

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
SOUTH HARBOUR
FRANKLIN COUNTY, VIRGINIA**

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This Declaration of Covenants, Conditions and Restrictions made and entered into this, the 22nd day of December, 2014, by CLARK PROPERTY, L.L.C., A Virginia Limited Liability Company, . BARBARA W. AMOS, BARBARA AMOS CANNADAY, GAIL AMOS MELTON and MCBN, LLC, A Virginia Limited Liability Company, (hereinafter referred to as the "Declarant"), Party of the First Part; BARBARA W. AMOS, TRUSTEES OF THE AMOS LIVING TRUST, DATED MAY 4, 2005, Party of the Second Part; SMLJD, LLC, A Virginia Limited Liability Company, LLC, Party of the Third Part; JAMES G. PETRINE and DEBORAH L. PETRINE, husband and wife, Party of the Fourth Part, RONALD R. SPOEHEL and DEBORAH B. SPOEHEL, husband and wife, Party of the Fifth Part; CRAIG S. MITCHELL and GINA A. MITCHELL, husband and wife, Party of the Sixth Part; BRIAN A. ABT and LORI E. ABT, husband and wife, Party of the Seventh Part; JPGA-2, LLC, A Virginia Limited Liability Company, Party of the Eighth Part; CARTER BANK AND TRUST COMPANY, Party of the Ninth Part; and WORTH H. CARTER, JR. and GEORGE I. VOGEL, III, Trustee Party of the Tenth Part.

R E C I T A L S:

1. That, certain property located on Smith Mountain Lake in the County of Franklin, Virginia described in Exhibit A, attached hereto and made a part hereof, was originally developed as a residential subdivision known as The Lakewatch Club more particularly shown on that "Survey for The Lakewatch Club" dated September 24, 2008, Revised January 23, 2009, prepared by Philip W. Nester and recorded in the Clerk's Office of the Circuit Court for the County of Franklin, Virginia in Deed Book 952, Pages 1857 thru (1858) (hereinafter "The Property").
2. That, The Property was made subject to that Declaration of Covenants, Conditions and Restrictions dated February 4, 2009 which is recorded in the aforesaid Clerk's Office in Deed Book 952, Page 1859 as amended by the First Amendment to Declaration of Covenants, Conditions and Restrictions dated June 30, 2009 recorded in the aforesaid Clerk's Office in Deed Book 963, Page 357 and by the Second Amendment to Declaration of Covenants, Conditions and Restrictions dated February 3, 2010 recorded in the aforesaid Clerk's Office in Deed Book 974, Page 2382.
3. That the Party of the First Part, or their predecessors in title, foreclosed upon that Deed of Trust dated January 21,

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2009 recorded in the aforesaid Clerk's Office in Deed Book 951, Page 2443.

4. That the aforementioned Declaration of Covenants, Conditions and Restrictions of Lakewatch provided that the Declarant may amend the Restrictions so long as it, or its successors, own lots in the subdivision, and the Party of the First Part, as successor in interest to the original Developer and Declarant of The Lakewatch Club wishes to amend and restate the Restrictions.
5. That the Parties of the Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Part are the owners of the lots that were conveyed out by the former developer and declarant of The Lakewatch Club and wish to join into this Declaration consenting to replacement of the former Declarations with this Declaration.
6. That the Party of the Ninth Part and Party of the Tenth Part as Beneficiary and Trustees under the aforementioned Deed of Trust, dated September 9, 2014 and recorded in the aforesaid Clerk's Office in Deed Book 1052, Page 1897, wish to join into and consent to this Declaration.
7. That all of the Parties hereto wish to change the name of the subdivision from "The Lakewatch Club" to "South Harbour," and to change the name of "Amos Island Road" to "South Harbour Drive" and "Bruce Bay Drive" to "Harbour

Crossing Drive."

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8. That, in order to accomplish all of the Parties hereto desire to subject the property to the covenants, conditions and restrictions as set forth herein.

P R E A M B L E:

The Declarant the Parties of the Second, Third, Fourth, Fifth, Sixth, and Seventh Part are the owners of all of the land located in the subdivision formerly known as The Lakewatch Club and wish to give the Party of the First Part all of the right, title and interest necessary to fulfill its duties and obligations contained herein as if the Party of the First was the original developer. The parties hereby agree that any and all references on the Plat of the Subdivision to "The Lakewatch Club" shall be amended and replaced with the name "South Harbour" and all conveyance of property or Lots in the future shall reference the property as being a part of South Harbour being more particularly shown on that plat of survey prepared by Philip W. Nester, L.S. dated September 24, 2008, revised January 23, 2009 of record in the Clerks' Office of the Circuit Court for the County of Franklin, Virginia in Deed Book 952, Page 1852. Furthermore, the parties agree that the roads located in the subdivision currently named Amos Island Road and Bruce Bay Drive shall be amended and changed to South Harbour Drive and Harbour

Crossing Drive, respectively.

The Declarant hereby subjects and imposes as a condition of ownership that the property known as SOUTH HARBOUR, LOTS 1 thru 40, INCLUSIVE (together with all such right, title and interest as it is appurtenant unto each waterfront lot in and unto the waters of Smith Mountain Lake), all of which is more particularly shown and described on plat of survey prepared by Philip W. Nester, L.S., dated September 24, 2008, revised January 23, 2009, and of record in the Clerk's Office of the Circuit Court of Franklin County, Virginia, in Deed Book 952, at Pages 1852 thru 1858, shall be held, transferred, sold and conveyed subject to the following covenants, conditions, assessments and restrictions which are for the purpose of protecting the value and desirability of, and which shall run with, the property and be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors in interest and assigns, and shall inure to the benefit of each Owner thereof. Lots 1 - 28 are Waterfront Lots and 29 - 40 are Cottage Lots with access to SML over the common area between Lots 7 and 8.

