however, that if any portion of the Property is a condominium, the treatment of property insurance and property insurance proceeds shall be dealt with specifically in the declaration of condominium. The Board shall also obtain a public liability policy covering the Community Facilities, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents, and if reasonably available, directors' and officers' liability insurance, and fidelity bond coverage in an amount not less than three (3) months' Annual General Assessments plus the Association's reserves for all officers or employees of the Association having fiscal responsibility for and direct access to Association funds. The public liability policy shall have at least a Two Million (\$2,000,000) Dollar limit per occurrence for both bodily injury and property damage. Premiums for all insurance on the Community Facilities shall be expenses of the Association covered by the Annual General Assessment; premiums for insurance provided to other associations shall be charged to those associations. The casualty insurance policy may

contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance equals the full replacement cost.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for the respective benefited parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in Virginia and holding a size rating of VII or better in the Financial Category as established by A.M. Best Company, Inc., if available and, if not available, the most nearly equivalent rating.

(b) All policies on the Community Facilities shall be for the benefit of the Owners and their Mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies in force on the Community Facilities obtained by the Association shall be vested in the Board of Directors.

(d) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees, and the insurance carried by the Board of Directors shall be primary.

(e) All casualty insurance policies shall have an agreed amount endorsement.

(f) The Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) A waiver of subrogation by the insurer as to any claims against the Board of Directors, the Association, the Association's managing agent, the Declarant, the Owners and their respective tenants, servants, agents and guests;

(ii) A waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) That any "other insurance" clause in any policy exclude individual Owners' policies from consideration.

11.2. **No Partition.** There shall be no physical partition of the Community Facilities or any part thereof, nor shall any person acquiring any interest in the Property or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 11.4 of this Article in the case of damage or destruction, or unless the Property has been removed from the provisions of this Declaration. This Section shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

11.3. **Disbursement of Proceeds.** Proceeds of property insurance policies carried by the Association or a Subassociation on Community Facilities shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Community Facilities or, in the event no repair or reconstruction is made, shall be retained by and for the benefit of the Association. This is a covenant for the benefit of any Mortgagee of a Dwelling Unit and may be enforced by such Mortgagee.

(b) If it is determined as provided for in Section 11.4 of this Article that the damage or destruction to the Community Facilities for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 11.3(a) hereof.

11.4. **Damage and Destruction.**

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Community Facilities covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction as used in this paragraph means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Community Facilities shall be repaired or reconstructed unless Declarant (during the Development Period) and at least seventy-five percent (75%) of the total vote of the Class A Members of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost, repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, that such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the Community Facility damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Community Facilities shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the Property shall be restored to its natural state and maintained as an undeveloped portion of the Community Facilities by the Association in a neat and attractive condition.

11.5. **Repair and Reconstruction.** If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Association's Members, levy a special assessment against all Owners. Additional assessments may, be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the cost of repair, such excess shall be deposited to the benefit of the Association.

11.6. **Purchase of Insurance.** All insurance policies relating to the Community Facilities shall be purchased by the Association. Neither the Board of Directors, the Managing Agent nor the Declarant shall be liable for failure to obtain any coverage required by the Declaration, by this Article XI or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverage is available only at unreasonable cost.

ARTICLE XII. Condemnation

12.1. **Common Area Condemnation.** Whenever all or any part of the Community Facilities shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on its behalf) by any authority having the power of condemnation or eminent domain, any award for payment shall be paid to the Association and the Board of Directors shall have those powers and authorities set forth in Section 55-516.2 of the Property Owners' Association Act. The award made for such taking shall be disbursed as follows:

If the taking involves a portion of the Community Facilities on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant (during the Development Period) and at least seventy-five percent (75%) of the Class A Members of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Community Facilities to the extent lands are available therefore, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article XI hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Community Facilities, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

ARTICLE XIII. Townhouse Cluster

13.1. **Creation of Cluster.** All of the Lots described on **Exhibit A** are hereby designated as a Cluster and shall be known as the Townhouse Cluster. All or any part of the Additional Land may be added by the Declarant to the Townhouse Cluster, without the consent of the Owners, or any other person or entity, at any time on or before the end of Development Period.

ARTICLE XIV. General Provisions

14.1. **Duration.** The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Declaration is recorded, after

which time they shall be automatically extended for successive periods of twenty-five (25) years, unless amended as provided in this Article.

14.2. **Amendment.**

(a) Subject to the other limitations set forth in this Section and elsewhere in this Declaration, this Declaration may be amended by an instrument approved by Declarant (during the Development Period) and Owners of not less than two-thirds (2/3) of Lots. The amendment instrument shall comply with the requirements of Section 55-515.1 of the Property Owners Association Act and shall be recorded in the Clerk's Office. Unless a later date is specified in any such instrument, any amendment made pursuant to this Declaration shall become effective on the date of recording.

(b) Notwithstanding anything to the contrary herein contained, Declarant reserves the right during the Development Period to unilaterally amend this Declaration without the consent of any Owners, Residents, or any other Persons claiming an interest in the Property or the Association.

(c) Without the express prior written consent of Declarant, no amendments shall be made to the Declaration, and no rules and regulations shall be adopted which shall modify the Assessments or other charges on or exceptions applicable to Declarant, which modify either rights or exemptions applicable to Declarant or which shall restrict, impair or in Declarant's sole judgment adversely affect Declarant's activities on the Common Area, delegation of use of the Common Area, or marketing and sale of the remaining Dwelling Units or Lots.

14.3. **Enforcement.** Subject to the limitations set forth in Article XVI below, Declarant, the Association and its Board of Directors, the Covenants Committee, or any Owner, shall have the right to enforce, by 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 any of the same to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter. The provisions of this Section 14.3 shall be in addition to and not in limitation of any rights or remedies provided in other Sections of this Declaration.

14.4. **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions hereof which provisions shall remain in full force and effect.

14.5. **Construction.** The Board of Directors shall have the right to construe the provisions of this Declaration, and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, or an injunction or stay granted by such court, such construction shall be final and binding as to all persons and entities benefited or bound by the provisions of this Declaration.

14.6. **Invalidity.** The determination by a court of competent jurisdiction that any provision of this Declaration is invalid for any reason shall not affect the validity of any other provision hereof.

14.7. **Headings.** The headings of the Articles and Sections of this Declaration are for convenience only and shall not affect the meaning or construction of the contents of this Declaration.

14.8. **Gender.** Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular, the plural, and vice versa.

14.9. **Declarant's Reservation.** Owners acknowledge that Declarant may, from time to time, rezone or amend the zoning or other land use laws or development conditions relating to the Property or the Additional Land following the date of recordation of this Declaration. In the event that any rezoning application, proffer amendment, variance, special exception, use permit or other type of land use application filed with the City shall require the joinder of any Owners, each Owner by acceptance of the Deed for any Lot irrevocably appoints the Association as its attorney-in-fact for the purpose of executing any proffer amendments or rezoning applications, variance, special exception or other type of land use applications as may be reasonably required in connection with the development of the Property.

14.10. **Cable Agreement.** Declarant, through its designated members of the Board of Directors of the Association, may enter into, on behalf of the Association, one or more long term agreements with public or private utility companies, or other provider(s) (the "Service Provider") for cable television, telephone, security monitoring, and other communication services. Such agreements may provide for "bulk billing" to the Association for every Dwelling Unit to be located on the Property. Accordingly, the Annual Assessments levied by the Board of Directors of the Association may include a component for basic cable television, basic telephone services and/or security monitoring services covered by any bulk billing arrangement with the Service Provider.

