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Tax Parcel Number: Portion of 2HH243041B

**MOUNTAIN CREST AT SOUTHERN GAP
AMENDED AND RESTATED
DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, AND RESTRICTIONS**

THIS AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, AND RESTRICTIONS (this "Declaration") is made this 27th day of September, 2010, by THE INDUSTRIAL DEVELOPMENT AUTHORITY OF BUCHANAN COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia (the "Authority"), whose address is 4313 Slate Creek Road, Grundy, Virginia 24614.

WITNESSETH:

WHEREAS, the Authority is a political Subdivision of the Commonwealth of Virginia created pursuant to the provisions of Va. Code § 15.2-4900 *et seq.* for the purpose of promoting industry and developing trade by inducing manufacturing, industrial, governmental, and commercial enterprises to locate and remain in the Commonwealth of Virginia; and

WHEREAS, by Deed dated December 20, 2005, recorded in the Clerk's Office of the Circuit Court of the County of Buchanan, Virginia as Instrument #050004019, which Deed was amended by Deed of Correction recorded August 8, 2006 in the Clerk's Office as Instrument #060002609, the Authority acquired from Heartwood Forestland Fund IV, L.P. a large tract of property in the Prater Magisterial District of Buchanan County, Virginia known as Southern Gap which includes the property described herein, namely, the surface, timber, gravel, and building stone together with fixtures attached thereto, and all rights and privileges with respect to the use and occupancy of the surface, timber, sand, gravel, and building stone; and

WHEREAS, the Authority has subdivided a portion of Southern Gap into a subdivision for single family residences to be known as Mountain Crest (the "Subdivision"); and

WHEREAS, the Authority dedicated and imposed upon the Owners of the Lots shown on the plat constituting the Subdivision, as such plat may be amended (the "Plat"), and such portions, if any, of the Additional Area (as hereinafter defined) as may hereafter be added pursuant to Article II below, the covenants, conditions, and restrictions contained herein and affirmative obligations, all of which are for the purpose of protecting the value and desirability of the Subdivision; and

WHEREAS, the Authority subjected the Subdivision to the covenants, conditions and restrictions contained in that certain Declaration of Protective Covenants, Conditions, and Restrictions dated September 20, 2010, recorded September 21, 2010 as Instrument No. 100002564 in the Clerk's Office of the Circuit Court of the County of Buchanan, Virginia (the "Original Declaration"); and

WHEREAS, the Authority desires to amend and restate the Original Declaration in order to clarify and modify certain terms of the Original Declaration.

NOW, THEREFORE, the Authority hereby revokes, amends and restates the Original Declaration in its entirety and declares that the real property shown on Exhibit A hereto, and such additions thereto as may hereafter be made pursuant to Article II (but as to such additions, subject to any additions, deletions and modifications to the provisions of this Declaration as are made pursuant to Article II) is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens set forth in this Declaration, as the same may be amended, modified, supplemented or restated from time to time, and the Authority dedicates, imposes, and binds upon the Owners and residents of the Lots the covenants, conditions, restrictions and affirmative obligations set forth in this Declaration, all of which are for the purpose of protecting the value and desirability of the Property in the Subdivision, and shall run with the land and bind every Owner in the Subdivision, and shall inure to the benefit of each Owner.

ARTICLE I DEFINITIONS

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

"Articles" means the Articles of Incorporation of the Association.

"Association" means Mountain Crest at Southern Gap Homeowners Association, Inc., a non-profit corporation organized under the Code of Virginia, 1950, as amended.

"Authority" means The Industrial Development Authority of Buchanan County, Virginia.

"Board" means the Board of Directors of the Association.

"Bylaws" means the Bylaws of the Association.

"Clerk's Office" means the Clerk's Office of the Circuit Court of Buchanan County, Virginia.

"Common Area" means (i) real estate and/or easements specifically designated as "Common Area" on recorded plats of the Property, in any Supplemental Declaration or in any amendment to this Declaration or in any other instrument executed by the Authority and recorded in the Clerk's Office; (ii) the portions of the Property, if any, designated for "open space," "buffer zones," "scenic easements," "natural open space area," "conservation areas," "landscape easement," "trail easement" or similar purposes on recorded plats of the Property and conveyed (by deed, plat dedication or easement) to and accepted by the Association; and (iii) all other real property, easements, and improvements or facilities now or hereafter owned by the Association which are intended to be devoted to the common use or enjoyment of the Owners. The Common Area includes or may in the future include, without limitation, certain streets which are not dedicated to the public (including but not limited to any security gates and/or related features that may be installed in connection therewith), entrance signs and entry features, landscaping easements, certain fencing, medians located within or adjacent to streets within the Property, certain parks and open space areas, one or more storm water detention and retention ponds, and recreational facilities. Also, certain parcels within the Subdivision may include open space areas, easements and facilities which are intended to be maintained privately either by private ownership or by separate associations and which will not be designated as Common Areas and will not be maintained by the Association. The Common Area does not include the area on the Plat identified as "Property Retained by: Buchanan County Industrial Development Authority as

Being a Part of: Inst.# 050004019.”

“DAB” means the Design Assistance and Build Committee.

“Declaration” means this Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions, as the same may from time to time be amended or restated.

“Design Guidelines” means the design recommendations and requirements contained in the April 2009 Southern Gap Master Plan Design Guidelines, a copy of which may be obtained from the Authority upon request, as amended from time to time.

“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.

“Improvement” means any thing or object the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any building or part thereof, addition, structure, garage, porch, patio, deck, shed, detached building, swimming pool, fence, curbing, paving, wall, animal pen or shelter, exterior lighting, sign, mailbox or mailbox support, tree, shrub, etc. Furthermore, Improvement shall include any excavation, grading, fill ditch, diversion, dam, or other thing, or device which affects or alters the natural flow of surface waters from, upon, or across any Lot, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash, or drainage channel, from, upon, or across any Lot as well as any change in grade at any point on a Lot of more than six (6) inches.

