

DECLARATION OF
COVENANTS, EASEMENTS AND RESTRICTIONS
APPLICABLE TO
CLUB RUN

THIS DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS ("Declaration") is made as of the ____ day of _____ 2011, by _____, a Virginia limited liability company ("Company").

Recitals

A. The company is the owner of the real property described in Exhibit A attached to this Declaration and incorporated into this Declaration by this reference (the "Property"). The Company has or will develop the Property into twenty-three (23) residential lots (the "Development").

B. The Company desires to protect and enhance the value of its lots by imposing on and reserving for the benefit of the Property the following covenants, restrictions and easements.

Declaration

The Company hereby declares that all of the property described on Exhibit A hereto shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are imposed for the purpose of protecting the value and desirability of, and which shall run with the land and be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

1.1 "ARC" shall mean and refer to an Architectural Review Committee consisting of at least two (2) but not more than three (3) members. Unless such right is surrendered in writing to the Association, two members shall be appointed by the Company until such time that one hundred percent (100%) of the property in the Development has been fully developed, improved and conveyed to purchasers in the ordinary course of development and sale. One member shall be designated by the Club Run Civic Association, Inc. ("Association"). In the event the Company's right to appoint members is surrendered to the Association, the Board of Directors of the Association shall appoint the Company members of the ARC. This Section shall not be amended or rescinded except with the prior written consent of the Company. The ARC shall act by majority vote and pursuant to such rules and regulations as it shall from time to time adopt for the conduct of its business.

1.2 "**Association**" shall mean and refer to the Club Run Home Owners Association, Inc, a Virginia non-stock corporation, its successors and assigns.

1.3 "**Clerk's Office**" shall mean and refer to the Clerk's Office of the Circuit Court of Hanover County, Virginia.

1.4 "**Common Area**" shall mean and refer to all real property owned or to be owned by the Association for the common use and enjoyment of the Owners and all Common Area Easements (as defined below). Common Area shall consist of all property conveyed to the Association (by or with the consent of the Company during the Company control period) which is described as Common Area on any plat or other instrument recorded in the Clerk's Office. Common Area Easements shall consist of all easements reserved for the benefit of or conveyed to the Association (by or with the consent of the Company during the Company Control Period) for the common use, benefit and enjoyment of all Owners, which Common Area Easements affect property described as "Common Area Easement", "Signage Easement Area" or "Emergency Access Easement" on any plat or other instrument recorded in the Clerk's Office. Each portion of Common Area shall be deemed to have been created as Common Area on the later of (a) the date that the subdivision plat, plat or other instrument first depicting and describing such portion as Common Area is recorded in the Clerk's Office, or (b) the date that the Common Area is annexed to the Development and the jurisdiction of this Declaration. Any portion of Common Area may be conveyed to the Association at any time after or contemporaneously with its creation, and the Association shall be bound to accept any property conveyed to it by or with the consent of the Company as Common Area.

1.5 "**Company**" shall mean and refer to _____.

1.6 "**Company Control Period**" shall be the period beginning upon the recordation hereof and terminating on the earlier of: (a) December 31, 2019; (b) the sale of seventy-five percent (75%) of the Lots permitted for the Development Property to parties other than the Company; or (c) at such earlier time as specified in a written instrument in recordable form made by the Company and delivered to the Association and recorded in the Clerk's Office.

1.7 "**Company's Utility Rights**" shall mean and refer to the following: (a) the exclusive, perpetual, alienable and assignable powers and easement hereby reserved to go on, over and under that portion of each Lot, the Common Area, and the Additional Property (i) as Company shall deem necessary for the establishment of drainage ways across such property, and (ii) within twenty (20) feet of the right of way line or boundary line of any public or private right of way and within **10** feet of any other boundary line of such Lot, Common Area, and Additional Property to construct, maintain, replace, and use utility lines and facilities and drainage ways, provided, however, that such rights shall not unreasonably interfere with the construction of structures in compliance with the ARC Standards on the buildable area of any Lot [these rights shall include the right: to cut any trees, bushes or shrubbery, and the right to make any grading of the soil or take any similar action reasonably necessary to provide and extend any utilities and conveniences); and (b) all other rights reserved to the Company herein or in any subdivision plat or: other easement agreement. Each Owner, by accepting a deed for a Lot, agrees to execute any instrument required by Company for the purpose of granting to any third party the easements and/or rights reserved to Company hereunder. The Company's Utility Rights shall continue to