ARTICLE I
Definitions

Section 1. "Common Area" or "Common Areas" shall mean that portion(s) of the South Harbour Community over which the

Declarant or the Association shall have obligations and duties, and specifically included is all "open space", "developed open space", walking trails, the private roads, street lights, signage, community landscaping and irrigation, and community day boat dock, as shown on the recorded subdivision plat and/or shown and filed with the Franklin County Planning Department for the rezoning of this land from A-1 zone to RPD.

Section 2. "Declarant" shall mean and refer to the Party of the First Part.

Section 3. "Declaration" or "Restrictions" shall mean these Covenants, Conditions and Restrictions and all the provisions set forth in this document, as same may from time to time be amended.

Section 4. "South Harbour" shall mean and refer to Lots 1 through 40, inclusive, of the subdivision known as South Harbour and all common areas, open space, developed open space, and the private roads, and all benefits and burdens appurtenant thereunto.

Section 5. "Lot" shall mean and refer to each individual Lot, Lot 1 through 40, inclusive, (in Deed Book 952, at Pages 1852 thru 1858), and all appurtenant easements, benefits and burdens.

Section 6. "Owner" or "Owners" shall mean and refer to the record Owner of title of any Lot included within the subdivision. The foregoing does not include persons or entities who hold an

interest in any Lot merely as security for the performance of any obligation. Unless the context otherwise requires, "Owner" shall also include the family, invitees, licensees, and lessees of any Owner, together with any person or parties holding any possessory interest granted by such Owner in any Lot.

Section 7. "Property" or "Properties" or "Subdivision" or "Community" shall mean and refer to that certain real property known as South Harbour, as herein defined.

Section 8. "Association" or "Homeowners Association" shall mean the South Harbour Homeowners Association, or such similarly named homeowners or property owners association formed by the Declarant for the purpose of maintaining the common areas, septic system easements, and providing for architectural review.

ARTICLE II
STRUCTURES AND OTHER IMPROVEMENTS

Section 1. Architectural Review Committee.

There is hereby established an Architectural Review Committee (the "ARC"). The Declarant or its designee shall act as the sole member of the Architectural Review Committee until the earliest of the following:

- (a) conveyance by the Declarant of more than Seventy-Five Percent (75%) of the Lots within the subdivision; or
- (b) when the Declarant, in its sole discretion, decides to assign the architectural review duties to the

Homeowners Association. At the time of the termination of architectural review by the Declarant, the Declarant or the Board of Directors of the Homeowners Association, as the case may be, shall establish an Architectural Review Committee to perform all of the functions as set forth herein, until such time all architectural review and approval shall be solely by the Declarant (or its designee) acting as the ARC.

Section 2. Architectural Review and Approval.

(A) The Architectural Review Committee (the "ARC") shall have the exclusive authority to approve those licensed contractors that are permitted to perform construction services within South Harbour. The ARC may keep a list of pre-approved contractors from which a contractor may be selected. In the event that an Owner wishes to use a contractor not on list of pre-approved contractors, then the Owner may ask the ARC for permission to use the contractor. The Owner shall submit any and all information requested by the ARC for approval of the contractor and the approval of the contractor shall be in the sole discretion of the ARC.

(B) The ARC shall have the exclusive authority to review and approve the design and location of the residence and any other structures located on any Lot including features such as mailboxes and landscaping designs. All plans and specifications for the construction of dwellings, docks and any other

improvement upon any Lot or within any common area shall be submitted to the ARC, which shall have the exclusive power and authority to approve or reject the said plans or require changes in said plans and specifications prior to approval. The ARC maintains a land plan showing the general location of docks and houses which shall be relied upon by the ARC to ascertain the proper placement of any home or boat dock.

(C) All plans and specifications for any structure, or any improvement whatsoever to be erected on or placed upon or to any Lot or any individual dock, and the proposed location of any dock on or adjacent to any Lot, the construction material, the roof and exterior color schemes, and subsequent changes, alterations or additions to the exterior of any dwelling or boat dock, after initial approval thereof and any remodeling, reconstructions and/or alterations to the exterior of any dwelling or additions thereto on any Lot or any boat dock shall be subject to and shall require the approval, in writing, of the ARC, before any such work is commenced. Plans shall be prepared in a format and with specifications as required by the ARC.

(D) There shall be submitted to the ARC two (2) complete sets of 1/4" scale plans and specifications for any and all proposed improvements, the erection or alteration of which is desired, and no structures or improvements of any kind shall be erected, altered, placed or maintained upon any Lot unless and

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until the final plans, elevations and specifications thereof have received written approval, as herein provided. The corners of all improvements must be staked on the Lot prior to submission of plans and specifications to the ARC for approval.

(E) The ARC shall approve or disapprove plans, specifications and details within forty-five (45) days from the receipt thereof. One (1) set of said plans, specifications and details with the approval or disapproval, endorsed thereon, shall be returned to the person submitting them and the other copy thereof shall be retained by the ARC for its permanent files.

(F) The ARC shall have the right to disapprove any plans, specifications or details submitted to it (i) in the event the same are not in accordance with all of the provisions of these Covenants, Conditions and Restrictions; or (ii) if the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such Lot or with the adjacent lot or other buildings or structures within the community; or (iii) if the plans and specifications submitted are incomplete, or (iv) in the event the ARC deems the plans, specifications or details, or any part thereof, to be contrary to the interests, welfare or rights of all or any part of the Community or any Lot Owner(s). The decision of the ARC shall be final.

(G) Neither the Declarant nor any agent of the ARC shall be

responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications. Nor shall the ARC or Declarant nor any agent of the ARC or the Declarant be responsible or liable to any Owner for any architectural approvals made by or refused or denied.

