

NORTH SHORE

at Ridgely Manor

**HOMEOWNERS
ASSOCIATION**

DECLARATION



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City of Virginia Beach
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Tina E. Binnan, Clerk

TERRY/PETERSON DEVELOPMENT ONE, L.L.C.
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
NORTH SHORE AT RIDGELY MANOR
("North Shore")

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DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by TERRY/PETERSON
DEVELOPMENT ONE, L.L.C., a Virginia limited liability company, referred to herein as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Virginia Beach, in the State
of Virginia, which is more particularly described as follows:

ALL THOSE certain lots and parcels of land located in the City of Virginia Beach,
Virginia, and shown on that certain plat entitled, "Subdivision of North Shore at Ridgely
Manor, Phase 1, Virginia Beach, Virginia", (Sheets 1-10) made by MSA, P.C., dated
May 13, 2005, and recorded in the Clerk's Office of the Circuit Court of the City of
Virginia Beach, Virginia as Instrument # LCB11788168490, as follows:

Lots 77 through 105, both inclusive
Lots 111 through 132, both inclusive
Lots 178 and 179
Open Space 1 BMP

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

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to NORTH SHORE AT RIDGELY MANOR
COMMUNITY ASSOCIATION, INC., its successors and assigns.

Section 2. "Common Area" shall mean all real property owned by the Association from time to
time for the common use and enjoyment of the owners, the initial Common Area being more particularly
described as all of the property shown as:

ALL THOSE certain parcels of land located in the City of Virginia Beach, Virginia, described
and designated as "Open Space 1 BMP" and shown on that certain plat entitled, "Subdivision of
North Shore at Ridgely Manor, Phase 1, Virginia Beach, Virginia", (Sheets 1-10) made by MSA,

P.C., dated May 13, 2005, and recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia as Instrument # 20051176018440.

Section 3. "Declarant" shall mean and refer to Terry/Peterson Development One, L.L.C., its successors and assigns, if such successors or assigns should acquire all undeveloped property from the Declarant for the purposes of development.

Section 4. "Declaration" shall mean the covenants, conditions and restrictions and all other provisions herein set forth in this entire Document, as same may from time to time be amended or supplemented.

Section 5. "Existing Property" shall mean the real property which is and shall be held, transferred, sold, conveyed, leased and occupied subject to this Declaration, such property being located in the City of Virginia Beach, Virginia, and being more particularly described above as property being owned by the Declarant.

Section 6. "General Plan of Development" shall mean the plats, plans, site plans, and the like encompassing the whole of the intended community which sets forth the general uses of the land including types of dwellings, general locations of dwellings, number of dwelling units and any and all such other uses as the Declarant may determine in such plan as ultimately may be approved by the City of Virginia Beach, Virginia, together with any and all Phase, Section or Supplemental Declarations which may be recorded by Declarant, as said Declaration or Supplemental Declarations may be amended from time to time relating to all or part of the Community of North Shore. The said subdivision plat shall be deemed to represent the present plan for completion of the project, and shall not in any manner or to any extent bind the Declarant to develop the Properties in any particular manner or to complete the development.

Section 7. "North Shore" shall mean all real property located in the City of Virginia Beach, State of Virginia, which becomes subject to the Declaration, together with such other real property as may from time to time be annexed thereto. Such property may sometimes be referred to herein as "This Community."

Section 8. "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 any property or a lessee or tenant, of any Single-Family Residence. The term "Owner" shall not include a "Developer", who for this Declaration shall be defined as a builder, contractor, investor or other person or entity who purchases a Lot in This Community for the purpose of resale thereof to a Public Purchaser, or for the purpose of constructing improvements thereon for resale to a Public Purchaser. For the purposes of Article IV only, unless the context otherwise requires, "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.

Section 9. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 10. "Public Purchaser" shall mean any person or other legal entity, except a Declarant and a Developer as defined in Section 8 above, who becomes an Owner of any Lot within This Community.

Section 11. "Section" shall mean all that land area containing lots recorded by subdivision plat for residential purposes encompassed in a specific stage of development as set forth more particularly in the General Plan of Development as approved by the City of Virginia Beach and as amended from time to time.

Section 12. "Section Declarations" or "Phase Declarations" shall mean any declarations of covenants, conditions and restrictions which may be recorded by Declarant, relating to all or part of This Community, whether such document is referred to as a declaration, amendment or supplement.

Section 13. "Lot" shall mean any parcel of real property designated as a Lot on any recorded Subdivision Plat within This Community, with the exception of the Common Area.

Section 14. "Subdivision Plat" shall mean a recorded plat covering any or all the property referred to in this Declaration or annexed thereto.

Section 15. "Visible from Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six 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.

Section 16. "Single Family Residence" shall refer to a structure containing dwelling units where each dwelling unit is located on a separate Lot.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' 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:

(a) The right of the Association to give a mortgage or deed of trust when financing any improvements located on the "Common Area," but no such mortgage or deed of trust shall be effective unless an instrument has been signed by more than two-thirds (2/3) of each class of members, agreeing to such mortgage or deed of trust;

(b) The right, hereby reserved, of the Association, whether or not such right is expressly reserved in any deed of conveyance of any part of the Common Area to the Association, to grant easements over, along, under and through the Common Area to the City of Virginia Beach or any utility company for drainage or utility purposes. This action shall not require the consent of two-thirds (2/3) of each class of members;

(c) The right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed 60 days for any infraction of the Association Rules or Regulations;

(d) The right of the Association 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 agreed to by the Members. No such dedication or transfer shall be made unless an instrument signed by more than two-thirds (2/3) of each class of Members agreeing to such dedication or transfer has been recorded; and

(e) Nothing herein contained shall limit the right of the Association to provide in its bylaws or elsewhere a limitation on the number of guests that a Member may have on the Common Area.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or his guests or invitees.

ARTICLE III

PROPERTY SUBJECT TO NORTH SHORE RESTRICTIONS

Section 1. General Declaration Creating North Shore at Ridgely Manor. Declarant shall develop This Community by subdivision into various Lots and Sections. As each is developed, Declarant intends, with respect to particular property, to record one or more Section Declarations which will incorporate this Declaration therein by reference, and which may supplement or modify this Declaration with such additional covenants, conditions and restrictions as may be appropriate for that property. Thereafter, Declarant intends to sell and convey to Public Purchasers and/or Developers as hereinabove defined, Lots in the property so developed subject to both this Declaration and the Section Declarations, if any, for that Section. Declarant hereby declares that all of the real property within This Community, as the same is described herein or in subsequent Section Declarations, is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part, subject to this Declaration and any recorded Section Declarations, as amended or modified from time to time. This Declaration and said Section Declarations are declared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale of said real property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of said real property and every part thereof. All of this Declaration shall run with all of said real property for all purposes and shall be binding upon and inure to the benefit of Declarant, the Association, all Owners and their successors in interest.