remain vested exclusively in the Company even after such time as the Company has conveyed some or all of its other rights, title and interest in and to the Lots and all other portions of the Development, unless specifically assigned or conveyed as provided herein,

1.8 **"Mortgagee"** shall mean and refer to any bona fide lender, insurer or guarantor of a first priority deed of trust or mortgage now or hereafter affecting a Lot for the purpose of securing a loan or indebtedness made, insured or guaranteed by such institutional lender, insurer or guarantor.

1.9 **"Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having an interest in the Lot merely as security for the performance of an obligation.

ARTICLE 2

MEMBERSHIP

Initial membership in the Association shall be limited to the Company. Additional members shall be admitted upon their purchase of a Lot. Thereafter, memberships shall be appurtenant to and may not be separated from ownership of any Lots.

ARTICLE 3

VOTING RIGHTS

Classes. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Company. Class A members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but no more than one vote shall be cast with respect to any Lot.

Class B. The Class B member shall be the Company which shall be entitled to four (4) votes for each Lot owned by the Company. The Class B membership shall terminate and be converted to Class A membership at the earlier to occur of: (a) December 31, 2019; or (b) the sale of seventy-five percent (75%) of the sum of all of the Lots.

ARTICLE 4

USE OF LOTS

Residential Use. All Lots shall be used for residential purposes only. No place of public entertainment, hotel, dance hall, public garage, filling station, restaurant, boarding house, tourist: home or any other type of commercial enterprise or business of any kind or character whatsoever shall be established or maintained on any of the Lots. However, the foregoing shall not prohibit any owner from using his residence as a home office for an

occupation of a professional nature, such as doctor, lawyer, accountant or insurance salesman, if permissible under applicable zoning laws. No animals, livestock or poultry-of-any kind shall be raised, bred or kept on any lot except household pets, provided they are not raised, bred or kept for commercial purposes,

ARTICLE 5

COVENANT FOR ASSESSMENTS

5.1 Creation of the Lien and Personal Obligation for Assessments. The Company hereby covenants and agrees, and each Owner of any Lot is deemed to covenant and agree by acceptance of a deed for a Lot, whether or not it shall be so expressed in such deed, to pay to the Association annual assessments.

5.2 Purpose of Assessments. The annual assessments levied by the Association shall be used exclusively for the purpose of operating the Association and fulfilling the duties of the Association.

5.3 Basis of Maximum of annual Assessments. The initial annual assessments shall be ONE-HUNDRED DOLLARS (\$100.00) per year per Lot prorated for the remainder of the year. The annual assessment may be increased up to ten percent (10%) of the assessment for the previous year effective January 1 of each year without the approval of the Owners. Any increase in the annual assessment above ten percent (10%) must be approved by two-thirds of the Owners.

5.4 Special Assessments.

5.4.1 Purpose of Special Assessments. In addition to the annual assessments authorized above, the Association may levy a special assessment (a) for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, maintenance, repair or replacement of the Common Area or a capital improvement located upon the Common Area, including fixtures and personal property related thereto, or (b) for any purpose for which annual assessments may be used. No special assessments shall be levied prior to the termination of the Class B membership.