In connection with any bulk billing agreement it may occur that by virtue of separate agreements with the Service Provider, the Service Provider may pay directly to Declarant and/or at the sole discretion of the Declarant, the Association, a certain percentage of the revenues received by the Service Provider under any bulk billing agreement with the Association and any premium agreements with the Owners or Residents.

If applicable, copies of all bulk billing agreements between the Association and the Service Provider and copies of any agreements providing for any payments to Declarant from the Service Provider will be available for inspection, upon request, at the sales office for the community.

14.11. **Termination.** The Owners of Lots shall not dissolve or disband the Association, nor shall the Association dispose of any Common Area by sale, or otherwise, except to an organization conceived and organized to own and maintain the Common Area, without first offering to dedicate the same to the jurisdiction in which the Property is located, or such other

appropriate governmental agency. Termination of the Association shall be according to the provisions of the Articles of Incorporation.

14.12. **Security.** NEITHER THE ASSOCIATION NOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, RESIDENTS, GUESTS, AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, DECLARANT, AND COMMITTEES ESTABLISHED BY ANY OF THE FOREGOING ENTITIES, ARE NOT INSURERS AND THAT EACH OWNER, TENANT, RESIDENT, GUEST, AND INVITEE ASSUMES ALL RISK OF LOSS OR DAMAGE TO PERSONS, TO STRUCTURES OR OTHER IMPROVEMENTS SITUATED ON LOTS AND TO THE CONTENT OF ANY DWELLING UNITS ON LOTS AND FURTHER ACKNOWLEDGE THAT DECLARANT HAS MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, TENANT, RESIDENT, GUEST, OR INVITEE RELIED UPON ANY REPRESENTATION OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES RECOMMENDED OR UNDERTAKEN.

14.13. **Obligations of Declarant.** None of the provisions of this Declaration shall obligate or be construed to obligate Declarant or its agents, representatives or employees, to undertake any affirmative action to enforce the provisions of this Declaration, any Supplemental Declaration or any provision hereof or thereof, or to undertake any remedial or corrective action with respect to any actual or asserted violation hereof or thereof.

ARTICLE XV. Loans by Declarant

The Declarant shall have the option, but not the obligation, to loan money to the Association for the purpose of funding any cash operating deficits of the Association and such other purposes as Declarant shall deem necessary or desirable in Declarant's sole and absolute discretion. Any such loans shall be on such terms and at such rates as are commercially reasonable to enable the Association to comply with its obligations under this Declaration. Such loan or loans may be in lieu of, or in addition to, loans obtained by the Association from other parties. Any such loan shall be represented and secured by one or more promissory notes of the Association and shall be listed and disclosed as "Loans from Declarant" on all annual budgets and year-end financial statements of the Association. The foregoing loans are collectively referred to as "Declarant Loans" or "Loans from Declarant." Declarant shall have the express right, but not the obligation, to forgive, extend the term or reduce in whole or in part, any amounts due and payable by the Association to Declarant under the Declarant Loans.

ARTICLE XVI. Resolution of Disputes

16.1. **Resolution of Disputes.**

(a) Declarant, the Association and its officers, directors, and committee members, all Persons subject to this Declaration and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving Green Hill at Quarterpath without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection (b), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 16.2 in a good faith effort to resolve such Claim.

(b) As used in this Article, the term "Claim" shall refer to any claim, grievance or dispute arising out of or relating to

(i) the interpretation, application, or enforcement of the Governing Documents;

(ii) the rights, obligations, and duties of any Bound Party under the Governing Documents; or

(iii) the design or construction of improvements within Green Hill at Quarterpath Community, other than matters of aesthetic judgment under Article V, which shall not be subject to review;

except that the following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 16.2:

(A) any suit by the Association to collect Assessments or other amounts due from any Owner;

(B) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Articles V and VI of this Declaration;

(C) any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of this Declaration, the Articles, the Association Bylaws, or rules and regulations adopted by the Board of Directors;

(D) any suit in which any indispensable party is not a Bound Party; and

(E) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 16.2(a), unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

16.2. **Dispute Resolution Procedures.**

(a) Notice. The Bound Party asserting a Claim (“Claimant”) against another Bound Party (“Respondent”) shall give written notice to each Respondent and to the Board stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and the Respondent’s role in the Claim;

(ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(iii) the Claimant’s proposed resolution or remedy; and

(iv) the Claimant’s desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(c) Mediation. If the parties have not resolved the Claim through negotiation within 30 days of the date of the notice described in Section 16.2(a) (or within such other period as the parties may agree upon), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the Williamsburg, Virginia area.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the Parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

Each Party shall bear its own costs of the mediation, including attorneys’ fees, and each Party shall share equally all fees charged by the mediator.

(d) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one

non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

16.3. **Initiation of Litigation by Association.** .

In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association shall not initiate any judicial or administrative proceeding unless first approved by a vote of Class A Members entitled to cast 75% of the total Class "A" and Class "B" votes in the Association, respectively, except that no such approval shall be required for actions or proceedings:

- (a) initiated during the period when Declarant or any assignee is the Class B Member;
- (b) initiated to enforce the provisions of this Declaration, including collection of assessments and foreclosure of liens;
- (c) initiated to challenge ad valorem taxation or condemnation proceedings;
- (d) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- (e) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

This Section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

(Signature Page for Declaration of Covenants, Conditions, and Restrictions and
Reservation of Easements)

IN WITNESS WHEREOF, the undersigned, have executed this instrument on the ____
day of _____, 200_.

QUARTERPATH WILLIAMSBURG, LLC,
a Virginia limited liability company

By: _____

Name: _____

Title: _____

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____

The foregoing instrument was acknowledged before me this the ____ day of
_____, 20__, by _____, who is personally known to me, or who
produced _____ as identification, as _____ of
Quarterpath Williamsburg, LLC, a Virginia limited liability company, on its behalf.

Notary Public

My commission expires: _____

My registration number is: _____

[Affix Notarial Stamp]

EXHIBIT A

Property

All those tracts or parcels of land lying and being in the City of Williamsburg, Virginia, and being shown and described as Lots "1" through "22", inclusive, Lots "83" through "98", inclusive, Lot "CA-1", "ALLEY 'B'", "ALLEY 'F'", "ALLEY 'G'" and "ALLEY 'I'", as shown on the plat (the "Village Green North Plat") entitled "PLAT OF SUBDIVISION VILLAGE GREEN NORTH TOWNHOMES AT QUARTERPATH PHASE ONE BEING THE PROPERTY OF QUARTERPATH WILLIAMSBURG, LLC" dated 6/12/14, last revised 7/31/14, prepared by AES Consulting Engineers and recorded in the Clerk's Office of the Circuit Court of the City of Williamsburg and County of James City (the "Clerk's Office") as Instrument No. _____.

EXHIBIT B

Additional Property

All those certain lots, pieces or parcels of land situate in the City of Williamsburg, Virginia and designated as “RESIDUAL PARCEL B 118.033± ACRES”, “RESIDUAL PARCEL A 70.640 ACRES”, “LOT 3 0.959 AC.” and “LOT 4 0.081 AC.” as shown on that plat entitled “QUARTERPATH AT WILLIAMSBURG SECTION 1 CITY OF WILLIAMSBURG, VIRGINIA,” dated January 20, 2014, made by Shadrach & Associates, LLC, and recorded in the Clerk’s Office of the Circuit Court for the City of Williamsburg and County of James City, Virginia (the “Clerk’s Office”) as Instrument No. 140706, but excluding the property described in Exhibit A above; and

Less and Except the public street rights-of-way being shown and designated as “REDOUBT ROAD 75’ Public R/W”, “PROSPECT STREET 62’ Public R/W”, “GREEN HILL STREET 72’ Public R/W” and “EASTVIEW STREET 72’ Public R/W” on the “Village Green North Plat” (defined in Exhibit A); and

Less and Except all those certain lots, pieces or parcels of land situate in the City of Williamsburg, Virginia and designated as “LOT B-2 179,375 S.F. 4.118 AC.” and “LOT B-3 130,860 S.F. 3.004 AC.” as shown on that plat entitled “SUBDIVISION OF RESIDUAL PARCEL B QUARTERPATH AT WILLIAMSBURG SECTION 1 BEING THE PROPERTY OF QUARTERPATH WILLIAMSBURG, LLC CITY OF WILLIAMSBURG, VIRGINIA” dated 04/16/2014, made by Landtech Resources, Inc., and recorded in the Clerk’s Office as Instrument No. 140732.

