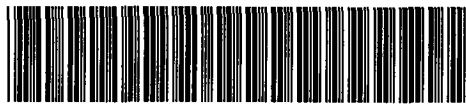


ROCKINGHAM COUNTY
Chaz W. Evans-Haywood
CLERK OF COURT
Harrisonburg, VA 22801



60 2013 00017775

Instrument Number: 2013- 00017775

As

Restrictive Covenants

Recorded On: June 20, 2013

Parties: BBWL LLC

To

NO GRANTEE

Recorded By: LAYMAN & NICHOLS

Num Of Pages: 33

Comment:

**** Examined and Charged as Follows: ****

Restrictive Covenants	6.50	31 or More Pages	48.50
Recording Charge:	55.00		

**** THIS PAGE IS PART OF THE INSTRUMENT ****

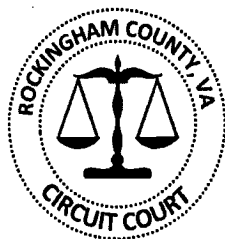
I hereby certify that the within and foregoing was recorded in the Register of Deeds Office For: ROCKINGHAM COUNTY, VA

File Information:

Record and Return To:

Document Number: 2013- 00017775
 Receipt Number: 265944
 Recorded Date/Time: June 20, 2013 11:56:41A
 Book-Vol/Pg: Bk-OR VI-4261 Pg-667
 Cashier / Station: A Pittman / Cash Station 3

LAYMAN & NICHOLS
 268 NEWMAN AVE
 HARRISONBURG VA 22801



THE STATE OF VIRGINIA}
COUNTY OF ROCKINGHAM}

I certify that the document to which this authentication is affixed is a true copy of a record in the Rockingham County Circuit Court Clerk's Office and that I am the custodian of that record.

Chaz W. Evans-Haywood - Clerk of Court

CLERK OF COURT
ROCKINGHAM COUNTY, VIRGINIA

Jun 20, 2013

Rockingham County Tax Parcel 130-A-9 (Portion)

PROTECTIVE COVENANTS
FOR
DOWNEY KNOLLS RESIDENTIAL SUBDIVISION

THESE PROTECTIVE COVENANTS FOR DOWNEY KNOLLS RESIDENTIAL SUBDIVISION are made and executed this 19th day of June, 2013, by BBWL, LLC, a Virginia limited liability company (together with its successors and assigns as herein provided, "Declarant").

1. DECLARATION

1.1 Declarant is the record owner of the real property collectively comprised of 3.595 acres, more or less, situated in the Town of Elkton, Virginia, as more particularly described in Exhibit A (the "Development Property"). Declarant also owns of record other real property situated in the Town of Elkton, Virginia, that is more particularly described in Exhibit B (the "Expansion Property"). The Development Property and all other real property that later becomes part of Downey Knolls Subdivision as permitted by this Declaration (the "Subdivision") are referred to as the "Property." Declarant reserves the right to add all or any part of the Expansion Property to the Subdivision at any time and from time to time. The property is a portion of the real estate acquired by Declarant from Peter A. Bonavita, Gary Beatty and Michele Lucci by deed dated October 6, 2010, of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 3777, page 244.

1.2 Declarant desires to develop the Property as an age-restricted residential community pursuant to the Virginia Property Owners' Association Act, Virginia Code Sections 55-508 et seq. (as the same may be amended from time to time, the "Act").

1.3 To further the general purposes of establishing and preserving a harmonious design for the community and protecting and enhancing the value of the Property, Declarant declares that the Property shall, at all times, be owned, held, used, occupied, sold and conveyed subject to the provisions of this Declaration and to the covenants, conditions and restrictions, easements, reservations, assessments and charges herein contained, which shall run with the Property and bind all parties having any right, title or interest in the Property, or any portion thereof, and their respective successors, assigns, heirs, devisees and personal representatives.

*This document prepared by
Layman & Nichols, P.C., 268 Newman Ave, Harrisonburg, VA 22801*

2. DEFINITIONS

2.1 "Act" has the meaning given to it in Section 1.2 above.

2.2 "Annual Assessment" means the Assessment levied and assessed each year against each Lot pursuant to Section 7.5 below.

2.3 "Articles" means the Articles of Incorporation of the Association, as the same may be amended from time to time.

2.4 "Assessment" means an assessment levied pursuant to Article 7 below.

2.5 "Assessment Lien" means the lien of the Association on a Lot described in Section 7.8 below.

2.6 "Association" means Downey Knolls Homeowners' Association, Inc., a Virginia nonstock corporation, and its successors and assigns.

2.7 "Association Documents" means the Declaration, the Articles, the Bylaws and the Rules and Regulations, as the same may be amended from time to time.

2.8 "Bylaws" means the Bylaws of the Association, as the same may be amended from time to time.

2.9 "Commercial Village" means the real property adjoining the Property being developed by Declarant as Elkton Plaza West, as described in the Declaration of Land Use Restrictions for Elkton Plaza West recorded in the aforesaid Clerk's Office in Deed Book 3869, page 291.

2.10 "Common Elements" means (a) any real estate, together with any improvements located thereon, within the Property that is owned or leased by the Association or that the Association is otherwise required to operate, manage, maintain or repair, but excluding Lots and any such real estate or improvements that are dedicated to and/or maintained by the County of Rockingham, Virginia, the Virginia Department of Transportation or other governmental body or authority, and (b) any personal property owned or leased by the Association. The Common Elements include, without limitation: (i) any community recreation facilities on the Property, (ii) all landscaping buffers shown on the plat of the Commercial Village, (iii) all streetlights along the public right-of-way affording access to the Property and the Commercial Village from US Route 33, emergency access ways and emergency access gate and related easements as shown on the Plat, any walking trails, gazebos and similar facilities on the Property, and (v) community signage.

2.11 "Common Expenses" means (a) all costs, expenses and liabilities incurred by or on behalf of the Association, including, but not limited to, costs, expenses and liabilities for (i) managing, operating, maintaining, repairing, altering and improving the Common Elements, including the community recreation facilities referenced in Section 17; (ii) administering and enforcing the covenants, conditions, restrictions, reservations and easements created by this Declaration; (iii) performing the Association's maintenance and other obligations under this Declaration; (iv) levying, collecting and enforcing the Assessments, charges and liens due the Association, (v) regulating and managing the Downey Knolls Subdivision; and (vi) operating the Association; and (b) allocations to reserves.

2.12 "Declarant" means BBWL, LLC, a Virginia limited liability company, and any Person that is designated by a written instrument signed by Declarant as a successor or assignee of Declarant under this Declaration.

2.13 "Declaration" means this instrument and all amendments and/or supplements hereafter recorded in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia

2.14 "Default Assessment" has the meaning given to it in Section 7.7 below.

2.15 "Development Code" means the applicable subdivision, zoning and other development ordinances of the local government having jurisdiction over the Property, as they may from time to time be amended, revised or supplemented.

2.16 "DRC" or "Design Review Committee" means the committee established or independent contractor retained by the Association to administer the architectural and design review process contemplated by this Declaration.

2.17 "Expansion Property" has the meaning given to it in Section 1.1 above. As Declarant adds all or any part of the Expansion Property to this Declaration as provided herein, that added portion shall become part of the Property and shall cease to be part of the Expansion Property.

2.18 "Fair Housing Laws" has the meaning given to that term in Section 12.1 below.

2.19 "Living Unit" means a residential dwelling or structure on the Property.

2.20 "Lot" means any area of real property located within the Subdivision that is designated by number as a lot on any recorded subdivision Plat for the Subdivision.

Any area designated on the Plat as "Community Center" or "Open Space" is not a Lot, but is instead part of the Common Elements.

2.21 "Membership" means a membership in the Association and the rights granted to Owners pursuant to this Declaration to participate in the Association.

