

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, July 20, 1998

This is to Certify that the certificate of incorporation of

RIVERWOOD OWNERS ASSOCIATION, INC.

*was this day issued and admitted to record in this office
and that the said corporation is authorized to transact its business
subject to all Virginia laws applicable to the corporation and its
business. Effective date:*

July 20, 1998



State Corporation Commission

William J. Bridge
Clerk of the Commission

ARTICLES OF INCORPORATION

OF

RIVERWOOD OWNERS ASSOCIATION, INC.

ARTICLE I NAME

The name of the corporation is Riverwood Owners Association, Inc. hereinafter called the "Association".

ARTICLE II PURPOSES

The Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for the management, maintenance and care of certain real estate within the development known as "Riverwood Subdivision" located in the City of Suffolk, Virginia, as more particularly described in the Declaration of Covenants, Restrictions, Reservations and Easements dated April 3, 1998, made by Boyce-Widener, Ltd., and recorded in the Clerk's Office of the Circuit Court of the City of Suffolk, Virginia in Deed Book 592 at page 445, the same hereafter be amended, restated or supplemented (collectively "the Declaration"), and to provide a means whereby the Owners, acting together, may provide for the management, maintenance and care of the Common Areas and for this purpose to: (a) enforce the Declaration and exercise of all the powers and privileges and perform all of the duties and obligations of the Association; (b) fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the Declaration and Bylaws; (c) pay all expenses of the Association; (d) subject to the Declaration and the Bylaws, acquire, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association; (e) borrow money, and, with the affirmative vote of more than two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting duly called for such purpose, mortgage, pledge, deed in trust, or hypothecate any and all of its real or personal property as security for money borrowed or debts incurred; (f) dedicate, sell or transfer all or any part of 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. No such dedication, sale, or transfer shall be effective unless the same

should have been approved by an affirmative vote of more than two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting duly called for such purpose; (g) participate in mergers and consolidations with other non-profit corporations organized for the same purpose; and, (h) have and exercise any and all powers, rights and privileges which a corporation organized under the Nonstock Corporation Act of the Commonwealth of Virginia may by law now or hereafter have or exercise. No part of the net earnings of the Association shall inure, (other than by providing management, maintenance and care of the Common Areas and other than by a rebate of excess membership dues, fees and assessments), to the benefit of any private individual.

ARTICLE III DEFINITIONS

Except as expressly defined herein, all capitalized terms used herein shall have the respective meanings set forth in the Declaration or in the Bylaws of this Association.

ARTICLE IV MEMBERSHIP

Section 4.1. Membership. Every Owner of a Lot or Parcel shall be a Member of the Associations. Membership shall be appurtenant to, and shall not be separated from ownership of any Lot or Parcel. Upon the recordation of the deed to a Lot or Parcel, the membership of the selling Owner shall cease and the purchasing Owner shall become a Member of the Association.

Section 4.2. Classes of Membership and Voting Rights. The designation of classes of membership and the voting rights of Members shall be as provided in the Bylaws.

ARTICLE V BOARD OF DIRECTORS

Section 5.1. Number. Except as provided below, the number of directors shall be as fixed in accordance with the Bylaws, or in the absence of such a bylaw, shall be three (3).

Section 5.2. Appointment of Directors During Period of Declarant Control.

The Class B members shall have the right to appoint or remove any member or members of the Board of Directors until such time as the Class B membership terminates. The period of time until the Class B membership terminates is hereafter called the "Period of Declarant Control". Each Owner, by acceptance of a deed to or other conveyance of a Lot or Parcel, vests in Declarant the authority to appoint and remove directors of the Association

during the Period of Declarant Control. The directors selected by Declarant need not be Owners or residents within the Property.

Section 5.3. Election of Directors After Period of Declarant Control.

(a) Within ninety (90) days after the expiration of the Period of Declarant Control, the Board of Directors shall call a special meeting of Members at which meeting all directors appointed by Declarant shall resign and the Class A Members shall elect all members of the Board. Thereafter, nominations for election of the Board of Directors shall be made from the floor and may also be made by a nominating committee, if such a committee is established by the Board of Directors. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members to solicit votes.

(b) A Director shall be elected at the first meeting of the Association after termination of the Period of Declarant Control and at each annual meeting thereafter. All eligible Members of the Association shall vote on all directors to be elected and the candidate(s) receiving the most votes shall be elected. Directors shall serve until the next annual meeting following their election. Elections shall be by oral ballot of the Members unless any Member requests a written ballot, in which event elections shall be by written ballot. Votes may be cast by proxy as provided in the Bylaws.

(c) Except with respect to directors appointed by Declarant at any regular or special meeting of the Association duly called where the meeting notice states that the purpose, or any of the purposes, of the meeting is removal of the director, any one (1) or more of the members of the Board of Directors may be removed with or without cause, by a majority vote of the Members and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed shall be given at least seven (7) days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting.

(d) Vacancies in the Board of Directors occurring for any reason other than the removal of a director by vote of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors, or, in the absence of any remaining directors, vacancies may be filled by the Declarant.

Each person so elected shall serve the unexpired portion of the term of the director being replaced. Notwithstanding the foregoing, Declarant shall fill all vacancies in the Board of Directors arising before the termination of the Period of Declarant Control.

(e) Any representative of Declarant serving on the Board of Directors of the Association shall not be required to disqualify himself or herself upon any vote upon any

management contract or other contract or lease between Declarant, (or any individual, partnership or corporation affiliated with Declarant), and the Association.

Section 5.4. Initial Board of Directors. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

ROBERT A. WIDENER
5257 Cleveland Street, Suite 110
Virginia Beach, Virginia 23462

E. LEE BOYCE, III
5257 Cleveland Street, Suite 110
Virginia Beach, Virginia 23462

ROSE HARRILL
5257 Cleveland Street, Suite 110
Virginia Beach, Virginia 23462

ARTICLE VI

LIMIT ON LIABILITY AND INDEMNIFICATION

Section 6.1. Limit on Liability. In every instance in which the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of liability of directors or officers of a corporation to the corporation or its Members or of the directors or officers of a "community association", (as defined in the Virginia Nonstock Corporation Act, any liability of the directors and officers of this Association shall be so limited or eliminated.

Section 6.2. Mandatory Indemnification. The Association shall indemnify any individual who is, was or is threatened to be made a party to a civil, criminal, administrative, investigate or other proceeding, (including a proceeding by or in the right of the Association or by or behalf of its Members because such individual is or was a director or officer of the Association, a member of the Architectural Review Board or of any other legal entity controlled by the Association), against all liabilities (including, without limitation, liabilities resulting from activities performed and decisions made on behalf of the Association), and reasonable expenses incurred by him or her on account of the proceeding, except such liabilities and expenses as are incurred because of his or her willful misconduct or knowing violation of the criminal law. Unless a determination has been made that indemnification is not permissible, the Association shall make advances and reimbursement for expenses

incurred by any of the persons named above upon receipt of an undertaking from him or her to repay the same if it is ultimately determined that such individual is not entitled to indemnification. The Association is authorized to contract in advance to indemnify any of the persons named above to the extent it is required to indemnify them pursuant to this Section 6.2.

Section 6.3. Miscellaneous. The rights of each person entitled to indemnification under this Article shall inure to the benefit of such person's heirs, executors and administrators. Indemnification pursuant to this Article shall not be exclusive of any other rights of indemnification to which any person may be entitled, including indemnification pursuant to a valid contract, indemnification by legal entities other than the Association and indemnification under policies of insurance purchased and maintained by the association or others. No person shall be entitled to indemnification by the Association to the extent he or she is indemnified by another, including an insurer.

ARTICLE VII AMENDMENT

These Article of Incorporation may be amended pursuant to the Code of Virginia, 1950, as amended, Section 13.1-886, and with the approval of the Class B Members, (until the Class B membership terminates), and the vote of **two-thirds (2/3)** of the Members votes, (including Declarant as to votes held by it), at a meeting duly called for that purpose at which a quorum is present.

ARTICLE VIII MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes as the Association, provided that any such merger or consolidation shall have the affirmative vote of more than **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 that purpose. Written notice shall be mailed to all members not less than **twenty-five (25)** nor more than **sixty (60)** days in advance and shall set forth the purpose of the meeting. Upon a merger or consolidation of the Association with another association, its property, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or alternatively, the property, rights and obligations of another association may, by operation of law, be added to the property, rights and obligations of the Association as a surviving corporation pursuant to a merger or consolidation. The surviving or consolidated association may administer the covenants, conditions, restrictions and easements established by the Declaration within the Property, together with the covenants, conditions, restrictions and easements established upon

any other properties, as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants, conditions, restrictions and easements established by the Declaration within the Property, except as herein provided.

ARTICLE IX DISSOLUTION

The Association may be dissolved upon an affirmative vote of more than 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 such purpose. Upon dissolution of the Association other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organizations to be devoted to such similar purposes.

ARTICLE X DURATION

The corporation shall exist perpetually.

ARTICLE XI REGISTERED AGENT

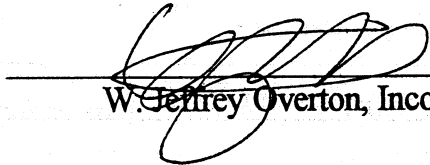
The initial registered office of the Corporation is located in the City of Suffolk, Commonwealth of Virginia, and its post office address is 332 West Constance Road, Suffolk, Virginia 23434. The name of its initial registered agent is W. Jeffrey Overton, who is a resident of Virginia, a member of the Virginia State Bar, and whose business address is the same as the address of the initial registered office of the Corporation.

ARTICLE XII APPROVAL OF HUD OR VA

As long as Class B membership exists, annexation of Additional properties, mergers and consolidations, mortgaging of Common Area, dissolution and amendment of the Articles, requires the prior approval of the Department of Housing and Urban Development ("HUD"),

or the Veterans Administration (the "VA") in the event any Lot or Parcel in the Property is owned by, or encumbered by a loan insured or guaranteed by, HUD or the VA.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation as its initial incorporator this 13th day of July, 1998.

 (SEAL)
W. Jeffrey Overton, Incorporator

wjo@riverwoo.inc

000434

BOOK 607 PAGE 528

Examined, verified and
mailed to Ferguson, Rawls
Sept. 1998

**BYLAWS
OF
RIVERWOOD OWNERS ASSOCIATION, INC.**

**ARTICLE I
PLAN OF OWNERSHIP**

Section 1.1. Applicability. These Bylaws provide for the governance of Riverwood Owners Association, Inc., a Virginia nonstock corporation (the "Association"). Capitalized terms used herein without definition shall have the meanings specified for such terms in the Articles of Incorporation of the Association (the "Articles") or in the Declaration of Covenants, Restrictions, Reservations and Easements, dated April 3, 1998, made by Boyce-Widener, Ltd., a Virginia corporation, and recorded in the Clerk's Office of the Circuit Court of the City of Suffolk, Virginia in Deed Book 592 at page 445 (the "Declaration") and the Amended Declaration of Covenants, Restrictions, Reservation and Easements of Riverwood Subdivision, dated July 29, 1998, and recorded in the aforesaid Clerk's Office in Deed Book 599 at page 430 (the "Amended Declaration").

Section 1.2. Compliance. Every Owner and all those entitled to occupy a Lot or Parcel shall comply with these Bylaws.

Section 1.3. Office. The principal office of the Association shall be located at the Properties or at such other place as may be designated from time to time by the Board of Directors.

**ARTICLE II
MEMBERSHIP**

Section 2.1. Membership. Every Owner of a Lot or Parcel shall be a Member of the Association. Membership shall be appurtenant to, and shall not be separated from, ownership of any Lot or Parcel. Upon the recordation of a deed to any lot or parcel, the membership of the selling owner shall cease and the purchasing Owner shall become a member of the Association.

Section 2.2. Classes of Members. There shall be two (2) classes of Members of the Association.

Class A. All Owners of Lots and Parcels other than the Declarant, (until such time as the Declarant becomes a Class A member upon termination of Class B membership), shall be Class A Members.

Class B. The Declarant shall be the Class B Member. The Class B membership shall terminate upon the earlier of (i) the date on which the Declarant, or any successor Declarant, ceases to own any of the Properties and the Additional Area, (ii) the date on which the Declarant executes and records in the aforesaid Clerk's Offices an amendment to the Declaration terminating the Class B membership, or (iii) on December 31, 2018

Section 2.3. Voting Rights.

(a) **Class A Voting Rights.** Each Class A Member shall be entitled to cast one (1) vote for each Lot owned.

(b) **Class A Voting Rights for Parcels.** Each Class A member shall be entitled to cast one (1) vote for each Lot possible to be developed under the current Zoning Ordinance for any Parcel owned.

(c) **Class B Voting Rights.** The Declarant as the only Class B Member shall be entitled to cast three (3) votes for each Lot owned and three (3) votes for each Lot, condominium unit or apartment unit created or constructed or possible to be created or constructed on the Additional Area.

(d) **Suspension of Voting Rights.** The Board of Directors may suspend the voting rights of any Member during the period when any assessment shall remain delinquent, but upon payment in full of such assessment the voting rights of such Member shall be automatically restored.

ARTICLE III MEETING OF MEMBERS

Section 3.1. Annual Meetings. The annual meeting of Members of the Association shall be held prior to the end of each fiscal year unless the same shall fall on a legal holiday, in which case the annual meeting shall be held on the next ensuing weekday which is not a legal holiday or on such other date set by the Board of Directors.

Section 3.2. Special Meetings.

(a) Called by Directors or Required Percentage of Owners. The President shall call a special meeting of the Association if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by Owners holding not less than **twenty-five percent (25%)** of the Class A membership votes. The notice of any special meeting shall state the time, place and purpose thereof. Only business within the purpose or purposes described on the notice of a special meeting shall be transacted at the meeting.

(b) On Expiration of Declarant Control Period. Within **ninety (90)** days after the expiration of the Period of Declarant Control, notice shall be given of a special meeting of the Members of Association at which all of the members of the Board of Directors designated by the Declarant shall resign, and the Owners, including the Declarant if the Declarant owns **one (1)** or more Lots or Parcels, shall thereupon elect successor members of the Board of Directors as provided in the Articles.

Section 3.3 Place of Meetings. Meetings of the Members shall be held at the principal office of the Association or at such other suitable place as may be designated by the Board of Directors.

Section 3.4 Notice of Meetings. The Secretary shall mail to each Owner a notice of each annual or regularly scheduled meeting of the Association at least **fourteen (14)** but not more than **sixty (60)** days before such meeting, stating the time, date and place thereof. Notice of any other meeting shall be given at least **twenty-five (25)** but not more than **sixty (60)** days prior to such meeting, stating the time, place and the purpose thereof. Notwithstanding the foregoing, notice of any meeting at which there shall be voted upon any amendment to the Articles, a plan of merger, a proposed sale of assets pursuant to **Section 13.1-900** of the Virginia Code or the dissolution of the Association shall be given as required by **Section 13.1-842** of the Virginia Code. The mailing or personal delivery of a notice of meeting in the manner provided in these Bylaws shall be considered service of notice.

Section 3.5. Adjournment of Meetings. If at any meeting of the Members a quorum is not present, Owners holding a majority of the votes who are present at such meeting in person or by permitted proxy may adjourn the meeting to a time not less than **forty-eight (48)** hours after the time the original meeting was called. Notice of an adjournment of any meeting of the Association shall be posted at a conspicuous location and shall state the time and place for the meeting to be reconvened.