In the development and improvement of the Properties, Declarant shall have the right to make normal substitutions of materials that meet the requirements of the City of Virginia Beach, and reasonable deviations in the location of utility lines and facilities from the original plans.

Section 2. Lake Smith. It should be noted that The City of Norfolk owns Lake Smith and a ten-foot wide strip of land adjacent to the lake, and running around it. No Lot Owner in North Shore owns up to the lake itself. No Owner may encroach upon or build any improvements, or construct docks, stairs, decks, or install any landscaping within the 10-foot strip without written permission of the City of Norfolk and Declarant, or when there is no Class D Membership, the Board.

The City of Norfolk prefers that the 10-foot wide strip be left as a natural buffer to help protect the Lake Smith Reservoir water quality, so it requires that a permit be obtained from it for the removal of

trees of any size and of brush. If extensive landscape is planned, a permit will also be required. All boats, canoes or kayaks require a Norfolk Boat Permit. There are City maintained boat launches that may be used by the public. At this time fishing and some boating are allowed, but not swimming or water skiing. Boats may not be taken across City-owned land, such as the ten-foot wide strip. There are procedures in place for making application to the City of Norfolk for permission to build a dock. The City of Norfolk may require a fishing license or permit in order for a person to fish in the lake.

Norfolk's ordinances and rules and regulations concerning its water supply are changed from time to time, and should be checked before using Norfolk property for any purpose. The above comments are merely for general guidance, but should not be relied upon in the future.

For further reference, the Owners and the Association are encouraged to review Section 46.1 of the Norfolk City Code, to contact the Norfolk Department of Utilities and to visit the website of the City of Norfolk, starting with www.norfolk.gov, and then go to "Utilities".

Section 3. Staged Developments. Additional land without the area heretofore described, but within the approximately 102.570-acre parcel acquired by Declarant from Doris Backus Brock, et al, may be annexed by the Declarant without the consent of Members within ten (10) years of the date of recordation of this Declaration. Such annexed land may, but shall not necessarily, include additional land for dwellings and Common Areas. Any areas to be annexed which are not a part of the said 102.570-acre parcel may only be annexed within the same time frame and with the approval of a majority of the Members.

ARTICLE IV

LAND USE CLASSIFICATIONS PERMITTED USES, RESTRICTIONS AND EASEMENTS

Section 1. Land Use Classifications. As each Section or portion thereof within This Community is developed and annexed, the use classifications, restrictions, easements, rights of way, and other matters including new or different uses and restrictions therefor, including any number of subclassifications thereof for any special uses, shall be fixed by Declarant in any Section Declaration which may be recorded for that Section. 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 This Community. When property is annexed to This Community the use of classifications thereof shall be established by the Section Declaration covering said property. No restrictive covenants set forth herein nor any other provisions hereof shall in any way apply to land of Declarant not described herein nor annexed by following the procedures set forth herein.

Section 2. Permitted Uses and Restrictions - Single Family. The permitted uses, easements and restrictions for all property in this classification within This Community covered by this Declaration, except for Common Area, shall be as follows:

A. Single-Family Residential Use. All property in this classification shall be used, improved and devoted exclusively to Single-Family detached residential Use. No gainful occupation, professions, trade or other nonresidential use, except for such home occupations as the City ordinances may allow in residential areas, shall be conducted on any such property. Nothing herein shall be deemed to prevent the leasing of all such property, for a period of not less than six (6) months, to a single family from time to

time by the Owner thereof, subject to all of the provisions of The Declaration. No structure whatsoever, other than one private, Single Family Residence and a garage, shall be erected, placed or permitted to remain on any Lot, except as may be allowed by the Board or the Rules and Regulations. No fence or planting shall be allowed to restrict or block drainage in any way.

B. Animals. No animals, birds, fowl, poultry, or livestock, other than a reasonable number of generally recognized house or yard pets, shall be maintained on any property within This Community and then only if they are kept, bred or raised thereon solely as domestic pets and not for commercial purposes. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance. Upon the 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 reasonable. Any decision rendered by the Board shall be enforceable as other restrictions contained herein. The rules and regulations of the Association may include rules relating to the keeping of animals within This Community, which rules are more restrictive and more specific than this paragraph.

C. Antennas. The Board may adopt as a part of its Rules and Regulations, or the Architectural Control Committee may adopt standards or criteria, or the approval of plans of individual Owners to install one or more antennas. However, no rule or standard shall be adopted which would prevent, unreasonable delay, unreasonably increase the cost of antenna installation, maintenance or use, or preclude reception of an acceptable quality signal. Rules or standards may be adopted to require painting of the antenna so that it will better blend with its surroundings, require plantings to screen an antenna on the ground, require antennas to be in the rear of the house and on the ground to the extent that the quality of the reception will not be adversely affected, require satellite dishes to be no more than 39" in diameter, and to set forth other requirements which do not conflict with Federal, State or Local law or with Federal Communications Commission rules or regulations.

D. Utility Service. No lines, wires, cables or other devices for Internet communication or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any property within This Community unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the Architectural Control Committee. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures approved by the Architectural Control Committee. The provisions of this paragraph shall not apply to the Declarant.

