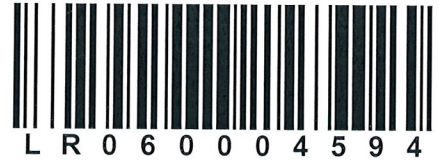


This Document was drafted by Shuttleworth, Ruloff, Giordano & Swain, P.C.



AMENDMENT OF DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE QUARTERS OF YORK COUNTY

This Amendment of Declaration made this 25th day of January, 2006, by TERRY/PETERSON RESIDENTIAL ELEVEN, L.L.C., a Virginia limited liability company (hereinafter referred to as "Declarant") and RICHARD D. GUY, Sole Acting Trustee, Grantor.

W I T N E S S E T H :

That, Whereas, by Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as the "Declaration"), dated May 17, 2005 and recorded in the Office of the Clerk of the Circuit Court of the County of York, Virginia on June 3, 2005, Declarant subjected certain property more particularly described therein to the easements, restrictions, covenants and conditions set forth therein for the purpose of enhancing and protecting the value, desirability and attractiveness of the aforesaid property; and

Whereas, in order to promote the establishment of a community of people concerned with the residential atmosphere and quality of life within the Association on a long term basis, the leasing of homes and the use of signs shall be subject to the provisions hereof and to such reasonable Rules and Regulations, not inconsistent herewith, as may be established from time to time, by the Association;

Whereas, there are no Owners of Lots other than Declarant;

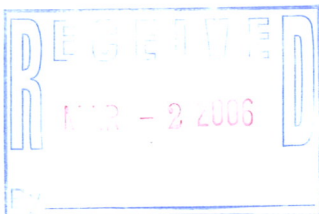
NOW, THEREFORE, the Declaration is hereby amended as follows:

The following Section 2.X, under Article IV, is hereby added:

X. Restrictions on Leasing. No more than 25% of the homes in The Quarters of York County ("The Quarters") which have been conveyed to a Public Purchaser may be leased, or be under lease, at any point in time, and any such lease shall be for an initial term of at least six (6) months. The Board may establish procedures relating to the enforcement of this restriction so long as the procedures, or rules and regulations, are consistent with this and the following subsections.

- (1) An Owner desiring to lease such Owner's home shall submit a written request to the manager of the Association (the "Manager") indicating the intention to lease and requesting approval. The Manager shall respond in writing within ten (10) business days after receipt of the Owner's request.

Account #Q08b-3335-2700 and Q08b-3803-3232 (Part)



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- (2) The only consideration in the determination of whether or not the Owner may lease shall be the question of whether or not the lease will violate the restriction against more than 25% of the conveyed homes being leased at any one time. Upon the recording of the amendment and the conveyance of the first home, the Manager shall establish a waiting list of Owners desiring to lease.
- (3) Upon being notified in writing that the home may be leased, the Owner will have ninety (90) days in which to enter into a lease agreement with a tenant. If the home is not leased within that period, the Owner will lose such Owner's position on the leasing list. If he/she still desires to lease the home, the procedure must be started again with a new written request.
- (4) Any Owner who leases his home shall provide to the tenant, at the Owner's expense, a copy of the Declaration, the Association's Bylaws and the Rules and Regulations. The lease shall provide that the tenant will comply with the provisions of those documents, and that any failure to do so shall be a default under the lease.
- (5) In the event that a tenant becomes in default of the lease by virtue of violating the provisions of the documents named above, and does not cure the default within ten (10) days after written notice to the Owner and the tenant, the Association shall have the right, but not the obligation, to institute legal proceedings as attorney-in-fact for the Owner, and at the Owner's cost, including all reasonable attorney fees and costs, if incurred, to evict the tenant for cause. All such fees and costs shall be recoverable from the tenant and, to the extent not recovered, they shall be a lien on the home involved, as well as the personal obligation of the Owner, and the collecting of those costs may be enforced by the Association in the same manner as an assessment.
- (6) Within three (3) days of acceptance of a leasing agreement, the Owner shall submit a copy of the lease to the Manager for the records of the Association.
- (7) Any Owner who leases his/her home without written permission of the Manager or the Board shall be in violation of the Declaration and the Rules and Regulations and shall be subject to such penalties as may be provided in the Declaration, and any lease that causes the number of leased homes to surpass the 25% mark may be declared void by the Board. If this provision is not effective for any reason, then the Owner shall pay to the Association the sum of \$200.00 (which sum shall increase, without further amendment of the Declaration, by 5% per year) per month while the lease is in force, and this amount will be treated as an assessment against the Lot involved.
- (8) When the Declarant no longer owns any Lot in The Quarters, the Board of the Association may amend the provisions of this Section 2.X by changes in the Rules and Regulations, without the necessity of

amending the Declaration. While owning at least one Lot, the Declarant, acting alone, may change the provisions of this Section 2.X by amendment of the Declaration.