EXHIBIT C

Articles of Incorporation

EXHIBIT D

Bylaws

BYLAWS
OF
GREEN HILL AT QUARTERPATH ASSOCIATION, INC.

ARTICLE I

Definitions

The words in these Bylaws which begin with capital letters (other than words which would be normally capitalized) shall have the following meanings ascribed to them. Any terms not defined in these Bylaws shall have the meaning set forth in the Declaration (as hereinafter defined) or the Articles (as hereinafter defined). Masculine words such as “he,” “him,” and “his” have been utilized solely for convenience of reference, and where utilized they shall also mean and include the feminine counterparts to such words.

“***Additional Land***” shall mean and refer to the real estate described in Exhibit “B” to the Declaration.

“***Annual Assessments***” shall mean and refer to the Annual General Assessment and Services Assessment levied by the Association in each of its fiscal years pursuant to Article IV of the Declaration.

“***Annual General Assessment***” shall mean and refer to the annual charge shared by all Class “A” Members (other than those who own only Exempt Property) and established pursuant to Article IV of the Declaration.

“***Articles***” shall mean and refer to the Articles of Incorporation of Green Hill at Quarterpath Association, Inc. filed with the Commonwealth of Virginia State Corporation Commission, as the same may be from time to time amended, supplemented, modified and/or restated.

“***Assessable Property***” shall mean and refer to all of the Property except such part or parts thereof as may from time to time constitute Exempt Property.

“***Association***” shall mean and refer to Green Hill at Quarterpath Association, Inc., a Virginia non-stock corporation. The Association is sometimes referred to as the Corporation.

“***Board of Directors***” and “***Board***” shall mean and refer to the Board of Directors of the Association.

“***Class A Members***” shall mean and refer to all Owners excluding the Association and excluding the Declarant for so long as it is the Class B Member.

“Class B Member” shall mean and refer to the Declarant.

“Clerk’s Office” shall mean and refer to the Clerk’s Office of the Circuit Court for the City of Williamsburg, Virginia.

“Cluster” shall mean and refer to a group of Lots designated as such by the Declarant.

“Community Facilities” and/or **“Common Area”** (which terms are used interchangeably in these Articles) shall mean and refer to all personal and real property (including without limitation, real property owned in fee simple, leasehold interests in real property, and easement rights in real property) and the improvements thereon from time to time owned or leased by the Association for the common use and enjoyment of the Members. Community Facilities and/or Common Area may (but need not) include any common areas, easement areas, public, neighborhood or community buildings, recreational facilities, natural open space easements, natural resource facilities, parks and other open space land, lakes and streams, Stormwater Management Facilities and drainage facilities including but not limited to Best Management Practice facilities (“BMP’s”), all private streets and pipestem driveways, sidewalks, pathway and bikeway systems, pedestrian facilities, cable television facilities, design amenities and other community facilities and buildings needed in connection with water supply, sewage disposal, gas, electric, or other utility lines, equipment or installations. Except as otherwise specifically provided in such writing, no structure (in whole or in part) will be included in Common Area or Community Facilities. The Association is responsible for management and maintenance of all Common Area and Community Facilities.

“Covenants Committee” shall mean and refer to the Covenants Committee so named and established in accordance with Article V of the Declaration.

“Declarant” shall mean and refer to QUARTERPATH WILLIAMSBURG, LLC, a Virginia limited liability company, its successors and assigns; provided, however, that no successor or assignee of Declarant shall have any rights or obligations of Declarant hereunder unless such rights and obligations are specifically set forth in an instrument of succession or assignment designating a party as Declarant hereunder or which pass by operation of law, and such successor or assign accepts the same. Declarant reserves the right to assign in whole or in part its rights as the “Declarant” to any Owner of all or any part of the Property or any owner of any portion of the Additional Land.

“Declaration” shall mean and refer to the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Green Hill at Quarterpath recorded, or to be recorded, among the land records of Williamsburg, Virginia, as it may from time to time be amended, supplemented, modified and/or restated in the manner provided therein.

“Development Period” shall mean and refer to the period commencing on the date of the Declaration and terminating on the earlier of (a) one (1) year after the date on which Declarant no longer own any part of the Property or the Additional Land; or (b) any earlier date specified by Declarant in a written notice to the Association that the Development Period is to terminate on that date.

“Dwelling Unit” shall mean any portion of the Property, as improved, intended for any type of independent ownership for use and occupancy as a residence by one household and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) a condominium unit, an apartment or cooperative unit, a duplex unit, a townhouse, single family attached and detached or zero lot line home, as may be used and defined as herein provided or as provided in subsequent amendments or supplements to the Declaration covering all or part of the Property.

“Exempt Property” shall mean and refer to (i) all interest in land (including Lots) and structures and Community Facilities owned by the Association for so long as the Association shall be the owner thereof; (ii) all land (including Lots) and structures owned by Declarant; and (iii) all properties dedicated to and accepted by a public authority.

“Land Development Activity” shall mean and refer to any building, construction, reconstruction or repair of a Dwelling Unit, roadways, curbing, sidewalks, utility services or any other Structure on a Lot or any other portion of the Property by the Declarant and/or by other persons regularly engaged in the building or construction business, if such Person is granted approval in writing by the Declarant.

“Lot” shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property which has been subjected to the Declaration and upon which a Dwelling Unit(s) could be constructed in accordance with Williamsburg zoning ordinances and to each condominium unit or apartment or cooperative unit on the Property created in accordance with the applicable laws of Virginia in effect from time to time. “Lot” shall not mean or refer to Community Facilities.

“Master Association” shall mean Quarterpath Mixed-Use Community Association, Inc., a Virginia nonstock corporation or its successors or assigns.

“Master Declaration” shall mean the Master Declaration of Covenants, Easements and Restrictions for Quarterpath at Williamsburg (Mixed-Use), dated April 10, 2014, and recorded with the Clerk’s Office of the Circuit Court for the City of Williamsburg and County of James City, Virginia, as Instrument Nos. 140709 and 140006168.

“Member” shall mean each Class A Member and Class B Member of the Association.

“Mortgagee” shall mean the holder of any recorded mortgage, or the trustee and beneficiary of any recorded deed of trust, encumbering one or more of the Lots. “Mortgage,” as used herein, shall include deeds of trust. References to the “holder” of a Mortgage shall include the trustee and the beneficiary under any recorded Deed of Trust. “First Mortgagee” as used herein, shall mean a holder of a Mortgage with priority over all other Mortgages. As used in the Declaration, the term “Mortgagee” shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in the Declaration, the term “institutional mortgagee” or “institutional holder” shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association (“FNMA”), Federal Home Loan Mortgage Corporation (“FHLMC”), all corporations and any agency or department

of the United States Government or of any state or municipal government. References herein to the foreclosure of a Mortgage shall include the exercise of a power of sale under such Mortgage, as well as a judicial foreclosure of the Mortgage.