(H) Unless done at an earlier time, at such time as the Declarant has conveyed at least seventy-five percent (75%) of all of the Lots in South Harbour or any such earlier time the Declarant decides to transfer such authority to so act on its behalf, all decisions of architectural review and approval under these Restriction shall vest in the Architectural Review Committee to be established by the Board of Directors of the Association.

Section 3. Location of Buildings (House Location by ARC).

Except as hereinafter set out, no residence or other permanent structure shall be located on any Lot except as approved by the ARC and notwithstanding the above provision, fifteen (15) foot side yard shall be maintained on each Lot; provided, however, that the ARC shall have the right at anytime, to reduce the side yard set back to twelve (12) feet, provided such set back is allowed by County ordinance. If any Lot line fronts on more than one street, the ARC shall determine which is

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the front Lot line and how improvements should be situated on such Lot. In the event the ARC fails to approve, modify or disapprove in writing an application within forty-five (45) days after the required documents have been submitted, in writing, to it in accordance with adopted procedures, approval will be deemed granted.

Section 4. Boat Docks.

All boat docks shall be located and constructed in accordance with the plans and specifications as approved by the ARC. In determining boat dock sites the ARC and Lot Owner will ensure that the location and design meet the requirements of the Shoreline Management Plan enforced by Appalachian Power and shall attempt to minimize the impact of any dock on other Lot Owners views. The final approval of any boat dock design and location shall be at the sole discretion of the ARC.

Section 5. Use of Land. No portion of any Lot shall be improved or occupied for other than single-family residential purposes and no commercial activity of any nature shall be carried on any Lot in the subdivision. Notwithstanding the foregoing sentence, a homeowner may conduct business from their home so long as no evidence thereof is visible on the exterior of the home or on the lot.

Section 6. Minimum Dwelling Size. All waterfront lots (being Lots 1 - 28) shall meet the following minimum size

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requirements: one-story homes shall have a minimum square footage of two thousand five hundred (2,500) square feet; one and one-half story homes shall have a minimum square footage of three thousand (3,000) square feet, and two-story homes shall have a minimum square footage of three thousand six hundred (3,600) square feet.

All cottage lots (being Lots 29 - 40) shall meet the following minimum size requirements: one-story homes shall have a minimum square footage of two thousand (2,000) square feet, one and one-half story homes shall have a minimum square footage of two thousand five hundred 2,500 square feet, and two-story homes shall have a minimum square footage of three thousand (3,000) square feet. For determining the minimum square footage requirement, all calculations shall exclude any basement or garage area.

Section 7. Fencing. No fence shall be erected on any Lot except as otherwise set out herein and as approved by the ARC.

Section 8. Temporary Structures and Mobile Homes. No trailer, shack, tent, camping trailer or mobile home shall be erected on any Lot or used for living quarters either temporarily or permanently.

Section 9. Fees. An Owner making a request for approval by the ARC as required by this Article shall be required to pay an application fee. The application fee for approval of house plans

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shall be Five Hundred Dollars (\$500.00), the application fee for approval of boat dock plans shall be One Hundred Fifty Dollars (\$150.00), and the application fee for renovations, addition or changes to the exterior shall be Three Hundred (\$300.00). The application fee for any other approval shall be One Hundred Dollars (\$100.00).

Section 10. Previously Constructed Homes. As of the date of this Declaration, homes have been constructed on Lots 6R, 16 and 17. These homes, as currently built, are hereby deemed to be in compliance with the construction standards or other restrictions contained within this Declaration and shall be deemed approved by the ARC.

ARTICLE III
USES OF LOT WITHIN THE COMMUNITY

The permitted uses, easements and restrictions for all lots within South Harbour, shall be as follows:

Section 1. Vehicles and Trash. No Lot shall be used or maintained as a dumping ground for trash or waste of any type and all trash shall be maintained in sanitary containers, hidden from view. No automobile or vehicle shall be kept on any Lot or on any street adjoining any Lot unless the same carries a current license plat and any necessary current state inspection certificate. All recreational vehicles, boats, boat trailers and accessories to same (other than those stored in approved boat

docks) shall be stored in the area within the development designated for boat storage.

Section 2. Nuisances. No animals other than household pets may be kept on any Lot without the prior written approval of the Declarant or the Association, as the case may be, and no noxious or offensive trade shall be carried on upon any Lot, nor shall anything be done thereon which may be or become a nuisance to the neighborhood. No more than three (3) household pets shall be kept on any Lot for any period of time longer than eight (8) weeks. Household pets shall not be kept for any commercial purposes. All animals must be secured by a leash or lead, or under the control of a person and obedient to that person's command at any time any pet is permitted off the Owner's Lot.

Section 3. Utilities. Declarant will furnish underground utilities to each Lot line at the street and all Lot Owners will supply underground utilities from the streets to the respective residential or other approved structures.

Section 4. Water/Septic. All Lots are served by public water provided by the Western Virginia Water Authority and each residence shall be served by the public water and shall pay such reasonable connection fee and usage charges as established by the Authority, or its assigns. Each Lot is approved by the Franklin County Health Department for individual septic system to serve each lot.

Section 5. Use to be Solely Residential. No more than one single family dwelling shall be erected on any one Lot. Notwithstanding this Section, due to its size and unique character, Lot 12 shall be permitted to construct a guest cottage in additional to the primary residence.

Section 6. Signs. No commercial signs, billboards or advertising of any nature shall be erected, placed or maintained on any residential Lot, nor upon any improvement erected on any Lot; provided, however, directional and informational signs erected by the Declarant shall be permitted; the Declarant and/or the Homeowners Association may place signs in the common areas for such purposes as deemed to benefit the Community and/or the use of such common areas; and Realtors' "For Sale" signs (not to exceed 2 feet x 2 feet) may be placed upon, erected or maintained on any lot offered for sale provided the Owner of such Lot first obtains permission of the ARC. The ARC reserves the right to restrict the size, color and content of any permitted sign. Any sign or notice required by any legal proceeding shall be permitted as provided by the Court.

