

NORTH RIDGE HOME OWNERS ASSOCIATION, INC.

Declaration

of

Covenants, Conditions and Restrictions superseding the Declaration
of Covenants, Conditions and Restrictions dated November 12, 1976
and all amendments thereto.

CONTENTS

PAGE

Recitals.....	1
Declaration.....	2
Article I. Definitions.....	2
Article II. Property Subject to the Declaration.....	4
Article III. Property Rights in the Common Areas.....	4
Article IV. Covenant for Maintenance Assessments.....	6
Article V. Architectural Control.....	14
Article VI. Restrictions on Use.....	17
Article VII. Protective Covenants.....	23
Article VIII. Leasing.....	25
Article IX. Insurance.....	26
Article X. Repair and Reconstruction After Fire or Other Casualty.....	27
Article XI. Mortgages.....	28
Article XII. Compliance and Default.....	29
Article XIII. Miscellaneous Provisions.....	31
Exhibit A	35



DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS

This Declaration, dated as of August 21, 1993, by the North Ridge Home Owners Association, Inc. recites and provides:

RECITALS

The North Ridge Home Owners Association, Inc. hereinafter called the Association, a non-stock corporation brought into being pursuant to Chapter 2 of Title 13.1 of the Code of Virginia, 1950, as amended, was associated and incorporated with the Virginia Hot Springs Development Company in the development of a residential community in Bath County, Virginia, a description of said property being attached hereto as Exhibit A. In accordance with the provisions of the Declaration recorded on November 12, 1976, in Deed Book 92, page 646, in the office of the Clerk, Circuit Court, Bath County, Virginia, as amended from time to time, or otherwise granted, the developer has granted title to all common lands encompassed in Exhibit A to the Association, and as there being no longer any connection, association, or privity between the Association and the said Development Company, the Association, acting under the provisions of Article XV of the originally recorded Declaration of November 12, 1976, and more than two-thirds (2/3) of the votes of the membership being recorded as approving the action, hereby terminates said Declaration and its amendments in their entirety, and in place thereof substitutes this amended Declaration.

The Association is the fee simple owner of certain real property located in Bath County, Virginia, as described in Exhibit A attached hereto and made a part hereof (the property) and desires to operate therein a residential community (the community) together with common lands (the common areas) and facilities for the benefit of the community.

In order to provide for the preservation of the values and amenities of the community and for the maintenance of such common lands and facilities, we, the Association, agree to subject the property and the common areas to the covenants, restrictions, easements, charges, and liens (hereinafter referred to collectively as the restriction) as hereinafter set forth for the benefit of the common areas and the property and each owner thereof and to such other By-Laws as the Association may from time to time establish.

The Association declares that the restrictions shall run with, burden, and bind the individually owned properties and the common areas.

DECLARATION

NOW, THEREFORE, the Association hereby declares that the individually owned properties and the common areas are and shall be held, transferred, sold, conveyed, occupied, and used subject to the provisions of the restrictions hereinafter set forth.

ARTICLE I

DEFINITIONS

The following words when used in this Declaration or any

Supplement hereto (unless the context shall prohibit) shall have the following meanings:

Association shall mean and refer to the North Ridge Home Owners Association, Inc. its successors and assigns.

Board of Directors shall mean and refer to the Board of Directors of the North Ridge Home Owners Association, Inc.

Common Areas shall mean all portions of the property other than the units. Such areas are intended to be devoted to the common use and enjoyment of the members of the Association, as herein defined, and are not dedicated for use by the general public.

Members. Every owner of a unit shall be a member of the Association, provided, however, that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member, unless and until such person or entity has succeeded to such owner's interest by endorsement of such security interest. Membership shall be appurtenant to and may not be separated from ownership of any unit.

Owner or Unit Owner shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any unit, but shall not mean or refer to any mortgagees or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title thereto.

Mortgage shall mean and refer to any mortgage, deed of trust or similar instrument encumbering a Unit as security for the performance of any obligation.

Property shall mean and refer to the property and all additions thereto, or deletions therefrom, as are subject to this Declaration.

Unit shall mean and refer to any portion of the property designed and intended for individual ownership and use as a single family residence.

