

DECLARATION OF RESTRICTIVE COVENANTS OF
RAVENNA

THIS DECLARATION, made this 20th day of October, 2003,
by RAMSGATE CORPORATION, INC., a Virginia corporation, being referred
to hereinafter as the "Declarant," Grantor.

W I T N E S S E T H:

WHEREAS, the Declarant is the fee simple Owner of certain real property located in the City of Chesapeake, Commonwealth of Virginia, which is shown on a certain plat(s) entitled "Subdivision of RAVENNA Phase One, T.P. 0500000000620, REF: D.B. 4652 - PG. 206, Butts Road Borough, Chesapeake, Virginia," dated 08/20/03, made by Hassell & Folkes, P. C., Engineers - Surveyors - Planners, which said plat(s) are to be recorded following the recordation of this instrument; and

WHEREAS, the Declarant intends to develop the Lots shown on the aforementioned plat(s) as a residential community known as "RAVENNA," with open spaces and other common facilities for the benefit of said community, and it is the purpose of this Declaration to declare and make known certain covenants, restrictions, and reservations to which the said residential community and its subsequent Lot Owners may be subject; and

WHEREAS, the Declarant has deemed it desirable to create an agency to which should be delegated the powers of maintaining and administering the community property and facilities, and administering the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, the Declarant has incorporated RAVENNA HOMEOWNERS ASSOCIATION, INC., under the Nonstock Corporation Law of the Commonwealth of Virginia for the purpose of exercising the aforesaid functions.

NOW, THEREFORE, the Declarant, for itself, its successors and assigns, declares that the real property described in Section 2.01 hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions and restrictions hereinafter set forth.

Prepared by and Return to: Basnight, Kinser, Telfeyan, Leftwich & Nuckolls, P. C.,
308 Cedar Lakes Drive, 2nd Floor, Chesapeake, Virginia 23322, Telephone: (757)
547-9191, Facsimile: (757) 547-5735.

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. The following words, phrases, or terms, when used in this Declaration or in any instrument supplemental to this Declaration shall, unless the context otherwise prohibits, have the following meanings:

A. "Association" shall mean and refer to the RAVENNA HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

B. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners.

C. "Declaration" shall mean and refer to this document of Covenants, Conditions, and Restrictions as it may from time to time be supplemented, extended, or amended in the manner provided for herein.

D. "Lot" shall mean and refer to any portion of the property (with the exception of Association Property as heretofore defined) under the scope of this Declaration and (i) identified as a separate parcel on the tax records of the City of Chesapeake, or (ii) shown as a separate lot upon any recorded or filed subdivision map.

E. "Declarant" shall mean and refer to Ramsgate Corporation, Inc., a Virginia corporation, its successors and assigns.

F. "Developer" shall mean a builder, contractor, investor or other person or entity who purchases an undeveloped lot for the purpose of constructing improvements thereon for resale to a public purchaser.

G. "Member" shall mean and refer to each holder of a membership interest in the Association, as such interests are set forth in Article III of this Declaration.

H. "Owner(s)" shall mean and refer to the record Owner, whether one or more persons or entities, or equitable or beneficial title (or legal title if same has merged) of any Lot. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation. Except as stated otherwise herein, "Owner" shall not include one who has merely contracted to purchase a single-family residence. For the purpose of enforcement of the rules and regulations of the Association, including but not limited to this Declaration and the Bylaws, "Owner" shall also include the family, invitees, licensees, and lessees of any Owner, together with any other person or parties holding any possessory interest granted by such Owner in any Lot.

I. "Property" shall mean and refer to all properties as are subject to this

Declaration.

J. "Public Purchaser" shall mean any person or other legal entity who becomes an owner of any Lot within RAVENNA.

K. "Single-Family Residence" shall refer to a structure containing a dwelling located on a separate Lot where the individual dwelling is attached to a boundary line.

L. "Subdivision Plat" shall mean a recorded plat covering any or all the property referred to in this Declaration or annexed thereto.

M. "Visible from Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six (6) feet tall, standing on any part of such neighboring property at an elevation no greater than the elevation of the base of the object being viewed.

ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01. Property. The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration is located in the City of Chesapeake, Commonwealth of Virginia, all of which property shall be hereinafter referred to as the "Property." (The legal description of the Property is attached hereto as Schedule "A".)

ARTICLE III THE ASSOCIATION STRUCTURE, MEMBERSHIP, VOTING RIGHTS AND DIRECTORS

Section 3.01. Formation of the Association. Pursuant to the Nonstock Corporation Law of Virginia, the Declarant has formed Ravenna Homeowners Association (the "Association"), to own, operate, and maintain the Association Property, enforce the covenants, conditions and restrictions set forth in this Declaration and to have such other specific rights, obligations, and duties and functions as are set forth in this Declaration and in the Articles of Incorporation and Bylaws of the Association, as the same may be amended from time to time. Subject to the additional limitations provided in this Declaration and the Articles of Incorporation, the Association shall have all the powers and be subject to the limitations of a nonstock corporation as contained in the Virginia Nonstock Corporation Law as the same may be amended from time to time.

Section 3.02. Membership. The Association shall have as Members only

Owners and the Declarant. All Owners shall, upon becoming such, be deemed automatically to have become members and there shall be no other qualification for membership. Membership shall be appurtenant to, and shall not be separated from the ownership of any of the interests described in the definitions of the words "Owner" and "Declarant" as found in Article I of this Declaration.

The Association shall have one (1) class of voting membership with an equal vote per Member.

Notwithstanding the foregoing, the Declarant membership shall permanently terminate after eight (8) years from the date of the recording of this Declaration and shall not thereafter be reactivated.

Upon the termination of the Declarant membership, no action may be taken by the Association which would serve to impede the installation of Common Area facilities substantially represented in plans of public record, particularly as they may have been required and/or approved by public agencies except with the assent of such principal parties including the Declarant, the Federal Housing Administration (F.H.A.), the Department of Veterans Affairs (V.A.), and the City of Chesapeake, Virginia.

Section 3.03. Voting; Mortgagee's Control of Votes. Each Owner, including the Declarant, shall be entitled to one (1) vote for each Lot owned in any portion of the Property covered by this Declaration. There are 194 Lots on the property initially covered by this Declaration. Accordingly, there shall initially be 194 votes in the Association. Notwithstanding anything to the contrary which may be contained in this Declaration, if a mortgage lender whose name appears on the records of the Association (i) holds a mortgage on a Lot which prohibits the mortgagor from voting contrary to the interest of the mortgagee, and (ii) notifies the Association prior to the date or initial date of canvass on the vote to be taken of its position on the matter being voted upon, a vote of the Lot Owner contrary to the position of such mortgage lender shall not be counted in such canvass.

Section 3.04. Interest in More Than One Lot. If any person or entity owns or holds more than one Lot, such Owner shall be entitled to the appropriate number of votes for each Lot.

Section 3.05. Lots Owned or Held by More than One Person or by a Corporation. When any Lot is owned or held by more than one person as tenants by the entirety, in joint or in common ownership or interest, such Owners shall collectively be entitled to only that number of votes prescribed therein for such Lot and if such Owners cannot jointly agree as to how that vote should be cast, no vote shall be allowed with respect to such Lot.

In the case of a corporate Owner, votes may be cast by an appropriate officer of such corporation.

Section 3.06. Holder of Security Interest Not a Member. Any person or entity holding an interest in a Lot merely as security for the performance of an obligation shall not be a Member.

Section 3.07. Assigning Right to Vote. Subject to the consent of not less than two-thirds (2/3) of all Lot Owners other than the Declarant (except for a transfer to a wholly-owned subsidiary of the Declarant) and the filing of an amendment to the offering plan pursuant to which the Declarant has offered interests in the Association, the Declarant may assign its membership in the Association to any person, corporation, association, trust or other entity, and such assignee of such membership may make successive like assignments.

Any other Owner shall be entitled to assign his/her right to vote, by power of attorney, by proxy or otherwise, provided that such assignment is made pursuant to the Bylaws of the Association. The Bylaws may require that the assignment specify the meeting or issue to which the assignment applies.