“Lot” means any lot that is shown on a recorded Subdivision plat (or any subsequently recorded Subdivision plat) of any portion of the Property subject to the Declaration 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 Property which at the time in question is not included in a recorded Subdivision plat, nor shall “Lot” include Common Areas, public streets or property dedicated to and accepted by a public authority.

“Member” means every Person who holds membership in the Association.

“Mobile Home” or “Manufactured Home” means a residence built at a manufacturing facility on a permanent chassis or axle and that is intended to be hauled to a permanent site, as further defined in Section 36-85.16 of the Virginia Code.

“Modular Home” means a prefabricated sectional home with no chassis or axle that consists of multiple modules or sections that is manufactured at a remote facility, delivered to its intended site, and assembled into a single Residence.

“Neighborhood” means a group of Lots which are designated as a separate neighborhood by the Authority or which may have differences in Design Guidelines.

“Neighborhood Assessments” shall mean those additional assessments comprising the annual assessments for a given Neighborhood that are used for such purposes as are authorized by any Supplemental Declaration for a given Neighborhood. The Supplemental Declaration shall set forth the basis by which all Lots within a Neighborhood shall be assessed for Neighborhood Assessments.

“Owner” and “Lot Owner” means the record Owner, whether one or more Persons or entities, of title to any Lot, but excluding those having such an interest merely as security for the performance of an obligation.

"Person" means any individual, corporation, limited liability company, joint venture, partnership, Association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other separate legal entity.

"Plans" means the plans for any installation, construction, demolition or alteration of any Improvement on any Lot, which shall include detailed specifications.

"Plat" means the plat of survey of the Property made by Terra Tech Engineering Services, P.C., dated June 22, 2010, revised August 4, 2010, and entitled "Southern Gap Phase 1A Subdivision" or "Mountain Crest at Southern Gap" attached hereto as Exhibit A and recorded in the Clerk's Office at Plat Book 14, page 320, 320A and 320B, as may be amended from time to time.

"Property" means all property subjected to this Declaration, as shown on the Plat.

"Residence" means a dwelling or residence on a Lot, in which shall reside no more than three (3) unrelated individuals.

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

"Virginia Code" means the Code of Virginia, 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 recodified, each such reference shall be deemed to apply to the section 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.

"Zoning Ordinance" means any zoning ordinance in effect for Buchanan County, as may be amended, together with all rules and regulations adopted pursuant thereto. If any applicable ordinances, rules and regulations in effect are subsequently 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 ordinances, rules and regulations as they have been repealed, amended, supplemented, varied or waived as of such point in time.

ARTICLE II PLATS OF SUBDIVISION; ADDITIONS TO THE PROPERTY

There is attached hereto as Exhibit A and made a part of this Declaration the Plat. The Plat is recorded herewith for the purpose of identifying the property subject to this Declaration and the various numbered Lots and their respective locations in the Subdivision.

Section 2.1. Additional Area. The real estate subject to this Declaration as of the date of its recordation in the Clerk's Office is shown on Exhibit A hereto. The Authority may extend this Declaration to other real estate owned by the Authority and located within a five (5) mile radius of the real estate described in Exhibit A (collectively, the "Additional Area"). However, the Authority shall not be obligated to bring all or any part of the Additional Area within the plan 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 Property 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 this Article II.

Section 2.2. Right to Subject Additional Area to Declaration. the Authority reserves the right, at its discretion, at such time or times as it shall determine on or before December 31, 2014, to subject the Additional Area, or such portions thereof as the Authority 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 that is not, on or before December 31, 2014, 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 "Property," shall cease to be Additional Area. Each of the additions authorized pursuant to this Section 2.2 shall be made by the Authority's recordation in the applicable 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 the Authority may desire. However, no negative reciprocal easement shall arise out of any additions, deletions or modifications to this Declaration made in the instruments that 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, the Authority 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, easements and restrictions (including without limitation a different level of assessments) applicable to a specific Neighborhood or Neighborhoods or certain specified Lot(s). 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 the Authority hereunder as to any portion of the Additional Area shall be deemed to be an exhaustion of such power as to other portion(s) of the Additional Area not so subjected to the provisions hereof or to the provisions of a Supplemental Declaration. The discretionary right of the Authority 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 the Authority 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. the Authority shall have the right, at any time and from time to time, in the Authority's sole discretion, to remove from the Property and to release from this Declaration and/or any Supplemental Declaration any portion of such Property owned by the Authority by recording in the Clerk's Office an appropriate instrument describing the portion(s) to be removed from the Property and to be removed from this Declaration and/or any Supplemental Declaration; provided, however, if such Property is owned by any person or

Owner other than the Authority, that such person or Owner must be a party to the instrument effecting such removal.

Section 2.7. Master Plan. The existence of a master plan for the Property in developing and/or selling the Property and Lots therein shall not be deemed to constitute a representation by the Authority 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 the Authority with the consent (to the extent required) of Buchanan County, Virginia.

ARTICLE III PROPERTY RIGHTS / COMMON AREAS

Section 3.1. Obligations of the Association.

(a) The Association, subject to the rights of the Members set forth in this Declaration and subject to the rights of non-Owners, but only to the extent non-Owners are granted rights pursuant to the provisions of this Declaration, shall be responsible for the maintenance, management, operation and control, for the benefit of the Members, of the Common Areas conveyed, reserved or dedicated to or for the benefit of the Association and all improvements thereon (including fixtures, personal property and equipment related thereto) and shall keep the Common Areas and the improvements thereon in accordance with the requirements of the Zoning Ordinance, this Declaration and any applicable Supplemental Declaration, in good, clean and attractive condition, order and repair. Without limiting the foregoing, the Common Areas may include certain easements granted to or reserved for the benefit of the Association.

