

This instrument prepared by Harry R. Purkey, Jr., P.C., 303 34<sup>th</sup> Street, Suite 5, Virginia Beach, Virginia 23451.

Property Identification Number: 11900945

**DECLARATION OF RIGHTS, RESTRICTIONS, AFFIRMATIVE  
OBLIGATIONS AND CONDITIONS APPLICABLE TO  
THE CARRIAGE HOMES AT CAMPBELL RUN**

WHEREAS, CORINTH HOMES, L.L.C., a Virginia limited liability company (hereinafter defined as the Company) owns certain lands located within a community known as "The Carriage Homes at Campbell Run" in the City of Newport News, Virginia; and

WHEREAS, the Company wishes to declare certain restrictive covenants affecting the portion of such lands intended by the Company to be developed for single-family use; and:

NOW, THEREFORE, the Company does hereby declare that the covenants contained herein shall be covenants running with the land and shall apply to the lands described in EXHIBIT "A" attached hereto.

**DEFINITIONS**

When used herein, the following words shall have the following meanings:

(a) "Affiliate" shall mean any entity controlled by or under common control with the Company.

(b) "Annual Assessment" shall mean and refer to the annual assessments established or levied by the Board pursuant to Article IV of this Declaration.

(c) "ARB" shall mean and refer to the body to be appointed by the Board pursuant to Section 2(b) of Article III of this Declaration.

(d) "Articles" shall mean and refer to the Articles of Incorporation of the Association, as amended from time to time, filed with the State Corporation Commission of the Commonwealth of Virginia.

(e) "Assessments" shall mean Annual Assessments and Special Assessments.

(f) "Association" shall mean The Carriage Homes at Campbell Run Homeowners' Association, Inc., a Virginia non-profit corporation, its successors and assigns.

(g) "Board" shall mean the Board of Directors of the Association.

(h) "City" shall mean and refer to the City of Newport News, Virginia.

(i) "Clerk's Office" shall mean the Clerk's Office of the Circuit Court of the City.

(j) "Code" shall mean the Code of Virginia (1950), as amended, as now in effect and modified or amended from time to time hereafter.

(k) "Common Area" shall mean (i) any easements granted to the Association herein or on any subdivision plat that includes lands subjected to this Declaration, (ii) those tracts of land with any improvements thereon that are designated as "open space" or as "common area" in any conveyance by the Company to the Association, or are otherwise intended by the Company to be conveyed by it to the Association for the use and enjoyment of its Members rather than developed as Lots, (iii) those certain areas designated on the Subdivision Plat as "Homeowners Association", and (iv) the private street depicted on the Subdivision Plat as "Heatherwood Loop".

(l) "Company" shall mean Corinth Homes, L.L.C. a Virginia limited liability company, its successors and any Person to whom or which it has expressly assigned its rights or delegated its duties hereunder (whether in whole or in part) pursuant to an instrument recorded in the Clerks' Office.

(m) "Declaration" shall mean this instrument.

(n) "General Property Covenants" shall mean the covenants and restrictions contained in this Declaration.

(o) "The Carriage Homes at Campbell Run shall mean the lands in the City that are shown as a part of The Carriage Homes at Campbell Run on the Master Plan.

(p) "HUD" shall mean the United States Department of Housing and Urban Development and any successor agency thereto.

(q) "Improved Lot" shall mean a lot that has been improved by the construction of a single-family attached dwelling for which a certificate of occupancy has been issued by the City.

(r) "Improvement" shall mean any improvement duly approved pursuant to Article VI, Section 8.

(s) "Lot" shall mean any portion of the Property shown on a subdivision plat or document submitted to record in the Clerk's Office on which is constructed or is intended to be constructed a single family, attached dwelling.

(t) "Master Plan" shall mean the drawing that represents the conceptual plan for the development of The Carriage Homes at Campbell Run, as the same may be amended from time to time.

(u) "Members" shall mean the Type "A" Members and Type "B" Member, if any, collectively.

(v) "Owner" shall mean (i) the owner as shown by the real estate records in the Clerk's Office, whether it be one (1) or more Persons, of fee simple title to any Lot, where the context so requires, the Association with respect to the Common Area, but, notwithstanding any applicable theory of a deed of trust, shall not mean or refer to a trustee, mortgagee or holder of a deed of trust, its successors or assigns, unless it has acquired fee simple title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure, nor any Tenant of an Owner.

(w) "Party Exercising Architectural Control" shall mean the party designated as such pursuant to Article VI, Section 6.

(x) "Person" shall mean any individual, corporation, partnership, limited liability company, association, trust or other form of legal entity recognized as such under the laws of the Commonwealth of Virginia.

(y) "Property" shall mean the property described in Exhibit "A" attached hereto.

(z) "Reserve Fund" shall be the fund created pursuant to Section 9 of Article IV of this Declaration.

(aa) "Rules and Regulations" shall mean the Rules and Regulations, if any, promulgated by the Board in furtherance of its responsibilities hereunder.

(bb) "Special Assessment" shall mean an assessment levied pursuant to Section 6 of Article IV of this Declaration.

(cc) "Tenant" shall mean the lessee under a written agreement for the rent and hire of improvements on a Lot.

(dd) "Type "A" Member" shall have the meaning given to such term in the Articles.

(ee) "Type "B" Member" shall have the meaning given to such term in the Articles.

(ff) "Unimproved Lot" shall be a lot that is not deemed to be an Improved Lot, as the term is defined in this Declaration.

(gg) "Zoning Ordinance" shall mean the zoning ordinance of the City.

## ARTICLE I: PROPERTY

Section 1. Property. The Property shall be held, transferred, sold, conveyed, given, donated, leased, occupied, and used subject to this Declaration.

Section 2. Termination of Declaration as to Portions of Property. With the approval of HUD, if applicable, the Company may terminate this Declaration as to any portion of the Property owned by it other than a Lot by recording an instrument of termination in the Clerk's Office to which is attached a legal description of such portion of the Property, provided such instrument of termination shall simultaneously expressly terminate the General Property Covenants with respect to such portion of the Property. The exercise of Declarant's rights under Section 2 above is not conditioned upon or subject to the approval of other Owners or any other party whatsoever other than, HUD, if applicable.

## ARTICLE II: PROPERTY RIGHTS IN COMMON AREA

Section 1. Easement of Enjoyment. Subject to the provisions of this Declaration, the Rules and Regulations, and any fees or charges established by the Association, every Type "A" Member, every Tenant, the immediate family, guests, invitees and domestic partners of and parents and/or grandchildren residing with such a Member or Tenant, and employees and agents of the Type "B" Member for so long as there is a Type "B" Member shall have an easement of enjoyment in and to the Common Area. Other than with respect to employees and agents of the Type "B" Member, such easement shall not be personal, but shall be appurtenant to and pass with the title of every Lot. As determined in the sole and uncontrolled discretion of the Board, the Type "A" Members may have access to and enjoyment of the Common Area subject to Rules and Regulations and user fees established by the Board. The granting of the foregoing easement in no way grants to anyone other than those parties expressly identified above the right to enter the Common Area without the prior written permission of the Class "B" Member for so long as there is such a Member, and, thereafter, of the Board, and the rights granted a Type "A" Member shall terminate as to such Member and all those, if any, claiming through him, her or it at such time as such Member no longer is an Owner.

If ingress to or egress from any Lot or any Lots is through any Common Area, any conveyance or encumbrance of such Common Area shall be subject to an easement for the benefit of the Owner of such Lot or the Owners of such Lots permitting ingress to and egress from such Lot or Lots across such Common Area.

Section 2. Extent of Type "A" Members' Easements. The easement of enjoyment created hereby shall be subject to the following rights of the Association:

- (a) to borrow money from the Company or any lender for the purpose of improving and/or maintaining the Common Area and providing services authorized herein, or any other purpose permitted by the Articles, and, in aid

thereof, to subject said Area or any portion thereof to the lien of one or more deeds of trust in accordance with the requirements of the Articles ;

- (b) to take such steps as are reasonably necessary to protect the Common Area against foreclosure;
- (c) to charge reasonable admission and other fees for the use of recreational and other facilities and services on the Common Area;
- (d) to permit the use of the Common Area by third parties engaged in providing goods or services to the Members (whether for profit or on a non-profit basis);
- (e) to dedicate or transfer appropriate easements to any public or private utility on any part of the Common Area; and
- (f) to give or sell all or any part of the Common Area, including leasehold interests, subject to the limitations and restrictions imposed by the General Property Covenants and all other restrictions and limitations of record at the time of any such gift or sale, to any public agency, authority, public service district, utility, or private concern for such purposes and subject to such conditions as may be agreed to by the Members, provided, however, that no such gift or sale of any parcel of land and improvements thereon, or determination as to the purposes or as to the conditions thereof, shall be effective unless such dedication, transfer, and determination as to purposes and conditions shall be authorized by the affirmative vote of two-thirds (2/3rds) of the votes cast by the Type "A" Members present in person or by proxy at a duly called meeting (excluding the Company) and, while there is a Type "B" Member, the Type "B" Member. Upon any such conveyance, a true copy of such resolution, together with a certificate of the results of the vote taken thereon, shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association and annexed to the deed and recorded therewith in the Clerk's Office. Such certificate shall be conclusive evidence of authorization by the Members. The gift or sale of any personal property owned by the Association shall be determined by the Board in its discretion.

Section 3. Certain Rights of Company. Notwithstanding anything contained in this Article II to the contrary, for so long as it is an Owner or owns any portion of the Property, the Company and its express assigns shall be entitled to use and enjoy the Common Area, all improvements constructed on the Common Area and all personal property related thereto for sales and marketing functions in connection with its marketing efforts, provided the exercise of the rights granted in this Section 3 does not materially adversely affect the interests of other Owners and/or the Association.

