

080000012

DECLARATION OF COVENANTS AND RESTRICTIONS  
OF GRACE HILL

THIS DECLARATION (this "Declaration"), made this 19 day of December, 2007, by GRACE HILL DEVELOPMENT, L.L.C., a Virginia limited liability company, successor in interest by name change to SPRING HILL AT HARRIS ROAD, LLC, a Virginia limited liability company, hereinafter called "Company" (sometimes referred to herein as the "Developer"), and its successors and assigns, and GRACE HILL COMMUNITY ASSOCIATION, a Virginia non-stock corporation hereinafter called "Association", and its successors and assigns.

WITNESSETH:

WHEREAS, the Company is the owner of the real property located in the Town of Kilmarnock, Virginia, and described in Exhibit 'A' attached to this Declaration (the "Existing Property") and desires to create thereon a planned residential community with recreational uses to be known as "Grace Hill"; and

WHEREAS, the Company desires to provide for the preservation of values and for the maintenance of common areas, facilities and services and for a means for the administration and enforcement of covenants and restrictions; and

WHEREAS, the Company will cause to be incorporated under the laws of the State of Virginia, a non-stock corporation, Grace Hill Community Association, for the purpose of exercising the functions hereinafter set forth;

NOW THEREFORE, the Company declares that the Existing Property and such additions thereto as may hereinafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments ("Assessments"), affirmative obligations, and liens (all hereinafter sometimes referred to as the "Covenants" or the "Covenants and Restrictions") hereinafter set forth.

ARTICLE I  
DEFINITIONS

Unless elsewhere defined herein, the following words and terms when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

(a) "Affiliate" shall mean any corporation of which more than fifty percent (50%) of the voting stock is owned or controlled by the Company, and any partnership or joint venture in which the Company has more than a fifty percent (50%) equity interest or an interest in fifty percent (50%) or more of the cash flow from such partnership or joint venture.

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(b) "Association" shall mean and refer to Grace Hill Community Association, a Virginia non-stock corporation, its successors and assigns.

(c) "Common Areas" shall mean and refer to those tracts of land with any improvements thereon which are deeded to the Association and designated in said deed or lease as "Common Areas." The term "Common Areas" shall also include any personal property acquired or leased by the Association if said property is designated a "Common Area." All Common Areas are to be devoted to and intended for the common use and enjoyment of the Members of the Association and their guests (to the extent permitted by the Board of Directors of the Association) subject to the fee schedules and operating rules adopted by the Association.

(d) "Company" shall mean Grace Hill Development, L.L.C., a Virginia limited liability company, its successors and assigns.

(e) "Grace Hill" shall mean and refer to the Existing Property described in Article II hereof and all or part of the Additional Property described therein, and which are shown as a part of Grace Hill on the Company's Master Plan as revised from time to time.

(f) "Member" shall mean and refer to all those Owners who are Members of the Association as defined in Section 1 of Article III.

(g) "Owner" shall mean and refer to the Owner as shown by the real estate records in the Clerk's Office of the Circuit Court of Lancaster County, Virginia, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Residential Lot situated within or upon the Properties but, notwithstanding any applicable theory of a deed of trust, shall not mean or refer to the mortgagee or holder of a deed of trust, its successors or assigns, unless and pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

(h) "Properties" shall mean and refer to the Existing Property described in Article II hereof, and additions thereto, as are subjected to this Declaration or any Supplementary Declaration under the provisions of Article II hereof.

(i) "Residential Lot" shall mean any subdivided parcel of land shown upon any recorded final subdivision plat of any part of the Properties, which is intended for the construction of a detached, single family dwelling, and which is sometimes referred to in this Declaration as a "Lot".

(j) "Roads" shall mean and refer to those areas designated on plats as roads or roadways to be publicly dedicated and accepted as roads by the Commonwealth of Virginia.

## ARTICLE II EXISTING PROPERTY AND ADDITIONS

Section 1. Existing Property. The real property which is subject to these Covenants is described as follows:

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All that tract or parcel of land, situated, lying and being in Lancaster County, Virginia, designated as Tax Map Parcel 28-139, containing approximately 42.997 acres, and which is more particularly described in Exhibit 'A' attached hereto and by specific reference made a part hereof.

All of the real property hereinabove described shall sometimes be referred to herein as the "Existing Property". The Company shall convey to the Association certain properties, as in the reasonable exercise of its discretion it so chooses, without regard to the relative location of such portions or sections within the overall plan. Once conveyed to the Association, these properties shall become Common Areas. The Company shall not be required to follow any predetermined sequence or order of improvements and development and it may bring within the plan of this Declaration additional lands, and develop the same before completing the development of the Existing Property, subject to any necessary local governmental approvals.

Section 2. Additions to Existing Property. Additional lands may become subject to, but not limited to, this Declaration in the following manner:

(a) The Company, its successors and assigns, or Frederic K. West shall have the right, without further consent of the Association or any Owner, to bring within the plan and operation of this Declaration all or any portion of that tract or parcel of land, situated, lying and being in Lancaster County, Virginia, designated as Tax Map Parcel 28-138 and being adjacent to the northern boundary of the Existing Property. Such parcel or parcels are sometimes referred to herein as the "Additional Property". The Additional Property may be subject to this Declaration as one parcel or as several smaller parcels at different times. The additions of such property authorized under this paragraph may increase the cumulative maximum number of Residential Lots authorized in the Properties and, therefore, may alter the relative maximum potential voting strength of the various types of membership of the Association.

The addition authorized under this subsection shall be made by recording a Supplementary Declaration with respect to the additional property which shall extend the operation and effect of the Covenants and Restrictions of this Declaration to such additional property. The Supplementary Declaration may contain such complementary additions and/or modifications of the Covenants and Restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Company, to reflect the different character, if any, of the added properties, but such modifications shall have no effect upon the Property described in Section 1 of this Article II, or upon any other additions to the Properties.

(b) Additional lands which become subject to this Declaration under the provisions of Section 2 of this Article II may in the future be referred to as a part of Grace Hill. Also, the name Grace Hill may be used by the Company or its assigns to refer to other nearby properties not subject to this Declaration.

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ARTICLE III  
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. The Company shall be a Member of the Association, and a creditor who acquired title to the Properties or any portion thereof pursuant to foreclosure or any other proceeding or deed in lieu of foreclosure shall be a Member of the Association. Every Owner shall be a Member of the Association. The Association may issue to each Member a membership card which shall expire upon sale by an Owner of his property in Grace Hill.

Section 2. Voting Rights. The Association shall have one type of regular voting membership and one type of special voting membership which provides the Company, its successors and assigns, with the power to elect a portion of the Board of Directors.

TYPE "A": Type "A" Members shall be all Owners of Residential Lots, except the Company, its successors and assigns. Type "A" Members shall be entitled to one (1) vote for each Lot owned.

TYPE "B": The Type "B" Member shall be the Company, its successor and assigns. The Type "B" Member shall be entitled to two (2) votes for each Lot owned.

Payment of Special Assessments shall not entitle Members to additional votes.

When any property entitling the Owner to membership as a Type "A" or "B" Member of the Association is owned of record in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the Secretary of the Association, their acts with respect to voting shall have the following effect:

- (1) If only one (1) votes, in person or by proxy, his act shall bind all;
- (2) If more than one (1) votes, in person or by proxy, the act of the majority so voting shall bind all;
- (3) If more than one (1) votes, in person or by proxy, but the vote is evenly split on any particular matter, each fraction shall be entitled to its proportionate share of the vote or votes;
- (4) If the instrument or order filed with the Secretary of the Association shows that any such tenancy is held in unequal interest, a majority or even split under subparagraphs (2) and (3) immediately above shall be a majority or even split in interest in the property to which the vote(s) is attributable;

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- (5) The principles of this paragraph shall apply, insofar as possible, to execution of proxies, waivers, consents or objections, and for the purpose of ascertaining the presence of a quorum.

Section 3. Governance. The Association shall be governed by a Board of Directors consisting of not less than three (3) nor more than five (5) members. The term of such Directors is to be determined in accordance with the provisions of the Articles of Incorporation of the Association (the "Articles").

Section 4. Election of the Board of Directors.

- (a) Each member of Type "A" or "B" Membership classes shall be entitled to one vote for each Residential Lot owned.
- (b) Each voting member may cast the total number of votes to which he is entitled for each Board vacancy to be filled. Cumulative voting shall not be allowed.
- (c) The number of votes each Member is entitled to shall be determined by the Board of Directors as of the date on which notice of the meeting of the Members at which the Board of Directors is to be elected is mailed.

ARTICLE IV  
PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Members' Easements of Enjoyment in Common Areas. Subject to the provisions of this Declaration, the rules and regulations of the Association, and any fees or charges established by the Association, every Member, and every guest of such Member, shall have a right of easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title of every Residential Lot.

A Member's spouse, parents, and children who reside with such Member in Grace Hill shall have the same easement of enjoyment hereunder as a Member.

Title to Common Areas.

The Company covenants for itself, its successors and assigns, that it shall convey Common Areas and Roads by deed to the Association, at no cost to the Association, and subject to (1) all restrictions and limitations imposed by this Declaration, including, without limitation, all rights of easement and rights of entry reserved unto the Company, its successors and assigns, in said Declaration, (ii) all other restrictions and limitations of record at the time of conveyance, (iii) any restrictions, limitations, conditions, or determinations as to the purposes and uses of the conveyed properties as stipulated in said deed, (iv) deeds of trust of record (but the Company shall covenant to hold the Association and the property harmless from the lien secured by the deed of trust), and (v) any commitments by the Company to construct certain improvements thereon as stipulated in said deed; and, upon such conveyance, such parcels of land and any improvements thereon shall become Common Areas as designated in said deed.

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(a) The Association shall not refuse the conveyance to it of any Common Area at such time as the Company, in its sole and uncontrolled discretion, deems it advisable to convey such property to the Association.

(b) Upon conveyance of any parcel or land and any improvements thereon as a Common Area by the Company or any other third party, the Association shall immediately become responsible for all maintenance and operation of said property, and for such additional construction of improvements thereon as may be authorized by the Association's Board of Directors. It is the purpose of this provision to provide that the Association shall be responsible for all maintenance and operation of all Common Areas.

(c) Notwithstanding anything in the foregoing to the contrary, the Company reserves unto itself, its successors and assigns, and its agents, the right to enter upon any Common Area, for the purpose of installing, constructing, maintaining or replacing indoor and outdoor recreational and community facilities thereon. The provisions of this paragraph shall in no way create any obligation on the part of the Company to construct or maintain any such facilities on said properties. The Company further reserves for itself, its assignees and successors the right to reserve and to grant to third parties such easements as it may deem necessary over Common Areas. The Company also reserves as an appurtenance to each lot or other property within Grace Hill an easement for a lateral line to connect to the main water and sewer lines (whether they lie within Common Area or Roads) including the right to repair and replace the line provided the Owner of the lot or the property benefiting from the easement restores any disturbed area including pavement to its condition prior to the excavation. The lateral lines shall be run in a manner so as to minimize disturbance of any area.

(d) Notwithstanding anything in the foregoing to the contrary, the Company shall not be required to convey the above referred to parcels where such conveyance would be prohibited under agreements existing on the date hereof, but, in such case, shall be allowed to postpone such conveyance, without penalty, until such time as said prohibition may be nullified.

Section 2. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association in accordance with its By-laws, to borrow money from the Company or any lender for the purpose of improving and/or maintaining the Common Areas and Roads and other areas as described in Article VI and providing services authorized herein and in aid thereof to mortgage said properties provided, however, that any such mortgage is with the prior consent of two-thirds of the Members of the Association, which consent may be evidenced by petition or by an affirmative vote of two-thirds of the Members voting in person or by proxy at a duly called meeting of the Association;

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

(c) The right of the Association to suspend the rights and easements of enjoyment of any Member or tenant or guest of any Member for any period during which the payment of any Assessment against property owned by such Member remains delinquent, and for any period not to exceed sixty (60) days for each infraction of its published rules and regulations, it being understood that any suspension for either nonpayment of any Assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay the Assessment.

(d) The right of the Association to charge reasonable admission and other fees and dues for the use of recreational facilities and services on the Common Areas.

(e) The right of the Company or the Association by its Board of Directors to dedicate or transfer to any public or private utility, utility or drainage easements on any part of the Common Areas.

(f) The right of the Association to give or sell all or any part of the Common Areas, including lease-hold interests, subject to (i) the limitations and restrictions, imposed by this Declaration and (ii) all other restrictions and limitations of record at the time of conveyance, to any public agency, authority, public service district, utility, or private concern for such purposes and subject to such conditions as may be agreed to by the Members; provided, however, that no such gift or sale of any parcel of land and improvements thereon, or determination as to the purposes or as to the conditions thereof, shall be effective unless such dedication, transfers, and determinations as to purposes and conditions shall be authorized by the affirmative vote of three-fourths (3/4) of the votes cast at a duly called meeting of the Association. A true copy of such resolution together with a certificate of the results of the vote taken thereon shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument of dedication or transfer of any parcel of land and improvements thereon affecting the Common Areas prior to the recording thereto. Such certificates shall be conclusive evidence of authorization by the membership. The gift or sale of any personal property owned by the Association shall be determined by the Board of Directors in its sole and uncontrolled discretion.

(g) Notwithstanding anything herein to the contrary, the Board of Directors of the Association shall have the right, in their sole discretion, to cause the Association to grant minor conveyances of Common Areas to resolve setback problems, or to grant easements for the encroachment of initial improvements constructed on parcels adjoining the Common Areas to the extent that such improvements actually encroach on such properties, including but not limited to, overhanging eaves, gutters and downspouts, and walls, such easements to continue only so long as such improvements exist.

Section 4. Access Over Roads. As an appurtenance to each of the Residential Lots, all Common Areas and other parcels of land located in Grace Hill, and for future areas developed as part of Grace Hill, there is hereby created a perpetual, but nonexclusive, easement for purposes of ingress and egress over all Roads and alleys, shown or hereinafter designated, constructed or set apart by plats or other instruments of record for Grace Hill.