Section 3.6. Voting. Voting at all meetings of the Association shall be on the basis set forth in these bylaws. Where the ownership of a Lot or Parcel is in more than one (1) person, the person who shall be entitled to cast the vote appurtenant to such Lot or Parcel shall be the person named in the certificate executed by all of the Owners of such Lot or Parcel and filed with the Secretary or, in the absence of such person from the meeting, the person entitled to cast the vote appurtenant to such Lot or Parcel shall be the person owning such Lot or Parcel who is present. If more than one (1) person owning such Lot or Parcel is present, then such vote shall be cast only in accordance with their unanimous agreement, and absent such unanimous agreement, the vote appurtenant to such Lot or Parcel may not be cast at such meeting. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Wherever the approval or disapproval of an Owner is required by the Declaration, the Articles or these Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Lot or Parcel at any meeting of the Association. Except where a greater number is required by law, the Declaration, the Articles or these Bylaws, the Class B Member, (so long as the Class B membership exists), and Owners holding more than one-half (1/2) of the aggregate Class A membership votes present in person or by proxy at a duly conveyed meeting at which a quorum is present, ("Majority of Owners"), are required to adopt decisions at any meeting of the Association. If Declarant owns or holds title to one (1) or more Lots or Parcels, Declarant shall have the right at any meeting of the Association to cast the Class A membership votes to which it is entitled as the owner of such Lot(s) or Parcel(s). Declarant shall also have the right to cast the Class B membership vote so long as the Class B Membership has not terminated. Declarant, as a Member of the Association, shall not be required to disqualify itself in any vote which may come before the Association upon any management contract or other agreement, lease or matter between the Declarant or any individual, partnership, or corporation having an indentity of interest with Declarant and the Association.

Section 3.7. Proxies. A vote may be cast in person or by proxy. Proxies shall be duly executed in writing by one with authority to execute deeds pursuant to the requirements of Section 13.1-847 of the Virginia Code, and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt of notice of revocation by the person presiding over the meeting from any of the persons owning such Lot or Parcel. Except with respect to proxies in favor of a Mortgagee (hereinafter defined), no proxy shall in any event be valid for a period in excess of eleven (11) months after the execution thereof and

in any event, any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of the proxy.

Section 3.8. Quorum. Except as otherwise provided in these Bylaws, the presence in persons or by proxy of the Class B Member, (so long as the Class B membership exists) and owners holding **fifteen percent (15%)** of the aggregate Class A membership votes shall constitute a quorum at all meetings of the Members of the Association.

Section 3.9. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted and a record of all other transactions occurring, at the meeting. The President may appoint a person to serve as a parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, the Articles, these Bylaws or applicable law.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1. Number and Election. The affairs of the Association shall be amended under the direction of its Board of Directors. During the Period of Declarant Control, the Board of Directors shall consist of at least **three (3)** directors, but not more than **five (5)** directors, none of whom need be Members. During the Period of Declarant Control, Declarant shall have the right to appoint or remove any member or members of the Board of Directors. At the special meeting of the Association to be held after the expiration of the Period of Declarant Control, as provided in the Articles, the Directors appointed by Declarant shall resign and the Class A members, (including Declarant if it owns one or more Lots or Parcels), shall elect **three (3)** members of the Board of Directors. The method of nominating and electing such directors at the special meeting and at subsequent meetings and the term for which each directors at the special meeting and at subsequent annual meetings and the term for which each director is to be elected shall be as provided in the Articles. The removal of directors and the filling of vacancies in the Board of Directors after the expiration of the Period of Declarant Control shall also be as provided in the Articles. After the period of Declarant Control, no person shall be elected to the Board of Directors who is not a member of the Association.

Section 4.2. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the

Association and may do all such acts and things as are by applicable law, the Declaration, the Articles or by these Bylaws required to be exercised and done by the Association. The Board of Directors shall have the power from time to time to adopt any rules and regulations deemed necessary for the benefit and enjoyment of the Common Areas; provided however, such rules and regulations shall not be in conflict with the Declarations, the Articles or these Bylaws. The Board of Directors may from time to time elect to have the Association treated as a "Homeowner's Association" within the meaning of **Section 528 of the Internal Revenue Code of 1986**, as amended. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors on behalf of the Association shall have the power and duty to:

(a) Budget. Prepare an annual budget in which there shall be established the Annual Assessments to be paid by each Owner.

(b) Assessments. Make Annual Assessments and, to the extent permitted by the Declaration, special assessments against Owners to defray the costs and expenses of the Common Areas, establish the means and methods of collecting such assessments from the Owners and establish the period of the installment payments of the assessments. Unless otherwise determined by the Board of Directors and except as set forth in the Declaration, the regular assessment against each Lot and Parcel shall be payable in quarterly installments, each such installment to be due and payable in advance on the first day of January, April, July and October of each year; or as otherwise charged by the Board or Directors.

(c) Maintenance of Common Areas. Provide for the operation, care, upkeep, maintenance and servicing of the Common Areas;

(d) Personnel. Designate, hire and dismiss the personnel necessary for the operation, care, upkeep, maintenance and servicing of the Common Areas and, where appropriate, provide for the compensation of such person and for the purchase of equipment supplies and material to be used by such personnel in the performance of their duties.

(e) Collect Assessments. Collect the assessments against the Owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors or prudently invest the same (for which purpose the Board of Directors may retain an investment adviser) to the extent such proceeds are not immediately required, and use the proceeds to carry out the administration of the Association;

(f) Rules. Enact and amend the rules and regulations from time to time for the use of the Common Areas and establish fees for the use of Common Areas; provided however, that no such rules and regulations so adopted shall be in conflict with the Declarations, the Articles or these Bylaws; and provided further that no such rules and regulations shall bind or be construed so as to impair in any manner the lien of any mortgage or deed of trust with respect to any Lot and/or Parcel and/or the Common Areas;

(g) Bank Accounts. Open bank accounts on behalf of the Association and designate the signatories thereon;

(h) Repairs. Make, or contract for the making of, repairs, additions and improvements to or alterations of the Common Areas in accordance with the Declaration;

(i) Enforcement of Governing Documents. Enforce by legal means the provisions of the Declaration, the Articles, these Bylaws and the rules and regulations promulgated pursuant thereto;

(j) Insurance. Obtain and carry insurance as provided in the Declaration and in Article IX of these Bylaws;

(k) Payment of Services. Pay the cost of all authorized services rendered to the Association and not billed to Owners or otherwise provided for;

(l) Association Accounting Records. Keep books with detailed accounts of the receipts and expenditures affecting the Association and the administration of the Common Areas, specifying the expenses of maintenance and repair of the Common Areas and any other expenses incurred. All books and records shall be kept in accordance with generally accepted accounting principles consistently applied, (but may be on the cash method of accounting);

(m) Acquire Property. Acquire, hold and dispose of Lots, Parcels, Common Areas, and other property of whatsoever nature;

(n) General Actions by Law or Resolution. Do such other things and acts not inconsistent with the Declarations, the Articles or these Bylaws which the Board of Directors may be authorized to do under applicable law or by a resolution of the Association.

(o) **Grant Permits and Easements.** Subject to Section 10.4 of these Bylaws, grant permits, licenses and easements under, through and over the Lots and Parcels (as provided in the Declaration), the Common Areas for drainage, utilities, roads and access and other purposes which are reasonably necessary to the ongoing development and operation of the Common Areas and the development of the Additional Area; and

(p) **Appoint Members of the Architectural Review Board.** When it is authorized to do so as set forth in the Declaration, appoint members of the Architectural Review Board.

Section 4.3 Managing Agent.

(a) **Employment of Management Agent.** The Board of Directors may employ for the Association a "Managing Agent" at a compensation to be established by the Board of Directors. The Declarant or an affiliate of the Declarant may be employed as Managing Agent.

(b) **Duties.** The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, which may include, but are not limited to the duties listed in Section 4.2(a), (c), (d), (e), (h), (i), (j), (k), and (l) of these Bylaws. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in Section 4.2(b), (f), (g), (m), (n), (o), and (p) of these Bylaws.

(c) **Standards.** The Board of Directors may impose appropriate standards of performance upon the Managing Agent.

(d) **Liaison.** The Board of Directors may designate one of its members liaison officer who shall be authorized to instruct and deal with the Managing Agent on any matter.

Section 4.4. Annual Meeting. The annual meeting of the Board of Directors shall be held within ten (10) days following the annual meeting of the Members of the Association. No notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a quorum of the Board of Directors shall be present.

Section 4.5. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors. Notice of regular meetings of the Board of Directors shall

be given to each director by mail or hand delivery, at least three (3) business days before the day named for such meeting.

Section 4.6. Special Meetings. Special meetings of the Board of Directors may be called by the President on one (1) business days' notice to each director, given by mail or hand delivery, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or the Secretary in like manner and with like notice on the written request of at least two (2) directors.

Section 4.7. Waiver of Notice. Any director may at any time, in writing signed by such director, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Except in the circumstances described in Section 13.1-867B of the Virginia Code, attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 4.8. Quorum of Board of Directors. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the vote of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 4.9. Compensation. No director shall receive any compensation from the Association for acting as such; however, the Board of Directors may in its discretion reimburse any director for actual expenses incurred.

Section 4.10. Conduct of Meetings. The President shall preside over all the meetings of the Board of Directors, and the Secretary shall keep a minute book for the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

Section 4.11. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or

collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 4.12. Telephone Meetings. The Board of Directors may permit any or all directors to participate in any meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

ARTICLE V COMMITTEES

Section 5.1. Committees. The Board of Directors may create **one (1)** or more committees and may appoint members of the Board, officers of the Association or Members to such committees. Committees shall perform such tasks and serve for such periods as may be designated by resolution adopted by the Board. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating such committee or with rules adopted by the Board. The provisions of these Bylaws which govern meetings, action without meetings, notice and waiver of notice, quorum and voting requirements of the Board of Directors shall apply to committees as well.

ARTICLE VI ARCHITECTURAL REVIEW

Section 6.1. Architectural Review Board. There shall be an Architectural Review Board as provided in the Declaration. The number of members, the method of their appointment or election and their duties and powers shall be set forth in the Declaration. The provisions of these Bylaws governing meetings, action without a meeting, notice and waiver of notice and quorum and voting of the Board of Directors shall apply to the Architectural Review Board as well.

ARTICLE VII OFFICERS

Section 7.1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be desirable. The President and Vice-President shall be members of the Board of Directors. Any other officers may, but need not, be members of the Board of

Directors. Any officer designated under this section must be a member of the Association.

Section 7.2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors and shall hold office, (unless sooner removed), until the next annual meeting of the Board or until their replacements are elected.

Section 7.3. Removal of Officers. Any officer may be removed by a majority vote of the Board of Directors, either with or without cause, and a successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 7.4. President. The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Board of Directors, and have all of the general powers and duties which are incident to the office of president of a corporation organized under the Virginia Nonstock Corporation Act.

Section 7.5. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors or by the President.

Section 7.6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and the Board of Directors; have charge of such books and papers as the Board of Directors may direct; maintain a register setting forth the place to which all notice to Owners and Mortgagees requesting notices shall be delivered; upon request by a conveying Owner, deliver statements of all unpaid assessments applicable to the Lot to be conveyed; execute notices of delinquent assessment in accordance with the Declaration; execute notices of and releases of lien for delinquent assessments as described in the Declaration and, in general, perform all the duties incident to the office of secretary of a corporation organized under the Virginia Nonstock Corporation Act.

Section 7.7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and

disbursements, and for the preparation of all required financial data, and be responsible for the deposit of all monies and other valuables in the name of the Board of Directors, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors; and, in general, perform all the duties incident to the office of treasurer or a corporation organized under the Virginia Nonstock Corporation Act.

Section 7.8. Compensation of Officers. No officers shall receive any compensation from the Association for acting as such; however, any officer may be reimbursed for actual expenses incurred as such officer.

ARTICLE VIII OPERATION OF THE PROPERTY

Section 8.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

Section 8.2. Adoption of Budget and Establishment of Assessments. The Board of Directors shall adopt a budget, (which shall include any proposed capital expenditures), for each fiscal year as set forth in the Declaration and shall establish the amount of the annual assessment for every Member subject thereto. The Board of Directors shall send written notice of each annual budget and assessment amount to every Member at least **fifteen (15)** days in advance of adopting same. In adopting a budget, the Board of Directors shall provide for a reserve fund including a reserve for the deductible on physical damage insurance policies. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year after the initial budget is adopted 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 liable therefor shall continue to pay each periodic installment at the rate established for the previous fiscal year until notice of the periodic payment which is due more than **ten (10)** days after such new annual or adjusted budget shall have been delivered.

Section 8.3. Payment of Assessment. Each Owner shall pay the assessments established by the Declaration and these Bylaws. No Owner shall be liable for the payment of any part of the assessment against his Lot or Parcel and due subsequent to the date of recordation of a deed by him in fee of such Lot or Parcel to a successor Owner, (except a conveyance as security for the performance of an obligation). Each Owner waives the benefit of the homestead exemption as to any assessments levied against either the Lot or Parcel of the Owner. Each such

assessment, together with the interest at the highest lawful rate, late charges as established by the Board of Directors and costs of collection (including attorney's fees) shall also be the personal obligation of the Owner at the time the assessment fell due.

Section 8.4. Collection of Assessments. The Board of Directors, or the Managing Agent at the request of the Board of Directors, may take action to collect any assessments interest and late charges due from any Owner. Each defaulting Owner shall also pay all costs of collection, including without limitation, attorneys' fees, incurred in the collection of any unpaid assessment and shall also pay any expense incurred as a result of a check being returned to the Association without payment.

Section 8.5. Statement of Assessment and Access to Records. In addition to complying with the requirements of Section 8.6 of these Bylaw, the Board of Directors shall promptly provide any Owner, contract purchaser or Mortgagee so requesting the same in writing with a written statement of the amount of the general and any special assessment levied against a Lot or Parcel and all unpaid assessments due from such Owner. The Association shall keep detailed records of its operation and administration and make the same available for inspection as provided in Section 55-510 of the Virginia Code. The Association may impose and collect a charge, reflecting the actual cost of materials and labor, before providing copies of any books and records to a Member.

Section 8.6. Disclosure Packets. In addition to providing a statement of assessments and making the Association's records available as provided in Section 8.5 of these Bylaws, the Association shall provide to the Owners of a Lot or Parcel who has contracted to sell the same, within fourteen (14) days of the actual receipt by the Association of a written request therefor and receipt of the appropriate fee, a disclosure packet containing all of the documents and other information required under Section 55-512 of the Virginia Code. The Association may charge a fee for the preparation and issuance of each disclosure packet to reflect the actual cost of the preparation thereof, not to exceed One Hundred Dollars (\$100.00), or such larger amounts as may be allowed pursuant to the Virginia Code as the same may be modified.

Section 8.7. Maintenance, Repair, Replacement and Other Expenses. The Association shall be responsible for such maintenance, repair and replacement of the Common Areas set forth in the Declaration. Unless otherwise determined by the Board of Directors, all repairs and replacements shall be substantially similar to the original construction and installation and shall be of good quality. The method of

approving payment vouchers for repairs and replacements performed by the Association shall be determined by the Board of Directors.

ARTICLE IX INSURANCE

Section 9.1. General Requirements.

(a) **Purchase of Insurance.** All insurance policies relating to Common Areas shall be purchased by the Association. Neither the Board of Directors nor the Managing Agent nor the Declarant shall be liable for failure to obtain any coverage required by the Declaration, by this Article IX or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is available only at demonstrably unreasonable cost.

(b) **Required Provisions in Policies.** Each insurance policy for the Common Areas shall provide that:

(i) The insurer waives any right to claim (a) by subrogation against the Declarant, the Association, and their respective lessees, and (b) invalidity arising from acts of the insured;

(ii) Such policy may not be canceled, not renewed or substantially modified without at least thirty (30) days' prior written notice to the Association and the Managing Agent, and in the case of physical damage and fidelity insurance, to all Owners and Mortgagees and mortgage loan services; and

(iii) The Association and the Declarant shall be named insured.

(c) **Declarant as Beneficiary.** In addition to being a named insured, the Declarant as long as Declarant shall own any Lot or Parcel, shall benefit from all such policies as an Owner.

(d) **Insurance Companies.** All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia, and, in the case of the physical damage insurance, holding a rating of A or better by Best's Insurance Reports.

