

THIS DECLARATION, made this 26th day of July, 1984 by HAJAR OF LEE HALL, INC., a Virginia corporation (hereinafter called the "Declarant"), to establish a condominium as provided in the Condominium Act of the Commonwealth of Virginia, as set forth in Chapter 4.2, Title 55 Code of Virginia of 1950, as amended (hereinafter called the "Condominium Act");

WITNESSETH

WHEREAS, Declarant has right to acquire fee simple title to certain land and premises, with improvements, easements, rights of way and appurtenances thereunto, situate in the City of Newport News, Virginia (hereinafter called the "Property"), which Property is more particularly described in Section 3.1 of this Declaration; and

WHEREAS, it is the desire and intent of Declarant to submit the Property to the provisions of the Condominium Act and thereby create a condominium;

NOW, THEREFORE, Declarant states as follows:

ARTICLE 1

DEFINITIONS

Unless it is plainly evident from the context that a different meaning is intended, the terms used in the "Condominium Instruments" shall have the meaning assigned to them in this Article 1. Any term used in the "Condominium Instruments" which is not listed in this Article 1 but is defined in the Condominium Act shall have the meaning set forth in the Condominium Act as in effect of the date of this Declaration, unless a different meaning plainly required by the context.

1.1 Association. "Association" means Waters Ridge Condominium Association, a non-stock, non-profit Virginia corporation, which is an association of the Unit Owners acting as a group in accordance with the Condominium Instruments and the Condominium Act.

1.2 ByLaws. "ByLaws" mean the bylaws of the Association, attached hereto as "Exhibit A and made a part hereof by reference hereto, as the same may be amended from time to time.

1.3 Common Elements. "Common Elements" means both General Common Elements and Limited Common Elements as defined in Article 4 hereof.

1.4 Condominium. The "Condominium" means Waters Ridge Condominium, as submitted to the Condominium Act by the recordation of this Declaration.

1.5 Condominium Instruments. “Condominium Instruments” shall be a collective term referring to this Declaration, the By-Laws, any plats and plans, and any exhibit, schedule or certificate accompanying any of the foregoing and the Unit Deed.

1.6 Condominium Unit. “Condominium Unit” means a Unit together with the undivided interests in the Common Elements appertaining to that Unit.

1.7 Family. “Family” means an individual and his (i) spouse, (ii) children, (iii) brothers and sisters, (iv) any other person who resides with, and is claimed as a dependent on federal income tax returns of, such individual.

1.8 Institutional Mortgagee. “Institutional Mortgagee” means any federal or state bank, savings and loan association, credit union, or trust company, insurance company, real estate investment trust, pension fund, mortgage company, agency of the United States Government or political subdivision of any state, or any like entity.

1.9 Mortgage. “Mortgage” means any mortgage or deed of trust creating a lien on a Condominium Unit and all renewals, extensions and modifications thereto. Mortgagee means the holder of the obligations secured by a Mortgage.

1.10 Person. “Person” means an individual, corporation, partnership, association, trustee or other entity capable of holding title to real property, or any combination thereof.

1.11 Unit. “Unit” means a portion of the Condominium designated and intended for individual ownership and use.

1.12 Unit Deed. “Unit Deed” means a general warranty deed whereby the Declarant conveys to the Unit Owner fee simple title to a Condominium Unit.

1.13 Unit Owner. “Unit Owner” means one or more persons who own a Condominium Unit.

ARTICLE 2

CREATION OF CONDOMINIUM

2.1 Submission of Property. Declarant hereby submits the Property to the provisions of the Condominium Act, and further declares that on and subject to the terms and conditions hereinafter set forth, the Property shall be held, conveyed, leased, rented and occupied, improved, hypothecated and/or encumbered subject to the provisions of the Condominium Act and the covenants and restrictions hereinafter set forth, including the bylaws of the “Association” (hereinafter defined), and Declarant further declares that the Property shall be a Condominium known as Waters Ridge Condominiums.

2.2 Reservation for Expansion. Declarant hereby reserved the option, without the consent of any of the Unit Owners, or any other limitation, to expand the Condominium to include the property (hereinafter collectively called the "Expandable Parcels") or any portion thereof shown and designated "Section Two (2) – 2.912 acres", Section Three (3) – 3.249 acres", Section Four (4) – 2.894 acres", Section Five (5) – 2.752 acres", Section Six (6) – 5.287 acres" and Section Seven (7) – 10.347 acres", Section Eight (8) – 6.740 acres", Section Nine (9) – 1.903 acres" and Section Ten (10) – 1.996 acres".

On that certain plat (the "Condominium Plat") entitled, Waters Ridge Condominiums drawn by John Sirine and Associates, Engineers-Architects-Planners-Surveyors, attached hereto as Exhibit B, and more particularly described in Section 3.2 of this Declaration. At any time, and from time to time, commencing upon the date of the recordation of this Declaration, and terminating seven (7) years thereafter, Declarant may exercise its option to expand the Condominium by adding the Expandable Parcels or any portion thereof. The Declarant may add the Expandable Parcels or any portions thereof, in any order and such additions need not be contiguous. The Declarant may also assign as Limited Common Elements appurtenant to Units constructed on the Expandable Parcels parking spaces which are now unassigned and are shown on the Plat as available for such assignment. Declarant reserves the right, but shall not be obligated, to construct a swimming pool, community building, picnic area, basketball courts, jogging trail and other recreational amenities within Section Two through Ten. No assurances are made as to what kind of improvements may be made to the Expandable Parcels. Any Units which may be added to the Condominium will be restricted exclusively to residential use. Any structures to be erected on the Expandable Parcels will be of the same architectural style, but not necessarily of the same design, as the structures on the Property but no assurances are made in terms of quality of construction or the principal materials to be used. Declarant reserves the right to create Limited Common Elements therein which later may be assigned as Limited Common Elements, but no assurances are made as to the type, sizes, and maximum number of such elements to be created. Although no assurances can be made as to the location of any improvements of the Expandable Parcels, no more than Twelve (12) Units per acre will be constructed on any portion of the Expandable Parcels added to the Condominium (i.e., a maximum of 189 Units). The Condominium may not, however, be amended or merged with a successor condominium without, to the extent required by 38 C.F.R. 36-4360 (a) (3), the prior written approval of the Administrator of Veterans Affairs.