Voting Rights. Members shall be all Unit Owners and shall be entitled to one vote for each unit owned. When more than one person holds an interest in any unit, all persons shall be members. The vote for such unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any unit.

ARTICLE II

PROPERTY SUBJECT TO THE DECLARATION

Section 1. Description. The real property subject to this Declaration is all that property located in Bath County, Virginia, and described in Exhibit A attached hereto and made a part hereof.

ARTICLE III

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Owner's Easements of Enjoyment. Subject to the provisions enumerated herein, every owner shall have a right and easement of enjoyment in and to the common areas and such easement

shall be appurtenant to and shall pass with title to every Unit.

Section 2. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to borrow money for the purpose of improving the common areas and in aid thereof to mortgage the property it owns, and the rights of such mortgagee in such properties shall be subordinate to the rights of the owners hereunder; provided, however, that no such borrowing or mortgaging shall be made unless approved by the vote of two-thirds (2/3) of the membership at a meeting duly called for such purposes;

(b) The right of the Association to take such steps as are reasonably necessary to protect the above described properties against foreclosure;

(c) The right of the Association to dedicate or transfer all or any part of its interest in the common areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members, provided that no such dedication or transfer, or determination as to the purpose or as to the conditions thereof, shall be effective unless an instrument signed by two-thirds (2/3) of the members entitled to vote is recorded.

Section 3. Delegation of Use. Any owner may delegate his rights of enjoyment to the common areas and facilities to the members of his family, tenants, or contract purchaser (and members of the family or any tenant or contract purchaser) who reside on

the property or to such other persons as may be permitted by the Association.

Section 4. Obligations of the Association. It shall be the continuing duty and obligation of the Association to operate and maintain, for the use and benefit of all members of the Association, all common areas and facilities and improvements developed thereon including the roads, streets, drainage structures, and area lighting, and to maintain, mow the grass on, and replace all dead or destroyed trees and shrubbery on the said property.

Section 5. No portion or part of the common lands of North Ridge may be sold, alienated, or otherwise disposed of without the approval of one hundred percent, (100%), of the members of the Association.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Association hereby subjects each unit to the following charges to run with the title to each unit and bind each owner thereof, and each owner of any unit by acceptance of a deed or other transfer document therefor, whether or not it shall be so expressed in such deed or other transfer document, is deemed to covenant and agree to pay to the Association annual assessments or charges, and special assessments for capital improvements and operating, repair and replacement reserve funds, such assessments

to be fixed, established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fee, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment together with 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 the assessment fell due. The personal obligation for delinquent assessments shall not pass to the owner's successors in title (other than as a lien on the land) unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purposes of promoting the recreation, health, safety, and welfare of the unit owners; for the improvement and maintenance of the common areas; for services and facilities related to the use and enjoyment of the common areas, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, for the cost of labor, equipment, materials, management, and supervision thereof, and for operating reserve funds and capital reserve funds for repair and replacement of the common areas and the facilities thereon.

Section 3. Basis and Maximum Annual Assessments. The Board of Directors may, after consideration of current maintenance costs and future needs of the Association, fix the annual assessment for any year; provided that it shall be an affirmative

obligation of the Board of Directors to fix such assessments at an amount sufficient to maintain and operate the common areas and facilities and to provide reserves for the operation, repair and replacement of the common areas and facilities.

Section 4. Increase of Annual Assessments. Any increases, over and above the annual assessment in force at the time this document is adopted, must be approved by the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy, at a meeting duly called for this purpose.

Section 5. Determination of Annual Assessment.

(a). Fiscal Year. The fiscal year of the Association shall be fixed by the Board of Directors and set forth in the Association's By-Laws.

(b). Preparation and Approval of Budget. Each year at least 15 days prior to the commencement of a new fiscal year, the Board of Directors shall adopt a budget containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the common areas, and the cost of wages, materials, insurance premiums, services, supplies and other expenses, and the rendering to the unit owners of all related services. Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve, and capital reserves for contingencies and replacements. The Board of Directors shall send to each owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the common

expenses payable by each owner, at least 30 days prior to the annual meeting for the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each owner's assessment as hereinbefore provided.

