

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



60 2015 00031985

Instrument Number: 2015- 00031985

As

Recorded On: December 30, 2015

Restrictive Covenants

Parties: PONDS OF MCGAHEYSVILLE LLC THE

To

NO GRANTEE

Recorded By: LENHART PETTIT PC

Num Of Pages: 24

Comment: PARCEL STONEWALL

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

Restrictive Covenants	6.50	11 - 30 Pages	28.50
Recording Charge:	35.00		

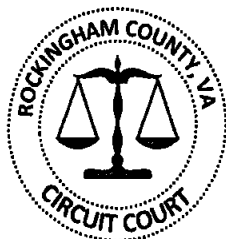
**** THIS PAGE IS PART OF THE INSTRUMENT ****

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

File Information:

Record and Return To:

Document Number: 2015- 00031985	LENHART PETTIT PC
Receipt Number: 335369	90 NORTH MAIN ST
Recorded Date/Time: December 30, 2015 01:55:03P	SUITE 201
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THE STATE OF VIRGINIA}
COUNTY OF ROCKINGHAM}

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

CLERK OF COURT
ROCKINGHAM COUNTY, VIRGINIA

PREPARED BY AND RETURN TO:
 LISA ANNE HAWKINS (VSB #44738)
 LENHART PETTIT PC
 90 NORTH MAIN STREET, SUITE 201
 HARRISONBURG, VA 22802

ROCKINGHAM COUNTY TAX MAP NO. 142-(A)-L116H

**PROTECTIVE COVENANTS FOR
 THE PONDS SUBDIVISION**

THESE PROTECTIVE COVENANTS FOR THE PONDS SUBDIVISION are made and executed this 7th day of December, 2015, by THE PONDS OF MCGAHEYSVILLE, L.L.C., a Virginia limited liability company (together with its successors and assigns, "Declarant").

1. DECLARATION

1.1 Declarant is the record owner of the parcels of real property collectively comprised of 4.428 acres, more or less, situated in the County of Rockingham, Virginia, as more particularly described in Exhibit A, being Phase 1 of The Ponds Subdivision, as platted concurrently herewith (the "Development Property"). Declarant also owns of record a parcel of real property situated in the County of Rockingham, Virginia, comprised of 63.973 acres, more or less, that is more particularly described in Exhibit B (the "Expansion Property"). The Development Property and all other real property that is later added to and becomes part of The Ponds Subdivision as permitted by this Declaration (the "Subdivision") are referred to as the "Property." Declarant reserves the right to add all or any part of the Expansion Property to the Subdivision at any time and from time to time.

1.2 Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following easements, restrictions, and covenants, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property. These easements, covenants, restrictions and conditions shall run with the Property and shall be binding on and benefit all parties having or acquiring any rights, title or interest in the Property or any part thereof.

2. DEFINITIONS

2.1 "Act" has the meaning given to it in Section 3 below.

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

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

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

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

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

2.7 "Association" means The Ponds Property Owners' Association, Inc., a Virginia nonstock corporation, and its successors and assigns.

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

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

2.10 "Common Elements" means (a) any real estate, together with any improvements located thereon, within the Subdivision that is owned or leased by the Association or that the Association is otherwise required to operate, manage, maintain or repair, including Open Space of the Subdivision but excluding Lots and any real estate or improvements that are dedicated to and/or maintained by the County of Rockingham, Virginia, the Virginia Department of Transportation or other governmental body or authority, and (b) any personal property owned or leased by the Association.

2.11 "Common Expenses" means (a) all costs, expenses and liabilities incurred by or on behalf of the Association, including, but not limited to, costs, expenses and liabilities for (i) managing, operating, maintaining, repairing, altering and improving the Common Elements; (ii) administering and enforcing the covenants, conditions, restrictions, reservations and easements created by this Declaration; (iii) levying, collecting and enforcing the Assessments, charges and liens due the Association, (iv) regulating and managing the Subdivision; and (v) operating the Association; and (b) allocations to reserves.

2.12 "Declarant" means The Ponds of McGaheysville, L.L.C., a Virginia limited liability company, and any Person that (a) acquires from Declarant all or substantially all of its property at the Subdivision and (b) at the time of such acquisition is designated by Declarant as a successor Declarant under this Declaration. Such instrument may specify the extent and portion of the rights or interest as a declarant that are being assigned, in which case The Ponds of McGaheysville, L.L.C. shall retain all other rights as a declarant.