The option to expand the Condominium may be exercised by the recordation of the plats and plans and an amendment to the Condominium Act. The amendment to the Declaration shall reallocate the Unit Owners' undivided interest in the Common Elements so that the Units being added to the Condominium shall be allocated undivided interests in the Common Elements on the same basis as the Units located on the Property (i.e., the allocation shall be made on the basis of size, in terms of square feet, of the living area of such Unit). Based on the foregoing formula the maximum and minimum

undivided interest in the Common Elements for each type of Unit in the Condominium are estimated as follows:

Unit	Max. %	Min. (%)
Type 1	5.3857%	.5181%
Type 2	6.1073%	.5875%
Type 3	6.0850%	.5854%
Type 4	6.3602%	.5118%
Type 4L	5.8395%	.5617%
Type 5	5.5791%	.5367%

ARTICLE 3

DESCRIPTION OF THE CONDOMINIUM

3.1 The Property: The “Property” consists of that certain tract, piece or parcel of land located in the City of Newport News, Virginia, and shown on that certain plat entitled “Waters Ridge Condominiums, Newport News, Virginia”, made by John E. Sirine and Associates, Ltd., Surveyors and Engineers, and attached hereto as Exhibit “B”. The property is more particularly bounded and described as follows:

All that certain lot, piece or parcel of land situate, lying and being in the City of Newport News, State of Virginia, containing approximately 5.670 acres and more particularly described as follows: Starting at a point on the Northwesterly side of Covina Street wherein the Northeast corner of the property hereinafter described adjoins the property previously conveyed to the S.R. Curtis Estate in Deed Book 24, Page 416, S 57° 51' 00" W a distance of 259.54'; thence along the line having a radius of 1323.57' with an arc of 173.26', then S. 50° 20' 00" W a distance of 13.36"; thence along a line having a radius of 1294.86 with an arc of 188.71 to the point or place of beginning and from such point thus established thence,

S 58° 42' 00" W a distance of 99.23' to a point; thence
 S 28° 18' 00" E a distance of 237.03' to a point; thence
 S 62° 22' 06" W a distance of 177.27' to a point; thence
 N 69° 57' 54" W a distance of 820.00' to a point; thence
 N 37° 14' 12" E a distance of 263.33' to a point; thence
 S 64° 09' 42" E a distance of 233.65' to a point; thence
 N 56° 50' 36" E a distance of 180.00' to a point; thence
 S 33° 19' 24" E a distance of 165.00' to a point; thence
 N 76° 10' 43" E a distance of 255.08' to a point; thence
 S 31° 18' 00" E a distance of 79.56' to a point; or place of beginning.

3.2 Expandable Parcels: The Expandable Parcels consist of the parcels shown and designated as “Section Two (2) 2.912 acres”, “Section Three (3) – 3.249 acres”, Section Four – (4) – 2.894 acres”, Section Five (5) – 2.752 acres”, Section Six (6) – 5.287 acres”, “Section Seven (7) – 10.347 acres”, “Section Eight (8) – 6.740 acres”, Section Nine (9) – 1.903 acres” and “Section Ten (10) – 1.996 acres”. These parcels are more particularly bounded and described as follows:

“SECTION TWO”

All that certain lot, piece or parcel of land situate, lying and being in the City of Newport News, State of Virginia, containing approximately 2.912 acres and more particularly described as follows: Starting at a point on the Northwesterly side of Covina Street wherein the Northeast corner of the property hereinafter described adjoins that property previously conveyed to the S.R. Curtis Estate in Deed Book 34, Page 416, S 57° 51' 00"W a distance of 229.87'; thence N 76° 32' 16" E, a distance of 499.99' to the point or place of beginning and from such point thus established thence,

N 76° 32' 17" W a distance of 360.00' to a point; thence
 S 68° 59' 36" W a distance of 50.00' to a point; thence
 S 47° 54' 02" E a distance of 252.99' to a point; thence
 S 71° 39' 52" E a distance of 65.00' to a point; thence
 S 37° 14' 12" W a distance of 100.00' to a point; thence
 S 64° 09' 42" E a distance of 233.65' to a point; thence
 N 56° 40' 36" E a distance of 180.00' to a point; thence
 N 47° 07' 04" E a distance of 303.80' to the point or place of
 beginning

“SECTION THREE”

All that certain lot, piece or parcel of land situate, lying and being in the City of Newport News, State of Virginia, containing approximately 3.249 acres and more particularly described as follows: Starting at a point on the Northwesterly side of Covina Street wherein the Northeast corner of the property hereinafter described adjoins that property previously conveyed to the S.R. Curtis Estate in Deed Book 34, Page 416, S 57° 51' 00" W a distance of 229.87 to the point or place of beginning and from such point thus established thence,

N 76° 32' 16" W a distance of 499.99' to a point; thence
 S 47° 07' 04" W a distance of 303.80' to a point; thence
 S 33° 19' 24" E a distance of 165.00' to a point; thence
 N 76° 10' 43" E a distance of 255.08' to a point; thence
 S 31° 18' 00" E a distance of 79.56' to a point; thence

along the line having a radius of 1,294.86' with an arc of 188.71' to a point; thence N 50° 21' 00" E a distance of 13.36' to a point; thence along the line having a radius of 1,323.57' with an arc of 173.26' to a point; thence N 57° 51' 00" E a distance of 29.67' to the point or place of beginning.

“SECTION FOUR”

All that certain lot, piece or parcel of land situate, lying and being in the City of Newport News, State of Virginia, containing approximately 2.894 acres and more particularly described as follows: Starting at a point on the Northwestern side of Covina Street wherein the Northeast corner of the property hereinafter described adjoins that property previously conveyed to the S.R. Curtis Estate in Deed Book 34, Page 416, and from such point thus established thence;

N 32° 09' 00" W a distance of 210.00' to a point; thence
 S 68° 44' 21" E a distance of 291.38' to a point; thence
 N 24° 28' 14" W a distance of 159.68' to a point; thence
 S 56° 45' 29" W a distance of 168.87' to a point; thence
 S 34° 34' 59" W a distance of 158.91' to a point; thence
 S 76° 32' 16" E a distance of 499.99' to a point; thence
 N 57° 51' 00" E a distance of 229.87' to a point or place of beginning.

“SECTION FIVE”

All that certain lot, piece or parcel of land situate, lying and being in the City of Newport News, State of Virginia, containing approximately 2.752 acres and more particularly described as follows: Starting at a point on the Northwestern side of Covina Street wherein the Northeast corner of the property hereinafter described adjoins that property previously conveyed to the S.R. Curtis Estate in Deed Book 34, Page 416, N 32° 09' 00" W a distance of 210.00' to the point or place of beginning and from such point thus established thence,

N 32° 09' 00" W a distance of 510.57' to a point; thence
 S 59° 12' 12" W a distance of 191.42' to a point; thence
 S 18° 28' 32" E a distance of 310.61' to a point; thence
 S 24° 28' 14" E a distance of 159.68' to a point; thence
 N 68° 44' 21" E a distance of 291.38' to the point or place of beginning.

“SECTION SIX”

All that certain lot, piece or parcel of land situate, lying and being in the City of Newport News, State of Virginia, containing approximately 5.287 acres and more particularly described as follows: Starting at a point on the Northwestern side of Covina Street wherein the Northeast corner of the property hereinafter described adjoins that property previously conveyed to the S.R. Curtis Estate in Deed Book 34, Page 416, N 32° 09' 00" W a distance of 720.57'; thence S 59° 12' 12" W a distance of 191.42' to the point or place of beginning and from such point thus established thence,

N	31°	32'	35"	W	a	distance	of	110.10'	to	a	point;	thence		
N	31°	48'	07"	W	a	distance	of	30.00'	to	a	point;	thence		
S	57°	55'	37"	W	a	distance	of	101.90'	to	a	point;	thence		
S	84°	46'	38"	W	a	distance	of	152.68'	to	a	point;	thence		
S	36°	38'	25"	W	a	distance	of	247.00'	to	a	point;	thence		
S	53°	21'	35"	E	a	distance	of	104.00'	to	a	point;	thence		
S	27°	27'	01"	W	a	distance	of	244.23'	to	a	point;	thence		
S	76°	32'	17"	E	a	distance	of	360.00'	to	a	point;	thence		
N	34°	34'	59"	E	a	distance	of	158.61'	to	a	point;	thence		
N	56°	45'	29"	E	a	distance	of	168.87'	to	a	point;	thence		
N	18°	28'	32"	W	a	distance	of	310.61'	to	the	point	or	place	of

beginning.