Section 4. Damage or Destruction of Common Area by Owner. If any Common Area or improvement thereon is damaged or destroyed by an Owner, his family members, Tenants, guests, licensees, or agents, the Association or the Company (so long as the Company is an Owner) may repair such damage at the Owner's expense. The Association or Company shall repair such damage to the extent practicable in a good and workmanlike manner and in substantial conformance with the original plans and specifications of the Common Area or improvement involved, or as such Common Area or improvement may have been theretofore modified or altered by the Association, in the discretion of the Association or Company. The cost of such repairs, together with interest thereon, late charges and costs of collection, if any, including attorneys' fees, shall become a Special Assessment on the Lot of such Owner, due upon demand, and shall also be the personal obligation of the Owner of the Lot at the time such Assessment fell due.

### ARTICLE III: FUNCTIONS OF ASSOCIATION

Section 1. Ownership of Properties. The Association may own and shall maintain the Common Area and all improvements thereon and personal property related thereto for any purpose not inconsistent with this Declaration.

Section 2. Minimum List of Functions and Services. Unless the Company shall consent to the contrary in writing, so long as the Company is an Owner, the Association shall:

- (a) Establish, levy and collect Assessments.
- (b) Establish and operate an architectural review board ("ARB"), which shall be composed of three (3) members, all of whom shall be appointed by the Board. Commencing at such time as there are at least twenty-two (22) Type "A" Members other than the Company, at least one (1) Type "A" Member of the Association other than a representative of the Company shall be appointed to the ARB at all times. Unless the right to have a representative on the Board is waived in writing by the Company, at least one representative of the Company shall be appointed to such Board for so long as the Company is an Owner, and no Board decision shall be made without the affirmative vote of the Company's representative. The purpose of the ARB shall be to approve any alterations to Improvements (as such term is defined in the General Property Covenants) duly constructed on the Property.
- (c) Manage, control and maintain the Common Area. Including, but not limited to, the private street designated on the Subdivision Plat as "Heatherwood Loop" and all private utilities located in the Common Areas other than individual service laterals to Lots and private utility facilities owned and maintained by private utility providers such as Dominion Virginia Power, Verizon and Cox Communications.

- (d) Should the Company appoint the Association its agent or otherwise assign its rights to the Association for such purposes, administer and enforce the General Property Covenants, this Declaration, and any other covenants and restrictions of record, and assume responsibility for any obligations that are incident thereto.
- (e) Provide appropriate liability and hazard insurance coverage for improvements and activities on the Common Area in accordance with the provisions of Section 3 of this Article III.
- (f) Endeavor to provide appropriate Director's and Officers' Legal Liability Insurance for the directors and officers of the Association.
- (g) Keep a complete record of all its acts and corporate affairs.
- (h) Provide regular cleanup of all roadway islands, and facilities and entrances throughout The Carriage Homes at Campbell Run dedicated to public and/or Association use, or for which the Association has been granted or received an easement, throughout The Carriage Homes at Campbell Run including, but not limited to, mowing grass, landscape maintenance and pickup and disposal of trash on such roadsides, roadway islands and entrances.
- (i) Maintain all directional signs, street signs, and neighborhood and other area signs within The Carriage Homes at Campbell Run to the extent the same are not maintained by the City, including, but not limited to, painting, repair work and replacement as needed.
- (j) Maintain all private drainage easements and the facilities located therein within The Carriage Homes at Campbell Run.
- (k) Do or cause to be done all things reasonably necessary to assure compliance by the Association with the provisions of the Property Owners' Association Act, Section 55-508 of the Code, including creation and maintenance of the disclosure packet required by Section 55-512 of the Code.
- (l) Maintain all best management practice facilities and drainage facilities in the Common Area and in any easement dedicated to the Association and maintain all landscaping located in the Common Area and in any landscape easement or buffer located in The Carriage Homes at Campbell Run.
- (m) Contract on behalf of the Association for private refuse collection services.
- (n) Maintain, replace and repair roofs and fences and certain landscaping located on a Lot, as set forth in Article VIII of this Declaration.

Section 3. Insurance. Insurance coverage relating to the Association shall be governed by the following provisions:

- (a) All insurance policies upon the Common Area shall be purchased by the Association for the benefit of the Association, the Owners and holders of notes secured by deeds of trust encumbering Lots as their interests may appear. Certificates of mortgagee endorsement shall be issued upon request.
- (b) All improvements and all personal property included in the Common Area shall be insured in an amount equal to one hundred percent (100%) of insurable replacement value as determined annually by the Board with the assistance of the insurance company providing coverage. Such coverage shall provide protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and such other risks as from time to time shall be customarily covered with respect to comparable improvements and property. All policies shall contain clauses providing for waiver of subrogation.
- (c) Public liability insurance shall be secured with limits of liability of no less than One Million Dollars (\$1,000,000) per occurrence and an endorsement to cover liability of the Owners as a group to a single Owner.
- (d) All insurance policies shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein or in the Bylaws.

Section 4. Elimination of Encroachments, Etceteras. For so long as the Company is an Owner, at the request of the Company, the Association shall grant such easements and enter into such deeds of conveyance as may in the Company's discretion be necessary in order to eliminate such encroachments, gaps, gores, overlaps, unintended side or rear setback violations, and other boundary line problems that may arise affecting the boundary line between any portion of the Common Area and any Lot or other portion of The Carriage Homes at Campbell Run.

Section 5. Company Responsibility for Deficits. For so long as the Company is the Type "B" Member of the Association, if Annual Assessments are insufficient to fund the costs incurred by the Association in carrying out its responsibilities under this Article IV, the Company may, but is not obligated to, advance funds to the Association to cover the resulting deficit. Such advances, if any, shall be made within thirty (30) days after receiving a statement from the Association setting forth the deficit amount and providing reasonable substantiation of such costs. The Company shall be reimbursed by the Association for the amounts, if any, so advanced from time to time out of cash on hand



Or the Association has paid its costs of operation on a current basis, with interest on the amounts so advanced at the rate of ten percent (10%) per annum from the date of any cash advance until the date of repayment thereof.

#### ARTICLE IV: COVENANTS FOR ASSESSMENTS

Section 1. Covenant to Pay Assessments. Each Owner covenants to pay to the Association Assessments pursuant to this Article. In the case of co-ownership of a Lot such co-Owners shall be jointly and severally liable for the entire amount of any Assessments.

Section 2. Purposes of Assessments. Annual Assessments shall be used to improve, maintain, enhance, enlarge, and operate the Common Area and to provide services that the Association is authorized to provide, including, but not limited to, the maintenance, repair and replacement of roofs and fences and landscaping, as set forth in Article VIII. Special Assessments shall be used exclusively for the purposes set forth in Section 6 of this Article IV.

Section 3. Annual Assessments. The initial Annual Assessments for each Improved Lot shall be set forth in the initial budget approved by the Company. An Unimproved Lot shall not be subject to Annual Assessment until sold by the Company to an unrelated party (unless such Lot becomes an Improved Lot prior to such conveyance). For the first twelve (12) months following such conveyance, an Unimproved Lot shall be subject to Annual Assessment at twenty-five percent (25%) of the rate at which Improved Lots are subject thereto, whether or not such Lot becomes an Improved Lot during such period of time. Thereafter, such Lot shall be subject to Annual Assessment at the same rate as Improved Lots.

Section 4. Changes in Annual Assessment. From and after January 1, 2009, the Annual Assessment may be increased each fiscal year in the amount deemed necessary by the Board in order to fund the Association's obligations pursuant to the annual budget adopted by the Board for such year pursuant to Article V, Section 2 below. For so long as the Company is an Owner, the Annual Assessment for a fiscal year shall not be reduced below the amount thereof for the preceding fiscal year without the Company's consent. Thereafter, the Annual Assessment for a fiscal year may be reduced below the amount thereof for the preceding fiscal year at the discretion of the Board, provided the Annual Assessment shall not be reduced to a level lower than that reasonably required pursuant to the budget adopted by the Board for the fiscal year in question pursuant to Article V, Section 2 below. If the Board determines that the Annual Assessment established for a given fiscal year will be insufficient to fund the obligations of the Association intended to be funded thereby, the Board may levy a Special Assessment in the amount reasonably necessary to satisfy any such insufficiency.

Section 5. Billing Dates for Annual Assessments. The Board shall bill Owners for Annual Assessments annually or, in its sole discretion, more frequently. Except as set forth below, payment shall be due within thirty (30) days of the date of the bill rendered. If the

Board elects to utilize a third party billing service, such service shall set the date on which Assessment bills shall be due and payable, subject to the approval of the Board and, for so long as the Company is an Owner, the Company.

Section 6. Special Assessments. The Board may levy Special Assessments as necessary for construction, reconstruction, repair or replacement of, or additions to, capital improvements and for any personal property related thereto located upon the Common Area, for maintenance, replacement and repair of the roofs and fences and landscaping, as set forth in Article VIII, or to repay any loan obligation of the Association or pursuant to the provisions of Section 4 of this Article IV. In addition, any amount duly payable as a Special Assessment pursuant to the terms of this Declaration from one (1) or more, but less than all, of the Owners shall be deemed to be a Special Assessment duly levied by the Board.

Section 7. Late Fee; Acceleration. If any Assessment or other charge or amount owed to the Association is not paid when due, the Association shall be entitled to levy a late fee in the amount of Thirty Dollars (\$30.00) and to recover interest on the amount of such Assessment not paid when due at the rate of Twelve Percent (12%) per annum from the Thirtieth (30<sup>th</sup>) day following the due date thereof until finally paid. The Board, with the consent of the Company for so long as the Company is an Owner, shall have the right to change the amount of the foregoing late fee and rate of interest in its discretion from time to time. In addition, if any Assessment is being collected in installments, upon failure to pay any installment when due, the Association may accelerate the due date of the remaining installments due, if any.