2.22 "Mortgage" means any mortgage, deed of trust or other document creating a security interest in any Lot or interest therein as security for payment of a debt or obligation.

2.23 "Mortgagee" means the mortgagee or beneficiary of any Mortgage.

2.24 "Open Space" means any portion of the Property designated on any recorded Plat for the Subdivision as Open Space.

2.25 "Owner" means the Person(s) who own of record, according to the real property records of Rockingham County, Virginia, fee simple title to a Lot or an undivided portion thereof. If there is more than one record holder of legal title to a Lot, each shall be an Owner. Each Owner shall also hold a Membership, which Membership is appurtenant to ownership of a Lot or an undivided portion thereof. The term "Owner" shall include Declarant to the extent Declarant is the holder of fee simple title to a Lot.

2.26 "Person" means any natural person, corporation, partnership, limited liability company, association, trustee or any other entity recognized as being capable of owning real property under the laws of the Commonwealth of Virginia.

2.27 "Plat" or "Plats" means the plat(s) of the Subdivision now or hereafter on file with the Office of the Clerk of the Circuit Court of Rockingham County, Virginia, as such plat(s) may be amended or supplemented from time to time.

2.28 "Property" has the meaning given to it in Section 1.1 above.

2.29 "Rules and Regulations" means any instruments adopted by the Association or the DRC for the regulation and management of the Subdivision, as such instruments may be amended from time to time.

2.30 "Subdivision" means the Property, as such term is defined in Section 1.1 above.

3. APPLICABILITY OF THE ACT

This Declaration, the Association and the Subdivision are subject to the provisions of the Act. In the event of any conflict between the provisions of the Act that

may not be varied and the provisions of the Association Documents, such provisions of the Act shall control.

4. THE ASSOCIATION

4.1 Formation of the Association. On or before the date on which Declarant conveys fee simple title to the first Lot within the Subdivision to any Person, other than Declarant or a successor Declarant, Declarant shall form the Association.

4.2 Purposes and Powers.

(a) The Association's purposes are to: (i) manage, operate, construct, improve and maintain the Common Elements, as necessary or appropriate; (ii) administer and enforce the covenants, conditions, restrictions, reservations and easements created by this Declaration; (iii) levy, collect and enforce the Assessments, liens, charges and penalties imposed pursuant hereto; (iv) appoint the DRC for the purposes set forth in this Declaration, and (v) regulate and manage the Subdivision with the goal of enhancing and protecting its value.

(b) Unless expressly prohibited by law or any of the Association Documents, the Association may take any and all actions that it deems necessary or advisable to fulfill its purposes, including without limitation, all of those actions set forth in the Association's Articles.

4.3 Association Documents.

(a) Each Owner shall comply with and benefit from each term, provision, covenant, condition, restriction, reservation and easement contained in the Association Documents. The obligations, burdens and benefits of Membership in the Association touch and concern the Property and are, and shall be, covenants running with each Lot for the benefit of all other Lots and the Common Elements.

(b) In the event that there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the Articles, the Bylaws or the Rules and Regulations, the terms and conditions of this Declaration shall control. In the event that there is any conflict or inconsistency between the terms and conditions of the Articles and the terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Articles shall control. In the event of any conflict or inconsistency between the terms and conditions of the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

4.4 Books and Records. Upon request, the Association shall allow Owners and Mortgagees to inspect current copies of the Association Documents and the

books, records, budgets and financial statements of the Association at the offices of the Association during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials as well as for the time of Association staff members associated with such inspection.

4.5 Personal Liability and Indemnification. No officer, director, employee, or committee member of the Association shall be personally liable to the Association or any Owner for any injury, damage, loss, cost or expense suffered or incurred by reason of any act or omission of such officer, director, employee, agent or committee member unless a court of competent jurisdiction finds that the act or omission of such officer, director, employee, agent or committee member was wanton and willful. The Association shall indemnify and hold harmless its present and future officers and directors to the maximum extent permitted by law and the Articles.

4.6 Insurance. The Association shall obtain and maintain such insurance as the Board of Directors of the Association shall deem necessary or is required by the Act. The Association shall maintain general liability insurance and shall maintain hazard insurance covering the Common Elements, with insurance carriers and in amounts approved by the Board of Directors.

5. MEMBERSHIP IN THE ASSOCIATION

5.1 Membership. There shall be one Membership appurtenant to each Lot. A Membership may not be separated from the ownership of the Lot to which it is appurtenant. Any Membership appurtenant to a Lot having more than one Owner shall be shared by such Owners, and each such Owner shall be a member of the Association.

5.2 Transfer of Membership. An Owner shall not sell, assign, transfer, convey, pledge or encumber the Owner's Membership in any way, except upon the sale or encumbrance of the Lot to which the Membership is appurtenant, and any transfer or attempted transfer in violation of this paragraph shall be null and void.

5.3 Voting.

(a) As to Association matters, there shall be two voting classes: (i) "Class A" Members shall be all Owners other than Declarant, and shall be entitled to one vote for each Lot for each Lot owned, and (ii) "Class B" Member shall be Declarant, which shall be entitled to three votes for each Lot owned. If a Lot is owned by more than one Person, such Owners shall be entitled to cast one collective vote; fractional voting shall not be allowed. Treatment of votes for Memberships having multiple Owners is addressed in more detail in the Bylaws.

(b) Directors of the Association shall be elected by the affirmative vote of a majority of the votes of Owners present in person or by proxy at a

meeting at which a quorum is present called for the purpose of electing directors, except that Declarant reserves the right to appoint all directors of the Association for so long as Declarant owns any Lot or any portion of the Expansion Property (or, if shorter, for the longest period permitted by law) or until Declarant relinquishes such right as to all or any director seat by written notice to the Association.

(c) All meetings at which the Owners will be presented with matters to vote on shall be called by the Board of Directors of the Association upon such notice as is required by the Articles, Bylaws and the Virginia Nonstock Corporation Act.

6. BOARD OF DIRECTORS OF THE ASSOCIATION

6.1 Powers of the Board of Directors.

(a) Except as provided in the Association Documents or by law, the Board of Directors may act on behalf of the Association in all instances.

(b) The Board of Directors shall consist of at least three but not more than seven members (with the number of directors being fixed in the Articles of Incorporation). One director shall be designated as chairperson. The term of each director shall be as set forth in the Articles and Bylaws.

(c) The Board of Directors shall appoint all members of the DRC and shall have the authority to remove or replace such members, with or without cause, upon a majority vote of the members of the Board of Directors — except that Declarant shall have the exclusive right to appoint the DRC for so long as Declarant owns a Lot or any portion of the Expansion Property.

6.2 Qualifications of Board Members. A Board Member need not be an Owner, but any Owner may be a Board Member if duly elected or appointed.

7. ASSESSMENTS, COMMON EXPENSES, BUDGETS AND LIENS

7.1 Obligations for Assessments and Other Charges.

(a) Each Owner, by accepting a deed to a Lot (regardless of whether stated in such deed), shall be deemed to have covenanted and agreed, to pay to the Association all (i) Annual Assessments; (ii) Special Assessments, (iii) Default Assessments; (iv) garden maintenance assessments as described in Section 7.8 below, and (v) other charges that the Association is required or permitted to levy or impose on such Owner or such Owner's Lot pursuant to this Declaration or any other Association Document, or the Act. No Owner shall be exempt from liability under this Section 7.1 by waiving the use or enjoyment of any Common Element or by abandoning the Lot against which such Assessments are made.

(b) Declarant shall not be obligated to pay Annual Assessments or Special Assessments. In the early phases of the development of the Subdivision, Declarant may elect to subsidize Common Expenses by payment of Assessments or otherwise without waiving this provision.