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ARTICLE V  
COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Company covenants, and each Owner of any Residential Lot located within the Properties, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay to the Association: (a) annual assessments or charges; and (b) special assessments or charges for the purposes set forth in this Article, such Assessments to be fixed, established and collected from time to time as hereinafter provided. The annual assessments, special assessments, and any other assessments referenced in this Declaration are collectively referred to herein as "Assessments." The Assessments, together with such interest thereon and costs of collection thereof including a reasonable attorney's fee as hereinafter provided, shall be a charge and continuing lien on the real property and improvements thereon against which each such Assessment is made. Each such Assessment, together with such interest thereon and cost of collection thereof including a reasonable attorney's fee as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such real property at the time when the Assessment first became due and payable. In the case of co-ownership of a Residential Lot, all of such co-owners shall be jointly and severally liable for the entire amount of the Assessment.

(a) Purpose of Assessments. The annual assessments levied by the Association shall be used exclusively for the improvement, maintenance, enhancement, enlargement, and operation of the Common Areas, for the establishment and maintenance of reserve funds, and to provide services which the Association is authorized to provide. The Board of Directors may authorize a Billing Agent to collect the Assessments provided for herein.

Section 2. Special Assessments for Improvements and Additions. The Association may levy special assessments for the following purposes:

- (a) Construction, reconstruction, repair, or replacement of capital improvements upon the Common Areas, including the necessary fixtures and personal property related thereto;
- (b) For additions to the Common Areas;
- (c) To provide for the necessary facilities and equipment to offer the service authorized herein; and
- (d) To repay any loan made to the Association to enable it to perform the duties and functions authorized herein.

Such special assessment, before being charged, must have received the approval of the Members of the Association by the favorable vote of fifty-one percent (51%) of the votes cast at a duly called meeting of the Association, subject to applicable quorum requirements. The notice of such meeting shall include one (1) statement from those Directors favoring the Special Assessment, and one (1) statement from those Directors opposing the Special Assessment,

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containing the reasons for those Directors' support and opposition for the Assessment. Neither statement shall exceed five (5) pages in length.

This provision shall be interpreted to mean that the Association may make in any one (1) year an annual assessment plus an additional special assessment. Such special assessment in any one (1) year may not exceed a sum equal to the amount of the annual assessment for such year except for emergency or repairs required as a result of storm, fire, natural disaster, or other casualty loss.

Section 3. Reserve Funds. The Association shall establish reserve funds from its annual assessments to be held in reserve in an interest drawing account or investments as a reserve for:

- (a) Major rehabilitation or major repairs;
- (b) Emergency and other repairs required as a result of storm, fire, natural disaster, or other casualty loss; and
- (c) Initial costs of any new service to be performed by the Association.

Section 4. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; the Lien; Remedies of Association. If the annual assessment or any special assessment is not paid when due, then such Assessment shall become delinquent and shall (together with interest thereon at the maximum annual rate permitted by law accrued from the due date and cost of collection thereof including administrative costs and a reasonable attorney's fee as hereinafter provided) become a charge and continuing lien on the land and all improvements thereof, against which each such Assessment is made, in the hands of the then Owner, his heirs, devisees, personal representatives and assigns.

If the Assessment is not paid within thirty (30) days after the past due date, the Association may bring an action at law against the Owner personally and there shall be added to the amount to such Assessment the costs of preparing the filing of the complaint in such action, the costs of collection, including administrative costs and a reasonable attorney's fee, and in the event a judgment is obtained, such judgment shall include interest on the Assessment as above provided, the costs of collection, including administrative costs and a reasonable attorney's fee together with the costs of the action.

If the Board of Directors of the Association elects to utilize a Billing Agent to collect Assessments, interest which shall accrue on past-due sums will be the maximum interest rate which such agent may lawfully charge.

Section 5. Subordination of the Lien. The continuing lien of the Assessments provided for herein shall be subordinate to the lien of any first or second deed of trust now or hereafter placed upon any properties subject to Assessment, and, in addition, shall be subordinate to the lien of the Cost of Corrective Action provided for in Article X of this Declaration. In the event a creditor acquires title to any property subject to Assessment pursuant to foreclosure or

any other proceeding or deed in lieu of foreclosure, said creditor shall be subject to Assessments accruing after such acquisition.

Section 6. Exemptions. The following property, individuals, partnerships, or corporations subject to this Declaration shall be exempted from the Assessment, charge, and lien created herein:

(a) All lands designated by the Company for intended use, or by actual use if applicable, for indoor and outdoor recreational and community facilities owned and operated by the Company or the Company's Affiliates, or the Association;

(b) All lands and any improvements thereon designated in any way as Common Areas;

(c) All lands and any improvements thereon committed to the Association through express, written notification by the Company to the Association of intent to convey to the Association;

(d) All lands designated on recorded plats as Open Space ("Open Space Areas") and any improvements thereon which are defined in paragraph (a) of this Section;

(e) Property which is used for the maintenance, operation and service of facilities within Common Areas, and facilities within Open Space Areas;

(f) Property which is used for the maintenance, operation, and service of utilities within the Properties; and

(g) The grantee in conveyances made for the purpose of granting utility easements.

Section 7. Annual Budget. The Board of Directors shall prepare, approve, and make available to all Members, at least sixty (60) days prior to the first day of the following fiscal year, a budget outlining anticipated receipts and expenses for the following fiscal year. The financial books of the Association shall be available for inspection by all Members at all reasonable times.

Section 8. Membership Fee. Upon the first conveyance of a Lot to a person not the Developer or an affiliate of the Developer, each new owner will be required to pay a membership fee to the Association in the amount of Five Hundred and No/100 Dollars (\$500.00) at the time of the initial conveyance of such Lot. This fee shall be paid by each purchaser at the time of and as an incident of the closing of such sale, and shall be in addition to the settlement or closing costs otherwise due in connection with the purchase. This membership fee paid to the Association shall be a one-time charge applicable only to the first sale of each Lot, and the amount of such fee may be increased from time to time by the Association.

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ARTICLE VI  
FUNCTIONS OF ASSOCIATION

Section 1. Ownership and Maintenance of Properties. The Association shall be authorized to own and/or maintain Common Areas and Roads, furnishings, and improvements devoted to, but not limited to, the following uses:

- (a) For Roads, alleys, roadway medians and parkways along said Roads, roadway, or lanes or cul de sac islands, and neighborhood or other area entrances or entrance easements throughout the Properties;
- (b) For sidewalks, walking or jogging paths or trails, and bicycle paths through the Properties;
- (c) For purposes set out in deeds by which Common Areas are conveyed to the Association, provided that such purposes shall be approved by the Board of Directors of the Association;
- (d) For indoor and outdoor recreational and community facilities; and
- (e) For picnic areas and ponds.

Section 2. Services. The Association shall be authorized but not required, except as specified in Section 3 of this Article, to provide the following services:

- (a) Cleaning and maintenance of all Roads, roadways, access lanes, alleys, roadway medians, parkways, cul-de-sac islands, neighborhood and other area entrances, ponds, sidewalks, walking and jogging trails, Common Areas, and Open Space Areas, within the Properties, and also all public properties which are located within or in a reasonable proximity to the Properties such that their deterioration would affect the appearance of the Properties as a whole;
- (b) Landscaping and beautification of Roads, roadways, access lanes, alleys, roadway medians, parkways, cul-de-sac islands, neighborhood and other area entrances, ponds, parks, sidewalks, walking trails, jogging trails, Common Areas, and Open Space Areas;
- (c) Garbage and trash collection and disposal;
- (d) The services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this Declaration;
- (e) To take any and all actions necessary to enforce this Declaration and to perform any of the functions or services delegated to the Association in this Declaration;
- (f) To set up and operate an Architectural Review Committee for all Common Areas and, in the event that the Association is designated by the Company as the agent or the assignee

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of the Company for such purposes, to extend the operation of the Architectural Review Committee to other properties within Grace Hill;

(g) To construct improvements on Common Areas, for use for any of the purposes authorized in this Article;

(h) To provide administrative services for the Association, including, but not limited to, legal, accounting, and financial; and communication services, including, but not limited to, community newsletters and newspapers to inform members of activities, notices of meetings, referendums, and other issues and events of community interest;

(i) To provide liability and hazard insurance covering improvements and activities on and within the Common Areas and Roads;

(j) To construct signs and other standard features for use throughout the Properties;

(k) To provide lawn maintenance for Residential Lots; and

(l) To maintain all sidewalks, grass and trees within the bounds of any publicly dedicated and maintained right of way or Road.

Section 3. Minimum List of Functions and Services. The "Minimum List of Functions and Services" shall establish and define the minimum level of functions and services which the Association must furnish to its Members. So long as the Company is engaged in the development of Properties which are subject to the terms of this Declaration, the Association shall not reduce the level of functions and services it furnishes to its Members below such minimum level without the prior written consent of the Company. The "Minimum List of Functions and Services" is as follows:

(a) The Association shall provide or procure the administrative services necessary to carry out the Association's obligations and business under the terms of this Declaration, the Articles of Incorporation of the Association, and the By-Laws of the Association, including, but not limited to, legal, accounting, financial, and communications services.

(b) The Association shall administer and enforce the Covenants and Restrictions established in this Declaration, and subsequent declarations including, but not limited to, the following:

(1) The Association shall set Assessments, levy cash Assessments, notify the Members of such Assessments, and collect such Assessments;

(2) The Association shall maintain in good condition and operate all Common Areas once obligated to do so under this Declaration;

- (i) The Association shall maintain the Common Areas, and shall provide for grass cutting and snow removal for these Areas as provided elsewhere in this Section.
  - (ii) In addition, the Association shall maintain all Roads, street trees, and sidewalks parallel to the streets. Roads shall be maintained by the Developer until construction of the Roads is completed. After the Roads have been deeded to the Association, the Roads shall be maintained by the Association until the Roads are accepted into the State road system. The Virginia Department of Transportation, shall not be responsible for maintaining the Roads until such time as the Roads are accepted into the State road system. For purposes of this Declaration, maintenance of Roads shall include maintenance of the Roads, alleys, curb, gutter, drainage facilities, utilities, or other road improvements, and the removal of snow, water or debris so as to keep the Roads reasonably open and usable by passenger vehicles.
- (3) The Association shall hold annual meetings, and special meetings, as required, hold elections for the Board of Directors as required, and give Members "proper notice" as required; and
  - (4) The Association shall prepare annual statements and annual budgets, and shall make the financial books of the Association available for inspection by Members at all reasonable times.
- (c) Should the Company appoint the Association its agent for the administration and enforcement of any Covenants and Restrictions of this Declaration and any subsequent Declarations, the Association shall assume such responsibility and any obligations which are incident thereto.
  - (d) Should the Company assign to the Association any of the rights reserved unto it in any Covenants and Restrictions of this Declaration and any subsequent Declarations, the Association shall assume the responsibility of administering such rights and shall assume any obligations which are incident thereto.
  - (e) The Association shall provide appropriate liability and hazard insurance coverage for improvements and activities on all Common Areas. The Association shall also provide appropriate Directors' and Officers' Legal Liability Insurance.
  - (f) The Association shall keep a complete record of all its acts and corporate affairs.

(g) The Association shall provide regular and thorough cleanup of all Roads (until the Roads are accepted into the State road system), roadways, access lanes, alleys, roadway medians, berms, parkways, cul-de-sac islands, and other entrances, and walking and jogging trails throughout the Properties, including, but not limited to, resurfacing of Roads, mowing grass on all roadsides, cul-de-sac islands, entrances, and jogging and bike trails; landscape maintenance on all roadsides, cul-de-sac islands, entrances, and walking and jogging trails; pickup and disposal of trash on all Roads, roadsides, cul-de-sac islands, entrances, and bike trails. Such cleanup as is possible shall begin within an individual residential area as soon as construction of dwellings has commenced within said neighborhood.

(h) The Association shall provide regular and thorough maintenance of all berms along roadways, within Common Areas and within any berm or sign easement on any lot. Easements for berms and access easements for the maintenance of them as shown on any recorded plat shall be for the benefit of the Company, the Association and their assigns.

(i) The Association shall provide general maintenance of all jogging and walking trail signs, and neighborhood and other area signs, including, but not limited to, maintaining, repair work, replacement as needed, and landscaping within Common Areas and within any sign easement on any lot. Easements for signs and access easements for the maintenance and landscaping around the sign as shown on any recorded plat shall be for the benefit of the Company, the Association, and their assigns.

(j) The Association shall repair all walking trails and jogging trails as needed.

(k) The Association shall provide regular and thorough maintenance and cleanup of all Common Areas, including, but not limited to, mowing of grass, fertilization as needed, landscape maintenance as needed, pickup and disposal of trash, and painting, repairs to and replacement of all improvements as needed. The Association will also provide for the removal of snow more than four inches deep on all Roads during the period before the Roads have been accepted into the State road system, such removal to occur within 24 to 36 hours after the end of the snow fall.

(l) Insurance coverage on the Property shall be governed by the following provisions:

- (1) Ownership of Policies. All insurance policies upon the Roads and Common Areas shall be purchased by the Association for the benefit of the Association and the Owners and their mortgagees as their security interest may appear.
- (2) Coverage. All buildings and improvements upon the land and all personal property included in the Common Areas and facilities shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Board of Directors of the Association. Such coverage shall provide protection against:

- (i) Loss or damage by fire and other hazard covered by standard extended coverage endorsement;
  - (ii) Such other risks as from time to time shall be customarily covered with respect to buildings on the land; and
  - (iii) Such policies shall contain clauses provided for waiver of subordination.
- (3) Liability. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.
- (4) Premiums. Premiums for insurance policies purchased by the Association shall be paid by Association and charged to the Owners as part of the regular annual assessment.
- (5) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their security interest may appear, and shall provide that all proceeds thereof shall be payable to the Association.
- (i) Proceeds of insurance policies received by the Association shall be placed in the Association's treasury to defray the cost of repairs. Any proceeds remaining after defraying such cost shall be retained by the Association.
- (6) Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association, shall first be bonded by a quality insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to six (6) months' assessments plus reserves accumulated.