Section 8. Capitalization of Association. Upon acquisition of title to a Lot by the first Owner thereof other than the Company or an Owner who or which acquires the Lot solely for the purpose of constructing a dwelling thereon for resale, such Owner shall make a non-refundable contribution to the working capital of the Association equal to one-fourth (1/4) of the amount of the then-current Annual Assessment on such Lot.

Section 9. Reserve Fund. The Association shall establish a reserve fund with a portion of the proceeds of Annual Assessments to be held in an interest bearing account or investments as a reserve for major rehabilitation or repairs of improvements on the Common Area and roofs and fences and landscaping, as set forth in Article VIII, emergency and other repairs required to such improvements as a result of storm, fire, natural disaster, or other casualty loss, or the initial costs of any new services to be performed by the Association.

Section 10. Certificates Relating to Assessments. At the request of an Owner, the Association, or any billing service engaged by the Association, shall furnish a certificate signed by an Officer of the Association or of such billing service setting forth the payment status of any Assessments for which such Owner is responsible. Such certificate shall be conclusive evidence against all but the Owner of the information set forth therein.

Section 11. Association Lien Rights; No Election of Remedies. The Association shall have a lien against each Lot to secure the obligation of the Owner thereof to pay Assessments and all late fees and attorneys fees and other charges, if any, due in connection therewith. The Association's lien rights shall be perfected and exercised in the manner set forth in Section 55-516 of the Code or any successor section. The priority of the Association's lien for Assessments shall be as set forth in Section 55-516.A of the Code or any successor section. The institution of a suit at law for collection of any delinquent Assessment may be maintained by the Association without waiving the Association's lien rights. Proceeding by foreclosure to attempt to effect collection of delinquent Assessments shall not be deemed an election precluding the institution of suit at law for collection of the same. All Owners waive pleading the theory of "election of remedies" in any such proceedings.

## **ARTICLE V: FINANCIAL STATEMENTS; BOOKS AND RECORDS**

Section 1. Annual Statements. Within ninety (90) days after the close of each fiscal year of the Association, the Association shall have prepared and an officer of the Association shall execute under oath a balance sheet for the Association as of the close of such fiscal year and a statement of income and expense for such fiscal year. Such financial statements shall be provided to any Type "A" Member or holder of a note secured by a first deed of trust on any Lot or portion of the Common Area making a request therefore in writing within thirty (30) days after receipt of such request. In the absence of fraud or manifest error, in executing an oath with regard to such balance sheet and statement of income and expense, the officer doing so shall be entitled to rely upon the representation by the accountant, accounting firm, or management company preparing such materials as to the accuracy thereof.

Section 2. Annual Budget. Commencing with fiscal 2009, at least sixty (60) days prior to the first day of each fiscal year, the Board shall prepare or cause to be prepared and make available to all Type "A" Members a budget outlining anticipated receipts and expenses for the following fiscal year.

Section 3. Books and Records. The books and records of the Association shall be open to inspection by appointment during normal business hours by any Owner or holder of a note secured by a first deed of trust on any Lot or portion of the Common Area.

## **ARTICLE VI: GENERAL PROPERTY COVENANTS**

Section 1. Purpose of General Property Covenants. The primary purpose of these General Property Covenants is the creation of a community that is aesthetically pleasing and functionally convenient. The establishment of certain objective standards relating to design, size and location of dwellings and other structures makes it possible to take full advantage of the individual characteristics of each parcel of the Property and of technological advances and environmental values.

Section 2. Implementation of General Property Covenants. In order to implement the purpose of these General Property Covenants, the Company (and the Board of Directors of the Association after the Class B membership terminates) may establish and amend from time to time architectural standards, construction specifications, sign regulations, mailbox and post lamp regulations, landscape guidelines, environmental rules and regulations, and other standards and guidelines and rules and regulations that shall be binding on all Owners. Without limiting the generality of the foregoing, such guidelines shall be uniform in nature. .

Section 3. Actions by Company. Unless stated to the contrary herein, wherever the approval of or any determination by the Company is required in this Declaration, approval or disapproval may be based by the Company upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company shall seem sufficient. If the Company fails to decline to give any required approval within forty-five (45) days following due written request therefor, which request is accompanied by all supporting materials required to be submitted therewith by the Company and payment of any related fee permitted to be charged pursuant to this Declaration, such approval shall be deemed to have been given.

Section 4. Architectural Control. Architectural control will be exercised over all proposed improvements to any Lot and the Common Area to insure the development of The Carriage Homes at Campbell Run as a residential community of high standards and aesthetic beauty. It is the intent of this Section that the Party Exercising Architectural Control shall have the right to control all architectural aspects of any proposed improvements, including, but not limited to, design, height, site planning, set-back requirements, open space, exterior design, color schemes and finishes, landscaping, aesthetic criteria, construction schedules and coordination of drainage and utility services, to the end that The Carriage Homes at Campbell Run may be developed as a planned high-quality residential community with each Lot and Common Area thereupon complementing all other portions thereof.

Section 5. City Approvals. In addition to the approvals required under this Declaration for proposed improvements to any Lot and the Common Area, any such improvements are also subject to all administrative plan approvals and permits as are required by the City.

Section 6. Designation of Party to Exercise Architectural Control. For so long as it is an Owner, the Company shall be the party to exercise architectural control with regard to proposed improvements. Thereafter, and also with regard to alterations or modifications to completed Improvements, the ARB shall exercise such control.

Section 7. Approval to be Obtained. No building, fence, other structure or improvement shall be erected or placed, nor, without the prior written approval of the Party Exercising Architectural Control, shall a building permit for any such building, fence, other structure or improvement be applied for on any portion of the Property unless and until final plans and specifications therefore, including exterior elevations, site plans,

landscaping plans and parking plans, a schedule of exterior colors and finish materials and such other plans as the Party Exercising Architectural Control may dictate, have been submitted to and approved by the Party Exercising Architectural Control, provided that with respect to alterations or modifications of the interior of a completed Improvement, the Party Exercising Architectural Control shall not be required to approve the plans therefore unless the proposed alterations or modifications will substantially change the primary use of such structure. The plans and specifications to be submitted shall comply with any design criteria and standards promulgated pursuant to this Declaration, shall fully describe in detail the proposed improvements, and shall, with dates certain, set forth a construction schedule for construction and completion thereof. Duplicate copies of all plans shall be submitted, and one copy of each plan submitted shall become the sole property of the Party Exercising Architectural Control, provided that at such time as the Company is no longer the Party Exercising Architectural Control, it shall deliver all plans then retained by it in such capacity to the ARB. If the Party Exercising Architectural Control deems such plans and specifications insufficient, it may require the submission of additional and/or more detailed plans and specifications.

Section 8. Approval of Plans and Specifications. The Party Exercising Architectural Control shall have the right to approve or disapprove any and all proposed improvements with respect to which its approval is required. Such Party may base such approval or disapproval on any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of such Party shall seem sufficient, including but not limited to failure of the plans and specifications to comply with then-existing design criteria and standards and the general review standards set forth in Section 9 of this Article VI, but may not approve any proposed improvement that would violate any provision of this Declaration. Without limiting the generality of the foregoing, the Party Exercising Architectural Control shall not be obligated to approve proposed improvements on the grounds that the layout, design and other aspects of such improvements are the same or substantially the same as the layout, design and other aspects of improvements approved at the request of another Owner. The Party Exercising Architectural Control shall approve or disapprove any proposed improvements within thirty (30) days after receipt of all required plans, specifications and other materials in proper form, by written notice to the Owner submitting same. If the Party Exercising Architectural Control fails to disapprove any proposed improvements within such period or to require that the plans therefor be resubmitted with designated changes incorporated, they shall be deemed to have been approved. Any approval of proposed improvements which is conditioned upon changes being made or additional information or plans being provided shall be deemed a disapproval until such time as the Owner requesting such approval agrees to the changes, revises the plans and specifications therefore to reflect the changes requested or provides the additional information or plans requested, and such information or plans is or are accepted by the Party Exercising Architectural Control. If the Party Exercising Architectural Control approves, or is deemed to have approved, any proposed improvements, the Owner requesting such approval may proceed to make undertake construction of such Improvements in strict conformance with the plans, specifications

and other materials submitted and approved or deemed to have been approved, subject to the obligation to comply with conditions to approval, if any, set forth by the Party Exercising Architectural Control.

Section 9. General Review Standards. Approval or disapproval by the Party Exercising Architectural Control shall be based, among other things, on adequacy of site dimensions, storm drainage considerations, conformity and harmony of external design with neighboring portions of the Property and Improvements, relation of the topography, grade and finished ground elevation of the portion of the Property proposed to be improved to that of neighboring portions of the Property, proper facing of the main elevation with respect to nearby streets, conformity of the plans and specifications to the purpose, general plan and intent of this Declaration.

Section 10. Period Approval Effective. Approval of plans and specifications by the Party Exercising Architectural Control shall be valid for a period of one (1) year from the date given or deemed to have been given. If within such period, in the opinion of the Party Exercising Architectural Control, substantial commencement of construction of the Improvements has not begun, all related approvals shall be deemed to have expired and no construction shall thereafter continue or commence without a written renewal of such approvals.

Section 11. Alterations to Completed Improvements. No alteration in the exterior appearance of any completed Improvement, including but not limited to exterior elevations, site plan, landscaping plan, parking plan and exterior color or finish, shall be made without prior written approval by the ARB. All such alterations shall be completed strictly in accordance with the approved plans therefor. The provisions of Sections 8-10 of this Article VI shall apply to the ARB with respect to proposed alterations to completed Improvements with the same force and effect as such Sections apply to the Company or ARB, as the case may be, with respect to proposed improvements.