(b) 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, stone, wood or masonry wall features and/or related landscaping installed or planted in the Common Areas by the Authority or the Association; provided such items are not maintained by the applicable municipality or the Virginia Department of Transportation at its expense and are located within: (i) easement areas reserved for the benefit of the Association by virtue of this Declaration, any Supplemental Declaration, any recorded subdivision plat of the Property, or otherwise; or (ii) street right-of-ways.

(c) Without limiting the foregoing, the Authority shall have the authority to enter into one or more agreements with an electric utility company for the lease of street lights and related equipment and/or the provision of electric service associated therewith. The payment of any fees payable under such agreement(s) shall be the responsibility of the Association.

(d) In addition to the Association's responsibilities regarding the Common Areas, the Association shall have the express right and authority to enter into cost sharing, shared use and cross access arrangements with any Person, including, without limitation, any other property owners association providing services and/or shared facilities in the vicinity of the Property.

(e) The Association's performance of its obligations under this Section shall be for the benefit of its Members and such non-Owners, if any, who have been authorized to use the Common Areas pursuant to this Declaration, provided, however, that the rights of such Members and non-Owners, if any, shall be subject to the provisions of this Declaration, any applicable Supplemental Declaration, the Articles, the Bylaws and such rules and regulations as may be adopted from time to time by the Board.

Section 3.2. Owners' Rights of Enjoyment and Use of Common Areas. Subject to the provisions of this Declaration and any applicable Supplemental Declaration and the Articles, the Bylaws and such rules and regulations as may be adopted from time to time by the Board, 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. The Common Areas shall be used by Owners only for the purpose or purposes for which the Common Areas may have been improved by the Authority 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 3.3. General Limitations on Owners' Rights. The Owners' rights of enjoyment in the Common Areas shall be subject to the following:

(a) the right of the Board to establish reasonable rules and regulations and to charge reasonable admission and other fees for the use of the Common Areas;

(b) the right of the Board 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 is delinquent as long as access to the Lot through the Common Areas is not precluded and provided that such suspension shall not endanger the health, safety, or property of any Owner.

(c) the right of the Board to suspend the right of an 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 Board pursuant to this Declaration remains uncorrected after the last day of a period established for correction by the Board (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 sixty (60) days after such correction;

(d) subject to the Bylaws and any applicable provision of the Virginia Code, the right of the Board to mortgage any or all of the Common Areas for the purpose of making improvements or repairs thereto;

(e) subject to the Bylaws, the right of the Authority or the Board to grant utility easements across the Common Areas as provided herein;

(f) subject to the Bylaws and Section 13.1-899 of the Virginia Code, the right of the Board 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 Board;

(h) all of the other easements, covenants and restrictions provided for in this Declaration and any Supplemental Declaration(s) applicable to the Common Areas; and

(i) the right of the Board to permit use of any facilities situated on the Common Areas by use of Persons other than Owners, their families, lessees and guests upon payment of use fees or other consideration established by the Board.

Section 3.4. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Areas to members of his family living on his Lot 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 Board.

Section 3.5. Damage to or Destruction of Common Areas by Owner. In the event any Common Areas 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 of the area or improvement involved, or as the Common Areas 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 of such Owner and shall constitute a lien on such Owner's Lot and be collectible in the same manner as other assessments set forth herein.

Section 3.6. Rights in Common Areas Reserved by the Authority. Until such time as the Authority conveys a parcel of real estate constituting Common Area to the Association, the Authority 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, and recreational facilities, and (ii) to use the Common Area for other purposes not inconsistent with the provisions of this Declaration.

Section 3.7. Title to Common Area. The Authority may retain legal title to the Common Areas, or portions thereof, but notwithstanding any provision herein to the contrary, the Authority shall convey each Common Area to the Association, in a condition acceptable 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 and in a condition acceptable to the Association. Regardless of whether the Common Areas actually have been conveyed by the Authority, the 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 is/are recorded in the Clerk's Office for payment of taxes and insurance with respect thereto. Until the Common Areas are conveyed to the Association, the Authority shall be liable for payment of taxes and insurance with respect thereto.

Section 3.8. Reservation of Rights Regarding Common Area. Certain of the open space, conservation areas, and historic resources may be better suited for Ownership by a private, nonprofit organization among whose purposes is the conservation of open space land and/or natural or historic resources. Notwithstanding anything in this Declaration to the contrary, and regardless of whether such areas have previously been designated as Common Areas, the Authority reserves for itself, and its successors and assigns, the right, for so long as the Authority has the right to add Additional Area to the Property pursuant to Section 2.2 hereof, to transfer and convey such open space, conservation areas, and historic resources as the Authority deems in the best interests of such areas to one or more private, nonprofit organizations. Any transfer and conveyance shall comply with the specific criteria set forth in the Zoning Ordinance.

ARTICLE IV OWNERS ASSOCIATION

Section 4.1. Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment within the Subdivision. Upon the recordation of a deed to a Lot, 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. The Association shall have two classes of voting membership:

Class A. All Owners including the Authority shall be Class A members.

Class B. The Authority shall be the Class B member. The Class B membership shall terminate on the earlier of (i) the date on which the Authority no longer owns any portion of the Property and the Additional Area, (ii) the date on which the Authority executes and records in the Clerk's Office an amendment to this Declaration terminating the Class B membership, or (iii) on December 31, 2014.

Section 4.3. Voting Rights.

(a) Each Class A member including the Authority shall be entitled to cast one vote for each Lot owned.

(b) In addition to any votes the Authority may be entitled to as a Class A member, the Authority as the Class B member shall be entitled to cast a total number of votes equal to the total number of votes of all Class A members plus one (1), so that the Authority will have a majority of the total votes of all Members of the Association.