5.4.2 Determination of Special Assessment. Special assessments shall be fixed by the Board of Directors and written notice thereof shall be sent to all Owners subject thereto within thirty (30) days after approval by the Association. A special assessment may be made without the approval of the Owners to the extent that the amount of any special assessment payable in one (1) fiscal year does not exceed fifty percent (50%) of the annual assessment for the same fiscal year. Any special assessments, the payment of which exceeds such amount, whether singularly or when combined with prior special assessments due in the same fiscal year, may be rescinded by Owners entitled to cast more than two-thirds (2/3) of the votes entitled to be cast by all of the Owners at a special meeting duly called for this purpose within sixty (60) days after approval of such assessment by the Association. The Association may make further attempts to impose special assessments in excess of said amount in the same fiscal year at special meetings duly called for this purpose within sixty (60) days after rescission by the Owners of

special assessments proposed by the Board of Directors,

5.5 Effect of Nonpayment of Assessments. Any assessments provided for in this Declaration which are not paid when due shall be delinquent, and shall bear interest from the date of delinquency at a rate determined by the Association, but not to exceed the rate provided by law, Interest, costs and reasonable attorney's fees incurred in the collection of the assessment by any legal means shall be added to the amount of such assessment.

5.6 Liens for Assessments and subordination of Lien to Mortgages. in order to secure the payment of all of the assessments provided under this Declaration, all assessments, together with interest thereon, late charges, costs of collection, and reasonable attorney's fees, shall be a charge against each Lot upon which the assessment is imposed and shall be a continuing lien upon the Lot against which each such assessment is made and subordinate only to bona tide first priority deeds of trust or mortgages now or hereafter securing a loan or indebtedness made, insured or guaranteed by a Mortgagee and recorded in the Clerk's Office prior to the perfection of the lien for assessments in accordance with the Virginia Property Owners1 Association Act (Virginia Code Sections 55-508 et seq.), as amended, in addition, each such assessment, together with interest thereon, late charges, costs of collection, and reasonable attorney's fees, shall also be the personal obligation of the person who is the Owner of such Lot at the time the assessment became due. The personal obligation for delinquent assessments shall not pass to successors in title, provided such successors, or any one of them, were not originally liable for such assessments, either directly or indirectly.

ARTICLE 6

-CONSTRUCTION OF RESIDENCES, OTHER STRUCTURES

The exterior of any residence must be completed within one (1) year from the date construction thereon commences. The Company: shall have the right and power to complete any structure started by any lot owner if and when said lot owner refuses or neglects to complete said 'structure within a reasonable time, provided said lot owner is notified in writing by the Company, and the Company shall have a lien against said lot owner and the lot for an amount necessary to complete the construction of said structure in accordance with the approved plans and specifications.

ARTICLE 7

MOTOR VEHICLES

7.1 Oversized Vehicles. No motor vehicle having in excess of two (2) axles shall be located on any portion of a Lot, and no motor vehicle, or any part thereof, may be located either permanently or temporarily on a Lot unless validly inspected and licensed under State and county law. This restriction shall not prohibit the use or storage of lawn equipment for the maintenance of a Lot; provided that the lawn equipment is screened from view from adjacent Lots and the public road with material such as landscaping or fencing.

7.2 Parking. All motor vehicles belonging to or used by an Owner, his guests, invitees, or tenants, shall be parked on the Owner's Lot and shall not be parked other than on a

temporary, occasional basis within the public road right of way.

7.3 Prohibited Vehicles. No dirt bikes, ATVs, or unlicensed vehicles shall be used or operated on any property in the Development; provided, however, that the foregoing restriction shall not apply to unlicensed construction vehicles used for the construction of improvements in the Development or other permitted uses.

ARTICLE 8

COMMON AREA

8.1 Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

8.1.1 The right of the Association to establish rules and regulations for the use (including the general prohibition of use) of the Common Area or any facility from time to time situated upon the Common Area;

8.1.2 The right of the Association, subject to the Company's Utility Rights, to dedicate or transfer all or any part of the Common Area, to any public agency, authority, or utility for such purposes and subject to such conditions as may be imposed by law (including, without limitation, the Zoning Ordinance of the county of Hanover, Virginia) or agreed to by the Owners and Company; provided, however, that no such dedication or transfer shall be effective unless approved by Owners entitled to cast more than two-thirds (2/3) of the votes entitled to be cast by all of the Owners.

