

**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
THE WATERFRONT COMMUNITY DOCK**

THIS DECLARATION, dated as of December 9, 2015, by WILLARD CONSTRUCTION OF ROANOKE VALLEY, INC., a Virginia Corporation, hereinafter referred to as "Developer", recites and provides:

RECITALS

The Developer is the fee simple owner of certain real property located in Franklin County, Virginia, as described in Exhibit A attached hereto and made a part hereof (the Property), subject to certain flowage easements owned by Appalachian Power Company (hereinafter "Appalachian") which are further described below, with two connected Boat Docks, accessed from land by one walkway, constructed thereon, and appurtenant thereto containing fifteen (15) boat slips, (The "Community Dock"). The Developer shall establish Limited Common Easements (the Limited Common Easements) for each individual Boat Slip located within the Boat Docks which easements shall be conveyed to lot owners located within The Waterfront, Sections 2 and 3, The Waterfront Townhouses, and The Waterfront Golf Villas, or within any future development of The Waterfront as defined below. The Community Dock at The Waterfront is a part of The Waterfront development

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and shall be subject to the Declaration of The Waterfront.

The Developer desires to provide for the preservation of the values and amenities in The Community Dock and for the maintenance of such Common Areas, Limited Common Easements, and facilities, and to this end, desires to subject the Property, the Common Areas, and Limited Common Easements to the covenants, restrictions, easements, charges and liens (hereinafter referred to collectively as the Restrictions) as hereinafter set forth for the benefit of the Property and each Owner thereof.

The Developer has deemed it desirable, for the efficient preservation of the values and amenities in The Community Dock to create an agency to which will be delegated and assigned the powers of maintaining and administering The Community Dock facilities, administering and enforcing the covenants and restrictions and levying, collecting and disbursing the assessments and charges hereinafter created.

The Developer has incorporated under the laws of the Commonwealth of Virginia, as a non-profit corporation, The Waterfront Community Dock Association, Inc. (The Association) for the purpose of exercising the functions aforesaid.

The Developer desires that the Restrictions shall run with, burden, and bind the Property and the Common Areas, and the Limited Common Easements.

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DECLARATION

NOW, THEREFORE, the Developer hereby declares that the

Property, including the Common Areas, and the Limited Common Easements, is, and shall be held, transferred, sold, conveyed, occupied and used subject to the provisions of the Restrictions hereinafter set forth, for and during the period of time hereinafter specified and the Limited Common Easements shall be held, transferred, sold, conveyed, occupied and used subject to the terms and conditions expressly herein set forth as applying to said Limited Common Easements.

Notwithstanding anything to the contrary set forth herein, Developer and Owners acknowledge and agree that:

a) The land located adjacent to the Property and below the 800' contour line of Smith Mountain Lake, the Boat Slips, the Common Areas, the Limited Common Easements and all rights granted herein are subject to the rights granted to Appalachian in: (i) that certain Flowage Right and Easement Deed from G. B. Perdue and Grace B. Perdue to Appalachian dated June 3, 1960, and recorded in the Office of the Circuit Court of Franklin County, Virginia in Deed book 177, Page 27, and in: (ii) that certain Flowage Right and Easement Deed from H. J. Bradley and Myrtle P. Bradley to Appalachian dated November 17, 1959, and recorded in the Office of the Circuit Court of Franklin County, Virginia in Deed book 171, Page 273, and subject to all other rights reserved by or granted to Appalachian that are of record.

b) The land located adjacent to the Property and below the 800' contour line of Smith Mountain Lake, the Boat Slips, the Common Areas, the Limited Common Easements and all rights granted

herein are subject to the terms and conditions of that certain license issued under date of December 15, 2009, by the Federal Energy Regulatory Commission to Appalachian for Smith Mountain Project No. 2210, and to any renewal, amendment, or extension thereof, or to any new license issued to Appalachian, authorizing the operation of a dam and hydroelectric generating station and hydroelectric project on the Roanoke River, and to any orders or regulations of the Commission pertaining thereto, including but not limited to any orders pertaining to any Shoreline Management Plan of Appalachian therefor (collectively, the "License and SMP"), and to any applicable state laws and regulations.

c) The land located adjacent to the Property and below the 800' contour line of Smith Mountain Lake, the Boat Slips, the Common Areas, the Limited Common Easements and all rights granted herein are subject to Appalachian's Shoreline Management Plan (the "SMP") as approved by FERC order issued January 30, 2014, and to any renewal, amendment or extension thereof.

d) All rights granted in this Declaration to Owners and Developer and all uses and occupancy of property below the contour line, the elevation of which is 800 feet (the "800 Contour Line") are subject to the rights of Appalachian.

e) The Association must obtain a permit from Appalachian under the SMP that will subject the property below the 800 Contour Line to certain terms and conditions (the "Permit"), and all rights granted under this Declaration are subject thereto.