E. Improvements and Alterations. No improvements, alterations, repairs, change of paint colors, excavations or other work which in any way alters the exterior appearance of any property within This Community or the improvements located thereon from its natural or improved state existing on the date such property was first conveyed in fee by Declarant to a Public Purchaser or annexed to This Community, whichever is later, shall be made or done without the prior written approval of the Architectural Control Committee of this Association, except as otherwise expressly provided in this Declaration. No building, fence, wall, residence or other structure shall be commenced, erected, improved, altered, made or done without the prior written approval of the Architectural Control Committee or any committee established by the Architectural Control Committee except as otherwise expressly provided in this Declaration. Pursuant to its rule-making power, the Architectural Control Committee shall establish a procedure for the preparation, submission and determination of applications

for any such alteration or improvement, subject to the Board's approval. The Architectural Control Committee shall have the right to refuse to approve any plans or specifications or grading plan, which are not suitable or desirable, in its opinion, for aesthetic or other reasons, and in so passing upon such plans, specifications and grading plans, and without any limitation of the foregoing, it shall have the right to take into consideration the suitability of the proposed building or other structure, and of the materials of which it is to be built, the lot upon which it is proposed to erect the same, the harmony thereof with the surroundings and the effect of the building or other structure as planned, on the outlook from the adjacent or neighboring property. All subsequent additions to or changes or alterations in any building, fence, wall or other structure, including exterior color scheme, shall be subject to the prior approval of the Architectural Control Committee. No changes or deviations in or from such plans and specifications once approved shall be made without the prior written approval of the Architectural Control Committee. All decisions of the Architectural Control Committee shall be final except for the appeals from their decisions which shall be decided by a two-thirds vote of the Board, and no Lot Owner or other parties shall have recourse against the Architectural Control Committee or the Board for their actions in approving or refusing to approve any such plans and specifications. Declarant shall not be required to obtain the approval of the Architectural Control Committee.

Should the Architectural Control Committee fail to either approve or disapprove of any plans submitted to it within thirty (30) days from the date an applicant has submitted such plans in a form acceptable to the Committee, then it shall be deemed that said plans have been approved and applicant may proceed with the same. At any time that there is not a functioning Architectural Control Committee, the Board may take any action that such a committee is authorized to do.

F. Temporary Occupancy. No trailer, basement or any incomplete building, tent, shack, garage or barn, nor any boat, whether on land or water, and no temporary buildings or structure of any kind shall be used at any time for a residence on any property within This Community, either temporary or permanent. Temporary buildings or structures used during the construction of a dwelling on any such property shall be removed immediately after the completion of construction.

G. Certain Prohibited Activities.

(1) Prohibited Vehicles. No recreational vehicle, boat, utility trailer, truck over 3/4 ton or commercial vehicle, except a truck or van or the equivalent not over 3/4 ton and used as a principal means of transportation to work, shall be kept or placed, maintained, constructed, reconstructed, or repaired upon any property or street within This Community.

(2) Damage to Environment. No Owner shall cause or allow any toxic wastes or other material which would be harmful to the environment within or without the boundaries of This Community to be discharged into the storm drains or upon any Lot or Common Area.

H. Maintenance of Lawns, Plantings and Masonry.

(1) By Owner.

(a) In the absence of any rules or regulations of the Association governing such maintenance, each Owner of a Lot within This Community shall keep all shrubs, trees, grass and plantings of every kind located on his Lot neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material. Should any Owner fail to perform the acts required by this subsection,

Declarant or the Association or its authorized agents shall have the right at any reasonable time to enter upon the Lot of such Owner to plant, replace, maintain, and cultivate shrubs, grass or other plantings located thereon at cost to the Owner provided that such action is taken pursuant to a general policy approved by majority vote of a quorum of the Board of Directors. If such a policy is adopted by the Board, then such action may be taken until such time as the policy has been rescinded by majority vote of a quorum of the Board of Directors. At all times, all of the maintenance provided for by this paragraph shall be subject to the rules and regulations of the Association. So as to provide for a neat and uniformly maintained community, the rules and regulations (sometimes referred to herein as the "Rules") of the Association may provide for the amount of maintenance to be done by an Owner.

(b) All masonry, including walls, driveways and sidewalks, located on a Lot, shall be maintained, repaired and replaced by the Owner of the Lot, but the manner and timing of any such maintenance, repair or replacement, and the materials and the color and texture of such materials shall at all times be subject to the rules and regulations of the Association. An exception to this provision shall be sidewalks which are located on easements owned by the Association and which are for the use and benefit of more than one Owner. These shall be maintained, repaired and replaced by the Association.

(2) By Declarant or the Association. Declarant or the Association shall have the right, at any time, to plant, replace, maintain and cultivate shrubs, trees, grass and plantings on any property within this Community other than on a Lot, and on such easements over an Owner's Lot as may have been granted to Declarant or the Association for the purpose, regardless of whether any Owner or the Association is responsible hereunder for maintenance of such areas. No Owner shall remove, alter, injure or interfere in any way with any shrubs, trees, grass or plantings placed upon any such property by Declarant or the Association without the written consent of the Association having first been obtained. The Association or its authorized agents shall have the right to enter upon any property within such other areas, at any reasonable time, for the purpose of planting, replacing, maintaining or cultivating such shrubs, trees, grass or plantings, and shall not be liable for trespass for so doing. Anything herein to the contrary notwithstanding, the Association or its authorized agents shall enter upon any Owners' Lot for the purposes set forth in this subsection only when Owner has failed to maintain the shrubs, trees, grass and plantings as required by this Declaration, and after ten days written notice to the Owner. The Association shall provide the electricity for any lighting of Common Areas, and for signs or other decorative structures at the entrance, if needed. If a sprinkler or other irrigation system is installed at the entrance, or other area by Declarant or the Association, it shall be maintained by the Association.

I. Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any property within This Community and no odors shall be permitted to arise therefrom, so as to render any such property or any portion thereon unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. This is not intended to bar the usual construction material and debris from Lots during the original construction.

J. Repair of Buildings. No building or structure upon any property within This Community shall be permitted to fall into disrepair, and each such building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished.

K. Trash Containers and Collection. No garbage or trash shall be placed or kept on any property within this Community except in sealed plastic bags or in covered containers of a type, size and style which are approved by the City. If at any time the City does not have a requirement that covers a particular situation, then the Board may establish a Rule that addresses the situation. In no event shall

such 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. All rubbish, trash and garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No incinerators shall be kept or maintained on any Lot. Unless and until decided otherwise by the Board, all garbage and trash containers shall be placed at the curb in front of the Owner's Lot for collection.

L. Clothes Drying Facilities. Outside clothes lines or other outside facilities for drying or airing clothes shall not be Visible from Neighboring Property, but this provision may be changed in the Rules and Regulations.

M. Encroachments. No tree, shrub, or planting of any kind on any property devoted to Single-Family-Residential use within This Community shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way, or other area from ground level to a height of eight (8) feet, without the prior approval of the Architectural Control Committee, nor shall any such tree, shrub or planting be allowed to block reasonable visibility by the driver of any vehicle.

N. Right of Way. During reasonable daylight hours, and upon reasonable notice, Declarant, any member of the Architectural Control Committee, any member of the Board, or any authorized representative of any of them, shall have the right to enter upon and inspect any property within This Community and the improvements thereon, except for the interior portions of any residence, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry. When no emergency exists, written notice of such planned entry shall be given ten (10) days in advance.

O. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any property within This Community except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of a residence, appurtenant structures, or other improvements, and except that which Declarant or the Association may require for the operation and maintenance of This Community or its Common Area.

P. Restriction of Further Subdivision. No Lot within This Community shall be further subdivided or separated into smaller lots or parcels by an Owner. This provision shall not, in any way, limit Declarant from subdividing or separating into smaller lots or parcels any property owned by Declarant and not yet platted or subdivided into Lots. It shall also not limit or prohibit Declarant from subdividing any Lots for single-family homes in accordance with the zoning and subdivision requirements of the City of Virginia Beach. Declarant shall also have the right to re-subdivide Lots to accomplish minor adjustments. Not less than an entire Lot, together with the improvements thereon, may be rented, and only to a single family. Owners shall have the right to accomplish such minor adjustments in the lot lines as they may agree upon and the City may allow. Lots may be combined in such action is approved by the City.

Q. Signs. No signs whatsoever (including, but not limited to, commercial and similar signs) which are Visible from Neighboring Property shall be erected or maintained on any Lot or parcel of Property within This Community except as approved by the Architectural Control Committee, or as are allowed from time to time by the Rules and Regulations. If the law requires at any time that certain types of signs, or signs addressing certain subject matter, be allowed, then, of course, such signs will be allowed. Notwithstanding the foregoing, the following shall be allowed on any such Lot or parcel:

(1) Signs required in connection with any legal proceedings or proceedings of the City Council, Planning Commission or other administrative body;

(2) For Sale or Rent signs not to exceed six (6) square feet in size, to the extent and in the manner allowed by the rules and regulations of the Association.

R. Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant, or its duly authorized agents, including Developers, of structures, improvements or signs necessary or convenient to the development, identification, or sale of property within This Community.

S. Declarant's Easements.

(1) There is hereby created in favor of Declarant a blanket easement upon, across, over and under the above-described premises, including the Common Areas, for access to the same and to adjacent properties for development and construction purposes, and ingress, egress, installation, replacing, repairing and maintaining all utility and service lines and systems, including, but not limited to, water, sanitary sewers, storm drainage facilities, gas, telephones, electricity, television, cable or communication lines and systems, etc. By virtue of this easement, it shall be expressly permissible for the providing utility or service company to install and maintain facilities and equipment on said property and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of the residences served.

Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on said premises except as initially programmed and approved by the Declarant or thereafter approved by Declarant or the Board. This easement shall in no way affect any other recorded easements on said premises. This easement shall be limited to improvements as originally constructed. During the period of development and sales, Declarant shall have the right, but not the obligation, to replace injured or diseased trees or other vegetation in the Common Areas, and to do planting or other landscaping work in the Common Areas.

(2) Declarant reserves a perpetual easement, right and privilege to enter upon any Lot or Common Area, and the Association is granted a perpetual easement, right and privilege to enter upon any Lot, either before or after a building has been constructed thereon or during such construction, for the purposes of establishing proper drainage and for the purpose of taking such erosion control measures as Declarant or the Association deems necessary to prevent or correct soil erosion or siltation thereon; provided, however, that Declarant or the Association shall not exercise such right unless it has given the Owner of the Lot or the Association (as to the Common Area) at least ten days' prior notice

thereof and the Owner or the Association, as the case may be, has failed to take appropriate action to correct or prevent the erosion or siltation problem. However, in an emergency, such as water flowing from or onto a Lot, Declarant or the Association may take immediate action. The cost incurred by the Association in undertaking such erosion control measures on any Lot shall become a special assessment upon the Lot and shall constitute a lien against the Lot and shall be collectible in the manner provided herein for the payment of assessments. Declarant also reserves an easement, for so long as it has a warranty responsibility, to go upon any Lot for the purpose of carrying out any such responsibility on an adjoining Lot or the house on said Lot. This section shall not apply to Lots or Parcels owned by Declarant.

(3) Declarant reserves the perpetual easement, right and privilege, and the Association is granted the perpetual easement, right and privilege, to enter on any Lot or Parcel, after at least ten days written notice to the Owner thereof, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, dispensing pesticides, herbicides and fertilizer and grass seed, removing trash and taking such other action as the Declarant or the Association may consider necessary to correct any condition which detracts from the overall beauty of the Properties or which may constitute a hazard or nuisance. The cost incurred by the Association in taking such action (including any overhead costs associated therewith) shall constitute a special assessment on the Lot or Parcel and shall be collectible in the manner provided herein for the payment of assessments. This Section shall not apply to Lots or Parcels owned by Declarant.

T. Other Easements. The following easements shall also exist:

(1) Wherever sidewalks on Lots or a Common Area run along a street line, the Common Area or Lot shall be subject to an easement for the placing, maintaining and repairing of the sidewalks by the Association, and the right of Lot Owners and others lawfully in the community to the use of same. The sidewalks located on the Common Areas and/or on a Lot for the benefit of all Owners of Lots, shall be maintained, repaired and replaced by the Association.

(2) The fencing of yards shall be subject to the Association's rules and regulations.

(3) All easements shown on recorded plats subdividing This Community into sections. These may include on certain Lots "sight visibility easements" which will restrict plantings on certain areas of certain Lots.

(4) In any instance where the initial grading of a Lot needs to be redone so that Lot or the adjacent Lot(s) or other nearby Lots will properly drain, Declarant and the Association shall have an easement across the Lot or Lots that may be reasonably necessary for access to the land that needs to be graded. Declarant or the Association shall be responsible for removing and replacing fences that must be taken down to allow such access, and also for the repair of any damage. The Lot Owners shall have the

responsibility not to alter the grade on their Lot, and not to do anything that will adversely affect the drainage of their Lot or any other Lot.

(5) In the event that any of the land that may be added to This Community is not added pursuant to the provisions of this Declaration, there shall be perpetual easements appurtenant to the land not added for the use of the streets and utilities within This Community by the then owners of the land not added so that such property shall have access and shall be served by all utilities, drainage and other services enjoyed by This Community. The owners from time to time of the property not added shall pay a prorata share of the maintenance and repair of the streets and other property of This Community used by such owners and of the reserves for replacement, based upon the number of units or homes using the particular facilities or services.

(6) Any street lights or other illumination, if any, in any Common Areas shall be maintained and the electricity paid for by the Association.