“SECTION SEVEN”

All that certain lot, piece or parcel of land situate, lying and being in the City of Newport News, State of Virginia, containing approximately 10.34 acres and more particularly described as follows: Starting at a point on the Northwestern side of Covina Street wherein the Northeast corner of the property hereinafter described adjoins that property previously conveyed to the S.R. Curtis Estate in Deed Book 34, Page 416, S 57° 51' 00" W a distance of 229.87'; thence N 76° 32' 16" W a distance of 499.99'; thence N 76° 32' 17" W a distance of 360' to the point or place of beginning and from such point thus established; thence

S	68°	59'	36"	W	a	distance	of	50.00'	to	a	point;	thence
S	47°	54'	02"	W	a	distance	of	252.99'	to	a	point;	thence
N	71°	39'	52"	W	a	distance	of	481.76'	to	a	point;	thence
N	34°	16'	10"	W	a	distance	of	246.85'	to	a	point;	thence
S	23°	05'	22"	E	a	distance	of	206.55'	to	a	point;	thence
S	89°	49'	21"	E	a	distance	of	323.00'	to	a	point;	thence
N	58°	52'	21"	E	a	distance	of	179.90'	to	a	point;	thence
N	74°	12'	24"	E	a	distance	of	451.99'	to	a	point;	thence
S	63°	44'	26"	E	a	distance	of	185.62'	to	a	point;	thence
S	84°	46'	38"	W	a	distance	of	152.68'	to	a	point;	thence
S	36°	38'	25"	W	a	distance	of	247.00'	to	a	point;	thence

S 53° 21' 35" E a distance of 104.00' to a point; thence
 S 27° 27' 01" W a distance of 244.23' to the point or place of
 beginning.

“SECTION EIGHT”

All that certain lot, piece or parcel of land situate, lying and being in the City of Newport News, State of Virginia, containing approximately 6.740 acres and more particularly described as follows: Starting at a point on the Northwestern side of Covina Street wherein the Northeast corner of the property hereinafter described adjoins that property previously conveyed to the S.R. Curtis Estate in Deed Book 34, Page 416, N 32° 09' 00" W a distance of 720.57' to a point; thence S 59° 12' 12" W a distance of 191.42' to a point; thence N 31° 32' 35" W a distance of 100.10' to the point; thence N 31° 48' 07" W a distance of 30' to a point; thence S 57° 55' 37" W a distance of 101.90' to a point; thence N 63° 44' 37" W a distance of 101.90' to a point; thence N 63° 44' 26" W a distance of 185.62' to the point or place of beginning and from such point thus established thence,

S 74° 12' 24" W a distance of 451.88' to a point; thence
 N 11° 41' 22" E a distance of 441.21' to a point; thence
 N 42° 11' 42" W a distance of 174.90' to a point; thence
 N 77° 39' 52" E a distance of 788.62' to a point; thence
 S 26° 16' 12" W a distance of 453.40' to a point; thence
 N 63° 46' 46" W a distance of 46.48' to a point; thence
 S 27° 13' 12" W a distance of 230.00' to a point; thence
 S 63° 44' 26" E a distance of 40.00' to the point or place of
 beginning.

“SECTION NINE”

All that certain lot, piece or parcel of land situate, lying and being in the City of Newport News, State of Virginia, containing approximately 1.903 acres and more particularly described as follows: Starting at a point on the Northwestern side of Covina Street wherein the Northeast corner of the property hereinafter described adjoins that property previously conveyed to the S.R. Curtis Estate in Deed Book 34, Page 416, S 32° 09' 00" W a distance of 400.00' to the point or place of beginning and from such point thus established thence,

S 57° 51' 00" W a distance of 426.13' to a point; thence
 N 32° 09' 00" W a distance of 389.06' to a point; thence
 S 79° 45' 14" E a distance of 577.02' to the point or place of
 beginning.

3.5 Unit Boundaries:

a. Within the Condominium, there are three two-story buildings containing "townhouse-like units". Within such buildings, the units shall include the space delineated by the following boundaries: (i) the lower horizontal boundary is the horizontal plane(s) of the surface of the created floor slab, (ii) the upper horizontal boundary is the plane(s) the elevation of which coincides with the elevation of the lower surface of the ceiling joists member which faces the interior of the Unit, (iii) the vertical (lateral or perimetric) boundaries are the vertical planes coincidental with the surfaces of the perimeter wall studs which face the interior of the shed designated as part of said Unit on the plans. Every Unit shall include all non-load bearing walls and partitions within its perimeters and all space surfaces of all walls, (including, without limitation, all hardwood, softwood, ceramic and vinyl coverings and carpeting) and ceilings (including, without limitation, all gypsum board, sheet rock, and plaster) and all fixtures, appliances, heating elements and equipment located within the boundaries of a Unit for the sole and exclusive use of such Unit.

b. All doors and windows including jambs, heads and sills (but not flashing) within, or partially within, any of the walls or ceilings forming boundaries to any of the Units shall be part of the Unit.

c. A Unit shall also include any pipes, wires, air ducts, flues, conduits or public utility lines of installations serving only one unit, but shall not include any pipes, wires, air ducts, flues, conduits or lines of installation serving more than one Unit.

d. A Unit shall not include any attic space or any load bearing walls serving a Building, structural members or any property of any kind, including fixtures and appliances within any Unit, the removal of which would jeopardize the soundness, safety of usefulness or the remainder of the Building.

ARTICLE 4

APPURTENANCES TO UNITS

4.1 General Common Elements. The "General Common Elements" shall mean and include those portions of the Condominium, which are neither Units or Limited Common Elements and are designated as "General Common Elements" on the Plat and Plans. The General Common Elements shall mean and include the following:

- a. The land on which the Condominium is located; and
- b. Except to the extent designated as Limited Common Elements, all driveways, all unassigned parking spaces, walkways, lawns, shrubbery and other landscaping and fences.

4.2 Limited Common Elements. Certain “Limited Common Elements: are identified as such on the Plat and in the Plans, and are Limited Common Elements set aside either for the exclusive use of the Unit number (or otherwise specifically identified) or, where indicated, for all Units in a Building. Except as otherwise set forth on Exhibits B and C, the Limited Common Elements appurtenant to each Unit shall mean and include the following:

a. *For all Units in a building:*

1. The foundations, bearing walls, outside walls (excluding glass, windows and doors located within or partly within a Unit), any attic space and the roof and all structural components of the Building in which a Unit is located including, without limitation, columns, girders, beams and supports; and

2. The pipes, wires, air ducts, flues, conduits, and sewage lines or other public utility lines or installations serving more than one Unit within the Building in which the Unit is located, or serving the Limited Common Elements within such Building; and

b. *For each Unit:*

1. The decks, porches and exterior stairways and any flue, equipment or fixture designated to a single Unit (or the Limited Common Elements appurtenant to a single Unit) shall be a Limited Common Element appurtenant to such Unit.