(c). Reserves. The Board of Directors shall build up and maintain an adequate reserve for working capital and contingencies, and an adequate reserve for replacement of all facilities of the common areas, which shall be collected as part of the annual assessment as hereinbefore provided. All funds accumulated for reserves shall be kept in a separate depository account, identified by reference to the specific category of reserve. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except where an emergency requires an expenditure to prevent or minimize loss from damage to, or deterioration of, the common areas, reserves accumulated for one purpose may not be expended for any other purpose unless approved by the Association. If the reserves are inadequate for any reason, including nonpayment of any owner's assessment, the Board of Directors may at any time levy a further assessment in accordance with the provisions hereof, and which may be payable in a lump sum or in installments, as the Board of Directors may determine. In the event there is a balance of reserves at the end of any fiscal year and the Board of Directors determines the Association may lose its tax-exempt status due to such balance, the balance shall be returned on a pro-rata basis (based on the relative assessments) to all members who are

current in the payment of all assessments due the Association.

(d). Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt the annual budget or adjusted budget for any fiscal year shall not constitute a waiver or release in any manner of an owner's obligation to pay his assessment as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, each owner shall continue to pay the assessment at the then existing rate established for the previous fiscal period in the manner such payment was previously due until notified otherwise.

(e). Accounts. Except as otherwise provided, all sums collected by the Board of Directors with respect to assessments against the owners may be commingled into a single fund, but shall be held for each owner in accordance with his pro-rata assessment as provided above.

Section 6. Special Assessments for Capital Improvements and Operating Reserves. In addition to the annual assessments authorized, the Board of Directors may levy in any assessment year a special assessment, to be borne equally by each unit, 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 areas, for which a reserve fund does not exist or is not adequate, provided that any such special assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person

or by proxy at a meeting duly called for this purpose.

Section 7. Date of Commencement of Assessments; Due Dates.

The assessments as to any unit shall be due and payable on the 10th day of each calendar month unless the assessments are required by the Board of Directors to be paid quarterly, in which event they shall be due and payable on the 10th day of January, April, July and September. The due date of any special assessment under Section 6 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Directors. In the event of any change in the annual assessment as set forth herein, the Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each unit for each assessment period at least thirty (30) days in advance of such date or period and shall at that time prepare a roster of the units and assessments applicable thereto which shall be open to inspection by any owner. Written notice of the assessment shall thereupon be sent to every owner subject thereto. The Association shall, upon demand at any time, furnish to any owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid, or the amount of any unpaid assessment. A reasonable charge may be made by the Association for the issuance of such certificate. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessment. The Personal

Obligation of the Owner: The Lien: Remedies of the Association.

If any assessment is not paid on the date when due, then such assessment shall be deemed delinquent and shall, together with such interest thereon and cost of collection thereof as are hereinafter provided, become a lien on the unit which shall bind such unit in the hands of the then owner, his heirs, devisees, personal representatives, successors and assigns. In addition to such lien rights, the personal obligation of the then owner to pay such assessment shall remain his personal obligation and shall not pass to his successors in title (other than as a lien on the land), unless expressly assumed by them. If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring legal action against the owner personally obligated to pay the same or may enforce or foreclose the lien against the property; and in the event a judgment is obtained, such judgment shall include interest on the assessments above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action. No owner of a unit may waive or otherwise escape liability for the assessments provided for herein by non-use of the common areas or abandonment of his or its unit.

Section 10. Subordination of the Lien to First Mortgage.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage on the unit. Sale or transfer of any unit shall not affect the assessment lien.

However, the sale or transfer of any unit by foreclosure of any first mortgage on the unit, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. No Alienation of Units. No owner shall be permitted to convey, mortgage, hypothecate, sell, lease, give, or devise his unit unless and until he (or his personal representative) shall have paid in full to the Association all unpaid assessments against his unit, except as otherwise specifically provided herein. The Association shall promptly furnish to any unit owner (or his devisee or personal representative) requesting the same in writing pursuant to this Section, a recordable statement certifying whether or not such unit owner is then obligated for any outstanding assessments previously levied against such unit and the amount, if any, then outstanding. In the event that the unit is subject to outstanding expenses previously levied against such unit, the statement shall certify any waiver of, or failure or refusal to exercise, the right of the Association to prevent the disposition of such unit, in all cases where the Association allows such disposition. Failure or refusal to furnish promptly such a statement in such circumstances shall make the above-mentioned prohibition inapplicable to any such disposition of the unit. Any such statement shall be binding on the Association and every unit owner.