(7) The Association shall have an easement to go upon the portion of Lots and Common Areas that are affected by any "Landscape Easement" shown upon the subdivision plats. Where fences are located on Lots and within a Landscape Easement, the Association's easement shall be to go upon the portion of the Lot lying outside of the fence. The purpose of the Association's easement, and the obligation of the Association shall be to inspect the existing trees and other vegetation within the portion of the Landscape Easement lying outside of any fences, and within all of the Landscape Easement area if there is no fence, and also to inspect the fences where they exist. Lot 102, Phase 1, and the Lot that will be on the opposite side of the entrance road, shall each be subject to a 30' wide private landscape easement along the entrance road, to be maintained by the Association, subject to the provisions of this paragraph.

This easement shall also apply so as to allow maintenance by the Association of the entrance sign and any entrance monument that may be in place from time to time and the decorative fence/wall along all or part of the front of This Community, whether the same are located on Common Area or on a Lot(s).

U. Party Fences. The rights and duties of Owners with respect to Party Fences shall be as follows:

(1) Each fence which is built at the time of the original construction of the homes upon the Properties and placed on the dividing line between the Lots, or within three inches (3") of the same, shall constitute a Party Fence, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damages due to negligence or willful acts or omissions shall apply thereto.

(2) The Owners of contiguous lots who have a Party Fence shall both equally have the right to such fence, provided that such use by one Owner does not interfere with the use and enjoyment of same by the other Owner.

(3) In the event that any Party Fence is damaged or destroyed through the intentional or negligent act of an Owner or any person for whom he is legally responsible, it shall be the obligation of such Owner to rebuild and repair the Party Fence without cost to the other adjoining Lot Owner or Owners.

(4) In the event any such Party Fence is destroyed (including deterioration from ordinary wear and tear and lapse of time), other than by the act of an adjoining Owner, his agents, guests or family, it shall be the obligation of all Owners whose Lots adjoin such wall or fence to rebuild and repair such wall or fence at their joint and equal expense, unless otherwise provided for in supplemental Section Declarations or Master Deeds. In the event that any Owner or Owners fail to take any action required under this section, the Association may build or repair such wall or fence, as it deems appropriate, and assess the costs of the same to the Owner or Owners responsible.

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

V. Other Fences and Walls. Where there is a wall or fence along the rear of any Lot, whether near the rear line or substantially within the line, or a fence or wall that crosses a Lot boundary at an angle and, therefore, is not a party wall or fence, each Lot owner will pay for the maintenance, repair and replacement of that portion of any such wall or fence that is located on his or her Lot. Because the appearance of any wall or fence is important to This Community, in the event that any Owner or Owners fail to maintain, repair or replace such wall or fence as needed, or when given notice by the Association that such work must be done for the benefit of the Owners of both Lots or of the community, the Association may maintain, repair or replace the wall or fence, as it deems appropriate, and assess the costs of same to the respective Owners, each to pay for the work done on the Owner's side of the property line.

W. Firewood. Firewood may be stored on a Lot for use by the Lot Owner, but only to the extent and in the manner allowed by the Rules and Regulations of the Association, and in no event shall firewood be stored in contact with the ground.

Section 3. Permitted Uses and Restrictions - Common Area. The permitted uses and restrictions for Common Areas shall be as follows:

A. Maintenance by Association. The Association may at any time, as to any Common Area, conveyed, leased, or transferred to it, or otherwise placed under its jurisdiction, including landscaping and entrance sign, in the discretion of the Board, without any approval of the Owners being required:

(1) Reconstruct, maintain, repair, replace or refinish any improvements or portion thereof upon any such area (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and upkeep of such area) in accordance with (a) the last plans thereof approved by the Board of Directors, (b) the original plans for the improvement, or (c) if neither of the foregoing is applicable and if such improvement was previously in existence, then in accordance with the original design, finish or standard of construction of such improvement as same existed;

(2) Construct, reconstruct, repair, replace or refinish any improvements for which it is responsible, but the maintenance of driveways and parking pads on Lots shall be the responsibility of the Lot Owner.

(3) Replace injured and diseased trees or other vegetation in any such area, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes, but no such replacement or planting shall be required;

(4) Place and maintain upon any such area such signs as the Board of Directors may deem appropriate for the proper identification, use and regulation thereof;

(5) The Association shall be responsible for the maintenance, repair and replacement of the private underground drainage systems, including pipes and drainage inlets, in Common Areas and on Lots. Lot Owners shall be responsible for the maintenance of surface drainage systems such as ditches and swales.

(6) Do all such other and further acts which the Board of Directors deem necessary to preserve and protect the property and the beauty thereof, in accordance with the general purposes specified in this Declaration; and

(7) The Board shall be the sole judge as to the appropriate maintenance of all grounds within the Common Area, and all grounds to be maintained by the Association within the public right-of-way, if any.

(8) The Association shall be responsible for the routine maintenance of the BMP ponds shown on the subdivision plats, such as mowing, landscaping, and the like, and as the City may require.

B. Damage or Destruction of Common Area by Owners. In the event any Common Area is damaged or destroyed through the intentional or negligent act of an Owner or any person for whom he is legally responsible, such Owner does hereby authorize the Association to repair said damaged area, and the Association shall so repair said damaged area in a good, workmanlike manner in conformance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association, in the discretion of the Association. The amount necessary for such repairs shall be paid by said Owner, upon demand, to the Association, and the Association may enforce collection of same in the same manner and subject to the same conditions as provided elsewhere in this Declaration for collection and enforcement of assessments.

C. Maintenance by City. The only maintenance, repair and replacement by the City of Virginia Beach shall be of streets, water and sewer lines, including the sewer and water service laterals, up to and including the sewer cleanout and the water meter for each individual Lot, and also the long-term maintenance of the BMP ponds, such as dredging, dam failures, outfall structure problems, and the like.

ARTICLE V COMMUNITY ASSOCIATION

Section I. Organization.

A. The Association. The Association is a non-profit Virginia corporation charged with the duties and vested with the powers prescribed by law and set forth in the Articles of Incorporation, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

B. Subsidiary Associations. The Association shall have the right to form one or more subsidiary associations, for any purpose or purposes deemed appropriate by the unanimous vote of the Board. Without limiting the generality of the foregoing, one or more subsidiary associations may be formed for the operation and maintenance of any specific area located within This Community for specific purposes

as deemed appropriate by the Board. However, such subsidiary associations shall be subject to this Declaration and may not take any action to lessen or abate the rights of the homeowners herein.