8.2 Company's Marketing Rights. Notwithstanding any provisions contained in this Declaration to the contrary, so long as the initial sale of Lots by Company shall continue, Company shall have the right to maintain and carry on upon portions of the Common Area and Lots which it owns, such facilities (including sales and business offices, model units, and sales and marketing signs and pavilions) and activities as, in the sole opinion of Company, may be reasonably required, convenient, or incidental to the construction, sale or marketing of property within the Development and the Company hereby reserves and shall have an easement for Access to such facilities.

8.3 Improvements. The Company and the Association shall have the right, but not the obligation, to develop or improve the Common Area for the use and benefit of the residents in the Development (subject to the Company's Utility Rights), including the right to do the following:

8.3.1 Construct pedestrian trails, playgrounds, playing fields and other related or incidental facilities, as well as storage areas for recreational vehicles and boats;

8.3.2 Install landscaping or other improvements to protect the Common Area from erosion;

8.3.3 Exercise, by Company only, the Company's Utility Rights; and

8.3.4 Make all such other improvements to the Common Area as the Company or the Association may deem appropriate.

8.4 Maintenance of Common Areas. No dumping of trash, garbage, sewage, sawdust, hazardous materials, toxic substances, petroleum products, or any unsightly or offensive materials shall be permitted or placed upon the Common Area except as is temporary and incidental to the bona fide improvement of the Common Area in a manner consistent with its classification as Common Area.

8.5 No Public Rights. The granting of the easements in the Common Area in this Article in no way grants to the public or the owners of any land outside of the Development the right to enter any part of the Common Area. The creation of the Common Area shall not, in any way, be deemed or construed to be a dedication of such areas for the general public welfare or use,

8.6 Conveyance of Common Area. The Company may retain ownership of the Common Area, or convey the Common Area to the Association, in which case the Association shall accept such conveyance.

ARTICLE 9

ARCHTECTURAL CONTROL

9.1 ARC Approval. No improvements, alterations, changes in color, major landscaping or other work (including clearance of trees and vegetation) which in any way alters the exterior appearance of any Lot or the exterior of any improvement located thereon shall be made or done until the plans and specifications showing the size, elevations, color, materials and location of the residential dwelling unit and all other improvements to be on the Lot (the "Plans and Specifications") shall have been approved in writing by the ARC as to harmony of external design and location in relation to surrounding structures and topography. If the ARC fails to approve or disapprove the Plans and Specifications within forty-five (45) days after the Plans and Specifications have been received by it, approval will not be required and the Owner will be deemed to have complied fully with this Section. In the event the plans and specifications are disapproved by the ARC, the Owner shall have the right to appeal the decision to the Appeal Board. The Appeal Board shall decide whether such plans and specifications are suitable and appropriate for the Development. The decision of the Appeal Board will be binding upon all parties. If the Appeal Board fails to decide an appeal within forty-five (45) days after receipt by the Association of the appeal, the appeal will be considered denied, and the decision of the ARC will be final. Any and all expenses incurred in connection with the appeal will be born exclusively by the appealing Lot owner.

9.2 Promulgation of ARC Building and Architectural Standards (ACC Standards). The ARC shall prepare and promulgate the "ARC Building and Architectural Standards" (referred to herein as the "ARC Standards") which shall include the ARC's submission and

review procedure and design guidelines with respect to all of the improvements to be constructed on each Lot.

9.3 Minimum ARC Standards. Except as otherwise provided herein, the following standards shall apply to all Lots in the Development and are hereby made a part of the ARC Standards:

9.3.1 No building of any kind whatsoever shall be erected or maintained on any Lot except for: (i) one (1) residential dwelling unit; and (ii) such other accessory buildings and improvements as shall be incidental thereto and approved by the ARC.