Section 9.2. Physical Damage Insurance.

(a) **All Risk Coverage.** The Association shall obtain and maintain a policy of insurance against fire and such other hazards within the meaning of "all risk" insuring the improvements to the Common Areas, (including fixtures and building service equipment and personal property), naming the Association as insured for the use and benefit of all Owners in an amount equal to not less than **one hundred percent (100%)** of the then current replacement cost of the improvements to the Common Areas, (exclusive of land, excavations, foundations, and other items usually from such coverage), such amount to be predetermined annually by the Board of Directors with the assistance of the insurance company affording such coverage. Any deductible shall not exceed the lesser of **five thousand dollars (\$5,000)** or **one percent (1%)** of the amount of coverage and such deductible shall be considered in establishing the level of reserves.

(b) **Required Provisions.** Such policy shall also provide, (unless otherwise provided):

(i) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction if a decision is made not to do so;

(ii) The following endorsements (or equivalent) if applicable and available: (a) "contingent liability from operation of building laws", "demolition costs" and "increased cost of construction", (b) "agreed amount" or its equivalent and "inflation guard", and (c) "steam boiler and machinery coverage" with minimum liability per accident of not less than the lesser of the insurable value of the building housing the boiler or machinery or **one million dollars (\$1,000,000)**; and

(iii) That any "no other insurance" clause expressly excludes individual Owners' policies from its operation so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Owners' or their Mortgagees, unless otherwise required by law.

(c) **Delivery of Policies to Mortgagees.** A duplicate original of the policy of physical damage insurance, all renewals thereof, and any subpolicies or certificates and endorsements insured thereunder together with proof of payment of premiums shall be delivered by the insurer at least **ten (10)** days prior to the expiration of the then current policy to any Mortgagee requiring the same.

(d) Prohibited Provisions. The Association shall not obtain a policy where (i) under the terms of the carrier's charter, bylaws or policy, contributions or assessments may be made against any Owner or Mortgagee or mortgage loan services or become a lien on the Properties; or (ii) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders or members; or (iii) the policy includes any limiting clauses, (other than insurance conditions), which could prevent the Association from collecting insurance proceeds.

Section 9.3. Liability Insurance. The Association shall obtain and maintain comprehensive general public liability and property damage insurance in such limits as the Board of Directors may from time to time determine, (but not less than **one million dollars (\$1,000,000)** for bodily injury or property damage), insuring the Association, each member of the Board of Directors, the Managing Agent, each Owner and the Declarant against any liability to the public or to the Owners, (and their invitees, agents and employees), arising out of, or incident to the ownership and/or use of the Common Areas and other areas (if any) under the supervision of the Association including, to the extent applicable and available, host liquor liability, elevator collision liability, comprehensive automobile liability, contractual liability, garage keeper's liability and bailee's liability. 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 liability to an Owner because of negligent acts of the Association or of another Owner. The Board of Directors shall review such limits once each year. "Umbrella" liability insurance in excess of the primary limits may also be obtained.

Section 9.4. Other Insurance. The Association shall obtain and maintain:

(a) Fidelity Insurance. Fidelity coverage to protect against dishonest acts on the part of officers, directors, employees and agents, (including the Managing Agent), of the Association and all others who handle, or are responsible for handling funds of the Association. Such fidelity bonds shall (i) name the association as an obligee; (ii) be written in an amount to cover the maximum funds that will be in the custody of the Association or the Managing Agent at any time and in any event not less than **three (3) months'** aggregate assessments on all Lots and Parcels plus reserves; and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;

(b) **Worker's Compensation.** Worker's compensation and employer's liability insurance if and to the extent necessary to meet the requirements of law and which, if carried, shall name the Managing Agent as an additional insured; and

(c) **Other Insurance.** Such other insurance as the Board of Directors may determine or as may be required from time to time by Owners of a majority of the Lots.

Section 9.5. Separation Insurance by Owners. Each Owner shall have the right and reasonability, at his own expense, to obtain insurance of his own Lot or Parcel and improvements thereon and for his own benefit; provided, however, that no Owner shall be entitled to exercise the right to obtain such insurance coverage so as to decrease the amount which the Association, on behalf of all Owners, may realize under any insurance coverage maintained by the Association to be brought into contribution with insurance coverage obtained by Owner. Each Owner shall obtain liability insurance with respect to his Lot or Parcel in the amount of at least **One Hundred Thousand Dollars (\$100,000)**. All such policies shall contain waivers of subrogation as against the Association and its Board of Directors, the Declarant and the Managing Agent, and their respective agents and employees. No owner shall obtain separate insurance policies in conflict with this **Section 9.5**.

Section 9.6. Board of Directors as Agent. The Board of Directors is hereby irrevocably appointed the agent and attorney-in-fact (coupled with an interest), for each Owner, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Property to adjust and settle all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims and to pursue and settle all claims arising out of the taking by way of eminent domain of any of the Common Area.

ARTICLE X MORTGAGES

Section 10.1. Notice to Board of Directors. An Owner who acquires a Lot or Parcel shall promptly notify the Board of Directors of his name and address. Any holder or beneficiary of a mortgage or deed of trust on a Lot or Parcel ("Mortgagee"), may give written notice to the Association of its name and address and the address of the Lot or Parcel to which its mortgage applies.

Section 10.2. Notice of Default, Casualty, or Condemnation. Upon request, the Association shall give notice to any Mortgagee of the Owner's default in paying an assessment or any of the default with respect to that Mortgagee's Lot or Parcel which has not been cured with sixty (60) days of the date such assessment became due or the date the Association notified such Owner of the default, respectively.

Section 10.3. Other Rights of Mortgages. Upon written request, any Mortgagee shall be entitled to receive written notice of the meetings of the Association, and all Mortgagees or their designees shall be entitled to attend the meetings of the Association and shall have the right of a member to speak at such meetings. All Mortgagees shall have the right of a member to examine the books and records of the Association.

Section 10.4. Mortgagees' Approvals. Unless two-thirds (2/3) of the Mortgagees holding first liens on Lots and Parcels, (voting on the basis of one vote for each Mortgage owned), or two-thirds (2/3) of the Owners, (other than Declarant) of Lots and Parcels, have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission materially change, waive, abandon any scheme of regulations or their enforcement pertaining to the architectural design or the exterior appearance of the Lots and Parcels, the maintenance of the Common Area, the upkeep of lawns and planting in the Properties; or

(b) Change the method of determining the obligations, assessments, dues or other charges that may be levied against an Owner of a Lot or Parcel; or

(c) By act or omission, seek to abandon, partition, subdivide, mortgage, sell or transfer the Common Areas, (except that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas by the Properties shall not be deemed a transfer within the meaning of this clause);

(d) Use hazard insurance proceeds for losses to any portion of the Common Areas for other than the repair, replacement or reconstruction of the Common Areas; or

(e) Fail to maintain fire and extended coverage on insurable Common Areas on a current replacement cost basis in an amount at least equal to one hundred percent (100%) of the insurable current replacement cost.

Section 10.5. Payment of Charges. First Mortgagees of Lots and Parcels may:

(a) jointly or singly pay taxes or other charges that are in default and that may have become charges against the Common Areas; and

(b) pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage for the Common Areas in case of lapse of a policy.

ARTICLE XI MISCELLANEOUS

Section 11.1. Notices. All notices, demands, requests, statements or other communications under these Bylaws shall be in writing and shall be wither delivered by overnight express mail, in person or if sent by U.S. first class mail, postage prepaid, (i) if to an Owner, at the address which the Owner shall designate in writing and file with the Secretary, or, if no such address is designated, at the address of the Lot or Parcel of such Owner, or (ii) if to the Association, at Riverwood Subdivision, c/o 5257 Cleveland Street, Suite 110, Virginia Beach, Virginia 23462, or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section, or (iii) if to a Mortgagee, to the address provided by the Owner or to such other address as the Mortgagee may specify by written notice to the Association. All such notices, demands, requests, statements or other communications shall be deemed to have been given when sent to the appropriate address above. Rejection or other refusal to accept shall not invalidate the effectiveness of any notice, demand, request, statement or other communication.

Section 11.2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 11.3. Gender, Etc. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 11.4. Construction. These Bylaws are intended to comply with applicable laws and shall be so interpreted and applied. In the event of conflict between the Declarations or the Articles and these Bylaws, the Declarations or Articles shall control.

Section 11.5. Amendments. These Bylaws may be amended (i) by the Board of Directors during the Period of Declarant Control and (ii) thereafter by a vote of at least two-thirds (2/3) of the Class A votes entitled to be cast by Members present at a duly convened meeting at which a quorum is present. For purposes of this Section 11.5, the presence in person or by proxy of Members entitled to cast fifty percent (50%) of the aggregate Class A membership votes shall constitute a quorum.

Section 11.6. Approval of HUD or VA. As long as Class B membership exists, amendment of the Bylaws requires the prior approval of the Department of Housing and Urban Development ("HUD"), or the Veterans Administration (the "VA") in the event any Lot or Parcel in the property owned by, or is encumbered by a loan insured or guaranteed by HUD or the VA.

The foregoing were adopted as the Bylaws of the Riverwood Owners Association, Inc., a non-stock, non-profit corporation established under the laws of the Commonwealth of Virginia at the first meeting of the Board of Directors on the 20th day of July, 1998.

Rose Harrill
Rose Harrill, Secretary, Riverwood
Owners Association, Inc.

STATE OF VIRGINIA
CITY OF SUFFOLK, to-wit:

I, Cynthia Leigh Reid, a Notary Public in and for the City and State aforesaid, do hereby certify that Rose Harrill, Secretary of Riverwood Owners Association, Inc., whose name is signed to the foregoing Bylaws bearing date on the 21st day of August, 1998, has acknowledged the same before me in my City and State aforesaid.

Given under my hand this 21st day of August, 1998.

Cynthia Leigh Reid
Notary Public

My Commission Expires: June 30, 2001

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INSTRUMENT 4360009431
RECORDED IN THE CLERK'S OFFICE OF
SUFFOLK CO.
SEPTEMBER 11, 1991 AT 11:47AM
GENE C. MURPHY, CLERK

BY *Jean M. Roberts* (DC)

Declaration

Riverwood Owners Association

000208

This Deed is exempt from recordation taxes pursuant to Section 58.1-811D of the Code of Virginia, 1950, as amended.

THIS DEED OF GIFT, made this 10th day of March, 2005, by and between BOYCE-WIDENER, LTD., party of the first part, Grantor, and RIVERWOOD OWNERS' ASSOCIATION, a Virginia corporation, party of the second part, Grantee, whose address is: 6550 Town Point Road, Suite 113, Suffolk, Virginia 23435.

WITNESSETH:

That for and in consideration of the sum of One Dollar (\$1.00) cash in hand paid, the receipt of which is hereby acknowledged by the grantor, the grantor does hereby give, grant and convey, with Special Warranty of Title, unto the said grantee, the following described property, to-wit:

ALL THAT certain lot, piece or parcel of land, with the buildings and improvements thereon, lying, situate and being in the City of Suffolk, Virginia, known as Parcel "A", as shown on that certain plat entitled "Subdivision Plat of Riverwood, Phase Three", which said plat is duly recorded in the Clerk's Office of the Circuit Court of the City of Suffolk, Virginia, in Plat Cabinet 3, Slide 76E and 77A.

IT BEING the same property conveyed by Deed of Bargain and Sale to Boyce-Widener, Ltd., from Mildred S. Wells, dated 10/23/1996 and recorded in Deed Book 507 at pages 318 and 319 in the aforesaid Clerk's Office.

Tax ID No.: 252353000
252354000

Prepared by & Return to: MacDonald, Plumlee & Overton, LLP
620 Cedar Road
Chesapeake, Virginia 23322

000209

This conveyance is made expressly subject to the conditions, restrictions, reservations and easements of record, if any, constituting constructive notice.

WITNESS the following signatures and seals:

BOYCE-WIDENER, LTD.

By: R.A. Widener Its: Vice President

STATE OF VIRGINIA
CITY OF Virginia Beach, to-wit:

The foregoing instrument was acknowledged before me this 10 day of March, 2005 by R.A. Widener, Vice President for Boyce-Widener, Ltd.

Rose B. Hannill
Notary Public

My commission expires: 3/31/2007

INSTRUMENT #050007629
RECORDED IN THE CLERK'S OFFICE OF
SUFFOLK ON
APRIL 20, 2005 AT 11:04AM
W. RANDOLPH CARTER, JR., CLERK

RECORDED BY: JWR

THIS DECLARATION OF COVENANTS, RESTRICTIONS, RESERVATION AND EASEMENTS is made on this 3rd day of April, 1998, by **BOYCE-WIDENER, LTD.**, a Virginia corporation, Grantor, (the "Declarant") of residential lots in the development known as "Riverwood Subdivision" which is located in the City of Suffolk, Virginia.

RECITALS

Declarant is the owner of certain real property in Suffolk, Virginia more particularly described in **Exhibit A** attached hereto and desires to create thereon a community to be known as Riverwood, to provide amenities and opportunities within the community and to provide for the management, maintenance and care of certain of the improvements within the community.

For the foregoing purposes, the Declarant, desires to subject the real estate described in **Exhibit A** (together with such additions as may hereafter be made pursuant to **Article II** hereof) to the covenants, restrictions, reservations, easements, charges and liens hereinafter set forth, all of which are for the benefit of the Riverwood Subdivision and the Owners of property within the community.

NOW THEREFORE, Declarant, hereby declares that the real estate described in **Exhibit A** and such additions thereto as may be made pursuant to **Article II** (but as to such additions, subject to any additions, deletions and modifications to the provisions of the Declaration as are made pursuant to **Section 2.2**) is and shall be held transferred, sold, conveyed and occupied subject to the covenants, restrictions, reservations, easements, charges and liens hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1.1. "Additional Area" shall have the meaning set forth in **Section 2.1** of this Declaration.

Section 1.2. "Annual Assessment" shall have the meaning set forth in **Section 5.3** of this Declaration.

Section 1.3. "Architectural Review Board" shall have the meaning set forth in **Section 6.1** of this Declaration.

Section 1.4. "Articles" means the Articles of Incorporation of Riverwood Homeowners Association, Inc., as the same may be amended from time to time.

Section 1.5. "Association" means the Riverwood Homeowners Association, Inc., a Virginia non-stock corporation, its successors and assigns.

Section 1.6. "Bylaws" means the Bylaws of Riverwood Homeowners Association, Inc. as the same may be amended from time to time.

Section 1.7. "Clerk's Office" means the Clerk's Office of the Circuit Court of the City of Suffolk, Virginia.

Section 1.8. "Common Area" means (i) all of the real estate specifically designated as "Common Area" on recorded plats of the Properties in any Supplemental Declaration, or in any amendment to this Declaration or in any other instrument executed by Declarant and recorded in the Clerk's Office; (ii) private streets or rights-of-way, designated on recorded plats of the Properties and conveyed by deed to the Association, if any; and (iii) all other real property and improvements or facilities now or hereafter owned by the Association which are intended to be devoted to the common use and enjoyment of the Owners. The Common Area includes or may in the future include, without limitation, storm water detention ponds, open space, private parks, a lake or other water bodies, areas set aside for pedestrian and/or bicycle paths and other recreational facilities intended to be used by the Owners.

Section 1.9. "Declaration" means this Declaration of Covenants, Restrictions, Reservations and Easements as the same may from time to time be supplemented or amended.

Section 1.10. "Declarant" means Boyce-Widener, Ltd., a Virginia corporation, and its successors as developers of the Properties to whom Boyce-Widener, Ltd. may assign its rights hereunder by instrument(s) recorded in the Clerk's Office as provided in Section 9.10.

Section 1.11. "General Assessments" shall have the meaning set forth in Section 5.3 of the Declaration.

Section 1.12. "Governing Documents" means the Articles, the Bylaws, this Declaration and any Supplemental Declaration, as the same may be amended or supplemented from time to time.