ARTICLE I
DEFINITIONS

The following words when used in this Declaration or any supplement hereto (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to The Waterfront Community Dock Association, Inc., its successors and assigns.

(b) "Board" shall mean the Board of Directors of the Association.

(c) "Common Areas" shall mean all portions of the Property other than the individual Boat Slips contained within the Boat Docks. Such Common Areas are intended to be devoted to the common use and enjoyment of the members of the Association, as herein defined, and are not dedicated for use by the general public. The Common Areas shall include the septic system and the associated easements to be conveyed to the Association.

(d) "Limited Common Easements" shall mean easements upon and over the Property of the Developer and The Waterfront Community Dock Association, Inc. for each individual slip located within the Boat Docks and which shall collectively be designated as the "Boat Slips."

(e) "Developer" shall mean and refer to Willard Construction of Roanoke Valley, Inc., a Virginia Corporation, and any successors or assigns.

(f) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article II, Section 1 of this Declaration.

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

(h) "Owner" or "Boat Slip Owner" shall mean and refer to the owner, whether one or more persons or entities, of any Boat Slip, but shall not mean or refer to any mortgagee or subsequent holder of a Mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure.

(i) "Property" shall mean and refer to the Property described in Exhibit A and all additions thereto, as are subject to this Declaration or any supplemental declaration recorded under the provisions of Article III hereof.

(j) "Boat Docks" shall mean those structures constructed upon and appurtenant to the Property which, combined, contain a total of fifteen (15) Boat Slips.

(k) "Boat Slips" shall mean those individual areas within the Boat Docks located on the Property which shall be Limited Common Easements that shall be conveyed to Owners.

(l) "Future Development of The Waterfront" shall mean any additional lots or parcels of land created out of the remaining 15 acres acquired by the Developer from Howard L. Webb, Ruth B. Webb, David A. Dean and Lois S. Dean by Deed dated December 22, 1977 and recorded in the Clerk's Office of the Circuit Court for the County of Franklin in Deed Book 355, Page 530.

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ARTICLE II
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Boat Slip shall be a Member of the Association, provided, however, that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member, unless and until such person or entity has succeeded to such Owner's interest by enforcement of such security interest. Membership shall be appurtenant to and may not be separated from ownership of any Boat Slip.

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

(a) Class A. Class A Members shall be all Lot Owners including the Developer and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all persons shall be Members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot.

(b) Class B. The Class B Member shall be the Developer, and shall be entitled to a total number of votes equal to the total number of votes of all Class A Members plus one, so that the Developer will have a number of votes equal to a majority of the total votes of all Members of the Association. The Class B membership shall cease and terminate at such time that the Developer has no rights or interest in the Property but shall, in any case, terminate on the tenth (10th) anniversary of the date

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of this Declaration.

ARTICLE III
PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Description. The real property subject to this Declaration is all that property located in Franklin County, Virginia, as described in Exhibit A attached hereto and made a part hereof. The Common Areas and the Limited Common Easements as herein defined shall be subject to such matters as are stated in the Declaration expressly as applying to said areas and easements.

Section 2. The conveyance of any Limited Common Easements or Boat Slips located on the Property shall be limited to Owners of lots located within Sections 2 and 3 of The Waterfront, The Waterfront Townhouses, and The Waterfront Golf Villas. Each Boat Slip shall be become an appurtenant easement to the Owner's Lot located within Sections 2 and 3 of The Waterfront, The Waterfront Townhouses, and The Waterfront Golf Villas and shall not be conveyed separate or apart from the Owner's Lot without the consent of the Developer or the Association. No Boat Slip shall be conveyed to anyone who does not own a lot in Sections 2 and 3 of The Waterfront, The Waterfront Townhouses, and The Waterfront Golf Villas or to any Owner unless the Boat Slip shall become a appurtenance to a lot in Sections 2 and 3 of The Waterfront, The Waterfront Townhouses, and The Waterfront Golf Villas. Any future development upon the remaining 15 acres purchased by the Developer from Howard L. Webb, Ruth B. Webb, David A. Dean and Lois S. Dean by Deed dated December 22, 1977 and recorded in the

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Clerk's Office of the Circuit Court for the County of Franklin in Deed Book 355, Page 530 shall be eligible for ownership of a Boat Slip.