9.3.2 The residential dwelling unit constructed on each Lot (excluding attached, covered or uncovered porches, decks, breezeways, garages, attics and non-habitable basements) shall equal or exceed eighteen-hundred fifty (1850) finished and heated square feet.

9.3.3 All exposed foundations of any structure erected on a Lot shall be covered with a veneer of brick or stone or other material approved by the ARC. No exposed concrete block foundations shall be permitted.

9.3.4 Each residential dwelling unit shall be constructed upon a foundation with a crawl space or on a slab with standard height basement. No residential dwelling unit shall be constructed on an on-grade slab.

9.3.5 Each residential dwelling unit must have some exterior appurtenances such as covered stoops and/or porches, garages and/or decks.

9.3.6 All fences shall be subject to the approval of the ARC. No hedges or fences shall exceed 3 feet 6 inches in height or extend beyond the front line of the main body of the house. All fences shall be of wood or brick construction, provided, however that a wire fence not to exceed 3 feet 6 inches may be used for pet runs, which pet runs shall not exceed 300 square feet in area, shall meet all setback requirements set out in Section 9.3.17 hereof, and shall be constructed behind the dwelling. Any hedge, fence, tree, building or other structure which might constitute a traffic hazard shall be removed by the lot owner at the request of the Company. However, Company reserves the right to install chain link fences on the Common Areas. In addition, such fences shall be permitted on a Lot if required by law in connection with the presence of a swimming pool on such Lot.

9.3.7 No trees with a diameter of five (5) inches or more may be cleared from any Lot without the prior written permission of the ARC. However, trees within twenty (20) feet of the residential dwelling unit to be constructed on each Lot may be cleared. All trees shall be cut within four (4) inches of ground, level.

9.3.8 No external illumination on any Lot shall be of such a character or intensity or so located as to interfere with any other Owner's use or enjoyment of his Lot. All external lighting must be approved by the ARC as to size and intensity.

9.3.9 No above ground swimming pools shall be constructed or erected on any Lot. The location of in-ground swimming pools must be approved by the *ARC*, and the *ARC* may require that pools be screened from view from adjacent property and/or the public right of way.

9.3.10 All driveways on Lots shall be surfaced with a suitable gravel, river washed stone, concrete, macadam or asphalt material approved by the *ARC*. Driveway culverts shall be installed for each Lot in Accordance with Virginia Department of Highway and Transportation (VDOT) requirements and shall not be relocated without written approval from the *ARC*.

9.3.11 No structure of a temporary character, including, but not limited to tents, and no trailer homes, mobile homes, double wide trailer homes or shacks shall be located upon any Lot at any time. No ungaraged boat and/or boat trailer shall be located upon any lot at any time. This restriction shall not apply to temporary structures used by contractors during construction or to any temporary sales offices or facilities used or owned by Company. A recreational vehicle ("RV") or other vehicle designed for mobile living, containing Less than eighty (80) square feet measured from the exterior, may be on a Lot provided the RV is garaged and out of view and not used as living quarters.

9.3.12 During the construction of any structures on a Lot, the Lot shall be maintained in a clean and uncluttered condition, free of any unnecessary accumulation of waste and debris. All contractors shall store equipment, machinery and toilet facilities on the Lot in as inconspicuous a place as is practical.

9.3.13 Each Owner shall prevent the development of any unclean, unsightly or unkept condition of his lot or buildings thereon. All improvements on each Lot shall be kept in good repair and, where necessary, painted on a regular basis. All lawns shall be mowed on a regular basis as needed. No portion of the Development shall be used or maintained as a dumping ground for rubbish, hazardous materials, toxic substances or petroleum products. All trash, garbage and other waste shall be kept in sanitary receptacles. All such sanitary receptacles shall be maintained in a neat and orderly manner in a screened area in which all EPA approved fuel tanks and similar receptacles, electric and gas meters, air conditioning equipment, clothes lines and other unsightly objects must be placed or stored to conceal them from view from adjacent property, Public roads and Common Area. The Association shall have the right and power to correct and remove, as the case may be, any unclean, unsightly or unkempt condition existing on any lot if and when said lot owner refuses or neglects to correct or remove such condition within a reasonable time, provided such lot owner is notified in writing by the Association and the Association shall have a lien against said lot owner and lot for the amount of the expense involved in correcting and removing such condition.