Section 7. Removal of Trees/Landscaping Along the 800' Contour. Except in necessary construction areas and septic fields, no trees four (4) inches or larger in diameter, measured six (6) feet from the ground, shall be removed from the property without the approval of the ARC. There shall be no burning of

trees, stumps, or debris on any Lot. The landscaping along the 800' contour shall prohibit any plant which grows in height which may impede the view of the lake by other Lot Owners.

Section 8. Storage Areas. Each Lot Owner shall be responsible for keeping all boats that are docked in the Owner's boat dock in a neat and orderly fashion. Storage of any boats or boat trailers shall not be permitted above the 800' contour line of any Lot except for a temporary period not to exceed 48 hours, per time period, as may be required for minor maintenance or cleaning of the boat or trailer or necessary temporary storage.

ARTICLE IV
CONSTRUCTION STANDARDS

The following construction standards shall apply to all homes within South Harbour subject to the final approval of the ARC. Whether a particular design feature is in conformance with these constructions standards is in the sole discretion of the ARC and these constructions standards are provided as general specifications and architectural features that will be expected in the design and construction of a home in South Harbour:

1. All roof lines shall have a minimum pitch of 6:12 on the main body of the house excluding porches. Porches and wings may be attached lower upon approval by the ARC.
2. Exterior siding shall be constructed of brick,

wood, dryvit, masonite, hardie plank, natural stone and approved man-made stone.

3. No statues or sculptures shall be located in the front yard (street side) of any Lot unless approved by the ARC.

4. All lawns shall be established within fort-five (45) days from issuance of certificate of occupancy or occupancy of the premises, whichever occurs first. All landscaping shall commence within ninety (90) days of the same date.

5. CMU retaining walls shall be faced material approved by the ARC.

6. Driveways shall be located and constructed as approved by the ARC. Before construction begins on any Lot, a driveway and culvert shall be installed. Each driveway shall be installed from the edge of the subdivision street/road to the construction site and consist of six (6) inches of crushed stone. Every Lot Owner shall be responsible for keeping mud off of all the private roads within the community and, also, off the public highways during construction, and at all other times; failing such, the Declarant or the Home Owners Association, as the case may be, may remove such mud or other debris, and charge the Lot Owner for all expenses incurred in doing so. Corrugated metal culvert pipe shall be installed in accordance with the standards of the Virginia Department of Highways and Transportation to connect to the private road upon which the same fronts.

Driveways shall be surfaced with asphalt black top or concrete, approved decorative stone, and be completed within ninety (90) days of completion of construction of the residence.

7. For the waterfront lots, all shoreline stabilization shall be the responsibility of individual Lot Owners. All shoreline stabilization shall use stone with the same color and size as the existing rip rap within South Harbour.

8. Landscaping shall be approved by the ARC.

9. Each residence shall provide off-street parking for four (4) or more vehicles in a driveway or other appropriate (paved) area.

10. The Owner of any Lot shall provide for any dwelling constructed on such Lot a septic disposal system constructed in accordance with the specifications set forth by the applicable state and county public health officials. For lots that require "off site" septic drainfields served by individual force mains, the Declarant will install such force mains for all Lots.

11. All fuel storage tanks, trash and garbage receptacles shall be buried under ground or set at such places as not to be visible from any viewpoint deemed by ARC to negatively impact any other Lot Owner. Air-conditioning compressors, heat pump equipment and all other mechanical equipment shall be screened by landscaping.

12. No satellite dish antenna or other transmission or

receiving antennas shall be installed or placed on any Lot, provided, however, that the ARC in the exercise of its authority may permit Lot Owners to install individual satellite dish or other television antennae. The ARC may refuse to approve any antenna or satellite dish based upon purely aesthetic considerations such as the size or location of the antenna.

13. No home or boat dock design that is substantially similar to an existing home or boat dock previously constructed in the subdivision shall be approved.

ARTICLE V
SPECIFIC RESTRICTIONS

Section 1. Enforcement. Enforcement of these Restrictions shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain the violation and/or recover damages. The Declarant, the ARC and/or Home Owners Association, as the case may be, reserves the right to perform any act set forth anywhere in this Declaration on behalf of a Lot Owner who has failed to abide by any affirmative obligation set forth herein or who has violated any prohibition herein. Such act shall include but not be limited to any act of maintenance, lawn care, construction or a required Lot improvement or removal or correction of a prohibited or faulty Lot improvement. All costs of such acts on behalf of

the Lot Owner, including interest, attorney fees and recording. . . taxes shall be charged to the subject Lot Owner, and a lien setting forth such costs may be recorded against the subject Lot Owner and Lot among the Franklin County land records. In addition, the Declarant, the ARC, the Association or any Owner may bring any appropriate legal action against a Lot Owner to enforce or to cure any breach of these Restrictions or amendments thereto. In such event, the Lot Owner shall pay for all of Plaintiff's court costs, expense of litigation and attorney's fees if Plaintiff is the prevailing party in such litigation.

Section 2. Future Roads. No street or road connecting the Property to adjoining lands may be constructed on any Lot unless such street or road is constructed by Declarant or Declarant gives its express written permission for such connection and construction.

Section 3. Restrictions on Further Subdivision. No Lot within the Property shall be further subdivided or separated into smaller lots or parcels by any Owner and no portion less than all of any such Lot shall be conveyed or transferred by any Owner except between Lot Owners to adjust boundary lines provided that no additional Lot is created.