“Owner” shall mean and refer to the record owner, whether one or more persons or entities, of any Lot which is part of the Property but excluding in all cases any party holding an interest merely as security for the performance of an obligation. For the purpose of this definition, the owner of Lots in an apartment in which the Dwelling Units are held out for rent, shall be the record owner of the apartment building or buildings. The owner of Lots in a cooperative shall be the cooperative corporation.

“Person” shall mean and refer to any individual, corporation, limited liability company, joint venture, partnership, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other separate legal entity.

“Property” shall mean and refer to those certain lands in Williamsburg, Virginia, more particularly described in Exhibit “A” attached to the Declaration, together with such Additional Land as may be subjected hereinafter to the Declaration pursuant to the provisions thereof.

“Property Owners’ Association Act” shall mean and refer to the Virginia Property Owners’ Association Act set forth in § 55-508, *et seq.*, of the Code of Virginia, as the same may be from time to time amended, repealed or superceded. In the event such act is repealed and superceded by another act of similar intent and purposes, such term shall be deemed to refer to the successor act.

“Resident” shall mean and refer to (i) each individual occupying any Dwelling Unit pursuant to a lease agreement with the Owner thereof who, if requested by the Board of Directors, has delivered proof of such lease agreement to the Board of Directors; (ii) members of the immediate family of such individual or of an Owner who actually reside within the Property and in the same household with each such individual or Owner; and (iii) any person who has a fixed place of habitation at a Dwelling Unit of any such individual or Owner to which, whenever he is absent, he has the intention of returning.

“Services Assessment” shall mean and refer to the charge or charges imposed upon the owners of Lots in a Cluster or other section of the Property or against a Subassociation for certain services rendered pursuant to Article IV of the Declaration.

“Special Assessment” shall mean and refer to any special charge established pursuant to Article IV of the Declaration.

“Structure” shall mean and refer to:

- (a) Any Community Facility,
- (b) Any structure, thing or object (other than trees, shrubbery, landscaping and hedges less than two feet high) the placement of which upon any Lot may affect the

appearance of such Lot, including, but not limited to any building, garage, porch, shed, greenhouse, bathhouse, coop, cage, house trailer, covered or uncovered patio, swimming pool, fence, curbing, paving, wall, signboard, antenna, satellite dish, statue, flagpole or similar structure or any other temporary or permanent improvement on such Lot,

(c) Any excavation, fill, ditch, dam, berm or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot, and any Lot, and

(d) Any change of more than six inches in the grade of any lot.

“Subassociation” means an owners association, including but not necessarily limited to a homeowners association or condominium unit owners association, created pursuant to a declaration or other appropriate instrument recorded in the Clerk’s Office which subjects a portion of the Property to covenants, conditions and/or restrictions in addition to those set forth in the Declaration and grants rights to such association with respect to such portion of the Property. During the Development Period, any such association shall be created only by the Declarant or with its written consent.

Any words used in these Bylaws which are not specifically defined above shall have the meanings assigned to them in the Declaration unless such a meaning would be manifestly improper or unreasonable in the context in which a word is used.

ARTICLE II

Offices

Section 2.1. The initial registered office shall be located at 4801 Courthouse Street, Suite 300, Williamsburg, Virginia 23188, which is in the County of James City, Virginia. The Association may also have offices at such places within the Commonwealth of Virginia as the Board of Directors may, from time to time, determine or the business of the Association may require.

ARTICLE III

Members

Section 3.1. Voting Rights of Members. The Association shall have two (2) classes of members in accordance with the provisions of Article VII of the Articles. The rights, privileges and qualifications of each class of members shall be as set out in the Articles, the Declaration and as provided in these Bylaws.

Section 3.2. Annual Meetings. The Association shall hold an annual meeting of the Members each year for the transaction of any business within the powers of the Association. Such annual meeting shall be held in the same month of each year and at a date and time to be

designated by the Board of Directors from time to time. Any business of the Association may be transacted at an annual meeting without being specially designated in the notice of such meeting, except such business as is specifically required by statute, the Articles, these Bylaws or the Declaration to be stated in the notice. Any matter requiring the affirmative vote of more than a majority of the Class A Members present at a meeting shall be designated in the notice of such meeting. Failure to hold an annual meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts.

Section 3.3. *Special Meetings.* At any time in the interval between annual meetings, special meetings of the Members may be called by the Board of Directors, the Class B Member or by Class A Members having twenty percent (20%) of the votes entitled to be cast by Class A Members.

Section 3.4. *Place of Meetings.* All meetings shall be held at the registered office of the Association, or at such other place within the State of Virginia as is designated by the Board of Directors from time to time.

Section 3.5. *Notice of Meetings.*

(a) Written notice stating the place, day and hour of the annual meeting of the Members and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than fourteen (14) or more than sixty (60) days before the date of the meeting (except as a different time is specified below) either personally or by mail, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at the address of his Lot, and to such other addresses as he may have designated to Association's Secretary, with postage thereon prepaid. Such notice may be hand delivered by the Secretary, or his agent, in lieu of mailing, provided that the Secretary, or his agent, certifies in writing that the notice was delivered to the Member.

(b) Notice of a Members' meeting to act on an amendment of the Articles, a plan or merger or consolidation, a proposed sale of assets pursuant to § 13.1-900 Code of Virginia, 1950, as amended, or the dissolution of the Corporation shall be delivered or published and posted in the manner required by the laws of Virginia. Such laws currently require such notice not less than twenty-five (25) nor more than sixty (60) days before the date of the meeting.

(c) Notice of a Member's meeting may, in lieu of the methods specified in subsections (a) and (b) above, be given by electronic transmission if given in accordance with the provisions of the Virginia Nonstock Corporation Act and the Virginia Property Owners' Association Act.

(d) Notwithstanding the foregoing provision, a waiver of notice in writing, signed by the Member or Members entitled to such notice, whether before or after the holding of the meeting, shall be equivalent to the giving of such notice to such Member(s). A Member who attends a meeting shall be deemed to have had timely and proper notice of the meeting unless he

attends for the express purpose of objecting because the meeting is not lawfully called or convened.

Section 3.6. Quorum. Unless otherwise provided in the Articles or the Declaration, at any meeting of Members (i) the presence in person or by proxy of Class A Members entitled to cast twenty percent (20%) of all of the votes entitled to be cast by the Class A Members and, (ii) during the Development Period, the presence in person or by proxy of the Declarant, shall constitute a quorum. This section shall not affect any requirement under statute, the Declaration or under the Articles for the vote necessary for the adoption of any measure. In the absence of a quorum, without regard to class, the Members present in person or by proxy, by majority vote taken and without notice other than by announcement, may adjourn the meeting from time to time until a quorum shall attend. In addition, at such a meeting where a quorum of Members is not present, the Members present in person or by proxy by majority vote taken without notice other than by announcement, may call a further meeting of Members, and at such further meeting the percentage of Class A Members present in person or in proxy required to constitute a quorum shall each be reduced to one-half ($\frac{1}{2}$) of the percentage specified above. The Members present may take any action, including, without limitation, the election of directors, which might have been taken at the original meeting had a sufficient number of Members been present.

Section 3.7. Votes Required. A majority of the votes cast by the Members without regard to class at a meeting of Members duly called and at which a quorum is present shall be sufficient to take or authorize action upon any matter which may properly come before the meeting, except as otherwise required by the laws of Virginia, the Declaration or the Articles. The Declaration may require the affirmative vote of more than a majority of each class of members in certain instances.