(c) A Person acquiring a Lot on which delinquent Assessments are owed shall not be personally liable for such delinquent Assessments arising prior to the acquisition, but such new Owner will take title to the Lot subject to the lien of the Association for such delinquent Assessments. Each Person acquiring a Lot is advised to obtain a statement of the status of assessments from the Association, under Section 7.9 below, to protect his or her interest. A selling Owner shall remain personally liable for all Assessments accruing or due during the period of such Owner's ownership, even after sale of the Lot.

(d) Each Assessment or other charge, together with interest and penalties thereon and all costs and expenses incurred by the Association to collect such Assessment or other charge, including reasonable attorneys' fees and disbursements, may be recovered by a suit for a money judgment by the Association without foreclosing or waiving any Assessment Lien securing the same.

7.2 Purpose and Use of Assessments and Other Charges. The Assessments and other charges levied or imposed and collected by the Association under the Association Documents shall be used exclusively to pay Common Expenses, including allocations to reserves. The Association may invest any funds allocated to reserves in a prudent manner. Unless expressly required by the Act or an Association Document, the Association need not refund or credit to Owners any excess funds collected by the Association.

7.3 Allocation of Common Expenses. Except as otherwise set forth in this Declaration, all Common Expenses shall be allocated equally among all Lots that have been created pursuant to a recorded Plat prior to the due date of the Assessment related thereto. The formula for calculating the percentage of Common Expenses allocated to each Lot shall be:

$$\frac{1}{\text{Total Number of Lots}}$$

Upon recordation of a new Plat and supplemental declaration adding new Lots to the Subdivision, the allocation of Common Expenses shall be adjusted by the Association based on the above formula, with such adjustment to take effect on the due date of the next Annual Assessment or such earlier date as the Board of Directors determines.

7.4 Budgets. Prior to the first levy of an Annual Assessment, and, thereafter, at least sixty calendar days in advance of the start of each fiscal year, the Board

of Directors of the Association shall adopt an annual budget for the Association for the following fiscal year. The budget shall include a reserve fund and other matters as deemed appropriate by the Board of Directors. If the Board of Directors of the Association deems it necessary or advisable to amend an annual budget that it has adopted under this paragraph, the Board of Directors may adopt an amendment to the annual budget.

7.5 Annual Assessments.

(a) After the Board of Directors adopts an annual budget as provided above, the Association shall levy an Annual Assessment on each Lot based on the budget. The amount of the Annual Assessment shall be the same for each Lot. Owners shall pay the Annual Assessments levied against their respective Lots in such periodic installments as may be required by the Board of Directors (or, if the Board of Directors fails to adopt an installment period for Annual Assessments, on a semi-annual basis due on September 1 and March 1 of each year).

(b) If the Board of Directors ratifies an amendment to the annual budget as provided above, the amount of the Annual Assessment levied against each Lot shall be adjusted accordingly, as shall the amount of each Owner's periodic installments.

(c) If the Board of Directors fails to adopt an annual budget for any fiscal year, the Owners shall continue to pay periodic installments of the Annual Assessment to the Association at the rate payable during the prior fiscal year until such time as the Board of Directors adopts a new annual budget for the then-current fiscal year. Once the Board of Directors adopts a new annual budget, the Association shall levy on each Lot the Annual Assessment for the then-current fiscal year and each Owner's periodic installments shall be adjusted as necessary to pay the new Annual Assessment in equal periodic installments over the remainder of such fiscal year, giving the Owners credit for any installments that the Owners have previously paid to the Association during such fiscal year.

(d) The failure of the Association to levy an Annual Assessment for any fiscal year shall not be deemed a waiver, modification or release of the Owners' liability for Common Expenses.

7.6 Special Assessments. In addition to the Annual Assessments, the Association may levy special assessments ("Special Assessments") for the following purposes: (a) construction, repair or replacement of capital improvements upon the Common Elements, and (b) additions to the Common Elements, including in each case obtaining facilities and equipment. Before a Special Assessment may be levied, it must be approved by the Association's Membership in accordance with the requirements of the Act.

7.7 Default Assessments.

(a) Notwithstanding anything to the contrary contained herein, if any Common Expense is caused by (i) the negligence or misconduct of an Owner or an Owner's family member, employee, agent or guest, or (ii) a violation of any covenant, condition or restriction of an Association Document by an Owner or an Owner's family member, employee, agent or guest, the Association may, if it deems necessary or advisable, levy an Assessment against such Owner's Lot for the entire amount of such Common Expense. In addition, the Association may, if it deems necessary or advisable, impose a fine, penalty, fee or other charge upon an Owner for the violation of any covenant or condition of any Association Document by an Owner or an Owner's family member, employee, agent or guest. Also, if the Association is permitted under this Declaration to take action to correct a default of an Owner, and the Association incurs costs in taking such corrective action, then such costs and interest thereon at the rate herein provided shall constitute a Default Assessment against the Owner(s) of such Lot. Any such Assessment levied by the Association, and each fine, penalty, fee or other charge imposed under the Association Documents, and costs of corrective action by the Association, are each referred to as a "Default Assessment."

(b) Default Assessments need not be shown on an annual budget, or on an amendment to an annual budget, adopted by the Board of Directors of the Association; provided, however, that with respect to any Default Assessment, the Owner of the Lot against which the Association seeks to levy the Default Assessment shall be provided notice and an opportunity to be heard in accordance with the Act. Owners of Lots against which Default Assessments have been levied shall pay such Default Assessments when required by the Association.

7.8 Garden Maintenance Assessments. The Association may levy a monthly garden maintenance assessment against each Lot, or all Lots, to defray the costs of landscaping maintenance. The Association may bundle services or may allow Owners to select from a list of available services, at the Association's option. Owners must opt out of such services on an annual basis by written notice to the Association, or an Owner will be deemed to have contracted for all services then offered. Services covered by the garden maintenance assessment may include: mowing, shrubbery trimming, mulching and other general landscaping maintenance, gutter cleaning, and snow removal from private walks and driveways. Maintenance of unusual or excessive landscaping and all areas within a private enclosure shall remain the Owner's responsibility. The Association's maintenance obligation under this paragraph shall apply only during a fiscal year in which the Board of Directors elects to levy the garden maintenance assessment and then only to Lots against which have not opted out of such services. The Association may require payment of the garden maintenance assessment in advance, monthly or on any other basis, without affecting the due date for collection of other types of Assessments.

7.9 Assessment Lien.

(a) The Association shall have a lien on each Lot for any Assessment levied against that Lot or the Owner thereof and any interest, reasonable attorneys' fees and disbursements and costs of collection incurred by the Association in connection therewith. The Assessment Lien shall secure all of the foregoing obligations of an Owner from the time such obligations become due. If an Assessment is payable in installments, the Assessment Lien secures each installment from the time it becomes due, including the due date set by any valid acceleration of installment obligations by the Association.

(b) An Assessment Lien is prior to all other liens and encumbrances on a Lot except as otherwise provided in the Act. Perfection of the Assessment Lien shall be made by filing to the extent required by the Act. An Assessment Lien must be filed and enforced in accordance with the timeframes set forth in the Act.

(c) This Section 7.9 does not prohibit: (i) actions or suits to recover sums secured by an Assessment Lien, or (ii) the Association's taking of a deed in lieu of foreclosure.

(d) In any action by the Association to collect Assessments or to foreclose an Assessment Lien for unpaid Assessments, the court may appoint a receiver of the Owner to collect all sums alleged to be due from the Owner prior to or during the pendency of the action. A court may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's Assessments.

(e) An Assessment Lien may be foreclosed in like manner as a mortgage on real estate, subject to the provisions of the Act.

7.10 Estoppel Certificates; Notices to Mortgagees.

(a) The Association shall furnish to an Owner or such Owner's designee or to a Mortgagee or its designee, upon written request, delivered personally or by U.S. mail, first-class postage prepaid, to the Association, a statement setting forth the amount of unpaid Assessments currently levied against such Owner's Lot. The statement shall be furnished within 14 calendar days after the Association's receipt of the request and shall be binding on the Association, the Board of Directors of the Association and every Owner. If no statement is furnished by the Association following a written request meeting the requirements set forth above, then the Association shall have no right to assert an Assessment Lien upon the Lot for unpaid Assessments which were due as of the date of such request.