Section 4. Obligation of the Association. The Association shall not be obligated to carry out or offer any of the functions and services specified by the provisions of this Article except as specified in Section 3 of this Article. The functions and services, other than those set in Section 3 of this Article, to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association taking into consideration the funds available to the Association and the needs of the Members of the Association. The functions and services, other than those set in Section 3 of this Article, which the Association is authorized to carry out or to provide, may be added or reduced at any time upon the affirmative vote of fifty-one percent (51%) of the votes cast at a duly called meeting of the Association at

which a quorum is present; provided, however, that so long as the Company is a member of the Association no change may occur without its consent.

Section 5. Mortgage and Pledge. The Board of Directors of the Association shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association which loans shall be used by the Association in performing its authorized functions and services; provided that any such mortgage is with the prior consent of two-thirds of the Members of the Association, which consent may be evidenced by petition or by an affirmative vote of two-thirds of the Association. The Company may, but shall not be required, to make loans to the Association, subject to approval by the Company of the use to which such loan proceeds will be put and the terms pursuant to which such loan will be repaid. Notwithstanding anything in this Declaration to the contrary, the Association shall not be allowed to reduce the level of the regular annual assessment at any time there are outstanding any amounts due the Company as repayment of any loans made by the Company to the Association without the express written consent of the Company.

Section 6. Maintenance or Protection of Property Not Owned by the Association. The Association shall be authorized to render services of a governmental nature not furnished by the local government in the case of maintenance or protection of property not owned by it.

## ARTICLE VII ARCHITECTURAL CONTROL AND GENERAL PROPERTY COVENANTS

Section 1. Architectural Approval. No building, fence, or other structure shall be erected, placed, or altered (which shall include exterior renovations and additions), nor shall a building permit for such improvement be applied for until the proposed building plans, specifications, exterior color or finish, plot plan (showing the proposed location of such building or structure, drives, and parking areas), and construction schedule shall have been approved in writing by the Company. In addition, the Company may, at its election, require prior written approval of a landscape plan. The Company further reserves the right to promulgate and amend from time to time architectural and landscape guidelines (hereinafter referred to as the "Guidelines") for Properties within Grace Hill, and such Guidelines shall establish, define, and expressly limit those standards and specifications that will be approved including, but not limited to, architectural style, exterior color or finish, roofing material, siding material, driveway material, landscape design, and construction technique. Refusal or approval of plans, location, exterior color or finish, or specifications by the Company may be based upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company shall seem sufficient. No alteration in the exterior appearance of any building, fence or other structure (including exterior color or finish, and exterior renovations and additions), shall be made without like prior written approval by the Company. Three (3) copies of all plans and related data shall be furnished the Company for its records, except as may be otherwise provided in the Guidelines.

Section 2. Site and Location Approval. In order to assure that buildings and other structures will be located and staggered so that the maximum view, privacy, sunlight, and breeze will be available to each building or structure, and to assure that structures will be located with regard to the topography of each property, taking into consideration the location of large trees and other aesthetic and environmental considerations, the Company reserves the right to control absolutely and to decide solely (subject to the provisions of the Zoning Ordinance of the applicable governmental unit) the precise site and location of any building or structure in Grace Hill for reasons which may in the sole and uncontrolled discretion and judgment of the Company seem sufficient. Such location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site. The provisions of this Section shall in no way be construed as a guarantee that the view, privacy, sunlight, or breeze available to a building or structure on a given Property shall not be affected by the location of a building or structure on an adjacent Property.

Section 3. Off Street Parking. Each Owner shall provide space for the parking of automobiles and other vehicles off of public streets.

Section 4. Signs. Except as may be required by legal authority or proceedings, no sign shall be erected or maintained on any Property by anyone including, but not limited to, an Owner, a tenant, a realtor, a contractor, or a subcontractor, until the proposed sign size, color, content, number of signs, and location of sign(s) shall have been approved in writing by the Company. Refusal or approval of size, color, content, number of signs, or location of sign(s) may be based by the Company upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company seems sufficient. The Company further reserves the right to promulgate and amend from time to time uniform sign regulations (the "Uniform Sign Regulations") which shall establish standard design criteria for signs, including, but not limited to, real estate sales signs, erected upon any Property in Grace Hill. Company reserves the right to prohibit various classes of signs.

The Company and its agent shall have the right, whenever there shall have been placed or constructed on any Property in Grace Hill any sign which is in violation of these restrictions, to enter immediately upon such Property where such violation exists and summarily remove the same at the expense of the Property Owner.

Section 5. Maintenance of Property. It shall be the responsibility of each Owner, tenant, contractor, or subcontractor to prevent the development of any unclean, unsightly, unkempt, unhealthy or unsafe conditions of buildings or grounds on any Property which shall tend to substantially decrease the beauty or safety of Grace Hill, the neighborhood as a whole, or the specific area. The Company and/or the Association and their agents and employees shall have the right to enter upon any Property for the purpose of correcting such conditions, including, but not limited to, repairs, painting or the removal of trash which has collected on the Property, and the cost of such corrective action shall be paid by the Property Owner. Such entry shall not be made until thirty (30) days after the Owner of the Property has been notified in writing of the need to take corrective action and unless such Owner fails to perform the corrective action within said thirty (30) day period; provided, however, that should such

condition pose a health or safety hazard, such entry shall not be made until the Owner has been notified in writing of the need to take immediate corrective action and unless such Owner fails to perform the corrective action immediately. The provisions of this Section shall not create any obligation on the part of the Company or the Association to take any such corrective action.

Section 6. Mailboxes. No mailbox shall be erected or maintained on any Property until the proposed mailbox design, color and location have been approved in writing by the Company. Refusal or approval of design, color, or location may be based by the Company upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company seems sufficient. No alteration in the exterior appearance of any mailbox shall be made without like prior written approval by the Company. The Company further reserves the right to establish uniform mailbox regulations (the "Uniform Mailbox Regulations") which shall define standard design criteria for all mailboxes erected upon any Property in Grace Hill.

Section 7. Public Sewer. Prior to the occupancy of a building or structure on any Residential Lot, proper and suitable provisions shall have been made for the disposal of sewage by connection with the sewer mains of Kilmarnock, Virginia, which is the only system presently approved for use in Grace Hill, and all sewer connection fees shall have been paid by the Residential Lot Owner.

Section 8. Public Water. Prior to the occupancy of a building or structure on any Residential Lot, proper and suitable provisions for water shall have been made by connection with the water lines of Kilmarnock, Virginia, which is the only system presently approved for use in Grace Hill, and all water connection fees shall have been paid by the Residential Lot Owner.

Section 9. Easement Reservation. The Company reserves unto itself, its successors and assigns, and its agents, a perpetual, alienable, and releasable easement and right, on, over and under the Properties to erect, maintain, and use electric, community antenna television, cable television and telephone poles, wires, cables, conduits, drainage ways, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, drainage, or other public conveniences or utilities (including telecommunications services and equipment) on, in, or over those portions of such Property as may be reasonably required for utility line and telecommunications service purposes; provided, however, that no such easements shall be applicable to any portion of such Property as may (a) have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to these Covenants by the Company, or (b) be designated as the site for a building on a plot plan for erection of a building which has been filed with the Company and which has been approved in writing by said Company. These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide telecommunications services or economical and safe utility installation or to maintain reasonable standards of health, safety, and appearance. The Company further reserves the right to locate wells, pumping stations, siltation basins, tanks, wires, equipment, and facilities within the Property in any open space in the Company's

discretion, or on any Property with the permission of the Owner of such Property, and further to locate on the Property or attach to any building or other structures on the Property, wires, equipment, facilities, and structures related to the provision of telecommunications services. Such rights may be exercised by any agent, assignee or licensee of the Company, but this reservation shall not create any obligation on the part of the Company to provide or maintain any such utility or service.

Section 10. Architectural Review of Common Areas. No building, wall, fence, or other structure shall be commenced, erected, or maintained upon the Common Areas, nor shall any landscaping be done in these Areas, nor shall any exterior addition to any existing structure located on these Areas or change or alteration therein be made until the plans and specifications therefore showing the nature, kind, shape, height, materials, colors and location of the same shall have been submitted to and approved in writing as to the harmony and compatibility of its external design and location with the surrounding structures and topography by the Architectural Review Committee of the Association and by the Company pursuant to the provisions of this Declaration.

The Architectural Review Committee of the Association shall be composed of at least three (3) but not more than five (5) Members, all of whom shall be appointed by the Board of Directors of the Association. At least one (1) Member of the Association other than representatives of the Company shall be a Member of the Architectural Review Committee of the Association once there are sixty (60) Members of the Association.

#### ARTICLE VIII ADDITIONAL RESTRICTIONS TO IMPLEMENT EFFECTIVE ENVIRONMENTAL AND LAND MANAGEMENT CONTROLS

Section 1. Landscape Plan. Topographic and vegetation characteristics within Grace Hill shall not be altered by excavation, grading, removal, reduction, addition, clearing, cutting, pruning, seeding, planting, transplanting, or any other means without the prior written approval of the Company. In addition, the Company may, at its election, require prior written approval of a landscape plan. Refusal or approval of plans or any alteration of topographic or vegetation characteristic(s) by the Company may be based upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company seems sufficient. Written approval will be granted for the minimum amount of earth movement and vegetation reduction required in plans and specifications approved pursuant to the provisions of these Covenants. Should written notice be served by the Company upon any Property Owner requiring corrective alteration of topographic and vegetation characteristics pursuant to Sections 3 and 4 of this Article, such notice shall be deemed to constitute written approval by the Company for such corrective alteration under the provisions of this Section.

Section 2. Landscape Guidelines. The Guidelines shall establish approved standards, methods, and procedures for landscape management on specific Residential Lots in Grace Hill, and such authorized standards, methods, and procedures may be utilized by the Owners of such

specified Lots without prior written approval by the Company; provided, however, no trees measuring six (6) inches or more in diameter at a point two (2) feet above ground level may be removed from Properties within Grace Hill without the prior written approval of the Company. Approval for the removal of trees located within ten (10) feet of the main dwelling or accessory building or within ten (10) feet of the approved site for any building and parking areas, and driveways will be granted unless such removal will substantially decrease the beauty of the Property. The provisions of this Section 2 shall in no way constitute a waiver of the requirement to receive prior written approval for any alteration of topographic or vegetation characteristics, pursuant to the provisions of Section 1 of this Article, other than for those alterations specifically authorized in the Guidelines.

Section 3. Erosion Control. In order to implement effective and adequate erosion control the Company and its agents shall have the right to enter upon any Residential Lot before or after a building or structure has been constructed thereon for the purpose of performing any grading or landscaping work or constructing and maintaining erosion prevention devices. Provided, however, that prior to exercising its right to enter upon a Lot for the purpose of performing any grading or landscaping work or constructing or maintaining erosion prevention devices, the Company shall give the Lot Owner the opportunity to take any corrective action required by giving the Owner of the Property written notice indicating what type of corrective action is required and specifying in that notice that immediate corrective action must be taken by the Owner. If the Owner of the Property fails to take the corrective action specified immediately, the Company or its agent may then exercise its right to enter upon the Lot in order to take the necessary corrective action. The cost of such erosion prevention measures, when performed by the Company or its agent, shall be kept as low as reasonably possible. The cost of such work, when performed by the Company or its agent on Property, shall be paid by the Lot Owner.

Section 4. Rights of Company to Clear Property. In order to implement effective insect, reptile, rodent, and woods fire control, the Company and its agents have the right to enter upon any Residential Lot for the purpose of moving, removing, clearing, cutting, or pruning underbrush, weeds, or other unsightly growth which in the opinion of the Company detracts from the overall beauty, setting, and safety of Grace Hill. The cost of this vegetation control shall be kept as low as reasonably possible and shall be paid by the Lot Owner. Such entry shall not be made until thirty (30) days after the Lot Owner has been notified in writing of the need of such work and unless such Lot Owner fails to perform the work within said thirty (30) day period. The provisions in this Section shall not create any obligation on the part of the Company to mow, clear, cut or prune any Residential Lot.

Section 5. Easement Reservation. In addition, the Company reserves unto itself, its successors and assigns, and its agent, a perpetual, alienable, and releasable easement and right on, over, and under any Residential Lot to dispense pesticides and take other actions which in the opinion of the Company are necessary or desirable to control insects and vermin, and to cut fire breaks and take other actions which in the opinion of the Company are necessary or desirable to control fires on any Lot or any improvements thereon, and for purposes of erosion control allowed in Section 3 above.

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The rights reserved unto the Company, its successors and assigns, and its agents, in Sections 3, 4 and 5 above shall not be unreasonably employed and shall be used only where necessary to effect the stated intents and purposes of said Sections.

ARTICLE IX  
ADDITIONAL RESTRICTIONS AFFECTING  
RESIDENTIAL PROPERTIES

Section 1. Residential Uses.

(a) All Residential Lots shall be used for residential purposes, recreational purposes incidental thereto, and for customary accessory uses. The use of a portion of a dwelling unit on a Residential Lot as an office by the Owner or tenant thereof shall be considered a residential use if such use does not create undue customer or client traffic, as determined by the Company in its sole and uncontrolled discretion, to and from the Lot.

(b) No structure, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on a Residential Lot other than one (1) detached single family dwelling and one (1) small accessory building and one (1) detached private garage, provided the use of such accessory building and/or garage does not overcrowd the Lot, as determined by the Company in its sole and uncontrolled discretion, and provided, further, that such building is not used for any activity normally conducted as a business. Such accessory building and/or garage may not be constructed prior to the construction of the main building.

(c) A guest suite or like facility without a kitchen may be included as part of the main dwelling or accessory building on any Residential Lot, but such suite may not be rented or leased except as part of the entire premises including the main dwelling, and provided, however, that such suite would not result in overcrowding the Lot, as determined by the Company in its sole and uncontrolled discretion.