Section 3.8. Proxy Voting. A vote may be cast in person or by proxy. A proxy may be instructed (directing the proxy how to vote) or uninstructed (leaving how to vote to the proxy's discretion). Such proxies may be granted by any Owner in favor of only another Owner, a member of the Board of Directors, the Declarant, the managing agent or such Owner's Mortgagee, or additionally in the case of a non-resident Owner, the Owner's lessee, attorney or rental agent. No person other than the managing agent or a member of the Board of Directors shall cast votes as a proxy for more than one Lot not owned by such person. There are no restrictions on the number of uninstructed proxy ballots which can be cast by a member of the Board of Directors or the managing agent. Proxies shall be duly executed in writing, shall be dated, shall be signed by a person having authority at the time of the execution thereof to execute deeds on behalf of that person, shall be valid only for the particular meeting designated therein and any continuation thereof, and must be filed with the Secretary. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from any of the persons owning such Lot. Except with respect to proxies in favor of a lessee or Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred and eighty (180) days after the execution thereof.

Section 3.9. Alternative Voting Procedures. Notwithstanding any other provision of these Bylaws, to the extent permitted by the laws of Virginia, any vote of the Members to be taken upon a stated proposal or for the election of directors may be taken by mail or

electronically by e-mail or similar service, and the number of votes necessary for passage of the proposal or election as a director shall be the same as if the vote were taken at a meeting.

Section 3.10. **Fixing of Record Date.** For the purpose of determining the Members entitled to notice of, or to vote at any annual or special meeting of the Members, or any adjournment thereof, or in order to make a determination of the Members for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination of Members such date in any case to be not more than sixty (60) days and not less than fifteen (15) days prior to the date on which the particular action requiring such determination of Members is to be taken. If no record date is fixed for the determination of Members entitled to notice or to vote at a meeting of Members, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

ARTICLE IV

Board of Directors

Section 4.1. **Powers.** The business and affairs of the Association shall be managed by the Board of Directors. The Board of Directors may exercise all the powers of the Association, except such as are, by the laws of Virginia, the Articles, the Declaration or these Bylaws, conferred upon or reserved to the Members. The Board of Directors shall have the power to:

(a) adopt, publish and amend rules and regulations from time to time governing the use of the Common Area and, to the extent provided in the Declaration, use of Lots and the Property, and the personal conduct of the Members, Residents and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend a Member's voting rights and/or right to use the Common Area (other than streets and roadways) during any period in which such Member will be in default in the payment of any assessment levied by the Association subject to Subsection 55-513B. of the Property Owners' Association Act. Such rights may also be suspended, after notice and hearing for an infraction of published rules and regulations;

(c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(d) employ a manager, as independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(e) appoint and disband such committees as the Board of Directors deems appropriate including, without limitation, one or more advisory committees for the purpose of advising the Board of Directors on such matters as the Board of Directors may direct;

(f) adopt an annual budget for the operation of the Association;

(g) convey any portion of the Common Area for the purpose of altering or relocating the boundary lines between the Common Area and any of the Lots, or any other property;

(h) enter into an agreement or agreements to provide for access to and use of off site recreational amenities by Residents on such terms as are deemed to be reasonable by the Board; and

(i) exercise all of the rights of the Association pursuant to the Master Declaration, including, but not limited to, the appointment of the "Voting Member" (as defined in the Master Declaration).

Section 4.2. **Duties.** It shall be the duties of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by Class A Members who are entitled to cast one-fourth (1/4) of the outstanding Class A votes;

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

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

(1) fix the amount of the Annual General Assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) fix the Services Assessment against each Subassociation or Lot, Cluster or other sections of the Property requiring such services at least sixty (60) days in advance of the assessment period, and

(3) send written notice of each Assessment and dues to every Owner subject thereto;

(d) collect the Assessments from the Owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors or prudently invest the same (for which purpose the Board of Directors may retain an investment advisor) to the extent such proceeds are not immediately required, and use the proceeds to carry out the administration of the Association;

(e) issue, or to cause an appropriate officer or managing agent to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a

certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;

(f) procure and maintain liability, casualty and other insurance as described in Article XI of the Declaration;

(g) cause all officers or employees having fiscal responsibilities to be bonded in an amount which shall not be less than the sum of three (3) month's Annual General Assessments on all Lots in the Association, plus the Association's reserve funds;

(h) accept the conveyance of and cause the Community Facilities (and any other property for which the Association is responsible) to be maintained;

(i) appoint a Covenants Committee when and as provided in the Declaration;

(j) provide for the operation, care, upkeep, maintenance, and service of the Common Area and Common Facilities;

(k) keep books with detailed accounts of the receipts and expenditures affecting the Association and the administration of the Common Areas, specifying the expenses of maintenance and repair of the Common Areas and any other expenses incurred. All books and records shall be kept in accordance with generally accepted accounting principles consistently applied (but may be on the cash method of accounting);

(l) enforce by legal means the provisions of the Declaration, the Articles, these Bylaws and the rules and regulations promulgated pursuant thereto when the Board deems it appropriate to do so;

(m) perform such duties as are required of the Association or the Board pursuant to the Property Owners' Association Act;

(n) make the payments due under any Declarant Loan(s) (as defined in the Declaration);

(o) employ a managing agent at a compensation established by the Board of Directors to perform such duties and services as determined by the Board of Directors; and

(p) cause to be performed the obligations imposed upon the Association by the Master Declaration and/or the Master Association.

Section 4.3. Number and Composition of Board. The Board of Directors shall initially consist of three (3) directors appointed by the Declarant. During the Development Period, the Declarant, in the Declarant's sole discretion, may increase the size of the Board not to exceed five (5) directors. Following the Development Period, the Board of Directors shall consist of three (3) directors. The Declarant shall appoint the members of the Board during the Development Period; however, prior to the end of the Development Period, the Declarant, in the

Declarant's sole discretion, may elect to have one or more of such board of director positions elected by the membership pursuant to the voting procedures for the election of directors as specified in these Bylaws. After the end of the Development Period, all Directors shall be elected.

Section 4.4. **Appointed Directors.** Appointed Directors shall be appointed by the Declarant and shall serve until their successors are appointed or until the Development Period ends. Such appointed Directors may be reappointed and they need not be members of the Association. Except as otherwise provided in Section 4.3 above and in the Articles, the Declarant shall appoint the Directors during the Development Period.

Section 4.5. **Elected Directors.** In the event the Declarant elects to have one or more Board of Directors positions elected by the membership during the Development Period, directors who are so elected to the Board of Directors shall serve a two (2) year term; however such term shall in any event terminate on the date of the first annual meeting in which all directors are elected. At the first annual meeting in which all directors are elected, directors shall be elected for staggered terms as follow: two (2) Directors shall be elected each for a two (2) year term and three (3) directors shall be elected each for a three (3) year term. Thereafter, all Directors shall be elected for three (3) year terms.

Section 4.6. **Vacancies and Removal.** Any elected director may be removed from the Board with or without cause, by a majority vote of the Members present in person or by proxy at a duly called meeting for such purpose. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor, subject to removal, however, by vote of the Members. Notwithstanding the foregoing, during the Development Period, the directors appointed by the Declarant may be removed only by the Declarant.

Section 4.7. **Compensation.** No director shall receive compensation from the Association for any service he may render to the Association as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties upon prior approval of the Board.

Section 4.8. **Action by the Board of Directors.**

(a) **Regular Meetings.** Except as permitted by this Section, all actions, matters or resolutions approved or disapproved by the Board of Directors shall be by majority vote of the directors present at a meeting at which a quorum is present. Regular meetings of the Board of Directors shall be held monthly without notice other than such notice as is then required under the Property Owners' Association Act.

(b) **Emergency Meetings or Action by the Board of Directors.** In the event of an emergency requiring immediate action by the Board of Directors, the Board of Directors may act by means of a telephone conference or similar communication equipment by means of which all persons participating in the meeting can hear each other and participation by such means shall constitute presence in person at such meeting. The audio equipment shall be

sufficient for every member in attendance to hear what is said by every member of the Board of Directors participating in the meeting who is not physically present. Such meetings may be called by the President of the Association or by a majority of the directors, and at least two (2) of the directors shall be physically present at the meeting place specified in the notice.