(b) The Association shall report to any Mortgagee any unpaid Assessments remaining unpaid for more than sixty days after the same shall have become due, if such Mortgagee first shall have delivered to the Association a written request for notice of unpaid Assessments. Any Mortgagee holding a lien on a Lot may pay any unpaid Assessment with respect to such Lot, together with any and all costs and expenses incurred with respect to the Assessment Lien securing such unpaid Assessment, and upon such payment, such Mortgagee shall have a lien on the Lot for the amounts paid with the same priority as a lien of the Mortgage held by such Mortgagee.

8. MAINTENANCE OF COMMON ELEMENTS

Except as otherwise provided in this Declaration, the Association, or its duly designated agent, shall maintain all Common Elements and the improvements and landscaping located thereon in good order and repair and otherwise manage and operate all Common Elements so that the Subdivision reflects a high level of pride of ownership. With regard to its duties under this paragraph, the Association has the power to construct, modify, add to, replace or renovate improvements, signs, and landscaping on any Common Element; adopt and enforce Rules and Regulations regulating the use of Common Elements; and take any other actions that the Association deems necessary or advisable to (a) protect and maintain the Common Elements; (b) preserve the beauty and value of the Subdivision; and (c) fulfill the stated purposes of the Association.

9. ARCHITECTURAL REVIEW

9.1 Purpose. Any and all exterior improvements, structures, landscaping and lighting of new development on and/or additions to any Lot, as well as any changes or alterations thereto, shall be subject to review by and consent of the DRC. The goal of such review and consent shall be to create, maintain and improve the Property as a pleasant and desirable environment, establish and preserve a harmonious design for the community, and protect and enhance the value of the Property and the adjoining Commercial Village.

9.2 Appointment of Members. For so long as Declarant owns any Lot or any portion of the Expansion Property, Declarant shall serve as the DRC or at its option, shall appoint members of the DRC or retain the services of an independent contractor to administer the architectural review process for the Association. After the end of the period of Declarant control, the Board of Directors of the Association shall establish the Design Review Committee consisting of a minimum of three members (who shall serve at the will of the Association and may be removed and replaced by the Board of Directors at any time and from time to time), or in the alternative shall retain the services of an independent contractor to administer the architectural review process. The Association may contract with outside Persons for architectural review services.

9.3 Authority of DRC.

(a) No building or other improvements of any kind shall be erected, placed or altered on any Lot until at least two sets of construction plans and specifications, together with a plat showing the location of the structures, have been submitted in writing and approved by the DRC as to external design and materials, color, harmony of external design with existing structures and as to location on the Lot. No retaining or other wall shall be erected, placed or altered on any Lot unless similarly approved. Clotheslines will be permitted only with special approval of the DRC. The following, among other things, shall require prior written approval of the DRC: grading and other site preparation; landscaping (including, without limitation, tree cutting and clearing); building construction (including, without limitation, exterior finish and color); sign design and erection; location and setback of structures; exterior changes to property or improvements (including, without limitation, changes of exterior colors by repainting or otherwise); storage buildings and sheds; modification, alteration or enlargement of any existing structure; paving and driveways; mailboxes; exterior lighting; antennas (radio, television or otherwise) except as provided in Section 10.13 below as to satellite dishes) and location and maintenance of all structures and improvements. In exercising its authority to modify or reject any project proposal, the DRC may, when warranted, consider whether such proposal would cause an unacceptable disturbance of views for other sites or adjacent structures. The approval of the DRC shall not be required for alterations or remodeling which are completely within a building or structure, do not change the exterior appearance thereof and are not visible from the outside of the structure.

(b) The DRC shall have the authority but not the obligation to ensure compliance with the proffers and zoning restrictions applicable to the Property, including without limitation the minimum square footage requirements and other matters identified on Exhibit C. An Owner is responsible for obtaining all required governmental approvals for any proposed work on a Lot, and approval of the DRC is not a substitute for such governmental approvals.

(c) No clear cutting of trees shall be allowed on any of the wooded lots. Any tree located within the foundation site of a building approved by the DRC may be cut, but any living tree located outside of this area in excess of a 16-inch circumference measured at 3 feet above ground level may not be cut without specific approval of the DRC, unless diseased or damaged.

(d) The construction, installation, modification or alteration of buildings, landscaping and other improvements by Declarant shall not be subject to DRC approval or review.

9.4 Decisions of DRC. Actions taken by the DRC shall not be arbitrary or capricious, and shall be presumed to be enforceable in accordance with their terms. Decisions of the DRC shall be conclusive and binding on all interested parties absent intentional discrimination, and may be based on purely aesthetic considerations. Any challenge to a decision of the DRC must be appealed to the Board of Directors of the

Association within sixty calendar days after the DRC action, as a prerequisite to any legal action regarding such decision.

9.5 Inspection of Projects. The DRC or its designated representatives may monitor any approved project within the Subdivision for compliance with approved plans and applicable Rules and Regulations, and may enter upon any property within the Subdivision at any reasonable time or times to inspect the progress, work status, or completion of any project. The DRC may withdraw its approval of any project and require all activity at such project to be stopped if deviations from the approved plan, construction practices, applicable Rules and Regulations or applicable law are not corrected or reconciled within ten days after written notification to the Owner of the subject property specifying such deviations, or within such other period of time as is specified by the DRC in its notice of noncompliance.

Upon request of an Owner, Mortgagee, or prospective purchaser or lender, the DRC shall deliver a certificate of compliance (or non-compliance, as the case may be) evidencing the approval status and compliance of a given Lot and the improvements on such Lot. The DRC may charge a reasonable fee for the issuance of such certificate, which shall be binding on the DRC, the Association and all Owners.

9.6 Fees. The DRC may establish a reasonable processing and review fee to defer its costs in considering any requests for approvals submitted to it, which fee shall be paid at the time the request for approval is submitted.

9.7 DRC Not Liable. Neither Declarant, the Association, the DRC, nor any of their respective officers, directors, employees, members or agents shall be responsible or liable for any defects in any plans or specifications which are submitted, revised or approved pursuant to this Declaration, nor for any defects in construction pursuant to such plans and specifications, nor for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the DRC, unless due to the willful misconduct or conscious bad faith of the party to be held liable. In reviewing any matter, the DRC shall not be responsible for reviewing, nor shall its approval of any project be deemed approval of, the project from the standpoint of safety, whether structural or otherwise. Approval of plans and specifications pursuant to this Declaration shall not relieve any Owner of said Owner's responsibility to comply with the Development Code and any and all other applicable governmental laws or regulations.

10. LIMITATION AND RESTRICTIONS ON BUILDING IMPROVEMENTS

10.1 Permitted Improvements on Lots. Each Lot may be improved only with a single-family dwelling. Lots improved with a dwelling may also be improved with the following: (a) an attached (or detached with breezeway) garage (of a size sufficient to enclose no more than three automobiles per garage, unless the DRC consents in writing to the design of a larger garage), as approved by the DRC, and (b) a permanent, paved

driveway approved by the DRC. A Lot may also be improved with the following if and as approved by the DRC: enclosed or screened service areas for garbage, trash, utilities and other maintenance facilities; walls; landscaping improvements, particularly trees and shrubs; recreational facilities such as hot tubs; storage building; and other improvements approved by the DRC. No aboveground swimming pools shall be permitted without DRC approval, which may be denied in its discretion. Each dwelling shall make adequate provision for off-street parking for at least three (3) vehicles unless this requirement is waived by the DRC. No exposed cinderblock shall be permitted on improvements to Lots. No fences (none shall be approved in the front yard) or swing sets are permitted on any Lot unless approved by the DRC.