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

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

2.15 "Development Code" means the applicable subdivision, zoning and other development ordinances of the County of Rockingham, Virginia, as they may from time to time be amended, revised or supplemented.

2.16 "Lot" means any area of real property located within the Subdivision that is designated by number as a lot on any recorded subdivision Plat for the Subdivision (provided that with respect to any portion of the Property designated for multi-family residential use that is developed for multi-family use, "Lot" means each lot or other legally transferable unit of the area (including, without limitation, a duplex unit) following such subdivision).

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

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

2.19 "Mortgagee" means any Person named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such Person under such Mortgage.

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

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

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

2.23 "Plat" or "Plats" means the plat(s) of the Subdivision now or hereafter on file with the Office of the Clerk of the Circuit Court of Rockingham County, Virginia, as such plat(s) may be amended or supplemented from time to time, including without limitation, the plat for Phase 1 as described on Exhibit A.

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

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

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

3. APPLICABILITY OF THE ACT

This Declaration, the Association and the Subdivision are subject to the provisions of the Virginia Property Owners' Association Act, Virginia Code Sections 55-508 et seq. (as the same may be amended from time to time, the "Act"). In the event of any conflict between the provisions of the Act that may not be varied and the provisions of the Association Documents, such provisions of the Act shall control.

4. THE ASSOCIATION

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

4.2 Purposes and Powers.

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

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

4.3 Association Documents.

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

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

terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Articles shall control. In the event of any conflict or inconsistency between the terms and conditions of the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

4.4 Books and Records. Upon request, the Association shall allow Owners and Mortgagees to inspect current copies of the Association Documents and the books, records, budgets and financial statements of the Association at the offices of the Association during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials as well as for the time of Association staff members associated with such inspection. Such materials shall be made available within seven (7) calendar days from date written request received.

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

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

5. MEMBERSHIP IN THE ASSOCIATION

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

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

5.3 Voting.

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

(b) Directors of the Association shall be elected by the affirmative vote of a majority of the votes of Owners present in person or by proxy at a meeting at which a quorum is present called for the purpose of electing directors, except that Declarant reserves the right to appoint all directors of the Association so long as Declarant owns any part of the Property or Expansion Property or if less, for the longest period permitted by law or until Declarant relinquishes such right as to all or any director seat by written notice to the Association.

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

6. BOARD OF DIRECTORS OF THE ASSOCIATION

6.1 Powers of the Board of Directors.

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

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

(c) The Board of Directors shall appoint all members of the ARC and shall have the authority to remove or replace such members, with or without cause, upon a majority vote of the members of the Board of Directors.

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

7. ASSESSMENTS, COMMON EXPENSES, BUDGETS AND LIENS

7.1 Obligations for Assessments and Other Charges.

(a) Declarant, for each Lot it owns, hereby covenants and agrees, and each Owner, by accepting a deed to a Lot (regardless of whether expressly stated in such deed), shall be

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

(b) Except as provided in Sections 7.9 and 15.4 below, (i) the obligation to pay to the Association any Assessment or other charges levied against any Lot shall be a joint and several obligation of the Owner of such Lot and such Owner's successors, assigns, heirs, devisees and personal representatives, and (ii) a Person acquiring fee simple title to a Lot shall be jointly and severally liable with the former Owner of the Lot for all Assessments and other charges that had accrued and were payable when such Person acquired fee simple title to the Lot, for so long as such Person holds fee simple title to the Lot.

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

(d) Notwithstanding anything to the contrary in the Association Documents, the Declarant is not obligated to pay Annual Assessments or Special Assessments on any Lot owned by Declarant which is unimproved or unoccupied.

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

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

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

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

7.4 Budgets. Prior to the first levy of an Annual Assessment, and, thereafter, at least sixty calendar days in advance of the start of each fiscal year, the Board of Directors of the Association shall adopt an annual budget for the Association for the following fiscal year. The budget shall include a reserve fund and other matters as deemed appropriate by the Board of Directors. If the Board of Directors of the Association deems it necessary or advisable to amend an annual budget that it has adopted under this paragraph, the Board of Directors may adopt an amendment to the annual budget.