Section 3. Easement of Access. Every Owner shall have an easement over and across the Property to the extent Developer's title permits it to grant the same in order to gain access to the Common Areas, and their respective Limited Common Easements and such easement shall be appurtenant to and pass with the title to every lot. Any Owner may delegate his right of access to the Common Areas to the members of his family or to such other persons as may be permitted by the Association. An Owner's rights as to the Limited Common Easements shall be limited to those rights specified herein and in particular recited in Article IV, Section 1.

ARTICLE IV
PROPERTY RIGHTS IN THE LIMITED COMMON EASEMENTS

Section 1. Ownership of the Boat Slip

Owners' rights to the Limited Common Easements shall consist of an easement to the individual Boat Slips which shall be conveyed exclusive to the rights of other Owners except as otherwise provided herein. Upon purchase of a Boat Slip from the Developer each member shall receive a Deed of Easement granting the Owner an exclusive easement for a Boat Slip subject to terms of this Declaration and subject to the Appalachian's Permit and the FERC License and Appalachian's SMP. Each Deed of Easement shall specify that the easement to be acquired by the Owner shall

become appurtenant to the lot or unit of the Owner and shall state that it is subject to the Appalachian's Permit and the FERC License and Appalachian's SMP. The Association shall require compliance with the terms and conditions of Appalachian's Permit.

Section 2. Rights to Other Boat Slips.

Each owner shall only have rights to use, access or enter upon the Boat Slip conveyed to them and nothing herein shall give an Owner to right to use, access or enter upon the Boat Slips of other owners.

ARTICLE V
PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Owners' Easements of Enjoyment. Subject to the provisions of Section 3 of this Article IV, every Owner shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the easement to every Boat Slip.

Section 2. Title to Common Areas. The transfer of title and control and maintenance responsibilities of Common Areas, common facilities, and Limited Common Easements to the Association shall take place no later than at such time as the Developer transfers legal or equitable ownership of at least seventy-five percent (75%) of the Boat Slips within the Property to purchasers of such Boat Slips.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The rights of the Association to borrow money for the purpose of improving the Common Areas, and Limited Common Easements, as provided herein, and in aid thereof to Mortgage the Property it owns and the rights of such mortgagee in such properties shall be subordinate to the rights of the Owners hereunder; provided, however, that no such borrowing or mortgaging shall be made unless approved by the vote of two-thirds (2/3) of the Class A membership and the assent of the Class B membership, if any, at a meeting duly called for such purpose; and

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

(c) The right of the Association to suspend the enjoyment of rights of any Member in facilities for any period during which any assessment remains unpaid, and for any period not to exceed sixty (60) days for any infraction of its published rules and regulations; and

(d) The right of the Association to dedicate or transfer all or any part of its interests in the Common Areas, or the Limited Common Easements to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, or determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes

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of the Class A membership and the Class B membership, if any, has been recorded, agreeing to such dedication, transfer, purpose of condition, and further provided that no easements so granted shall be granted which would encroach upon a sewage drainfield area, contrary to Department of Health regulations as exist from time to time; and

(e) The right of the Developer prior to the conveyance of the interest in the Common Areas and Limited Common Easements to the Association, and of the Association, to grant and reserve easements and rights-of-way through, under, over and across the Common Areas and the Areas of the Limited Common Easements, for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, septic tanks, drainage, gas, electricity, telephone and other utilities provided, however, that no such underground utility easement shall be granted which would encroach upon a sewage drainfield area, contrary to Department of Health regulations as exist from time to time; and

(f) The right of the Association to adopt rules and regulations governing the use by the Owners of the Common Areas, or the Limited Common Easements.