See Sections 6.2 and 7.1 for maintenance responsibility and allocation of expenses for Limited Common Elements.

4.3 Percentage Interest in Common Elements. Initially each Unit shall have, as an appurtenance, an undivided interest in the Common Elements of the Condominium as follows:

Unit 1	Building 1	5.8395%
Unit 2	Building 1	5.3857%
Unit 3	Building 1	6.0850%
Unit 4	Building 1	5.5791%
Unit 5	Building 1	6.1073%
Unit 1	Building 3	6.3602%
Unit 2	Building 3	6.1073%
Unit 3	Building 3	5.5791%
Unit 4	Building 3	6.0850%
Unit 5	Building 3	5.3857%
Unit 6	Building 3	6.1073%
Unit 7	Building 3	5.8395%

Unit 1	Building 4	6.1073%
Unit 2	Building 4	5.3857%
Unit 3	Building 4	6.1073%
Unit 4	Building 4	5.5791%
Unit 5	Building 4	6.3602%

Except as provided in Article 14 on the addition of any portion of the Expandable Parcels to the Condominium, no percentage interest in the Common Elements shall be altered except with the unanimous consent of all of the Unit Owners expressed in an amended Declaration. The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains, and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each Unit Owner may use, without hindering or encroaching upon the lawful rights of any other Unit Owner, the General Common Elements and the Limited Common Elements appurtenant to his Unit in accordance with the purposes for which they are intended.

4.4 Association Membership. Each Condominium Unit shall include as an appurtenance thereto the membership of the Unit Owner in the Association and the interest of the Unit Owner in the funds and net assets held by the Association.

4.5 Easements. In addition to such easements as may be provided by the Condominium Act, the appurtenances of each Condominium Unit shall include the following easements:

a. *Ingress and Egress:* From each Unit Owner to every other Unit Owner and to the Association, easements through the General Common Elements for ingress and egress;

b. ***** a Building to the other Unit Owners in the same Building and to the Association, easements through his Unit and the Limited Common Elements appurtenant thereto, as may be reasonably necessary for inspection, maintenance, repair and replacement of a Unit and/or the Common Elements. Such access shall be only during reasonable hours except that access may be had by the Association at any time in the case of an emergency.

c. *Support:* Every portion of a Unit or Limited Common Element contributing to the support of such Building shall be burdened with an easement of support for the benefit of all Units in said Building and any Limited Common Elements comprising part of the Building.

d. *Utilities:* From each Unit Owner in a Building to the other Unit Owners in the same Building and to the Association, easements through the Units and Common Elements in such Building for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility service to the Units and the Limited Common Elements in the Building; provided, however, that such easements through a Unit shall

only be according to the plans and specifications for the Building unless approved in writing by each Unit Owner in the Building and in any event that the party exercising rights in respect of such easement shall be responsible to make prompt and complete restoration to a Unit or the Common Elements for any damage caused by the exercise thereof.

e. *Encroachments:* To the extent any Unit or Common Elements encroaches on any other Unit or Common Elements, whether by reason of any deviation from the Plats and Plans in the construction, renovation, restoration or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement for such encroachment and for the maintenance of the same shall exist so long as the encroachment exists. The purpose of this easement is to protect the Unit Owners, except in cases of willful and intentional misconduct by them or their agents or employees and not to relieve the Declarant or any contractor, subcontractor or materialman of any liability which any of them may have by reason of any failure to adhere strictly to the Plats and Plans.

f. *To Facilitate Sales:* Declarant and its duly authorized agents, representatives, employees, successors, and assigns may maintain a sales office and model unit in the Condominium until all Condominium Units, including those which may be built on the Expandable Parcel, have been sold to third party purchasers. The sales office and/or model unit may be located in any one of the unsold Condominium Units or elsewhere in a separate structure on the General Common Elements and, if in an unsold Unit, shall consist of the entire Condominium Unit and may be relocated at any time to any other Condominium Unit held by Declarant and then unsold. Declarant further reserves for itself, its successors and assigns, the right to place signs on the Condominium to attract potential purchasers and facilitate the sale of Condominium Units, until all such Condominium Units have been sold to third party purchasers. In the event any part of the Common Elements is damaged in the exercise of the foregoing right, Declarant shall be responsible for the prompt repair of such damage.

g. *To Facilitate Construction and Expansion:* Declarant and its successors and assigns of all or any portion of the Expandable Parcels (the then owner or owners of record title to the Expandable Parcel being hereinafter called "Owners") and all tenants, contractors, agents and invitees of Declarant and Owners or any tenant of Owners, shall have an easement over and upon the Common Elements for the purpose of making improvements to the Property and/or the Expandable Parcels and for the purpose of doing all things reasonably necessary and proper in connection therewith; provided, however, this right, privilege and easement shall not be exercised unless access to the subject area is not otherwise reasonably available. The foregoing right, privilege and easement shall be appurtenant to and shall run with the title to the Expandable Parcels and every part thereof and shall be exercisable by the Owner and the tenant and occupants of the Expandable Parcel and their respective successors and assigns. In the event any part of the Common Areas is damaged in the exercise of the easement granted in this paragraph, the owner of the easement shall be responsible for the prompt repair of said damage.

h. *Easement For Access:* Declarant and Owners, and the tenants and invitees of Declarant and Owners and their respective successors and assigns, shall have an easement over and upon the Common Elements for ingress and egress to and from any recreational amenities constructed by Declarant or its successors or assigns or Expandable Parcels and to which such Owner, tenant or invitee shall have acquired from Declarant or its successors or assigns a membership interest in a Club operating, or acquired a right to use, such recreational amenities.

ARTICLE 5

RESTRICTIONS

Restrictions on Use. Use of the Condominium shall be in accordance with the following provisions:

a. *Units.* Each Unit shall be used exclusively for residential purposes and shall be occupied, and the Common Elements appertaining thereto shall be used, only by (i) the Unit Owner, his or her Family, and his or her servants and guests; provided, however, that the Unit Owner or his Family has the concurrent lawful right to occupy the Unit along with his or her servants and guests, or (ii) by the Unit Owner's tenant and such tenant's servants and guests; provided further, that such tenant has the concurrent lawful right to occupy the Unit along with his or her servants and guests. Anything in the foregoing to the contrary notwithstanding, each Unit may be occupied by only one Family or a maximum of one person per bedroom for unrelated persons.

b. *Owners of Record Not Natural Persons.* A Unit Owner which is not a natural person or persons shall not during the period of ownership, except in accordance with the provisions of paragraph 5.1 (g) hereunder, assign its right of occupancy or otherwise permit or tolerate the occupancy by other than a natural person designated by the Unit Owner to be the permanent occupant, together with his Family, and his or her servants and guests. The Unit Owner shall not have the right, without the prior written consent of the Association, to designate a different person as the permanent occupant in substitution of the existing occupant more frequently than once every three (3) consecutive months.