Section 4. 800-Foot Contour Line. When the Declarant herein recites restrictions, covenants, conditions or rights as to such Lot, the same shall also apply to the land adjoining said

Lot, situate, below the 800-foot contour line. Furthermore, all boat docks shall be located and constructed in accordance with the plans and specifications approved by the ARC. In determining the appropriate location of any boat dock to be constructed within South Harbour, the ARC shall 1) ensure that the location complied with the Shoreline Management Plan enforced by Appalachian Power and 2) direct that the boat dock be located so as to minimize the degree to which the boat dock may obstruct the view of other lot owners and to ensure proper spacing between boat docks. The final approval of a boat dock's design or location shall be at the sole discretion of the ARC.

It is intended that each waterfront lot shall be permitted to erect one boat dock unless otherwise approved by the ARC. In most instances, the boat dock appurtenant to a Lot shall be located within the extension of the side lot lines of the Lot served by the boat dock, however, in some instances, it may be necessary or desirable to locate the dock over and across the extension of the side lot lines. The ARC may approve the location of a boat dock appurtenant to a particular lot which is located over and across any extended lot line. To this end, the Declarant hereby reserves an easement over and across all of the land below the 800' contour line such that the ARC may exercise its rights to locate boat docks according to this Section. Furthermore, the Declarant hereby reserves the right to locate boat docks within

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any buffer zones required by any governmental entity or by the Shoreline Management Plan of Smith Mountain Lake and each Lot Owners specifically waives the right to object to the location of any other Lot Owner's boat dock.

Notwithstanding the previous paragraph, waterfront lots 1, 5R, 6R, 7, 14, 16 and 17 have been sold prior to execution of this Declaration and the Declarant has agree that these lots shall be exempt from the provision which permits the Declarant to locate boat docks over and across the extended lot lines. Therefore, the Developer shall not have the right to locate any boat docks, other than those boat docks appurtenant to each of these lots, over or across the extended lot line for the lots numerated above. However, the parties hereby agree that the 15' setback requirement under the Shoreline Management Plan of Smith Mountain Lake shall not apply and that each party hereby waives the setback requirement so as to permit a boat dock to be located within the said 15' setback.

Section 5. Road Maintenance.

A. The Declarant or Homeowner's Association shall be solely responsible for maintaining and repairing the private roads within the community to the minimum standards to which the same were originally constructed. However, in the event any Lot Owner or Owner's agent or invitee causes damage to any said road, other than ordinary wear and tear, such Lot Owner shall be

required to repair such damage and bear the costs thereof exclusively.

B. Maintenance, at minimum, shall include but not be limited to the following:

- (1) Removing snow and ice;
- (2) Maintaining the ditches and slopes along the private roadway in order to avoid erosion;
- (3) Maintaining the road surface; and
- (4) Maintenance of the road shall include maintenance of the walk/cart path as travels within the same.

C. The Home Owners Association formed by the Declarant and composed of the Lot Owners shall be responsible to collect annual assessments and contract for all road maintenance, repairs, snow removal, aforesaid.

ARTICLE VI
ASSESSMENTS AND HOME OWNERS ASSOCIATION

Section 1. Agreement. Each Lot Owner shall by the acceptance of the Deed of Conveyance to the lot become a member of a Home Owners Association formed by the Declarant and, shall be subject to the dues and assessments as may be established by the Association. Membership shall be appurtenant to and may not be separated from the ownership of any Lot.

Section 2. Assessments. Every Lot Owner and member of the Association is deemed to covenant and agree to pay to the

Association: (i) annual assessments or, and (ii) special assessments for capital improvements. All assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien superior to any Deed of Trust or Mortgage on the 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 fell due. The personal obligation for delinquent assessments shall not pass to the Lot Owner's successors in title unless expressly assumed by them, but shall be a lien on the land.

Each owner covenants for himself, his heirs, successors and assigns, to pay each assessment levied by the association on the lot described in such conveyance to him within ten (10) days after receipt of an invoice for the same, and further covenants that if said charge shall not be paid within thirty (30) days from the date that said invoice is deposited, postage paid in the United States mail, in an envelope addressed to such Owner at the address of the lot or to such other address as maintained on the current land records for Franklin County, Virginia. The amount of such charge shall become a lien upon said Owner's lot and shall continue to be such lien until fully paid.

At closing of the initial sale and upon the resale of each Lot, each Purchaser shall pay a transfer fee to the Declarant or

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the Homeowners Association, as the case maybe, to be held and used for the maintenance of the road and other common areas and improvements. The initial amount of the transfer fee shall be Five Hundred Dollars (\$500.00) and may be adjusted from time to time by the Declarant or the Homeowners Association as necessary. The Declarant at such time as the duties are transferred to the Homeowners Association shall pay any monies held by it to the Homeowners Association to provide for its initial capital funds.

Until such time as the duties for maintenance of the common areas are assigned to the Homeowners Association, the annual and any special assessment shall be determined by the Declarant. At such time as maintenance duties are assigned to the Homeowners Association, the Board of Directors shall determine the annual assessment and any special assessment. Annual assessments may be charged and paid monthly, quarterly or annually as the Declarant or Board of Directors may determine. The initial annual assessment will be FIVE HUNDRED (\$500.00) DOLLARS.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only. The Declarant or the Board of Directors for Association, as the case may be, shall determine the purpose for which the assessments will be made and allocated.

The annual assessments provided for herein shall commence as

to all Lots on the first day of the month following the conveyance of that Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Declarant or the Board of Directors, as the case may be, shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Declarant or the Board of Directors, as the case may be.

Unless, Declarant has previously done so, at such time as the Declarant has sold at least seventy-five percent (75%) of the Lots, the Declarant shall transfer the common area to the Homeowners Association to perform all duties and responsibilities herein provided.