Section 3.08. Meeting and Voting Regulations. The Board of Directors of the Association may make such regulations, consistent with the terms of this Declaration, the Articles of Incorporation and Bylaws of the Association and the Nonstock Corporation Law of the Commonwealth of Virginia as it may deem advisable for an meeting of its Members, in regard to proof of membership in the Association, evidence of right to vote, the appointment and duties of inspectors or votes, registration of Members for voting purposes, the establishment of extended canvass periods for voting and such other matters concerning the conduct of meetings and voting as it shall deem appropriate.

Section 3.09. Selection of Directors. The nomination and election of Directors and the filling of vacancies on the Board of Directors shall be governed by the Bylaws of the Association.

Section 3.10. Powers and Duties of Directors. The powers and duties of the Board of Directors shall be as set forth in the Bylaws of the Association.

Section 3.11. Indemnification of Officers and Directors. Every director and officer of the Association shall be, and is hereby, indemnified by the Association against all expenses and liabilities, including fees of counsel, reasonably incurred by or imposed upon such director or officer in connection with any proceeding to which such officer or director may be a party, or in which such officer or director may become

involved, by reason of being or having been a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of duties; provided that, in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to, and shall not be exclusive of, all rights to which each such director or each such officer may otherwise be entitled.

Section 3.12. Declarant's Written Consent Necessary for Certain Actions Taken by Board of Directors. Notwithstanding anything to the contrary contained in this Declaration, so long as the Declarant or its successor owns or has under construction on lands described in Schedule "A" to this Declaration (whether or not covered by this Declaration) Lots equal in number to 2% or more of the number of Lots to which title has been transferred to purchasers for occupancy, but in no event more than five (5) years from the date of recording of the Declaration, the Board of Directors may not, without the Declarant's written consent (i) except for necessary repairs or any repairs required by law, make any addition, alteration, or improvement to the Association Property; (ii) assess any amount for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund in excess of any amount equal to the proportion of the then existing budget which the amount of reserves in the initial budget of estimated expenses for the relevant phase or phases of the development; (iii) hire any employee in addition to the employees, if any, provided for in the initial budget of the Association, except as may be necessary to maintain the quantity of quality of services or maintenance; (iv) enter into any service or maintenance contract for work not provided for in the initial budget of the Association, except for service or maintenance to facilities not in existence or not owned by the Association at the time of the first conveyance of a Lot; (v) borrow money on behalf of the Association; or (vi) reduce the quantity or quality of services or maintenance of the Property. Until five (5) years from the date of recording of this Declaration, if the Declarant owns or has under construction on lands described in Schedule "A" to this Declaration (whether or not such lands are then subject to this Declaration) Lots equal in number to 2% or more of the number of Lots to which title has been transferred to purchasers for occupancy, this Declaration shall not be amended without the written consent of the Declarant.

ARTICLE IV PROPERTY RIGHTS AND EASEMENTS

Section 4.01. Dedication of Association Property. The Declarant intends to convey to the Association, subsequent to the recordation of this Declaration, and subject to the provisions of this Declaration, certain tracts of land and easements within the Property for the use and enjoyment of the Members. Said tracts of land conveyed to the Association shall hereinafter be referred to as "Common Area." The Association

must accept any such conveyance made by the Declarant provided such conveyance is made without consideration.

Section 4.02. Right and Easement of Enjoyment in Association Property.

Every Member (and such Member's guests, licensees, tenants and invitees) shall have a right and easement of enjoyment in and to all Association Property, subject however, to the rights of the Association as set forth in Section 4.03 herein and the rights of the Declarant as set forth in Section 4.04 herein. Such easements shall be appurtenant to and shall pass with the interests of an Owner, as defined in Article I, Section 1.01 hereof.

Section 4.03. Rights of Association. With respect to the Association Property owned, and in accordance with the Articles of Incorporation and Bylaws of the Association, the Association shall have the right to:

- a. Promulgate rules and regulations relating to the use, operation and maintenance of Association Property for the safety and convenience of the users thereof, or to enhance the preservation of such facilities or which, in the discretion of the Association, shall serve to promote the best interests of the Members;
- b. Grant easements or rights-of-way to any public or private utility corporation, governmental agency, or political subdivision, with or without consideration;
- c. Dedicate, sell, transfer, abandon, partition, or encumber (except for transfer or encumbrance to a public utility or for other public purposes consistent with the intended use of such land by or for the benefit of the Members) all or any part of the land which it owns for such purposes and subject to such conditions as may be agreed to by the Association and the transferee. Such a conveyance shall require the consent of two-thirds (2/3) of all Lot Owners, other than the Declarant, who shall vote by written ballot which shall be sent to all Lot Owners and lending institution first mortgagees of Lots whose names appear on the records of the Association not less than thirty (30) days nor more than fifty (50) days in advance of the date or initial date of the canvass thereof. No such conveyance shall be made if lending institutions which together are first mortgagees on 33-1/3% or more of the Lots advise the Association in writing, prior to the date or initial date set for voting on the proposed conveyance that they are opposed to such conveyance, which opposition must not be unreasonable.

Section 4.04. Rights of Declarant. With respect to Association Property, the Declarant shall have the right, until the completion of the construction, marketing and

sale of all dwelling units to be constructed on lands in the subdivision of RAVENNA:

- a. Grant and reserve easements and rights-of-way for the installation, maintenance, repair, replacement and inspection of utility lines, wires, pipes and conduits, including, but not limited to, water, gas, electric, telephone, cable television and sewer to service any Property subject to this Declaration;
- b. Use the Association Property for ingress and egress to those portions of the Property as described in Section 2.01 of this Declaration;
- c. Grant to itself or to others such easements and rights-of-way as may be reasonably needed for the orderly development of the Property. Declarant expressly reserves to itself, or its assigns, an easement along and adjacent to all side and rear lines as well as front lines of all Lots for the installation and/or maintenance of drainage and utility facilities, including but not limited to electric cables, poles, wires, fixtures, circuitry, etc. for electric and telephone service, and for the purpose of audio and video transmissions.

The Declarant may alter these restrictions in any manner Declarant deems to be reasonable in order to promote and facilitate the goals of the subdivision and/or the Association.

The easements, rights-of-way and other rights reserved herein shall be permanent, shall run with the land and shall be binding upon and for the benefit of the Association, the Declarant and its successors and assigns. With respect to its exercise of the above rights, the Declarant agrees (i) to repair any damages resulting within a reasonable time after the completion of development or when such rights are no longer needed, whichever first occurs, and (ii) until development has been completed, to hold the Association harmless from all liabilities which are a direct result of the Declarant's exercise of its rights hereunder. This Section shall not be amended without the written consent of the Declarant.

The Declarant has the absolute right to establish the Association's initial budget, establish dues, and capital reimbursement fees.

Section 4.05. Maintenance of Association Facilities. In order to preserve and enhance the property values and amenities of the Property, the Association shall at all times maintain the facilities in good repair and condition and shall operate such facilities in accordance with high standards.

Section 4.06. Right of Association to Contract Duties and Functions. The Association may contract with any person, corporation, firm, trust company, bank or

other entity for the performance of its various duties and functions.

Any decision to discontinue independent professional management of certain Association duties and functions and establish self-management therefor shall require the prior written consent of 67% of all Lot Owners, written notice of which proposed decision shall be sent to all Lot Owners and to all lending institution first mortgagees of Lots whose names appear on the records of the Association at least forty (40) days in advance of the date or initial date set for voting thereon. No such decision shall be made if lending institutions which together are first mortgagees of 33-1/3% or more of the Lots advise the Association in writing prior to the date set for voting on the proposed change that they are opposed to such change, which opposition shall not be unreasonable.

Section 4.07. Environmental Considerations. In carrying out its responsibilities in enforcing the provisions of this Declaration, the Association and the Architectural Committee shall consider the environmental impact of any existing or proposed activities on the Property or any portion thereof.

Section 4.08. Distribution of Condemnation Awards. In the event all or part of the Association Property is taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Association. The Board of Directors of the Association shall arrange for the repair and restoration of such Association Property and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If there shall be a surplus of such proceeds, or if the Board of Directors shall elect not to repair or restore the Association Property, then the proceeds shall be distributed in the same manner as insurance proceeds, in accordance with Article VIII of this Declaration.