Section 4. Delegation of Use. Any Owner may delegate his rights of enjoyment of the Common Areas, Limited Common Easements and facilities to the members of his family, tenants, or contract purchaser (and members of the family of any tenant or contract purchaser) who reside on the Property or to such other persons as

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may be permitted by the Association, provided however, the use of the Limited Common Easements shall be limited as herein provided and shall only be assigned or transferred in conjunction and as a part of the particular lot which such Limited Common Easements may be appurtenant. Each Owner shall be responsible for the actions of their family, tenants, or contract purchaser (and members of the family of any tenant or contract purchaser) who enter upon the Common Areas and Limited Common Areas.

Section 5. Obligations of the Association. The Association shall:

(a) Operate and maintain, for the use and benefit of all Members of the Association, all Common Areas and facilities and improvements developed thereon including, without limitation, the Boat Docks (including but not limited to structural components, exterior and roofs of the Boat Docks), the parking lot, the bath houses, drainage structures and area lighting; and

(b) Maintain, mow the grass and replace all dead or destroyed landscaping on the lots and on the Property; and

(c) Manage and insure the operation, repair, maintenance and replacement of the septic sewer system and drainfields serving the Property as shown on the above referenced plat.

ARTICLE VI
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer, for itself and its successors or assigns, and for each Boat Slip, hereby covenants, and each Owner

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of any Boat Slip by acceptance of a deed or other transfer document therefor, whether or not it shall be so expressed in such deed or other transfer document, is deemed to covenant and agree to pay to the Association:

(a) Annual assessments or charges; and

(b) Special assessments for capital improvements and operating, repair, and replacement reserve funds, such assessments to be fixed, established and collected as hereinafter provided.

All Owners of Boat Slips must become Members of the Association and pay all dues and assessments levied by the Association.

The annual and special assessments of the Association, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the easement against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney fees, shall also be the personal obligation of the person who was the Owner of such Property at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title (other than as a lien on the land) unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the

Owners and in particular the improvement and maintenance of the Boat Docks, the Common Areas, the Limited Common Easements as herein provided, and for services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, including, but not limited to, the payment of taxes and insurance on the Common Areas and Limited Common Easements and the repair, replacement, and additions including the cost of labor, equipment, materials, management and supervision thereof, for operating reserve funds, and for reserve funds, all for the repair, operation maintenance and replacement of the Common Areas, the Limited Common Easements as herein provided, and facilities thereon.

Section 3. Basis and Maximum of Annual Assessments.

(a) An initial payment, in addition to the annual assessments, in the amount of FIFTY DOLLARS (\$50.00) for each Boat Slip shall be payable by the initial Owner of each lot, other than the Developer, at the closing of the sale of each lot by the Developer. Upon any transfer of a Boat Slip, a transfer payment in the amount of FIFTY DOLLARS (\$50.00) shall be made by the new Owner.

Commencing with the conveyance of the first Boat Slip from the Developer to an Owner and until changed by the Board of Directors as herein provided, the annual assessment imposed upon each Member of the Association (including the Developer) shall be at the rate of TWO HUNDRED FIFTEEN DOLLARS (\$215.00) per Boat Slip owned by such Member, or the Developer. The assessments may

be collected quarterly or yearly as the Association may determine and may be increased as hereinafter provided in Section 4 of this Article VI.

(b) The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the annual assessment for any year, provided that it shall be an affirmative obligation of the Association and its Board of Directors to fix such assessments at an amount sufficient to maintain and operate the Common Areas, Limited Common Easements and facilities and to provide reserves for the operating, repair, and replacement of same.

Section 4. Change in Annual Assessments. The Board of Directors of the Association may, without a vote of the Members of the Association, prospectively increase the annual assessments (fixed by Section 3(a) hereof) by an amount which is no greater than (I) twenty-five (25%) above the annual assessments for the previous year, or (ii) the annual assessment fees stated in Section 3(a) of this Article V. The Association may prospectively increase the maximum of the assessments above the amount permitted pursuant to the preceding sentence, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

Section 5. Determination of Annual Assessments.

(a) Fiscal Year. The fiscal year of the Association shall consist of the twelve-month period commencing on January 1 of

each year and terminating on December 31 of that year.