Without limitation the specific duties and obligations of the Association shall be: (1) the upkeep and maintenance of all common areas and all improvements made to the same (including, without limitation, boat storage area, signage, the landscaping and irrigation, day dock, and other structures located in the common area); (2) the upkeep and maintenance of all the street lights in common areas; (3) the upkeep and maintenance of the private roads, minimally, to the standards provided by the Declarant; (4) to provide architectural review as herein

provided; (5) to perform any other lawful act approved by/for the community; and (6) to provide a Committee to establish rules and regulations for the operation and upkeep of the "off site" drainfields.

Section 3. Amenities to be Constructed. The Declarant has agreed to construct certain amenities within the subdivision at its costs. These amenities shall include but are not limited to, a community day dock, community walking trail, street lights and signs, the planting of trees, and a front entrance with subdivision signage. Upon completion of these amenities, these shall be conveyed to the Homeowners Association to be maintained according to this Declaration.

ARTICLE VII
SEPTIC SYSTEMS

Section 1. Agreement. Owners of Lots in South Harbour shall be responsible for the maintenance of their individual septic system serving their Lot including the lines, the septic field, the storage tank and drainfield; provided, however, that no work may be performed except by contractors approved by the ARC or the Committee appointed by the Homeowners Association.

Section 2. Off-Site Septic Systems. Subject to the provisions hereof, Lots served by "off-site" septic fields with individual force mains, the initial location and area being defined and designated on plat of Subdivision for South Harbour

BK 1057 PG 1980

filed in the Clerk's Office of the Circuit Court of Franklin County, Virginia, in Deed Book 952, at Pages 1852 thru 1858) shall be an appurtenant easement for each such lot; provided, however and subject to the following:

A. The Declarant reserves and is hereby provided the right to relocate the septic lines and drainfield areas shown on the aforesaid subdivision plat to provide for a different location for any septic line and drainfield for any "off-site" lot, provided such relocation shall be at the Declarant's expense. Upon relocation, the designated easement as shown and provided on the subdivision plat may be vacated and voided and a new easement established for the relocated portion of the septic system.

B. The maintenance of the septic line and drainfield shall be the responsibility of the benefitted Lot owner. The Board of Directors shall establish a Committee composed of not more than four (4) lot owners each being as owner of a lot served by an "off-site" drainfield, to do the following:

(i) Establish rules and regulations for upkeep and maintenance of the easement, septic lines, and the drainfields benefitting the Lots served by an "off-site" drainfield; and,

(ii) Make assessments, annual and/or special, to provide for the upkeep and maintenance of the easement areas for the septic lines and drainfields; provided that any such assessments are approved by a majority of the lot owners served

by an "off-site" septic system.

ARTICLE VIII
EASEMENTS

Section 1. Utility Easement. The Declarant reserves unto itself the right to grant to any public or private utility easements, such as telephone, electric, water or sewer, gas and cable television for utility service purposes on a strip of land, within each Lot, seven and one-half (7-1/2) feet wide running adjacent to and parallel with all property lines of each Lot, provided such utility easements shall be for underground services lines only and shall not impact any proposed drainfield, septic line or any other platted easement as shown on the subdivision plat.

Section 2. Community Water System. The Declarant has given the Western Virginia Water Authority the community water system and all appurtenances thereto, including any water line easements and all appurtenances thereunto as may be required or requested by such assignee to operate the system.

Section 3. Access Easement. The Declarant further reserves unto itself and the Homeowners Association, easements over, across the Lots within South Harbour for the purpose of fulfilling its obligations hereunder.

ARTICLE IX
TERM/AMENDMENT/ENFORCEMENT

A. These covenants are binding upon and shall run with the

land (i.e., South Harbour) and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date these covenants are recorded; after which time, said covenants shall be automatically extended for two (2) successive period of ten (10) years each, unless an instrument executed by a majority of the current Lot Owners has been recorded agreeing to change said covenants in whole or in part; provided, however, that as long as the Declarant owns any Lot in South Harbour, the Declarant reserves and shall have the right to amend this Declaration of Restrictions, Covenants and Conditions if needed or necessary to correct or to clarify any ambiguity or question in interpretation of this Declaration provided any amendment made by the Declarant, in its sole discretion, is determined by the Declarant to be beneficial to the overall scheme of development and not contrary to the general purposes of these Restrictions.

B. If the owner of any lot shall violate any of the covenants and restrictions herein, it shall be lawful for the Declarant, the Homeowners Association or any lot owner to prosecute any proceedings at law or in equity against the person or persons violating any such covenant or restrictions, either to prevent the lot owner from so doing, or to recover damages for such violation, and to recover any costs required to bring such violation into compliance, including attorney fees.

BK1057PG1983

C. Invalidation of any one of the covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

D. The Declarant reserves unto itself or the Homeowner's Association the right to publish and enforce rules and regulations concerning the use of property located in South Harbour including the area below the 800' contour line.

The Declarant does retain and shall have the right to appoint a representative, at its expense, to act in the Declarant's place and stead as to any and all matters, approvals and/or waivers as contained herein.

WITNESS the following signatures and seals.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

BK1057PG1984

CLARK PROPERTY, L.L.C., A
Virginia Limited Liability
Company

By: Lottie Clarke

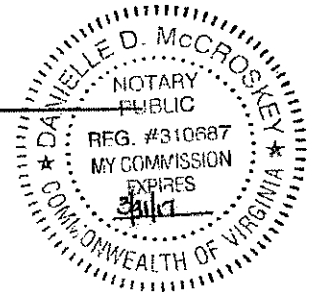
Its: Manager

STATE OF VIRGINIA AT LARGE

COUNTY OF Franklin, to-wit:

The foregoing document was signed and acknowledged before me
this the 30th day of ~~October~~ December, 2014, by Lottie Clarke
the Manager on behalf of CLARK PROPERTY, L.L.C., A
VIRGINIA LIMITED LIABILITY COMPANY.