9.3.14 each residential dwelling unit constructed on a Lot shall be connected to the utility system designated by the company. All service utility lines serving individual Lots shall be located underground.

9.3.15 No signs of any kind shall be displayed for public view on any Lot except
i) one (1) sign not exceeding four (4) square feet in area used for the purpose of advertising the

Lot for sale or rent; (ii) one (1) sign not exceeding three (3) square feet in area which identifies the resident occupying the Lot; and (iii) signs not exceeding 9 square feet approved by the Company and used by the builder during the construction of a dwelling.

9.3.16 No television satellite dish (greater than 18 inches in diameter), receiver or antenna, radio receiver or sender or other similar device shall be attached to or installed on any Lot except as follows: if cable services are unavailable and good television reception is not otherwise available, an Owner may apply to the ARC in writing for permission to install a television antenna and such permission shall be granted or denied in the sole discretion of the ARC. Any television satellite dish 18 inches or less in diameter and approved antenna located on a Lot shall be so located and adequately screened from view from adjacent properties in accordance with the ARC Standards.

9.3.17 No structure, exclusive of fences, shall be erected nearer than fifty (50) feet to the front street right-of-way line, nor shall any structure, exclusive of fences, be erected nearer than fifteen (15) feet to any property line of the particular Lot or Lots on which it is situated. The ARC may approve a variance of these setback lines upon a showing of necessity due to unusual topography or lot configuration.

9.3.18 No above-ground improvements Accessory to a residential dwelling unit (except fences) shall be constructed on any Lot prior to the commencement of construction of the residential dwelling unit on such Lot.

9.4 Non-Waiver. The approval by the ARC of any Plans and Specifications for any work done as proposed, or in connection with any other matter requiring the approval and consent of the ARC shall not be construed as or deemed to be a waiver of any right to withhold approval or consent as to any similar proposals or Plans and Specifications submitted for review and approval.

9.5 Disclaimer. The ARC shall review Plans and Specifications as to harmony of external design and location in relation to existing structures. Any approval given or objections withheld as to any Plans and Specifications shall in no way constitute a warranty or endorsement of (a) the technical soundness of the Plans and Specifications, whether as to the entire structure or the components thereof, or (b) the compliance of the Plans and Specifications with applicable laws (including zoning), building codes and regulations.

9.6 Variance. The ARC may authorize variances from compliance with any of the provisions of the ARC Standards when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations require, but only in Accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, or (b) estoppel the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

ARTICLE 10

NUISANCE

Each Owner shall keep his lot clean and free from any unsightly or odorous accumulation of debris, trash or any substance, and no nuisances, or building, act, or performance of any kind constituting a nuisance, shall be erected, done or suffered thereon. This restriction shall prohibit the open storage of business equipment or materials, except as necessary for the construction of a residence on a Lot.

ARTICLE 11

SEVERABILITY

The invalidation by judgment or court order of any one or more of the provisions contained herein shall in no way affect the validity and enforceability of the remaining provisions.

ARTICLE 12

APPLICABILITY

12.1 Successors and Assigns. The provisions of this Declaration shall be deemed covenants running with the land and shall be binding on all current and future Owners of the Property or any portion thereof; howsoever such interest shall be obtained. Upon the expiration of the Company Control Period the rights reserved for Company shall be deemed to have been automatically assigned **by** Company to the Association.