Section 1.13. "Improvement" shall have the meaning set forth in Section 6.2 of this Declaration.

Section 1.14. "Lot" means any lot which is shown on a recorded subdivision plat of the Properties, (or any subsequently recorded subdivision plat), and on which is constructed or is to be constructed a single family, detached residence. The term "Lot" shall not include any portion of the Properties designated Common Areas or property dedicated to and accepted by public authority.

Section 1.15. "Member" means every person or entity who holds membership in the Association.

Section 1.16. "Owner" means the record holder, whether one or more persons or entities, of fee simple title to any Lot or Parcel, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.17. "Parcel" means any portion of the Properties which, when subjected to the Declaration in accordance with Article II, has not been subdivided or created into Lots, and which is to be developed by resubdivision or creation into Lots.

Section 1.18. "Properties" means all property subjected herein to this Declaration, together with such other real property as may from time to time be subjected in whole or in part to this Declaration by Declarant pursuant to Article II hereof.

Section 1.19. "Supplemental Declaration" shall have the meaning set forth in Section 2.3 hereof.

Section 1.20. "Virginia Code" shall mean the Code of Virginia, 1950, as in effect on the first date of recordation of this Declaration, and as amended from time to time thereafter. Except as otherwise expressly permitted herein, if any sections of the Virginia Code referred to in this Declaration are hereafter repealed or rectified, each such reference shall be deemed to apply to the sections of the Virginia Code that is the successor to the previous section referred to herein or, if there is no successor section, such reference shall be interpreted as if the section had not been repealed.

Section 1.21. "Visible from Neighboring Property" means, with respect to any given object, that such object is or would be visible to a person six feet (6') tall, standing on any part of such neighboring property to an elevation no greater than the ground elevation of the dwelling on such property.

Section 1.22. "Zoning Ordinance" means the ordinances adopted by the City Council of the City of Suffolk, Virginia, together with all other zoning ordinances, rules and regulations applicable to the Properties. If any applicable ordinance, rule or regulation in effect on the first date of recordation of this Declaration is repealed, amended or supplemented in any respect, or if any variances or waivers are subsequently granted with respect thereto, the term "Zoning Ordinance" when used in interpreting or applying this Declaration at any point in time shall mean such ordinance, rule and regulation as they have been repealed, amended, supplemented, varied or waived as of such point in time.

ARTICLE II

ADDITIONS TO THE PROPERTIES

Section 2.1. Additional Area. The real estate which is subject to this Declaration as of the date of its recordation in the Clerk's Office is described in Exhibit A hereto. Declarant

contemplates the extension of this Declaration to the real estate described in **Exhibit B** hereto, (the "Additional Area"), or portions thereof. However, Declarant shall not be obligated to bring all or any part of the Additional Area within the scheme of development established by this Declaration, and no negative reciprocal easement shall arise out of this Declaration so as to benefit or bind any portion of the Properties or the Additional Area until such portion of the Additional Area is expressly subjected to the provisions of this Declaration in accordance with **Section 2.2** below, and then such portion of the Additional Area shall be subject to any additions, deletions and modifications as are made pursuant to **Section 2.2**.

Section 2.2. Right to Subject Additional Area to Declaration. Declarant reserves the right, at its discretion, at such time or times as it shall determine on or before December 31, 2018, to subject the Additional Area, or such portions thereof as Declarant shall determine, together with improvements thereon and easements, rights and appurtenances thereunto belonging or appertaining, to the provisions of this Declaration in whole or in part. Any portion of the Additional Area which is not, on or before December 31, 2018, subjected to the provisions of this Declaration in whole or in part pursuant to this **Section 2.2** and thereby constituted a part of the "Properties", shall cease to be Additional Area. Each of the additions authorized pursuant to this **Section 2.2** shall be made by Declarant's recordation in the Clerk's Office of an appropriate instrument describing the portion(s) of the Additional Area subjected to this Declaration. Each such instrument may contain such additions, deletions and modifications to the provisions of this Declaration as may be desired by Declarant. However, no negative reciprocal easement shall arise out of any additions, deletions or modifications to this Declaration made in the instruments which subject the Additional Area to this Declaration except as to the real estate expressly subject to such additions, deletions and modifications.

Section 2.3. Supplemental Declarations. In addition to subjecting the Additional Area to this Declaration as provided in **Section 2.2**, Declarant may, in its discretion, execute and record one or more supplemental declarations (each a "Supplemental Declaration") for the purpose of establishing certain additional or different covenants, restrictions, reservations and easements applicable to such specific Additional Area. However, no negative reciprocal easement shall arise out of any Supplemental Declaration so as to bind any real property not expressly subjected thereto.

Section 2.4. Power Not Exhausted by One Exercise, Etc. No exercise of the power granted Declarant hereunder as to any portion of the Additional Area shall be deemed to be an exhaustion of such power as to other portions (s) of the Additional Area not so subjected to the provisions hereof or to the provisions of a Supplemental Declaration. The discretionary right of Declarant to subject the Additional Area to the provisions of this Declaration or a Supplemental Declaration is not conditioned upon or subject to the approval of other Owners and therefore the requirements set forth in **Section 9.2** for amendments to this Declaration shall be inapplicable to this **Article II**. The failure of Declarant to extend the provisions of this Declaration to the Additional Area or any portion(s) thereof shall not be deemed to prohibit

the establishment of a separate scheme of development, (including provisions substantially similar or identical to those contained herein), for such portion(s) of the Additional Area to which this Declaration is not extended.

Section 2.5. Development of Additional Area. The portion(s) of the Additional Area subjected to the provisions of this Declaration may contain additional Common Areas, and facilities to be owned and/or maintained by the Association.

Section 2.6. Withdrawal. Provided no Lot or Parcel in the portion of the Additional Area which is subsequently subjected to the Declaration pursuant to the provisions of **Article II** has been conveyed to an Owner other than Declarant, Declarant shall have the right, in its sole discretion, to remove from the Properties any Additional Area by recording in the Clerk's Office an appropriate instrument describing the portion(s) of the Additional Area to be removed from the Properties.

Section 2.7. Master Plan. The existence of a master plan for the Properties as part of the Zoning Ordinance or as used by Declarant in developing and/or selling the Properties, Lots and Parcels therein shall not be deemed to constitute a representation by Declarant that the real estate shown thereon shall be developed as depicted on the master plan, and the master plan may be amended from time to time in the sole discretion of Declarant with the consent (to the extent required) of the City of Suffolk, Virginia.

ARTICLE III RIVERWOOD HOMEOWNER'S ASSOCIATION

Section 3.1. Membership. Every Owner of a Lot or a Parcel shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot or Parcel. Upon the recordation of a deed to a Lot or Parcel, the membership of the selling Owner shall cease and the purchasing Owner shall become a member of the Association.

Section 3.2. Classes of Membership. The Association shall have two (2) classes of voting membership:

Class A. All Owners of Lots or Parcels, other than the Declarant, (until such time as the Declarant becomes Class A member upon termination of Class B as set forth below), shall be Class A members.

Class B. Declarant shall be the Class B member. The Class B membership shall terminate and be converted to Class A membership on the earlier of (i) the date on which Declarant ceases to own any of the Properties and the Additional Area; (ii) the date on which Declarant executes and records in the Clerk's Office an amendment to this Declaration terminating the Class B membership; or (iii) on December 31, 2018.

Section 3.3. Voting Rights.

- (a) Each Class A member shall be entitled to cast one (1) vote for each Lot owned.
- (b) Each Class A member shall be entitled to cast one (1) vote for each Lot possible to be developed under the current Zoning ordinance for any Parcel owned.
- (c) The Declarant as the only Class B member shall be entitled to cast three (3) votes for each Lot owned.

Section 3.4. Suspension of Voting Rights. The Board of Directors of the Association may suspend the voting rights of any Member subject to assessment under this Declaration during the period when any such assessment shall be delinquent, but upon payment of such assessment the voting rights of such Member shall automatically be restored.

Section 3.5. Articles and Bylaws to Govern; Virginia Property Owners Association Act. Except to the extent expressly provided in this Declaration, all the rights, powers and duties of the Association and the members, including the Members' voting rights, shall be governed by the Articles and Bylaws. The Articles provide, among other things, that the Class B member shall appoint the members of the Board of Directors until the Class B membership terminates. However, in the event of any conflict or inconsistency between the provision of this Declaration or any Supplemental Declaration; and the provisions of the Articles or Bylaws, this Declaration and all Supplemental Declarations (to the extent applicable), shall control. In addition to all of the rights, powers and duties of the Association provided in this Declaration, the Association shall have all of the rights, powers and duties provided in the **Virginia Property Owners Association Act, Section 55-508 et seq.** of the Virginia Code, as the same may be amended from time to time.

ARTICLE IV

COMMON AREA

Section 4.1. Obligations of the Association. The Association, subject to the rights of the Members set forth in this Declaration, shall be responsible for the maintenance, management, operation and control, for the benefit of the Members, of the Common Area conveyed to the Association and all improvements thereon, (including fixtures, personal property and equipment related thereto), and shall keep the Common Area and the improvements thereon in accordance with the requirements of the Zoning Ordinance, this Declaration and any applicable Supplemental Declaration, and the Association shall keep the same in good, clean, and attractive condition, order and repair. In addition to any other responsibilities set forth herein, the Association shall be responsible for the management,

control and maintenance of all street intersection signs, direction signs, temporary promotional signs, plantings, street lights, entrance features and/or "theme areas", lighting, sprinkler systems, stone, wood or masonry wall features and/or related landscaping installed or planted in the Common Areas, or in any street or right of way, by the Declarant or the Association, for the benefit of the Members of the Association; provided such items are not maintained by the applicable municipality or the Virginia Department of Transportation at its expense.

Section 4.2. Owners' Rights of Enjoyment and Use of Common Areas. Subject to the provisions of this Declaration and any applicable Supplemental Declaration and the Articles and Bylaws, every Owner shall have a right of enjoyment in and to the Common Areas which right of enjoyment shall be appurtenant to and shall pass with the title to every Lot and Parcel. The Common Areas shall be used by Owners only for the purpose or purposes for which the Common Areas may have been improved by Declarant or the Association and subject to any applicable restrictions in the Zoning Ordinance. Any Common Area which has not been improved for a particular use is intended to remain in its natural condition until so improved, and any use thereof by an Owner shall not damage or disturb such natural condition or the enjoyment thereof by other Owners.

Section 4.3. General Limitations on Owners' Rights. The Owners' rights of enjoyment in the Common Areas shall be subject to the following: (i) the right of the Association to establish reasonable rules and regulations and to charge reasonable admission and other fees for the use of the Common Areas; (ii) subject to the limitation imposed by the last sentence of Section 55-514(C) of the Virginia Code as in effect on the date hereof, the right of the Association to suspend the right of an Owner to use or benefit from any of the Common Areas for the period during which any assessment against his Lot or Parcel is delinquent; (iii) the right of the Association to suspend the right of any Owner to use or benefit from any of the Common Areas for any period during which any other violation by the Owner of this Declaration, a Supplemental Declaration or the rules promulgated by the Association pursuant to this Declaration remains uncorrected after the last day of a period established for a correction by the Association, (such period to be stated in a notice to the Owner together with a statement of the violation complained of and the manner of its correction), and for not more than ten (10) days after such correction; (iv) subject to the Bylaws and with the consent of the Class B Member, if any, the right of the Association to mortgage any or all of the Common Areas for the purpose of making improvements or repairs thereto; (v) subject to the Bylaws, the right of Declarant or the Association to grant utility easements across the Common Areas as provided in Section 8.1; (vi) subject to the Bylaws, the right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be desired by the Association; and (vii) all of the other easements, covenants and restrictions provided for in this Declaration and any Supplemental Declaration(s) applicable to the Common Areas.

Section 4.4. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Area to members of his family living on his Lot or Parcel and to his guests, and he may transfer such right to his tenants, subject to such rules and regulations and fees as may be established from time to time by the Association.

Section 4.5. Damage or Destruction of Common Area by Owner. In the event any Common Area or improvement thereon is damaged or destroyed by an Owner, his tenants, guests, licensees, agents or members of his family, the Association may repair such damage at the Owner's expense. The Association shall repair such damage in a good and workmanlike manner in conformance with the original plans and specifications of the area or improvement involved, or as the Common Area, or improvement may have been theretofore modified or altered by the Association, in the discretion of the Association. The cost of such repairs shall become a special assessment on the Lot or Parcel of such Owner and shall constitute a lien on such Owner's Lot or Parcel and be collectible in the same manner as other assessments set forth herein.

Section 4.6. Rights in Common Areas Reserved by Declarant. Until such time as Declarant conveys a parcel of that real estate constituting Common Area to the Association, Declarant shall have the right as to that parcel, but not the obligation, (i) subject to the provisions of Article VI hereof, to construct such improvements thereon as it deems appropriate for the common use and enjoyment of Owners, including, without limitation, directional signs, recreational facilities, and (ii) to use the Common Area for other purposes not inconsistent with the provisions of this Declaration. Until such time as Declarant conveys parcels of real estate constituting Common Area to the Association, Declarant shall maintain such Common Area in neat condition and repair, including mowing and removing underbrush and weeds.

Section 4.7. Title to Common Area. Declarant may retain legal title to the Common Areas, or portions thereof, but notwithstanding any provision herein to the contrary, Declarant shall convey each Common Area to the Association, free and clear of all liens, but subject to this Declaration and all other easements, conditions and restrictions of record at such time as such improvements are completed. Regardless of whether the Common Areas actually have been conveyed by the Declarant, Owners and the Association shall have all the rights and obligations imposed by this Declaration, any Supplemental Declaration, the Articles and Bylaws with respect to the Common Areas from and after the date such Common Areas are designated as such by recordation of an appropriate instrument in the Clerk's Office. The Association shall be liable from the date a deed or deeds to such Common Areas are recorded in the Clerk's Office for payment of taxes, insurance and maintenance costs and all other costs related thereto. Until the Common Areas are conveyed to the Association, the Declarant shall be liable for payment of taxes, insurance and maintenance costs with respect thereto.

Section 4.8. Enforcement Authority of the City of Suffolk. The following provisions shall apply to the Association and the Common Areas:

(a) The City of Suffolk shall have the right during normal business hours, upon reasonable notice to the Association, to review all financial and related records of the Association to ensure its continued solvency and capacity to maintain all common open space and common improvements as those terms are defined under the Zoning Ordinance.

(b) City personnel, including but not limited to law enforcement officers, rescue squad personnel and fire-fighting personnel in the performance 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, shall have the right to enter upon the Common Areas.

(c) After ten days prior written notice to the Class B Member, if any, the City of Suffolk shall have the right to repair or maintain the Common Area upon a finding by the City that such property is not being maintained by the Association. In such event the City shall assess the cost of such maintenance and of all associated administrative costs on a pro rata basis against the Lots, which said assessments shall become a charge on said properties and may be collected by the City as taxes and levies are collected.

(d) The City of Suffolk shall have an easement in form or substance similar to the attached **EXHIBIT C**.

(e) Notwithstanding any other provisions of this Declaration, the provisions of this Section 4.8. may not be amended without the express written consent of the City of Suffolk.

Section 4.9. Common Areas on the Additional Area. The Declarant may designate additional Common Areas and facilities from any of the land subsequently added to the Declaration.

ARTICLE V

ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation for Assessments. Declarant for each Lot and Parcel owned within the Properties, hereby covenants, (subject to Sections 5.5, 5.8 and 5.9), and each Owner of any Lot or Parcel by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant, to pay to the Association assessments as set forth in this Declaration and Supplemental Declaration and in the Bylaws. The assessments, together with interest thereon, late charges and costs of collection including attorneys' fees, shall be a continuing lien upon the Lot or Parcel against which each such assessment is made in order to secure payment thereof and shall also be the personal obligation of the party who was the Owner of the Lot or Parcel at the time the assessment fell due. No Owner may waive or otherwise avoid liability for the assessments

provided herein by non-use of the Common Areas, or abandonment of his Lot or Parcel. Each assessment that is not paid when due shall bear interest at the rate established by the Association, which rate shall not exceed the maximum rate permitted by applicable law. Each assessment that is not paid within ten (10) days of its due date shall, at the option of the Association, incur a late charge equal to the greater of five percent (5%) of the delinquent assessment, or twenty dollars (\$20.00).