Section 12. Location of Improvements. Improvements shall be located so that the maximum view, privacy, sunlight, and breeze will be available to each building or structure and so that structures will be located with due regard to the topography of the Property, taking into consideration the location of large trees and other aesthetic and environmental considerations.

Section 13. Signage. Except signs erected by the Company, no sign shall exceed six (6) square feet in face area. No sign shall be erected or maintained on any portion of the Property until the proposed sign size, color, content and location shall have been approved in writing by the Party Exercising Architectural Control. Notwithstanding the foregoing, the Board may adopt uniform standards for "For Rent" and "For Sale" signs and, if such standards are adopted by the Board, "For Rent" and "For Sale" signs shall not require advance approval provided such signs are in conformity with the standards adopted by the Board for such signs. No alteration in the appearance of any sign shall be made without like prior written approval by the ARB. All signage shall also comply with all Rules and Regulations applicable to signage.

Section 14. Mailboxes; Alteration Thereof. No mailbox shall be erected or maintained on any portion of the Property until the proposed mailbox design, color, and location have been approved in writing by the Party Exercising Architectural Control Company. No alteration in the appearance of any mailbox shall be made without like prior written approval by the ARB. All mailboxes shall also comply with all Rules and Regulations applicable to mailboxes.

Section 15. Post Lamps; Alteration Thereof. No post lamp shall be erected or maintained on any portion of the Property until the proposed post lamp design, color and location have been approved in writing by the Party Exercising Architectural Control. No alteration in the appearance of any post lamp shall be made without like prior written approval by the ARB. All post lamps shall also comply with all Rules and Regulations applicable to post lamps and lighting in general.

Section 16. Utilities Easement. The Company reserves a perpetual, alienable, and releasable easement and right, on, over and under portions of the Property to erect, maintain, and use or to permit third parties to erect, maintain, and use electric, community antenna television, cable television, telephone and other utility poles, wires, cables, and conduits, streetlights, drainage ways, sewers and water mains, and all related equipment for the provision of electric, telephone, gas, sewer, water, drainage, or other public conveniences or utilities to the Property; provided, however, that no such utility easement shall be applicable to any portion of any Property that may (a) have been used prior to the installation of such utilities on such portion of the Property for construction of Improvements, or (b) may be designated as the site for a building on a site plan that has been approved in writing by the Party Exercising Architectural Control. The foregoing easement includes the right to cut any trees, bushes, or shrubbery, make any grading of the soil, or to take any other similar action necessary to provide economical and safe utility services and to maintain reasonable standards of health, safety, and appearance. The Company will use its reasonable efforts to locate utility services along the front and rear boundary lines of a Lot.

Section 17. Wells, Pumping Stations, Etceteras. The Company may locate wells, pumping stations, siltation basins, ponds, and tanks on the Property in compliance with City ordinances pursuant to Article IX, Section 8, provided that if it does not have the right to do so pursuant to an express reservation of easement in a deed to the Lot which deed has been recorded in the Clerk's Office, it shall not do so on any Lot without the prior written consent of the Owner thereof.

Section 18. Topographical Changes. Except as expressly set forth in this Declaration, topographic and vegetation characteristics of the Property shall not be altered by excavation, grading, removal, reduction, addition, clearing, cutting, pruning, seeding, planting, transplanting, or any other means without the prior written approval of the Party Exercising Architectural Control. Topographical changes and changes in the vegetation characteristics of the Property pursuant to a landscaping plan approved by the Party

Exercising Architectural Control shall be deemed to have been approved for purposes of this Section 18.

Section 19. Removal of Trees. Except as set forth below, no trees (other than those that are dead or diseased) measuring six (6) inches or more in diameter at a point two (2) feet above ground level may be removed from any portion of the Property without the prior written approval of the Party Exercising Architectural Control. Any trees located within twenty (20) feet of the foundation of an Improvement may be removed without the approval of the Party Exercising Architectural Control.

Section 20. Easement for Pest and Fire Control. The Company reserves a perpetual, alienable and releasable easement and right on, over and under the Property to dispense pesticides and take other actions necessary or desirable to control insects and vermin and to control fires on any portion of the Property or any Improvements thereon.

Section 21. Consultation with Architects, Etceteras; Administrative Fee. In connection with the discharge of its responsibilities under this Article VI, the Party Exercising Architectural Control may engage or consult with architects, engineers, planners, surveyors, attorneys and others. Any Person seeking the approval of the Party Exercising Architectural Control pursuant hereto agrees to pay all fees thus incurred and further agrees to pay an administrative fee to the Party Exercising Architectural Control in such amount as the Party Exercising Architectural Control may from time to time reasonably establish. The payment of all such fees is a condition to the approval or disapproval of any proposed improvements, and the commencement of review of any proposal may be conditioned upon the payment of the Party Exercising Architectural Control's estimate of such fees. Administrative fees established, levied and collected by the Party Exercising Architectural Control shall be in amounts reasonably calculated to defray the costs of carrying out the responsibilities of the Party Exercising Architectural Control, including, in the case of the ARB, reasonable compensation for its members other than those appointed by and associated with the Company. The Party Exercising Architectural Control shall have the right to impose fees in differing amounts for different categories of Owners (e.g., builders versus "retail" purchasers) and to impose fees on some categories of Owners but not others. Subject to retention of a reasonable reserve for working capital purposes, any surplus funds held by the ARB at the end of a given calendar year shall be disbursed by it to the Association.

Section 22. Lawful Use. No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Owner, the Association and the Company, whichever shall have the obligation for the upkeep of such portion of the Property.



Section 23. Emissions. There shall be no emissions of dust, sweepings, dirt, cinders, odors, gases or other substances into the atmosphere except for normal residential chimney emissions from any portion of the Property or discharges of liquid, solid wastes or other environmental contaminants into the ground or any body of water, if such emission, production, storage or discharge may adversely affect the use or intended use of any portion of the Property or may adversely affect the health, safety or comfort of any Person.

Section 24. Noise. No Person shall cause any unreasonably loud noise (except for duly operating security devices) anywhere on the Property, nor shall any Person permit or engage in any activity, practice or behavior for the purpose of causing annoyance, discomfort or disturbance to any Person lawfully present on any portion of the Property.

Section 25. Obstructions. No Person shall obstruct any of the Common Area or otherwise impede the rightful access of any other Person on any portion of the Property upon which such Person has the right to enter. No Person shall place or cause or permit anything to be placed on or in any of the Common Area without the approval of the Board. Nothing shall be altered or constructed in or removed from the Common Area except with the proper written approval of such Board.

Section 26. Limitation of Liability. The approval by the Party Exercising Architectural Control of any proposed improvements or alterations, and/or any requirement by the Party Exercising Architectural Control that the proposed improvements or alterations be modified, shall not constitute a warranty or representation by the Party Exercising Architectural Control of the adequacy, technical sufficiency or safety of the proposed improvements or alterations, as the same may be modified, and the Party Exercising Architectural Control Board shall have no liability whatsoever for the failure of the proposed improvements or alterations to comply with applicable building codes, laws and ordinances or to comply with sound engineering, architectural or construction practices or for the negligence of any party involved in construction of such improvements or alterations once approved. In addition, in no event shall the Party Exercising Architectural Control 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 such Party's approval, disapproval or conditional approval of any proposed improvements or alterations. Any Owner, contractor or other party asserting a claim against the Party Exercising Architectural Control in contravention of the provisions of this Section 26 shall reimburse such Party for all costs and expenses, including reasonable attorneys' fees and court costs, incurred by it in connection therewith. Such costs and expenses, together with interest thereon at the rate of Twelve percent (12%) per annum from the due date thereof until paid, a late charge of thirty (30) dollars, and costs of collection, including attorneys' fees, shall become a Special Assessment (as such term is defined herein) upon the Lot owned by the Owner asserting a claim shall be due upon demand, and shall be the personal obligation of such Owner or developer.

Section 27. Mining. No portion of the Property shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth without the consent of the Company, which consent the Company shall not be obligated to give.

Section 28. Vehicles. All vehicles must be parked so as not to impede traffic or damage vegetation. No junk or derelict vehicle or vehicle on which current registration plates and current city and state inspection permits are not displayed shall be kept upon any portion of the Common Area or any portion of a Lot visible from the Common Area or another Lot. Vehicle repairs and storage of vehicles are not permitted, except in accordance with the Rules and Regulations; provided, however, that noncommercial repair of vehicles is permitted within enclosed structures. All motor vehicles, including, but not limited to, trail bikes, motorcycles, golf carts and scooters, shall be driven only upon paved streets and parking lots. No such motor vehicles shall be driven on unpaved portions of the Common Area, except such vehicles as are authorized by the Board as needed to maintain, repair, or improve the Common Area. Except in connection with construction activities and with respect to trucks or vans not over two and one-half (2 ½) tons in weight and used as a principal means of transportation to work and sport utility vehicles, no trucks, trailers, campers, recreational vehicles, boats or other large vehicles, including grounds maintenance equipment, may be parked on any portion of the Common Area or any portion of a Lot visible beside or in front of the dwelling located thereon or on any public right-of-way within or adjacent to the Property, unless expressly permitted by the Board and only in such parking areas or for such time periods (if any) as may be designated for such purpose. Parking of all such vehicles and related equipment, other than on a temporary and non-recurring basis, shall be in garages or screened enclosures approved by the Party Exercising Architectural Control or in areas designated in the Rules and Regulations or by the Party Exercising Architectural Control.