10.2 Sales Offices. Nothing in this Declaration shall prohibit the Declarant or its agents from using any dwelling unit on the Property as a model home and/or sales office.

10.3 Open Space. Property within the Subdivision designated on a recorded Plat or this Declaration as Open Space may be used for picnic areas and shelters, walking or biking trails, landscape improvements, community garden facilities, pools, streams, ponds, lighting, project signage, use-control signage, drainage systems, pedestrian easements, access and trail easements, community recreational facilities (including a clubhouse or similar facility), gazebos, underground utilities and other similar uses approved by the Board of Directors. Improvements on Open Space may not be made or installed by or on behalf of anyone other than the Association or the Declarant, unless approved by the Association.

10.4 Prohibited Improvements. No structures or buildings of a temporary character (except a sales facility or construction trailer for Declarant's use in selling or developing Lots or tracts within the Subdivision), nor any mobile home, house trailer, tent, shack, shed, outbuilding or other such structure shall be placed or used within the Subdivision, either temporarily or permanently, without prior written approval of the DRC, which approval may be withheld in the DRC's sole discretion. No modular homes shall be erected on the Property without the prior approval of the DRC, which may be withheld in the DRC's sole discretion. Necessary appurtenances, modest construction trailers and structures of a temporary nature may be used without the DRC's approval during the period of performance of construction of any improvement for which necessary government permits and DRC approval have been obtained, provided that (a) the DRC shall approve the location and appearance of such appurtenances, trailers or structures, (b) no overnight occupancy shall be permitted in any such appurtenance, trailer or structure, and (c) such appurtenances, trailers or structures shall be removed from the Subdivision on the earlier of (i) the date that is twelve months after the initial use thereof, unless the DRC grants an extension in writing and (ii) the date of substantial completion of said improvement.

10.5 Square Footage and Setback Requirements. All dwellings shall comply with the minimum square footage requirements and other requirements set forth on Exhibit C. All improvements on the Lot shall comply with the setback requirements shown on the Plat, including without limitation the requirements that (a) no structures may be constructed within such setback except those that may be constructed within setbacks under the Development Code, and (b) all improvements within the setback are subject to DRC approval.

10.6 Completion of Improvements. The exterior of any dwelling or accessory structure on a Lot shall be completed within one year after commencement of construction, unless such completion is impossible or would result in great hardship to the Owner due to strikes, fire, national emergency or national calamity. Improvements not so completed, or upon which construction has ceased for ninety (90) consecutive days, or which have been partially or totally destroyed and not commenced to be rebuilt within three (3) months, may be declared by the Board of Directors to be nuisances, and after notice and opportunity for an Owner to cure such failure within such time period as the Association designates, the Association may remove any such nuisance or repair or complete the same at the cost of the Owner.

10.7 Property to be Maintained. Except as otherwise provided in this Declaration, each Lot and all other portions of the Subdivision, including all improvements within the Subdivision, shall be kept and maintained by the Owner(s) thereof in a clean, safe, attractive and sightly condition and in good repair.

10.8 No Illegal, Noxious or Offensive Activity. No illegal, noxious or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done or placed on any Property that is or may become a nuisance or cause any significant embarrassment, disturbance or annoyance to others.

10.9 No Hazardous Activities. No activities shall be conducted on any portion of the Property and no improvements may be constructed on any portion of the Property which are or might be unsafe or hazardous to any person or Property; provided, however, that construction activities for which all applicable permits and DRC approval have been obtained and which are conducted in accordance with industry standards shall not violate this Section. Without limiting the generality of the prior sentence, (a) no firearms shall be discharged upon any portion of the Property, and (b) no open fires shall be lighted or permitted on the Property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace, except attended fires authorized in writing by Declarant or the Association and required for clearing or maintenance of land.

10.10 Restriction on Further Subdivision; Combining Lots.

(a) No Lot shall be further subdivided or separated into smaller lots by any Owner, other than Declarant, so as to increase the number of lots in the Subdivision, without the prior approval of the Association and, so long as Declarant owns any portion of the Property or the Expansion Property, approval of the Declarant. This provision shall not, in any way, limit Declarant from subdividing any portion of the Property or any other land owned by Declarant, including without limitation the Expansion Property.

(b) With the approval of the Board of Directors, any Owner of two or more adjacent Lots, which Lots share one or more lot lines, may resubdivide said Lots for the purpose of adjusting the size of the resulting lot or lots; provided, however, that the Board of Directors shall have the authority to modify or supplement the covenants, conditions and restrictions applicable to such resulting lots and to condition its approval on the Owner's agreement to be bound thereby. In no event, however, shall the Board of Directors approve any subdivision of Lots pursuant to the preceding sentence if such subdivision would increase the number of Lots within the property to be subdivided. Any Owner desiring to resubdivide Lots shall fully comply with all applicable laws and shall prepare, execute and record in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia: (i) an appropriate amendment to the Plat conforming to all requirements of the Development Code and containing the consent of the Board of Directors (evidenced by signature of an Association officer) and of the Mortgagees of the affected Lots and (ii) any instruments necessary to subject the resubdivided Lots to any modified or supplemental covenants, conditions and restrictions required by the Board of Directors as a condition of its approval. All expenses associated with the resubdivision (including without limitation, any attorneys' fees incurred by the Association) shall be the responsibility of and paid by the Owner desiring such resubdivision.

10.11 Sewage Disposal Systems. No cesspools, septic fields or septic tanks shall be permitted on any portion of the Property unless approved by the DRC and applicable governmental authorities.

10.12 Storage of Equipment and Vehicles. All boats, snow plows, campers and similar vehicles must be stored in a garage or otherwise enclosed or screened in a manner approved by the DRC. Construction equipment, tractor-trailers (together or separated), commercial vehicles over ¾ ton, and other outsized machinery and equipment shall not be stored or parked within the Subdivision; provided, however, that the DRC may waive this restriction, in its sole discretion, in writing. Golf carts shall be kept in the garage when not in immediate use.

The Association intends to maintain a recreation vehicle parking area. Motor homes, travel trailers, boats or like vehicles may be parked in this area with approval from the Associations' Board of Directors, upon application by the Owner.

There will be a limited number of spaces and the Association may exercise its sole discretion in approving an application.

This Section 10.12 shall not prohibit the storage or parking of construction equipment and machinery within the Subdivision during the period of construction activities for which all applicable permits and DRC approval have been obtained, provided that the DRC may require the removal of any such equipment or machinery upon written notice to the Owner of the affected Lot. Nothing in this paragraph applies to storage or parking by Declarant or its contractors in connection with its development or improvement of the Subdivision or the Commercial Village.

10.13 No Unsightliness. No unsightliness (such as unattractive overgrowth or accumulation of rubbish) shall be permitted on any Property. Without limiting the generality of the foregoing: (a) no stripped down or junk vehicles, or vehicles without a valid inspection sticker, or a sizable part thereof shall be parked so as to be visible from the road or adjoining property; (b) refuse, garbage and trash shall be kept in a covered container at all times and any such container shall be kept within an enclosed structure or screened; and trash receptacles shall be placed at the curb no sooner than 8:00 p.m. the day prior to pick up and they shall be removed by 5:00 p.m. that day; (c) service areas shall be kept within an enclosed structure or screened; (d) pipes for water, gas, sewer, drainage or other purposes, wires, poles, antennas and other facilities for the transmission or reception of audio or visual signals or electricity, utility meters or other utility facilities, gas, oil, water or other tanks shall be kept and maintained within an enclosed structure or below the surface of the ground (propane tanks shall be underground) unless otherwise approved in writing by the DRC prior to installation, except that satellite reception equipment no larger than 18 inches in diameter shall be permissible upon written approval of the proposed location thereof by the DRC; and (e) no metals, bulk materials or scrap or refuse or trash or unused items of any kind (other than a reasonable amount of neatly stacked firewood) shall be kept, stored or allowed to accumulate on any Property.