Danielle D. McCroskey
Notary Public



My Commission Expires: 3/31/17

BARBARA W. AMOS (SEAL)

STATE OF VIRGINIA AT LARGE

COUNTY OF _____, to-wit:

The foregoing document was signed and acknowledged before
me this the ____ day of October, 2014 by BARBARA W. AMOS.

Notary Public

My Commission Expires: _____

BK1057PG1985

CLARK PROPERTY, L.L.C., A
Virginia Limited Liability
Company

By: _____

Its: Manager

STATE OF VIRGINIA AT LARGE

COUNTY OF _____, to-wit:

The foregoing document was signed and acknowledged before me
this the _____ day of October, 2014, by _____
the _____ on behalf of CLARK PROPERTY, L.L.C., A
VIRGINIA LIMITED LIABILITY COMPANY.

Notary Public

My Commission Expires:

Barbara W. Amos (SEAL)
BARBARA W. AMOS

STATE OF VIRGINIA AT LARGE

COUNTY OF Franklin, to-wit:

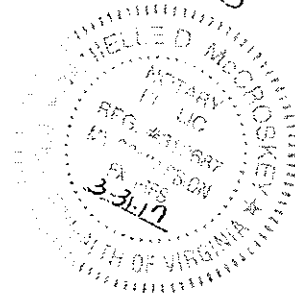
The foregoing document was signed and acknowledged before
me this the 12th day of ~~October~~ January 2015, 2014 by BARBARA W. AMOS.

BK1057PG1986

Danielle McCroskey
Notary Public

My Commission Expires:

3/31/17



BK1057PG1987

Barbara Amos Cannaday (SEAL)
BARBARA AMOS CANNADAY

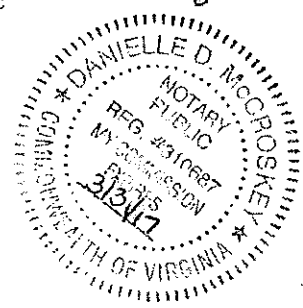
STATE OF VIRGINIA AT LARGE

COUNTY OF Franklin, to-wit:

The foregoing document was signed and acknowledged before
me this the 30th day of December, 2014 by BARBARA AMOS CANNADAY.

Danielle D. McCroskey
Notary Public

My Commission Expires:
3/31/17



BK 1057PG1988

Gail Amos Melton (SEAL)
GAIL AMOS MELTON

STATE OF VIRGINIA AT LARGE

COUNTY OF Franklin, to-wit:

The foregoing document was signed and acknowledged before
me this the 23rd day of ~~October~~ ^{December}, 2014 by GAIL AMOS MELTON.

Danielle D. McCroskey
Notary Public

My Commission Expires:

3/31/17



BK1057PG1989

MCBN, LLC, A VIRGINIA LIMITED LIABILITY COMPANY

By: Lisa G. Brown

Its: Managing Member

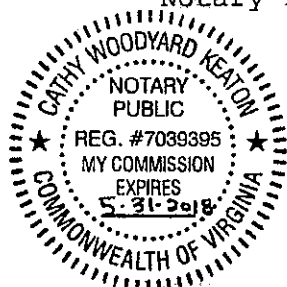
STATE OF VIRGINIA AT LARGE

COUNTY OF Montgomery, to-wit:

The foregoing document was signed and acknowledged before me this 29th day of ~~October~~ December, 2014 by Lisa G. Brown the Managing Member on behalf of MCBN, LLC, A VIRGINIA LIMITED LIABILITY COMPANY.

Cathy Woodyard Keaton
Notary Public

My Commission Expires:
5-31-2018



BK1057PG1991

SMLJD, LLC, A VIRGINIA LIMITED LIABILITY COMPANY

By: James G. Petrine
Its: Manager

STATE OF VIRGINIA AT LARGE

COUNTY OF Franklin, to-wit:

The foregoing document was signed and acknowledged before me this 11 day of ~~October~~ ^{December}, 2014 by James G. Petrine the Manager on behalf of SMLJD, LLC, A VIRGINIA LIMITED LIABILITY COMPANY.

[Signature]
Notary Public

My Commission Expires:
6/30/18



BK1057PG1992

James G. Petrine (SEAL)
JAMES G. PETRINE

DEBORAH L. PETRINE

STATE OF VIRGINIA AT LARGE
COUNTY OF Franklin, to-wit:

The foregoing document was signed and acknowledged before
me this the 11 day of ~~October~~ ^{December}, 2014 by JAMES G. PETRINE, and
~~DEBORAH L. PETRINE, husband and wife.~~ *JK*

Jessica Lynn Reed
Notary Public

My Commission Expires:
6/30/18



BK1057PG1993

(SEAL)
JAMES G. PETRINE



(SEAL)
DEBORAH L. PETRINE

STATE OF VIRGINIA AT LARGE

COUNTY OF Roanoke, to-wit:

The foregoing document was signed and acknowledged before
me this the 12 day of ^{December} ~~October~~, 2014 by ~~JAMES G. PETRINE and~~
DEBORAH L. PETRINE, ~~husband and wife.~~



Notary Public

My Commission Expires:
1-31-17

Angela L. Batts
Notary Public
362660
Commonwealth of Virginia

BK 1057 PG 1994

RONALD R. SPOEHEL (SEAL)

DEBORAH B. SPOEHEL (SEAL)

STATE OF VIRGINIA AT LARGE

COUNTY OF _____, to-wit:

The foregoing document was signed and acknowledged before me this the ____ day of October, 2014 by RONALD R. SPOEHEL and DEBORAH B. SPOEHEL, husband and wife.