The Board of Directors shall promptly send written notice of any pending condemnation or eminent domain proceeding to all institutional first mortgagees of Lots whose names appear on the books or records of the Association.

In the event of any dispute with respect to the allocation of the award, the matter shall be submitted to arbitration in accordance with the arbitration statutes of the Commonwealth of Virginia.

ARTICLE V ASSESSMENTS AND RIGHT OF ASSOCIATION TO BORROW

Section 5.01. Imposition, Personal Obligation, Lien. Each Lot Owner, by becoming an Owner by the acceptance of a deed or otherwise, whether or not such deed or any other instrument pursuant to which title was obtained so provides, shall be

deemed to covenant and agree to pay to the Association:

- a. Annual assessments or charges for the maintenance and operation of Association Property and the green areas located within the bounds of RAVENNA; and
- b. Special assessments for capital improvements (“Special Assessments”), together hereinafter being referred to as “Assessments.”

The Assessments shall be fixed, established, and collected from time to time as hereinafter provided. Each Assessment (or installment payment thereof) together with such late charges, interest thereon and costs of collection as hereinafter provided, shall be a charge and continuing lien upon the Lot against which the Assessment is made and shall also be the personal obligation of the Owner of such Lot at the time the Assessment falls due.

Section 5.02. Purpose of Maintenance Assessment. The purpose of the Maintenance Assessment shall be to fund the maintenance, preservation, operation and improvement of the Association Property and the promotion of the recreation, safety and welfare of the Members of the Association, including but not limited to, the payment of taxes on Association Property, any utility services to the Property which are commonly metered or billed, all casualty, liability and other insurance covering the Property, and the Association’s officers, directors, Members and employees obtained pursuant to Article VIII of this Declaration, for the maintenance, repair and replacement of all facilities commonly servicing the Members, whether on or off the Lots, such as landscaped areas and management. The amount of any reserves shall be not less than the reasonable requirements of existing or proposed lenders, holders, and insurers of first mortgages of the Lots.

Section 5.03. Date of Commencement and Notice of Assessments and Changes in Annual Assessments. The Assessments provided for herein shall commence on the day on which the first Lot is conveyed or on such date thereafter as determined by the Declarant. The first Assessments shall be adjusted according to the number of months remaining in the fiscal year as established by the Board of Directors and such Assessments shall thereafter be on a full year basis. The Board of Directors of the Association shall fix the amount of the Assessment against each Lot at least thirty (30) days in advance of the beginning of each fiscal year. The Assessments shall be due and payable quarterly unless the Board of Directors establishes other periods for payment. Separate due dates may be established by the Board for partial annual Assessments as long as said Assessments are established at least thirty (30) days before due. Written notice of the annual Assessments shall be sent to every Owner subject thereto. Declarant shall not be required to pay dues during its term of ownership.

Section 5.04. Assessments for Specific Lots. Once Assessments have commenced pursuant to Section 5.03 above, the Owner of each Lot subject to this Declaration shall be liable for the payment of full Maintenance Assessments and Special Assessments.

Section 5.05. Basis for Maintenance Assessment. Subject to Section 5.04 above, the annual Maintenance Assessment shall be the same for all Lots subject to this Declaration so that the number of Assessed Lots divided into the total amount which the Board of Directors shall deem to be necessary to fully fund the current budget of estimated expenses and reserves (and any operating deficits previously sustained) shall determine the annual Maintenance Assessment for each Lot.

Section 5.06. Change in Basis of Assessments. The Association may change the basis of determining the Maintenance Assessment by obtaining the written consent of not less than two-thirds (2/3) of the total votes of all Lot Owners, excluding the Declarant, voting in person or by proxy, written notice of which change shall be sent to all Lot Owners and lending institution first mortgagees of Lots whose names appear on the records of the Association at least forty (40) days in advance of the date or initial date set for voting thereon, except that: (i) until eight (8) years from the date of recording this Declaration, if the Declarant owns or has under construction on the Property (whether or not such lands are then subject to this Declaration) Lots equal in number to 2% or more of the number of all Lots to which title has been transferred to purchasers for occupancy, any change in the basis of Assessment which adversely affects a substantial interest or right of the Declarant with respect to unsold Lots shall require the specific consent of the Declarant in writing, which consent shall not be unreasonably withheld; and (ii) no such change shall be made if lending institutions which together are first mortgagees on 33-1/3% or more of the Lots advise the Association in writing, prior to the date or initial date set for voting on the proposed change, that they are opposed to such change, which opposition must not be unreasonable. A written certification of any such change shall be executed by the Board of Directors and recorded in the Office of the Clerk of the Court.

Any change in the basis of Assessments shall be equitable and nondiscriminatory.

Section 5.07. Special Assessments for Capital Improvements. In addition to the annual Maintenance Assessment, the Association may levy in any assessment year a Special Assessment, payable in that year and/or the following year only, for the purpose of defraying in whole or in part, the cost of any capital improvements, including without limitation, the construction, reconstruction or replacement of, or repair of a capital nature to, the Association Property or to any Property on the Lots which the Association has the responsibility to maintain, including the necessary fixtures and personal property related thereto, provided that for any Special

Assessment amounting to more than 20% of the then current amount of annual Maintenance Assessments, the consent is obtained of two-thirds (2/3) of the total votes of the Lot Owners who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all voting Lot Owners at least thirty (30) days in advance, setting forth the purpose of the meeting. The Association shall establish one or more due dates for each payment or partial payment of each Special Assessment and shall notify each Owner thereof in writing at least thirty (30) days prior to the first such due date.

Section 5.08. Non-Payment of Assessment. If an Annual Assessment, or installment thereof, is not paid on the due date, established pursuant to Section 5.03 hereof, then the balance of the annual assessment shall be deemed delinquent. Any delinquent assessment payment, together with such interest thereon, accelerated future installments, if any, and cost of collection thereof as herein provided, shall thereupon become a continuing lien of the property which shall bind such property in the hands of the then Owner and such Owner's heirs, devisees, personal representatives, successors and assigns. In addition to the lien rights, the personal obligation of the then Owner to pay such assessment shall remain such Owner's personal obligation and shall not pass to such Owner's successors in title unless expressly assumed by them.

If the Assessment or any installment thereof is not paid within ten (10) days after the due date, the Association may impose a late charge of charges in such amount or amounts as the Board of Directors deems reasonable, not to exceed 10% of the amount of such overdue Assessment or installment thereof, provided such late charges are equitable and uniformly applied.

If the Assessment or any installment thereof is not paid within fifteen (15) days after the due date; (i) the Association may impose a late charge of charges in such amount or amounts as the Board of Directors deems reasonable, not to exceed 10% of the amount of such overdue Assessment or installment thereof and, if not paid within fifteen (15) days after the due date; (ii) the Assessment shall bear interest from the due date at such rate as may be fixed by the Board of Directors from time to time, such rate not to exceed the maximum rate of interest then permitted by law; (iii) the Board of Directors may accelerate the remaining installments, if any, of such Assessment upon notice thereof to the Owner; and (iv) the Association may bring legal action against the Owner personally obligated to pay the same or foreclose the lien against the Property, and the cost of such proceedings, including reasonable attorney's fees, shall be added to the amount of such Assessments, accelerated installments, if any, late charges and interest.

Once an Assessment is deemed delinquent as described above, any payments received from the Owner shall be applied in the following order: attorney's fees, other costs of collection, late charges, interest, and then the delinquent Assessment or

installments thereof beginning with the amounts past due for the longest period.

Dissatisfaction with the quantity or quality of maintenance services furnished by the Association shall, under no circumstances, entitle any Lot Owner to withhold or fail to pay the Assessments due to the Association for the Lot or Lots owned by such Owner.

There is hereby created a lien, with power of sale, on each and every Lot within the Development to secure payment to the Association of any and all Assessments levied against any and all Owners of such Lots under the Restrictions, together with interest thereon. If any Assessment remains delinquent for fifteen (15) days, the Association may elect to record in the deed records a lien on behalf of the Association against the Lot of the defaulting Owner in the appropriate Clerk's Office. Such a claim of lien shall be executed by any officer or managing agent of the Association, and shall contain substantially the following information:

- (i) the name of the delinquent Owner;
- (ii) the legal description and street address of the Lot against which claim of lien is made;
- (iii) the total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and reasonable attorney's fees (with proper offset thereof);
- (iv) that the claim of lien is made by the Association pursuant to this Declaration; and
- (v) that a lien is claimed against said Lot in an amount equal to the amount stated.