12.2 Termination, Renewal and Amendment. This Declaration shall remain in full force and effect until the first day of January, 2060 and unless terminated by a written instrument executed by not less than two thirds (2/3) of the Owners and recorded in the Clerk's Office at least one year prior to the end of such period (or any subsequent extension period), this Declaration shall be automatically extended for successive periods of ten (10) years each. During the Company Control Period, the Company may unilaterally record amendments to this Declaration in the Clerk's Office to (a) effect the annexation of Additional Property as provided in Section 12.3; (b) effect technical deletions, additions and revisions to this Declaration which correct, clarify or further the intent of this Declaration but which do not alter the substantive rights of the Owners; (c) release from this Declaration, and terminate this Declaration as to any portion of the Development which is not a Lot or Common Area; (d) comply with the requirements, as modified from time to time, of the Federal Home Loan Mortgage Corporation and/or the Federal National Mortgage Association. Further, prior to the expiration of the Company Control Period, neither this Declaration nor the ARC Standards shall be amended or terminated without the Company's prior written consent.

12.3 Annexation of Additional Property. Additional property may be annexed to the Development from time to time and at any time prior to the expiration of the Company Control Period, by the Company, or its successors in title as to such property, by recording a "Declaration of Annexation in the Clerk's Office subjecting the property to be annexed to the terms hereof.

12.3.1 Only upon recordation of the Declaration of Annexation shall the property annexed **be** subject to assessments as set forth in Article 5 hereof, and otherwise subject and entitled to the burdens and benefits created **by** this Declaration. Such annexation shall not require the approval of the Owners.

12.3.2 Nothing in this Declaration shall be construed to (i) require Company, or any successor, to develop any portion of any additional property, or (ii) prohibit Company from rezoning or developing any property owned by the Company in the vicinity of the Development as it determines in its sole discretion. **DECWNT EXPRESSLY DISCLAIMS ANY WARRANTY OR ICEPRESENTATION THAT ANY ADDITIONAL PROPERTY SHALL BE DEVELOPED AS PART OF OR INCORPORATED INTO THE DEVELOPMENT OR USED FOR RESIDENTIAL PURPOSES.** Company reserves the right to alter the boundaries of any adjacent Lots owned by Company or the boundaries of any Lot owned by the Company and adjacent to Common Area prior to such time that the Common Area is conveyed to the Association.

12.4 Annexation with Approval of Owners. Subject to the consent of the owner thereof, the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the approval of a majority of the votes entitled to be cast by all of the Owners, and, prior to the expiration of the Company Control Period, the prior written consent of the Company. Annexation shall be accomplished by recording in the Clerk's Office a Declaration of Annexation describing the property being annexed. Any such Declaration of Annexation shall (i) be signed by the president and attested to by the secretary of the Association, by the Company, if the Company's consent is required, and by the owner of the property being annexed, and (ii) have attached to it the sworn affidavit of the secretary of the Association stating that the Declaration of Annexation was approved by the requisite number of votes of the Owners. Any such annexation shall be effective upon recording unless otherwise provided therein.

12.5 Amendment. This Article 12 shall not be amended without the prior written consent of Company, so long as the Company owns any property described in Exhibit A.

12.8 Company's Rights. Any or all of the rights and obligations reserved to the Company in this Declaration may be transferred to other parties, provided that no such transfer shall be effective unless it is pursuant to a written instrument signed by the Company and duly recorded in the Clerk's Office.

ARTICLE 13

ENFORCEMENT AND WAIVER

13.1 The provisions of this Declaration may be enforced at law or in equity by the Company, any Owner or the Association. In addition, the Company shall have the right, whenever there shall have been built on any lot a structure which is in violation of these restrictions, to enter upon the lot where said violation exists and abate or remove the same at the expense of the lot owner, and said entry, abatement or removal shall not be deemed a trespass. A failure to so proceed at any time or times shall not be construed as a waiver of any right of action accruing hereunder. The prevailing party shall be entitled to recover its reasonable attorney's fees in any such action.

WITNESS the following duly authorized signatures:

COMPANY: _____, **Virginia** Limited Liability Company

By: _____

Title: _____

COMMONWEALTH OF VIRGINIA

CITY/COUTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, _____ of _____, a Virginia Limited Liability Company, on behalf of the Company.

MY commission expires: _____

Notary Public