Notary Public

My Commission Expires:

BK1057PG1995

Craig S. Mitchell (SEAL)
CRAIG S. MITCHELL

Gina A. Mitchell (SEAL)
GINA A. MITCHELL

STATE OF NEW JERSEY VIRGINIA AT LARGE

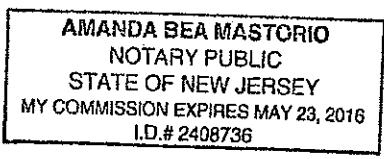
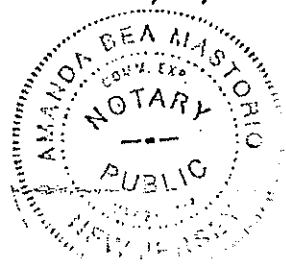
COUNTY OF MONMOUTH, to-wit:

The foregoing document was signed and acknowledged before me this the 2nd day of JANUARY, 2015 by CRAIG S. MITCHELL and GINA A. MITCHELL, husband and wife.

Amanda Bea Mastorio
Notary Public

My Commission Expires:

5/23/2016



BK1057PG1996

Brian A. Abt (SEAL)
BRIAN A. ABT

Lori E. Abt (SEAL)
LORI E. ABT

STATE OF VIRGINIA AT LARGE

COUNTY OF Alexandria, to-wit:

The foregoing document was signed and acknowledged before me this the 11th day of ~~October~~ ^{December}, 2014 by BRIAN A. ABT and LORI E. ABT, husband and wife.

Dierdre V. Buts
Notary Public

303531

My Commission Expires:

October 31, 2017



BK 1057PG1997

JPGA-2, LLC, A VIRGINIA
LIMITED LIABILITY COMPANY

By: James G. Petrine
Its: Manager

STATE OF VIRGINIA AT LARGE

COUNTY OF Franklin, to-wit:

The foregoing document was signed and acknowledged before
me this 11 day of December, 2014 by James G. Petrine
the manager on behalf of JPGA, LLC, A VIRGINIA
LIMITED LIABILITY COMPANY.

Jessica Lynn Reed
Notary Public

My Commission Expires:
6/30/18



BK1057PG1998

CARTER BANK AND TRUST ~~COMPANY~~

By: Worth H. Carter, Jr.
Its: President

STATE OF VIRGINIA AT LARGE

COUNTY OF Henry, to-wit:

The foregoing document was signed and acknowledged before me this 8 day of January, 2015 by Worth Harris Carter, Jr. the President on behalf of CARTER BANK AND TRUST.

Janet S. Harrell
Notary Public

My Commission Expires: May 31, 2015

Reg# 206191

Janet S. Harrell
Notary Public
Commonwealth of Virginia
Reg # 206191
My Commission Expires MAY 31, 2015

BK1057PG1999

Worth H. Carter, Jr. (SEAL)
WORTH H. CARTER, JR., TRUSTEE

STATE OF VIRGINIA AT LARGE

COUNTY OF Henry, to-wit:

The foregoing document was signed and acknowledged before me this the 8 day of January, 2015 by WORTH H. CARTER, JR., TRUSTEE.

Jane S. Harrell
Notary Public

My Commission Expires:

May 31, 2015

REG# 206191

Jane S. Harrell
Notary Public
Commonwealth of Virginia
Reg # 206191
My Commission Expires May 31, 2015

[Handwritten Signature]
BK01057PG2000

(SEAL)
GEORGE I. VOGEL, III, TRUSTEE

STATE OF VIRGINIA AT LARGE

City
COUNTY OF Roanoke, to-wit:

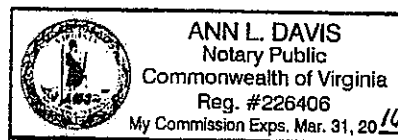
The foregoing document was signed and acknowledged before me this the 8th day of January, 2015 by GEORGE I. VOGEL, III, TRUSTEE.

[Handwritten Signature: Ann L. Davis]

Notary Public

My Commission Expires:

3-31-16



INSTRUMENT #150000367
RECORDED IN THE CLERK'S OFFICE OF
FRANKLIN COUNTY ON
JANUARY 20, 2015 AT 03:07PM

TERESA J. BROWN, CLERK
RECORDED BY: AMT



OFFICIAL RECEIPT
FRANKLIN COUNTY CIRCUIT COURT
275 SMAIN STREET SUITE 212
ROCKY MOUNT, VA 24151
540-483-3065

DEED RECEIPT

DATE: 01/20/15 TIME: 15:15:57 ACCOUNT: 067CLR150000367 RECEIPT: 15000000775
CASHIER: AMT REG: KF17 TYPE: DEC PAYMENT: FULL PAYMENT
INSTRUMENT : 150000367 BOOK: 1057 PAGE: 1952 RECORDED: 01/20/15 AT 15:07
GRANTOR: SOUTH HARBOUR EX: N LOC: CO
GRANTEE: SOUTH HARBOUR EX: N PCT: 100%
AND ADDRESS : DEL TO GEORGE , .
RECEIVED OF : VOGEL & CROMWELL
CHECK: \$55.00 9274
DESCRIPTION 1: DECLARATION OF COVENANTS & RESTRICTIONS PAGES: 48 OP: 0
2: NAMES: 0
CONSIDERATION: .00 A/VAL: .00 MAP:
PIN:
301 DEEDS 48.50 145 VSLF 1.50
106 TECHNOLOGY TRST FND 5.00
TENDERED : 55.00
AMOUNT PAID: 55.00
CHANGE AMT : .00

CLERK OF COURT: TERESA J. BROWN

PAYOR'S COPY
RECEIPT COPY 1 OF 2