c. *Time-Share Estates.* A Unit Owner shall not permit his ownership interests to be divided among any type of time-share estate, which shall be defined to include all interests in which title, use, occupancy or possession circulates among owners of time shares according to a fixed or floating time schedule on a periodic basis occurring over any period to time; such prohibited time-share estates shall include, by way of example and without limitation, the following:

1. an “interval estate”, meaning a combination of (i) an estate for years in a Condominium Unit, during the term of which title to the Condominium Unit rotates among the time-share owners thereof, vesting in each of them in turn for periods established by a fixed recorded schedule, with the series thus established recurring regularly until the term expires, coupled with (ii) a vested undivided fee simple interest in the remainder in that Condominium Unit, the magnitude of that interest having been established by declaration or by deed creating the interval estate; and

2. a “time-span estate”, meaning a combination of (i) an undivided interest in a present estate in fee simple in a Condominium Unit, the magnitude of that interest having been established by declaration or by deed conveying the time-span estate, coupled with (ii) the exclusive right to possession and occupancy of that Condominium Unit during regularly recurring period designated by that deed or by a recorded document referred to therein.

d. *Common Elements.* The Common Elements shall be used only for the purposes for which they are intended and the furnishing of services and facilities for the enjoyment of the Units by the occupants. Limited Common Elements appurtenant to all Units in a Building (including attic space) may not be used by an individual Unit Owner except to the extent, and subject to such restrictions as, the Association may authorize in writing.

e. *Nuisances.* No nuisances shall be allowed upon, nor any use or practice which interferes with the peaceful possession and proper use of the Condominium by its residents. All parts of the Condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate or any fire hazard allowed to exist. No waste of any of the General Common Elements shall be permitted. No Unit Owner shall have any right or authority to alter or remove any General Common Element. No Unit Owner shall make or permit any use of his Unit nor make or permit any use of the Common Elements which will cause the premiums for insurance upon the Condominium to be higher than the premiums applicable to general residential use or such other use as shall be approved by the Association.

f. *Lawful Use.* No unlawful use shall be made of the Condominium or any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies relating to maintenance, modification or repair of portions of the Condominium shall be upon the same person who has the responsibility for maintenance and repair of the portion of the Condominium concerned.

g. *Leasing.* Entire Condominium Units may be rented, but only pursuant to a written lease for a term of not less than three (3) consecutive months and only in accordance with the rules and regulations and the Bylaws of the Association. The lease shall contain terms and provisions to the effect that the lease is subject in all respects to this Declaration, the Bylaws and the rules and regulations, and that any failure by the lessee to comply with the terms thereof shall constitute a default under the lease.

Without the approval of the Association, no portion of any Condominium Unit (other than the entire Unit) shall be leased for any period. Such approval by the Association of a lease shall constitute approval of only that lessee and no other taking or occupying under or through that lessee.

h. *Regulations.* Reasonable regulations concerning the use of the Condominium (including the Units, as well as the Common Elements) may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and the Bylaws. The initial Rules and Regulations are attached hereto as Exhibit C. Amendments to the Rules and Regulations may, but need not be, recorded.

ARTICLE 6

MAINTENANCE, ALTERATION AND IMPROVEMENT

6.a Units.

a. Each Unit Owner shall report promptly to the Association any defect or need for repairs for which the Association is responsible, as hereinbelow specified.

b. The maintenance, repair, replacement, and operation of the general Common Elements in a first class condition shall be the responsibility and at the expense of the Association.

c. The maintenance, repair, replacement and operation in a first class condition of the decks, (exclusive of the exterior surface of the privacy walls) and any heating and/or air conditioning equipment designed to serve a single Unit (or the Limited Common Elements appurtenant to a single Unit) shall be the responsibility of each Unit Owner to which such Limited Common Elements appertain. The maintenance, repair, replacement and operation in a first class condition of all other Limited Common Elements shall be the responsibility (but not the expense) of the Association; provided, however, that the Association may, by resolution(s) of the Board of Directors from time to time, delegate to the Unit Owners in a Building the responsibility for maintenance of the Limited Common Elements in such Building, and such delegation shall, unless and until rescinded, relieve the Association of such responsibility; provided, further, however, that nothing herein shall prevent the Board of Directors at any time from rescinding any such delegation of maintenance responsibility.

d. Expenses incurred or to be incurred pursuant to paragraph 6.2(c) hereinabove shall be borne by the Unit or Units to which the particular Limited Common Elements are appurtenant (see Section 4.2) and where limited Common Elements are appurtenant to all Units in a Building expenses shall be allocated as provided in Sections 7.1 and 7.3.

e. The party responsible under paragraph 6.2(c) hereinabove shall bear the expense of all incidental damage to a Unit not covered by casualty insurance thereon and caused by the responsible party's performing, or failing to perform, any of the work for which the specified party is responsible; but said party shall not be responsible for any incidental damage caused by leaks, fire or the like, or the failure of the structure or any equipment which is the said party's responsibility to maintain unless he fails to make a reasonable effort to make any necessary repairs within a reasonable time after having been given written notice of the defect.

f. **Alteration and Improvement.** Neither the Association nor any Unit Owner shall make any alterations of, removals from or additions to any of the portions of a Unit to be maintained by the Association, or do anything to any of the Property or to the Buildings which would jeopardize the soundness or safety of the Property or the Buildings or impair any easement or hereditament, without first obtaining approval in writing of the other Unit Owners affected by such action and any Mortgagee holding a lien on any Unit affected by such action.

6.3 Negligence or Willful Act or Omission. The preceding provisions of this Article shall be subject to the provisions of Section 12.2 hereof.

ARTICLE 7

ASSESSMENTS AND EXPENSES

The making and collecting of assessments against Unit Owners (including Declarant) for common expenses shall be pursuant to the Bylaws and subject to the following provisions:

7.1 Share of Common Expenses. Except for common expenses associated with parking spaces assigned as Limited Common Elements which are to be assessed in accordance with Section 7.3 hereof and except as provided elsewhere in this Declaration, any common expenses associated with the maintenance, repair, renovation, restoration, replacements or insurance of any Limited Common Element shall be specially assessed against the Condominium Unit to which that Limited Common Element was appurtenant at the time such expenses were made or incurred. If, however, the Limited Common Element was appurtenant at that time to more than one Condominium Unit (as for example to all Units in a Building) such expenses shall be specially assessed against such Condominium Units, pro rata, based upon the number of votes in the Association which appertain to such Condominium Units so that the total of such assessments equals the total of such expenses. No Unit Owner (including Declarant) may exempt himself from contributing toward such expense by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit belonging to him.

7.2 Share of Certain Other Common Expenses Caused by The Conduct of Less than All Unit Owners. Any common expenses which result from any violation of the Rules and Regulations, the Declaration or the Bylaws, and which are caused by the conduct of any Unit Owner(s) or any tenant(s), licensee(s) or invitee(s) of any Unit Owner(s), may be specially assessed against the Unit(s) of the Unit Owner(s) involved. Such assessment shall be in accordance with duly enacted provisions therefor in the Rules and Regulations of the Association, and may be in an amount equal to the common expenses incurred by the Association, or in such reasonable amount as the Board shall deem appropriate as liquidated damages for the violation in question.