(b) Preparation and Approval of Budget. Each year on or before December 1, the Board of Directors shall adopt a budget containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Areas and Limited Common Easements as provided herein, and the cost of wages, materials, insurance premiums, services, supplies and other expenses and the rendering to the Boat Slip Owners of all related services. Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve, and reserves for contingencies and replacements. The Board of Directors shall send to each Owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the common expenses payable by each Owner, on or before December 15 preceding the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each Owner's assessment as hereinbefore provided.

(c) Reserves. The Board of Directors shall build up and maintain an adequate reserve for working capital and contingencies, and an adequate reserve for replacement of all facilities on the Common Areas and Limited Common Easements as provided herein, which shall be collected as part of the annual assessment as hereinbefore provided. All funds accumulated for reserves shall be kept in a separate bank account, segregated from the general operating funds, and, if the Board of Directors

deems it advisable, funds accumulated for each type of reserve shall be kept in a separate bank account, identified by reference to the specific category of reserve. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except where an emergency requires an expenditure to prevent or minimize loss from damage to, or deterioration of, the Common Areas, Limited Common Easements as herein provided, and reserves accumulated for one purpose may not be expended for any other purpose unless approved by the Association. If the reserves are inadequate for any reason, including non-payment of any Owner's assessment, the Board of Directors may at any time levy a further assessment in accordance with the provisions hereof, and which may be payable in a lump sum or in installments as the Board of Directors may determine. In the event there is a balance of reserves at the end of any fiscal year and the Board of Directors determines the Association may lose its tax exempt status due to such balance, the balance may be returned on an equal basis to all Members who are current in the payment of all assessments due to the Association.

(d) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt the annual budget or adjusted budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his assessment as herein provided, whenever the same shall be determined, and in the absence of any annual budget

or adjusted budget, each Owner shall continue to pay the assessment at the then existing rate established for the previous fiscal period in the manner such payment was previously due until notified otherwise.

(e) Accounts. Except as otherwise provided, all sums collected by the Board of Directors with respect to assessments against the Owners may be commingled into a single fund, but shall be held for each Owner in accordance with his votes in the Lot Owner's Association.

Section 6. Special Assessments for Capital Improvements and Operating Reserves. In addition to the annual assessments authorized by Section 3 of this Article V, the Association may levy in any assessment year a special assessment (which must be fixed at one uniform rate for each Boat Slip) applicable to that year only, for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of facilities upon the Common Areas, Limited Common Easements as herein provided, including the necessary fixtures and personal property related thereto, and for operating the Common Areas, Limited Common Easements as herein provided, for which a reserve fund does not exist or is not adequate, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments as to any Boat Slip shall commence

on the conveyance of such lot from the Developer to an Owner and shall be due and payable thereafter quarterly, due and payable thereafter on the first day of January, April, July and October, unless the assessments are required by the Board of Directors to be paid yearly in which case the dues shall be paid on the first day of January each year. The due date of any special assessment under Section 6 hereof shall be fixed in the resolution authorizing such assessment.

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

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

Personal Obligation of the Owner: The Lien; Remedies of Association. If any assessment is not paid on that date when due (as specified in Section 8 and 9 hereof), then such assessment shall be deemed delinquent and shall, together with such interest thereon and cost of collection thereof as are hereinafter provided, become a lien on the Boat Slip, which shall bind such lot in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. In addition to such lien rights, the personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation and shall not pass to his successor in title (other than as a lien on the land) unless expressly assumed by them. If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of ten (10) percent per annum and reasonable attorney fees and the Association may bring legal action against the Owner personally obligated to pay the same or may enforce or foreclose the lien against the Property; and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action. No Owner of a Boat Slip may waive, or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or Limited Common Easements or abandonment of its Boat Slip.

Section 10. Subordination of the Lien to First Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any deed of trust or mortgage on the Boat Slip. Sale or transfer of any Boat Slip shall not affect the assessment lien. However, the sale or transfer of any Boat Slip by foreclosure of any deed of trust or mortgage on the Boat Slip, or any proceeding in lieu thereof, shall release the lien of such assessments as to payments which became due prior to such sale or transfer provided however that such lien shall attach to any proceeds of such foreclosure in excess of the amount due under such lien foreclosure upon including all costs of foreclosure. No other sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. No Alienation of Boat Slips. No Owner shall be permitted to convey, hypothecate, sell, lease, give, or devise his Boat Slip unless and until he (or his personal representative) shall have paid in full to the Association all unpaid assessments against his Boat Slip, except as otherwise specifically provided herein. Any conveyance by deed of trust to secure a valid indebtedness of the Owner shall be free and clear of any such unpaid assessments. The Association shall promptly furnish to any Owner (or his devisee or personal representative) requesting the same in writing pursuant to this Section, a recordable statement certifying whether or not such Owner is then obligated for any outstanding assessments previously levied against such Boat Slip and the amount, if any, then outstanding.