(9) Exceptions may be made for Owners who experience exceptional hardships or who are in the military and must vacate their property due to transfer or active duty recall for reserve and National Guard duty. In all such cases, the Board shall base its decision on a written application to the Association, including documented proof of the hardship, pending transfer or orders regarding the transfer or deployment and the future disposition of the property.

Section 2.Q, under Article IV, is hereby deleted, and the following is hereby substituted in its place:

Q. Signs. No signs of any kind shall be displayed to the public view on any Lot except one (1) sign of not more than six (6) feet square used in support of a political campaign. All political campaign signs may not be installed more than thirty (30) days before any election, and must be removed the day after the election. All advertisement of sale or rental of homes shall be limited to posting on the Association Central Information Board established and to be maintained by the Association. Any Owner wishing to sell or rent such Owner's home shall forward written notice to the Association Manager upon a form designated for such purpose by the Association Board. Upon receipt, notice of sale shall be posted within seven (7) days. Within thirty (30) days of each request for posting, any Owner who requests such posting must notify the Association Manager of such Owner's desire to continue posting or the notice will be removed. Signage rules shall not apply to the Declarant so long as Declarant is the owner of Lots which it is offering for sale.

John H. Peterson, Jr., and Pembroke Enterprises, Inc., holder of a deed of trust lien of record on the subject property, and Richard D. Guy, Sole Acting Trustee execute this document to evidence its consent to the action being taken by Declarant, and do hereby subordinate the lien of that certain Deed of Trust from Declarant to Peterson, Olivieri, Napolitano Interests, L.L.C., ("Deed of Trust") dated August 5, 2004, and recorded in the Office of the Clerk of the Circuit Court of York County, Virginia as Instrument #040017422. Assignment executed August 5, 2004 assigns Note secured by the Deed of Trust to John H. Peterson, Jr. and Pembroke Enterprises, Inc.

All other provisions of the Declaration, not changed hereby, shall remain in full force and effect.

The undersigned Operating Manager of Declarant does hereby certify that the Declarant owns all Lots in The Quarters.

WITNESS the following signature:

TERRY/PETERSON RESIDENTIAL ELEVEN, L.L.C.
a Virginia limited liability company

BY:

 John H. Peterson, Jr., Operating Manager

John H. Peterson, Jr., Noteholder

Pembroke Enterprises, Inc.,
a Virginia corporation, Noteholder

By: Richard E. Olivieri, President

Richard D. Guy, Trustee

STATE OF VIRGINIA,
CITY OF VIRGINIA BEACH, to-wit:

The foregoing document was acknowledged before me this 10th day of February, 2006 by John H. Peterson, Jr., Operating Manager of Terry/Peterson Residential Eleven, L.L.C., a Virginia limited liability company, on behalf of the company.

Donna J. Watts
Notary Public

My term of office expires: 4/30/09

STATE OF VIRGINIA,
CITY OF VIRGINIA BEACH, to-wit:

The foregoing document was acknowledged before me this 10th day of February, 2006 by John H. Peterson, Jr., Noteholder.

Donna J. Watts
Notary Public

My term of office expires: 4/30/09

STATE OF VIRGINIA,
CITY OF VIRGINIA BEACH, to-wit:

The foregoing document was acknowledged before me this 13th day of February, 2006 by Richard E. Olivieri, President of Pembroke Enterprises, Inc., a Virginia corporation, on behalf of said corporation.

Reba J. Midgett
Notary Public

My term of office expires: 9/30/08

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STATE OF VIRGINIA,
CITY OF VIRGINIA BEACH, to-wit:

The foregoing document was acknowledged before me this 20th day of February, 2006 by
Richard D. Guy, Sole Acting Trustee.

R. Leroy Vosler

Notary Public

My term of office expires:

11-30-07

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Virginia: County of York to-wit
in the Clerk's Office of the York County - Poquoson
Circuit Court, the 27th day of Feb, 20 06
This deed was presented with the certificate annexed
and admitted to record at 10:09 o'clock AM
Teste: Lynn S. Jenkins, Clerk
by Rachel Riesbeck D.C.