7.3 General Common Elements. The amount of all common expenses not specially assessed pursuant to Sections 7.1 or 7.2 hereof, less all common profits, shall be assessed against the Condominium Units in proportion to the number of votes in the Association appertaining to each such Condominium Unit as set forth in the Bylaws.

7.4 Collection of Common Expenses. The assessments shall be made and collected from Unit Owners in the manner set forth in the Bylaws, but no change in the number of votes in the Association appertaining to any Condominium Unit shall enlarge, dimiss, or otherwise affect any liabilities arising from assessments made prior to such change.

7.5 Lien for Assessments. The lien for unpaid assessments as provided by the Condominium Act shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien.

7.6 Additional Rights of First Mortgagees. Where a Mortgagee of a first Mortgage of record acquires title as a result of foreclosure of the first Mortgage, or by deed in lieu of foreclosure, or a purchaser acquires title at a foreclosure sale of a first Mortgage, such Mortgagee or purchaser, and/or its or his successor and assigns, shall not be liable for the share of the common expenses or assessments of the Association chargeable to such Condominium Unit which became due prior to the acquisition of title to such Condominium Unit by such Mortgagee or purchaser, except for claims for a pro rata share of such common expenses or assessments resulting from a pro rata reallocation of such common expenses or assessments to all Condominium Units including such mortgaged Condominium Unit. Nothing herein shall be construed to relieve the prior Unit Owner-mortgagor of his personal obligation to pay such unpaid share of common expenses or assessments.

7.7 Units Taxes Separately. So long as permitted by law, each Unit and its undivided percentage interest in Common Elements shall be deemed to be a parcel and shall be separately assessed and taxed for all types of taxes authorized by law including but not limited to special ad valorem levies and special assessments, and each Unit owner shall be liable solely for the amount of taxes against his individual Unit and shall not be affected by the consequences resulting from the tax delinquency of other Unit Owners; and neither the Building, nor any of the Common Elements, shall be deemed to be a parcel.

ARTICLE 8**INSURANCE**

The insurance, other than title insurance, which shall be carried on the Condominium and the property of the Unit Owners shall be governed by the following provisions:

8.1 Purchase: Names Insured.

a. *Purchase.* All insurance policies on the Condominium which are required hereunder shall be purchased by the Association through an agent, and shall be issued by an insurance company authorized to do business in Virginia. Unit Owners may obtain insurance coverage, at their own expense, upon their own personal property and/or for their personal liability and living expense and/or such other insurance as they desire, which insurance shall not be subject to the provisions hereof.

b. *Approval.* The insurance company shall be subject to approval by the Institutional Mortgagee, which is the owner and the holder of the oldest unsatisfied first Mortgage upon a Condominium Unit, which approval shall not be unreasonably withheld or denied. Such approval may be obtained by directing to the Mortgagee having the right of approval, a request in writing for approval or disapproval within ten (10) days after the receipt of the request; and unless a disapproval from the Mortgagee is received within such ten-day period, the request shall be deemed to be approved.

c. *Named Insured.* The named insured shall be the Association, individually and for the benefit of the Unit Owners without naming them. A proper mortgage endorsement clause will be attached to the policies with a loss payable clause to the Mortgagees of the Condominium Units, as their interest may appear.

d. *Copies to Mortgagees.* A current Memorandum of Insurance shall be furnished by the Association to each Mortgagee and to each unit Owner requesting the same. Such memorandum, or a copy of any endorsement to a policy, as the case may be, shall be furnished not less than ten (10) days prior to any changes in existing policies and/or the expiration date of expiring policies. A copy of the original policy and all endorsements thereon shall be available for inspection during normal business hours at the offices of the Association.

8.2 Coverage.

a. *Casualty.* Subject to the following terms and provisions, the Buildings shall be insured under a master policy, which a deductible of not greater than \$250.00, in an amount equal to the full insurance replacement value thereof according to "building standards", as determined not less often than very two years by a qualified insurance appraiser appointed by the Board of Directors of the Association. As used in this section, building standards shall mean the standards by which each Building would,

in the event of its destruction, be reconstructed according to the plans and specifications for such Building, or if there are none, as such Building existed immediately prior to its destruction, exclusive of any specified items for which (i) allowances have been provided at the time of transfer from Declarant to each Unit Owner and (ii) which are specifically enumerated as being excluded in the master policy, and any special modifications or improvements to individual Units (such as built-in features) which were not generally common to like Units in the Building; provided, however, that, to the extent, because of the requirements of any code or any underwriter's laboratory or insurance company, changes are required to be made in the manner in which the Building is reconstructed in order to meet such requirements, building standards shall be deemed to include such requirements. Said policy may also insure such equipment and other improvements as the Board of Director shall from time to time determine to be appropriate. Such coverage shall afford protection against (1) loss or damage by fire or other hazards covered by a standard extended coverage endorsement, together, if available, with coverage for common expenses with respect to Condominium Units during any period of repair or reconstruction during which said Condominium Units are untenable; (2) floods, if within a flood zone, and (3) such other risks, including, but not limited to, vandalism, malicious mischief, windstorm, water damage, and machinery explosion or damage, as the Board of Directors shall, from time to time, determine to be customarily covered with respect to other buildings similar in construction, location and use; provided, however, that coverage shall not be provided for items (i) for which allowances have been provided at the time of transfer from Declarant to each Unit Owner, and (ii) which are specifically enumerated as being excluded in the master policy. The aforesaid policy shall state whether the following items are included within the coverage of the policy and, if covered, any value limitation application thereto, in order that a Unit Owner may obtain insurance if the items are not insured or fully insured under the master policy: heating and air conditioning equipment; service equipment such as a dishwasher, refrigerator, oven or stove, whether or not such items are built-in equipment; special modifications and built-ins which are not generally common to like Units, interior fixtures such as electrical and plumbing fixtures; floor coverings; inside paint and other inside wall coverings and finishings.

The aforesaid policy shall, if available, also provide that (a) each Unit Owner shall have the right to request an increase in the coverage allocated to his Unit and the Limited Common Elements appurtenant to his Unit by reason of improvements made to his Unit and the Limited Common Elements appurtenant to his Unit, but any additional premium resulting from such additional coverage shall be billed by the insurance company directly to, and shall be paid by, such Unit Owner or shall otherwise reflect the additional cost of such increase in coverage to the Unit Owner requesting such increase; and (b) each Unit Owner shall have the right to obtain, at his own expense, an endorsement to the master policy insuring him for the cost of emergency shelter in the event of damage rendering his Unit uninhabitable. All policies of casualty insurance shall provide that any settlement shall, at the option of the Association, be made in cash. Notwithstanding the obligation of the Association to procure insurance coverage equal to full insurable replacement value, neither the Association nor the Board of Directors (or

any of them) shall be liable in the event insurance proceeds do not equal replacement costs, so long as they acted in good faith.

b. *Public Liability.* Such coverage and in such amounts as shall be determined by the Association, covering the Association (either in a primary policy and/or in combination with an umbrella policy), the officers or officials thereof, the managing agent, if any, all persons acting or who may come to act as agents or employees, if any of the foregoing with respect to the Condominium, and all Unit Owners and other persons entitled to occupy any Unit or other portion of the Condominium, and with cross-liability endorsement to cover liabilities of the Association to a Unit Owner.

c. *Workmen's Compensation.* Such coverage in such amounts as may be necessary to meet any requirements of the law.

d. *Other.* Such other insurance as the Association shall determine from time to time to be desirable.