Section 29. Animals. Except as set forth below, the maintenance, keeping, boarding or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited on any portion of the Property. The keeping of guide animals and orderly domestic pets (e.g., dogs, cats or caged birds) is permitted, subject to the Rules and Regulations; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding and that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon ten (10) days' written notice from the Board. Pets shall not be permitted upon the Common Area unless accompanied by someone who controls the pet and unless carried or leashed. Pet droppings shall be removed by the person in control of the pet. Any Owner who keeps or maintains or permits to be kept or maintained any pet upon any portion of the Property agrees to indemnify and hold the Association, each Owner and the Company free and harmless from any loss, claim or liability of any kind or character whatever (including reasonable attorneys' fees and costs) arising by reason of keeping or maintaining such pet within the Property. All pets shall be registered and inoculated as required by law.

Section 30. Service and Access Agreement with Cox Communications. The Company has entered into a Service and Access Agreement with Cox Communications Hampton Roads, L.L.C. ("Cox") dated June 1, 2007 granting to Cox and its successors and/or assigns, a non-exclusive license across the Property for delivery of certain communication services. Neither the Association of any Unit Owner shall engage in any act which would impair or prohibit Cox exercising its rights under the Service and Access Agreement.

## **ARTICLE VII: ADDITIONAL RESTRICTIONS AFFECTING COMMON AREA**

Section 1. Right to Convey. The Company reserves the right to dedicate, transfer, sell, convey, give, donate, or lease to the Association or to any third party any portion of the Common Area, subject to the provisions of this Article VII and all other restrictions or limitations that the Company shall elect to impose, provided that so long as there is a Type "B" Member of the Association, the Company shall not dedicate, transfer, sell, convey, give, donate or lease Common Area to the Association without the approval of HUD, if HUD approval is applicable or required. As an appurtenance to any such conveyance to the Association, the Association shall have all of the powers, immunities, and privileges reserved unto the Company in this Article VII as well as all of the Company's obligations with respect thereto, provided, however, that so long as the Company is an Owner, the Company, in addition to and jointly with the Association, shall retain all rights reserved unto it in this Article VII. Without limiting the generality of the foregoing, when it transfers, sells, conveys, gives, donates or leases to the Association or to any third party any portion of the Common Area, the Company shall be entitled to reserve for its own benefit or the benefit of any Affiliate of the Declarant such signage easements as in its sole discretion may be necessary or desirable. Notwithstanding anything contained herein to the contrary, all Common Area shown and described on any recorded plat of any portion of the Property shall be conveyed to the Association free and clear of all encumbrances before HUD insures the first mortgage secured by a deed of trust on a Lot shown and described on such plat.

Section 2. Improvements. The Common Area may be improved with facilities including, but not limited to, landscape buffers, entrance features and recreational facilities. Such facilities may include, but shall not be limited to, appropriate buildings, structures, roads, driveways, parking areas and utility equipment.

Section 3. Company's Right of Access. The Company reserves the right to enter upon the Common Area to construct, landscape, maintain and operate any Improvements located thereupon. The Company further reserves the right to authorize the construction, landscaping, maintenance or operation of such facilities within the Common Area (including maintenance of landscaping thereupon) by the Association or any other third party.

Section 4. Association Property. The Common Area and any Improvements located thereupon shall be used only for the furnishing of the services and facilities for which the same is reasonably suited and which are incident to the use and occupancy of the Lots and the functions of the Association. The Improvements located on the Common Area shall be used only for their intended purposes. Except with respect to use thereof by the Company in connection with its sales and marketing efforts for The Carriage Homes at Campbell Run no Owner shall make any private, exclusive or proprietary use of the Common Area or any portion thereof without the prior written approval of the Board, which shall only have the authority to approve such use on a temporary basis.

Section 5. BMP Facilities. It is anticipated that the Common Area may include a "best management practices" facility or facilities consisting of a pond or ponds. No swimming or boating shall be permitted on the ponds. The only permitted uses of the ponds shall be those, if any, set forth in the Rules and Regulations in effect from time to time.

Section 6. Right of Access by City into Common Area. There is hereby granted a right of entry upon Common Areas to City personnel, including, but not limited to, law enforcement officers, rescue squad personnel and firefighting personnel in performance of their duties.

#### **ARTICLE VIII: ADDITIONAL RESTRICTIONS AFFECTING LOTS**

Section 1. Minimum Size Requirements and Design Requirements. Plans required under Article VI of this Declaration shall be approved only if the proposed house, dwelling unit, or other structures will have the required minimum square footage of enclosed finished dwelling space (excluding garages, terraces, decks, open porches, screened porches, attached utility or storage areas, and similar areas) of at least 1,200 square feet.

Section 2. Use. Subject to the right of the Company to use one or more Lots for the purpose of its sales offices and models and as otherwise set forth below, all Lots shall be used solely for residential purposes, recreational purposes incidental thereto, and customary accessory uses. The use of a portion of a dwelling unit on a Lot as an office by an Owner or Tenant shall be considered a residential use provided that, during the time that the Company owns a portion of the Property, in the opinion of the Company, such use does not create undue customer or client traffic, as determined by the Company, to and from the Lot and such use is in compliance with City ordinances pursuant to Article IX, Section 8.

Section 3. Permitted Structures. No structure shall be erected, altered, placed or permitted to remain on a Lot other than one (1) single family attached dwelling or dwelling unit and, one (1) small accessory building, provided that, in the opinion of the Party Exercising Architectural Control, the use of such accessory building does not overcrowd the Lot and such accessory building is in compliance with City ordinances pursuant to

Article IX. Section 8. Such accessory building may not be constructed prior to the construction of the single-family attached dwelling or dwelling unit.

Section 4. Party Walls and Fences. The rights and duties of the Owners with respect to Party Walls and Party Fences shall be as follows:

(a) Each wall or fence which is built at the time of the original construction of the dwellings upon the Lots and placed on the dividing line between the Lots shall constitute a Party Fence or a Party Fence, as the case may be, and, to the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and liability for property damages due to negligence or willful acts or omission shall apply thereto.

(b) The Owners of contiguous Lots who have a Party Wall or a Party Fence shall equally have a right to such Party Fence, provided that such use by one (1) Owner does not interfere with the use and enjoyment of the same by the other Owner.

(c) In the event that any Party Wall or Party Fence is damaged or destroyed due to the intentional or negligent act of an Owner or any person for whom he is legally responsible, the Association shall rebuild and repair such Party Wall or Party Fence and the cost thereof shall be specially assessed against the Lot whose Owner's or person for whom such Owner is legally responsible intentional or negligent act resulted in damage or destruction of such Party Wall or Party Fence.

(d) In the event any such Party Wall or Party Fence is destroyed (including deterioration from ordinary wear and tear and lapse of time), other than the act of an adjoining Owner, his agents, employees, invitees, tenants, guests or family, the Association shall rebuild or repair such Party Wall pursuant to Section 23 of this Article VIII.

(e) Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any Party Wall or Party Fence without the prior consent of the Association and of all Owners of any interest therein whether by way of easement or in fee.

(f) In the event of a dispute between Owners with respect to the construction, repair or rebuilding of a Party Wall or Party Fence, or with respect to the sharing of the cost thereof, such adjoining Owners shall submit the dispute to the Board of Directors of the Association, the decision of which shall be binding.

Section 5. Other Fences and Walls. Any fence initially installed or constructed by the Company that is located on or immediately adjacent to the rear line of a Lot and any replacement thereof shall constitute a "Rear Fence". All Rear Fences shall be maintained, repaired and replaced by the Association. Notwithstanding the foregoing, in the event that any Rear Fence is damaged or destroyed by the intentional or negligent act of an Owner or any person for whom he is legally responsible, the Association shall

repair or replace such Rear Fence and the cost of which shall be specially assessed against the Lot whose Owner or any person for whom he is legally responsible committed such intentional or negligent act. Each Lot Owner will pay for the maintenance, repair and replacement of that portion of any wall or fence that is not a Party Wall or Party Fence or a Rear Fence, as located on his or her Lot. Because the appearance of any such wall or fence is important to the Property, in the event that any Owner or Owners fail to maintain, repair or replace such wall or fence as needed, or when given notice by the Company and/or the Association that such work must be done for the benefit of Owners of both Lots or of the Property as a whole and fails to do so, the Company for so long as it is an Owner, and/or the Association may maintain, repair or replace such wall or fence as it deems appropriate and assess the cost of the same to the respective Owners, each to pay for the work done on that Owner's side of the Property line. All fences or walls, including Party Fences and Rear Fences, but specifically excluding any fence or wall erected by the Company are subject to the review and approval of the Party Exercising Architectural Control prior to their installation.

Section 6. Completion of Exterior of Improvements. The exterior of each single family dwelling or dwelling unit and all other structures on a Lot must be completed within one (1) year after the construction of same shall have commenced except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamities, and such dwelling or dwelling unit may not be occupied, whether temporarily or permanently, until such exterior is so completed and a temporary or permanent certificate of occupancy therefor has been issued by the City. During the continuance of construction, the Owner of a Lot shall require the contractor to maintain the Lot in a reasonably clean and uncluttered condition. Provided the Company has given such Owner or developer prior written notice of such Owner or developer's failure to so complete such exterior, and such Owner or developer has failed to complete or cause to be completed such exterior within thirty (30) days of the date of such notice, the Company shall be entitled to take any action necessary to complete such exterior or, if in the Company's opinion it is appropriate to do so, to demolish any uncompleted improvements and restore the Lot to its condition prior to the commencement of construction.

Section 7. Screening of Facilities. Garbage receptacles and similar storage receptacles, electric and gas meters, air conditioning equipment, and other unsightly objects must be screened or stored in order to conceal them from view from the adjoining public street or streets and adjacent portions of the Property.

Section 8. Exterior Clotheslines; Deck and Porch Railings. No exterior clotheslines, wooden or metal racks, or other apparatus suited or intended to be used for air-drying of wet garments may be erected by any Owner. Deck and porch railings shall not be used for the purpose of drying any linens or garments of any kind by any Owner.

Section 9. Garbage Pickup. Curbside pickup of garbage, yard waste, debris and recyclable materials shall be permitted subject to such rules and regulations as the Association may elect to impose and subject to the applicable ordinances of the City.