(c) **Time and Place of Meeting.** Each meeting of the Board of Directors shall be held at such time and at such place within the State of Virginia as the person or persons calling the meeting may designate or at such other place outside the State of Virginia as may be agreed upon by all of the Directors.

(d) **Action Without a Meeting.** To the extent permitted by the laws of the Commonwealth of Virginia, the directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 4.9. Quorum. A majority of the directors shall constitute a quorum for the transaction of business.

ARTICLE V

Officers and Their Duties

Section 5.1. Enumeration of Officers. The officers of this Association shall be a president, who shall be a Director, a vice president, a secretary, and a treasurer, and such other officers and assistant officers as may from time to time be deemed necessary by the Board of Directors. Any two or more offices may be held by the same person except the offices of President and Secretary.

Section 5.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 5.3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office until his successor is elected and qualified unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 5.4. Special Appointments. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 5.6. *Duties of the President.* The President shall be the chief operating officer of the Association, shall have general and active operating knowledge of the management of the business of the Association and shall see that all orders and resolutions of the Board of Directors are carried into effect. When present at meetings of the Board of Directors, the President shall act as chairman of the meetings. He shall execute bonds, mortgages, and other contracts except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association. The President shall be the “Voting Member” of the Association, as defined in the Master Declaration, unless the Board of Directors appoints another individual to act as such.

Section 5.7. *Duties of the Vice President.* In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one vice president, the Vice Presidents in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 5.8. *Duties of the Secretary and Assistant Secretaries.* The Secretary shall, when able, attend all meetings of the Board of Directors and all meetings of the Members and shall record or cause to be recorded all official actions of the membership taken during meetings of the Association and official actions of the Board of Directors taken during meetings of the Board of Directors in a book or books to be kept for that purpose. He shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall act. He shall have custody of the corporate seal of the Association and he, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Association and to attest the affixing by his signature. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 5.9. *Duties of the Treasurer and Assistant Treasurers.* The Treasurer shall have the custody of the Associations’ funds and securities and shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit or cause to be deposited all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall disburse or cause to be disbursed the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Association. The Treasurer shall cause an annual audit of the Association books as provided by

Section 6.3, and shall prepare or cause to be prepared an annual budget, a statement of reserve funds, and a statement of issuance and expenditures to be presented to the membership at its regular annual meeting and shall file a copy of each in the records of the Association. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of his inability or refusal to act, perform the duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE VI

Finance

Section 6.1. Checks, Drafts, Etc. All checks, drafts, and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the Association, shall unless otherwise provided by resolution of the Board of Directors, be signed by the President or a Vice President together with such other signatures as shall be determined by the Board.

Section 6.2. Fiscal Year. The fiscal year of the Association shall be the twelve calendar months period ending December 31 of each year, unless otherwise provided by the Board of Directors.

Section 6.3. Annual Audit. The Association shall cause an annual audit of the Association books to be made by a certified public accountant at the end of every fiscal year. Such audit shall be available to all Members and First Mortgagees who request it within 120 days of the fiscal year end.

ARTICLE VII

Miscellaneous

Section 7.1. Books and Records. The books and records of the Association (pursuant to the Virginia Property Owners' Association Act) shall at all times, during reasonable business hours, be subject to inspection by any member in accordance with the requirements of the Property Owners' Association Act. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 7.2. Seal. The Board of Directors may provide a suitable seal, bearing the name of the Association which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 7.3. Amendments. Any and all provisions of these Bylaws may be altered or repealed and new Bylaws may be adopted at any annual meeting of the Members, or at any special meeting called for that purpose by a majority vote of the Members; provided, however, no amendment or change shall be effective without the consent of the Class B Members during

the Development Period. During the Development Period, the Bylaws may be amended by the Class B Member without the further vote or consent of any Owners, Residents or Board of Directors. No amendment of the Bylaws shall be effective unless the holder of each Blanket Mortgage consents thereto in writing, subject to the provisions of Section 10.5 of the Declaration.

Section 7.4. ***Consistency of Articles and Bylaws.*** These Bylaws shall be construed and interpreted in a manner which is consistent with the terms and provisions of the Articles and the Declaration. The terms and provisions of the Articles and the Declaration shall be controlling over any inconsistent provision contained in these Bylaws.

ARTICLE VIII

Management

Section 8.1. ***Management Agent.*** The Board of Directors shall employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors, which rate shall be a rate which is ordinary, reasonable, and customary for such services, to perform such duties and services as the Board of Directors shall from time to time authorize in writing. The manager may be the Declarant or an affiliate of the Declarant. Any management agreement entered into by the Association shall provide, *inter alia*, that such agreement may be terminated with or without cause by either party upon thirty (30) days written notice to the other party.

ARTICLE IX

Rights of First Mortgagees

Section 9.1. Written notice of meetings of the Members shall be delivered in accordance with Article III, Section 3.5 to all First Mortgagees who file a written request with the Secretary.

Section 9.2. Upon written request to the Secretary, the books and records of the Association available to Owners pursuant to § 55-510 of the Property Owners' Association Act shall be available for examination by a First Mortgagee and its duly authorized agents or attorneys during normal business hours after reasonable notice and for purposes reasonably related to its interest.

Section 9.3. Upon written request to the Secretary, a First Mortgagee may obtain written notification of the lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

Section 9.4. A First Mortgagee shall be entitled to receive a copy of the budget and the most recent financial statement of the Association upon written request delivered to the Secretary.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting President of Green Hill at Quarterpath Association, Inc., a Virginia non-stock corporation, and,

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by unanimous consent of the Board of Directors, effective _____, 20__.

President

(CORPORATE SEAL)

ARTICLES OF INCORPORATION

OF

GREEN HILL AT QUARTERPATH ASSOCIATION, INC.

In compliance with the requirements of Chapter 10 of Title 13.1 of the 1950 Code of Virginia, as amended (the “Code of Virginia”), the undersigned, who is at least twenty-one (21) years of age, has this day, by execution of these Articles of Incorporation, voluntarily declared himself to be an incorporator for the purpose of forming a nonstock corporation pursuant to the general laws of the Commonwealth of Virginia, and does hereby certify:

**ARTICLE I.
Definitions**

The words in these Articles which begin with capital letters (other than words which would be normally capitalized) shall have the following meanings assigned to them.

“*Additional Land*” shall mean and refer to the real estate described in Exhibit “B” to the Declaration.

“*Annual Assessments*” shall mean and refer to the Annual General Assessment and Services Assessment levied by the Association in each of its fiscal years pursuant to Article IV of the Declaration.

“*Annual General Assessment*” shall mean and refer to the annual charge shared by all Class “A” members (excluding those who only own Exempt Property) and established pursuant to Article IV of the Declaration.

“*Assessable Property*” shall mean and refer to all of the Property except such part or parts thereof as may from time to time constitute Exempt Property.

“*Association*” shall mean and refer to Green Hill at Quarterpath Association, Inc., a Virginia non-stock corporation, its successors and assigns. The Association is sometimes referred to as the Corporation.

“*Board of Directors*” and “*Board*” shall mean and refer to the Board of Directors of the Association.

“*Class A Members*” shall mean and refer to all Owners excluding the Association and excluding the Declarant for so long as it is the Class B Member.

“*Class B Member*” shall mean and refer to the Declarant.

“*Clerk’s Office*” shall mean and refer to the Clerk’s Office of the Circuit Court for the City of Williamsburg, Virginia.

“*Cluster*” shall mean and refer to a group of Lots designated as such by the Declarant.