8.3 Premiums. Each policy shall specify the extent to which, if any, the premiums are greater with respect to one Building or Condominium Unit than other Buildings or another Condominium Unit within a Building. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense; provided, however, to the extent that the premiums with respect to one Building or Condominium Unit are greater than with respect to another, the difference shall be treated as a common expense to be specially assessed against the Condominium Unit or Units to which the higher premiums are attributable. Not less than ten (10) days prior to the date when a premium is due, evidence of payment of such premium shall be furnished by the Association to each Unit Owner and to each Mortgagee requesting the same.

8.4 Insurance Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their Mortgagees, as their interest may appear. Proceeds on account of damage to any portion of the Condominium shall be held in an undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements; provided, however, to the extent that an additional premium has been paid by, or assessed against, any Unit Owner (s) to obtain any additional insurance coverage, the proceeds of any such additional insurance shall belong to, or be applied for the benefit of, such Unit Owner(s) and their Mortgagees as their interest may appear; provided further, however, that in the event a Mortgagee endorsement has been issued as to a Condominium Unit, the share of the Unit Owner shall be held for the Mortgagee and the Unit Owner, as their interest may appear; provided further, however, that no Mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired or the Condominium terminated in accordance with Section 9.1 hereunder, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distribution thereof made to the Unit Owner and Mortgagee, pursuant to the provisions of this Declaration.

8.5 Distribution of Proceeds. Subject to the provisions of Section 8.4, proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the beneficial owners in the following manner:

a. *Reconstruction or Repair.* If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Unit Owners and their Mortgagees being payable jointly to them.

b. *Failure to Reconstruct or Repair.* If it is determined, in the manner elsewhere provided, that the damage for which the proceeds were paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial owners, remittances to unit Owners and their Mortgagees being payable jointly to them, in accordance with their respective interests in the Common Elements.

8.6 Association as Agent. The Association is hereby irrevocably appointed agent for each Unit Owner and for each owner of a Mortgage or other lien upon a Condominium Unit and for each owner of any other interest in or claim against the Condominium to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

8.7 Benefit of Mortgagees. Certain provisions in this Article 8 are for the benefit of Mortgagees of Condominium Units, and all of such provisions are covenants for the benefit of any Mortgagee of a Condominium Unit and may be enforced by such Mortgagee.

8.8 Additional Conditions. All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to any and all insureds named thereon, including any and all such Mortgagees. All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Association, its members and Directors, the Unit Owners and/or their respective employees or invitees. Furthermore, all casualty policies shall provide that the repair and/or reconstruction of insured property shall not be required by the insurer in the event that the Condominium is terminated pursuant to the provision of Section 9.1 thereof.

ARTICLE 9

RECONSTRUCTION OR REPAIR AFTER CASUALTY

9.1 Determination to Reconstruct or Repair. If any part of the Condominium shall be damaged by casualty, it shall be reconstructed or repaired, unless at a meeting of the Association which shall be called prior to commencement of such reconstruction or

repair, the Condominium is terminated by unanimous consent of the Unit Owners. If the Condominium is not so terminated, such reconstruction or repair shall be commenced within a reasonable time, and in no event later than ninety (90) days after the occurrence of the casualty, and such repairs or reconstruction shall be prosecuted thereafter with due diligence until completion.

9.2 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the Plans, or if not, then according to plans and specifications approved by the Unit Owners and their Mortgagees, which approval shall not be unreasonably withheld.

9.3 Responsibility for Arranging for Repairs. The responsibility for arranging for reconstruction and repair after casualty shall be that of the Association.

9.4 Cost of Repairs. To the extent that the proceeds from the insurance policies purchased by the Association are not sufficient to pay for all costs of repair and reconstruction, such costs shall be paid as follows:

a. All General Common Elements by the Association with all Unit Owners being liable to the Association for their proportionate share of any special assessment to cover the cost thereof;

b. All Limited Common Elements (except parking spaces) appertaining only to a single Unit by the Unit Owner thereof; or if the Association elects to incur liability or to advance payment for the same, with such Unit Owner being liable to the Association for any special assessment to cover such liability or payment;

c. All Limited Common Elements appertaining to more than one Unit by each of the Unit Owners to whose Units such Limited Common Elements appertain in proportion to their respective interests in such Limited Common Elements; or if the Association elects to incur liability or to advance payment for the same, with each such Unit Owner being liable to the Association for any special assessment to cover such liability or payment; and

d. All portions of a Unit by the Unit Owner thereof or, if the Association elects to incur liability or to advance payment for the same, with the Unit Owner being liable to the Association for any special assessment to cover such liability or payment.

ARTICLE 10

EMINENT DOMAIN

In the event that the Association or any Unit Owner receives notice of any actual or threatened proceeding in eminent domain or for condemnation or other acquisition of any portion of a Unit or the Common Elements by an authority having the power of eminent domain, then such Unit Owners shall notify the Association, in writing, of such actions and the Association shall notify, in writing, each Institutional Mortgagee holding a first Mortgage on a Condominium Unit, at the address shown on the Book of Mortgages.

ARTICLE LL

ASSOCIATION

The administration of the Condominium shall be by the Association which shall fulfill its functions pursuant to the following provisions.

11.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Association shall be kept at the Association's principal place of business.

11.2 Bylaws. A copy of the Bylaws of the Association is attached hereto as Exhibit .

11.3 Limitation of Liabilities of the Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium, except to the extent of insurance coverage therefor and to the extent required by law, the Association shall not be liable to Unit Owners or to any other person for injury to persons or damage to any Unit or any Common Element, other than to pay the cost of maintenance and repair, whether caused by any latent condition in the Condominium to be maintained or repaired by the Association or by the elements or other owners or persons. The Association shall have no liability for failure to insure the Condominium, provided it makes a good faith effort to obtain insurance reasonable acceptable to the Institutional Mortgagee approving such insurance under Section 8.1 hereof.

11.4 Restraint upon Assignment of Shares and Assets. The share of a unit Owner in the funds and assets of the Association may not be assigned, hypothecated or transferred in any manner except as an appurtenance to his Condominium Unit.

11.5 Declarant Control. The Declarant hereby reserves unto itself, or a managing agent or some other person or persons selected by the Declarant, the right to appoint and remove all of the officers of the Association and/or members of the Board of

Directors thereof, and to exercise the powers and responsibilities otherwise assigned by the Condominium Instruments and/or the Condominium Act to the Association, the officers or executive organ thereof, for a period of five (5) years from the date of settlement of the first Condominium Unit sold or until Declarant has conveyed Units to which three-fourths (3/4) of the undivided interests in the Common Elements appertain, whichever occurs first. For the purposes of the preceding sentence only, the calculation of the fraction of undivided interests shall be based upon the total undivided interests assigned or to be assigned to all Units registered with the Virginia Real Estate Commission pursuant to Section 55-79.92(b) of the Code of Virginia of 1950, as amended.