Section 10. Limitation on Types of Structures. No mobile home, trailer, tent, barn or other similar outbuilding or structure shall be placed on any Lot at any time, either temporarily or permanently. Boats, utility trailers, campers, recreational vehicles, oversized vehicles, or utility trailers may be placed or stored on a Lot with the approval of the Party Exercising Architectural Control, but only within an approved enclosed or screened area such that they are not generally visible from adjacent portions of the Property. Such Party shall be entitled to limit the size of any such items in connection with approving a storage area therefor.

Section 11. Temporary Structures. No structure of a temporary character shall be placed upon any Lot at any time, other than shelters or temporary structures used by a contractor during the construction of the a dwelling unit or units thereupon, the design and color of which have been approved in writing by the Party Exercising Architectural Control. No permitted temporary shelter may remain on a Lot after completion of construction of such dwelling or dwelling units.

Section 12. Limitation on Antennas, Etceteras. Except as provided below or otherwise provided by law, no antenna, radio receiver, radio sender, or similar device shall be attached to or installed on any Lot or on the exterior portion of any building or structure on any Lot. To the extent permitted by applicable law, the Party Exercising Architectural Control shall have the right to approve the size, location and screening of any satellite receiver dish on a Lot or the Common Area. Nothing herein contained shall be construed to give any Owner the right to install and utilize a satellite receiver on any portion of the Common Area.

Section 13. Subdivision. Except as set forth below, no Lot shall be subdivided or its boundary lines changed without the prior written consent of the Company for so long as the Company owns a portion of the Property and must also be in compliance with City ordinances pursuant to Article IX, Section 8. The Company may replat any Lot owned by it and take such other steps as are reasonably necessary to make such replatted Lot suitable and fit as a building site, including, but not limited to, the relocation of easements, walkways, rights of way, recreational and community facilities and other amenities to conform to the new boundaries of said replatted Lot.

Section 14. Timeshares. No Lot shall be subjected to or used for any timesharing, cooperative, licensing or other arrangement that would entail weekly, monthly, or any other type of revolving or periodic occupancy by multiple Owners, cooperators, licensees, or timesharing participants.

Section 15. Pools. No aboveground swimming pool shall be erected or maintained on any Lot. No in-ground swimming pool shall be erected or maintained on

any Lot unless approved by the Party Exercising Architectural Control and unless screened from view and enclosed by a fence.

Section 16. Leasing. No dwelling unit located on a Lot shall be used or occupied for transient or hotel purposes. No dwelling unit located on a Lot shall be leased for an initial period of less than Six (6) consecutive months without the Company's approval. No portion of any dwelling unit (other than the entire dwelling unit) shall be leased for any period. No Owner shall lease a Lot other than on a written form of lease (i) requiring the lessee to comply with this Declaration and the Rules and Regulations; (ii) providing that failure to comply with such documents constitutes a default under the lease; and (iii) permitting the Association or the Company to terminate said lease in the event of an Owner's failure to do so upon the occurrence of such a default, which default is not cured within thirty (30) days after notice thereof from the Owner, the Association, or the Company, as the case may be.

Section 17. Landscaping and Upkeep. All grass, trees, plants, shrubbery and landscaping located on those portions of a Lot not enclosed by a fence or wall shall be maintained by the Association. Notwithstanding the foregoing, an Owner may install additional landscaping on their Lot subject to the approval of the Party Exercising Architectural Control and it shall be the Owner's responsibility to maintain such additional landscaping. All grass, trees, plants, shrubbery and landscaping on a Lot that is fully enclosed by a fence or wall shall be maintained by the Owner of that Lot. Every owner shall take such actions as may be necessary to assure that the grounds and all buildings and structures on such Owner's Lot are kept free of unclean, unsightly, unkempt, unhealthy, or unsafe conditions. Without limiting the generality of the foregoing, each Owner shall mow, fertilize and treat for pests and weeds grassed areas and trim and prune shrubbery, trees and other landscaping on a Lot that is not the responsibility of the Association to maintain regularly and properly so as to maintain the appearance of the Lot facilities in a manner in keeping with the standards set forth in the Rules and Regulations or otherwise comparable to the appearance of similar properties in comparable developments in the City. Provided that the Company has given an Owner of any such Lot written notice of action required to assure that the grounds the Owner is responsible for maintaining and all buildings and structures on such Lot are kept free of unclean, unsightly, unkempt, unhealthy, or unsafe conditions, and the Owner has failed to take such action within fifteen (15) days of the date of such notice, the Company shall have the right to enter upon the Lot to perform the action required and the cost thereof shall constitute a Special Assessment against that Lot.

Section 18. Erosion Control. Every Owner shall take such actions as may be necessary to maintain effective erosion control on Lots. Provided that the Company has given an Owner or of a Lot written notice of action required to establish and maintain effective erosion control on such Lot, and the Owner has failed to take such action within seven (7) days of the date of such notice, the Company shall have the right to enter upon the Lot to perform the action required and the cost thereof shall constitute a Special Assessment against that Lot.



Section 19. Control of Vegetation. Every Owner shall take such actions as may be necessary to remove underbrush, weeds or other unsightly growth from the portion of their Lot not maintained by the Association that detract from the overall beauty, setting and safety of the Property. Provided the Company or the Association, after the Type "B" Membership has terminated has given written notice to an Owner of a Lot of the presence on such Lot of underbrush, weeds or other unsightly growth that in the Company's or the Association, after the Type "B" Membership has terminated opinion detracts from the overall beauty, setting and safety of the Property and is the responsibility of the Owner to maintain, and the Owner has failed within fifteen (15) days of the date of such notice to correct such condition, the Company may enter upon the Lot to mow, remove, clear, cut or prune such underbrush, weeds, or other unsightly growth. The cost thereof shall be levied as a Special Assessment against that Lot.

Section 20. Nuisances. No nuisance shall be permitted to exist on any Lot. Noxious, destructive, or offensive activity, or any activity constituting an unreasonable source of annoyance, shall not be conducted on any Lot, Common Area or any part thereof. Each Owner shall refrain and cause others to refrain from any act or use of his Lot that could reasonably cause embarrassment, discomfort, or annoyance to other Owners, their Tenants, family members, guests and invitees.

Section 21. Hazardous Uses; Waste. Nothing shall be done or kept on any Lot that increases the rate of insurance applicable for permitted uses for the Common Area or any part thereof without the prior written consent of the Board, including, without limitation, any activities that are unsafe or hazardous with respect to any person or property. No Person shall permit anything to be done or kept on any Lot that will result in the cancellation of any insurance on the Common Area or any part thereof or that would be in violation of any law, regulation or administrative ruling. No vehicle of any size that transports inflammatory or explosive cargo may be kept or driven on the Property at any time. Each Owner shall comply and shall be responsible for assuring that its Tenant, if any, family members, guests and invitees comply with all federal, state and local statutes, regulations, ordinances, or other rules intended to protect the public health and welfare as related to land, water, groundwater, air or other aspects of the natural environment, including, but not limited to, those laws regulating the use, generation, storage or disposal of hazardous substances, toxic wastes and other environmental contaminants. No Owner shall knowingly use, generate, manufacture, store, release, dispose of or permit to be used, generated, manufactured, stored, released, or disposed of by its Tenant or any third party or permit to exist in, on, under or about any portion of the Property or transport or permit to be transported to or from any portion of the Property any hazardous materials except in compliance with all applicable environmental laws, or commit any waste on any portion of the Property.

Section 22. Lighting. No exterior lighting shall be directed outside the boundaries of any Lot.

Section 23. Maintenance of Roofs. The Association shall be responsible for the maintenance, repair and replacement of roofs (which include shingles and felt, but not

decking or rafters) and all roof flashing. Notwithstanding anything contained herein and to the contrary, if, in connection with the repair, patching or replacement of a roof, it is necessary that the decking or rafters be repaired or replaced as part of such repairs or replacements, then the Association shall cause such decking or rafters to be repaired or replaced and the cost incurred in connection with such repair or replacement of decking or rafters shall be specially assessed against that Lot and shall be the obligation of the Owner of that Lot to pay. Notwithstanding any of the foregoing, in the event that a repair or replacement is a result of a casualty that is an insurable casualty under a standard homeowners policy of hazard or casualty insurance, then the cost of such repair or replacement shall be charged to and paid by that Unit Owner.

#### **ARTICLE IX: DURATION; TERMINATION; ADDITIONS; RELATIONSHIP TO ZONING ORDINANCES; LIMITATIONS; VIOLATION; SUBORDINATION**

Section 1. Duration. This Declaration shall run with the land for an initial term of thirty (30) years from the date of recordation in the Clerk's Office. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically extended for successive terms of ten (10) years (the number of such extension terms being unlimited), unless this Declaration is terminated in the manner set forth below.

Section 2. Termination of Declaration. This Declaration may be terminated at the end of the then-current term by the affirmative vote of three-fourths (3/4ths) of the votes cast by the Type "A" Members present in person or by proxy at a duly called meeting held during the final year of such term.

Section 3. Amendments Generally. Subject to the rights granted the Company in Sections 4, 6 and 10 of this Article IX, all proposed amendments to this Declaration shall be submitted to a vote of the Members at a duly called meeting. Any such amendment shall be deemed approved if two-thirds (2/3rds) of the votes of the Type "A" Members present at such meeting in person or by proxy (exclusive of the Company) vote in favor thereof and, while there is a Type "B" Member, such amendment has been approved by the Type "B" Member and HUD, if HUD approval is applicable or required. No such amendment shall become effective earlier than sixty (60) days following the date of its adoption. Any amendment that specifically affects the rights of holders of notes secured by deeds of trust encumbering Lots, all or any portion of the Common Area shall be subject to the consent of such noteholders, with the procedures relating to such consent to be those set forth in Section 55-515.1 of the Code. An action to challenge the validity of an amendment may not be brought more than one (1) year after the amendment is effective.