Section 12. Exempt Property. The following properties subject to this Declaration shall be exempted from the assessments, charges, and liens created herein: (a) all properties dedicated to and accepted by a governmental body, agency or authority, and devoted to public use; (b) all common areas; and (c) all properties owned by any charitable or nonprofit organization exempt from taxation under the laws of the State of Virginia, except any such property used for dwelling purpose.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. The Architectural Review Board. No modification, alteration, or improvement of any nature whatsoever except for interior alteration not affecting the structural integrity or external appearance of any unit, shall be undertaken on any unit unless and until a plan of such construction or alteration shall have been approved in writing of his unit, including the doors and windows, except in accordance with the provisions hereof. The plan submitted to the Board for approval shall include the construction plans and/or specifications, including all proposed landscaping and a drawing showing a rendering of all proposed landscaping and a drawing showing a rendering of all proposed improvements. No construction shall be commenced and no unit shall be modified except in accordance with such plan or a modification thereof that has also been approved by

separate application.

Approval shall be granted or denied by the Board based upon compliance with the provisions of this Declaration, the quality of workmanship and materials, harmony of external design with surrounding structures, the effect of the construction on the outlook from surrounding property and units, and all other factors which in the sole opinion of the Board will affect the desirability or suitability of the construction.

The Architectural Review Board shall consist of the Directors of the Association, or such members of the Association as may be designated as an Architectural Committee by the Directors.

The Board shall establish uniform procedures for the review of the applications submitted to it. These procedures shall provide the time and place of meetings of the Board, the submission, review, and approval procedure and the review costs and fees (to be paid by the applicant) to be paid to the Association.

Approval or disapproval of applications to the Board shall be given to the applicant in writing within thirty (30) days of receipt thereof; in the event that the approval or disapproval is not forthcoming within thirty (30) days, unless an extension is agreed to by the applicant, the application shall be deemed approved and the construction of the applied for improvements may be commenced, provided that all such construction is in accordance with the submitted plans, and provided further that such plans conforms in all respects to the other terms and provisions of this Declaration.

Approval by the Board shall not constitute a basis for any liability of the members of the Board or the Association as regards; (1) failure of the plans to conform to any applicable building codes, or, (2) inadequacy or deficiency in the plans resulting in defects in the improvements shown thereon.

Section 2. Maintenance. It shall be the responsibility of each owner to keep and maintain his unit in a neat and orderly manner, and, generally, prevent any condition of his unit to detract from the beauty of the property. Each owner shall be responsible for all damages to any and all other units and the common areas resulting from his failure to maintain his unit.

If any owner so fails to keep his unit in good and attractive condition and repair the Association shall have the option (after notice by mail addressed to the unit giving the owner thirty (30) days to undertake the necessary repairs) to take whatever action they deem necessary or appropriate in order to keep the property attractive and in good condition and repair and any such action shall be at the sole cost and expense of the owner, such costs to be paid to the Association upon demand therefor together with interest at the rate of ten percent (10%) per annum. If not paid within ten (10) days after demand, such costs shall become a lien upon the unit affected, equal in priority to a lien created by failure to pay an annual or special assessment as provided in Article IV hereof.

No unit may be sold, transferred, or alienated by the owner unless it is in compliance with the architectural standards

established by the Board under the provisions of this Article.

All common areas and facilities thereon shall be maintained by the Association as hereinbefore provided.

ARTICLE VI

RESTRICTION ON USE

Section 1. Restrictions on Use of Units and Common Areas.

Each unit and common areas shall be occupied and used strictly in accordance with the following:

(a) No part of the property shall be used for other than housing and the related common purposes for which the community was designed. Each unit shall be used as a residence for one single family and for no other purpose. An owner may use a portion of his unit for an office or studio provided that the activities therein shall not be opened to the public and shall not interfere with the quiet enjoyment or comfort of any other owner.