(d) Notwithstanding the provisions of this Section or any other Article or Section, this Declaration shall not prohibit the Company or its agents and assigns from using any houses or accessory buildings as a model(s) and/or sales office(s).

Section 2. Construction and Completion of Improvements.

(a) Each Lot Owner other than the Company shall be obligated to commence construction of a house on the Owner's Lot within two (2) years after acquiring the Lot, unless the Lot is already improved with a house at the time of acquisition. The failure to commence construction of a house within such two year period shall constitute a breach of these Covenants. As a remedy for such breach, the Company hereby reserves unto itself, its successors and assigns, for a period of sixty (60) months after the Lot Owner first acquires the Lot, the right to require the Lot Owner to sell the Lot to the Company, its successors or assigns, for an amount equal to the purchase price paid by the Lot Owner for the Lot plus interest on such purchase price at the prime rate for the period of time the Lot was owned by the Lot Owner. Settlement

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on such repurchase shall occur on the thirtieth (30th) day after the Lot Owner has been notified in writing of the violation of these Covenants, unless such Owner has commenced construction of a house on the Lot within such thirty day period. At settlement, the Lot Owner shall execute and deliver to the Company, its successors or assigns, a General Warranty Deed with English covenants of title, thereby conveying good and marketable fee simple title to the Lot, free of all liens and encumbrances and all other objections, except those existing at the time title was conveyed to the Lot Owner and subsequent easements of record not adverse to the value of the Lot, and the Lot shall be in substantially the same condition (except for any improvements not adverse thereto) as it was at the time possession was transferred to the Lot Owner. The Company shall not be obligated to take any action to effect compliance with this Section, and the Company's remedy of reacquiring Lots shall be subordinate to the lien of any first or second deed of trust on a Lot.

(b) The exterior of each house, and all other structures must be completed within two (2) years after the construction of same shall have commenced on all Residential Lots, except where such completion is impossible or would result in great hardship to the Lot Owner or builder due to strikes, fires, national emergency or natural calamities. Houses and other dwelling structures may not be temporarily or permanently occupied until the exteriors thereof have been completed. During the continuance of construction, the Lot Owner shall require the contractor to maintain the Property in a reasonably clean and uncluttered condition.

(c) The failure to complete the exterior of any house or any other structure within the time limit set forth in Section 2(b) above shall constitute a violation and breach of these Covenants. The Company hereby reserves unto itself, its successors and assigns, a right on, over, and under all Residential Lots for the purpose of taking any action necessary to effect compliance with Section 2(b) above, including, but not limited to the right to enter upon any Lot for the purpose of completing the exterior of such house or any other structure which is in violation of Section 2(b). Such entry shall not be made until thirty (30) days after the Lot Owner has been notified in writing of the violation of these Covenants, and unless such Owner has failed to complete said exterior within such thirty (30) day period. The cost of such corrective action, when performed by the Company or its agents, shall be paid by the Owner of the Residential Lot on which the corrective action is performed. The provisions of this Section shall not create any obligation on the part of the Company to take any action to effect compliance with Section 2(b).

### Section 3. Screened Area and Other Matters.

(a) Each Residential Lot Owner shall provide a screened area to serve as a service yard and an area in which garbage receptacles, fuel tanks or similar storage receptacles, electric and gas meters, air conditioning equipment, and other unsightly objects must be placed or stored in order to conceal them from view from Roads and adjacent Properties. Plans for such screened area delineating the size, design, specifications, exterior color or finish, and location must be approved by the Company prior to construction. No alteration in the exterior appearance of any screened area shall be made without like prior written approval by the Company. Garbage receptacles and fuel tanks may be located outside of screened areas only if located underground,

and such underground garbage receptacles and fuel tanks and their location must likewise be approved by the Company prior to construction.

(b) Garbage pickup shall take place at such locations as are approved or designated by the Company. If curbside pickup occurs, no Owner shall place the receptacles at the curb earlier than twelve (12) hours before pickup and shall remove within twelve (12) hours after pickup. Garbage and trash pickup shall be only by such company, companies or individuals as are designated as an approved operator in advance by the Association in its sole discretion.

(c) No mobile homes, trailers, campers, recreational vehicles, school buses, boats, or trailers shall be parked on any Residential Lot or adjacent Road, alley, street or Common Area. However, when and if there is an area or lot in Grace Hill designated for recreational vehicle parking and storage, the vehicles listed in the preceding sentence may be parked within the confines of the designated area or lot. Use of the parking and storage lot shall be subject to such rules, regulations and fees as set by the Company, its successors and assigns. Except during construction periods, no trucks with commercial signage shall be parked on a Residential Lot except within the confines of a garage nor shall they be parked on any Road, alley, street or Common Area. No car covers with commercial signage will be permitted.

(d) No clothing, laundry or wash shall be aired or dried on the exterior portion of any Residential Lot.

(e) All toys, bicycles, tricycles, motorcycles, mopeds, and such other similar items located on Residential Lot or adjacent streets shall be removed each evening to an area not exposed to view from any other property or street. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Residential Lot, except that dogs, cats or other household pets may be kept subject to rules and regulations adopted by the Company, its successors or assigns. All pets not on the property of the owner shall be under leash or totally controlled in a similar manner at all times by the owner.

(f) No inoperable vehicles (including, but not limited to, vehicles without current inspection and registration identification) shall be parked or maintained on any Road, alley, street or Common Area or on any Residential Lot except as otherwise may be expressly permitted by the Association. If the Association permits any such vehicle on a Residential Lot, it shall be kept within a garage such that the vehicle shall not be visible from any Road, alley, street, any Common Area, or any other Residential Lot.

#### Section 4. Prohibited Structures.

(a) No mobile home, trailer, tent, barn or other similar out building or structure shall be placed on any Residential Lot at any time, either temporarily or permanently, except as permitted under Section 1 (b) of this Article IX.

(b) No structure of a temporary character shall be placed upon any Residential Lot at any time, provided, however, that this prohibition shall not apply to trailers, shelters or

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temporary structures used by the contractor during the construction of the main dwelling unit, it being clearly understood that these latter temporary shelters may not, at any time, be used as residences or permitted to remain on the Properties after completion of construction. The design, location and color of structures temporarily placed on a Residential Lot by a contractor must be approved in advance in writing by the Company.

(c) To the extent permitted by federal regulation, no television antenna, satellite dish, radio receiver, radio sender, or other similar device shall be attached to or installed on any Residential Lot or on the exterior portion of any building or structure on any Residential Lot except as follows:

- (1) The provisions of this paragraph shall not prohibit the Company from installing or approving the installation of equipment necessary for a master antenna system, Community Antenna Television (C.A.T.V.), mobile radio systems, or other similar systems within the Properties; or for one or more personal wireless service facilities as defined in the Comprehensive Plan of the applicable governmental unit; and
- (2) Should C.A.T.V. services or cable service be unavailable and good television reception not be otherwise available, the Owner of a Residential Lot may make written application to the Company for permission to install a television antenna, which may be approved or denied in the sole and uncontrolled discretion of the Company.

Section 5. Utility and Drainage Easement. The utility and drainage easements reserved by the Company in these Covenants shall be located along the boundary lines of each Residential Lot unless otherwise shown on a subdivision plat.

(a) Further Subdividing. No Residential Lot shall be subdivided or its boundary lines changed, nor shall application for same be made to the applicable governmental unit, except with the prior written consent of the Company. However, the Company hereby expressly reserves unto itself, its successors and assigns, and its agent, the right to replat any Residential Lot(s) owned by it and shown on the plat of any subdivision within the Properties in order to create a modified building lot or lots; and to take such other steps as are reasonably necessary to make such replatted Lot(s) suitable and fit as a building site including, but not limited to, the relocation of easements, walkways, rights of way, Roads, walking trails, jogging trails, bridges, parks, recreational and community facilities, and other amenities to conform to the new boundaries of said replatted Lot(s). The provisions of this Section shall not prohibit the combining of two (2) or more contiguous lots into one (1) larger lot. Following the combining of two (2) or more lots into one (1) larger lot, only the exterior boundary lines of the resulting larger lot shall be considered in the interpretation of these Covenants.

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ARTICLE X  
GENERAL PROVISIONS

Section 1. Duration. The Covenants and Restrictions of this Declaration and any Amendments thereto shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Company, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a period of thirty (30) years from the date this Declaration is recorded. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically extended for successive periods of ten (10) years. The number of ten (10) years extension periods hereunder shall be unlimited, and this Declaration shall be automatically extended upon the expiration of the initial thirty (30) year period, or during the last year of any subsequent ten (10) year extension period, unless at a duly called meeting of the Association fifty-one percent (51%) or more of the total vote entitled to be cast by all the Members of the Association shall vote in favor of terminating this Declaration at the end of its then current term. The presence at the meeting of the Members or proxies entitled to cast thirty percent (30%) of the total vote of the Membership shall constitute a quorum. It shall be required that written notice of any meeting at which such a proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given each Member at least thirty (30) days in advance of said meeting. In the event that the Members of the Association vote to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the Resolution of Termination adopted by the Association, the date of the meeting of the Association at which such Resolution was adopted, the date the notice of such Meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the total number of votes present at said meeting, the total number of votes necessary to adopt a Resolution terminating this Declaration, the total number of votes cast in favor of such Resolution, and the total number of votes cast against such Resolution. Said certificate shall be recorded in the Clerk's Office of the Circuit Court of Lancaster County, Virginia, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration.

Section 2. Amendments. All proposed Amendments to this Declaration shall be submitted to a vote of the Members at a duly called meeting of the Association and any such proposed amendment shall be deemed approved if two-thirds (2/3) of the votes cast at such meeting vote in favor of such proposed amendment. Notice shall be given each Member at least fourteen (14) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above, the President and Secretary of the Association shall execute an Addendum to this Declaration which shall set forth the Amendment, the effective date of the Amendment (which in no event shall be less than fifteen (15) days after the date of the meeting of the Association at which such Amendment was adopted), the date the notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the total number of votes present at said meeting, the number of votes necessary to adopt the Amendment, the total number of votes cast for and

against the Amendment, and such Addendum shall be recorded in the Clerk's Office of the Circuit Court of Lancaster County, Virginia.

So long as the Company is a Type "B" Member, no Amendment of this Declaration shall be made without the written consent of the Company.

The Company reserves unto itself, its successors and assigns, the rights to add additional restrictive covenants in respect to lands within the Properties to be conveyed in the future by the Company to the Association or to any other third party, or to limit therein the application of these Covenants. The right to add additional restrictions or to limit the application of these Covenants shall be reasonably exercised.

Section 3. Notices. Any notice required to be sent to any Member under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when delivered personally or sent by mail, with the proper postage affixed, to the address appearing on the Association's Membership list, or when sent by electronic transmission as permitted by the Bylaws of the Association. Notice to one (1) of two (2) or more co-owners shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes a Member following the first day in the calendar month in which said notice is delivered or mailed shall be deemed to have been given notice if notice was given to his predecessor in title.

Section 4. Enforcement. Enforcement of these Covenants and Restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any Covenant or Restriction, either to restrain a violation or to recover damages, may be against the land or to enforce any lien created by these Covenants. Failure by the Association or the Company to enforce any Covenant or Restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter.

In addition, in the event of a violation or breach of any of the restrictions contained herein by any Residential Lot Owner, or the tenants, guests, invitees or agents of such Owner, the Lot Owners in Grace Hill, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel a compliance to the terms hereof.

In addition to the foregoing, the Company or its agent shall have the right, whenever there shall have been placed or constructed on any property in Grace Hill any building, structure, chemical, substance, object, material, or condition which is in violation of these Covenants and Restrictions, to enter upon such property where such violation exists and summarily abate or remove the same at the expense of the Owner, if after thirty (30) days written notice of such violation it shall not have been corrected by the Owner, or the agent of the Owner; provided, however, that whenever stated in these Covenants that the Company may serve notice requiring immediate corrective action, and such action is not performed immediately by the Owner, or agent of the Owner, the Company or its agent shall have the right to enter immediately and

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summarily abate or remove such violation at the expense of the Owner. Any such entry and abatement or removal shall not be deemed trespass.

In addition to the foregoing the Company or its agent shall have the right, whenever permitted by this Declaration, to enter immediately (unless otherwise specifically stated) any property in Grace Hill to implement environmental controls, to take corrective action, or to take any action necessary. The cost of such action, when performed by the Company or its agent shall be paid by the Owner of the Property on which the work is performed. Entrance upon any property pursuant to the provisions shall not be deemed a trespass.

Whenever the Company or its agent is permitted by this Declaration to correct, repair, enhance, improve, clean, preserve, clear out, remove, or take any action on any property or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

Section 5. Severability. Should any Covenant or Restriction herein contained, or any Article, Section, Subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any Court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way effect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 6. Corrective Action. Whenever the Company or its agent is permitted by this Declaration to correct, repair, enhance, improve, clean, preserve, clear out, remove, or take any action on any property or on the easement areas adjacent thereto, and whenever it is stated in this Declaration that the cost of such action (hereinafter called the "Cost of Corrective Action") shall be paid by the Owner of the property on which such corrective action is performed, the Cost of Corrective Action, together with such interest thereon at the maximum annual rate permitted by law from the due date and costs of collection thereof or including a reasonable attorney fee as hereinafter provided, shall be a charge and continuing lien on the real property and improvements thereon, against which the Cost of Corrective Action is charged, in the hands of the then Owner, his heirs, devisees, personal representatives, tenants, and assigns, and in addition shall also be the personal obligation of the Owner of such real property at the time when such Cost of Corrective Action becomes due and payable. The Cost of Corrective Action shall be billed at the completion of such corrective action, and all bills shall be due and payable thirty (30) days from the date of mailing of same.