Section 4. Company's Unilateral Right to Amend. The Company shall have the unilateral right to amend this Declaration set forth in Section 55-515.2.F. of the Code.

Section 5. Quorum Requirements. For the purposes of any meetings held pursuant to this Article IX, the presence in person or by proxy at such meeting of forty percent (40%) of the votes of the Type "A" Members, and, while there is a Type "B"

Member, the Type "B" member, shall constitute a quorum. If the required quorum is not present, the Company may call another meeting or meetings subject to the giving of proper notice, and the required quorum at such subsequent meeting or meetings shall be one-half (1/2) of the number of Type "A" Members required in order for there to have been a quorum at the preceding meeting, but in no event shall the quorum requirement be reduced below twenty percent (20%), and, while there is a Type "B" Member, the Type "B" Member.

Section 6. Notice of Termination or Amendment. If this Declaration is terminated or amended, a certificate of termination or an addendum to this Declaration shall be recorded in the Clerk's Office by the Company, while there is a Type "B" Membership, or the Association thereafter. Such instrument shall set forth the date of the meeting at which action was taken, the nature of the action taken, the effective date of the action, the date that notice of such meeting was given, the total number of votes of entitled to vote on such action (including, where appropriate, the vote of the Type "B" Member), the total number of votes required to constitute a quorum, the total number of votes present in person or by proxy, the total number of votes necessary to approve such action, the total number of votes cast in favor of such action, and the total number of votes cast against such action. In addition, any such addendum shall contain a certification by an officer of the Company, while there is a Type "B" Membership, or the Association thereafter that the requisite majority of the votes of the Type "A" Members have signed the amendment or ratifications thereof.

Section 7. Additional Restrictive Covenants. The Company may add additional restrictive covenants affecting the Property or any portion thereof prior to or at the time of its initial conveyance to the Association or to any other third party or to limit the application of these covenants thereto prior to or at the time of such conveyance with the approval of HUD and the City, if applicable.

Section 8. Relationship To Zoning Ordinances, Etceteras. The provisions of this Declaration are subject and subordinate to the City zoning, subdivision and other ordinances. If any provision of this Declaration is less restrictive than a comparable provision in such zoning, subdivision or other ordinances, such zoning, subdivision or other ordinances, shall prevail. Without limiting the generality of the foregoing, such ordinances affect; the types of signage that may be approved by the Company pursuant to Article VI, Section 13; the ability to locate wells, pumping stations, and similar facilities on the Property pursuant to Article VI, Section 17; the portion of a Lot upon which the Company may permit parking of boats, trailers, oversized or commercial vehicles pursuant to Article VI, Section 28; the use of a portion of a dwelling as an office pursuant to Article VIII, Section 2; and the provisions for resubdivision of Lots set forth in Article VIII, Section 13.

Section 9. Remedy for Monetary Breach. In the event of default by an Owner in any monetary obligation imposed by or pursuant to this Declaration, the Association and, the Company shall independently have the right to proceed at law or in equity to compel compliance to the terms hereof and recover sums due and/or money damages, including

but not limited to reasonable attorneys' fees and other costs of collection. In the event of such a default and the failure of the Association and/or the Company to so proceed within thirty (30) days after receipt of notice from any Owner of a demand that it or they do so, such Owner shall independently have such right to proceed, with any sums due that are recovered and/or money damages that are awarded being for the account of the Association.

Section 10. Remedy for Non-Monetary Breach. Subject to the notice provisions set forth below and the dispute resolution provisions set forth in Section 11 of this Article IX, in the event of a breach by an Owner or of a Lot or any other party claiming the right to use such Lot by, through or under such Owner in performance of any non-monetary obligation imposed by or pursuant to this Declaration, the Company shall have the right to enter upon such Owner's Lot and take such actions as are necessary in the Company's sole and absolute discretion to remedy the same at the expense of such Owner. If the nature of such breach is such, in the opinion of the Company, as to require immediate corrective action, the Company shall have such right to take corrective action after written notice to such Owner and such Owner's failure to take satisfactory immediate corrective action; in any other event, except as otherwise set forth herein, the Company shall have such right if, after thirty (30) days written notice of such violation or breach, it shall not have been corrected. Subject to the dispute resolution provisions set forth in Section 11 of this Article IX, in the event of a threatened breach by an Owner or any other party claiming the right to use such Lot by, through or under such Owner in performance of any non-monetary obligation imposed by or pursuant to this Declaration, the Company shall be entitled to bring an action against such Owner in equity for injunctive and other relief provided it first gives such Owner ten (10) days' notice of its intention to do so unless, in the opinion of the Company, the nature of the threatened breach is such as to require immediate legal action. If the Company fails to exercise the rights granted in this Section 10 upon a breach by an Owner or any such other party in performance of any non-monetary obligation imposed by or pursuant to this Declaration within thirty (30) days after receipt of notice from the Association of a demand that it do so, the Association shall be entitled to exercise such rights. If neither the Company nor the Association exercises such rights within forty-five (45) days after receipt of notice from any Owner of a demand that it or they do so, such Owner shall be entitled to do so. The provisions of this Section 10 shall not apply in the case of a breach or threatened breach of the provisions of either Section 32 or Section 33 of this Article IX, it being expressly intended that in the event of such a breach or threatened breach, the Company shall have all remedies available at law or in equity, including injunctive and other relief.

Section 11. Alternative Dispute Resolution. If the Company, the Association, or an Owner, as the case may be, asserts that a non-monetary breach or threatened breach by an Owner or any other party acting by, through or under an Owner exists that is of such a nature that the Company, the Association or such Owner is obligated to give such Owner or other party acting by, through, or under an Owner notice thereof pursuant to Section 10 of this Article IX (a "Violation Notice") before pursuing any remedy therefor, the Company, the Association or such Owner on its own initiative may elect in such Violation Notice to notify such other Owner that within ten (10) days after receipt of such Violation Notice, the

sender or any recipient of such Violation Notice may elect by notice to the Company, the Association or such other Owner, as the case may be, to submit any matter in dispute to binding arbitration in the City in accordance with the provisions of the Uniform Arbitration Act, Section 8.01-581.01 et. seq. of the Code, provided in any such event there shall only be one (1) arbitrator appointed by the court pursuant to Section 8.01-581.03 of such Act and the arbitrator shall not be entitled to award any party punitive damages recoverable from any other party. The party giving notice of its election to submit a matter in dispute to such arbitration shall apply to the Circuit Court of the City for the appointment of an arbitrator within ten (10) days after giving such notice, failing which any other party to the matter in dispute may do so.

Section 12. Certain Rights of Association. Subject to the provisions of Section 13 of this Article IX, the Association shall have the following rights hereunder:

(a) The Board may suspend the voting rights of any Type "A" Member during the period when an Assessment is delinquent, but, upon payment of such Assessment and all related costs incurred which the Association is entitled to recover from such Member, such rights shall be restored.

(b) The Board may suspend a Type "A" Member's right to use facilities or services provided directly through the Association for nonpayment of Assessments which are more than sixty (60) days delinquent, to the extent that access to such Member's Lot is not precluded and provided that such suspension shall not endanger the health, safety, or property of any Owner, Tenant or occupant. Any such suspension shall also act as a suspension of the right to use such facilities or services of any party claiming by, through or under such Member.

(c) The Board may assess charges against any Type "A" Member for any violation of this Declaration, the General Property Covenants, or the Rules and Regulations for which such Member or his family members, Tenants, guests, or other invitees is responsible. The amount of any such charges shall not be limited to the expense or damage to the Association caused by the violation, but shall not exceed the maximum amounts for a single offense or per day for any offense of a continuing nature permitted pursuant to Section 55-513 of the Code and shall be treated as a Special Assessment against the Member's Lot for purposes of Section 55-516 of the Code, and the charges in connection with a violation of a continuing nature shall not be assessed for a period exceeding ninety (90) days or such longer period of time as may be permitted by Section 55-513 of the Code.

Section 13. Due Process Rights. No suspension pursuant to Section 12 of this Article IX or charge pursuant to Subsection 12(c) of this Article IX shall be imposed against a Type "A" Member before such Member is given an opportunity to be heard and to be represented by counsel before the Board. Notice of such hearing, including a statement of the charges or other sanctions that may be imposed, shall be given to such Member at

least fourteen (14) days prior to the hearing. Notice of the hearing result shall be given to such Member within three (3) days after the hearing.

Section 14. Failure No Waiver. The failure by the Owners, the Association, and/or the Company to enforce any right, reservation, restriction or condition contained in this Declaration in any one instance, regardless of how long such failure shall continue, shall not constitute a waiver of or a bar to the right to enforce such right, reservation, restriction or condition in any other instance or to enforce any other right, reservation, restriction or condition contained herein.

Section 15. Costs of Corrective Action; Lien. Whenever any corrective action is taken pursuant to Section 10 of this Article IX or otherwise as permitted by this Declaration, the costs thereof shall be a personal obligation of the Owner of the portion of the Property affected at the time such costs are incurred. The costs shall be billed at the completion of such corrective action, and all bills shall be due and payable thirty (30) days from the date of mailing of the same. If the costs are not paid when due, the Company, the Association or the Owner initiating corrective action, as the case may be, may sue for a judgment, and, in addition to such costs, recover the costs of preparing and filing a complaint, a reasonable attorney's fee, a late charge of thirty dollars (\$30.00) and interest at the rate of Twelve percent (12%) from the due date until finally paid. The costs of corrective action and all other amounts the Company, the Association or such Owner is entitled to recover shall constitute a Special Assessment against and lien on the portion of the Property affected and the Improvements thereon, which lien shall run with the land. Such lien shall be subordinate to the lien of any first deed of trust placed upon the affected portion of the Property prior to the perfection thereof.