(b) Nothing shall be done or kept in any unit or in the common areas which will increase the rate of insurance paid for by the Association, without the prior written consent of the Association. No owner shall permit anything to be done or kept in his unit or in the common areas which will result in the cancellation of insurance carried by the Association, or which would be in violation of any law or ordinance.

(c) No immoral, improper, offensive, or unlawful use shall be made of the property or any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental

agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the property, shall be complied with, by and at the sole expense of the unit owner or the Association, whichever shall have the obligation for such portion of the property.

(d) Nothing shall be done in any unit or in, on, or to the common areas which will impair the structural integrity of any improvements constructed on the property or which would structurally change any units or improvements thereon except as approved by the Board and provided, further, that interior partitions contributing to the support of any other unit shall not be altered or removed.

(e) No owner may post any advertisement, poster, or sign of any kind on the exterior of his unit or in the windows of his unit.

(f) Nothing shall be altered or constructed in or removed from the common areas, except upon the written consent of the Association.

(g) The common areas shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of the units and the general character of the community.

(h) No fences may be erected on the property except for those erected by the Association.

(i) There shall be a cable television connection

available for the use of all units. Consequently, no television or radio antennas may be erected by any unit owner.

(j) No portion of a unit (other than the entire unit) may be rented, and no transient tenants may be accommodated therein.

(k) All units must be kept in an orderly condition so as not to detract from the neat appearance of the community. In this regard, no personal property may be stored or kept on the property except in the units or the appropriate garages. If any owner shall fail to keep his unit orderly after notice by mail addressed to the unit giving the owner thirty (30) days to correct such deficiency, the Association may have any objectionable items removed from a yard so as to restore its orderly appearance, without liability therefor, and charge the owner for any costs incurred in the process.

(l) No clothes lines may be maintained on the property.

(m) No motorized vehicle may be used or maintained on the yards or sidewalks of the property and no unlicensed vehicles are allowed on the property, except by the Association in the performance of its duties. No motorcycle or motorized bicycle shall be allowed on the property.

(n) Trash shall be stored in accordance with county health regulations within the unit (and in the storage or trash area of such unit), or in the portion of the common area, if any, set aside for such storage.

(o) A unit owner may keep no more than one house pet in such unit. This does not include pets that are confined to the interior of the units. The owner shall be responsible for all damages to the property resulting from the maintenance of pets on the property by the owner, his family, guests, or tenants.

(p) Any dog kept by a member as provided in the Declaration of Covenants shall, when on the common areas, be under control by leash or otherwise.

(q) Planting and Landscaping. Members are permitted and encouraged to beautify the areas of the common lands immediately contiguous to their fee simple holding by floral or other horticultural additions, so long as no man-made or artificial structures or creations are used. These described natural additions to the common grounds surrounding a member's home are restricted to those areas encompassed in prolongation of his front and rear property boundaries and to such side areas as the original plans of the North Ridge development left in a natural state. All such plantings or horticulture embellishments shall, in the event of a member's disposing of his unit, become the property of the North Ridge Home Owners Association as part of the commonly held land.

(r) A member desiring to sell, lease, or otherwise dispose of his property must present to the Board of Directors a certification that he has informed the prospective buyer, lessee, or other party who might take control over the property of these Covenants, Conditions, and Restrictions and that they must abide by

them. This certification shall be signed by the owner and the buyer, lessee, or other party taking control of the property prior to any closing or signing of a lease, etc..

(s) No unit may be opened to the general public for viewing as part of any festival or holiday house tour. This section shall not prohibit an owner from showing a unit to a prospective purchaser but such showing shall not be by means of an open house showing.

Section 2. Right of Access. Each owner shall grant a right of access to his unit to the Association, or any other person authorized by the Association, or any group of the foregoing, for the purpose of making inspections or for the purpose of correcting any condition originating in his unit and threatening another unit or the common areas, or to correct any condition which violates the provisions of any mortgage covering another unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the owner. In case of an emergency, such right of entry shall be immediate, whether the owner is present at the time or not.

Section 3. Rules and Regulations. Rules and regulations concerning the operation and use of the common areas may be promulgated and amended from time to time by the Board of Directors, provided that such rules and regulations are not contrary to or inconsistent with the laws of the State of Virginia or the purpose of this Declaration. Copies of the rules and regulations shall be furnished by the Association to each owner

prior to the time when the same shall become effective.