Section 4.4. Suspension of Voting Rights. The voting rights of any Member subject to assessment under this Declaration shall be automatically suspended when any such assessment or any installment thereof shall remain unpaid for more than thirty (30) days after the date due, but upon payment in full of such assessment the voting rights of such Member shall automatically be restored.

Section 4.5. Articles and Bylaws to Govern; 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 the Bylaws. However, in the event of any conflict or inconsistency between the provisions 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, as the same may be amended from time to time.

Section 4.6. Neighborhoods. The Lots within a particular Neighborhood or within a particular grouping of Lots subject to its own Supplemental Declaration may be subject to additional covenants other than as set forth in this Declaration (including any Supplemental Declaration). In addition, the Board may establish a Neighborhood Advisory Committee for each Neighborhood to advise the Board with regard to matters affecting such Neighborhood,

including, without limitation, making recommendations regarding the proposed annual budget with regard to Neighborhood Assessments payable by Owners within such Neighborhood.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.1. Creation of Lien and Personal Obligation for Assessments. The Authority, for each Lot owned within the Subdivision, hereby covenants, and each Owner of each Lot by acceptance of a deed of transfer, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges, including any additional Neighborhood Assessments as may be set forth in a Supplemental Declaration, and (2) special assessments for capital improvements, such assessments to be established and collected as provided in this Declaration, in any Supplemental Declaration and in the Bylaws. The annual and special assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. No Owner may waive or otherwise avoid liability for the assessments provided herein by nonuse of the Common Areas or abandonment of his Lot. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment became due and payable. The personal obligation for delinquent assessment shall not pass to his or her successor in title unless expressly assumed by them.

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 the Bylaws, for the establishment of reserves with respect to the Association's obligations, for the discharge of the Association's contractual and legal obligations; for the performance of services by the Association, its contractors, employees, and agents, as authorized in this Declaration and/or in the Articles or Bylaws; 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 Assessment. Unless otherwise provided in a Supplemental Declaration, until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment shall be Four Hundred Dollars (\$400.00) per Lot. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment may be increased or decreased from time to time by the Board pursuant to the Bylaws. Pursuant to Section 2.3, a Supplemental Declaration may be recorded providing for different levels of assessments applicable to specific Neighborhoods or certain specified Lot(s).

Section 5.4. Special Assessments. In addition to the annual assessments, the Board may levy a periodic special assessment if the purpose in doing so is found by the Board to be in the best interest of the Association and the proceeds of such assessment are used for (1) the maintenance and upkeep, including capital expenditures, of the Common Area, and (2) the discharge of taxes, the procurement of insurance, the establishment of reserves, and the discharge of such services and other obligations as may be assumed by the Association

pursuant to its Articles, Bylaws or this Declaration or any Supplemental Declaration, or any cost sharing, use or cross easement arrangements entered into with any other Person, and for such other purposes as authorized by or pursuant to the Articles or Bylaws.

Section 5.5. Notice and Quorum for Assessments. Written notice of any meeting called for the purpose of taking any action authorized for an increase above the maximum annual assessment shall be sent to all Members not less than twenty-five (25) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast forty percent (40%) of all votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be fifty percent (50%) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5.6. Uniform Rate of Assessments. Except for any Neighborhood Assessments, both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly, semi-annual or annual basis as determined by the Board.

Section 5.7. Date and Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of a Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date shall be established by the Board. The foregoing notwithstanding, in no event shall a Neighborhood Assessment commence prior to the conveyance of the applicable Neighborhood Common Area to the Association and the acceptance of such Neighborhood Common Area by the Association.

Section 5.8. Effect of Non-Payment of Assessments. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the judgment rate of interest per annum. The lien of the assessments provided for in this Declaration may be perfected and enforced in the manner provided in the Virginia Property Owners' Association Act. 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. 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 costs of collection including attorney's fees shall be added to the amount of such assessment and secured by the assessment lien.

Section 5.9. Subordination of Lien to Mortgages. The lien upon each of the Lots securing the payment of the assessments shall have the priority set forth in Section 55-516 of the Virginia Code. The sale or transfer of any Lot shall not affect the assessment lien. The sale or transfer, however, of any Lot pursuant to mortgage foreclosure or any proceeding in lien thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 5.10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments and liens created herein: (i) any property owned by the Authority; (ii) all properties dedicated and accepted by a public authority; and (iii) all Common Areas.

Section 5.11. Annual Budget. The Board shall adopt a proposed annual budget for each fiscal year, which budget shall provide for the annual level of assessments (including provision for reserves and physical damage insurance deductibles) and an allocation of expenses. There shall be no responsibility for the payment of assessments until after the Board adopts its initial annual budget. The procedure for adopting, ratifying or rejecting the budget is set forth in the Bylaws.

Section 5.12. Capitalization of Association. Upon the acquisition of record title to a Lot by the first purchaser thereof (other than Developer or an Owner who purchases solely for the purpose of constructing a dwelling thereon for resale), a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in the amount equal to Two Hundred Dollars (\$200.00). This amount shall be deposited in the purchase and sales escrow at settlement and shall be disbursed therefrom to the Association for its working capital.

ARTICLE VI DESIGN ASSISTANCE AND BUILD COMMITTEE

Section 6.1. Creation and Composition. There is hereby established a Design Assistance and Build Committee (the "DAB") 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 DAB shall be composed of five (5) persons, who need not be Members of the Association, from time to time appointed (i) by the Authority until 100% of the Properties and the Additional Area have been developed and conveyed to Owners other than builders, or (ii) by the Board from and after the date on which the Authority delegates this responsibility to the Association by written instrument in recordable form executed by the Authority. The Authority or the Board, as the case may be, may appoint one alternate member to the DAB, which alternate member may vote only in the absence of a regular member. The members of the DAB shall serve for such terms as may be determined by the Authority or the Board, as the case may be.