Section 5.2. Purpose of Assessments. The assessments levied by the Association shall be used for the management, maintenance, improvement, care, operation, renovation, repair and replacement of the Common Areas and improvements thereon and other property owned or acquired by the Association of whatsoever nature, for the discharge of all taxes and other levies and assessments against the Common Areas and improvements thereon and other property owned or acquired by the Association, for the procurement of insurance by the Association in accordance with Bylaws, for the establishment of reserves with respect to the Association's obligations, for the discharge of such other obligations as may be imposed upon or assumed by the Association pursuant to its Articles or Bylaws or this Declaration or any Supplemental Declaration, and for such other purposes as may be authorized by or pursuant to the Articles or Bylaws.

Section 5.3. Annual Assessments.

"Annual Assessments" shall mean "General Assessments".

(a) **Purpose.** "General Assessments shall mean those assessments used for the general purposes set forth in Section 5.2 above.

(b) **Basis.** The General Assessments shall be established and increased or decreased from time to time by the Board of Directors of the Association pursuant to the Bylaws.

(c) **Assessment Levels.** There shall be one (1) level of assessments to Owners as follows:

(1) **Level 1 - Improved Lots or Parcels.** All Lots on which a Single family residence has been constructed and which are or have been occupied, shall be assessed at one hundred percent (100%) of the General Assessment.

Section 5.4. Special Assessments. In addition to the General Assessments, the Board of Directors of the Association may levy a periodic special assessment if the purpose in doing so is found by the Board of Directors to be in the best interest of the Association and the proceeds of such assessment are used primarily for the maintenance and upkeep, including capital expenditures, of the Common Area. If any such special assessment is in an amount greater than the General Assessment for the same year, then no such special assessment shall be levied without the approval of a majority of the votes of all owners, including Class A members and Class B members, who are voting in person or by proxy at a meeting duly called for this purpose and the approval of the Class B member; otherwise, such special assessment may be established by the Board of Directors of the Association without a vote of the Membership, provided, however, that any such special assessment may be rescinded by a Majority vote of the Members attending a meeting of the Association, convened in accordance with the Bylaws within sixty (60) days after receipt of the notice of such assessment.

Section 5.5. Date of Commencement of Annual Assessments. Subject to Sections 5.8 and 5.9 of the Annual Assessments provided for herein shall commence as to each Lot or Parcel on the first day of the month following the date of recordation of the first Deed conveying such Lot or Parcel to an Owner other than the Declarant. The first Annual Assessment on a Lot or Parcel shall be adjusted according to the number of months remaining in the calendar year. Unless the Board of Directors of the Association amends the Bylaws to provide otherwise, the Annual Assessments shall be paid in quarterly installments due on the first day of each January, April, July, and September.

Section 5.6. Effect of Nonpayment of Assessments; Remedies of Association. The lien of the assessments provided for in this Declaration may be perfected and enforced in the manner provided in Section 55-516 of the Virginia Code. A statement from the Association showing the balance due on any assessment shall be prima facie proof of the current assessment balance and the delinquency, if any, due on a particular Lot or Parcel. The Association may also bring an action at law against any Owner personally obligated to pay the same, either in the first instance or for deficiency following foreclosure, and interest, late charges and the costs of collection, including attorney's fees shall be added to the amount of such assessment and secured by the assessment lien.

Section 5.6.1 Acceleration of Payment of Installments of Assessments. If a Unit Owner shall be in default in the payment of an installment upon any assessment, the Board may accelerate the remaining installments for, in its discretion, the balance of the fiscal year. Upon notice thereof to the Unit Owner the accelerated assessment shall immediately become

due upon the date stated in the notice, which shall not be less than fifteen (15) days after delivery of or the mailing of such notice to the Unit Owner.

Section 5.7. Subordination of Lien to Mortgages. The lien upon each of the Lots and Parcel securing the payment of the assessments shall have the priority set forth in Section 55-516A of the Virginia Code.

Section 5.8. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments and liens created herein: (i) any property used as a sales or leasing center, model, maintenance center or management facility by Declarant or for similar purposes; (ii) all properties dedicated and accepted by a public authority; (iii) all Common Areas; and (iv) all properties wholly exempt from real estate taxation by state or local governments upon the terms and to the extent of such legal exemption.

Section 5.9. Annual Budget. The Board of Directors shall adopt an annual budget for each fiscal year, which budget shall provide for the annual level of assessments, (including provision for reserves and physical damage insurance deductible), and an allocation of expenses. There shall be no responsibility for the payment of assessments until after the Board of Directors adopts its initial annual budget.

Section 5.10. Capitalization of Association. Upon the acquisition of record title to a Lot or Parcel by the first purchaser thereof, (other than Declarant or a Builder who purchases a Lot or Parcel for development and resale to another), a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in the amount equal to one-quarter (1/4) of the amount of the Annual Assessment payable on such Lot or Parcel for that year. This amount shall be deposited in the purchase and sales escrow at settlement and shall be disbursed at closing therefrom to the Association for its reserves and operating expenses.

ARTICLE VI
ARCHITECTURAL CONTROL

Section 6.1. Architectural Review Board. There is hereby established a board, (the "Architectural Review Board"), for the purpose of reviewing and, as appropriate, approving or disapproving all Plans (hereinafter defined), submitted by Owners in accordance with this **Article VI**. The Architectural Review Board shall be composed of between **one (1) and three (3)** persons, who need not be Members of the Association, from time to time appointed by Declarant so long as its Class B Membership in the Association continues or by the Board of Directors of the Association from and after the date on which the Class B membership terminates or Declarant delegates this responsibility to the Association. The Declarant or the Board of Directors, as the case may be, may appoint **one (1)** alternate member to the Architectural Review Board, which alternate member may vote only in the absence of a regular member. The members of the Architectural Review Board shall serve for such terms as may be determined by Declarant or the Board of Directors of the Association, as the case may be.

Section 6.2. Plans to be Submitted. Before commencing the construction, erection or installation of any building, fence, wall, animal pen or shelter, exterior lighting, sign, mailbox or mailbox support, or any improvement or other structure, (each of the foregoing being hereinafter referred to as "Improvement"), on any Lot or Parcel, including any site work in preparation therefor, and before commencing any alteration, enlargement, demolition or removal of an Improvement or any portion thereof in a manner that alters the exterior appearance, (including paint color), or the Improvement or of the Lot or the Parcel on which it is situated, each Owner, other than the Declarant, shall submit to the Architectural Review Board a completed application on the form provided by the Architectural Review Board (the "Application") a proposed construction schedule and at least **three (3)** sets of plans and specifications of the proposed construction, erection, installation, alteration, enlargement, demolition or removal, which plans and specifications shall include, (unless waived by the Architectural Review Board); (i) a site plan showing the size, location and configuration of all Improvements, including driveways and landscaped areas, and all setback lines, buffer areas and other features required under the Zoning Ordinance, (ii) as to Improvements initially constructed on a Lot or Parcel, landscaping plans showing the trees to be removed and to be retained and shrubs, plants and ground cover to be installed, (iii) architectural plans of the Improvements showing exterior elevations, construction materials, exterior colors, driveway material, (iv) a sediment and erosion control plan, and (v) a tree protection plan and such other information as the Architectural Review Board in its discretion, shall require, (collectively the "Plans"). The Architectural Review Board may, in its sole discretion, waive the requirement that any or all of the required Plans be submitted in a particular case where it

determines such Plans are not necessary to properly evaluate the Application. The Architectural Review Board shall not be required to review any Plans unless and until the Application has been submitted in completed form with the proposed construction schedule and the Plans contain all the required items. The Application, Plans and the proposed construction schedule must be submitted to the Architectural Review Board at the address of Declarant in the same manner as notices are to be sent to Declarant pursuant to **Article XI**, for so long as all members of the Architectural Review Board are appointed by Declarant, and thereafter the Application, Plans and the proposed construction schedule may be submitted to the Architectural Review Board at the address of the Association in the same manner as notices are to be sent to the Association pursuant to **Article XI**. In no event shall the Declarant be required to submit any plans for approval by the Architectural Review Board, the Declarant being exempt from the provisions of this Section as well as Sections 6.4., 6.5 and 6.6.

Notwithstanding anything contained in this **Article VI** to the contrary, the Declarant so long as Declarant retains an interest in any of the real property listed **Exhibits A or B** at Declarant's option, may review Plans presented by a Builder for construction of any Improvements without submission to the Architectural Review Board, and if approved, which approval shall be within the sole discretion of Declarant, such approval shall be deemed to satisfy this Section, as well as Sections 6.4, 6.5, and 6.6. Such approval may be conditioned upon such requirements as Declarant may determine. Provided the Declarant has approved the Plans, submission of such Plans to, and approval of same by, the Architectural Review Board shall not be required.

The Architectural Review Board shall have forty-five (45) days in which to approve or disapprove of the plans to be submitted pursuant to this section. In the event the Architectural Review Board does not act within the forty-five (45) day time frame, then the owner shall be permitted to proceed with the requested alteration in the event that it does not violate any of the covenants and restrictions provided for herein.

Section 6.3. Consultation with architects, etc.; Administrative Fee.

In connection with the discharge of its responsibilities, the Architectural Review Board may engage or consult with architects, engineers, planners, surveyors, attorneys and others. Any person seeking the approval of the Architectural Review Board agrees to pay all fees thus incurred by the Architectural Review Board and further agrees to pay an administrative fee to the Architectural Review Board in such amount as the Architectural Review Board may from time to time reasonably establish. The payment of all such fees is a condition to the approval or disapproval by the Architectural Review Board of any Plans, and the commencement of

review of any Plans may be conditioned upon the payment of the Architectural Review Board's estimate of such fees.

Section 6.4. Approval of Plans. The Architectural Review Board shall not approve the Plans for any Improvement that would violate any of the provisions of this Declaration or of any Supplemental Declaration applicable thereto. In all other respects, the Architectural Review Board may exercise its sole discretion in determining whether to approve or disapprove any Plans, including, without limitation, the location of any Improvement on a Lot or Parcel.

Section 6.5. No Structures to be Constructed, etc. Without Approval. No Improvement shall be constructed, erected, installed or maintained on any Lot or Parcel, nor shall any Improvement be altered, enlarged, demolished or removed in a manner that alters the exterior appearance (including paint color), of the Improvement or of the Lot or the Parcel on which it is situated, unless the Application, Plans and construction schedule therefor have been approved by the Architectural Review Board. After the Application, Plans and Construction Schedule therefor have been approved, all Improvements shall be constructed, erected, installed, maintained, altered, enlarged, demolished or removed strictly in accordance with the approved Plans. Upon commencing the construction, erection, installation, alteration, enlargement, demolition or removal of an Improvement, all of the work related thereto shall be carried on with reasonable diligence and dispatch and in accordance with the construction schedule approved by the Architectural Review Board.

Section 6.6. Guidelines May Be Established. The Architectural Review Board may, in its own discretion, establish guidelines and standards to be used in considering whether to approve or disapprove Plans. Such guidelines may include, without limitation, uniform standards for signage, garages and parking enclosures, clothes lines or other drying apparatus, antennae and satellite dishes, mailboxes and mailbox supports, fences and walls, storage of firewood, lighting, size, placement and location of structures, improvements and landscaping. However, nothing contained in this Declaration shall require the Architectural Review Board to approve the Plans for Improvements on a Lot or a Parcel on the grounds that the layout, design and other aspects of such Improvements are the same or substantially the same as the layout, design and other aspects of Improvements approved by the Architectural Review Board for another Lot or Parcel.

Section 6.7. Limitation of Liability. The approval by the Architectural Review Board of any Plans, and any requirement by the Architectural Review Board that the Plans be modified, shall not constitute a warranty or representation by the Architectural Review Board

of the adequacy, technical sufficiency or safety of the Improvements described in such Plans, as the same may be modified, and the Architectural Review Board shall have no liability whatsoever for the failure of the Plans or the Improvements to comply with applicable building codes, laws, and ordinances or to comply with sound engineering, architectural or construction practices. In addition, in no event shall the Architectural Review Board have any liability whatsoever to an Owner, a contractor or any other party for any costs or damages, (consequential or otherwise), that may be incurred or suffered on account of the Architectural Review Board's approval, disapproval or conditional approval of any Plans.

Section 6.8. Other Responsibilities of Architectural Review Board. In addition to the responsibilities and authority provided in this Article VI, the Architectural Review Board shall have such other rights, authority and responsibilities as may be provided elsewhere in this Declaration, in any Supplemental Declaration and in the Bylaws.

ARTICLE VII USE OF PROPERTY

Section 7.1. Protective Covenants.

(a) **Nuisances.** No nuisance shall be permitted to exist on any Lot or Parcel.

(b) **Land Use; Subdivision and Rezoning; Easements.** None of the real property which is or shall become subject to the provisions of this Declaration shall be subdivided or rezoned without the prior written consent of the Architectural Review Board, and until the termination of the Class B membership, the Declarant. The subdivision, site plan and landscape plan of the said property and any changes to the present zoning of the said property shall be subject to the prior approval of the Architectural Review Board, which approval procedure shall be as set forth in Article VI of the Declaration. Further, until the termination of the Class B membership, no dedication, reservation or easement may be made or granted on, through or over any Lot or Parcel without the prior written consent of the Declarant, or its assignees or designees.

(c) **Completion of Structures.** The exterior of any new structure and the grounds related thereto must be substantially completed in accordance with the plans and specifications approved by the Architectural Review Board within twelve (12) months after construction of the same shall have commenced, except that said Board may grant extensions

where such completion is impossible or is the result of matters beyond the control of the Owner or Builder, such as strikes, casualty losses, national emergencies or act of God.

(d) Residential Use. All Lots and Living Units, now or hereafter created, in the Properties are designated for residential use and shall be used, improved and devoted exclusively to residential use by a Single Family, except home occupations may be pursued; (i) if permitted by the City of Suffolk; and (ii) if in accordance with rules adopted from time to time by the Association. Nothing herein shall be deemed to prevent an Owner from leasing a Living Unit to a Single Family, provided such lease shall be in writing and subject to all of the provisions of the Governing Documents with any failure by a lessee to comply with the terms of the Governing Documents constituting a default under the lease. Each Lot located on the Property described in Exhibit A attached hereto, and each Lot located on any Additional Area subsequently subjected to the Declaration, unless a different use is specifically set forth in the Supplemental Declaration, shall contain no more than one (1) detached single-family residence with a private garage or other accessory structures, not for habitation of any description, for the exclusive use of the occupants of such dwelling. No garage apartment or similar structure shall be permitted nor shall any structure of a temporary character such as a trailer, tent, shack, garage, barn or other out-building be utilized on any lot as a temporary or permanent residence. However, Declarant and its successors and assigns and agents may utilize trailers and temporary structures in and during the development of the project and construction of residential dwellings and associated structures.

(e) Size of Structures. The size and location of all structures except those used by the Declarant its successors, assigns, and agents for development and construction, shall be regulated by the Architectural Review Board of the Association pursuant to Article VI of the Declaration.

(f) Vehicles. No portion of the property subjected hereto shall be used for the repair of motor vehicles. Use and storage of all vehicles and recreational equipment upon the Common Area and Lots or upon any street, public or private, adjacent thereto shall be subject to rules promulgated by the Board of Directors as provided for herein.

(1) Operation of Vehicles. All motor vehicles, including but not limited to, trail bikes, motorcycles and dune buggies shall be driven only upon the paved portion of the streets. No motor vehicles shall be driven on pathways or in the Common Area, except such vehicles as are authorized by the Association as needed to maintain, repair, or improve the Common Area. This prohibition shall not apply to normal vehicular use of designated streets and lanes constructed on Common Area.