If the Cost of Corrective Action is not paid within thirty (30) days after the due date, the Company or its agent may bring an action at law against the property Owner personally and there shall be added to the amount of such Cost of Corrective Action the costs of preparing the filing of the complaint in such action and obtained, such judgment shall include interest on the Cost of Corrective Action as above provided and a reasonable attorney's fee together with the costs of the action.

28.

The lien of the cost of Corrective Action provided for herein shall be subordinate to the lien of any first or second deed of trust now or hereafter placed upon any property subject to these Covenants. In the event a creditor (other than the Company or the creditor of the Company) acquires title to any property pursuant to foreclosure or any other proceeding or deed in lieu of foreclosure, said creditor shall be subject to any lien of the Cost of Corrective Action placed upon such property during the time in which the creditor holds title to such property.

Section 7. Interpretation. The Board of Directors of the Association shall have the right to determine all questions arising in connection with this Declaration of Covenants and Restrictions, and to construe and interpret its provisions, and its determination, construction, or interpretation shall be final and binding. In all cases, the provisions of this Declaration of Covenants and Restrictions shall be given that interpretation or construction that will best tend toward the consummation of the general plan of improvements.

Section 8. Authorized Action. All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for in the By-Laws of the Association, unless the terms of this instrument provide otherwise.

Section 9. Limited Liability. The Company or its agent shall not be liable to any property Owner or to any other person on account of any claim, liability, damage, or expense suffered, incurred by, or threatened against any property Owner or such other person arising out of or in any way relating to the subject matter of any reviews, acceptances, inspections, permissions, consents, or required approvals which must be obtained from the Company or from the applicable governmental unit, whether given, granted or withheld.

Section 10. Assignment of Rights. The Company reserves unto itself, its successors and assigns, the right to assign in whole or in part to the Association its rights reserved in this Declaration to grant approvals (or disapprovals), to establish rules and regulations, to administer and enforce the provisions of this Declaration, and all other rights reserved herein by the Company including, but not limited to, the right to approve (or disapprove) plans, specifications, color, finish, plot plan, land management plan, and construction schedules for any or all buildings or structures to be erected in any or all of the Properties. The assignment of such rights shall be subject to any conditions, limitations, or restrictions which the Company, in its sole and uncontrolled discretion, may elect to impose at the time of assignment. Following the assignment of such rights, the Association shall assume all of the Company's obligations which are incident thereto (if any), and the Company shall have no further obligation or liability with respect thereto. The assignment of such right or rights by the Company to the Association shall be made by written instrument which shall be recorded in the Clerk's Office of the Circuit Court of Lancaster County, Virginia.

Notwithstanding anything in the foregoing to the contrary, so long as the Company, its successors and assigns, is the Owner of all or any part of the Properties subject to the provisions of this Declaration, the Company shall retain all rights of easement reserved unto it in this Declaration, and shall, furthermore, retain all rights of entry granted in this Declaration for the

29  
purposes of correcting, repairing, enhancing, improving, cleaning, preserving, clearing out, removing, or taking any action to prevent a violation of these Covenants, and the retention of said rights of easement and entry by the Company shall in no way create any obligation on the part of the Company to perform any affirmative action.

The Company reserves unto itself, its successors and assigns, the right to appoint the Association its agent for the purpose of administering and enforcing, in whole or in part, the rights reserved unto the Company in this Declaration. Such appointment may be temporary or permanent, and shall be subject to any conditions, limitations, or restrictions which the Company, in its sole and uncontrolled discretion, may elect to impose. Upon any such appointment of the Association as agent by the Company, the Association shall assume any obligations which are incident thereto.

Section 11. Management and Contract Rights of Association. The Company may enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. However, no such contract shall be binding upon the Association except through express adoption or ratification of the terms and conditions of such contract.

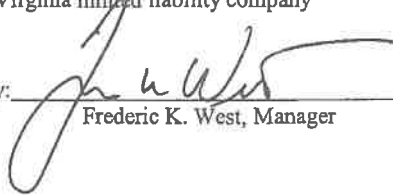
Section 12. Rights of Noteholders. Any institutional holder of a first mortgage on a Residential Lot or Common Areas will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and the right to designate a representative to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage, (e) receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy of fidelity bond maintained by the Association, (g) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy.

Section 13. Withdrawal of Property. Notwithstanding any other provisions in this declaration, the Company reserves the right to amend this Declaration at any time without prior notice and without the consent of any person, for the purpose of removing portions of the Property then owned by the Company or its Affiliates from the provisions of this Declaration.

IN WITNESS WHEREOF, the Company and Association have caused this instrument to be executed in their behalf.

30.

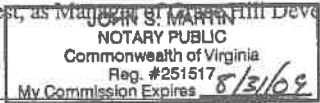
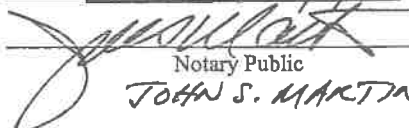
GRACE HILL DEVELOPMENT, L.L.C.,  
a Virginia limited liability company

By:  [SEAL]  
Frederic K. West, Manager

STATE OF VIRGINIA  
CITY/COUNTY OF LANCASTER

The foregoing instrument was acknowledged before me this 19 day of  
December, 2007, by Frederic K. West, as Manager of Grace Hill Development,  
L.L.C., a Virginia limited liability company.

My Commission expires: \_\_\_\_\_

  
JOHN S. MARTIN  
NOTARY PUBLIC  
Commonwealth of Virginia  
Reg. #251517  
My Commission Expires 8/3/09  
  
Notary Public  
JOHN S. MARTIN

GRACE HILL COMMUNITY ASSOCIATION  
a Virginia non-stock corporation

By: [Signature] [SEAL]  
President

STATE OF VIRGINIA

CITY/COUNTY OF Longsight

The foregoing instrument was acknowledged before me this 19 day of  
December, 2007, by Frederic K. West, as President of Grace Hill  
Community Association, a Virginia non-stock corporation.

My Commission expires: 8/31/09

[Signature]  
Notary Public

JOHN S. MARTIN  
NOTARY PUBLIC  
Commonwealth of Virginia  
Reg. #251517  
My Commission Expires 8/31/09



EXHIBIT 'A'

3a.

All that certain lot or parcel of land together with all buildings, and improvements thereon and all rights, ways, privileges and appurtenances thereunto appertaining, lying, being and situate in the Town of Kilmarnock, Lancaster County, Virginia, containing 42.997 acres, more or less, as shown and described on that certain plat of survey made by Cundiff H. Simmons, Land Surveyor, dated November 30, 2007, entitled "Subdivision Plat Of Grace Hill, Section One," a copy of which plat of survey is duly recorded in the Clerk's Office of the Circuit Court of Lancaster County, Virginia in Plat Cabinet 7, at Slides 163C, 163D, 164A, 164B, 164C and 164D, and to which plat of survey reference is hereby expressly made for a further and more accurate description of the real estate herein conveyed.

INSTRUMENT #080000012  
RECORDED IN THE CLERK'S OFFICE OF  
COUNTY OF LANCASTER ON  
JANUARY 2, 2008 AT 01:31PM

DIANE H. MUMFORD, CLERK  
RECORDED BY: LAL

Prepared by and return to:  
Cassie R. Craze, VSB #70054  
P.O. Box 1654  
Midlothian, VA 23113  
Parcel Id Nos: 28-138B and 28K-1-1 through 28K-1-67 (Grace Hill Subdivision)

**AMENDMENT TO**  
**RESTATED AND AMENDED**  
**DECLARATION OF COVENANTS AND RESTRICTIONS**  
**FOR GRACE HILL SUBDIVISION**

THIS AMENDMENT TO RESTATED AND AMENDED DECLARATION OF COVENANTS AND RESTRICTIONS is made this 13 day of November, 2023 by GRACE HILL HOMEOWNER'S ASSOCIATION, INC., a Virginia nonstock corporation ("Association") and VIRGINIA COMMONWEALTH CAPITAL LLC, a Virginia limited liability company ("Declarant") (both Grantor and Grantee for indexing purposes).

WHEREAS, the Declaration of Covenants and Restrictions of Grace Hill, dated December 19, 2007, was recorded in the Clerk's Office for the Circuit Court of Lancaster County, Virginia (the "Clerk's Office") as Instrument No. 080000012 (the "Original Declaration"), and was later amended by: (1) Amended Declaration of Covenants and Restrictions for Grace Hill Subdivision, dated February 27, 2012, and recorded in the Clerk's Office as Instrument No. 120000479; (2) First Amendment to the Amended Declaration of Covenants and Restrictions for Grace Hill Subdivision, dated April 14, 2023, and recorded in the Clerk's Office as Instrument No. 230000650; and (3) Restated and Amended Declaration of Covenants and Restriction for Grace Hill Subdivision, dated July 31, 2023, and recorded in the Clerk's Office as Instrument No. 230001342 (the "Original Declaration," as amended and restated shall be referred to as the "Declaration").

WHEREAS, the Declaration subjects certain real property located in the Town of Kilmarnock in Lancaster County, Virginia, as further shown and described on that plat of survey by Cundiff H. Simmons, L.S., dated November 30, 2007, entitled "Subdivision Plat Of Grace Hill, Section One," which plat is recorded in the Clerk's Office in Plat Cabinet 7, page 163C, *et seq.* (the "Subdivision"), to the covenants and conditions set forth in the Declaration and to the jurisdiction of the Association.

WHEREAS, pursuant to Article IX. General Provisions, Section 3 of the Declaration, the Declaration may be amended by recording an instrument executed and acknowledged by not less than three-quarters (3/4) of the Association membership votes and Declarant, Virginia Commonwealth Capital L.L.C., currently owns at least three-fourths (3/4) of the Association membership votes.

**NOW THEREFORE:**

1. Article I, Section 7 of the Declaration shall be amended to clarify that the

sidewalks are part of the Common Area, so that Article I, Section 7 of the Declaration reads as follows:

7. "Common Area" shall mean all real property owned or required to be maintained by the Association for the common use and enjoyment of its Owners, sometimes referred as "Common Open Space." The Common Area to be owned and/or maintained by the Association is described and designated on the plat of the Subdivision or in this Declaration. Any sidewalks installed by the Declarant at the time of initial development of the Subdivision and that are not maintained by VDOT (but not walkways running from the driveway or sidewalk to the dwelling) ("Sidewalks") shall be part of the Common Area for purposes of use and enjoyment of the Owners and Association operation, maintenance, repair, and replacement even if located on a Lot or within an alley parcel. Any private alley ways shall be considered part of the Common Area regarding maintenance with access only to adjoining Owners and their invitees with access at all times for deliveries, law enforcement, and other safety equipment such as firefighting equipment.

2. Article III and V of the Declaration shall be amended to eliminate the Association's obligation to maintain the landscaping on the Lots and to add an easement for use and maintenance of the sidewalks, so that Article III and V of the Declaration reads as follows:

### III. ASSESSMENTS

Declarant hereby covenants for each Lot within the Subdivision, and each Owner of a lot by acceptance of his deed for said Lot, is hereby deemed to covenant to pay to the Association any and all assessments levied by the Association as hereinafter provided. Notwithstanding anything in this Declaration to the contrary, the Declarant and Builder are exempt from and not liable for any fees, assessments, working capital contributions.

There shall be three types of assessment.

A. Regular Annual Base Assessments. Regular assessments shall be established by the Association's Board of Directors as to their amount and method of collection and may be adjusted by the Board of Directors on an annual basis depending on the financial need of the Association. Regular assessments shall generally be in an amount established by the Board of Directors; provided, however, any increase in the annual base assessment of greater than ten percent (10%) over the prior year's general base assessment will not be effective unless it is approved by a majority of the Members who vote at a duly called meeting of the Members of the Association and at which a quorum is present. The annual base assessment applicable as of the date this Restated and Amended Declaration is recorded shall be \$25.00 per month (\$300.00 per year). The annual base assessment shall be payable in monthly or quarterly installments as determined by the Board of Directors. The first regular base assessment accruing to each Lot shall be prorated from the first day of the month following the delivery of the deed of said Lot from the Declarant or a Builder to a purchaser or other Owner.

B. Additional Assessments for Services and Lot Maintenance Provided by the Association. In addition to the annual base assessments, weekly trash pickup shall be provided to all Lots except Lots 4 (Tax Map 28K-1-4), 6 (Tax Map 28K-1-6), and 37 (Tax Map 28K-1-37) (the "Exempt Lots") and the Association shall charge an additional assessment for such service to the Owners of all Lots except the Exempt Lots in such amount as the Board deems necessary to pay the costs of such services. The Owners of the Exempt Lots may, prior to January 1<sup>st</sup> of each year, choose to have the Association provide trash pickup services to their Lot for that year (January 1-December 31) by giving written notice to the Association's Board of Directors or managing agent, and shall be responsible for paying the additional assessment if they opt to receive such services. Trash pickup shall be provided on a weekly basis, shall only include routine household trash that will fit into the bins utilized by the Association's waste management contractor, and shall not include recycling services unless the Board decides that recycling services or additional disposal services will also be provided. The Association shall also be responsible for the maintenance, repair, and replacement of common driveways on Lots 49 through 57, both inclusive, and Lots 58 through 66, both inclusive (the "Common Driveway Lots"), as further described in Article VI of this Declaration, and shall charge the cost of such maintenance, repair, and replacement to the Owners of the Common Driveway Lots as an additional or special assessment. The first additional assessments shall be prorated from the first day of the month following the date that trash pickup services are provided for the Lot or, if sooner, the first day of the month that maintenance is provided to the common driveway as to the additional assessment for common driveway maintenance.

C. Special Assessments. In addition to the regular annual base assessments and the additional assessments authorized above, the Association may levy a special assessment or assessments for the purpose of defraying, in whole or in part, the cost of any construction, repair, or replacement of a capital improvement on the Common Area including fixtures and personal property related thereto or for any other purpose approved by the Members of the Association. Such special assessments shall be limited to one per year and each such special assessment must be approved by a vote of two-thirds of the Owners of the Lots within the Subdivision. The Association may also levy special assessments against Common Driveway Lots for maintenance of the common driveways upon the approval of two-thirds of the Owners of Common Driveway Lots.