Upon recordation of a duly executed original or copy of such a claim of lien, and mailing a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which such assessment was levied. Such a lien shall have a priority over all liens of claims created subsequent to the recordation of the claim of lien thereof, except only tax liens for real property taxes on any Lot, assessments on any Lot in favor of any municipal or other governmental assessing body, and the liens which are specifically described hereinafter. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a realty mortgage or trust deed as set forth by the laws of the Commonwealth of Virginia, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Lot Owners. The Association shall have the power to bid

in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey such Lot. In the event such foreclosure is by action in court, reasonable attorney's fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner, by becoming an Owner of a Lot in the Development hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner.

Section 5.09. Notice of Default. The Board of Directors, when giving notice to a Lot Owner of a default in paying Assessments may, at its option, or shall, at the request of a mortgagee, send a copy of such notice to each holder of a mortgage covering such Lot whose name and address appears on the Board's records. The mortgagee shall have the right to cure the Lot Owner's default with respect to the payment of said Assessments.

Section 5.10. Right to Maintain Surplus. The Association shall not be obligated in any calendar year to spend all the sums collected in such year by way of Maintenance Assessments or otherwise, and may carry forward as surplus any balances remaining; nor shall the Association be obligated to apply any such surpluses to the reduction of the amount of the Maintenance Assessments in the succeeding year, but may carry forward from year to year such surplus as the Board of Directors in its absolute discretion may determine to be desirable for the greater financial security and the effectuation of the purposes of the Association.

Section 5.11. Assessment Certificates. Upon written demand of an Owner or lessee with respect to a Lot which he/she owns or any mortgagee or title insurer of such Lot, the Association shall, within a reasonable period of time, issue and furnish a certificate in writing signed by an officer or designee of the Association setting forth with respect to each Lot as of the date of such certificate, (i) whether the Assessments, if any, have been paid; (ii) the amount of such Assessments, including interest and costs, if any, due and payable as of such date; and (iii) whether any other amounts or charges are owing to the Association, e. g. for the cost of extinguishing a violation of this Declaration. A reasonable charge, as determined by the Board of Directors, may be made of the issuance of such certificates. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser, or title insurer thereof, or lender on the Lot on which such certificate has been furnished.

Section 5.12. Subordination of Assessment Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage of record now or hereafter placed upon any Lot subject to such Assessments; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a

decree of foreclosure. Such sale or transfer shall not relieve such property from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment.

Section 5.13. Right to Borrow and Mortgage. In order to fulfill the purposes set forth herein, the Association may borrow funds from any recognized lending institution, and in conjunction therewith, mortgage its properties. The amount, terms, rate or rates of all borrowing and the provisions of all agreements with note holders shall be subject solely to the discretion, except that (i) any member of the Board of Directors of the Association who has been elected or appointed by the Declarant shall not be permitted to vote affirmatively for any borrowing and the quorum of the Board of Directors in any such vote shall be a majority of those Directors not elected or appointed by the Declarant; and (ii) any consent of the Declarant as required by Section 3.12 of this Declaration must be obtained.

Section 5.14. Repayment of Monies Borrowed. In order to secure the repayment of any and all sums borrowed from time to time, the Association is hereby granted the right and power to:

- a. Assign and pledge all revenues received and to be received by it under any provision of this Declaration, including but not limited to, the proceeds of the Maintenance Assessments hereunder;
- b. Enter into agreements with note holders with respect to the collection and disbursements of funds, including but not limited to, agreements wherein the Association covenants to:
 - (1) assess the Maintenance Assessments on a given day in each year and to assess the same at a particular rate or rates;
 - (2) establish sinking funds and/or other security deposits;
 - (3) apply all funds received by it first to the payment of all principal and interest on such when due, or to apply the same to such purpose after providing for costs of collection;
 - (4) establish such collection, payment and lien enforcement procedures as may be required by the note holders; and
 - (5) provide for the custody and safeguarding of all funds received by it.

ARTICLE VI
LAND USE CLASSIFICATIONS

PERMITTED USES AND RESTRICTIONS

Section 6.01. Land Use Classifications. As each Tract or portion thereof within RAVENNA is developed and annexed, the use classifications, restrictions, easements, rights-of-way, and other matters including new or different uses and restrictions thereof, including any number of subclassifications thereof for any special uses, shall be fixed by the Declarant in any Tract Declaration which may be recorded for that Tract, subject to the approval of F.H.A. and V.A. In exercising such authority as granted herein, Declarant shall not impose any new land use classifications or new restrictions which are not generally in consonance with existing uses and restrictions applicable to RAVENNA. When Property is annexed to RAVENNA, the use classifications thereof shall be established by the Tract Declaration covering said Property. No restrictive covenants set forth herein nor any other provisions shall in any way apply to land of the Declarant not described herein nor annexed by following the procedures set forth herein.

a. Single Family Residential Use, Subdivision of Lots Prohibited. All property in this classification shall be used, improved, and devoted exclusively to Single Family Residential Use. No building shall be erected, altered, placed or permitted to remain on any lot other than the one (1) detached single-family dwelling of at least 2,400 square feet of heated living space for a one-story and at least 2,600 square feet of heated living space for a two-story, not to exceed two and one-half stories in height, and a private garage for not less than two (2) nor more than three (3) cars. However, it shall not be considered a violation of this restriction if any builder or developer maintains sample houses, warehouses, sale and administrative office on any of the Properties covered by these restrictions so long as such builder or developer has Properties for sale or is servicing Properties under warranties within the boundaries of the tract known as "RAVENNA." No gainful occupation, professional, trade or other non-residential use shall be conducted on any such Property. Nothing herein shall be deemed to prevent the leasing of all such Property to a single family from time to time by the Owner thereof, subject to all of the provisions of the Declaration.

No Lot in this subdivision shall be subdivided so as to make more than one (1) building lot out of same. Nothing herein contained shall prevent the resubdivision of all or portions of lands shown on said plat into lots approximately the same or greater area.

No dwelling shall thereafter be placed, moved, altered or constructed on any Lot to face in a direction different from that in which the dwelling constructed by the original builder faces.

b. Set-Back Requirements. All structures shall be located according to the City of Chesapeake's lot "zoning set back" restrictions and open space area

requirements.

c. Animals. No animals, birds, fowl, poultry, reptiles, or livestock, other than a reasonable number of generally recognized house or yard pets, shall be maintained on the Property and then only if they are kept or raised thereon solely as domestic pets and not for any commercial purposes. No animal shall be allowed to make an unreasonable amount of noise, nor to become a nuisance. No structure for the care, housing, or confinement of any animal shall be maintained so as to be visible from Neighboring Property. Upon written request of any Owner, the Board which is hereinafter defined, shall conclusively determine, in its sole and absolute discretion, whether, for the purposes of this paragraph, a particular animal is a generally recognized house or yard pet, or a nuisance, or whether the number of animals on any such Property is unreasonable. Any decision rendered by the Board shall be enforceable as other restrictions contained herein.

d. Protective Screening and Fences. In order to retain the aesthetic qualities of the neighborhood, the following restrictions relating to screen planting and fencing shall be enforced:

(1) all fences shall be approved by the Declarant or its designated agent prior to construction. A site plan shall be submitted to Declarant with a scale drawing indicating fence location. A fee of \$150.00 shall be included for each review, payable to Declarant.

(2) all fences shall be made of wrought iron or a substitute metal with similar appearance. All other fence types are prohibited.

(3) fences may not begin at the front of any home. The front of the home is defined as that portion of the home structure that is closest to the public street. The back of the home is that portion of the home structure that is closest to the rear lot line. However, fences may commence at a point that is the middle point between the front and the rear of each home.