Section 6.2. Powers and Duties. All plans and specifications for any installation, construction, or alteration of any Improvement on any Lot ("Plans") shall be submitted to the DAB for approval (a) as to whether the proposed installation, construction, or alteration is in conformity and harmony of external design and general quality existing standards of the Subdivision and standards of the Design Guidelines and (b) as to the location of Improvements with respect to topography, furnished ground elevation, and surrounding Improvements. To the extent necessary to carry out such purpose, the DAB shall have all the powers and duties to do each and everything necessary, suitable, convenient, or proper for, or in connection with, or incidental to, the accomplishment of such purpose, including, without being limited to, the power and duty in its sole discretion to approve or disapprove Plans.

Section 6.3. Meetings and Activities.

(a) The DAB shall hold regular meetings at least once every three (3) months or more often as may be established by the DAB in order to review proposed Plans. Meetings shall be held at such times and places as the DAB shall specify. Notice of regular and special meetings need not specify the purpose or purposes for which the meeting is called. The DAB shall keep and maintain records of votes and minutes for each of its meetings. The DAB shall make such records and minutes available at reasonable times and places for inspection by members of the Association. Any action required to be taken at a meeting of the DAB, may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by

all of the members of the DAB and be filed within the minutes of the proceedings of the DAB. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document filed by the DAB. A majority of the members present at any meeting of the DAB shall constitute a quorum.

(b) The DAB shall make findings, determinations, rulings, and orders with respect to Plans regarding the conformity with the provisions herein and the Design Guidelines. The DAB shall issue authorizations or approvals which may include specified requirements or conditions, pursuant to the provisions herein and the Design Guidelines.

(c) The decision of a majority of the DAB with respect to the matters specified herein shall be final and binding upon any applicant for an approval, permit, or authorization; subject, however, to the review and modification by the DAB on appeal by the applicant to the DAB. Written notice of the decision of the DAB shall, within five (5) business days thereof, be given to the applicant. The applicant, within ten (10) days after receipt of the notice of such decision, may file a written request to have the Plans re-reviewed by the DAB.

Section 6.4. Submission of Plans: Before commencing the construction, erection or installation of any Improvement on any Lot, 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) of the Improvement or of the Lot on which it is situated, each Owner shall submit to the DAB a completed application on the form provided by the DAB, a proposed construction schedule and at least three sets of Plans of the proposed construction, erection, installation, alteration, enlargement, demolition or removal, which Plans shall include (unless waived by the DAB):

(a) A site plan showing the location of all proposed and existing Improvements on the Lot including building setbacks, open space, driveways, walkways, and parking spaces including the number thereof and all siltation and erosion control measures;

(b) A foundation plan;

(c) A floor plan;

(d) Exterior elevations of proposed Improvements and alterations to existing Improvements, as such Improvements shall appear after all back filling and landscaping are completed;

(e) Specifications of materials, color scheme, light scheme, and other details affecting the exterior appearance of all proposed Improvements and alterations to existing Improvements; and

(f) Plans for landscaping and grading.

Section 6.5. Approval of Plans. Upon approval by the DAB of any Plans submitted herein, one (1) copy of such Plans bearing such approval shall be deposited for permanent record with the DAB, and a copy of such Plans bearing such approval shall be returned to the applicant submitting the same. Approval of Plans for use in connection with any Lot or Improvement shall not be deemed a waiver of the DAB's right, in its sole discretion, to disapprove similar Plans or any of the features or elements included therein, if such plans, specifications, features, or elements are subsequently submitted for use in connection with any other Lot or Improvement.

Approval of any such Plans relating to any Lot or Improvement, however, shall be final as to that Lot or Improvement and such approval may not be revoked or rescinded thereafter providing that there has been adherence to, and compliance with, such Plans, as approved, and any conditions attached to any such approval.

Section 6.6. Disapproval of Plans. The DAB shall have the right to disapprove any Plans submitted pursuant to this Declaration in its sole discretion, including disapproval for any of the following reasons:

(a) The failure to include information in such Plans as may have been reasonably requested;

(b) The failure of such Plans to comply with this Declaration or the Design Guidelines;

(c) Any other matter which, in the judgment of the DAB, would be likely to cause the proposed installation, construction, or alteration of a Improvement to fail to be in conformity and harmony of external design and general quality with the standards of the Subdivision, or as to location to be incompatible with topography, finish ground elevation, and surrounding Improvements. In any case in which the DAB shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any case the DAB shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal may be prepared and submitted for approval.

Section 6.7. Obligation to Act. The DAB shall take action on any Plans submitted as herein provided within thirty (30) days after receipt thereof. Approval by the DAB, if granted, together with any conditions imposed by the DAB shall be placed in writing on the Plans and shall be returned to the applicant. Failure by the DAB to take action within thirty (30) days of receipt of Plans submitted for approval shall be deemed approval of such Plans.

Section 6.8. Consultation with Architects, etc.; Administrative Fee. In connection with the discharge of its responsibilities, the DAB may engage or consult with architects, engineers, planners, surveyors, attorneys and others. Any person seeking the approval of the DAB agrees to pay all fees thus incurred by the DAB and further agrees to pay an administrative fee to the DAB in such amount as the DAB may from time to time reasonably establish. The payment of all such fees is a condition to the approval or disapproval by the DAB of any Plans, and the commencement of review of any Plans may be conditioned upon the payment of the DAB's estimate of such fees.

Section 6.9. Inspection Rights. Any employee, agent of the Association, or the DAB may, after reasonable notice, at any reasonable time or times, enter upon any Lot and Improvement thereon for the purpose of ascertaining whether the installation, construction, alteration, or maintenance of any Improvement or the use of any Lot or Improvement is in compliance with the provisions of this Declaration and any approved Plans; and neither the Association, nor the DAB, nor any such agent shall be deemed to have committed a trespass or other wrongful acts solely by reason of such entry or inspection, provided such inspection is carried out in accordance with the terms of this paragraph.