*Regular, additional, and special assessments shall be further governed as follows:*

1. All assessment funds shall be used exclusively to promote the health, safety, welfare, and recreation of the residents in the Subdivision, for the improvement and maintenance of the Common Areas, and for such other purposes as may be permitted by this Declaration or by applicable law.

2. Each assessment must be fixed at the same rate and method of collection for all Lots within the Subdivision except that the Exempt Lots shall not be required to pay additional assessments unless they opt to receive trash pickup services, and only Common Driveway Lots shall be responsible for additional and special assessments for maintenance of the common driveways.

3. Written notice of all assessments shall be sent to every Owner subject thereto at least 30 days before that assessment becomes due and payable.

4. Any assessment not paid within 15 days after its due date shall be deemed in default and a \$30.00 late fee shall be added and the balance due shall bear interest from its due date at the then current legal rate of interest.

5. If any assessment or installment of an assessment is not paid within 30 days after its due date, the remainder of any annual, additional, and or special assessment due during that fiscal year shall, at the option of the Board, become immediately due and payable. The Owner shall also be responsible for the reasonable attorney's fees and costs incurred by the Association due to such default.

6. Each assessment, together with any applicable late fees, interest, and reasonable attorney's fees and collections costs, shall be the personal obligation of the person or persons who owned the Lot at the time of the assessment fell due and also shall be a charge on the land and a continuing lien on the Lot against which such an assessment is made. Said assessment lien shall be subordinate to the lien of any mortgage or deed of trust.

7. The Association may bring an action at law against any Owner in default and/or may, in accordance with §55.1-1833 of the Virginia Property Owners' Association Act, Va. Code §§55.1-1800, et seq., record a memorandum of lien against the Lot and foreclose the lien against the Lot.

8. The Association shall, on demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth the then current status of a specific Lot as to the payment of assessments levied against that Lot.

9. No Owner may waive or otherwise escape liability of assessments provided for herein by non-use of the Common Area, abandonment of his Lot, or for any other reason whatsoever.

#### V. EASEMENTS

1. There are reserved to Declarant and its successors and assigns and to Association, an easement for ingress and egress on and across Common Areas, on those areas of Lots 1 and 48 designated for the purpose of construction and installation of entrance gateway and Subdivision identification signs and the landscaping and maintenance thereof, and on those areas of Lots 41 and 42 designated as a utility easement on that certain plat by Bay Design Group dated March 16, 2020 and titled "Plat Showing Proposed Utility Easement on the Land of Reserve at Lake Chase, LLC," which plat was recorded in the Clerk's Office on November 12, 2020 as Instrument # 200002569.

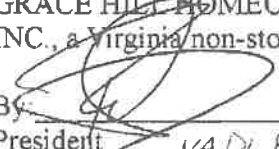
2. There are further reserved for Declarant, its successors and assigns, until the termination of the Class B membership, the right to grant easements for the installation and maintenance of utilities and drainage facilities across the Lots and parcels in the Subdivision as Declarant may deem reasonable necessary.

3. There are reserved to the Association and its officers, directors, contractors, and agents, such easements as may be needed to allow the Association to fulfill its duties as set forth in this Declaration and by applicable law. This shall include, but is not limited to, an easement over the Lots to provide trash pickup services and sidewalk and common driveway maintenance provided for in this Declaration, as well as an easement over the Lots to inspect the Lot for the purpose of issuance of the disclosure packet resale certificates required by Virginia law.

4. There are reserved to the Owners and their household members, tenants, guests, and invitees a perpetual, non-exclusive pedestrian easement over any Sidewalk within the Subdivision. There is also reserved to the Association and its officers, directors, contractors, and agents, a perpetual, non-exclusive easement over the Sidewalks and the adjoining land for the purpose of operation, maintenance, repair, and replacement of the Sidewalks and to trim, cut, and remove trees, shrubbery, fences, structures, or other obstructions or facilities on the Sidewalks or that interfere with the proper and efficient operation, maintenance, repair, replacement, and use of the Sidewalks. In the event of damage caused to any Lot by the Association's operation, maintenance, repair, or replacement of the Sidewalks, The Association shall, as nearly as possible, restore the Lot to its original condition.

IN WITNESS WHEREOF, the President of the Association has signed this Amendment to Restated and Amended Declaration upon the requisite approval by the Owners and Members of the Association, and the Owner of more than three-fourths (3/4) of the Lots has signed this Amendment to indicate its approval of this Amendment.

GRACE HILL HOMEOWNER'S ASSOCIATION,  
INC., a Virginia non-stock corporation.

By:   
President

VA DL 824651878  
Exp. 7-17-2025

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF Richmond

On this 13 day of November, 2023, before me, the undersigned notary public, personally appeared Robert M. Lewis, the President of Grace Hill Homeowner's Association, Inc., a Virginia non-stock corporation, who is known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Elizabeth Mallory Melancon  
Notary Public

My commission expires: 10-31-2025  
Notary registration #: 293562



VIRGINIA COMMONWEALTH CAPITAL LLC, a  
Virginia limited liability company

By: [Signature]

Its: MANAGER

VADL B24651878  
Exp. 7-17-25

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF Richmond

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of Virginia Commonwealth Capital LLC, a Virginia limited liability company, who is known to  
me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing  
instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

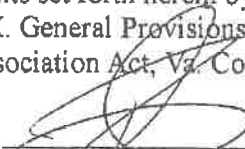
Elizabeth Mallory Melancon  
Notary Public

My commission expires: 10-31-2025  
Notary registration #: 293562



CERTIFICATE OF THE PRESIDENT

The President of Grace Hill Homeowner's Association, Inc. hereby certifies that the requisite majority of the Members of the Association and Owners of Lots approved this Restated and Amended Declaration and the amendments set forth herein by signing the amendment or ratifications thereof as required by Article IX. General Provisions, Section 3 of the Declaration and § 55.1-1829 of the Property Owners' Association Act, Va. Code §§55.1-1800, et seq.

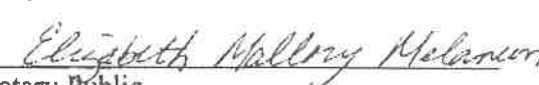
  
President

VADL  
1824657878  
EXP. 7-17-2025

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF Richmond

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IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

  
Notary Public

My commission expires: 10-31-2025  
Notary registration #: 293562



INSTRUMENT 230001950  
RECORDED IN THE CLERK'S OFFICE OF  
LANCASTER COUNTY CIRCUIT COURT ON  
NOVEMBER 13, 2023 AT 03:54 PM  
DIANE H. MUMFORD, CLERK  
RECORDED BY: SGW



RETURN TO: Kaylyn King  
Elite Title & Escrow  
115 Big Bend Road  
Warsaw, VA 22572

230000650

See Attachment A for List of Tax Map Numbers

Prepared by Geary H. Rogers  
VSB # 17137  
Compton & Duling, L.C.  
12701 Marbledstone Drive, Suite 350  
Prince William, VA 22192

**FIRST AMENDMENT TO THE AMENDED DECLARATION OF COVENANTS AND  
RESTRICTIONS FOR GRACE HILL SUBDIVISION**

**THIS FIRST AMENDMENT TO THE AMENDED DECLARATION OF COVENANTS AND RESTRICTIONS FOR GRACE HILL SUBDIVISION** ("First Amendment") is made as of this 14th day of April, 2023 by **THE RESERVE AT LAKE CHASE, LLC**, a Virginia limited liability company ("Declarant") ("Index as "Grantor")

**RECITALS**

WHEREAS, the Declaration of Covenants and Restrictions of the Association was recorded in the Clerk's Office in the County of Lancaster, Virginia as Instrument Number 080000012 on December 19, 2007;

WHEREAS, the Amended Declaration of Covenants and Restrictions was recorded in the Clerk's Office in the County of Lancaster, Virginia as Instrument Number 120000479 on March 2, 2012;

WHEREAS, Declarant is the owner of Sixty-Three (63) Lots and is the Class B Member of the Association holding more than three-quarters of the Association membership votes, and executes this First Amendment pursuant to its authority under Article VIII, Paragraph 3 of the Declaration.

NOW, THEREFORE, Declarant hereby amends the Amended Declaration of Covenants and Restrictions for Grace Hill Subdivision as follows:

1. **Article II: Association**, paragraph 1 is hereby deleted in its entirety and substituted, in lieu thereof, is a new Article II, paragraph 1.

1. Membership. The Association shall have two classes of voting members as follows:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in a given lot, such person or persons shall be Members and the vote for each lot shall be exercised as they may determine among themselves. In no event shall more than one vote be cast with respect to any lot

owned by Class A members. So long as the Declarant holds or controls title to any portion of the real estate in the Subdivision, all of the voting rights of the Owners at any meeting of the Members of the Association or otherwise shall be vested exclusively in the Declarant, and Owners other than the Declarant shall have no voting rights.

Class B. The Class B member shall be the Declarant who shall be entitled to cast all votes for all Lots at any meeting of the Members. The Class B membership shall cease and be converted to a Class A membership when the Declarant no longer holds or controls title to any portion of the real estate in the Subdivision.

2. The fourth (4<sup>th</sup>) paragraph of **Article VI, Roads and Streets**, is hereby deleted in its entirety and replaced by the paragraph reading as follows:

*"Common driveways are to be jointly maintained by the owners of all the lots served by said common driveways. Said driveways and all walks, except trails, shall be concrete".*

**Article VI, Roads and Streets**, is hereby amended to add the following additional fifth (5<sup>th</sup>) paragraph reading as follows:

"Common driveways consisting of the twenty-foot (20") alleys serving Lots 51 through 57, both inclusive, and Lots 59 through 66, both inclusive, shall be paved with asphalt and shall be maintained, repaired and replaced ("Common Driveway Maintenance") by the Association, which shall have the authority to issue special assessments and/or annual assessments against all Lots served by common driveways and to establish reserves for such Common Driveway Maintenance."

2. **Article VII: Covenants Relating to Architectural Standards** is hereby deleted in its entirety and substituted, in lieu thereof, is a new Article VII.

1. Exterior of houses shall be constructed of brick, stone, stucco, hardy plank, vinyl, or wood siding, except for gable ends, entries, porticos, etc., unless otherwise approved by Declarant or its designated representative. Any houses constructed prior to the date of this Declaration shall be "grandfathered" as to the materials which were used for construction.
2. Garages shall have entrances on the side, front, or rear of dwelling houses.
3. The entry gateway on Harris Road is to be aesthetically appropriate to the neighborhood.
4. Dwelling houses shall have (for a two-story) 1400 sq. ft. with a minimum of 1000 sq. ft. on the first floor and a two-car garage. Single story to have the minimum of 1100 sq. ft. plus a two-car garage.
5. All driveways shall be made of concrete with a broom finish.

3. **Article VIII: Use Restrictions**, paragraph 8 is hereby deleted in its entirety and substituted, in lieu thereof, is a new paragraph 8.

8. No fence, hedge, wall, or other dividing instrumentality shall be constructed or maintained on any lot except upon approval of the Architectural Committee as provided herein. All fences should be white vinyl. Said approved fences shall not intrude into the front yard. Any fences constructed prior to the date of this Declaration shall be "grandfathered" as to the materials which were used for construction.

4. **Article VIII: Use Restrictions**, paragraph 9 is hereby deleted in its entirety and substituted, in lieu thereof, is a new paragraph 9.

9. No outbuilding, tent, shack, garage, trailer, shed or temporary building of any kind shall be used as a residence, either temporarily or permanently.

5. **Article VIII: Use Restrictions**, paragraph 14 is hereby added in its entirety.

14. No vehicle, trailer, storage container, recreational vehicle, RV, or similar item may be placed in an alley for greater than 24 hours.

6. **Article VIII: Use Restrictions**, paragraph 15 is hereby added in its entirety.

15. Only those antennas expressly permitted under the Federal Communications Commission's Over-the-Air Reception Devices (OTARD) Rule implementing Section 706 of the Telecommunications Act of 1996, as amended from time to time, are allowed. All others are expressly prohibited. As of the date of the recording of this instrument, the following are permitted under OTARD: (a) direct broadcast satellite (DBS) antenna one (1) meter or less in diameter or diagonal measurement; (b) antennas designed to receive Multipoint Distribution Services (MDS) that are 39.37 inches (one (1) meter) or less in diameter, (c) antennas designed to receive television broadcast signals of any size; (d) transmission-only antennas if they are necessary for the use of a covered reception antenna and are one (1) meter or less in diameter; and (e) masts used in conjunction with any of these antennas (collectively, the foregoing are referred to as "Covered Antennas"). The foregoing list is subject to change pursuant to changes in OTARD and/or any other applicable laws. Covered Antennas shall be located in accordance with architectural guidelines adopted by the Association, to the extent such restrictions are not prohibited by the OTARD Rule, and an application for Association approval must be submitted for any device deviating from the following:

- i. Television broadcast Covered Antennas must be installed inside a dwelling unit whenever possible.
- ii. No roof antenna shall extend more than ten (10) feet above the highest point on the roof.

- iii. Satellite dish antenna if eighteen inches or less, shall be located on the rear of the house either just below the roof ridge or the fascia board below the roof eaves, or if larger than eighteen inches, be located behind the rear foundation of the house.
- iv. Any cable associated with a satellite dish or other antenna shall be buried or shall not be visible on the structure to which it is attached or extended. If the satellite dish is mounted on a pole affixed to the ground, the pole and the cable associated with such satellite dish should be screened such that the pole and cable are not visible from the street(s) adjoining the Lot.

The effective date of this First Amendment shall be the date of recordation.

Unless amended hereby, all other provision of the Amended Declaration of Covenants and Restrictions for Grace Hill Subdivision remain unchanged and are in full force and effect.

WITNESS the following signatures.