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In the event that the Boat Slip is subject to outstanding expenses previously levied against such Boat Slip, the statement shall certify any waiver of, or failure or refusal to exercise, the right of the Association to prevent the disposition of such Boat Slip, in all cases where the Association allows such disposition. Failure or refusal to furnish promptly such a statement in such circumstances shall make the above-mentioned prohibition inapplicable to any such disposition of the Boat Slip. Any such statement shall be binding on the Association and every Owner. The Association shall comply with the Virginia Property Owners Association Act, Virginia Code Title 55, Chapter 26.

ARTICLE VII
PROPERTY USE AND MAINTENANCE

Section 1. Maintenance. It shall be the responsibility of each Owner to keep and maintain the mechanical and electrical equipment in the Boat Slip in proper working order and shall keep all personal items in a neat and orderly manner, and, generally, prevent any condition of the improvements or the grounds to decrease the beauty of the Property. Each Owner shall be responsible for all damages to any and all other Boat Docks and the Common Areas or Limited Common Easements resulting from his failure to maintain his Boat Slip or use thereof. Each Owner shall comply and ensure that his Boat Slip complies, with the terms and conditions of Appalachian's Permit.

All Common Areas, and facilities, and exterior of the bath

houses and the exterior and structural components of the Boat Docks shall be maintained by the Association except for the interior of Boat Slips and the mechanical and electrical components thereto.

Section 2. Right of Access. Each Owner shall grant a right of access to his Limited Common Easement to the Association, or any other person authorized by the Association, or any group of the foregoing, for the purpose of making inspections or for the purpose of correcting any condition originating in his Boat Slip and threatening another Boat Slip or the Common Areas, or Limited Common Easements or to correct any condition which violates the provisions of any Mortgage covering another lot, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of any emergency such right of entry shall be immediate, whether the Owner is present at the time or not.

Section 3. Rules and Regulations. Rules and regulations concerning the operation and use of the Common Areas and Limited Common Easements may be promulgated and amended by the Association, provided that such rules and regulations are not contrary to or inconsistent with the laws of the State of Virginia or to the purposes of this Declaration. Copies of the rules and regulations shall be furnished by the Association to each Owner prior to the time when the same shall be effective.

Section 4. Electricity and Water Charges. Electricity and water shall be supplied by the Association and the Association

shall pay all bills for electricity and water.

Section 5. Parking Spaces. Parking spaces located on the Common Areas shall be provided on a first come / first serve basis. Vehicles and/or trailer shall not be left parked in the Common Areas for more than 24 hours. No improperly licensed or inoperable vehicles, boats, recreational vehicles or trailers or trucks of any kind including pick-ups may be parked on the Property. In the event that an Owner does not observe the requirements of this Section, the Association is authorized to take proper corrective measures, without liability to the Owner therefor, including, without limitation, towing improperly parked vehicles, and to charge the Owner for any costs including reasonable attorney fees incurred in the process.

ARTICLE VIII
INSURANCE

Section 1. Insurance of Common Areas and Limited Common Easements. The Board of Directors shall be required to obtain and maintain the following insurance on the Property and any improvements constructed thereon.

(a) Fire insurance with extended coverage, vandalism, malicious mischief and windstorm endorsements in an amount not less than that necessary to comply with co-insurance percentage stipulated in the policy, but in the event not less than eighty percent (80%) of the insurable value (based upon replacement) of the improvements constructed on the Property; and

(b) Workmen's compensation insurance if and to the extent

necessary to meet the requirements of law; and

(c) Such other insurance as the Board of Directors of the Association may determine or may be requested from time to time by a majority of the Owners.

The Board of Directors shall also be required to obtain and maintain public liability and property damage insurance in such limits as the Board of Directors may from time to time determine, insuring against any liability arising out of, or incident to, the ownership and use of the Common Areas and Limited Common Easements. Such insurance shall be issued on a comprehensive liability basis and shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association, the Board of Directors or other Owners. The Board of Directors shall review such limits once each year but in no event shall such insurance be less than \$300,000.00 with respect to any one person, \$1,000,000.00 with respect to any one accident or occurrence, and \$100,000.00 with respect to any claim for property damage.