10.14 Pets. No animals or livestock shall be raised, bred or kept on any Lot, except dogs, cats or customary household pets, not to exceed two pets per dwelling unit unless approved by the Board of Directors. No pet may be kept which abnormally or unreasonably interferes with the rights, comforts or convenience of other Owners. No pets shall be housed outside. All pets must be kept on a leash or otherwise reasonably confined when outside an Owner's residence so as not to become a nuisance or threat to others. No horses may be stabled or kept anywhere on the Property. The Rules and Regulations address pets, control of pets and similar matters. All Owners and their guests shall properly dispose of their pet's waste; specifically, they shall pick up their dog's waste, whether on the Common Elements or their own Lot.

10.15 Restriction on Signs. No signs or advertising devices of any nature shall be erected or maintained on any Property except signs approved by the DRC, signs

required by law or legal proceedings, or signs installed by Declarant. As to signs approved by the DRC, the DRC shall have the authority to approve the size and location but may not prohibit "For Sale" or, other signs expressly permitted by the Act.

10.16 No Mining and Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth, except earthwork associated with grading and construction of improvements as permitted by this Declaration and applicable law.

10.17 Yard Sales. The Association may designate a "community yard sale" day, and no yard sales may be conducted except on that designated day unless pre-approved by the Association.

10.18 Mail Box. If the Owner installs a mail box, for purposes of uniformity, the mail box and post shall be purchased from the Association.

11. USE OF LOTS

11.1 Residential Purposes Only.

(a) No Lot may be used other than for residential purposes with customary accessory uses, which customary accessory uses shall include without limitation long-term rentals of property to individuals who use such improvements for residential purposes. Short-term rentals of less than two months shall not be permitted. Customary accessory uses shall specifically exclude bed-and-breakfast and other similar operations, which are hereby expressly prohibited as a use of Lots.

(b) Notwithstanding the foregoing, the use of a portion of a dwelling on a residential Lot for home office purposes shall be permitted as a residential use if such use does not create undue noise or undue customer or client traffic, as determined by the Association in its sole discretion, subject to applicable zoning ordinances of the local government.

11.2 Applications for Zoning or Subdivision Changes. For so long as Declarant owns any portion of the Property or Expansion Property, no Owner of any Lot within the Subdivision other than Declarant may apply to change the zoning applicable to such Owner's Lot without the prior written approval of Declarant.

11.3 Restriction on Condominiums and Timeshare and Similar Ownership. No Owner of any Lot within the Property shall dedicate or submit such Owner's Lot to a timeshare or similar arrangement in which fractional ownership is associated with designated occupancy or use rights, without the prior written approval of the Association,

which may be withheld in its sole discretion. No Lot maybe submitted to condominium ownership without the prior written approval of the Association.

12. AGE RESTRICTIONS

12.1 Housing for Older Persons. The Subdivision is restricted as "housing for older persons" aged 55 years or older in accordance with the Fair Housing Act (Title VIII of the Civil Rights Act of 1968, as amended, 42 U.S.C. 3601 et seq. and the exemption provided in 42 U.S.C. 3607(b)(2)(C)) and Virginia law regarding fair housing (Virginia Code Section 36-96.1 et seq. and the exemption provided in Virginia Code Section 36-96.7), as amended, any regulations adopted pursuant to such acts, and judicial decisions arising thereunder, as amended from time to time (the "Fair Housing Acts"), which exempt "housing for older persons" from the prohibitions against discrimination based on familial status. Accordingly, occupancy of each Living Unit within the Subdivision is restricted as follows, subject to Section 12.2 below:

(a) 100% of the occupied residential Living Units shall have as a primary resident at least one (1) person who is 55 years of age or older, and

(b) No person eighteen (18) years of age or younger shall occupy or reside in any Living Unit. Temporary occupancy (meaning occupancy or residence of no more than thirty (30) consecutive days and no more than ninety (90) days in any twelve-month period) by a minor shall not violate this restriction. The Board of Directors of the Association may adopt regulations which define temporary occupancy even more restrictively than is set out in this paragraph by shortening the time periods for permitted temporary occupancy by a minor.

12.2 Waivers. The Association's Board of Directors has the right in its sole discretion, but not the obligation, to grant a waiver to the occupancy restrictions under Section 12.1 above, so long as the granting of such waiver would not result in fewer than eighty percent (80%) of the Living Units being occupied by at least one (1) person who is 55 years of age or older or otherwise jeopardize, in the Board's discretionary opinion, the status of the Subdivision as "housing for older persons" under the Fair Housing Acts. An example of a situation in which a waiver could be considered appropriate is continued occupancy of a Living Unit by a widow or widower who is under the age of 55 but desires to continue to reside in the Subdivision in the home previously shared with his or her now-deceased spouse who was over the age of 55 years. The Association's Board of Directors shall not grant a waiver permitting occupancy or residence of a Living Unit by a person under eighteen (18) years of age unless the Association Board determines, in its discretion, that an exception is warranted due to undue hardship or extraordinary circumstances, in which case the Association Board may impose conditions upon such waiver, including time limitations.

Any person desiring a waiver of the restrictions in this Article shall submit a written request to the Association's Board of Directors setting forth the reason for such request, the names and ages of all proposed residents of the Living Unit under the request, and such other information as the Association's Board reasonably requires. The Association's Board shall consider such request at a regular or special meeting which shall be open to all members of the Association, and shall notify the applicant in writing of the Board's decision. Any waiver granted by the Association's Board shall apply only to the specific Living Unit, residents and circumstances outlined in the application for such waiver and the Board's decision, and shall not constitute a general waiver or removal of restrictions for that Living Unit.

12.3 Verification of Occupancy.

(a) At the closing of the sale or lease of any Living Unit (including but not limited to the initial sale by Declarant), the purchaser or tenant shall provide to the Association: a written certification in the form required the Association which includes, at a minimum: (i) representation that the Living Unit will be occupied by at least one (1) primary resident who is 55 years of age or older; (ii) evidence of the age of the occupant(s) who meet the 55-or-older requirement, in the form of a copy of a driver's license, birth certificate or other similar evidence acceptable to the Association and sufficient to satisfy the documentation requirements of the Fair Housing Acts, and (iii) a list of all residents of the Living Unit and their birthdates and ages.

(b) The Association shall conduct a regular update, through Owner surveys or other means, of the occupancy records which document compliance with the age restrictions applicable to the Subdivision. This update shall be conducted at least as frequently as is required under the Fair Housing Acts (which as of the date of this Declaration require such an update or survey at least once every two (2) calendar years). The Owner of each Living Unit shall furnish to the Association's Board, as and when requested to do so, a true and complete list of all residents of such Owner's Living Unit and their birthdates/ages, together with such affidavits, certifications and back-up documentation as the Association may require to verify the identity and age of occupants of Living Units. Failure to comply with requests for such information may result in fines and/or legal action, and in the event legal action is required to force compliance, the Owner shall be liable for all costs and fees, including reasonable attorneys' fees, incurred by the Association in that regard.

12.4 Policies. The Association's Board shall publish and adhere to policies and procedures to demonstrate the intent that the Subdivision be operated as and restricted for occupancy as "housing for older persons" who are 55 years of age or older. Such policies and procedures shall include forms and rules concerning compliance with and implementation of the occupancy verification requirements of the preceding paragraph, as well as signage and other means to demonstrate that the Subdivision is "housing for older persons" aged 55 years and older.

12.5 Leases. The restrictions in this Article pertain to occupancy, not ownership. Any Person may own a Lot, so long as occupancy of the Living Unit complies with this Article. If a Living Unit or Lot is leased by the Owner to another person or entity, then the requirements of this Article shall be specifically referenced in the lease, and the Owner shall provide to the Association a copy of the lease together with the occupancy certification and back-up documentation required under Section 12.3(a) above. The lease for any Lot or Living Unit shall specifically provide that violation of the occupancy restrictions is grounds for immediate eviction of the tenant and other occupants by the Owner or the Association.