THE RESERVE AT LAKE  
CHASE, LLC, a Virginia limited liability company

By: B.G. Sowder  
B.G. Sowder Manager

COMMONWEALTH OF VIRGINIA,  
COUNTY OF Fauquier County, to-wit;

I, Blyss R. Barkman, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that B.G. Sowder the Manager of The Reserve at Lake Chase, LLC, a Virginia limited liability company, has signed the foregoing instrument and has acknowledged the same before me this 14<sup>th</sup> day of April, 2023.

Blyss R. Barkman (SEAL)  
Notary Public

ID #: 7726579

My Commission Expires: 2/28/25



ATTACHMENT A

TAX MAP NUMBERS

MAP or PARCEL ID/GPIN 28-138B  
PARCEL ID/GPIN 28K-1-67  
MAP or PARCEL ID/GPIN # 28K-1-1  
MAP or PARCEL ID/GPIN # 28K-1-2  
MAP or PARCEL ID/GPIN # 28K-1-3  
MAP or PARCEL ID/GPIN # 28K-1-4  
MAP or PARCEL ID/GPIN # 28K-1-5  
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MAP or PARCEL ID/GPIN # 28K-1-66

INSTRUMENT 230000650  
RECORDED IN THE CLERK'S OFFICE OF  
LANCASTER COUNTY CIRCUIT COURT ON  
APRIL 18, 2023 AT 10:51 AM  
DIANE H. MUMFORD, CLERK  
RECORDED BY: EHD



230001342

Prepared by and return to:  
Cassie R. Craze, VSB #70054  
P.O. Box 1654  
Midlothian, VA 23113  
Parcel Id Nos: 28-138B and 28K-1-1 through 28K-1-67 (Grace Hill Subdivision)

**RESTATED AND AMENDED**  
**DECLARATION OF COVENANTS AND RESTRICTIONS**  
**FOR GRACE HILL SUBDIVISION**

THIS RESTATED AND AMENDED DECLARATION OF COVENANTS AND RESTRICTIONS is made this 31<sup>st</sup> day of July, 2023 by GRACE HILL HOMEOWNER'S ASSOCIATION, INC., a Virginia nonstock corporation ("Association," Grantor and Grantee for indexing purposes).

WHEREAS, the Declaration of Covenants and Restrictions of Grace Hill, dated December 19, 2007, was recorded in the Clerk's Office for the Circuit Court of Lancaster County, Virginia (the "Clerk's Office") as Instrument No. 080000012 (the "Original Declaration"), and was later amended by: (1) Amended Declaration of Covenants and Restrictions for Grace Hill Subdivision, dated February 27, 2012, and recorded in the Clerk's Office as Instrument No. 120000479; and (2) First Amendment to the Amended Declaration of Covenants and Restrictions for Grace Hill Subdivision, dated April 14, 2023, and recorded in the Clerk's Office as Instrument No. 230000650 (the "Original Declaration," as amended and restated shall be referred to as the "Declaration").

WHEREAS, the Declaration subjects certain real property located in the Town of Kilmarnock in Lancaster County, Virginia, as further shown and described on that plat of survey by Cundiff H. Simmons, L.S, dated November 30, 2007, entitled "Subdivision Plat Of Grace Hill, Section One," which plat is recorded in the Clerk's Office in Plat Cabinet 7, page 163C, *et seq.* (the "Subdivision"), to the covenants and conditions set forth in the Declaration and to the jurisdiction of the Association.

WHEREAS, pursuant to Article VIII. General Provisions, Section 3 of the Declaration, the Declaration may be amended by recording an instrument executed and acknowledged by not less than three-quarters (3/4) of the Association membership votes.

NOW THEREFORE, for the purpose of enhancing and protecting the value, attractiveness, and desirability of the Lots or tracts constituting the Subdivision, all of the real property within the Subdivision and each part thereof shall be held, sold, and conveyed subject to the following easements, covenants, conditions, and restrictions which shall constitute covenants running with the land and shall be binding on all parties having any right, title, or interest in the above-described property or any part thereof, their heirs, successors, and assigns and shall inure to the benefit of each Owner thereof.

I. DEFINITIONS

1. "Declarant" originally meant and referred to The Reserve at Lake Chase,

LLC and its successors and assigns, and currently refers to the successor to such original Declarant, Virginia Commonwealth Capital LLC, a Virginia limited liability company, and its successors and assigns.

2. "Association" shall mean and refer to GRACE HILL HOMEOWNER'S ASSOCIATION, INC., a non-stock Virginia corporation, its successors and assigns.

3. "Member" shall mean every person or entity who holds membership in the Association.

4. "Owner" shall mean the record holder, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Subdivision.

5. "Subdivision" shall mean the entire real property described on that plat of survey by Cundiff H. Simmons, L.S., dated November 30, 2007, entitled "Subdivision Plat Of Grace Hill, Section One," which plat is recorded among the land records of Lancaster County, Virginia in Plat Cabinet 7, page 163C, *et seq.*, and subdivided into Lots, streets, and Common Areas as shown on said plat.

6. "Lot" shall mean any of Lots 1 through 66 and shown as a single family detached residential building lot on the recorded Subdivision plat. Streets are not included. The Declarant reserves the right to dedicate and convey common open space to the Association for recreational and civic purposes, with the Association upon such dedication, to assume all future costs of maintenance of improvements thereon. Any travel ways and related property not taken into Virginia highway system shall be maintained by the Association.

7. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of its Owners, sometimes referred to as "Common Open Space." The Common Area to be owned and maintained by the Association is described and designated on the plat of the Subdivision. Any private alley ways shall be considered as part of the Common Area regarding maintenance with access only to adjoining property owners and their invitees with access at all times for deliveries, law enforcement, and other safety equipment such as firefighting equipment.

8. "Builder" shall mean and refer to NVR, Inc., a Virginia corporation d/b/a Ryan Homes and its successors and assigns or any other person or entity that purchases or otherwise acquires multiple unimproved lots from the Declarant for the purposes of development and sale.

## II. ASSOCIATION

Every Owner of a Lot shall be a member of the GRACE HILL HOMEOWNER'S ASSOCIATION, INC., A non-stock Virginia Corporation. Membership shall be appurtenant to and may not be separated from ownership of a Lot.

1. Membership. The Association shall have two classes of voting Members as

follows:

Class A. Class A Members shall be all Owners with the exception of the Declarant and, once Class A members are entitled to vote, shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in a given Lot, such person or persons shall be Members and the vote for each Lot shall be exercised as they may determine among themselves. In no event shall more than one vote be cast with respect to any Lot owned by Class A Members. So long as the Declarant/Class B member or a Builder holds or controls title to any portion of the real estate in the Subdivision, all of the voting rights of the Owners at any meeting of the Members of the Association or otherwise shall be vested exclusively in the Declarant, and Owners other than the Declarant shall have no voting rights.

Class B. The Class B Member shall be the Declarant who shall be entitled to cast all votes for all Lots at any meeting of the Members. The Class B membership shall cease and be converted to Class A membership when neither the Declarant nor a Builder holds or controls title to any portion of the real estate in the Subdivision. So long as any portion of the Subdivision is still owned by the Declarant/the Class B member or a Builder, the Declarant/Class B member shall also have full and complete authority to appoint all members of the Board of Directors of the Association and any amendment to this Declaration must be approved by the Declarant.

2. Funding. In order to provide additional operating capital for the Association, each new purchaser of a Lot in the Subdivision except the Declarant and Builders, shall pay a \$750.00 capitalization fee to the Association. This amount shall be collected and disbursed to the Association at closing of each purchase and sale of the Lot, or if not paid at closing for any reason the capitalization fee shall be paid by the Owner immediately upon demand of the Association. The capitalization fee shall be in addition to regular and special assessments and shall not be considered an advance payment of such assessments.

3. Board of Directors. The membership shall elect by simple majority the Association's Board of Directors whose responsibility it shall become to conduct all necessary business on behalf of the Association, including, but not limited to,

- i) administration of the Association accounts, (all checks must be approved and signed by two appointed members of the Board of Directors (Finance Committee),
- ii) fixing of regular assessments and their method of collection,
- iii) payment of real estate taxes applicable to the common area,
- iv) maintenance of insurance policies to provide liability coverage as to the Common Areas.

### III. ASSESSMENTS

Declarant hereby covenants for each Lot within the Subdivision, and each Owner of a lot by acceptance of his deed for said Lot, is hereby deemed to covenant to pay to the Association any and all assessments levied by the Association as hereinafter provided. Notwithstanding anything in this Declaration to the contrary, the Declarant and Builder are exempt from and not liable for any fees, assessments, working capital contributions.

There shall be three types of assessment.

A. Regular Annual Base Assessments. Regular assessments shall be established by the Association's Board of Directors as to their amount and method of collection and may be adjusted by the Board of Directors on an annual basis depending on the financial need of the Association. Regular assessments shall generally be in an amount established by the Board of Directors; provided, however, any increase in the annual base assessment of greater than ten percent (10%) over the prior year's general base assessment will not be effective unless it is approved by a majority of the Members who vote at a duly called meeting of the Members of the Association and at which a quorum is present. The annual base assessment applicable as of the date this Restated and Amended Declaration is recorded shall be \$25.00 per month (\$300.00 per year). The annual base assessment shall be payable in monthly or quarterly installments as determined by the Board of Directors. The first regular base assessment accruing to each Lot shall be prorated from the first day of the month following the delivery of the deed of said Lot from the Declarant or a Builder to a purchaser or other Owner.

B. Additional Assessments for Services and Lot Maintenance Provided by the Association. In addition to the annual base assessments, periodic grounds maintenance and weekly trash pickup shall be provided to all Lots except Lots 4 (Tax Map 28K-1-4), 6 (Tax Map 28K-1-6), 37 (Tax Map 28K-1-37) (the "Exempt Lots") and the Association shall charge an additional assessment for such service to the Owners of all Lots except the Exempt Lots in such amount as the Board deems necessary to pay the costs of such services. It is anticipated that the additional assessment amount applicable as of the date this Restated and Amended Declaration is recorded shall be \$200.00 per month (\$2,400.00 per year). The Owners of the Exempt Lots may, prior to January 1<sup>st</sup> of each year, choose to have the Association provide grounds maintenance and trash pickup services to their Lot for that year (January 1-December 31) by giving written notice to the Association's Board of Directors or managing agent, and shall be responsible for paying the additional assessment if they opt to receive such services. The Board of Directors, by resolution and/or by adoption of a contract for such services, shall determine the scope and frequency of grounds maintenance provided on the Lots, and may modify the scope and frequency of such services from time to time as the Board deems appropriate. Trash pickup shall be provided on a weekly basis, shall only include routine household trash that will fit into the bins utilized by the Association's waste management contractor, and shall not include recycling services unless the Board decides that recycling services or additional disposal services will also be provided. The Association shall also be responsible for the maintenance of common driveways on Lots 49 through 57, both inclusive, and Lots 58 through 66, both inclusive (the "Common Driveway Lots"), as further described in Article VI of this Declaration, and shall charge the cost of such maintenance to the Owners of the Common Driveway Lots as an

additional or special assessment. The first additional assessments shall be prorated from the first day of the month following the date that grounds maintenance and/or trash pickup services are provided for the Lot or, if sooner, the first day of the month that maintenance is provided to the common driveway as to the additional assessment for common driveway maintenance.

C. Special Assessments. In addition to the regular annual base assessments and the additional assessments authorized above, the Association may levy a special assessment or assessments for the purpose of defraying, in whole or in part, the cost of any construction, repair, or replacement of a capital improvement on the Common Area including fixtures and personal property related thereto or for any other purpose approved by the Members of the Association. Such special assessments shall be limited to one per year and each such special assessment must be approved by a vote of two-thirds of the Owners of the Lots within the Subdivision. The Association may also levy special assessments against Common Driveway Lots for maintenance of the common driveways upon the approval of two-thirds of the Owners of Common Driveway Lots.

Regular, additional, and special assessments shall be further governed as follows:

1. All assessment funds shall be used exclusively to promote the health, safety, welfare, and recreation of the residents in the Subdivision, for the improvement and maintenance of the Common Areas, and for such other purposes as may be permitted by this Declaration or by applicable law.

2. Each assessment must be fixed at the same rate and method of collection for all Lots within the Subdivision except that the Exempt Lots shall not be required to pay additional assessments unless they opt to receive grounds maintenance and/or trash pickup services and only Common Driveway Lots shall be responsible for additional and special assessments for maintenance of the common driveways.

3. Written notice of all assessments shall be sent to every Owner subject thereto at least 30 days before that assessment becomes due and payable.

4. Any assessment not paid within 15 days after its due date shall be deemed in default and a \$30.00 late fee shall be added and the balance due shall bear interest from its due date at the then current legal rate of interest.

5. If any assessment or installment of an assessment is not paid within 30 days after its due date, the remainder of any annual, additional, and/or special assessment due during that fiscal year shall, at the option of the Board, become immediately due and payable. The Owner shall also be responsible for the reasonable attorney's fees and costs incurred by the Association due to such default.

6. Each assessment, together with any applicable late fees, interest, and reasonable attorney's fees and collections costs, shall be the personal obligation of the person or persons who owned the Lot at the time of the assessment fell due and also shall be a charge on the land

and a continuing lien on the Lot against which such an assessment is made. Said assessment lien shall be subordinate to the lien of any mortgage or deed of trust.

7. The Association may bring an action at law against any Owner in default and/or may, in accordance with §55.1-1833 of the Virginia Property Owners' Association Act, Va. Code §§55.1-1800, *et seq.*, record a memorandum of lien against the Lot and foreclose the lien against the Lot.

8. The Association shall, on demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth the then current status of a specific Lot as to the payment of assessments levied against that Lot.

9. No Owner may waive or otherwise escape liability of assessments provided for herein by non-use of the Common Area, abandonment of his Lot, or for any other reason whatsoever.

#### IV. PROPERTY RIGHTS/COMMON AREA

1. Every Owner of a Lot shall have a right and easement of enjoyment for passive recreation in and to the Common Area as approved by the Association. Said right shall be appurtenant to and shall pass with the title to such Lot, subject to reasonable rules and regulations as may be established from time to time by the Board of Directors of the Association.