It shall be the responsibility of each Lot Owner to obtain, at his own expense, liability insurance with respect to the ownership and use of his Boat Slip and the equipment therein and the Board of Directors shall not be responsible for obtaining such insurance.

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ARTICLE IX
REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY

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Section 1. Restoration. In the event of damage to, or destruction of, all or any of the improvements in the Common Areas, or the Limited Common Easements as a result of fire or other casualty, the Board of Directors of the Association shall arrange for and supervise the prompt repair and restoration of such improvements substantially in accordance with the plans and specifications under which the improvements were originally constructed; provided, however that restoration or reconstruction of such improvements shall be undertaken only to the extent allowed under the FERC License and Appalachian's SMP. The Board of Directors shall proceed towards reconstruction of such improvements as quickly as practicable under the circumstances and shall obtain funds for such reconstruction from the insurance proceeds and any special assessments that may be necessary after exhaustion of reserves for the repair and replacement of such improvements.

ARTICLE X
MORTGAGES

Section 1. Notice to Board of Directors. An Owner who mortgages his Boat Slip shall notify the Association of the name and address of his mortgagee. However, failure of each Owner to so notify the Association shall in no way impair or invalidate the validity of any Mortgage placed upon Limited Common Easements.

Section 2. Notice of Unpaid Assessments for Common Expenses. The Association, whenever so requested in writing by a

mortgagee of a lot, shall promptly report any then unpaid assessments for Common Expenses due from, or any other default by, the Owner of the mortgaged lot.

Section 3. Notice of Default. The Association, when giving notice to an Owner of a default in paying an assessment for common expenses or any other default, shall send a copy of such notice to each holder of a Mortgage covering such Owner's lot whose name and address has theretofore been furnished to the Association. Further, the Association shall send such mortgagees written notice of any default by such Owner which has not been cured within thirty (30) days after the delivery to such Owner of the first notice relating to such default.

ARTICLE XI
COMPLIANCE AND DEFAULT

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

(a) Legal Proceedings. Failure to comply with any of the terms of the Declaration, and the rules and regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for herein, or any combination thereof,

and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, its agent, or, if appropriate, by an aggrieved Owner.

(b) Additional Liability. Each Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or the act, neglect or carelessness or any member of his family or his employees, agents or licensees. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of Boat Slip. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

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

(d) No Waiver of Rights. The failure of the Developer, Association, the Board of Directors, Appalachian, or of an Owner to enforce any right, provision, covenant, or condition which may be granted by this Declaration, or the rules and regulations, shall not constitute a waiver of the right of the Association, the Board of Directors, Appalachian, or the Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors, or any Owner pursuant to any term, provision,

covenant or condition of the Declaration, or the rules and regulations shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by the Declaration or the rules and regulations, or at law or in equity.

(e) Abatement and Enjoyment of Violations by Owners. The violation of any rule or regulation adopted by the Association, or the breach of any provision of the Declaration, shall give the Association the right, in addition to any other rights set forth herein or at law (i) to enter the Limited Common Easement in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Association shall not thereby be deemed guilty in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE XII
MISCELLANEOUS PROVISIONS

Section 1. Duration and Amendment. The provisions of this Declaration run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, Appalachian, or any Owner subject to this Declaration, their

respective legal representative, heirs, successors, and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time the Restrictions shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the Owners holding not less than two-thirds (2/3) of the votes of the membership has been recorded, agreeing to terminate or change said Restrictions in whole or in part; provided, however, that no such agreement to terminate or change shall be effective unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken. Unless specifically prohibited herein, this Declaration may be amended by an instrument either (i) signed by Developer so long as it owns any portion of the property or (ii) thereafter signed by Owners holding not less than ninety (90) percent of the votes of the membership at any time until the end of the initial twenty-five (25) year term and thereafter by an instrument signed by the Owners holding not less than two-thirds (2/3) of the votes of the membership. Any amendment must be properly recorded to be effective. Notwithstanding anything to the contrary herein, no amendment or other modification of this Declaration which might impair or adversely affect any right of Appalachian shall be effective without the prior written consent of Appalachian, which consent may be withheld in Appalachian's sole discretion.