Section 16. Venue; Waiver of Trial By Jury; Service of Process. Every Owner agrees that any suit or proceeding brought pursuant to the provisions of this Declaration may be brought in the General District Court or the Circuit Court of the City or any court that in the future may be the successor to either or both of such Courts, waives the right to trial by jury and consents to a trial without a jury.

Section 17. Service of Process. Should suit be instituted against an Owner, other than by the Company, and any such Owner shall not at the time be residing in the Commonwealth of Virginia or service cannot be accomplished in any other reasonable fashion, each such Owner hereby irrevocably appoints the Secretary of the Commonwealth of Virginia as his, her or its agent for the acceptance of service of process.

Section 18. Other Additions to Property Not Owned By the Company or its Affiliates. Upon approval in writing by the Company, so long as the Company is an Owner, HUD and of at least two-thirds (2/3rds) of the votes of the Type "A" Members present in person or by proxy at a duly called meeting (exclusive of the Company), additional property owned other than by the Company or any of its Affiliates may be subjected to this Declaration by recording an appropriate supplementary declaration, the provisions of which are not inconsistent with the plan of this Declaration, but such

supplementary declaration shall have no effect upon the Property or any prior additions thereto.

Section 19. Master Plan. The existence of the Master Plan used by the Company in developing and/or selling portions of the Property shall not be deemed to constitute a representation by the Company that The Carriage Homes at Campbell Run will be developed as depicted on such Plan. Such Plan may be modified or amended from time to time in the sole discretion of the Company.

Section 20. Assignment. By written instrument recorded in the Clerk's Office, the Company may assign to the Association or any other third party in whole or in part, revocably or irrevocably, all of its rights and obligations in this Declaration, subject to any conditions, limitations, or restrictions that the Company may elect to impose. Following any such assignment, the Association or such third party shall assume all of the Company's obligations that are incident thereto (if any), and the Company shall have no further obligation or liability with respect thereto. So long as the Company is an Owner or owns any portion of the Property upon which, pursuant to the Master Land Use Plan, it is anticipated that lots will be shown on an instrument to be recorded in the Clerk's Office, no such assignment shall limit the rights of easement and other rights of entry reserved unto the Company in this Declaration, or the right of the Company to act to prevent a violation or breach of this Declaration as provided for herein. If (or to the extent that) the Company has not already done so prior to the time it is no longer an Owner, the Company shall be deemed to have assigned all of its remaining rights and obligations in this Declaration to the Association as its agent at such time.

Section 21. Appointment of Association as Agent. The Company may appoint the Association as its agent to administer and enforce this Declaration. Such appointment may be temporary or permanent, and shall be subject to any conditions, limitations, or restrictions that the Company may elect to impose. Upon any such appointment, the Association shall assume any obligations that are incident thereto. If (or to the extent that) the Company has not already done so prior to the time it is no longer an Owner, the Company shall be deemed to have appointed the Association as its agent for all such purposes at such time.

Section 22. Company and Association Not Liable; No Trespass; No Affirmative Duty. Neither the Company nor the Association shall be liable to any Person on account of any claim, liability, damage, or expense suffered, incurred by, or threatened against such Person arising out of or as a result of any action by the Company or the Association pursuant to this Declaration. No entry by the Company or the Association upon the Property or any portion thereof, including any Lot, pursuant to this Declaration shall be deemed a trespass. Further, both the Company and the Association shall have an easement of access over and across all portions of the Property, including all portions of a Lot and improvements located thereon, for the purpose of carrying out their rights and responsibilities under this Declaration. The Company and the Association shall use reasonable efforts to notify an Owner in advance of the exercise of their easement rights. However, in the event of an emergency, such right of access shall be immediate. No

reservation of rights by the Company in this Declaration shall be construed to impose on the Company a burden of affirmative action of any kind or nature whatsoever.

Section 23. Notices. Any notice required or permitted to be sent to any Owner or Member under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when delivered personally or sent by mail, with the proper postage affixed, to the address appearing on the Association's records. Notice to one (1) of two (2) or more joint Owners or joint Tenants of a Lot shall constitute notice to all joint Owners or joint Tenants, and notice to the Owner or Owners of a Lot shall constitute notice to any Tenant or Tenants on such Lot. It shall be the obligation of every Type "A" Member to immediately notify the Secretary of the Association in writing of any change of address for notice purposes. Any Person who becomes a Type "A" Member following the first day in the calendar month in which said notice is delivered or mailed shall be deemed to have been given notice if notice was given to his, her or its predecessor in title.

Section 24. Severability. Should any Article, Section, Subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any Court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way effect the other provisions hereof, which are hereby declared to be severable and which shall remain in full force and effect.

Section 25. Interpretation. Subject to the provisions of Section 11 of this Article IX, the Company shall have the right to determine all questions arising in connection with this Declaration and to construe and interpret its provisions, and its determination, construction, or interpretation shall be final and binding.

Section 26. Other Agreements. In the event of any conflict between the provisions thereof, the order of precedence of this Declaration, the Articles, the Bylaws and the Rules and Regulations shall be this Declaration, the Articles, the Bylaws and the Rules and Regulations.

Section 27. Exceptions. The Company may issue variances exempting a particular Lot or portion of the Common Area from any of the provisions of Articles VI, VII and VIII, provided no such variance shall materially adversely affect an adjoining Owner's use or enjoyment of his Lot, the use and enjoyment of the Common Area, or development of The Carriage Homes at Campbell Run in a manner comparable to other similar communities in the City.

Section 28. Limited Liability. In connection with all reviews, acceptances, inspections, permissions, determinations, consents or required approvals by or from the Company, the ARB and/or the Association contemplated under this Declaration, the Company, the ARB and/or the Association shall not be liable to an Owner or to any other Person on account of any claim, liability, damage, or expense suffered or incurred by or threatened against an Owner or such other Person and arising out of or in any way



relating to the subject matter of any such reviews, acceptances, inspections, permissions, consents or required approvals, whether given, granted or withheld.

Section 29. Management and Contract Rights of Association. The Board may enter into a contract with a management company or manager for the purposes of providing any or all elements of the operation, care, supervision, maintenance, and management of the Common Area. Any such contract entered into while there is a Type "B" Member shall contain or be deemed to contain a provision allowing the Association to terminate such contract without justification or penalty upon 90 days advance written notice at such time as their no longer is such a Member.

Section 30. Rights of Note Holders. Any holder of a note secured by a first deed of trust on a Lot or portion of the Common Area shall be entitled, upon written request therefore, to receive written notice of (a) all meetings of the Association, (b) any condemnation or casualty loss that affects either a material portion of the Property or the Lot or portion of the Common Area securing its deed or trust, (c) any delinquency in the payment of any Assessment levied against such Lot, (d) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association, and (e) any proposed action that requires the consent of a specified percentage of holders of notes secured by such deeds of trust. In addition, such note holder shall be entitled to attend any meeting of the Association and to be furnished upon written request with a copy of any insurance policies maintained by the Association pursuant to this Declaration.

Section 31. Property Owners' Association Act. In the event of any conflict between the provisions hereof and those in the Property Owners' Association Act, Section 55-508 et. seq. of the Code, as now in effect and hereafter modified or amended from time to time, the provisions of such Act shall govern except in those cases where such Act expressly allows deviations from such provisions in a declaration such as this Declaration. Any obligation imposed upon or right granted to any Owner, the Board, the Association or the Company pursuant to such Act not fully set forth herein shall nevertheless be binding upon and inure to the benefit of each Owner, the Board, the Association or the Company, as the case may be.

Section 32. Use of Name "The Carriage Homes at Campbell Run". No Owner shall use or cause or permit the use of the words "The Carriage Homes at Campbell Run" or any variation thereof in connection with any retail, commercial or professional activity (however or wherever conducted or undertaken and expressly including any such activity occurring in whole or in part in Internet commerce) without the prior consent of the Company, which consent the Company may grant or withhold in its sole and absolute discretion.

Section 33. Use of Name "The Carriage Homes at Campbell Run" on Website. In furtherance and not in limitation of the provisions of Section 32 immediately preceding, no Owner shall use or cause or permit the use of the words "The Carriage Homes at Campbell Run" or any variation thereof in the name of an Internet website, whether for

personal use or otherwise, without the prior consent of the Company, which consent the Company may grant or withhold in its sole and absolute discretion.

WITNESS the following signature pursuant to due authority as of the 13 day of August, 2007.

**COMPANY**

Corinth Homes, L.L.C., a Virginia limited liability company

By: Alex Pete Kotarides  
Name: ALEX PETE KOTARIDES  
Title: MANAGER

COMMONWEALTH OF VIRGINIA

CITY/CITY OF Virginia Beach, to-wit:

The foregoing instrument was acknowledged before me this 13 day of August, 2007, in my jurisdiction aforesaid, by Alex Pete Kotarides, Manager of Corinth Homes, L.L.C., a Virginia limited liability company, on behalf of such company.

My commission expires: 5/31/2011

Laura M. Asher  
Notary Public  
ID # 332961

EXHIBIT "A"

PROPERTY

ALL THOSE certain lots, pieces or parcels of land, together with the buildings and improvements thereon, lying, situate and being in the City of Newport News, Virginia, and being know and designated as Lot 1 through 26, inclusive and those parcels designated as "Homeowners Association" and "Heatherwood Loop", all as shown on that certain plat entitled "Subdivision of the Property of Kotarides Developers, L.L.C., Expandable Land B – 2.278 AC Horse Run Condominium, Newport News, Virginia", which said plat is duly recorded in the Clerk's Office of the Circuit Court of the City of Newport News, Virginia as Instrument Number 01002418.4

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Rev: 7/15/07