(2) Parking. Parking of all commercial and recreational vehicles and related equipment, other than on a temporary and non-recurring basis as determined by the Board of Directors, shall be in garages or screened enclosures approved by the Architectural Review Board or in areas, if any, designated by the Association for such parking.

(g) Pets. Subject to rules as may from time to time be set by the Association, generally recognized house or yard pets, in reasonable numbers, may be kept and maintained on a Lot, provided such pets are not kept or maintained for commercial purposes. All pets must be kept under the control of their owner when they are outside of the Lot and must not become a nuisance to other residents.

(h) Clothes Drying Equipment. No clothes lines or other clothes drying apparatus shall be permitted on any Lot that are within view of neighborhood properties, except as approved in writing by the Architectural Review Board.

(i) Antennae. Subject to rules as may from time to time be adopted by the Association, exterior television, satellite dishes, or other antennae are allowed in accordance with FCC regulations and as approved in writing by the Architectural Review Board.

(j) Trash Receptacles and Firewood. Storage, collection, and disposal of trash and the storage of firewood shall be in compliance with rules set by the Architectural Review Board.

(k) Trash Burning. Trash, leaves and other similar material shall not be burned without the written consent of the Association.

(l) Signs. No signs of any type shall be displayed to public view and on any Lot or the Common Area without the prior written consent of the Architectural Review Board, except customary name and address signs and one for sale sign, meeting established Architectural Review Board standards.

(m) Mailboxes and Newspaper Tubes. All mailboxes to be located at residences throughout Riverwood Subdivision shall be in conformity with the requirements of the United States Postal Service and shall be of a type as shown on Exhibit D, which is attached hereto and made a part hereof. Should a member of the Association desire to install a mailbox of a different type than is shown on Exhibit D, such installation shall be subject to the approval of the Architectural Review Board.

(n) Fences and Walls. Any fence, wall, tree, hedge, or shrub planting shall be erected or maintained in such a manner as to not obstruct sight lines for vehicular traffic. All fences or enclosures must be approved by the Architectural Review Board as to location, material and design. Any fence or wall built on any of the Lots or Parcels shall be maintained in a proper manner so as not to detract from the value and desirability of surrounding property.

(o) Lighting. No exterior lighting shall be directed outside the boundaries of Lot and all exterior lighting shall be subject to such other rules adopted by the Association from time to time.

(p) Rules. From time to time the Board of Directors may adopt general rules, including, but not limited to, rules to regulate potential problems relating to the use of Properties and the well-being of Members, such as the definition of nuisances, keeping of animals, storage and use of all vehicles, storage and use of machinery, use of outdoor drying lines, antennas, signs, trash and trash containers, restrictions on sprinkler and irrigation systems, private irrigation wells and uses of lakes, water bodies and wetlands, maintenance and removal of vegetation on the Properties and the type and manner of application of fertilizers or other chemical treatments to the Properties in accord with non-point source pollution control standards. All such rules and any subsequent amendments thereto shall be binding on all Members, except where expressly provided otherwise in such rule.

(q) Irrigation and Water Bodies.

(1) Irrigation. Subject to the rights retained by the Declarant in Section 8.8, no sprinkler or irrigation system of any type which draws upon the water from the lake or surface waters within the Properties shall be installed, constructed or operated within the Properties without the written approval of Declarant, except the Association shall have the right to draw upon water from such water bodies for irrigation of the Common Areas. All

sprinkler and irrigation systems shall be subject to approval in accordance with Article VI of this Declaration. Provided, however, this paragraph shall not apply to the Declarant.

(2) **Lakes and Water Bodies.** The lake or lakes within the Properties, if any, shall be an aesthetic amenity only, and no other use shall be made thereof, including without limitation, swimming, boating, playing or use of a personal flotation device. No piers or docks shall be constructed on any portion of the lake or lakes, nor attached to the shoreline or banks thereof. This paragraph shall not apply to, or prohibit any use of Declarant specifically authorized under this Declaration. The Association shall not be responsible for any loss, damage or inquiry to any person arising out of the authorized, or unauthorized, use of the lake within the Properties.

(r) **Exceptions.** In certain special circumstances, the Board of Directors may issue variances exempting a particular Lot or Parcel from any of the provisions of this Article VII.

Section 7.2. Maintenance of Property.

(a) **Owner Obligation.** Each Owner shall keep all Lots and Parcels owned by him and/or her; and all improvements therein or thereon, in good order and repair, free of debris, all in a manner and with such frequency as is acceptable to the Association and consistent with a first-quality development.

(b) **Failure to Maintain.** In the event an Owner shall fail to maintain his Lot or Parcel and the improvements situated thereon as provided herein, the Association, after notice to the Owner and approval of the Board of Directors shall have the right to enter upon such Lot or Parcel to correct such failure. All costs related to such correction shall become a special assessment upon such Lot or Parcel to correct such failure. All costs related to such correction shall become a special assessment upon such Lot or Parcel and as such shall be regarded as any other assessment with respect to lien rights of the Association and remedies provided herein for non-payment.

Section 7.3. Resales of Lots by Owners Other Than Declarant or Initial Builder. Upon the acquisition of record title to a Lot from an Owner other than Declarant or the Initial Builder of a single family residence, an administrative fee in an amount set from time to time by the Board of Directors, which amount shall initially be \$50.00, shall be paid to the Association by or on behalf of the purchaser of the Lot. Such administrative fee shall be

deposited in the purchase and sales escrow at settlement and shall be disbursed therefrom to the Association.

Section 7.4. Security. NEITHER THE ASSOCIATION, NOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND DECLARANT, AND COMMITTEES ESTABLISHED BY ANY OF THE FOREGOING ENTITIES, ARE NOT INSURERS AND THAT EACH OWNER, TENANT, GUEST, AND INVITEE ASSUMES ALL RISK OF LOSS OR DAMAGE TO PERSONS, TO STRUCTURES OR OTHER IMPROVEMENTS SITUATED ON LOTS AND PARCELS, AND TO THE CONTENTS OF ANY IMPROVEMENTS SITUATED ON LOTS AND PARCELS AND FURTHER ACKNOWLEDGE THAT DECLARANT HAS MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES RECOMMENDED OR UNDERTAKEN.

ARTICLE VIII

EASEMENTS

Section 8.1. Utility Easements. Declarant reserves perpetual easements, rights and privileges to install, maintain, repair, replace and remove poles, wires, cables, conduits, pipes, mains, pumping stations, siltation basins, tanks and other facilities, systems and equipment for the conveyance and use of electricity, telephone service, sanitary and storm sewer, water, gas, cable television, drainage and other public conveniences or utilities, upon, in or over those portions of the Properties (including Lots, Parcels and Common Areas), as Declarant, its successors or assigns may consider to be reasonably necessary, (the "Utility Easements"). However, after Declarant ceases to be the Owner of a Lot or Parcel, no Utility Easements shall be placed on the portion of such Lot or Parcel on which is already located a building which was either constructed by Declarant or approved by the Architectural Review Board or on which a building is to be located pursuant to Plans approved by the Architectural Review Board without the prior approval of the declarant. The Utility Easements shall include the right to cut trees, bushes or shrubbery and such other rights as Declarant or the applicable governmental authority or utility company providing the utilities may require. The utility lines installed pursuant to the Utility Easements may be installed above or below ground,

except as otherwise provided in any Supplemental Declaration. Declarant shall have the right to convey Utility Easements, storm water easements, and right of way easements to other Owners, to governmental authorities or utility companies, to the Association and to any other party or parties.

Section 8.2. Maintenance of Lots and Parcels. 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 **five (5)** days' 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 Declarant and/or 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.

Section 8.3. Construction Easements and Rights. Notwithstanding any provision of this Declaration or any Supplemental Declaration, so long as Declarant is engaged in developing or improving any portion of the Properties or the Additional Areas, Declarant shall have an easement of ingress and egress and use over any lands not conveyed to an Owner for the (i) moving and storage of building materials and equipment, (ii) erection and maintenance of directional and promotional signs, and (iii) conduct of sales activities, including maintenance of model residences.

Section 8.4. Right of Entry for Governmental Personnel. A right of entry on any Lot, Parcel and Common Area is hereby granted to law enforcement officers and fire and rescue personnel is needed to lawfully carry out their duties, including enforcement of cleared emergency vehicle access.

Section 8.5. Easement for Landscaping, Signs and Related Purposes. There shall be and is hereby reserved to Declarant for so long as it retains its rights as Declarant, a non-exclusive easement over all Lots, Parcels and Common Area(s) for a distance of **fifteen (15)** feet behind any Lot or Parcel line which parallels, and is adjacent to a street (whether public or private) for the purpose of erecting and maintaining street intersection signs, directional signs, temporary promotional signs, plantings, street lights, entrance features and/or "theme area", lighting, stone, wood or masonry wall features and/or related landscaping. Exercise of this easement shall be with the consent of the Owner of the affected Lot or Parcel, or the Architectural Review Board if such Owner does not consent.

Section 8.6. Easement for Encroachment. Each Lot, each Parcel and the Common Area are hereby declared to have an easement over all adjoining Lots, all adjoining Parcel and the Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of a building, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful act or acts with full knowledge of said Owner or Owners. In the event a structure on any Lot or Parcel is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot or Parcel agree that minor unintentional encroachments over adjoining Lots shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

Section 8.7. Easement for Ingress, Egress, Development and Utilities for the Additional Area. The Declarant shall have the unqualified right, prior to the termination of the Class B membership, to grant and reserve easements and right-of-ways through, under, over and across any portion of the Common Area, for construction purposes, for ingress and egress to and from the Additional Area, and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, and other utilities. Said easements and right-of-ways may be for the benefit of any portion of the Properties or any portion of the Additional Area, or for the benefit of any adjacent or proximate property.

Section 8.8. Easement for Use of Water Bodies and Irrigation. There is hereby reserved by the Declarant a perpetual easement and unqualified right to use the lake(s), if any, and all water bodies, if any, lying within any Common Areas for the purpose of irrigation of any Lot or any Parcel of land, now or in the future owned by the Declarant or third parties.

ARTICLE IX

GENERAL PROVISIONS

Section 9.1. Duration. The covenants and restrictions of this Declaration shall run with and bind the Properties for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless at the expiration of any such period the covenants and restrictions are terminated by consent of the Owners of two-thirds (2/3) of the Lots and

Parcels. Notwithstanding the foregoing, the provisions of **Section 4.2, Section 4.8 and Article VIII** shall be perpetual.

Section 9.2. Amendments. Except as otherwise set forth in this Declaration and subject to **Section 10.4** of the Bylaws, this Declaration may be amended either (i) by Declarant without the consent of any other Owners for so long as Declarant's Class B membership continues or (ii) by a vote of **two-thirds (2/3)** of the Class A votes and with the written consent of Declarant for so long as its Class B membership in the Association continues. Notwithstanding the foregoing, the provisions of **Articles II and VIII and Sections 3.2, 4.6, 5.8,** and this **Section 9.2** may not be amended in any event without the written consent of Declarant regardless of whether the Class B membership has terminated. In addition, Declarant, at Declarant's option, shall have the right without the consent of any other Owners to amend this Declaration in any respect as may be necessary or appropriate in order for this Declaration or the Properties to comply with applicable laws now or hereafter enacted or to satisfy the requirements of any Federal Mortgage Agency, including, without limitation, the Veterans Administration, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the U.S. Department of Housing and Urban Development as the same may be amended from time to time, with respect to their purchase, insurance or guaranty of any loan secured by a mortgage or deed of trusts on one or more Lots.

Section 9.3. Enforcement. Declarant, the Association, any Owner or any beneficiary or noteholder under a Deed of Trust or mortgage, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, easements, conditions, covenants, reservations, liens and charges now or hereinafter imposed by the provisions of this Declaration. Without limiting the generality of the foregoing, if any Owner fails to comply with any of the provisions of this Declaration or any Supplemental Declaration and such failure continues for at least **five (5)** days after notice thereof is given to the Owner, then either Declarant or the Association may, but without any obligation to do so, take such action as either of them considers necessary or appropriate, (including, without limitation, entering the Owner's Lot or Parcel), to correct the noncompliance, provided, however, that judicial proceedings are instituted before any Improvements are subsequently altered or demolished. The cost incurred in taking such action shall constitute a special assessment upon the Owner's Lot(s) and/or Parcel(s) and shall be collectible in the manner provided herein for the payment of assessments. Failure by the Declarant, the Association or any Owner to enforce any provision of this Declaration or any Supplemental Declaration shall in no event be deemed a waiver of the right to do so thereafter.

Section 9.4. Limitations. As long as the Declarant has an interest in developing the Properties, or the Additional Areas, the Association may not use its financial resources to

defray any costs of opposing the development activities so long as they remain consistent with the general intent of this Declaration. Nothing in this Section shall be construed to limit the rights of Members to act as individuals or in affiliation with other Members or groups.

Section 9.5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 9.6. Conflict. In the event of conflict among the Governing Documents, this Declaration shall control, then applicable Supplemental Declarations, then the Articles, then the Bylaws except that in all cases where the Governing Documents may be found to be in conflict with statute, the statute shall control.

Section 9.7. Interpretation. Unless the context otherwise requires, the use of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the term "including" shall mean "including, without limitation." The headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing the substantive provisions hereof.

Section 9.8. "Riverwood" or "Riverwood Homeowners Association, Inc." No person or entity shall use the words "Riverwood" or "Riverwood Homeowners Association, Inc." or any derivative thereof in any printed or promotional material without the prior written consent of Declarant.

Section 9.9. Approvals and Consents. All approvals and consents required or permitted by this Declaration (other than approvals or consents given by Members in a vote conducted in accordance with the Bylaws) shall be in writing, shall be signed by the party from whom the consent or approval is sought, and unless otherwise provided herein, may be withheld by such party in its sole discretion.

Section 9.10. Assignment of Declarant's Rights. Any and all rights, powers, easements, and reservations of Declarant set forth herein may be assigned in whole or in part, at any time or from time to time, to the Association, to another Owner or to any other party in Declarant's sole discretion. Each such assignment shall be evidenced by an instrument which shall be signed by Declarant and its assignee and recorded in the Clerk's Office.

Section 9.11. Successors and Assigns. The provisions hereof shall be binding upon and shall inure to the benefit of Declarant, the Association and (subject to Article II hereof) the Owners and their respective heirs, legal representatives, successors and assigns.

ARTICLE X**DISSOLUTION OF THE ASSOCIATION**

The Association may be dissolved at a duly held meeting at which a quorum is present upon the vote of more than two-thirds (2/3) of the votes, in person or by proxy, of the Class A members and the affirmative vote of the Class B member. The Association may not be dissolved unless the Class B member votes in favor of such dissolution. Prior to dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be offered for dedication to the locality in which they are situated. In the event that such dedication is refused acceptance upon dissolution, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes.

ARTICLE XI**NOTICES**

All notices, demands, requests and other communications required or permitted hereunder shall be in writing and shall either be delivered in person or sent by overnight express courier or by U.S. first class mail, postage prepaid. Notices to the Declarant shall be sent to 5257 Cleveland Street, Suite 110, Virginia Beach, Virginia 23462; with copy to W. Jeffrey Overton, Esquire, Ferguson, Rawls, MacDonald, Overton & Grissom, 332 W. Constance Road, Suffolk, Virginia 23434; or to such other address as the Declarant shall specify by executing and recording an amendment to this Declaration, which amendment shall not require the approval of any other parties as provided in Section 9.2. Notices to the Association or to Owners (other than Declarant), may be sent to the address which the Bylaws provide shall be used for them. All such notices, demands, request and other communications shall be deemed to have been given when sent to the appropriate address specified above. Rejection or other refusal to accept shall not invalidate the effectiveness of any notice, demand, request or other communication. Notwithstanding the foregoing, any notice of the filing of a memorandum of assessment lien shall be sent in the manner required by Section 55-516(C) of the Virginia Code.