(4) no fence, wall or screen planting shall be maintained so as to obstruct sight lines for vehicular traffic.

e. Permitted Building Materials for Dwellings Exteriors, Windows, Roofing. All residential dwellings constructed on the Lots shall have a front exterior surface of brick or stone, with the exception of residential dwellings constructed on those Lots designated and numbered as: **Lots 1, 2, 3, 72, 73, 74, 75, 76, 77, 78, and 79**, which residential dwellings shall have a full brick or stone exterior. Any vinyl siding must have a quality factor of "double 5," beaded, cove or dutch lap panel types; natural

wood siding is prohibited. All windows shall be paint-grade wood, vinyl or vinyl clad. Metal windows are prohibited. The front steps of every home shall be constructed of brick or stone. No outside stairway shall be permitted to the second floor. Where design allows, all plumbing stacks, roof vents, or other roof intrusions shall be located in the rear of each dwelling. Any vents placed on the front of the dwelling shall be painted black.

All roofs shall have a minimum 7:12 pitch.

All homes constructed side by side must have a different exterior elevation and appearance. Earth tones are the preferred exterior colors.

f. Foundations. Homes shall be constructed on a crawl space and shall be entirely covered with a brick or stone finish skirt. Brick and stone finish shall be placed around the exterior foundation perimeter, including porches.

g. Garbage and Refuse Disposal. Except for building materials during the course of construction or repair of any approved building improvements, no lumber, metals, bulk materials, rubbish, refuse, garbage, trash or other waste materials (all of which are hereinafter referred to as "Trash") shall be kept, stored, or allowed to accumulate outdoors on any portion of the Property, except in sanitary containers and screened from adjacent and surrounding Property. Such containers may be placed in the open within 24 hours of a scheduled pick-up, at such place on the Lot or other portion of the Property designated by the Architectural Committee so as to provide access to persons making such pick-up. In no event shall containers be maintained in the front or side yard of any Lot so as to be visible from Neighboring Property except to make the same available for collection, and then only the shortest time reasonably necessary to effect such collection.

h. Modular, Mobile Homes Prohibited. No modular or mobile home, the definition of which shall be determined solely by Declarant, shall be erected on any Lot.

i. Review of Design Plans for Outbuildings, Fences, Other Structures, Application Fee. All plans and specifications for outbuildings, fences, and any other structure not part of the main home (including, but not limited to children's playhouses, treehouses, etc.) requires Declarant's and/or its successors' and assigns' written approval. Written plans and specifications, made to scale and accompanied by a survey of the Lot, shall be submitted to Declarant prior to construction. A \$150.00 review fee shall be included with any request, made payable to Ramsgate Corporation, Inc., and submitted to 308 Cedar Lakes Drive, Chesapeake, Virginia 23322. Any plans and specifications and requests for approval submitted after commencement of construction shall include an additional check in the amount of \$100.00 made payable to Ramsgate Corporation, Inc. If permitted, the

outbuilding or other structure must, at a minimum, be constructed with the same exact material as the primary dwelling and have an exterior that is made of the identical material and color as the primary dwelling; i. e., if the primary dwelling is all brick, the outbuilding(s) shall also be all brick. All outbuildings must have a brick front and shall comply with City codes as to lot lines. Prefabricated structures are prohibited. All outbuildings must be physically constructed on the site. No outbuilding shall exceed 150 square feet in size. Detached garages shall be no larger than 16' X 21' with one 8' door. Maximum roof height on detached garage is 8.12 pitch; plate height to be no higher than 9' 6". Roofing materials for any independent structure shall be of the exact type as employed on the home. No Lot shall have more than one (1) outbuilding. Declarant retains the absolute right to reject any proposed outbuilding, structure, or fence for subjective or aesthetic reasons.

j. Antennae. No antennae or other device for the transmission or reception of television or radio signals, including but not limited to amateur radio towers and satellite disks, or any other form of electromagnetic radiation may be erected, used, or maintained outdoors on the Property, whether attached to a building or structure or otherwise.

k. Signs. Except for signs erected by or with the permission of the Declarant in connection with the initial development, lease or sale of Lots or homes, no additional signs or other advertising device of any nature shall be placed for display to the public view on any Lot or other portion of the Property.

l. No Above Surface Utilities Without Approval. No facilities, including without limitation, poles and wires for the transmission of electricity or telephone messages, and water, gas, sanitary and storm sewer drainage pipes and conduits shall be placed or maintained above the surface of the ground on any portion of the Property without the prior written approval of the Declarant and/or its successors or assigns.

m. Noxious or Offensive Activities. No noxious or offensive activity shall be carried out upon any portion of the Property, nor shall anything be done thereon that may be or become a nuisance or annoyance in the area to the residents or Owners thereof. The emission of smoke, soot, fly ash, dust, fumes, herbicides, insecticides, and other types of air pollution or radioactive emissions or electromagnetic radiation disturbances, shall be controlled so as not to (i) be detrimental to or endanger the public health, safety, comfort or welfare; (ii) be injurious to property, vegetation or animals; (iii) adversely affect property values or otherwise produce a public nuisance or hazard; or (iv) violate any applicable zoning regulation or other governmental law, ordinance, or code.

n. Dwelling in Other than Residential Homes. No temporary building, trailer,

tent, shack, barn, outbuilding, shed, garage, or building in the course of construction or other temporary structure shall be used, temporarily or permanently, as a dwelling on any Lot or other portion of the Property.

o. Use and Maintenance of Slope / Berm Areas. Within any slope / bermed area shown on any recorded map, plat, or approved subdivision plans, no improvements, planting or other materials shall be placed or permitted to remain, nor shall any activity be undertaken, which may damage or interfere with established slope ratios, create erosion or sliding problems, or change the direction of flow of drainage channels. The slope control areas of any Lot or other portion of the Property and all improvements thereon shall be maintained continuously by the Owner of said Lot or other portion of the Property, except in those cases where the Association or a governmental agency or other public entity or utility company is responsible for such maintenance.

Declarant forbids blocking of natural drainage or created drainage areas within the subdivision of RAVENNA.

p. Commercial and Professional Activity on Property. No wholesale or retail business, including any salon, studio, laboratory, home industry or medical or dental office, shall be conducted in or on any Lot or other portion of the Property, except (i) by the Declarant in conjunction with the initial construction, development, lease and sale of Lots; and (ii) the conducting of business by telephone. This restriction is not intended to preclude the operation of an in-home office for purposes other than those set forth above.

q. Outside Storage. No commercial or recreational vehicles, including but not limited to, school buses, boats, campers, or trailers, shall be parked or stored in front of the front house line, upon the public streets in front of the home, or anywhere upon the Lot in RAVENNA. No repair of any vehicles or equipment shall take place upon the premises.

r. Oversized, Commercial and Unlicensed Vehicles. Unless used in connection with the construction or sale of Lots by the Declarant, or maintenance of the Property, the following shall not be permitted to remain overnight on the Property:

(1) any vehicle which cannot fit into a garage of the size constructed by the developer with the units;

(2) commercial vehicles of a weight of two (2) tons or more, unless garaged; and

(3) unlicensed vehicles of any type, unless garaged.

s. Lake Use. No permanent or temporary dock or structure shall be placed in an area adjacent to or overhanging any lake or retention pond without prior written approval of the Declarant or its authorized agent. No motorized vehicles, boats, jet skis, or other type motorcraft fueled by petroleum products are permitted within the lakes or on the lake banks. Additionally, boats, rafts, or other floating devices shall not be docked or left unattended at the waterfront portion of any Lot for a period in excess of three (3) hours. It is the intention of this restriction to maintain an unobstructed and uncluttered waterfront view of all lakes and retention ponds.

t. Swimming Pools. Above ground pools are strictly prohibited. Any swimming pool must be constructed below the grade of the existing yard and be considered "in-ground" within the industry.

u. Statues, Monuments, Flags. No statues, monuments, bric-a-brac, fountains, ornaments, banners or symbols, including but not limited to, weather vanes, bird baths, and window boxes, other than house numbers and the residents' names, shall be displayed from the front of any dwelling. Only United States flags or Commonwealth of Virginia flags of an appropriate size (no larger than four by eight feet) may be displayed. The flag must be displayed in accordance with generally accepted rules for the display of the flag.

v. Clotheslines. Outdoor clotheslines and/or other facilities for the drying or airing of any clothing or bedding shall not be erected in front of the rear foundation line on any Property within the Development unless they are concealed from common observation and shall not be visible from Neighboring Property.

w. Landscaping. All shrubbery, vegetation and plant material on the front of each dwelling shall consist of a minimum as allowed by the Veterans Administration home specifications. All front yards and/or side yards facing a street shall be sodded by builder and not planted by seed. All homes constructed on corner Lots shall have sod placed to the back edge of the home.

x. Mailboxes. All mail boxes shall be of a consistent design and quality after approval by Declarant and/or its agent. The cost of same shall be borne by the homeowner.

y. Declarant Empowered to Make Determinations. The Declarant, its agents, successors and assigns are empowered to make determinations and judgments concerning aesthetics, styles, color schemes, material types, design features, quality, standards, and other purely subjective decisions in order to guarantee harmony, consistency, and the continued high quality of the subdivision. The Declarant, its

successors and assigns, shall have the non-exclusive right, but not the obligation, to enforce these Restrictions, and shall have no liability for any failure to enforce these Restrictions.

z. Additions to Covenants and Restrictions. All Lots shall be subject to any additional covenants and restrictions as promulgated by the Declarant or the mandatory homeowner's association having jurisdiction within RAVENNA.