Section 6.10. Violations. If any Improvement shall be erected, placed, maintained, or altered upon any Lot, other than in accordance with the Plans approved by the DAB pursuant to the

provisions of this Declaration, such erection, placement, maintenance, or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If in the opinion of the DAB such violation shall have occurred, the DAB shall notify the Association. If the Board shall agree with the determination of the DAB with respect to the violation, then the Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action with thirty (30) days after the mailing of the foresaid notice of violation, then the Association shall have the right to seek any remedy available at law or equity.

Section 6.11. Certification of Compliance. Upon completion of the installation, construction, or alteration of any Improvement in accordance with Plans approved by the DAB, the DAB shall, upon written request by the Owner thereof or upon the DAB's own initiative, issue a certificate of compliance, identifying such Improvement and Lot upon which such Improvement is placed, and stating that the Plans have been approved and such Improvement complies with such Plans. A copy of said certificate shall be filed for permanent record with the Plans on file with the DAB.

Any certificate of compliance issued in accordance with the provisions of this section shall be prima facie evidence of the facts therein stated; and as to any purchaser or encumbrancer in good faith and for value, or as to any title insurer, such certificate shall be conclusive evidence that all Improvements on the Lot comply with all the requirements of this Article, provided, however, that the certificate shall in no way be construed to certify the acceptability, sufficiency, or approval by the DAB of the actual construction of Improvements or of the workmanship, or to represent, or warrant to anyone the quality, function, or operation of the Improvements or of any construction, workmanship, engineering, materials, or equipment. The issuance of the certificate shall in no way be construed to certify to any party that the Improvements have been built in accordance with any applicable rule or regulation other than those of the DAB.

Section 6.12. Non-Discrimination. The DAB shall not discriminate against any applicant requesting approval of Plans because of such applicant's race, color, sex, religion, age, or national origin. Further, the DAB in the exercise of its powers granted pursuant to this Declaration shall not take any action the intent or effect of which is to discriminate against persons of a particular race, color, sex, religion, age, or national origin.

Section 6.13. Limitation of Liability. The approval by the DAB of any Plans, and any requirement by the DAB that the Plans be modified, shall not constitute a warranty or representation by the DAB of the adequacy, technical sufficiency or safety of the improvements described in such Plans, as the same may be modified, and the DAB 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 DAB 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 DAB's approval, disapproval or conditional approval of any Plans.

**ARTICLE VII
COVENANTS, CONDITIONS, and RESTRICTIONS**

Section 7.1. Protective Covenants.

(a) **Animals, Livestock and Poultry.** No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot, except that up to three (3) dogs, cats, or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes and are not permitted to become a neighborhood nuisance or hazard in any manner. No dog or cat may be permitted to run at large. Pet droppings shall be promptly removed by the Owner or person in control of the pet. Any Owner who keeps or maintains any pet upon any portion of the Property agrees to indemnify and hold the Association, each Owner and the Authority free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Property. All pets shall be registered and inoculated as required by law.

(b) **Single Family Residences.** No dwelling shall be erected, altered, placed, or permitted to remain on any Lot other than one (1) Residence.

(c) **Massing; Structure Height and Square Footage.** All residences shall be constructed on a solid foundation. For Lots between 10,000 (1/4 Acre) and 25,000 (1/2 Acre) square feet, the total square footage of the residence footprint shall not exceed fifteen percent (15%) of the Lot area. For Lots between 25,000 (1/2 acre) and 45,000 (1 acre) square feet, the total square footage of the residence footprint shall not exceed ten percent (10%) of the Lot area. For Lots larger than 45,000 square feet (1 Acre), the total square footage of the residence footprint shall not exceed eight percent (8%) of the Lot area. Maximum height of a residence shall not exceed three (3) stories above grade, from the front or street facing sides of the home. This height restriction excludes walkout basements to the rear or non-street facing sides of the home.

Residences on Lots designated on the Plat as Lots 1 – 15 shall have a minimum of 2,500 square feet of living space. Residences on Lots designated on the Plat as Lots 16 – 33 shall have a minimum of 1,500 square feet of living space.

(d) **Porches, Patios and Decks.** All single-family residences are encouraged to have a front porch. Residential porch details, including railings and columns, should be of a simple style that reinforces the architectural style and materials of the residence. Natural materials such as rough wood or stone finish are encouraged. Patios and decks shall be in a style and material that complements that of the residence.

(e) **Roofs and Eaves.** The primary roof pitch on the residence shall be 8/12 or greater. Side wings or additions to the residence shall have a roof of similar material and pitch to that of the residence and the roof shall be subordinated to that of the residence. The primary roof shall be constructed of a material that is naturalistic and blends well into the landscape and style of the house. Eaves shall be a minimum of two (2) feet deep. Patio and deck roofs (where applicable) shall be flatter than the main roof of the residence and should not detract from the architectural style of the residence.

(f) **Garages; Carports.** Detached garages shall be located behind the street-side face of the main body of the residence. The height of a detached garage shall be lower than that of the residence. Garage doors must be of high-quality design and construction. Garage

doors should be of a design that visually reduces the width of the door. Carports are not permitted on Lots designated on the Plat as Lots 1 - 15. Carports are permitted on Lots designated on the Plat as Lots 16 - 33 provided they are attached to the residence and subject to DAB guidelines and approval.