ARTICLE XII

APPROVAL OF HUD OR VA

As long as Class B membership exists, annexation of Additional properties, mergers and consolidations, mortgaging of Common Area, dissolution and amendment of the Articles, requires the prior approval of the Department of Housing and Urban Development ("HUD") or the Veterans Administration (the "VA") in the event any Lot or Parcel in the Property is encumbered by a loan insured or guaranteed by HUD or the VA.

ARTICLE XIII

SOUND BARRIER

Neither the Declarant, nor the Association or any governmental entities shall be responsible for the construction or maintenance of any sound barrier of any type on the property or any additional property. This article shall not be amended without the approval of the Declarant, regardless of whether or not Class B Membership still exists, the City of Suffolk and the Commonwealth of Virginia

WITNESS the following signature and seal as of the date first above written.

BOYCE-WIDENER, LTD.

BY: Robert A. Widener (SEAL)
Robert A. Widener, Vice-President

STATE OF VIRGINIA, CITY OF Virginia Beach, to-wit:

I, Rose B. Harrell, a Notary Public in and for the City and State aforesaid do hereby certify that Robert A. Widener, Vice-President of Boyce-Widener, Ltd., a Virginia corporation, has signed his name to the foregoing writing and has acknowledged the same before me this 21 day of April, 1998.

Rose B. Harrell
Notary Public

My Commission Expires:

3/31/99

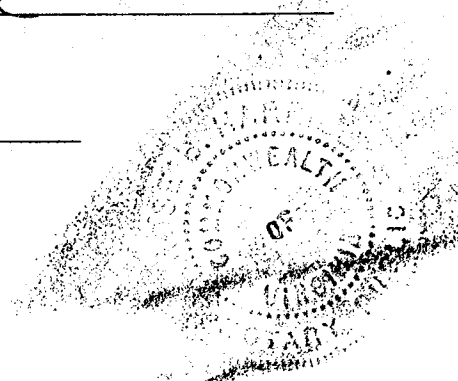






EXHIBIT C

THIS DEED OF EASEMENT, made and entered into this 5th day of June, 1998, by and between BOYCE-WIDENER, LTD., a Virginia corporation, hereinafter referred to as "Owner", and/or its successors and assigns, party of the first part, "Grantor"; and the CITY OF SUFFOLK, VIRGINIA, a Municipal corporation of the Commonwealth of Virginia, and its successors and assigns, hereinafter referred to as "City", party of the second part, "Grantee", whose address is City of Suffolk, c/o City Clerk's Office, 441 Market Street, Suffolk, Virginia 23434.

WHEREAS, Owner has obtained from the City approval of a Preliminary Subdivision Plat (the "Subdivision") for Riverwood Subdivision in the City of Suffolk; and

WHEREAS, the Subdivision requires recreation areas, BMPs, common areas, ponds and lakes (the "Common Areas"), the maintenance of which must be guaranteed, upon the final approval of the plat of any section of the Subdivision, by the Owner and its successors in interest, including but not limited to Riverwood Homeowners Association, Inc. (the "Homeowners' Association") which is to be created by the Owner; and

WHEREAS, the Owner has submitted for final approval by the City the plat of Phase One of the Subdivision:

FERGUSON, RAWLS,
MacDONALD,
OVERTON
& GRISSOM, P.C.
P. O. Box 1458
Suffolk, VA 23439-1458
(757) 539-2400

INSTRUMENT #980006262
RECORDED IN THE CLERK'S OFFICE OF
SUFFOLK ON
JUNE 29, 1998 AT 03:55PM - PLATS
HENRY C. MURDEN, CLERK

1
BY: Allen P. Bridgman (DC)

WITNESSETH: That for and in consideration of the premises and the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the Owner does grant and convey with GENERAL WARRANTY unto the City an easement and right-of-way for the designated public utility purposes and for the purpose of guaranteeing the maintenance of the Common Areas consisting of recreation areas, common areas, BMPs, ponds and lakes all as shown on the approved Preliminary Plat, as modified by Final Plats based thereon which are approved hereafter, together with all of the rights and privileges hereinafter enumerated; under, through, upon, over and across the property of the Owner in the City of Suffolk, Virginia, which is more particularly bounded and described as follows:

SEE ATTACHED EXHIBIT A AND EXHIBIT B

This easement is granted, in part, for the following purposes and subject to the following conditions:

1. Maintenance of the Common Areas

Subject to the limitations of paragraph six herein, Owner, or its successors in title, agrees that it shall maintain indefinitely the "Common Areas" in a manner which will permit the "Common Areas" to accomplish the purposes for which they were designed and constructed, and in accordance with the standards provided by

law. Specifically, it is agreed that maintenance shall include, but is not limited to, the following:

A. Remove silt and other debris from the Retention Pond so as to insure operation of the pond with the terms of the Chesapeake Bay Preservation Act or other applicable law.

B. Plant and mow grass or maintain a vegetative cover on the slopes surrounding the Retention Pond, and "Common Areas",

C. Maintain in good order and repair the principal and emergency spillways which serve as the outflow devices for the Retention Pond, and

D. Maintain in good order and repair all other equipment, structures and appurtenances in the "Common Areas" as required by law.

2. Maintenance Rights of the City in the Event of Default.

Subject to the limitations of paragraph six herein, in the event of any default or failure by Owner, or its successors and assigns, in the performance of any of the covenants and warranties pertaining to the maintenance of the Common Areas, in accordance with the terms and conditions hereof, which continues for a period of thirty (30) days after notice in writing thereof given to Owner, or its successors and assigns, by the City, the City shall have the right, at its option, to enter upon the properties owned by the Owner, or its successors and assigns, for the account of the Owner, or its successors and assigns, and maintain and repair the Common Areas as

provided herein. All costs thereof shall constitute a lien upon all parcels in Riverwood Subdivision owned by the Owner, or its successors and assigns, (including but not limited to the Homeowner's Association and individual lot owners and all other successors in interest). Nothing herein shall obligate the City to maintain the Common Areas.

3. Indemnification of City.

Subject to the limitations of paragraph six herein, the Owner, the Homeowners' Association and individual lot owners and all other successors in interest in Riverwood Subdivision, and the successors and assigns of each, hereby agree that each shall save, hold harmless, and indemnify the City from and against all liability, losses, claims, demands, costs and expenses arising from, or out of, default or failure by the Owner, the Homeowners' Association or individual lot owners and the successors and assigns of each, to maintain the Common Areas, in accordance with the terms and conditions set forth herein or arising from, or out of, the construction, operation, repair or maintenance of the Common Areas.

4. The parties hereto expressly do not intend by execution of this Agreement to create in the public, or any member thereof, any rights as a third party beneficiary or to authorize anyone not a party hereto to maintain a suit for any damages pursuant to the terms or provisions of this Agreement.

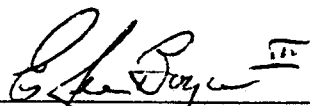
5. The foregoing agreements shall be covenants which run with the land and shall inure solely to the benefit of, and shall be binding upon the parties hereto, their respective successors and assigns, and all subsequent owners of the property and individual lots located in Riverwood Subdivision.

6. The Owner shall have no rights or liabilities except as a member of the Homeowners' Association or as owner of a lot or other parcel in the subdivision herein following its conveyance to the Homeowners' Association. Following the conveyance, the notice required in paragraph 2 above shall be given to the Homeowners' Association; or if the Homeowner's Association no longer exists or does not own the subject Common Area, to each owner of property in the subdivision.

7. Upon execution of this Agreement, it shall be recorded in the Clerk's Office of the Circuit Court, City of Suffolk, Virginia, at Owner's expense.

WITNESS the following signatures:

BOYCE-WIDENER, LTD.

BY 
E. Dee Boyce, III, President

Accepted:

CITY OF SUFFOLK, VIRGINIA

BY

Myles B. Standish
Myles B. Standish,
City Manager

Attest:

Mary Lynn Dixon
City Clerk, ~~Deputy~~

Approved as to location and size:

E. J. Wilson
Director of Public Works

Approved as to form:

B. Kay Wilson
B. Kay Wilson, Asst. City Attorney

STATE OF VIRGINIA

City of Chesapeake, to-wit:

The foregoing instrument was acknowledged before me this 5th day of June, 1998, by E. Lee Boyce, III, President of Boyce-Widener, Ltd.

My Commission Expires: 11-30-98

Robert L. Seymour
Notary Public

STATE OF VIRGINIA
City of Suffolk, to-wit:

The foregoing instrument was acknowledged before me this 10th day of
June, 1998, by Myles E. Standish, City Manager, on behalf of The City of
Suffolk Virginia.

My Commission Expires: June 30, 1998

Kathy B. Grady
Notary Public

EXHIBIT A

PARCEL ONE

All that certain lot, piece or parcel of land situate, lying and being in the Chuckatuck Borough of the City of Suffolk, Virginia, and more particularly described on that certain plat entitled "SUBDIVISION PLAT OF RIVERWOOD PHASE ONE CHUCKATUCK BOROUGH SUFFOLK, VIRGINIA" dated July 14, 1997, and made by Survey Associates, Ltd. which said plat is recorded in Plat Cabinet 2, Slide 95-D in the Clerk's Office of the Circuit Court of the City of Suffolk, Virginia.

PARCEL TWO

All that certain lot, piece or parcel of land situate, lying and being in the Chuckatuck Borough of the City of Suffolk, Virginia, and more particularly described on that certain plat entitled, "PRELIMINARY SUBDIVISION OF RIVERWOOD PHASE TWO CHUCKATUCK BOROUGH SUFFOLK, VIRGINIA", and made by Survey Associates, Ltd. which is attached hereto and made a part hereof as Exhibit B.

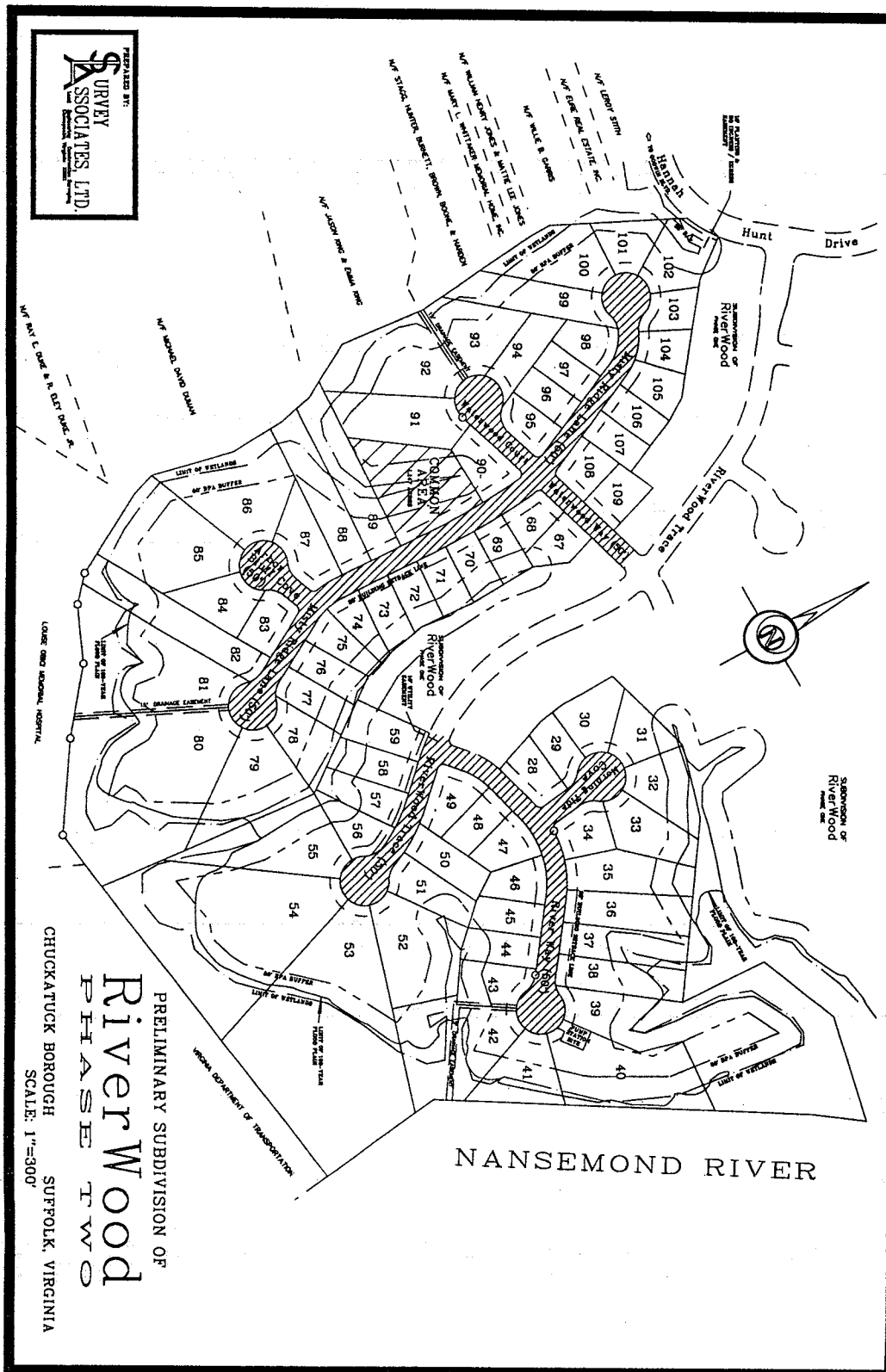


EXHIBIT D

United States Postal Service

USPS Notice to Rural Route Customers

Each year the U.S. Postal Service designates a Mailbox Improvement Week for customers served by rural delivery routes. During that week customers on rural routes are encouraged to examine and improve, where necessary, the appearance of their mailboxes. The third full week in May has been designated as Mailbox Improvement Week for this year.

The purpose of Mailbox Improvement Week is to call attention to the need for providing mail receptacles which are designed to protect the mail from the weather and are neat in appearance, conveniently located, and safe to use. Neat, attractive mailboxes make a significant contribution to the appearance of the countryside and the streets in suburban areas.

Mailboxes that meet these four important requirements contribute to a more efficient delivery operation, and the result is improved service to the entire route. There are two approved styles of boxes: (1) Traditional design in three standard sizes (see exhibit A), and (2) contemporary design (see exhibit B).

Mailboxes of the approved traditional or contemporary design are required whenever a mailbox is newly installed or an unsuitable receptacle is replaced. Exception: Custom built rural type mailboxes may be used if prior approval is given by the postmaster.

Where box numbers are assigned, the box number must be shown on the side of the box visible to the approaching carrier, or on the door where boxes are grouped. Customers are encouraged to group boxes whenever this is practicable, especially at or near crossroads, at service turnouts, or at other places where a considerable number of boxes are located.

In areas where snow removal is a problem, the use of a semi-arch or extended arm type of support is suggested (see exhibit C). This allows snowplows to sweep near or under boxes without damage to supports and provides easy access to the boxes by carrier and customers.