C. Board of Directors and Officers. The affairs of the Association shall be conducted by a Board of Directors and such officers as the Directors may elect or appoint, in accordance with the Articles and the Bylaws, as same may be amended from time to time.

D. Association Management. There shall be a professionally-qualified manager or advisor to the Association. The manager may be the chief administrative officer of the Association, subject to actions adopted by the Board of Directors. If a full-time manager is designated, it (i) shall annually prepare a proposed budget for the Association, and, upon its approval by the Board of Directors, shall have the authority to spend the sums appropriated subject to Board approved procedures; (ii) shall be responsible for any funds of the Association received, for the keeping of the accounting records and the preparation of financial statements in accordance with forms and procedures prescribed by the secretary-treasurer and approved by the Board of Directors; (iii) shall furnish the secretary-treasurer with financial statements as may be requested by the secretary-treasurer; and (iv) shall appoint and discharge employees of the Association and shall fix their respective compensation within the limits required by the budget. It may enter into agreements on behalf of the Association subject to policies established by the Board of Directors and shall perform other duties conferred upon him by the Board of Directors.

Section 2. Powers and Duties of the Association. The Association shall have such rights, duties and powers as set forth in the Articles and Bylaws, as same may be amended from time to time.

Section 3. North Shore Rules and the Book of Resolutions. By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend, and repeal rules and regulations to be known as the "North Shore Rules." The North Shore Rules may restrict and govern the use of any Common Area by any Owner, by the family of such Owner, or by any invitee, licensee or lessee of such Owner; provided, however, that the North Shore Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the North Shore Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and may be recorded. Upon such recordation, said Rules of North Shore shall have the same force and effect as if they were set forth in and were part of the Declaration. The North Shore Rules shall be kept at the Association office in the Book of Resolutions which identify the time, place, resolution and Board members involved in such action. The Book of Resolutions shall contain all the actions of the Board relating to governing, operating and managing policies of a general enabling and requirement nature. The Association shall, upon request by any Member and for a reasonable cost, make available copies of the Book of Resolutions.

Section 4. Personal Liability. No member of the Board of Directors or any Committee of the Association, or any officers of the Association, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board, or the Architectural Control Committee, or any other Committee, or any officer of the Association, provided that such a person has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct, and further provided that the act or omission complained of involves the official duties of such person in connection with his responsibilities to the Association.

ARTICLE VI
MEMBERSHIP AND VOTING RIGHTS

Section 1. Lot Owners. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Classes of Membership. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and any builder holding the Lot for resale after a house is constructed, and they 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 in no event shall more than one vote be cast with respect to any Lot. When more than one person holds an interest in any Lot, and such persons be unable to agree on how their vote is to be cast, then such vote shall not be counted.

Class D. The Class D member(s) shall be the Declarant, its successors and assigns, and shall be entitled to three (3) votes for each Lot owned, or, if not yet platted, planned as part of the General Plan of Development, and for each Lot owned by a Developer. In no event shall the Class D member be entitled to both three votes for a lot and three votes for living units located on that lot. The Class D membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: (a) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class D membership, or (b) at the expiration of three (3) years after the date of the Declaration, provided that if a Section Declaration is filed annexing additional land pursuant to Article III of the Declaration at any time or times prior to expiration of said three-(3)-year period (as same may have been extended by the filing of any Section Declaration), such period shall be extended each time until the expiration of three (3) years from the date of filing of the last such Supplemental Declaration. The Declarant at any time developing the project shall retain the right to vote in connection with any Lot(s) conveyed to a builder for resale. It shall have three (3) votes for any such Lot until it has been conveyed to a public purchaser.

Notwithstanding the foregoing, the Class D membership shall permanently terminate no later than ten (10) years from the date of the recording of this Declaration, and shall not thereafter be reactivated.

Upon the conversion of Class D to Class A 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, and the City of Virginia Beach, Virginia, and such others as may have been party to a common understanding of Common Area development commitments. In the event of such conversion, the Association may not in any manner impede the implementation of the master plan nor exercise control over proposed changes in the master plan nor in any other way interfere with the development activities of Declarant. These same provisions as set forth in this paragraph apply fully to any and all such development activities including construction of residential properties as generally set forth in the General Plan of Development. When the Class D membership has ceased to exist or has been converted to Class A membership, nothing

contained in the Declaration shall prevent the reactivation of Class D membership as a result of annexation of additional areas for development, except that under no circumstances shall the Class D membership be in existence after ten (10) years.

ARTICLE VII COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within This Community, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with late charges as set from time to time by the Board of Directors, interest, costs and reasonable attorney's fees, shall be a charge on each Lot and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with late charges, interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

In addition to the assessments there shall be established a working capital fund to provide a measure of additional financial stability during the early years of the Association. At the initial closing of each home, the purchaser shall pay to the Association an amount equal to the regular assessment for a three-month period. This shall be in addition to, and shall in no way affect the regular or special assessments to be paid at and after closing to This Community homeowners' association. If necessary for the financial stability of the Association, after closing on the first Lot in a Section, Declarant may pay the share of the unsold Lots and then be reimbursed as Lots are closed.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in This Community and for the improvements and maintenance of the Common Area.

Section 3. Initial Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the initial annual assessment shall be as follows for each class as designated:

(a) Class A - \$456.00

(b) Class D - twenty five percent (25%) of the assessments levied per Lot on Class A membership for each recorded Lot where the house is not complete or is not occupied. The Declarant shall always be subject to this rate until construction has been completed on the last Lot. The Declarant shall pay the regular Class A membership in those instances where the house has been completed and occupied. Assessments for each stage or phase of the development shall begin on the first of the month following conveyance of the Common Area, if any, in that Phase, to the Community Association. Notwithstanding anything herein to the contrary, a Developer shall be responsible for payment of assessments on Lots which it owns to the same extent and in the same amount as if it were the Declarant.

(c) Increase by Board. From and after January 1 of the calendar year immediately following the conveyance of the first Lot to an Owner, the Board may increase or decrease the amount of the annual assessment to meet its obligation to provide the necessary funds for operating costs, reserves and for capital expenditures.

(d) Increase Or Change by Members. From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment may be increased by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose or by the written consent of two-thirds (2/3) of each class of Member. Said meeting shall have at least 60% of the Lot Owners or their proxies present after adequate notice. If 60% do not attend, a second meeting may be called with the same notice and the quorum may be reduced to 30%. In the same manner, the Members may reverse any decision of the Board setting the amount of assessments.