(g) Exterior Materials and Color Palatte. Each residence as well as attached and detached garages shall have appropriate exterior finishes that include natural materials that reflect the surrounding landscape. Exterior colors used on residences as well detached garages and Improvements shall have subdued earth tone colors that blend into the surrounding landscape. Exposed foundation walls shall have a decorative finish that matches the exterior material and color palette of the residence, on the front or street facing sides. Residences, detached garages, or other Improvements shall not have exterior materials that include vinyl siding, exposed concrete block, and stucco; provided that Residences on Lots designated on the Plat as Lots 16 – 33 may have up to 75% vinyl siding, and Residences on Lots designated on the Plat as Lots 1 – 15 may have up to 15% vinyl siding.

(h) Placement of Utilities. Heating, ventilation, and air conditioning equipment or units as well as waste bins shall be adequately screened from view by appropriate landscaping, fencing, or walls. Equipment for renewable energy production units such as solar shingles, wind turbines, etc. are required to be screened in a manner that would not limit their function, but the visual and audible impact of such equipment must be minimized to the greatest extent possible.

(i) Mobile, Manufactured and Modular Homes. There shall be no Mobile Homes or Manufactured Homes located in the Subdivision. Modular Homes may be located on Lots designated on the Plat as Lots 16 - 33 in accordance with the provisions of this Declaration and the Design Guidelines.

(j) Temporary Structures. No structure of a temporary character, such as, by way of illustration and not limitation, trailers, tents, shacks, barns, pens, kennels, runs, stables, sheds not anchored on foundations or other temporary accessory buildings shall be erected, used or maintained on any Lot except in connection with construction activities. The guidelines adopted by the DAB, from time to time, may contain further limitations with respect to permanent accessory structures which may be erected, used or maintained on any Lot.

(k) Trash. No rubbish, trash, garbage or other waste material shall be kept or permitted on the Lots except in containers located in appropriate areas, if any, and in all events such containers shall not be visible from any of the Lots except for the minimum time necessary for its collection. Waste and recycling bins must be stored out of view of the public right-of-way until 24 hours prior to pick-up. Waste and recycling bins shall be removed from the street or public right-of-way within twelve (12) hours following pick-up. No odor shall be permitted to arise therefrom so as to render the Lots or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Lots in the vicinity thereof or to its occupants. No clothing or household fabrics shall be hung, dried or aired in a manner which is visible from any roadway, and no lumber, grass, shrub or tree clippings or plant waste, metals, bulk material or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Lots, except within an enclosed Improvement appropriately screened from view erected for that purpose, if any.

(l) Permitted Uses. No trade or business shall be conducted from any residence except that an Owner or occupant residing on a Lot may conduct business activities within such residence so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Lot; (b) the business activity conforms to

all governmental requirements; (c) the business activity does not involve persons coming onto the Lot who do not reside on the Lot or door to door solicitation of residents of the Property; and (d) the business activity does not constitute a nuisance, or hazardous or offensive use, or threaten the security or safety of other residents of the Subdivision.

Nothing in this Declaration shall be construed to prohibit the Authority or its designees from using any Lot owned by the Authority (or any other Lot with the permission of the Owner thereof) or any portion of the Common Areas for promotional, marketing, display or customer service purposes or for the settlement of sales of Lots. Further, the Authority specifically reserves the right to operate a construction office or a rental, brokerage and management office at any time on Lots owned or leased by the Authority (or any other Lot with the permission of the Owner thereof) and on any portion of the Common Area, to the extent permitted by law. The Authority may assign its rights under this section to or share such rights to one or more other persons including but not limited to builders, exclusively, simultaneously or consecutively with respect to the Common Areas and Lots owned or leased by the Authority or such persons.

(m) Setback Requirements. The front porch of any residence may extend no more than eight feet (8') beyond the established front setback line into the front yard. The following setback requirements shall apply to each Lot in the Subdivision: Front yard setback – 40'; Side Yard setback – 15'; Rear yard setback – 15'. The above front setbacks are measured from the back of the sidewalk to the front face of the residence. Side setbacks are measured from the property line to the closest face of the residence. Rear setbacks are measured from the rear property line to the rear face of the building.

(n) Fences and Walls. Freestanding walls may be up to three and a half feet (3.5') in height, located in close proximity to the residence to create outdoor rooms. Privacy fences are allowed in the side and rear yards only. No chain link fences shall be allowed in the Subdivision. Except for any fence installed by the Authority or the Association, no fence shall be installed except in conformance with standards established therefor and with the written approval of the DAB.

(o) Vehicles. Except in connection with construction activities, no trucks, trailers, campers, recreational vehicles, boats or other large vehicles, including grounds maintenance equipment, may be parked on any portion of the Common Areas, or any portion of a Lot visible from the Common Areas or any other Lot or on any public right-of-way within or adjacent to the Property, unless kept inside of a garage or as expressly permitted by the Board and only in such parking areas or for such time periods (if any) as may be designated for such purpose. Parking of all such vehicles and related equipment, other than on a temporary and non-recurring basis, shall be in garages or screened enclosures approved by the DAB or in areas designated in the rules and regulations. All vehicles must be parked so as not to impede traffic or damage vegetation. No junk or derelict vehicle or other vehicle on which current registration plates and current county and state inspection permits are not displayed shall be kept upon any portion of the Common Areas, or any portion of a Lot visible from the Common Areas or another Lot. Vehicle repairs and storage of vehicles are not permitted, except in accordance with the rules and regulations; provided, however, that noncommercial repair of vehicles is permitted within enclosed structures. All motor vehicles including, but not limited to, trail bikes, motorcycles, all-terrain vehicles, dune buggies, and snowmobiles shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on community trails, pathways or unpaved portions of the Common Areas, except such vehicles as are authorized by the Board as needed to maintain, repair, or improve the Common Areas. This prohibition shall not apply to normal vehicular use of designated streets, if any, constructed on the Common Areas.