7.5 Annual Assessments.

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

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

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

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

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

7.7 Default Assessments.

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

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

7.8 Assessment Lien.

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

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

(c) This Section 7.8 does not prohibit: (i) actions or suits to recover sums secured by an Assessment Lien, or (ii) the Association's taking of a deed in lieu of foreclosure.

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

may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's Assessments.

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

7.9 Estoppel Certificates; Notices to Mortgagees.

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

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

8. MAINTENANCE OF COMMON ELEMENTS

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

9. ARCHITECTURAL REVIEW

9.1 Purpose. Any and all exterior design, landscaping and uses of new development on and/or additions to any property within the Subdivision, as well as any changes or alterations thereto, and the location of all improvements on a Lot, shall be subject to review by and consent of the ARC. The goal of such review and consent shall be to create, maintain and improve

the Subdivision as a pleasant and desirable environment, establish and preserve a harmonious design for the community, and protect and enhance the value of the Property.

9.2 Appointment of Members. The Association shall establish the Architectural Review Committee consisting of a minimum of three members, or in the *alternative* shall retain the services of an independent contractor to administer the architectural review process. Each member of the ARC shall be appointed by the Board of Directors of the Association, and any such member may be removed, with or without cause, at any time, by the Board of Directors of the Association by giving written notice to such member. The Association may contract with outside Persons for architectural review services.

9.3 Authority of ARC.

(a) Construction of improvements on any Lot or any other part of the Property by Declarant shall not be subject to ACC approval. With that exception, no building, structure, shed or other improvements of any kind shall be erected, placed or altered on any Lot or any other part of the Property until at least two sets of construction plans and specifications, together with a plat showing the location of the structure, have been submitted to and approved by the ACC as to external design and materials, color, harmony of external design with existing structures and as to location on the Lot. No fence or wall shall be erected, placed or altered on any Lot unless similarly approved. The following, among other things, shall require prior written approval of the ACC: grading; landscaping, tree cutting and clearing; building construction (including, without limitation, exterior finish and color); sign design and erection; exterior changes to property or improvements (including, without limitation, changes of exterior colors by repainting or otherwise); modification, alteration or enlargement of any existing structure; paving and driveways; sheds, fencing; playground equipment, mailboxes; exterior lighting; antennas (radio, television or otherwise) except as provided below as to satellite dishes, and location and maintenance of all structures and improvements. The approval of the ACC shall not be required for alterations or remodeling which are completely within a building or structure, do not change the exterior appearance thereof and are not visible from the outside of the structure.

(b) The ARC shall have the authority but not the obligation to ensure compliance with the proffers and zoning restrictions applicable to the Property. An Owner is responsible for obtaining all required Rockingham County or other governmental approvals for any proposed work on a Lot, and approval of the ARC is not a substitute for such governmental approvals.

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

9.4 Decisions of ARC. Actions taken by the ARC shall not be arbitrary or capricious, and shall be presumed to be enforceable in accordance with their terms. Decisions of the ARC shall be conclusive and binding on all interested parties. Any challenge to a decision of the ARC must be appealed to the Board of Directors of the Association within sixty calendar days after the ARC action, as a prerequisite to any legal action regarding such decision.

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

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

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

10. LIMITATION AND RESTRICTIONS ON BUILDING IMPROVEMENTS

10.1 Improvements Permitted. No building, trailer, tent, or structure may be erected, built, or permitted to remain on any Lot other than an attached residential duplex (where permitted by Development Code) or detached residential home, with customary appurtenances, such as fences, sheds, garages, driveways, walkways, decks, patios, play equipment, hot tubs and similar improvements of a residential accessory character. No above-ground swimming pools are permitted unless the ARC approves in its discretion.

10.2 Residence Standards. Homes constructed within the Subdivision shall have at least 1600 square feet of heated living space for duplexes (each unit) or 2000 square feet of heated living space for detached single-family dwellings, unless a smaller home is approved by the ARC as being consistent with the other homes in the community. No mobile home, double-wide manufactured home, or house trailer shall be constructed or placed on any Lot, on a permanent foundation or otherwise. Modest construction trailers shall be permitted during the period of construction of a home on a Lot.