“Community Facilities” and/or **“Common Area”** (which terms are used interchangeably in these Articles) shall mean and refer to all personal and real property (including without limitation, real property owned in fee simple, leasehold interests in real property, and easement rights in real property) and the improvements thereon from time to time owned or leased by the Association for the common use and enjoyment of the Members. Community Facilities and/or Common Area may (but need not) include any common areas, easement areas, public, neighborhood or community buildings, recreational facilities, natural open space easements, natural resource facilities, parks and other open space land, lakes and streams, Stormwater Management Facilities and drainage facilities including but not limited to Best Management Practice facilities (“BMP’s”), all private streets and pipestem driveways, sidewalks, pathway and bikeway systems, pedestrian facilities, cable television facilities, design amenities and other community facilities and buildings needed in connection with water supply, sewage disposal, gas, electric, or other utility lines, equipment or installations. Except as otherwise specifically provided in such writing, no structure (in whole or in part) will be included in Common Area or Community Facilities. The Association is responsible for management and maintenance of all Common Area and Community Facilities.

“Declarant” shall mean and refer to QUARTERPATH WILLIAMSBURG, LLC, a Virginia limited liability company, its successors and assigns; provided, however, that no successor or assignee of Declarant shall have any rights or obligations of Declarant hereunder unless such rights and obligations are specifically set forth in an instrument of succession or assignment designating a party as Declarant hereunder or which pass by operation of law, and such successor or assign accepts the same. Declarant reserves the right to assign in whole or in part its rights as the “Declarant” to any Owner of all or any part of the Property or any owner of any portion of the Additional Land.

“Declaration” shall mean and refer to the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Green Hill at Quarterpath recorded, or to be recorded, among the land records of Williamsburg, Virginia, as it may from time to time be amended, supplemented, modified and/or restated in the manner provided therein.

“Development Period” shall mean and refer to the period commencing on the date of the Declaration and terminating on the earlier of (a) one (1) year after the date on which Declarant no longer own any part of the Property or the Additional Land; or (b) any earlier date specified by Declarant in a written notice to the Association that the Development Period is to terminate on that date.

“Dwelling Unit” shall mean any portion of the Property, as improved, intended for any type of independent ownership for use and occupancy as a residence by one household and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) a condominium unit, an apartment or cooperative unit, a duplex unit, a townhouse, single family attached and detached or zero lot line home, as may be used and defined as herein provided or as provided in subsequent amendments or supplements to the Declaration covering all or part of the Property.

“Exempt Property” shall mean and refer to (i) all interest in land (including Lots) and structures and Community Facilities owned by the Association for so long as the Association

shall be the owner thereof; (ii) all land (including Lots) and structures owned by Declarant; and (iii) all properties dedicated to and accepted by a public authority.

“Lot” shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property which has been subjected to the Declaration and upon which a Dwelling Unit(s) could be constructed in accordance with Williamsburg zoning ordinances and to each condominium unit or apartment or cooperative unit on the Property created in accordance with the applicable laws of Virginia in effect from time to time. “Lot” shall not mean or refer to Community Facilities.

“Master Association” shall mean Quarterpath Mixed-Use Community Association, Inc., a Virginia nonstock corporation or its successors or assigns.

“Master Declaration” shall mean the Master Declaration of Covenants, Easements and Restrictions for Quarterpath at Williamsburg (Mixed-Use), dated April 10, 2014, and recorded with the Clerk’s Office of the Circuit Court for the City of Williamsburg and County of James City, Virginia, as Instrument Nos. 140709 and 140006168.

“Member” shall mean each Class A Member and Class B Member of the Association.

“Mortgagee” shall mean the holder of any recorded mortgage, or the trustee and beneficiary of any recorded deed of trust, encumbering one or more of the Lots. “Mortgage,” as used herein, shall include deeds of trust. References to the “holder” of a Mortgage shall include the trustee and the beneficiary under any recorded Deed of Trust. “First Mortgage” as used herein, shall mean a holder of a Mortgage with priority over all other Mortgages. As used in the Declaration, the term “Mortgagee” shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in the Declaration, the term “institutional mortgagee” or “institutional holder” shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association (“FNMA”), Federal Home Loan Mortgage Corporation (“FHLMC”), all corporations and any agency or department of the United States Government or of any state or municipal government. References herein to the foreclosure of a Mortgage shall include the exercise of a power of sale under such Mortgage, as well as a judicial foreclosure of the Mortgage.

“Owner” shall mean and refer to the record owner, whether one or more persons or entities, of any Lot which is part of the Property but excluding in all cases any party holding an interest merely as security for the performance of an obligation. For the purpose of this definition, the owner of Lots in an apartment in which the Dwelling Units are held out for rent, shall be the record owner of the apartment building or buildings. The owner of Lots in a cooperative shall be the cooperative corporation.

“Person” shall mean and refer to any individual, corporation, limited liability company, joint venture, partnership, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other separate legal entity.

“Property” shall mean and refer to those certain lands in Williamsburg, Virginia, more particularly described in Exhibit “A” attached to the Declaration, together with such Additional Land as may be hereinafter subjected to the Declaration pursuant to the provisions thereof.

“Resident” shall mean and refer to (i) each individual occupying any Dwelling Unit pursuant to a lease agreement with the Owner thereof who, if requested by the Board of Directors, has delivered proof of such lease agreement to the Board of Directors; (ii) members of the immediate family of such individual or of an Owner who actually reside within the Property and in the same household with each such individual or Owner; and (iii) any person who has a fixed place of habitation at a Dwelling Unit of any such individual or Owner to which, whenever he is absent, he has the intention of returning.

“Services Assessment” shall mean and refer to the charge or charges imposed upon a Cluster or other section of the Property or against a Subassociation for certain services rendered pursuant to Article IV of the Declaration.

“Special Assessment” shall mean and refer to any special charge established pursuant to Article IV of the Declaration.

Any words used in these Articles which are not specifically defined above shall have the meanings assigned to them in the Declaration unless such a meaning would be manifestly improper or unreasonable in the context in which a word is used.

ARTICLE II. Name of Corporation

The name of the Corporation is Green Hill at Quarterpath Association, Inc., hereinafter called the “Association.”

ARTICLE III. Registered Office

The initial registered office of the Association is located at Kaufman & Canoles, 4801 Courthouse Street, Suite 300, Williamsburg, Virginia 23188, which is in the County of James City, Virginia.

ARTICLE IV. Registered Agent

Paul W. Gerhardt, who is a resident of the state of Virginia, a member of the Virginia State Bar, and whose business address is the same as the registered office, is hereby appointed the initial registered agent of this Association.

ARTICLE V.
Powers and Purposes

The Association does not contemplate pecuniary gain or profit to the Members.