ARTICLE 12

COMPLIANCE AND DEFAULT

12.1 Compliance with Bylaws, Regulations and Covenants; Damages; Injunctions. Each Unit Owner and his family and his or their guests, employees, agents and lessees and their guests, employees and agents shall comply strictly with the Bylaws of the Association and with the administrative rules and regulations adopted pursuant thereto, a copy of the initial rules and regulations being attached hereto as Exhibit , as either of the same may be amended from time to time, and with the covenants, conditions and restrictions set forth in the Declaration or in the Deed to his Condominium Unit. Acquisition, rental or occupancy of a Condominium Unit shall constitute an acknowledgement that the Unit Owner, tenant or occupant agrees to be bound by the provisions of the Condominium Instruments. Failure to comply with any of the same shall be grounds for an action to recover sums due or for damages or for injunctive or any other relief, or any combination thereof, maintainable by the Association on behalf of the other Unit Owners or, in a proper case, by an aggrieved Unit Owner.

12.2 Negligence. A Unit owner shall be liable for the expense of any maintenances, repair or replacement rendered necessary by his willful or negligent act or omission or by that of any member of his Family or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association.

12.3 Cost and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner or the Association to comply with the terms of this Declaration, the Articles of Incorporation of the Association, the Bylaws, or the rules and regulations adopted pursuant to them, as they or any of them may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the Court.

12.4 No Waiver of Rights. The failure or delay of the Association or any Unit Owner to enforce any covenant, restriction or other provisions of the Condominium Act, the Declaration, the Articles of Incorporation or Bylaws of the Association, or the rules and regulations thereunder, shall not constitute a waiver of the rights to do so thereafter, except to the extent so required by law.

ARTICLE 13

TERMINATION

The Condominium may be terminated in the following manner:

13.1 Agreement. The Unit Owners may by vote of not less than eighty percent (80%) in interest of the Unit Owners remove the Condominium from the provisions of the Condominium Act by an instrument to that effect executed in the same manner as required by the Condominium Act, provided the holders of all liens affecting any of the Condominium Units consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to the undivided percentage interest in the Property and all improvements thereon as provided in Section 13.3 hereof.

13.2 Destruction. In the event it is determined under other provisions of this Declaration, that the Buildings shall not be rebuilt after destruction, the insurance proceeds shall be paid in accordance with Sections 8.4 and 8.5 and the Condominium form of ownership shall be terminated and the Condominium Instruments revoked; such determination not to rebuild shall be evidenced by a certificate of the Association certifying the facts affecting the termination, which certificate shall be recorded as provided by law.

13.3 Shares of Ownership After Termination. Upon removal of the Condominium from the provisions of the Condominium Act, the Condominium shall be deemed to be owned as tenants in common by the Unit Owners, with their Mortgagees having liens upon the respective shares of the Unit Owners. Unless at the time of termination the parties, by execution of appropriate deeds and other instruments, shall otherwise agree, the undivided interest in the Property (and each of the Buildings) owned as tenants in common which shall appertain to each unit Owner shall be equal to the undivided percentage interest previously owned by such Unit Owner in the Common Elements.

ARTICLE 14**AMENDMENT**

14.1 Amendment by Declarant. If there is no Unit Owner other than the Declarant, the Declarant may unilaterally amend the Condominium Instruments, and any such amendment shall become effective upon the recordation thereof (if recordation is required) if the same has been executed by Declarant.

14.2 Amendment by Agreement. If there is any Unit Owner other than the Declarant, then the Condominium Instruments shall be amended only by the agreement of Unit Owners of Condominium Units to which two-thirds of the votes in the Association appertain. Except as expressly permitted by Section 2.2 hereof (pertaining to the expansion of the Condominium), no amendment to the Condominium Instruments shall change the boundaries of any Unit, the undivided interest in the Common Elements or the rights to the common profits appertaining thereto, or the number of votes in the Association appertaining thereto.

14.3 Protection of Mortgagees. Except as expressly permitted in Section 2.2 (pertaining to the expansion of the Condominium), no material amendment, including, but not limited to, any amendment which would change the percentage interests of the Unit Owners in the Common Elements, may be made to the Condominium Instruments without the prior written approval of each Institutional Mortgagee holding a first Mortgage on a Condominium Unit and who has requested, in writing, to be notified of such amendments. A copy of any proposed amendments shall be furnished to all such Institutional Mortgagees holding bona fide first liens, and unless the disapproval of any such amendment is received within thirty days of the giving of such copy, the amendment shall be conclusively deemed approved by such Institutional Mortgagee. A copy of each amendment shall be recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia.

14.4 Association Charter and Bylaws. The Articles of Incorporation and the Bylaws of the Association and the rules and regulations hereunder may be amended in the manner provided by such documents.

14.5 V.A. Approval. If any Unit Owner finances the purchase of his Condominium Unit with a loan which is either guaranteed or insured by the Veterans Administration, then, anything contained herein to the contrary notwithstanding, to the extent required by 38 C.F.R. Section 36-4360(a)(3), this Declaration may not be amended without the prior written approval of the Administrator of Veterans Affairs or his authorized designee.

ARTICLE 15

COVENANTS RUNNING WITH THE LAND

All provisions of the Declaration and exhibits thereto constitute covenants running with the land and with every part thereof and interest therein, including but not limited to every Condominium Unit and the appurtenances thereto; and every Unit Owner and Claimant of the Property or of any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of this Declaration and the exhibits hereto. Declarant's rights and obligations hereunder may be assigned and reassigned in whole or in part by Declarant and its successors and assigns to the extent permitted by law.

ARTICLE 16

PROVISIONS FOR BENEFIT OF MORTGAGEES

All provisions of the Declaration and the exhibits attached hereto requiring the Association to maintain the Common Elements, to collect assessments, to maintain insurance, and to make certain repairs, and all restrictions in this Declaration and any exhibits attached hereto are intended for the benefit of, and may be enforced by, either a Unit Owner of any Mortgagee or a Condominium Unit.

ARTICLE 17

SEVERABILITY

The invalidity of any covenant, restriction or provision in any Condominium Instrument shall not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, HAJAR OF LEE HALL, INC., a Virginia corporation, has caused this Declaration to be executed in its name and on its behalf by DAVID E. HARVEY, its President, thereunto duly authorized:

HAJAR OF LEE HALL, INC.

By (Signature on file)
Its President

STATE OF VIRGINIA
City of Newport News, to-wit:

I, Vickie C. Maynard, a Notary Public in and for the City and State aforesaid, certify that DAVID E. HARVEY, President of HAJAR OF LEE HALL, INC., a Virginia corporation, whose name is signed to the foregoing instrument bearing date on the 26th day of July, 1984, has acknowledged the same before me this 26th day of July, 1984.

(Signature of file)

Notary Public

My Commission Expires:
9/3/88

I certify that the documents to which this authentication is affixed are true copies of a record in the Newport News Circuit Court, that I have custody of the record and that I am the custodian of that record

(Signature on file)

D.C.