Section 2. Consent of First Mortgagees. This Declaration contains provisions concerning various rights, priorities,

remedies and interest of the mortgagees of lots. Such provisions are to be construed as covenants for the protection of the mortgagees on which they may rely in making loans secured by Mortgages. Accordingly, no amendment or modification of this declaration impairing such rights, priorities, remedies or interest of a mortgagee shall be adopted without the prior written consent of such mortgagee.

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

Section 4. Assignability. Developer, its successors and assigns, shall at all times have the right to fully transfer and assign any or all of his rights and powers under this Declaration, subject only to Developer's obligations hereunder.

Section 5. Construction and Interpretation. The Developer, to the extent specifically provided herein, may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of this Declaration. In so adopting and promulgating such rules and regulations, and in making any finding, determination, ruling or order or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approvals, rules or regulations, the Developer shall take into consideration the best interests of the Owners to the end that the Property

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shall be preserved and maintained as a high quality community dock.

Section 6. Severability. All of the covenants, conditions, restrictions, and reservations contained in this Declaration are hereby declared to be severable and a finding by any court of competent jurisdiction that any of them or any clause or phrase thereof is void, unlawful or unenforceable, shall not affect the validity or enforceability of any other covenants, conditions, restrictions, reservations, of clause of phrase thereof.

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WITNESS THE FOLLOWING SIGNATURE:

WILLARD CONSTRUCTION OF ROANOKE VALLEY, INC., A VIRGINIA CORPORATION.

By: *Ronald L. Willard*
RONALD L. WILLARD, PRESIDENT

STATE OF VIRGINIA

COUNTY/~~CITY~~ OF Franklin, TO-WIT:

The foregoing instrument was acknowledged before me this 18th day of December, 2015 by Ronald L. Willard, President of Willard Construction of Roanoke Valley, Inc., a Virginia Corporation, on behalf of said corporation.

Sharlene W. Almond
Notary Public # 225515

My commission expires: May 31, 2019



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EXHIBIT A

All of that certain lot or parcel or land containing 0.5098 acres as shown on that "Exhibit Showing Proposed Utility Lot and Private Waterline Easements to be retained out of the Common Area, Section 2, The Waterfront, and the Proposed Remaining Common Area, Section 2, The Waterfront to be Conveyed to The Waterfront Community Dock Association, Inc." prepared by Timothy Hoelzle dated July 25, 2015 which is attached hereto and made a part hereof for a more complete and accurate description of the Property herein conveyed.

TOGETHER WITH all right title and interest the Grantor may have in and to the land located adjacent to the property herein conveyed and contained within an extension of the side lot lines of the property as they extend into the waters of Smith Mountain Lake, subject however to the rights of Appalachian Power Company.

TOGETHER WITH an easement to install, maintain, repair and replace a drainfield within that "New Drainfield Easement, Serving Common Area, Section 2, The Waterfront" together with an easement to install, maintain, repair and replace a septic line from the land herein conveyed to the drainfield easement area over and across that "New 15' Septic Line Easement" both of which are shown on that "Plat Showing New 15' Septic Line Easement and Drainfield Easement" prepared by Timothy Hoelzle, dated June 18, 2015 which is attached hereto and made a part hereof for a more complete and accurate description of the easements conveyed herein.

SUBJECT TO as easement for the benefit of the Developer, it successors and assign, over and across the asphalt drive, as it is currently are constructed and shown on the aforesaid Plat, for ingress and egress to the "Utility Lot" retained by the Developer.

SUBJECT TO an easement for the benefit of all lot owners within The Waterfront Subdivision over the asphalt drive and the concrete boat ramp, as they are currently are constructed and shown on the aforesaid Plat, for ingress and egress to launch boats into the waters of Smith Mountain Lake.

SUBJECT TO a waterline easement being fifteen feet (15') wide from the 800' contour line of Smith Mountain Lake to the utility lot and from the utility lot to Gangplank Road, as more particularly shown on the aforesaid Plat.

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INSTRUMENT #150008093
RECORDED IN THE CLERK'S OFFICE OF
FRANKLIN COUNTY ON
DECEMBER 28, 2015 AT 12:19PM

TERESA J. BROWN, CLERK
RECORDED BY: JWG