Section 4. Electricity, Water Charges, and Sewer Rents.

Electricity shall be supplied by the public or private utility company serving the area directly to each unit through separate meters, and each owner shall be required to pay the bills for electricity consumed or used in his unit. The electricity serving the common areas shall be separately metered, and the Association shall pay all bills for electricity consumed in such portions of the common areas. Water and sewer rents will also be individually metered and charged, and each unit shall pay all bills for water and sewer rents for his unit.

Section 5. Parking Spaces. Perpetual exclusive licenses

(including the privilege of ingress and egress) are reserved for the Association to use and occupy the parking spaces, garages, and storage areas located within the common areas for assignment to owners of units to which the license shall be appurtenant. The licenses shall be assigned and pass with the title to the units to which they are appurtenant and any other purported assignment shall be null and void. Vehicular repairs, including, without limitation, engine washing, may not be accomplished on the property, except that minor repairs, including, without limitation, tire changing, may be accomplished from time to time. No improperly licensed or inoperable vehicles, trailers or boats may be parked on the property. In the event that a unit owner does not observe the requirements of this section, the Association is authorized to take proper corrective measures, including, without

limitation, towing improperly parked vehicles, and to charge the owner for any costs incurred in the process.

Section 6. County Parking Restrictions. The Association shall establish and enforce rules and regulations relating to the parking of vehicles which shall contain the pertinent restrictions provided for by the laws of Bath County, as any of the foregoing may be amended from time to time.

ARTICLE VII

PROTECTIVE COVENANTS

Section 1. Utility Easements. The Association for itself and its successors and assigns, hereby creates easements over, under, in, on, and through the property for the installation, construction, reconstruction, relocation, removal, maintenance, repair, operation, and inspection of sewer, water, drainage, electric, gas, television, telephone, and cable telephone, and television facilities, and the wires, lines, conduits, and other necessary and proper attachments in connection therewith, for the benefit of the adjoining land owners, any Federal, State, or local authority, commission or agency having jurisdiction thereover, and any corporation, either public, quasi-public, or private, supplying or servicing such facilities.

Section 2. Easement of Access. Every owner shall have an easement over and across the property in order to gain access to the common areas, and such easement shall be appurtenant to and shall pass with the title to every unit. Any owner may delegate

his right of access to the common areas to the members of his family, tenants, or contract purchasers (and members of the family of any tenant or contract purchaser) who reside on the property or to such other persons as may be permitted by the Association. Every owner shall have an easement of ingress and egress over the roads.

Section 3. Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines, Support. Each unit owner shall have an easement in common with the owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other elements located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines, and other elements serving such other units and located in such unit. Every portion of a unit which contributes to the structural support of any other unit shall be burdened with an easement of structural support for the benefit of all other units.

Section 4. Encroachment. To the extent that any unit encroaches on any other unit or common areas, whether by reason of any deviation from any recorded plats of the property or by reason of the settling or shifting of any land or improvement, a valid easement for such encroachment shall exist. This easement shall not apply to cases of willful and intentional misconduct by the parties responsible for such encroachments.

Section 5. Party Walls. Each wall that is constructed as a part of any unit and placed on the dividing line between two or

more units shall constitute a party wall. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the unit owners affected by such wall. If a party wall is destroyed or damaged, the wall shall be restored in accordance with the provisions of Article XI hereof and the cost of restoration shall be shared equally by the affected unit owners, but subject to the right of any such owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. To the extent not inconsistent with the provisions of this Section 5, the law of Virginia regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

ARTICLE VIII

LEASING

Section 1. Restrictions.

(a) In no event shall any unit be leased for less than ninety (90) days.

(b) A copy of each proposed lease for a unit shall be delivered to and approved by the Association.

(c) All lessees shall be bound by the provisions hereof and all rules and regulations relating to the property.

(d) Each unit owner shall be in all events primarily liable for any damages to the property or the common areas caused by any lessees of his unit.

Section 2. Procedure

(a) No lease for a unit shall be executed by an owner until it has been approved in form and substance by the Association.