ARTICLE VII ARCHITECTURAL CONTROLS

Section 7.01. Control by Association. After transfer of title by the Declarant to any Lot or other completed portion of the Property, enforcement of those provisions of the Declaration pertaining to exterior appearance of the Property and control over any change in use or any additions, modifications or alterations to any exterior improvement on said Lot or other portion of the Property shall be the responsibility of the Association, acting through the Architectural Committee, as provided in Section 7.02 below.

Section 7.02. Composition and Function of Architectural Committee.

a. Committee Composition. The Architectural Committee shall consist of three (3) regular members and two (2) alternate members. None of such members shall be required to be an architect or to meet any other particular qualifications for membership. A member need not be, but may be, a member of the Board of Directors or an officer of the Association.

b. Alternate Members. In the event or absence or disability of one or two regular members of said Committee, the remaining regular member(s), even though less than a quorum, may designate either or both the alternate members to act as substitutes for the absent or disabled regular member or members for the duration of such absence or disability.

c. Initial Members. The following persons are hereby designated as the initial members of the Architectural Committee:

Office No. 1 - Robert R. Kinser
Office No. 2 - S. Grey Folkes, Jr.
Office No. 3 - Susan V. Rowling
Office No. 4 - Leigh Ann Folkes (Alternate)
Office No. 5 - Stephen J. Telfeyan (Alternate)

d. Terms of Office. Unless the initial members of the Architectural

Committee have resigned or been removed, their terms of office shall be for the periods of time indicated below, and until the appointment of their respective successors:

(i) The term of Office No. 1 shall expire one (1) year from the date of the recording of this Declaration.

(ii) The term of Office No. 2 shall expire one (1) year from the date of the recording of this Declaration.

(iii) The term of Office No. 3 shall expire one (1) year from the date of the recording of this Declaration.

(iv) The terms of Office No. 4 and Office No. 5 (the Alternates) shall expire two (2) years from the date of recording of this Declaration.

Thereafter the term of each Architectural Committee member appointed shall be for the period of three (3) years and until the appointment of his/her successor. Any new member appointed to replace a member who has resigned or has been removed shall serve such member's unexpired term. Members who have resigned, been removed or whose terms have expired may be reappointed.

e. Appointment and Removal. The right to appoint and remove all regular and alternate members of the Architectural Committee at any time shall be and is hereby vested solely in the Board of Directors; provided, however, that no regular or alternate member may be removed from the Architectural Committee by the Board of Directors except by the vote or written consent of two-thirds (2/3) of all the members of the Board of Directors.

Exercise of the right of appointment and removal, as set forth herein, shall be evidenced by the recordation of a Declaration identifying each new regular or alternate member appointed to the Committee and each regular or alternate member replaced or removed therefrom.

f. Resignations. Any regular or alternate member of the Architectural Committee may at any time resign from the Committee by giving written notice thereof to Declarant or to the Board of Directors, whichever then has the right to appoint Committee members.

g. Vacancies. Vacancies on the Architectural Committee, however caused, shall be filled by the Declarant or by the Board of Directors, whichever then has the power to appoint Committee members. A vacancy or vacancies on the Architectural Committee shall be deemed to exist in case of the death, resignation or removal

of any regular or alternate member.

h. Duties. It shall be the duty of the Architectural Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to adopt Architectural Committee rules, and to perform other duties imposed upon it by the Restrictions. Declarant shall not be subject to the Committee's decisions.

i. Meetings and Compensation. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. Subject to the provisions of the Section above, the vote or written consent of any two regular members, at a meeting or otherwise, shall constitute the act of the Committee, unless the unanimous decision of the Committee is required by any other provision of the Restrictions. The Committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise. Members of the Architectural Committee shall be entitled to compensation of \$100.00 per year for their services.

j. Waiver. The approval of the Architectural Committee of any plans, drawings or other specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Committee under the Restrictions, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

Section 7.03. Approval of Architectural Committee. Upon approval or qualified approval by the Architectural Committee of any plans submitted pursuant to this Declaration, the Committee shall notify the applicant in writing of such approval or qualified approval, which notification shall set forth any qualifications or conditions of such approval, shall file a copy of such plans as approved for permanent record (together with a copy of such qualifications or conditions, if any), and, if requested by the applicant, shall provide the applicant with a copy of such plans bearing a notation of such approval or qualified approval. Approval of any such plans relating to any Lot or portion of the Property shall be final as to such Lot or portion of the Property and such approval may not be revoked or rescinded thereafter, provided (i) the improvement or uses approved are not substantially changed or altered; (ii) that the improvements or uses shown or described on or in such plans do not violate any protective covenants, conditions or restrictions set forth in the Declaration which benefit or encumber the Lot or portion of the Property; and (iii) that such plans and any qualifications or conditions attached to such approval of the plans to not violate any applicable governmental law, rule or regulation, zoning, building, health or other code or ordinance. Approval of any plans for use in connection with any Lot or portion of the Property shall not be deemed a waiver of the right of the Architectural Committee to disapprove similar plans or any of the features or elements included therein if such plans, features or elements are subsequently submitted for use in connection with any other Lot or

portion of the Property.

Section 7.04. Written Notification of Disapproval. In any case where the Architectural Committee disapproves any plans submitted hereunder, the Committee shall so notify the applicant in writing, together with a statement of the grounds upon which such action was based. In any such case, the Architectural Committee shall, if requested and if possible, make reasonable efforts to assist and advise the applicant so that acceptable plans can be prepared and resubmitted for approval.

Section 7.05. Failure of Committee to Act. If any applicant has not received notice of the Architectural Committee's approval or disapproval of said applicant's plans within forty-five (45) days after submission thereof, then it shall be deemed that said plans have been approved.

Section 7.06. Liability of Architectural Committee. No action taken by the Architectural Committee or any member, subcommittee, employee or agent hereof, shall entitle any person to rely thereon, with respect to conformity with laws, regulations, code or ordinances, or with respect to the physical or other condition of any Lot or other portion of the Property. Neither the Association nor the Architectural Committee nor any member, subcommittee, employee or agent shall be liable to anyone submitting plans to them for approval, or to any Owner, Member, or other person or entity, in connection with any submission of plans, or the approval or disapproval thereof, including without limitation, mistakes in judgment, negligence, or nonfeasance. Every person or other entity submitting plans to the Architectural Committee agrees, by submission of such plans, that no action or suit will be brought against the Association or the Architectural Committee, or any member, subcommittee, employee or agent thereof, in connection with such submission.

Section 7.07. Architectural Committee Certificate. Upon written request of any Owner, mortgagee, or title insurer of a Lot or other portion of the Property, title to which has been previously transferred from the Declarant, the Architectural Committee shall, within a reasonable period of time, issue and furnish to the person or entity making the request, a certificate in writing ("Architectural Committee Certificate") signed by a member of the Architectural Committee, stating as of the date of such Certificate, whether or not the Lot or other portion of the Property, or any improvements thereon, violates any of the provisions of the Declaration pertaining to exterior appearance, design or maintenance, and describing such violations, if any. A reasonable charge, as determined by the Architectural Committee, may be imposed for issuance of such Certificate. Any such Architectural Committee Certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and the party to whom such Certificate was issued.