12.6 Compliance and Enforcement.

(a) Each Owner shall be responsible for ensuring compliance of his or her Lot with the requirements and restrictions in this Article, and all related rules of the Association, whether by such Owner, guests, tenants, licensees or others. BY ACCEPTING A DEED TO A LOT, EACH OWNER AGREES TO INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION AND DECLARANT FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES AND CAUSES OF ACTION, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES; THAT MAY ARISE FROM THE FAILURE OF SUCH OWNER'S LOT TO BE OCCUPIED IN COMPLIANCE WITH THE RESTRICTIONS OF THIS ARTICLE.

(b) The Association shall have the power and authority to enforce the restrictions and occupancy and other requirements of this Article by any legal means, including without limitation taking action to evict occupants of Living Units who are not in compliance with the requirements of this Article. BY ACCEPTING A DEED TO A LIVING UNIT, EACH OWNER HEREBY APPOINTS THE ASSOCIATION AS ITS ATTORNEY-IN-FACT FOR THE PURPOSE OF TAKING LEGAL ACTION TO DISPOSSESS, EVICT OR OTHERWISE REMOVE OCCUPANTS OF SUCH OWNER'S UNIT AS NECESSARY TO ENFORCE COMPLIANCE WITH THIS ARTICLE, including without limitation the right to evict any Owner or any licensee or tenant of such Owner whose occupancy does not comply with this Article. This power of attorney shall be coupled with an interest and is irrevocable.

12.7 Amendment.

(a) This Article 12 may be amended by the Association's Board, without vote or consent of the Owners, at any time to the extent necessary to comply with any changes in the Fair Housing Acts, if the failure to make such amendments will make the Subdivision non-compliant with the requirements for exemption as "housing for older persons."

(b) This Article 12 may be amended by the affirmative vote of at least ninety percent (90%) of the votes allocated to Owners at a meeting duly called and at which a quorum is present, subject to Section 12.8 below.

12.8 Town Approval. The conditional zoning applicable to the Living Units includes proffered conditions that the residential units within the Subdivision will be "housing for older persons" who are 55 years of age or older under the Fair Housing Acts, and prohibits the removal of age-restricted occupancy requirements unless approved as part of a rezoning request. Accordingly, any amendment to remove or make less restrictive the occupancy restrictions in Section 12.1 above shall require rezoning approval of the applicable governing body of the locality in which the land is located.

12.9 Legality. Notwithstanding anything to the contrary herein, if the Fair Housing Acts are amended in the future to remove the exemption applicable to "housing for older persons" who are 55 years of age or older, such that enforcement of the restrictions and conditions in this Article would violate federal or state law, then this Article shall remain in effect only to the extent legally permissible.

13. EASEMENTS

13.1 Members' Easements of Enjoyment in Common Elements. Subject to the provisions of the Association Documents and the Association's authority to regulate and manage the Common Elements, Declarant reserves to itself, its successors and assigns, and hereby grants and conveys to every Owner and every guest or tenant of such Owner an easement of enjoyment in and to the Common Elements. Such easement shall be appurtenant to and shall pass with the title of every Lot. The Association or Declarant shall have the right, at any time and from time to time, to dedicate or transfer utility and drainage easements on any part of the Common Elements to any public or private utility company. For purposes of clarification, no part of the Expansion Property shall be considered a Common Element, and nothing in this Declaration creates any right or easement in favor of the Association or any Owner with respect to the Expansion Property.

13.2 Declarant Reservation. Declarant reserves to itself, its successors and assigns, the right to all easements designated on any Plat, for any purpose or use necessary or convenient for the use and occupancy of the Property, the Expansion Property, the Commercial Village or any other property owned by Declarant, which easements, permits or licenses may include, without limitation, water, sewer, gas, electricity, television cable, drainage, and irrigation.

13.3 Association's Easements Over Lots. Declarant hereby grants the Association and the DRC an easement over, across, through and under each Lot to (a) exercise any right held by the Association or the DRC under this Declaration or any other

Association Document, and (b) perform any obligation imposed upon the Association or the DRC by this Declaration or any other Association Document. Notwithstanding the foregoing, neither the Association nor the DRC shall enter upon any Lot without reasonable prior notice to the Owner of the Lot, except in cases of emergency.

13.4 Drainage Easement. Declarant hereby grants, and has granted in the Declaration of Land Use Restrictions for Elkton Plaza West, shared drainage easements for use by the Property of drainage facilities on the Commercial Property.

13.5 Maintenance of Elkton Plaza Easement. The Development Property and Commercial Village have a right of ingress and egress over the roadway within the adjacent Elkton Plaza Shopping Center. The Development Property and the Commercial Village are obligated to contribute to the repair and maintenance of the roadway over which they have an easement. To the extent of that required contribution, the Commercial Village shall pay one-third (1/3) of those costs and the Association shall pay two-thirds (2/3) of those costs. Upon the formation of an Owners Association for the Development Property and the Commercial Village, the two Associations shall enter into a shared infrastructure agreement relating to the cost sharing for the above underground stormwater management system, the maintenance cost for the road and any other shared maintenance or infrastructure costs, such as streetlights and landscape buffers.

14. RIGHT TO INCLUDE ADDITIONAL REAL PROPERTY AND EXCLUDE REAL PROPERTY

14.1 Right to Include Additional Real Property. For so long as Declarant owns any portion of the Property or the Expansion Property, Declarant may subject additional real property, including, but not limited to, all or any part of the Expansion Property and adjoining property, to this Declaration by recording in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia, an instrument signed by Declarant setting forth the following: (a) a statement that the real property to be added is owned by Declarant, (b) a statement that Declarant has determined that such real property should be included as a part of the Subdivision, (c) the legal description of the real property to be added, and (d) a statement that the property to be added shall be subject to and governed by the provisions of this Declaration. Upon the recording of such instrument, (i) the real property described therein shall thereafter be part of the Property and shall be governed by all of the provisions herein, and (ii) the Declaration shall be deemed amended to add such additional property to the definition and description of the Property herein.

14.2 Right to Exclude Real Property. For so long as Declarant owns any portion of the Property or the Expansion Property, any real property made part of the Subdivision and subject to this Declaration, pursuant to this Declaration, may at any time prior to conveyance of such property to a third party be excluded from the Subdivision and made no longer subject to this Declaration by the recording in the Office of the Clerk

of the Circuit Court of Rockingham County, Virginia, of a written instrument signed by Declarant containing (a) a legal description of the real property to be excluded, (b) a statement that such real property is owned by Declarant, and (c) a statement that said real property shall no longer be deemed to be a part of the Subdivision or bound by or subject to any part of this Declaration.

15. ENFORCEMENT AND REMEDIES

15.1 Enforcement.

(a) Each provision of this Declaration binding upon an Owner or a Lot is enforceable by the Association by a proceeding for a prohibitive or mandatory injunction or by suit or action to recover damages, and in the discretion of the Association, for so long as any Owner fails to comply with any such provision, by exclusion of such Owner and such Owner's family members, tenants and guests from participation in any Association affairs and/or from use of the Common Elements. In addition, if an Owner fails to perform or observe any covenant or condition on such Owner's part to be performed or observed under this Declaration or any other Association Document, the Association shall have the following rights and remedies:

(i) The Association may, but is not obligated to, cure such failure to comply at the Owner's sole cost and expense. If the Association cures any such failure to comply, the Owner shall pay to the Association the amount of all costs incurred by the Association in connection therewith within thirty (30) days after the Owner receives a written invoice from the Association.

(ii) After notice and an opportunity to be heard in accordance with the Act, the Association may fine the Owner for each violation.