(p) No Conversion, Subdivision or Vacation. No Lot shall be converted or used as a street or public way or as a means of access to any adjacent or other lands. No Lot shall be further subdivided or separated into smaller Lots, and no portion less than all of any such Lot, nor any easement or other interest herein, shall be conveyed or transferred by an Owner other than the Authority, provided that this shall not prohibit the vacating of boundaries between adjacent Lots in connection with deeds of correction, deeds to resolve boundary line disputes and similar corrective instruments. No two Lots shall be combined to build or construct a single dwelling or residence.

(q) Nuisance. No obnoxious noise producing or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood and/or community. Lot Owners shall be prohibited from use of excessive noise and outside music.

(r) Signs. Only signs of no more than five (5) square feet advertising the property or Lot for sale or signs used by a builder during the construction and sale of such residences or Lots, will be permitted in a location that is visible from the Common Areas or any other Lot, except as otherwise expressly permitted in the rules and regulations and/or the guidelines adopted from time to time by the DAB. Signs larger than those herein permitted designating the name of the Subdivision may be placed at the entrances to the Subdivision.

(s) Driveways. All residences shall, within six (6) months of completion or occupancy, have a surfaced driveway from a street or public way which adjoins such residence to the front of the residence or to one of the sides or back thereof. The portion of the driveway between the street and the sidewalk shall be concrete and conform to VDOT Standard CG-9B titled "Standard Entrance Gutter." Each residence shall have a suitable walkway constructed for ingress or egress to the front door thereof, unless the front door opens onto a porch or terrace which adjoins a driveway. The driveway shall be a sufficient width or length to park all vehicles used by the occupant of the residence and no vehicles owned or leased or controlled by any occupant of the residence shall be parked on the streets of the Subdivision. Vehicles shall not be left on the street by any resident or temporary occupant more than two days in any thirty day period of time.

(t) Shrubbery and Trees. Shrubbery and trees are encouraged to be placed on each Lot at the time of construction of the residence or within six months after completion of such residence. Low foundation plantings at the base of a residence are encouraged, but the mature height of the plant shall not obscure windows and doors. Hedges in front of the front façade of the residence shall not grow higher than 3.5 feet. Formal areas requiring trimming of lawns and shrubs and removal of debris from open grass or paved areas must be maintained in a reasonably neat and orderly appearance pursuant to the intent of the original landscape design and concept. Each Lot Owner shall minimize the installation of landscaping and plant types and species where mature heights will interrupt desirable vistas from neighboring residences. Minimizing formal lawn areas is encouraged to reduce maintenance and water use. Low-maintenance groundcovers tolerant of dry conditions are encouraged as an alternative to lawn areas. Less formal or naturalistic areas are encouraged, as they require less active maintenance. Seasonal removal of some fallen debris and excess undergrowth may still be appropriate for these areas. Mulches of ornamental rock, long-leaf pine straw, or other non-indigenous material shall not be allowed.

(u) Landscaping: Sight-lines and Utilities. No tree, hedge or other landscape feature shall be planted or maintained in a location that obstructs sight-lines for vehicular traffic on public streets. Pavement, plantings and other landscape materials shall not be placed or permitted to remain upon any Lot: (i) if such materials may damage or interfere with any easement for the installation or maintenance of utilities; (ii) in violation of the requirements of such easements; (iii) unless in conformity with public utility standards; or (iv) if such materials may unreasonably change, obstruct or retard direction or flow of any drainage channels. No water pipe, sewer pipe, gas pipe, drainage pipe, television cable, electrical wire, or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground.

(v) Radio and TV Antennas: Only those antennas expressly permitted under the Federal Communications Commission's Over-the-Air Reception Devices (OTARD) Rule implementing Section 706 of the Telecommunications Act of 1996, as amended from time to time, are allowed. All others are expressly prohibited. As of the date of the recording of this instrument, the following are permitted under OTARD: (a) direct broadcast satellite (DBS) antenna one (1) meter or less in diameter or diagonal measurement; (b) antennas designed to receive Multipoint Distribution Services (MDS) that are 39.4 inches (one (1) meter) or less in diameter; (c) antennas designed to receive television broadcast signals of any size; (d) transmission-only antennas if they are necessary for the use of a covered reception antenna and are one (1) meter or less in diameter; and (e) masts used in conjunction with any of these antennas (collectively, the foregoing are referred to as "Covered Antennas"). The foregoing list is subject to change pursuant to changes in OTARD and/or any other applicable laws. Covered Antennas shall be located in accordance with Design Guidelines adopted by the DAB, to the extent such restrictions are not prohibited by the OTARD Rule, and an application for DAB approval must be submitted for any device deviating from the following:

- (i) Television broadcast Covered Antennas must be installed inside a Residence whenever possible;
- (ii) Satellite dish antenna if eighteen inches or less, shall be located on the rear of the house either just below the roof ridge or the fascia board below the roof eaves, or if larger than eighteen inches, be located behind the rear foundation of the house.
- (iii) Any cable associated with satellite dish or other antenna shall be buried or shall not be visible on the structure to which it is attached or extended.

(w) Ornaments and Appurtenances. Seasonal yard ornaments shall be displayed only for a reasonable time frame prior to and following a holiday or event. Where desired, permanent yard ornaments should be attractive to maintain the integrity of the Mountain Crest development, respecting neighbors and visitors. Permanent yard ornamentation should be coordinated with the DAB. Personal items such as mobile grills, toys, and recreational equipment shall not be stored for long periods on porches or balconies where they are visible from adjacent buildings or the public right-of-way. Plants and furniture and decorative items made for outdoor environments are appropriate for these areas.

(x) Improvement of Lots. All construction and other improvements on the Lots shall be undertaken and completed in accordance with the following conditions:

- (i) The purchaser of a Lot shall ensure that construction of a Residence on the Lot commences by the later of (a) twelve (12) months after the closing of the purchase of that Lot, or (b) thirty (30) days after Buchanan County's approval of the Certificate of Substantial Completion submitted by the contractor for the Subdivision, and