(b) The owner of a unit wishing to lease his property must use the lease form approved by the Association. Before a lease is approved by the representative of the Association, as required in this Declaration, the prospective tenant must provide a certification that he has read and agrees to abide by the Declaration, By-Laws, and rules of the said Association.

ARTICLE IX

INSURANCE

Section 1. Insurance of Common Areas. The Board of Directors shall be required to obtain and maintain the following insurance on the common areas and any improvements constructed thereon, except for sidewalks and walkways: fire insurance with extended coverage, vandalism, malicious mischief, and windstorm endorsements in an amount not less than that necessary to comply with co-insurance percentage stipulated in the policy, but in any event not less than 80% of the insurable value (based upon replacement) of the improvements constructed on the common areas; workmen's compensation insurance if and to the extent necessary to meet requirements of law; and such other insurance as the Board of Directors of the Association may determine or may be requested from time to time by a majority of the unit owners.

The Board of Directors shall also be required to obtain and maintain public liability and property damage insurance in such

limits as the Board of Directors may from time to time determine, insuring against any liability arising out of, or incident to, the ownership and use of the common areas. Such insurance shall be issued on a comprehensive liability basis and shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a unit owner because of negligent acts of the Association, the Board of Directors or other unit owners. The Board of Directors shall review such limits once each year but in no event shall such insurance be less than \$300,000 with respect to any one person, \$500,000 with respect to any one accident or occurrence, and \$100,000 with respect to any claim for property damage.

It shall be the responsibility of each unit owner to obtain, at his own expense, liability insurance with respect to the ownership and use of his unit, and the Board of Directors shall not be responsible for obtaining such insurance.

Section 2. Insurance of the Units. Each unit owner shall obtain and maintain fire insurance and insurance against the perils customarily covered by an extended coverage endorsement in an amount equal to not less than the full insurable value of the unit (based upon replacement) and, upon request therefor, shall forward evidence of payment of the most recent premium therefor to the Association.

ARTICLE X

REPAIR AND RECONSTRUCTION AFTER FIRE OF OTHER CASUALTY

Restoration. In the event of damage to or destruction of all

or any of the improvements on the common areas as a result of fire or other casualty, the Board of Directors of the Association shall arrange for and supervise the prompt repair and restoration of such improvements substantially in accordance with the plans and specification under which the improvements were originally constructed. The Board of Directors shall proceed towards reconstruction of such improvements as quickly as practicable under the circumstances and shall obtain funds for such reconstruction from insurance proceeds and, thereafter, from any special assessments that may be necessary after exhaustion of reserves for the repair and replacement of such improvements.

ARTICLE XI

MORTGAGES

Section 1. Notice to Board of Directors. An owner who mortgages his unit shall notify the Association of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Association.

Section 2. Notice of Unpaid Assessments for Common Expenses. The Association, whenever so requested in writing by a mortgagee of a unit, shall promptly report any then unpaid assessments for common expenses due from, or any other default by, the owner of the mortgaged unit.

Section 3. Notice of Default. The Association, when giving notice to an owner of a default, shall send a copy of such notice

to each holder of a mortgage covering such owner's unit whose name and address has theretofore been furnished to the Association. Further, the Association shall send such mortgagees written notice of any default by such owner which has not been cured within thirty (30) days after the delivery of such owner of the first notice relating to such default.

ARTICLE XII

COMPLIANCE AND DEFAULT

Section 1. Relief. Each owner of a unit shall be governed by, and shall comply with, all of the terms of the Declaration, and the rules and regulations promulgated by the Association and any amendments of the same. A default by an owner shall entitle the Association, acting through its Board of Directors or through its agent, to the following relief:

(a) Legal Proceedings. Failure to comply with any of the terms of the Declaration and the rules and regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for herein, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, its agent, or, if appropriate, by any aggrieved owner.

(b) Additional Liability. Each owner shall be liable for the expense of all maintenance, repair, or replacement rendered

necessary by his act, neglect, or carelessness or the act, neglect, or carelessness of any member of his family or his employees, agents, or licensees, but only to the extent that such expense is not covered by the proceeds of any insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy, or abandonment of any unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(c) Costs and Attorney's Fees. In any proceeding arising out of any alleged default by an owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorney's fees as may be determined by the court.