2. Subject to such limitations as may be imposed by the Bylaws of the Association, each Owner may delegate his right of enjoyment in and to the Common Areas to the members of his family, guests, tenants, and invitees.

3. There shall be no judicial partition of the Common Area, nor shall Declarant, or any Owner or any other person acquiring any interest in the Subdivision or any part thereof, seek judicial partition thereof. However, nothing contained herein shall be construed to prevent judicial partition of any Lot owned in co-tenancy.

4. No lands in the Common Area shall be denuded, defaced, or otherwise disturbed in any manner at any time without the approval of the Board of Directors of the Association.

#### V. EASEMENTS

1. There are reserved to Declarant and its successors and assigns and to Association, an easement for ingress and egress on and across Common Areas, on those areas of Lots 1 and 48 designated for the purpose of construction and installation of entrance gateway and Subdivision identification signs and the landscaping and maintenance thereof, and on those areas of Lots 41 and 42 designated as a utility easement on that certain plat by Bay Design Group dated March 16, 2020 and titled "Plat Showing Proposed Utility Easement on the Land of Reserve at Lake Chase, LLC," which plat was recorded in the Clerk's Office on November 12, 2020 as Instrument # 200002569.

2. There are further reserved for Declarant, its successors and assigns, until the termination of the Class B membership, the right to grant easements for the installation and maintenance of utilities and drainage facilities across the Lots and parcels in the Subdivision as Declarant may deem reasonable necessary.

3. There are reserved to the Association and its officer, directors, contractors, and agents, such easements as may be needed to allow the Association to fulfill its duties as set forth in this Declaration and by applicable law. This shall include, but is not limited to, an easement over the Lots to provide the grounds maintenance, trash pickup services, and common driveway maintenance provided for in this Declaration, as well as an easement over the Lots to inspect the Lot for the purpose of issuance of the disclosure packet/resale certificates required by Virginia law.

## VI. ROADS AND STREETS

Declarant shall be responsible for the design and construction of all public streets as shown on the recorded plat of the Subdivision. Said design and construction to be applicable standards as set by the State of Virginia or Town of Kilmarnock.

Upon completion of construction and acceptance approved by the State of Virginia, Declarant shall petition the Town Council to petition the Virginia Department of Transportation to accept said streets into the public road system. Prior to acceptance of said streets into the Virginia State's public road system, Declarant shall be responsible for keeping streets in a passable and usable condition.

Declarant, however, is not responsible for damage to roads, ditches, or culvert pipes, or the tracking of mud and debris onto streets as a result of construction on a Lot or Lots. Individual Lot Owners shall be responsible for any such damage resulting from construction on their Lot or Lots. Should such damage occur the repair of which is necessitated by VDOT or the Town, the Lot Owner will be given written notice to repair such damage at his own expense. If said damage is not repaired within fourteen (14) days of notice, Declarant may perform the same, and thereupon place a lien on the land for the cost of same, which lien shall be subordinate only to taxes or deeds of trust.

Common driveways are to be jointly maintained by the Owners of all Lots served by said common driveways. Said driveways and all walks, except trails, shall be concrete.

Common driveways consisting of the twenty-foot (20') alleys serving Lots 49 through 57, both inclusive, and Lots 58 through 66, both inclusive, shall be paved with asphalt and shall be maintained, repaired, and replaced ("Common Driveway Maintenance") by the Association, which shall have the authority to issue special assessments and/or additional assessments against all Lots served by common driveways and to establish reserves for such Common Driveway Maintenance.

## VII. COVENANTS RELATING TO ARCHITECTURAL STANDARDS

1. Exterior of houses shall be constructed of brick, stone, stucco, hardy plank, vinyl,

or wood siding, except for gable ends, entries, porticos, etc., unless otherwise approved by Declarant or its designated representative. Any houses constructed prior to the April 18, 2023 amendment to this Declaration shall be "grandfathered" as to the materials which were used for construction.

2. Garages shall have entrances on the side, front, or rear of dwelling houses.

3. The entry gateway on Harris Road is to be aesthetically appropriate to the neighborhood.

4. Dwelling houses shall have (for a two-story) a minimum of 1400 total sq. ft. with a minimum of 1000 sq. ft. on the first floor and a two-car garage. Single-story to have the minimum of 1100 sq. ft. plus a two-car garage.

5. All driveways shall be made of concrete with a broom finish.

#### VIII. USE RESTRICTIONS

The subdivision shall be occupied and used only as follows:

1. Each Lot shall be used as a residence for a single family and for no other purpose.

2. No business of any kind shall be conducted on any Lot with the exception of the business of Declarant and the transferees of Declarant in developing all of the Lots as provided herein, provided however, home occupations and home professional and other home offices shall be permitted in accordance with the zoning regulations in effect in the Town of Kilmarnock, as the same are from time to time amended.

3. No noxious or offensive activities shall be carried on, in or on any Lot with the exception of the business of Declarant and the transferees of Declarant in developing all of the Lots as provided herein.

4. No sign of any kind shall be displayed to public view on a Lot or Common Area without the prior written consent of the Architectural Committee, except customary name and address signs and lawn signs of not more than five square feet in size advertising a Lot for rent or sale.

5. Nothing shall be done or kept on a Lot or on the Common Area which would increase the rate of insurance relating thereto without the prior written consent of the Association, and no Owner shall permit anything to be done or kept on his Lot or the Common Area which would result in the cancellation of insurance on any residence or on any part of the Common Area, or which would be in violation of any law.

6. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot or on the Common Area. However, dogs, cats and other household pets may be kept on Lots subject to such rules and regulations as may be adopted by the Board of Directors of the Association, so long as they are not kept, bred, or maintained for commercial purposes.

7. No rubbish, trash, or garbage or other waste materials shall be kept or permitted on any Lot or on the Common Area except in sanitary containers located in appropriate areas concealed from public view.

8. No fence, hedge, wall, or other dividing instrumentality shall be constructed or maintained on any Lot except upon approval of the Architectural Committee as provided herein. All fences shall be white vinyl. Said approved fences shall not intrude into the front yard. Any fences constructed prior to the April 18, 2023 amendment to this Declaration shall be "grandfathered" as to the material which were used for construction.

9. No outbuilding, basement, tent, shack, garage, trailer, shed, or temporary building of any kind shall be used as a residence, either temporarily or permanently.

10. No building shall be erected, placed, or altered on any Lot in this Subdivision until the building plans, specifications, and plot plans showing the location of such building have been approved in writing as to conformity and harmony of external design with existing structures in the Subdivision and as to location of the building with respect to topography and finished ground elevation by the Architectural Committee. The Architectural Committee shall be selected by Declarant as long as any Lots are owned by the Declarant or a Builder. Thereafter, the Board of Directors of the Association shall appoint the Architectural Committee or, if no separate Architectural Committee is appointed, the Board of Directors shall serve in this role. All such approvals shall be determined by said Architectural Committee, in its sole discretion, and no member of the Association, jointly or in concert, shall have any recourse from any determination of said Architectural Committee.

11. No repair work or disassembling of automobiles will be permitted, except such minor repair work as is commonly performed by the typical automobile owner.

12. Except as to common driveways which are addressed elsewhere in this Declaration, the Owners of each Lot shall be responsible for maintaining the driveway and entrance apron giving the Owner access to the State maintained road, within the boundaries of their respective Lots in good condition and repair, using the same type of materials employed in the original construction and surfacing of the driveways.

13. All telephones, electric, and other utility lines and connections between the main utility lines and the residences or other buildings on each Lot shall be concealed and located underground so as not to be visible.

14. No vehicle, trailer, storage container, recreational vehicle, RV, or similar item may be placed in an alley for greater than 24 hours.

15. Only those antennas expressly permitted under the Federal Communications Commission's Over-the-Air Reception Devices (OTARD) Rule implementing Section 706 of the Telecommunications Act of 1996, as amended from time to time, are allowed. All others are expressly prohibited. As of the date of the recording of this instrument, the following are permitted under OTARD: (a) direct broadcast satellite (DBS) antenna one (1) meter or less in

diameter or diagonal measurement, (b) antennas designed to receive Multipoint Distribution Services (MDS) that are 39.37 inches (one (1) meter) or less in diameter, (c) antennas designed to receive television broadcast signals of any kind, (d) transmission-only antennas if they are necessary for the use of a covered reception antenna and are one (1) meter or less in diameter, and (e) masts used in conjunction with any of these antennas (collectively, the foregoing are referred to as "Covered Antennas"). The foregoing list is subject to change pursuant to changes in OTARD and/or any other applicable laws. Covered Antennas shall be located in accordance with architectural guidelines adopted by the Board of Directors of the Association, to the extent such restrictions are not prohibited by OTARD Rule, and an application for Architectural Committee approval must be submitted for any device deviating from the following:

- i. Television broadcast Covered Antennas must be installed inside a dwelling unit whenever possible.
- ii. No roof antenna shall extend more than ten (10) feet above the highest point on the roof.
- iii. Satellite dish antenna if eighteen inches or less, shall be located on the rear of the house either just below the roof ridge or the fascia board below the roof eaves, or if larger than eighteen inches, shall be located behind the rear foundation of the house.
- iv. Any cable associated with a satellite dish or other antenna shall be buried or shall not be visible on the structure to which it is attached or extended. If the satellite dish is mounted on a pole affixed to the ground, the pole and the cable associated with such satellite dish should be screened such that the pole and cable are not visible from the street(s) adjoining the Lot.

#### IX. GENERAL PROVISIONS

1. Declarant, the Association, or any Owner shall have the right to enforce, by any proceeding at law, or in equity, all conditions, covenants, easements, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by Declarant, the Association, or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter, and each Member of the Association, by his acceptance of the deed of conveyance of his Lot, acknowledges that he has received and read a copy of these Protective Covenants and Restrictions, and hereby, for himself and on behalf of his heirs, successors, and assigns forever waives and relinquishes any right of action he may have, or which may hereinafter accrue, jointly or in concert with other Members, against the Declarant, the Association, the Architectural Committee, or the Board of Directors of the Association, or the individual members thereof for any failure to enforce any of the Covenants and/or Restrictions set out herein.

2. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force or effect. Where the context so requires, the use of the masculine gender shall include the feminine and/or neuter genders and the singular shall include the plural, and vice versa, and the word "person" shall include any corporation, firm, partnership, or other form of association.

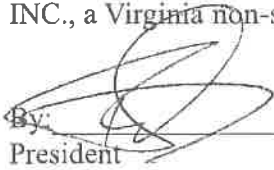
3. Covenants and restrictions of this Declaration may be amended by duly recording an instrument executed and acknowledged by not less than three-quarters of the Association membership votes. Declarant reserves the right, until conveyance of the last lot, to modify these covenants to alleviate hardship.

4. No breach of any conditions herein contained or reentry by reason of such breach shall defeat or render invalid the lien of any mortgage made in good faith and for the value as to the Subdivision or any Lot therein; provided, however, that such conditions shall be binding on any Owner whose title is acquired by foreclosure, trustee sale, or otherwise.

5. The covenants and restrictions of this Declaration shall run with and by the land and shall inure to the benefit or and be enforceable by the Association or a Member thereof for a period of twenty-five years from the date hereof, and thereafter shall renew automatically for unlimited successive additional periods of ten (10) years each, unless otherwise agreed to in writing by the then owners of a least three-fourths (3/4) of the Subdivision Lots. No amendment may be made to this Declaration so long as there is a Class B membership unless the Class B member provides a written consent to such amendment. No amendment to this Declaration may remove, revoke, or modify any right or privilege of a Builder without the prior written consent of the Builder.

IN WITNESS WHEREOF, the President of the Association has signed this Restated and Amended Declaration upon the requisite approval by the Owners and Members of the Association.

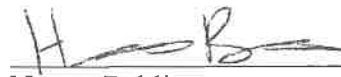
GRACE HILL HOMEOWNER'S ASSOCIATION,  
INC., a Virginia non-stock corporation.

By:   
President

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF Henrico

On this 31 day of July, 2023, before me, the undersigned notary public, personally appeared Robert Lewis, the President of Grace Hill Homeowner's Association, Inc., a Virginia non-stock corporation, who is known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

  
Notary Public

My commission expires: 06-30-2026  
Notary registration #: 8002491



VIRGINIA COMMONWEALTH CAPITAL LLC, a  
Virginia limited liability company

By: [Signature]

Its: President

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF Henrico

On this 31 day of July, 2023, before me, the undersigned notary public,  
personally appeared Robert Lewis, the Manager  
of Virginia Commonwealth Capital LLC, a Virginia limited liability company, who is known to  
me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing  
instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

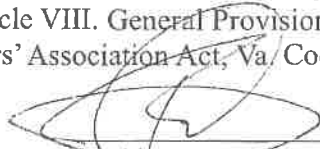
[Signature]  
Notary Public

My commission expires: 06-30-2026  
Notary registration #: 8002491



CERTIFICATE OF THE PRESIDENT

The President of Grace Hill Homeowner's Association, Inc. hereby certifies that the requisite majority of the Members of the Association and Owners of Lots approved this Restated and Amended Declaration and the amendments set forth herein by signing the amendment or ratifications thereof as required by Article VIII. General Provisions, Section 3 of the Declaration and § 55.1-1829 of the Property Owners' Association Act, Va. Code §§55.1-1800, *et seq.*

  
\_\_\_\_\_  
President

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Henrico

On this 31 day of July, 2023, before me, the undersigned notary public, personally appeared Robert Lewis, the President of Grace Hill Homeowner's Association, Inc., a Virginia non-stock corporation, who is known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

  
\_\_\_\_\_  
Notary Public

My commission expires: 06-30-2026  
Notary registration #: 8002491



INSTRUMENT 230001342  
RECORDED IN THE CLERK'S OFFICE OF  
LANCASTER COUNTY CIRCUIT COURT ON  
AUGUST 1, 2023 AT 12:47 PM  
DIANE H. MUMFORD, CLERK  
RECORDED BY: SGW