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, or the assent in writing of such a percentage, or by some combination of the two.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting except in what the majority of the Board deems to be an emergency.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots within each class of membership and may be collected on a monthly, or quarterly, or annual basis, as the Board of Directors may determine.

Section 7. Date of Commencement of Annual Assessments; Due Date. The annual assessments provided for herein shall commence as to all Lots within the first Section or Phase on the first day of the month following conveyance of the Common Area in that Phase or Section to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The annual assessments shall be payable monthly or as may otherwise be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, promptly furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. As between the Association and a third party this certificate shall be deemed to be correct.

When the Association is asked by Declarant for a certificate stating whether the assessments on any Lot or Lots owned by Declarant have been paid, an officer of the Association shall promptly, within three (3) days, furnish such a certificate. The furnishing of the certificate shall not be delayed or withheld for any reason.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Each Owner of any Lot shall be deemed to covenant and agree to pay to the Association the assessments provided for herein, and agrees to the enforcement of the assessments in the manner herein specified. A late charge in the amount of \$30.00, or such greater amount as may be determined by the Board of Directors and allowed by law, may be assessed when any assessment is delinquent. In the event the Association employs an attorney or attorneys for collection of any assessment, whether by suit or otherwise, to enforce compliance with or specific performance of the terms and conditions of this Declaration, or for any other purpose in connection with the breach of this Declaration, each Owner and Member agrees to pay reasonable attorney's fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner or Member. In the event of a default in payment of any such assessment when due, in which case the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may accelerate the due dates for assessments for the following twelve (12) months by declaring those assessments immediately due and payable, and may enforce each such obligation in any manner provided by law or in equity and without any limitation of the foregoing, by either or both of the following procedures:

A. Enforcement by Suit. The Board may cause a suit at law to be commenced and maintained in the name of the Association against an Owner or Member to enforce each such assessment obligation. Any judgment rendered in any such action shall include the amount of the delinquency, together with late charges, court costs, reasonable attorney's fees in such amount as the Court may adjudge against the delinquent Owner or Member, and interest from the date of delinquency at the rate that is one percentage point higher than the announced prime rate of SunTrust Bank, in effect from time to time. In the event there is no SunTrust Bank or a successor to the same, then the announced prime rate of any other commercial bank having a place of business in the City of Virginia Beach may be used as a base for determining the agreed rate.

B. Enforcement by Lien. There is hereby created a claim of lien, with power of sale, on each Lot within This Community to secure payment to the Association of any and all assessments levied against the Owner of such Lot under this Declaration, together with interest thereon at the rate that is one percentage point higher than the announced prime rate of SunTrust Bank, in effect from time to time, from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorney's fees and late charges. Each such assessment, together with such late charges, interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them. In the event there is no SunTrust Bank, or a successor to the same, then the announced prime rate of any other commercial bank having a place of business in the City of Virginia Beach may be used as a base for determining the agreed rate.

If such assessment is not paid within ten (10) days after it is due, the Association may elect to file such a claim of lien on behalf of the Association against the Lot of the defaulting Owner. Such a

claim of lien shall be executed and acknowledged by any officer of the Association, and shall contain substantially the following information:

1. The name of the delinquent Owner;
2. The legal description and street address of the lot against which claim of lien is made;
3. The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, late charges, collection costs, and reasonable attorney's fees (with any proper offset allowed);
4. That the claim of lien is made by the Association pursuant to the North Shore Restrictions;
and
5. 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 priority over all liens or claims created subsequent to the recordation of such claim of lien, except only tax liens for real property taxes on any Lot, assessments on any Lot in favor of any municipal or other governmental assessing unit, and the liens which are specifically described in Section 9 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 State 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 any Lot. In the event such foreclosure is by action in court, reasonable attorney's fees, court costs, title search fees, interest, late charges 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 This Community, hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment of the lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due from the lien thereof.

ARTICLE VIII ARCHITECTURAL CONTROL

Section 1. Organization, Power of Appointment and Renewal of Members. There shall be an Architectural Control Committee, organized as follows:

A. Committee Composition. The Architectural Control Committee shall consist of three (3) 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. Appointment and Removal. The right to appoint and remove all members of the Architectural Control Committee at any time, and the right to determine the terms of office, shall be and is hereby vested solely in the Board of Directors, provided, however, that no member may be removed from the Architectural Control 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.

C. Resignations. Any member of the Architectural Control 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.

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

Section 2. Duties. It shall be the duty of the Architectural Control Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to adopt Architectural Control Committee Rules, and to perform other duties imposed upon it by this Declaration. Declarant shall not be subject to the Committee's decisions.

Section 3. Meetings and Compensation. The Architectural Control Committee shall meet from time to time as necessary to perform its duties hereunder. Subject to the provisions of Paragraph B of Section 1 above, the vote or written consent of any two 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 this Declaration, Bylaws or Rules. The Committee shall keep and maintain a written record of all actions taken by it at such meeting or otherwise. Members of the Architectural Control Committee shall not be entitled to compensation for their services.

Section 4. Architectural Control Committee Rules. The Architectural Control Committee may, from time to time and in its sole and absolute discretion, adopt, amend and repeal, by unanimous vote or written consent, rules and regulations, to be known as "Architectural Control Committee Rules." Said Rules shall interpret and implement this Declaration, Bylaws or Rules by setting forth the standards and procedures for Architectural Control Committee review and the guidelines for architectural design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use in This Community. The Rules shall in no way affect original construction and development by Declarant.

Section 5. Waiver. The approval of the Architectural Control Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Control Committee under this Declaration, Bylaws or Rules, 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 6. Liability. Neither the Architectural Control Committee nor any member thereof shall be liable to the Association, any Owner or to any other party, for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings, or specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to

approved plans, drawings, and specifications, (c) the use of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of any of the foregoing provisions of this Section, the Architectural Control Committee, or any member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Architectural Control Committee.

Section 7. Time for Approval. In the event said Board, or its designated committee, fails to approve or disapprove design and location plans within thirty (30) days after said plans and specifications have been submitted to it in a written form which is acceptable to the Board or such designated committee, and a receipt for same has been provided to the applicant, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE IX GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, and to collect reasonable attorney's fees when it is deemed necessary to effect enforcement by instituting suit or using other legal measures. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20)-year-period by an instrument signed by not less than ninety percent (90%) of the Class A membership and ninety percent (90%) of the Class D membership, if there is then a Class D membership, and thereafter by instrument signed by not less than seventy-five percent (75%) of the Class A membership. Any such amendment, to be effective, must be recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to This Community with the consent of two-thirds (2/3) of each class of members eligible to vote. This limitation is subject to the right of Declarant set forth in Article III, Section 2, above. Any type of residential units, attached or detached, may be constructed in the annexed areas. All Lots shall at all times have access to the public highway, but annexed Lots shall not be required, at the time of their annexation, to be contiguous to Lots already a part of This Community.