(d) No waiver of Rights. The failure of the Association, the Board of Directors, or of an owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration or the rules and regulations shall not constitute a waiver of the right of the Association, the Board of Directors, or the owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors, or any owner pursuant to any term, provision, covenant, or condition of the Declaration or the rules and regulations shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such

privileges as may be granted to such party by the Declaration or the rules and regulations, or at law or in equity.

(e) Abatement and Enjoinment of Violations by Owners.

The violation of any rule or regulation adopted by the Association, or the breach of any provision of the Declaration, shall give the Association the right, in addition to any other rights set forth or at law: (a) to enter the unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Association shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1. Duration and Amendment. The provisions of this Declaration run with and bind the property, and shall inure to the benefit of and be enforceable by the Association or the owner of any unit subject to this Declaration, their respective legal representative, heirs, successors, and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time the restrictions shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by owners holding not less than two-thirds (2/3) of the

votes of the membership has been recorded, agreeing to terminate or change said restrictions in whole or in part; provided, however, that no such agreement to terminate or change shall be effective unless written notice of the proposed agreement is sent to every owner at least ninety (90) days in advance of any such agreement. Unless specifically prohibited herein, this Declaration may be amended at any time by the Association until the end of the initial twenty-five (25) year term and thereafter by the owners holding not less than two-thirds (2/3) of the votes of the membership, voting in person or by proxy. Any amendment must be by properly recorded instrument to be effective.

Section 2. Consent of First Mortgagees. This Declaration contains provisions concerning various rights, priorities, remedies, and interests of the mortgagees of units. Such provisions are to be construed as covenants for the protection of the mortgagees on which they may rely in making loans secured by mortgages on units in the community. Accordingly, no amendment or modification of this Declaration impairing such rights, priorities, remedies, or interests of a mortgagee shall be without the prior written consent of such mortgagee. If there is more than one mortgagee holding mortgages on the units, it shall be sufficient to obtain the written consent of the institutional mortgagee or mortgagees holding first liens on 75% of the units encumbered by mortgages. This paragraph shall not apply to or in any way be construed as a limitation upon those rights of the Association under this Declaration which do not so adversely affect such

mortgagees.

Section 3. Notices. Any notice required to be sent to any member or owner under the provisions of this instrument shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as member or owner on the records of the Association at the time of such mailing.

Section 4. Non-Waiver. The failure of any owner, or the respective legal representatives, heirs, successors, and assigns, to enforce any restriction contained in this Declaration shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to such violation or breach occurring prior or subsequent thereto.

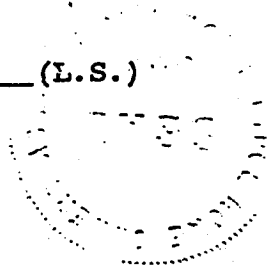
Section 5. Construction and Interpretation. The Association, to the extent specifically provided herein, may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation, and enforcement of the provisions of this Declaration. In so adopting and promulgating such 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 to the end that the property shall be preserved and maintained as a high quality community.

Section 6. Severability. All of the covenants, conditions, restrictions, and reservations contained in this Declaration are hereby declared to be severable and a finding by

any court of competent jurisdiction that any of them or any clause or phrase thereof, is void, unlawful, or unenforceable shall not affect the validity or enforceability of any other covenants, conditions, restrictions, reservations, or clause or phrase thereof.

IN WITNESS WHEREOF, THE NORTH RIDGE HOME OWNERS ASSOCIATION has caused this instrument to be executed in its name by its President.

Herbert S. Richey (L.S.)
PRESIDENT



STATE OF VIRGINIA AT LARGE
COUNTY OF BATH

The foregoing instrument was acknowledged before me this 15th day of November, 1993, by Herbert S. Richey, President, on behalf of the North Ridge Home Owners Association, Inc..

My commission expires: 1-31-96

Herbert S. Richey
NOTARY PUBLIC




Exhibit A

For the specific description of the real property comprising the North Ridge Development see Plat Book 92 at Page 686 in the Bath County Circuit Court Clerk's Office.