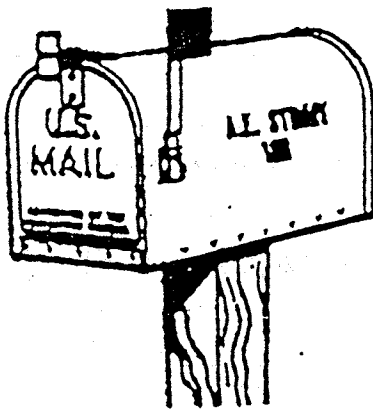


Exhibit A

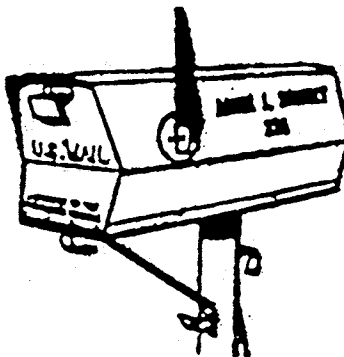


Exhibit B

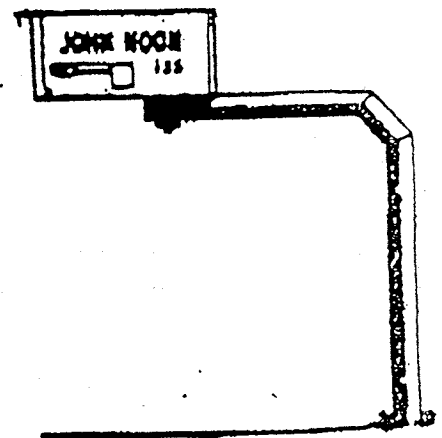


Exhibit C

If the use of street names and house numbers has been authorized, the house number should be shown on the mailbox. If the mailbox is located on a street other than the one on which the customer resides, the street name and house number must be inscribed on the box. In all instances, placing the owner's name on the box is optional. Generally, boxes should be

installed with the bottom of the box between $3\frac{1}{2}$ and 4 feet from the roadway. However, due to varying road and curb conditions, and other factors, it is recommended that customers contact the postmaster or carrier prior to initially erecting or replacing their mailbox and support.

Mailboxes on rural routes must be located on the right-hand side of the road in the direction traveled by the carrier. The box must be placed and served to comply with state laws and highway and postal regulations. The carrier must have access without having to leave the vehicle. Supports for mailboxes should be of adequate strength and size to properly support the box.

Reports have been received that some mailbox supports are so massive that they are damaging the vehicles and causing serious injuries to people who accidentally strike them. The use of heavy metal posts, concrete posts, and miscellaneous items of farm equipment, such as milk cans filled with concrete, should be avoided. The ideal support is an assembly which, if struck, will bend or fall away from the striking vehicle instead of severely damaging the vehicle and injuring its occupants. Boxes and supports should be kept painted and free from rust.

Your participation and cooperation in Mailbox Improvement Week will be greatly appreciated by your rural carrier and the Postal Service.

POSTMASTER

GPO : 1986 O - 153-032

TOTAL P. 04

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006261

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Examined, verified and
mailed to Ferguson, Rawls
June 1998

THIS DEED OF EASEMENT, made and entered into this 5th day of June, 1998, by and between BOYCE-WIDENER, LTD., a Virginia corporation, hereinafter referred to as "Owner", and/or its successors and assigns, party of the first part, "Grantor"; and the CITY OF SUFFOLK, VIRGINIA, a Municipal corporation of the Commonwealth of Virginia, and its successors and assigns, hereinafter referred to as "City", party of the second part, "Grantee", whose address is City of Suffolk, c/o City Clerk's Office, 441 Market Street, Suffolk, Virginia 23434.

WHEREAS, Owner has obtained from the City approval of a Preliminary Subdivision Plat (the "Subdivision") for Riverwood Subdivision in the City of Suffolk; and

WHEREAS, the Subdivision requires recreation areas, BMPs, common areas, ponds and lakes (the "Common Areas"), the maintenance of which must be guaranteed, upon the final approval of the plat of any section of the Subdivision, by the Owner and its successors in interest, including but not limited to Riverwood Homeowners Association, Inc. (the "Homeowners' Association") which is to be created by the Owner; and

WHEREAS, the Owner has submitted for final approval by the City the plat of Phase One of the Subdivision:

Prepared by
FERGUSON, RAWLS,
MacDONALD,
OVERTON
& GRISSOM, P.C.
P. O. Box 1458
Suffolk, VA 23439-1458
(757) 539-2400

WITNESSETH: That for and in consideration of the premises and the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the Owner does grant and convey with GENERAL WARRANTY unto the City an easement and right-of-way for the designated public utility purposes and for the purpose of guaranteeing the maintenance of the Common Areas consisting of recreation areas, common areas, BMPs, ponds and lakes all as shown on the approved Preliminary Plat, as modified by Final Plats based thereon which are approved hereafter, together with all of the rights and privileges hereinafter enumerated; under, through, upon, over and across the property of the Owner in the City of Suffolk, Virginia, which is more particularly bounded and described as follows:

SEE ATTACHED EXHIBIT A AND EXHIBIT B

This easement is granted, in part, for the following purposes and subject to the following conditions:

1. Maintenance of the Common Areas

Subject to the limitations of paragraph six herein, Owner, or its successors in title, agrees that it shall maintain indefinitely the "Common Areas" in a manner which will permit the "Common Areas" to accomplish the purposes for which they were designed and constructed, and in accordance with the standards provided by

law. Specifically, it is agreed that maintenance shall include, but is not limited to, the following:

A. Remove silt and other debris from the Retention Pond so as to insure operation of the pond with the terms of the Chesapeake Bay Preservation Act or other applicable law.

B. Plant and mow grass or maintain a vegetative cover on the slopes surrounding the Retention Pond, and "Common Areas",

C. Maintain in good order and repair the principal and emergency spillways which serve as the outflow devices for the Retention Pond, and

D. Maintain in good order and repair all other equipment, structures and appurtenances in the "Common Areas" as required by law.

2. Maintenance Rights of the City in the Event of Default.

Subject to the limitations of paragraph six herein, in the event of any default or failure by Owner, or its successors and assigns, in the performance of any of the covenants and warranties pertaining to the maintenance of the Common Areas, in accordance with the terms and conditions hereof, which continues for a period of thirty (30) days after notice in writing thereof given to Owner, or its successors and assigns, by the City, the City shall have the right, at its option, to enter upon the properties owned by the Owner, or its successors and assigns, for the account of the Owner, or its successors and assigns, and maintain and repair the Common Areas as

provided herein. All costs thereof shall constitute a lien upon all parcels in Riverwood Subdivision owned by the Owner, or its successors and assigns, (including but not limited to the Homeowner's Association and individual lot owners and all other successors in interest). Nothing herein shall obligate the City to maintain the Common Areas.

3. Indemnification of City.

Subject to the limitations of paragraph six herein, the Owner, the Homeowners' Association and individual lot owners and all other successors in interest in Riverwood Subdivision, and the successors and assigns of each, hereby agree that each shall save, hold harmless, and indemnify the City from and against all liability, losses, claims, demands, costs and expenses arising from, or out of, default or failure by the Owner, the Homeowners' Association or individual lot owners and the successors and assigns of each, to maintain the Common Areas, in accordance with the terms and conditions set forth herein or arising from, or out of, the construction, operation, repair or maintenance of the Common Areas.

4. The parties hereto expressly do not intend by execution of this Agreement to create in the public, or any member thereof, any rights as a third party beneficiary or to authorize anyone not a party hereto to maintain a suit for any damages pursuant to the terms or provisions of this Agreement.

5. The foregoing agreements shall be covenants which run with the land and shall inure solely to the benefit of, and shall be binding upon the parties hereto, their respective successors and assigns, and all subsequent owners of the property and individual lots located in Riverwood Subdivision.

6. The Owner shall have no rights or liabilities except as a member of the Homeowners' Association or as owner of a lot or other parcel in the subdivision herein following its conveyance to the Homeowners' Association. Following the conveyance, the notice required in paragraph 2 above shall be given to the Homeowners' Association; or if the Homeowner's Association no longer exists or does not own the subject Common Area, to each owner of property in the subdivision.

7. Upon execution of this Agreement, it shall be recorded in the Clerk's Office of the Circuit Court, City of Suffolk, Virginia, at Owner's expense.

WITNESS the following signatures:

BOYCE-WIDENER, LTD.

BY 
E. Lee Boyce, III, President

Accepted:

CITY OF SUFFOLK, VIRGINIA

BY

Myles B. Standish
Myles B. Standish,
City Manager

Attest:

Mary Lynn Dixon
City Clerk, DEPUTY

Approved as to location and size:

E. J. Wilson Jr.
Director of Public Works

Approved as to form:

B. Kay Wilson
B. Kay Wilson, Asst. City Attorney

STATE OF VIRGINIA

City of Chesapeake, to-wit:

The foregoing instrument was acknowledged before me this 5th day of June, 1998, by E. Lee Boyce, III, President of Boyce-Widener, Ltd.

My Commission Expires: 11-30-98

Rubra L. Supraun
Notary Public

STATE OF VIRGINIA
City of Suffolk, to-wit:

The foregoing instrument was acknowledged before me this 10th day of June, 1998, by Myles E. Standish, City Manager, on behalf of The City of Suffolk Virginia.

My Commission Expires: June 30, 1998

Kathy B. Grady
Notary Public

INSTRUMENT #980006261
RECORDED IN THE CLERK'S OFFICE OF
SUFFOLK ON
JUNE 29, 1998 AT 03:52PM
HENRY C. MURDEN, CLERK

BY: Jean St. Roberts (DC)
ST. TAX 4.15

EXHIBIT A

PARCEL ONE

All that certain lot, piece or parcel of land situate, lying and being in the Chuckatuck Borough of the City of Suffolk, Virginia, and more particularly described on that certain plat entitled "SUBDIVISION PLAT OF RIVERWOOD PHASE ONE CHUCKATUCK BOROUGH SUFFOLK, VIRGINIA" dated July 14, 1997, and made by Survey Associates, Ltd. which said plat is recorded in Plat Cabinet 2, Slide 95-D in the Clerk's Office of the Circuit Court of the City of Suffolk, Virginia.

PARCEL TWO

All that certain lot, piece or parcel of land situate, lying and being in the Chuckatuck Borough of the City of Suffolk, Virginia, and more particularly described on that certain plat entitled, "PRELIMINARY SUBDIVISION OF RIVERWOOD PHASE TWO CHUCKATUCK BOROUGH SUFFOLK, VIRGINIA", and made by Survey Associates, Ltd. which is attached hereto and made a part hereof as Exhibit B.



August, 1998

**AMENDED DECLARATION OF COVENANTS,
RESTRICTIONS, RESERVATION AND EASEMENTS
OF RIVERWOOD SUBDIVISION**

WHEREAS, Boyce-Widener, Ltd., a Virginia corporation, filed for record in the Circuit Court of the City of Suffolk, Virginia, in Deed Book 592 at page 445, the Declaration of Covenants, Restrictions, Reservation and Easements of Riverwood Subdivision on June 29, 1998; and

WHEREAS, the Articles of Incorporation for Riverwood Homeowners Association, Inc. were filed with the State Corporation Commission and returned due to the fact that the name of Riverwood Homeowners Association, Inc. was already being used by another Virginia corporation.

WHEREAS, the name of the homeowners association for Riverwood subdivision is now Riverwood Owners Association, Inc., pursuant to the Articles of Incorporation which was filed with the State Corporation Commission on July 20, 1998; and

NOW, THEREFORE, the declarant hereby amends the Declaration of Covenants, Restrictions, Reservation and Easements to reflect the change of name of the homeowners association to Riverwood Owners Association, Inc.

Witness the following signature and seal:

BOYCE-WIDENER, LTD.

BY: R. A. Widener (SEAL)
Robert A. Widener, Vice-President

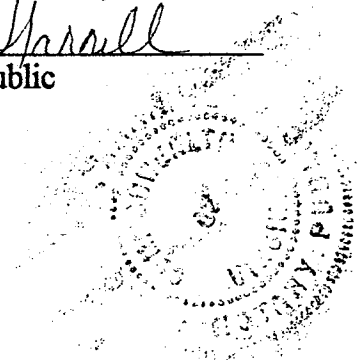
STATE OF VIRGINIA,
CITY of Virginia Beach, to-wit:

I, ROSE B. HARRILL, a Notary Public in and for the State of Virginia at Large, do hereby certify that Robert A. Widener, Vice-President, of Boyce-Widener, Ltd., whose name is signed to the foregoing writing, has acknowledged the same before me in the City and State aforesaid.

Witness my hand this 29 day of July, 1998.

Rose B. Harrill
Notary Public

My Commission Expires: 3/31/99



INSTRUMENT #980007833
RECORDED IN THE CLERK'S OFFICE OF
SUFFOLK ON
AUGUST 4, 1998 AT 12:00PM
HENRY C. MURDEN, CLERK

BY: Alvin E. Bridgman (DC)

BOYCE-WIDENER, LTD., a Virginia corporation
TO: DEED OF GIFT
RIVERWOOD OWNERS ASSOCIATION, INC., a Virginia corporation

THIS DEED OF GIFT, made this 10th day of September 1998, by and between
BOYCE-WIDENER, LTD., a Virginia corporation, party of the first part, "Grantor", and
RIVERWOOD OWNERS ASSOCIATION, INC., a Virginia corporation, party of the
second part, "Grantee", whose address is: 389 Edwin Drive, Virginia Beach, Virginia 23462.

WITNESSETH: That for and in consideration of the sum of One Dollar (\$1.00),
cash in hand paid, the receipt of which is hereby acknowledged, the party of the first part
does hereby grant, convey and give unto the said party of the second part, in fee simple with
GENERAL WARRANTY and English Covenants of Title, the following described property,
to-wit:

All that certain lot, piece or parcel of land lying, situate and being in the
Chuckatuck Borough of the City of Suffolk, Virginia, and known, numbered
and designated as "COMMON AREA 1 6.260 ACRES" as shown on a certain
plat entitled "SUBDIVISION PLAT OF RIVERWOOD PHASE ONE
CHUCKATUCK BOROUGH SUFFOLK, VIRGINIA", dated July 14, 1997
and made by Survey Associates, Ltd. The aforesaid plat is recorded in the
Clerk's Office of the Circuit Court of the City of Suffolk, Virginia, in Plat
Cabinet 2, Slide 95-D to which reference is hereby made for a more particular
description of said property.

It being a part of the same property conveyed to the Grantor herein by deed of
Mildred S. Wells, widow, dated October 1, 1996 and recorded in the Clerk's
Office aforesaid in Deed Book 507 at page 318.

This conveyance is made expressly subject to all easements, conditions, restrictions
and reservations contained in duly recorded deeds, plats, and any other instruments

Prepared by

FERGUSON, RAWLS,
MacDONALD,
OVERTON
& GRISSOM, P.C.
P. O. Box 1458
Suffolk, VA 23439-1458
(757) 539-2400

constituting constructive notice in the chain of title to the property hereby conveyed, which have not expired by a limitation of time contained therein or have not otherwise become ineffective.

WITNESS the following signature and seal:

BOYCE-WIDENER, LTD.

BY: E. Lee Boyce, III (SEAL)
E. Lee Boyce, III, President

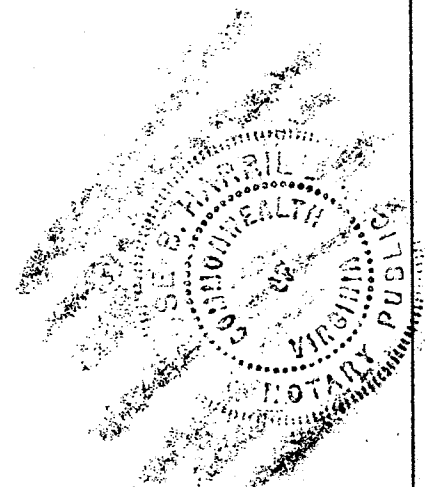
STATE OF VIRGINIA
CITY OF Virginia Beach, to-wit:

The foregoing instrument was acknowledged before me this 10 day of Sept.

1998, by E. Lee Boyce, III, President of Boyce-Widener, Ltd.

Rose B. Merrill
Notary Public

My commission expires: 3/31/99



FERGUSON, RAWLS,
MacDONALD,
OVERTON
& GRISSOM, P.C.
P. O. Box 1458
Suffolk, VA 23439-1458
(757) 539-2400

INSTRUMENT #980009876
RECORDED IN THE CLERK'S OFFICE OF
SUFFOLK ON
SEPTEMBER 24, 1998 AT 09:59AM
HENRY C. MURDEN, CLERK

2 BY: Jean M. Roberts (DC)
58.1-811