Section 7.08. Restrictions on Change of Architectural Controls, Rules or Regulations. The controls set forth in this Article VII and any rules or regulations shall not, by act or omission, be changed, waived or abandoned, unless consented to in writing by not less than two-thirds (2/3) of the total votes of all Owners (excluding the Declarant), voting in person or by proxy, written notice of which change shall be sent to all Lot Owners and lending institution first mortgagees of Lots whose names appear on the records of the Association at least forty-five (45) days in advance of the date or initial date set for voting thereon, and shall set forth the purpose of the vote. In addition, any such change, waiver or abandonment shall not be made if lending institutions which together are first mortgagees of 33-1/3% or more of the Lots advise the Association in writing, prior to the date or initial date set for voting on the proposed change, waiver or abandonment, that they are opposed to such action, which opposition must not be unreasonable.

ARTICLE VIII INSURANCE AND RECONSTRUCTION

Section 8.01. Insurance to be Carried. To the extent reasonably obtained and to the extent obtainable at a reasonable cost, and in such amounts as the Board of Directors of the Association shall determine to be appropriate unless otherwise required herein, the Board of Directors of the Association shall obtain and maintain (i) fire and casualty insurance on Common Areas; (ii) liability insurance; (iii) directors' and officers' liability insurance; (iv) fidelity bond, and (v) worker's compensation insurance, with coverage to be as follows:

1. Fire and Casualty. The policy shall cover the interests of the Association, the Board of Directors and all Lot Owners and mortgagees as their interests may appear. Coverage shall be for the full replacement value.

2. Liability. The liability insurance shall cover the directors and officers of the Association, the managing agent, if any, and all Owners, but not the liability of Owners arising from occurrences on such Owner's Lot(s). The policy shall include the following endorsements: (i) comprehensive general liability (including libel, slander, false arrest and invasion of privacy); (ii) personal injury; (iii) medical payments; (iv) cross liability under which the rights of a named insurer under the policy shall not be prejudiced with respect to such insured's action against another named insured; (v) "severability of interest" precluding the insurer from denying coverage to a Lot Owner because of negligent acts of the Association or any other Lot Owner; (vi) contractual liability; (vii) water damage liability; (viii) hired and non-owned vehicle coverage; (ix) liability for the property of others; (x) host liquor liability coverage with respect to events sponsored by the Association; (xi) deletion of the normal products exclusion with respect to events sponsored by the Association.

Coverage may not be canceled or suspended (including cancellation for non-payment of premium) or substantially modified without at least thirty (30) days written notice to the insured, including all known mortgagees of Lots or Lots as shown on the records of the Association. Any deductible provision shall apply only to each occurrence rather than to each item of damage. The Board of Directors shall review such coverage at least once each year.

Until the first meeting of the Board of Directors elected by the Owners, this public liability insurance shall be in a combined single-limit of \$1,000,000.00 covering all claims for bodily injury and property damage arising out of a single occurrence.

3. Directors' and Officers' Liability. The directors' and officers' liability insurance shall cover the "wrongful" acts of a director or officer of the Association. The policy shall be on a "claims made" basis, so as to cover all prior officers and members of the Board of Directors, and any deductible provision shall apply only to each occurrence and not to each item of damage. If obtainable at reasonable cost, the policy shall not provide for "participation" by the Association or by the officers or directors of the Association.

Until the first meeting of the Board of Directors elected by the Owners, the directors' and officers' liability coverage shall be in the amount of \$2,500,000.00.

4. Fidelity Bond. The fidelity bond shall cover all directors, officers and employees of the Association and the Association's managing agent, if any, who handle Association funds. The bond shall name the Association as Obligee and be in an amount not less than the estimated maximum of funds, including reserves, in the custody of the Association or managing agent at any given time, but in no event less than a sum equal to three (3) months' aggregate assessments on all Lots, plus the amount of reserves and other funds on hand. It shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression, and shall provide that the bond may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to the Association and to all institutional first mortgagees of any Lot(s) whose names appear on the records of the Association.

Until the first meeting of the Board of Directors elected by the Owners, the coverage shall be \$10,000.00 for dishonest acts and \$5,000.00 for forgery.

Notwithstanding the above, the Board of Directors shall, at the request of any Lot Owner, Lot mortgagee, or prospective Lot Owner or Lot mortgagee, increase the amount of such bond to meet the reasonable requirements of any existing or proposed holder or insured of any mortgage made or to be made on any Lot.

5. Worker's Compensation. To the extent deemed reasonable and necessary by the Board of Directors, worker's compensation insurance shall be obtained. Such insurance shall cover any employees of the Association, as well as any other person performing work on behalf of the Association.

a. Other Insurance. The Board of Directors may also obtain such other insurance as it shall deem necessary or desirable from time to time including "umbrella" catastrophe coverage.

b. No Liability for Failure to Obtain Above Coverage. The Board of Directors shall not be liable for failure to obtain any of the coverage required by this Section or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is so available only at demonstrably unreasonable cost.

c. Deductible. The deductible, if any, on insurance policies purchased by the Board of Directors shall be a common expense, provided, however, that the Board of Directors of the Association may assess any deductible amount necessitated by the gross negligence or wantonly malicious act of an Owner against such Owner. The Association may pay the deductible portion for which such Owner is responsible, and the amount so paid, together with interest and costs of collection (including attorney's fees), shall be a charge and continuing lien upon the Lot involved, shall constitute a personal obligation of such Owner, and shall be collectible in the same manner as Assessments under Article V of this Declaration.

Section 8.02. Restoration or Reconstruction After Fire or Other Casualty.

In the event of damage to or destruction of any Common Area insured through insurance obtained by the Board of Directors, as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration of the damaged property.

Any repair or restoration as hereinabove described shall be in substantial accordance with the plans and specifications of the damaged improvements as originally built.

ARTICLE IX

ENFORCEMENT, AMENDMENT AND DURATION OF DECLARATION

Section 9.01. Declaration Runs With the Land. Each person or entity acquiring an interest in a Lot or other portion of the Property or otherwise occupying

any portion of the Property (whether or not the deed, lease or any other instrument incorporates or refers to the Declaration) covenants and agrees for himself, herself, or itself, and for his, her, or its heirs, successors and assigns, to observe, perform, and be bound by the provisions of the Declaration including personal responsibility for the payment of all charges and may become liens against his, her, or its property and which become due while he, she, or it is the Owner thereof, and also covenants to incorporate this Declaration by reference in any deed, lease or other instrument further transferring an interest in such Lot or other portion of the Property.

Section 9.02. Enforceability.

Actions at Law or Suits in Equity. The provisions of the Declaration shall bind the Property and shall be construed as running with the Land, and shall be for the benefit of and be enforceable by the Declarant, and the Association (being hereby the agent for all of its Members), and by any Member or Owner, their respective legal representatives, heirs, successors and assigns, by actions at law or by suits in equity. As it may be impossible to measure monetarily the damages which may accrue to the beneficiaries hereof by reason of a violation of the Declaration, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

Section 9.03. No Waiver by Failure to Enforce. The failure of any beneficiary hereof to enforce any provision of the Declaration shall in no event be construed as a waiver of the right by that beneficiary or any other to do so thereafter, as to the same or a similar violation, occurring prior or subsequent thereto. No liability shall attach to the Declarant, the Association (or any officer, director, employee, Member, agent, committee or committee member), or to any other person or entity for failure to enforce the provisions of the Declaration.

Section 9.04. Obligation and Lien for Cost of Enforcement by Association. If the Association, the Declarant, or any other party successfully brings an action to extinguish a violation or otherwise enforce the provisions of the Declaration, or the rules and regulations promulgated hereto, the costs of such action, including legal fees, shall become a binding, personal obligation of the violator. If such violator is (i) the Owner, or (ii) any family member, tenant, guest or invitee of the Owner, or (iii) a family member, guest or invitee of the tenant of the Owner; or (iv) a guest or invitee of any member of such Owner's family; or (v) any family member of the tenant of such Owner, such costs shall also be a lien upon the Lot, Unit or other portion of the Property owned by such Owner, if any.