The additions authorized under this section and Article III, Section 2, shall be made by filing of record a supplementary Declaration of Covenants, Conditions and Restrictions with respect to the additional real property which shall extend the scheme of the covenants, conditions and restrictions of this Declaration to the real property described in said Supplementary Declaration. Such Supplementary Declaration may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary or desirable to reflect the different

character, if any, of the additional real property and as are not inconsistent with the scheme of this Declaration. In no event, however, shall any such Supplementary Declaration revoke, modify or add to the covenants, conditions or restrictions established by this Declaration within the Existing Property.

Section 5. Amendments Concerning VA/FHA Loans. The Declarant, as long as there is a Class D Membership, and thereafter, the Board, shall have the right to amend this Declaration at any time that they deem it necessary or useful to bring this Declaration into compliance with VA/FHA laws and regulations to allow the guaranteeing or insuring of loans by those agencies, or the sale of home loans in the secondary market.

Section 6. Violations and Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association or any Owner or Owners of Lots within This Community.

Section 7. Violation of Law. Once all houses constructed on the properties have been occupied, and no additional property may be brought within the jurisdiction of the Association without the consent of the Members, any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation or use of any property within this Community is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth in said Declaration.

Section 8. Remedies Cumulative. Each remedy provided by the North Shore Declaration of Covenants, Conditions and Restrictions is cumulative and not exclusive.

Section 9. Delivery of Notices and Documents. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed as follows: If to the Association: North Shore at Ridgely Manor Community Association, Inc., 4640 Shore Drive, Suite 111, Virginia Beach, Virginia 23455-2859; if to an Owner, to the address of any Lot within This Community owned, in whole or in part, by such Owner or to any other address last furnished by an Owner to the Association; and if to Declarant: Terry/Peterson Development One, L.L.C., 4640 Shore Drive, Suite 111, Virginia Beach, Virginia 23455-2859; provided, however, that any such address may be changed at any time by the party concerned by recording a written notice of change of address and delivering a copy thereof to the Association. Each Owner of a Lot shall file the correct mailing address of such Owner with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

Section 10. Reservation of Right To Compensation. Until the final section of This Community has been made a part of North Shore by recordation of a section plat and an amendment to this Declaration, any funds, or the equivalent, which would otherwise be payable to the Association for or in connection with the purchase or taking of land that is a part of the Common Area, or any rights therein, by any private party or any governmental or quasi-governmental authority or utility company, or for or in connection with any conveyance of same by the Association, shall be payable to Declarant. No such dedication, conveyance, sale or taking, shall be made for a consideration less than fair market value.

Section 11. The Declaration. By acceptance of a deed or by acquiring any ownership interest in any of the real property included within this Declaration, each person or entity, for himself, or itself, his

heirs, personal representatives, successors, transferees and assigns, covenants, agrees and understands that the title is subject to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by, or pursuant to, this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the real property covered thereby and hereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial and enforceable by the various subsequent and future Owners.

ARTICLE X

SUPPLEMENTAL PROVISIONS FOR THE BENEFIT OF THE CITY OF VIRGINIA BEACH

Section 1. Failure of Association to Maintain Common Areas. The following provisions are incorporated and are applicable to all Lots and Common Areas and are for the benefit of the City of Virginia Beach ("the City"):

(a) In the event the Association shall fail to maintain the Common Areas and/or improvements which may be located in the City right-of-way, for which it is responsible, or the decorative strips across roads, or any entrance signs, and shall fail to cure the deficiencies of maintenance after notice from the City, or within any approved extension thereof, the City may, but shall not be obligated to, enter the Common Area or such improvements and maintain the same, or to contract for the maintenance of same for the periods, reasons and only under the terms as allowed by City ordinances. Any entry and/or maintenance shall not vest in the general public any rights to use the Common Area or improvements, unless and until the same is otherwise voluntarily dedicated to the general public by the owners.

(b) All expenses and costs of said maintenance, including all reasonable administrative costs of the City, shall be assessed ratably against the Lots within the Properties that have a right of enjoyment of the Common Area or improvements so maintained by the City, and shall be a charge on said Lots, and may be collected by the City as taxes and levies are collected.

Section 2. Dissolution of Association; Disposition of Common Area. The Association shall not be dissolved nor shall the Association dispose of any Common Area, by sale or otherwise, except to an organization conceived and organized to own and to maintain the Common Areas, without first offering to convey the same to the City or other appropriate governmental agency in exchange for compensation in an amount not exceeding the appraisal of such Common Area by an appraiser mutually acceptable to both parties.

Section 3. Right of Entry. There is hereby granted to the personnel of the City of Virginia Beach, including but not limited to law enforcement officers, rescue squad personnel and fire fighting personnel while in pursuit of their duties, public utility and public works vehicles in the performance of their installation, maintenance and repair duties, and inspections personnel for the purpose of reviewing the Association's proper maintenance of the common property, a right of entry upon the Common Areas of North Shore. There may be enforced by the Association and/or by the City of Virginia Beach clear emergency vehicle access over any access route that may be Common Area.

Section 4. Review of Records. The City shall have the authority to review all financial and related records of the Association. This authority is granted so that the City may ensure the Association's continued solvency and capacity to maintain all common open space and improvements on the Common Areas.

Section 5. Amendment of Article X. The provisions of this Article X may not be altered, modified, amended, or deleted without the written consent of the City.

IN WITNESS WHEREOF, the said Terry/Peterson Development One, L.L.C. has caused these presents to be executed in its name and behalf by its Operating Manager duly authorized, this 7th day of November, 2005.

TERRY/PETERSON DEVELOPMENT ONE, L.L.C.,
a Virginia limited liability company

By: _____

John H. Peterson, Jr., Operating Manager

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

I, Donna Y. Watts, a Notary Public in and for the City and State aforesaid, do certify that John H. Peterson, Jr., Operating Manager of Terry/Peterson Development One, L.L.C., a Virginia limited liability company, whose name as such is signed to the foregoing writing, has acknowledged the same before me in my said City and State.

GIVEN under my hand this 7th day of November, 2005.

Donna Y. Watts
Notary Public

My term of office expires: 4/30/09