The purpose or purposes for which the Association is organized are (i) to provide for the acquisition, construction, management, maintenance and care of the Common Area and the Community Facilities, and any area for which the Association is responsible; (ii) at its option to obtain, manage and maintain services for the Property, or sections thereof, including but not limited to, as necessary, refuse collection, grass mowing, street cleaning, landscape and storm water facilities maintenance, parking area maintenance and management, and snow plowing; (iii) to provide for the maintenance of any land shown on the Property and the Additional Land (once subjected to this Declaration) which is intended to be conveyed to or maintained by the Association; (iv) to be an "Additional Association" as defined and described in the Master Declaration; (v) to take other acts or actions which would promote the health, safety or welfare of the Owners and Residents; provided, however, that the Association shall have no power to do any act in contravention of any of the terms of the Declaration. For this purpose, the Association shall have the power and authority to:

(a) Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration, said Declaration being incorporated herein as if set forth at length and made a part hereof;

(b) Fix, levy, collect and enforce payment by any lawful means, of all membership fees, charges, Annual Assessments, and Special Assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith, including all office expenses, licenses, taxes or governmental charges levied or imposed against the property of the Association and all other expenses incident to the conduct of the business of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs incurred;

(d) Borrow money and mortgage, pledge, deed in trust, or hypothecate any or all of the real or personal property owned by the Association as security for money borrowed or debts incurred provided that such acts shall require the consent of the Declarant during the Development Period;

(e) Dedicate, sell or transfer all or any part of the Common Area to any public or private agency, authority or utility for such purposes and subject to such conditions as the Board of Directors shall determine;

(f) Convey any portion of the Common Area for the purpose of altering or relocating the boundary lines of the Common Area or any of the Lots;

(g) Participate in mergers and consolidations with other non-profit corporations, organized for the same purposes or annex additional property and Common Area,

provided that any such merger, consolidation or annexation shall be in accordance with the Declaration and Bylaws;

(h) Enact and amend rules and regulations from time to time to govern the use and enjoyment of the Common Areas, the Community Facilities, and such other areas of Association responsibility as set forth in the Declaration; provided, however, that no such rules and regulations so adopted shall be in conflict with the Declaration, the Articles or these Bylaws.

(i) Grant permits, licenses and easements under, through and over the Lots (as provided in the Declaration) and the Common Areas, and enter into cost sharing or other agreements with owners of property within close proximity to the Property and the Additional Land, for drainage, utilities, roads and access and other purposes which are reasonably necessary to the ongoing development and operation of the Lots and Common Areas or the development of the Additional Land;

(j) Employ for the Association a "Managing Agent" either as an independent contractor or as an employee, at a compensation to be established by the Board of Directors. The Declarant or an affiliate of the Declarant may be employed as Managing Agent;

(k) Make the payments due under the Declarant Loan(s) (as defined in the Declaration), if any;

(l) Exercise the rights granted to a Residential Association and perform the duties imposed upon a Residential Association as provided in the Master Declaration; and

(m) Have and exercise any and all powers, rights and privileges which (i) a nonstock corporation organized under the laws of the State of Virginia by law may now or hereafter have or exercise; and (ii) a residential property owners association subject to the Property Owners' Association Act may now or hereafter have or exercise.

ARTICLE VI. Classes of Members

The Association shall have the following classes of members:

Class A. Subject to the provisions of Article VII below, Class A Members shall be all Owners of Lots which are not Exempt Property. A Person shall automatically become a Class A Member upon his becoming an Owner of a Lot which is not Exempt Property and shall remain a Class A Member for so long as he is an Owner of such Lot.

Class B. The Class B Member shall be the Declarant.

ARTICLE VII.
Voting Rights of Members

Declarant and every Owner of a Lot which is not Exempt Property shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is not Exempt Property.

(a) Each Class A Member shall be entitled to one (1) vote on each matter submitted to the Members for each Lot owned by such Class A Member which is not Exempt Property. If more than one Dwelling Unit is located on any Lot (which is not Exempt Property) the Class A Member owning such Lot shall be entitled to one vote on each matter submitted to the members for each Dwelling Unit located on such Lot. Any Class A Member who is in violation of the Declaration, as determined by the Board of Directors in accordance with the provisions thereof and regulations established thereunder, where such violation continues for 30 days or more after written notice by the Board to such Class A Member, shall not be entitled to vote during any period after such 30th day in which such violation continues.

If a Lot shall be owned by more than one Owner, such Owners shall be deemed to constitute a single Class A Member as to such Lot for voting purposes and shall collectively be entitled to a single vote for such Lot (or for each Dwelling Unit located on such Lot) as to each matter properly submitted to the Members.

(b) The Class B Member shall be entitled to one hundred (100) votes on each matter submitted to the Members for each Lot owned. The Class B membership shall terminate and become converted to Class A membership (in which case Declarant shall be entitled to one (1) vote on each matter submitted to the Members for each Lot, or if more than one Dwelling Unit is located on such Lot, one (1) vote for each Dwelling Unit located on such Lot, owned by the Declarant notwithstanding that such Lot(s) may constitute Exempt Property) upon the termination of the Development Period.

(c) Notwithstanding the foregoing, in the event of annexation of any Additional Land after the termination of the Development Period, the Class B membership shall be reinstated with respect to all Lots owned by the Declarant on the annexed property to equal one hundred (100) votes for each annexed Lot owned. Class B membership shall cease and be converted to Class A membership (in which case the Declarant shall be entitled to one (1) vote on each matter submitted to the Members for each Lot or, if there is more than one Dwelling Unit located on a Lot, one vote for each Dwelling Unit located on each Lot owned by the Declarant notwithstanding that such Lot(s) may constitute Exempt Property) five (5) years after the date on which Declarant no longer owns any part of such annexed property.

(d) Any vote of the Members shall be taken without regard to class of membership except in those instances requiring the affirmative vote or approval of each class of membership in accordance with the Declaration, the Articles, or the Bylaws.

ARTICLE VIII.
Board of Directors

The affairs of this Association shall be managed by the Board of Directors. The Board of Directors shall initially consist of three (3) directors appointed by the Declarant. During the Development Period, the Declarant may, in the Declarant's sole discretion, increase the size of the Board of Directors not to exceed five (5) directors. Following the Development Period, the Board of Directors shall consist of three (3) directors. The Declarant shall appoint the members of the Board during the Development Period; however, prior to the end of the Development Period, the Declarant, in the Declarant's sole discretion, may elect to have one or more of such board positions elected by the membership pursuant to the voting procedures for the election of directors as specified in the Bylaws. Any director appointed by the Declarant may be removed, with or without cause, by the Declarant at any time. After the end of the Development Period, all Directors shall be elected.

ARTICLE IX.
Dissolution

The Association shall exist in perpetuity unless dissolved as provided herein.

The Association may be dissolved at an Annual or Special Meeting by the vote of two-thirds (2/3) of the Members of each Class as provided in Section 13.1-902, Code of Virginia, 1950, as amended. Written notice of such proposed action shall be sent to all Members not less than twenty-five (25) nor more than fifty (50) days prior to a meeting called for such purpose. Upon dissolution of the Association, the assets both real and personal of the Association shall (subject to the satisfaction of all of the liabilities of the Association and liabilities to which such assets are subject) be (i) granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization engaged in activities substantially similar to those of the Association and which are qualified as exempt organizations under the Internal Revenue Code of 1954, or the corresponding provisions of any future United States Internal Revenue law, or (ii) dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association; provided, however, that any such dedication shall require the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of the votes then held by all Class A Members.

ARTICLE X.
Liability and Indemnification

(a) To the full extent that the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of directors, officers, or members of Board appointed committees, a director, officer or member of a Board appointed committee of the Corporation shall not be liable to the Corporation for monetary damages.

(b) To the full extent permitted and in the manner prescribed by the Virginia Nonstock Corporation Act and any other applicable law, the Corporation shall indemnify a

director or officer of the Corporation who is or was a party to any proceeding by reason of the fact that he is or was such a director or officer or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

(c) Reference herein to directors, officers, members of Board appointed committees, employees or agents shall include former directors, officers, committee members, employees and agents and their respective heirs, executors and administrators.

**ARTICLE XI.
Amendments**

The Members shall have the right to vote to amend these Articles of Incorporation pursuant to Section 13.1-886 of the Code of Virginia, 1950, as amended. Any such amendment shall require the affirmative vote of the Class B Member during the Development Period. During the Development Period, the Class B Member may amend these Articles of Incorporation without the vote of the Class A Members. In any event, these Articles of Incorporation and the Bylaws shall not be amended so as to be inconsistent with the Declaration.

**UPLOADED
4/21/2021**