Section 9.05. Inspection and Entry Rights. Any agent of the Declarant or

the Association (or the Architectural Committee) may at any reasonable time or times upon not less than 24 hours notice to the Owner, enter upon a Lot or other portion of the Property to inspect the improvements thereon for the purpose of ascertaining whether the maintenance, construction or alteration of structures and other improvements thereon comply with the Declaration, or with rules and regulations issued pursuant hereto. Neither the Declarant, the Association, nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

Section 9.06. Default Notices to be Sent to Mortgagees. The Association shall be notified by each Lot Owner or such Lot Owner's mortgagee of the name of the mortgagee of any mortgage on such Owner's Lot. Upon receipt of such notice, the Association shall thereafter provide such mortgagee with a duplicate copy of any notice of default sent to such Owner with regard to the violation, by such Owner, of any provision of this Declaration. The Association shall give notice to any such mortgagee of any delinquency of greater than sixty (60) days.

Section 9.07. Amending or Rescinding. The Declarant, during the time Declarant owns any Lots, may make amendments to this Declaration to correct omissions or errors, which amendments shall not adversely modify substantial rights of any Lot Owner without such Lot Owner's written consent. All other amendments or a rescission of this Declaration, unless otherwise specifically provided for herein, may be made by obtaining the consent in writing of the Owners of not less than two-thirds (2/3) of all Lots which are subject to this Declaration, not including those Lots owned by the Declarant. In addition, and notwithstanding the above, until eight (8) years from the date of recording this Declaration, so long as the Declarant owns or has under construction on lands described in Schedules of this Declaration (whether or not such lands are covered by this Declaration) Lots equal in number to two percent (2%) or more of the number of Lots to which title has been transferred to purchasers for occupancy, the written consent of the Declarant will be required for any amendment which adversely affects a substantial interest or right of the Declarant, which consent must not be unreasonably withheld.

In voting for such amendment or rescission, Owners shall have one (1) vote for each Lot owned.

The Owners of every Lot shall receive written notice of every proposed amendment or rescission at least thirty (30) days prior to the date or initial date set for voting on said proposed amendment or rescission.

In addition to the approval of the Owners and Declarant as provided herein, no amendment or rescission which substantially affects the interest of any lending

institution shall be effective if lending institutions which together are mortgagees of one-third (1/3) or more of the Lots advise the Association in writing, prior to the date or initial date set for voting on the proposed amendment, that they are opposed to such amendment, which opposition must not be unreasonable. Written notice of any proposed amendment or rescission which substantially affects the interest of any lending institution first mortgagees shall be sent to all such lending institution first mortgagees whose names appear on the records of the Association at least thirty (30) days prior to the date or initial date set for voting on the proposed amendment or rescission.

Section 9.08. Owner Responsible for Tenants. Any lease of a Lot shall provide that the tenant shall comply in all respects with the terms of the Declaration, Bylaws, and rules and regulations, if any, of the Association. If a tenant is in violation of such Declaration, Bylaws or rules and regulations, the Board of Directors shall so notify the Owner of the Lot which such tenant occupies in writing by certified mail, return receipt requested. If the violation is not cured or eviction proceedings commenced against the tenant within fourteen (14) days after the Owner has received notice of such violation, the Board of Directors may pursue any remedies which it may have pursuant to Section 11.02 of this Declaration.

Section 9.09. When Amendment or Rescission Becomes Effective. Any amendment or rescission to the Declaration shall not become effective until the instrument evidencing such change has been duly recorded in the Office of the Clerk of the Court. Such instrument need not contain the written consent of the required number of Owners, but shall contain a certification by the Board of Directors of the Association that the consents required for such amendment have been received and filed with the Board.

Section 9.10. Duration. The provisions of this Declaration, unless amended or rescinded as hereinbefore provided, shall continue with full force and effect against both the Property and the Owners thereof until, and shall, as then in force, be automatically and without further notice extended for successive periods of ten (10) years.

Section 9.11. Construction and Interpretation. The Declarant, its successors and assigns, and the Association shall have the right to construe and interpret the provisions of this Declaration and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all persons or property benefitted by the provisions hereof.

Any conflict in construction or interpretation between the Association and any other person or entity entitled to enforce the provisions hereof shall be resolved in favor of the construction or interpretation of the Association. The Association may adopt and promulgate reasonable rules and regulations regarding the administration,

interpretation and enforcement of the provisions of this Declaration. In so adopting and promulgating such rules and regulations, and in making any finding, determination, ruling or order or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approvals, rules or regulations, the Association shall take into consideration the best interests of the Owners and residents of the Property to the end that the Property shall be preserved and maintained as a high quality community.

In granting any permit, authorization, or approval, as herein provided, the Association may impose any conditions or limitations thereon as it shall deem advisable under the circumstances in each case in light of the considerations set forth in the immediately preceding paragraph hereof.

Section 9.12. Conflict with Municipal Laws. The protective covenants, conditions, and restrictions set forth herein shall not be taken as permitting any action or thing prohibited by the applicable zoning laws, ordinances, rules or regulations of any governmental authority, or by specific restrictions imposed by any deed or lease.

Section 9.13. Change of Conditions. No change of conditions or circumstances shall operate to amend any of the provisions of this Declaration, and the same may be amended only in the manner provided for herein.

Section 9.14. Invalidity of Agreement or Declaration. The determination by any court that any provision hereof is unenforceable, invalid or void shall not affect the enforceability or validity of any other provision hereof.

ARTICLE X GENERAL

Section 10.01. Headings and Captions. The headings and captions contained in this Declaration are for convenience only and shall not affect the meaning or interpretations of the content thereof.

Section 10.02. Right Reserved to Impose Additional Protective Covenants.

The Declarant reserves the right to record additional protective covenants and restrictions prior to the conveyance of any lands encumbered by this Declaration.

Section 10.03. Notice. Any notice required to be sent to the Declarant or to any Owner or mortgagee under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as the Declarant, Owner, or mortgagee on the records of

the Association at the time of such mailing.

Section 10.04. Right of Association to Transfer Interest. Notwithstanding any other provision herein to the contrary, the Association and its successors shall at all times have the absolute right to fully transfer, convey and assign its right, title and interest under this Declaration to any successor nonstock corporation or trust and, upon such assignment, the successor corporation or trust shall have all the rights and be subject to all the duties of said Association as set forth in this Declaration and shall be deemed to have agreed to be bound by all provisions hereof, to the extent as if the successor corporation or trust had been an original party and all references herein to the Board of Directors shall refer to the Board of Directors (or Trustees) of such successor corporation or trust. Any such assignment shall be accepted by the successor corporation or trust under a written agreement pursuant to which the successor corporation or trust expressly assumes all the duties and obligations of the Association. If, for any reason, the Association shall cease to exist without having first assigned its rights hereunder to a successor corporation or trust, the covenants, easements, charges and liens imposed hereunder shall nevertheless continue and any Owner may petition a court of competent jurisdiction to appoint a trustee for the purpose of organizing a nonstock corporation or trust to take over the duties and responsibilities of the entity to exist, subject to the conditions provided for herein with respect to an assignment and delegation to a successor corporation or trust

Section 10.05. Right of Association to Transfer Functions. Unless otherwise specifically prohibited herein or within the Articles of Incorporation or Bylaws of the Association, any and all functions of the Association shall be fully transferable in whole or in part to any other homeowners' or residents' association or similar entity.

Section 10.06. Rights of Mortgagees, etc. The holder, insurer, or guarantor of the mortgage of any Lot in the Development shall be entitled to timely written notice of:

- a. Any condemnation or casualty loss that effects either a material portion of the Property or the Lot securing the mortgage;
- b. A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- c. Any proposed action that requires the consent of a specified percentage of the eligible mortgage holders.

The Association shall have no duty to provide the foregoing unless such parties

keep the Association advised in writing as to their mailing address and the address of the Lot in which they have an interest.

IN WITNESS WHEREOF, Ramsgate Corporation, Inc., a Virginia corporation,
has caused this instrument to be executed in its name by its authorized officer.

RAMSGATE CORPORATION, INC.,
a Virginia corporation

By: _____
Robert R. Kinser, President

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

The foregoing instrument was acknowledged before me this 20th day of October, 2003, by Robert R. Kinser, as President, for Ramsgate Corporation, Inc., a Virginia corporation.

Notary Public

My commission expires: _____