(iii) The Association and Declarant shall have all other rights and remedies available to it under this Declaration, at law or in equity, including without limitation suits for injunctions and damages.

(b) All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy. Failure to enforce any provision of this Declaration shall not operate as a waiver of any such provision or of any other provision of this Declaration.

In addition to the rights and remedies of the Association, the Declarant or any Owner may enforce the provisions of this Declaration against any Owner, by action for specific performance thereof by the defaulting Owner or for damages.

15.2 Attorneys' Fees. In the event of any dispute under or with respect to any Association Document, the prevailing party (as to liability, without regard to any damage award) shall be entitled to recover from the non-prevailing party all of its costs and expenses in connection therewith, including, but not limited to, reasonable attorneys' fees and disbursements.

15.3 Interest. If an Owner fails to pay to the Association any Assessment or other amount due to the Association as and when the same becomes due, the Owner shall pay interest on such unpaid amount to the Association at the rate equal to the prime rate established by the Association's primary depository bank, plus five percentage points, which interest shall accrue from the due date of such unpaid amount until the date paid.

16. PARTY WALLS

16.1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of a wall between duplex units upon the Lots and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding the party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

16.2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall.

16.3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, an Owner who has used the wall may restore it, and if the other Owner thereafter makes use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the rights of any such Owner regarding liability for negligent or willful acts or omissions.

16.4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his/her negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

16.5. Right of Contribution Runs with Land. The right of any Owner to seek contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

17. COMMUNITY RECREATION FACILITIES. The Declarant is committed to building community recreation facilities for the Association on the Common Elements. This will consist of a community center, golf course, picnic area and walking trail. Declarant anticipates beginning the community center upon the sale of the tenth residential lot. Additionally, Declarant intends to begin the golf course, the picnic area

and walking trails upon the sale of the twentieth lot. The Association may charge user fees for the use of the above facilities by Owners or non-owners. The user fees shall be set on or before July 1 for the ensuing 12-month period. Additionally, the Association may develop rules and regulations for the use of these facilities, which rules and regulations shall be incorporated into these Covenants for reference thereto.

18. MISCELLANEOUS

18.1 Term; Termination. This Declaration shall be in effect for a period of fifty (50) years from the date of its recordation, and shall thereafter be automatically extended for successive and unlimited periods of ten (10) years each. This Declaration may be terminated at the expiration of the initial 50-year term or any subsequent 10-year term, by recorded instrument signed by the Secretary and President of the Association attesting that such termination was approved by 75% of votes of Owners present in person or by proxy at a duly-called meeting in accordance with the Act and the Association Documents, provided that Article 12 shall remain in effect and may not be modified or terminated except in accordance with the requirements of that Article. Notwithstanding anything to the contrary set forth herein, Declarant may terminate this Declaration at any time prior to the conveyance of any portion of the Property to a third party.

18.2 Amendment.

(a) Prior to the closing of the sale of the first Lot, Declarant may amend this Declaration in its sole discretion. Declarant may at any time amend this Declaration to add property, including, without limitation, the Expansion Property, to the Subdivision as provided in this Declaration.

(b) Except as provided in Section 18.2(a) above, this Declaration may be amended only by the vote or written consent of (i) Owners of Property (including Declarant) having at least 75 percent of the total number of votes to which all Owners are entitled, and (ii) Declarant, for so long as Declarant owns any portion of the Property or the Expansion Property. Any amendment to the Declaration shall be evidenced by the recording of a written instrument or instruments specifying the amendment or the repeal and containing the consents set forth above, if any. No amendment may remove, revoke or modify any right or privilege of Declarant without the prior written consent of Declarant.

18.3 Covenants Binding. Each provision of this Declaration and a promise, covenant and undertaking to comply with each such provision (i) shall be deemed incorporated in each deed or other instrument by which any right, title or interest in any of the Property is granted, devised or conveyed; (ii) shall by virtue of acceptance of any right, title or interest in any of the Property by an Owner be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner and shall be binding on such

Owner or his or her respective heirs, personal representatives, successors or assigns, to, with and for the benefit of the Declarant and all Owners within the Subdivision; (iii) shall be deemed a covenant, obligation and restriction secured by a lien binding, burdening and encumbering the title to all of such Owner's right, title and interest to any of the Property, which lien shall be deemed a lien in favor of the Declarant, as its interest may appear, and all Owners within the Subdivision; and (iv) shall run with the Land.

18.4 Lender's Interest Not Impaired. No violation or breach of, or failure to comply with, any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any Mortgagee taken in good faith and for value and perfected by recording in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia, prior to the time of recording in said office of an instrument describing such Property and listing the name or names of the Owner or Owners of fee simple title to the Property and giving notice of such violation, breach or failure to comply; nor shall such violation, breach, failure to comply or action to enforce affect, defeat, render invalid or impair the title or interest of the holder of any such Mortgage acquired by a bona fide purchaser upon foreclosure of any such Mortgage, or result in any liability, personal or otherwise of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Declaration with the exception of violations or breaches of, or failures to comply with, any provisions of this Declaration which occurred prior to the vesting of fee simple title in such purchaser.

18.5 Interpretation of This Declaration. Except for judicial construction, the Association shall have the exclusive right to construe and interpret the provisions of the Association Documents. In the absence of any opinion to the contrary by a court of competent jurisdiction, the interpretation by the Association shall be final, conclusive and binding as to all persons and property benefitted or bound by the covenants and the provisions of the Association Documents.

18.6 Failure to Act. Neither Declarant nor the DRC nor the Association, nor any member, agent or employee of any of the same shall be liable to any party for any action or for any failure to act with respect to any matter if the action taken or failure to act is in good faith and without malice.

18.7 Severability. Invalidity or unenforceability of any provision of this Declaration in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this Declaration.

18.8 Captions and Titles. All captions and titles of headings of Articles and Sections in this Declaration are for the purpose of reference and convenience only and are not to be deemed or construed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the date first set forth above.

BBWL, LLC,
a Virginia limited liability company

BY: Peter A. Bonavita
Name: PETER A. BONAVIDA
Title: MEMBER / MANAGER

COMMONWEALTH OF VIRGINIA
CITY OF HARRISONBURG

The foregoing was acknowledged before me this 19th day of June, 2013,
by Peter A. Bonavita as Manager of BBWL, LLC, on behalf of such company.

Witness my hand and official seal.

Tanya P. Dinges
Notary Public

Notary Public Registration No: 266814

My commission expires: 3/31/2014

Commonwealth Of Virginia
Tanya P. Dinges - Notary Public
Commission No. 266814
My Commission Expires 3/31/2014

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

All that certain tract or parcel of land containing 3.595 acres, more or less, as shown on the subdivision plat dated April 15, 2013, made by Jerry L. Sheffer, L.S.

EXHIBIT B
LEGAL DESCRIPTION OF THE EXPANSION PROPERTY

The remaining property owned by Declarant and acquired in Deed Book 3777, page 244, less the Development Property herein, and further less and except Section I, Elkton Plaza West, consisting of 8.165 acres, as shown on a plat recorded in Deed Book 3869, page 291, and also less and except .935 acres, as deeded to the Commonwealth of Virginia and streets within Elkton Plaza West.

EXHIBIT C
MINIMUM STANDARDS

Each Living Unit, which is part of a duplex, constructed on the Property shall comprise at least one thousand (1,000) square feet of interior living space, excluding garages, porches, unfinished basements and other inhabitable portions of the dwelling and shall have at least a one (1) car garage with a sixteen (16) foot width paved drive. Each Living Unit, which is a single family dwelling, constructed on the Property shall comprise at least one thousand four hundred (1,400) square feet of interior living space, excluding garages, porches, unfinished basements and other inhabitable portions of the dwelling and shall have at least a one (1) car garage with a sixteen (16) foot width paved drive. The Association may grant variances to this restriction in its discretion, without waiving the restriction or its right to strictly enforce the restriction against other Lots.