10.3 Recreational Vehicles. No house camper, recreational vehicle, trailer, bus, commercial equipment, disabled or unlicensed vehicle or material portion thereof, or commercial vehicle larger than $\frac{3}{4}$ ton, may be parked on any street or Lot, unless (a) in the case of commercial equipment, it is temporarily within the Subdivision for the purpose of performing work therein, (b) parked within a completely enclosed structure or otherwise screened in a manner approved by ARC, or (c) on a temporary basis if approved by ARC.

10.4 Open Space. Property within the Subdivision designated on a recorded Plat or this Declaration as Open Space may be used for picnic areas and shelters, playgrounds and other recreational uses, landscape improvements, streams, ponds, lighting, project signage, use-control signage, drainage systems, access and trail easements, and underground utilities or other similar uses approved by Declarant or the Board of Directors. Improvements on Open Space may not be made or installed by or on behalf of anyone other than the Association or the Declarant.

10.5 Square Footage and Setback Requirements. The ARC may establish minimum and maximum square footage requirements with respect to residential or other structures to be constructed on the Property. All improvements on the Lot shall comply with the setback requirements shown on the Plat, including without limitation the requirements that (a) no structures may be constructed within such setback except those that may be constructed within setbacks under the Development Code, and (b) all improvements within the setback are subject to ARC approval.

10.6 Completion of Improvements. The exterior of any dwelling or accessory structure on a Lot shall be completed within one year after commencement of construction, unless an extension is granted by the ARC. Improvements not so completed, or upon which construction has ceased for ninety (90) consecutive days, or which have been partially or totally destroyed and not commenced to be rebuilt within three (3) months, may be declared by the Board of Directors to be nuisances, and after the Owner is given notice and an opportunity to be heard before the Board of Directors, the Association may remove any such nuisance or repair or complete the same at the cost of the Owner.

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

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

10.9 Restriction on Further Subdivision; Combining Lots.

(a) No Lot shall be further subdivided or separated into smaller lots by any Owner, other than Declarant, so as to increase the number of lots in the Subdivision, without the prior approval of the Association and, so long as Declarant owns any portion of the Property or the

Expansion Property, approval of the Declarant. This provision shall not, in any way, limit Declarant from subdividing any portion of the Property or any other land owned by Declarant, including without limitation the Expansion Property.

(b) With the approval of the Board of Directors, any Owner of two or more adjacent Lots, which Lots share one or more lot lines, may resubdivide said Lots for the purpose of adjusting the size of the resulting lot or lots so long as the requirements of the Development Code are met.

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

10.11 Animals. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other usual household pets may be kept provided that they are not kept, bred or maintained for commercial or charitable purposes, or in unusual numbers, and do not constitute a threat to the safety or reasonable enjoyment of others in the community. Owners shall clean up after their pets. All pets must be kept on a leash or otherwise reasonably confined when outside an Owner's residence so as not to become a nuisance or threat to others.

10.12 Restriction on Signs. No signs or advertising devices of any nature shall be erected or maintained on any Property except signs approved by the ARC, signs required by law or legal proceedings, or signs installed by Declarant. As to signs approved by the ARC, the ARC shall have the authority to approve the size and location but may not prohibit "For Sale" or other signs permitted by the Act and other applicable law.

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

11. USE OF LOTS

11.1 Residential Purposes Only.

(a) No Lot may be used other than for residential purposes with customary accessory uses. Such customary accessory uses shall specifically exclude bed-and-breakfast and other similar operations, which are hereby expressly prohibited as a use of Lots.

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

(c) Rental properties may not be leased to or occupied by more than three unrelated adults unless approved by the Board of Directors in its discretion after notice and an opportunity to comment is given to all adjoining property owners, except to the extent otherwise provided by law.

(d) Model homes and sale offices by Declarant or builders authorized by Declarant or the Association are permitted, and shall not be considered a violation of this paragraph.

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

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

12. EASEMENTS; PARTY WALLS

12.1 Members' Easements of Enjoyment in Common Elements. Subject to the provisions of the Association Documents and the Association's authority to regulate and manage the Common Elements, Declarant reserves to itself, its successors and assigns, and hereby grants and conveys to every Owner and every guest or tenant of such Owner an easement of enjoyment in and to the Common Elements. Such easement shall be appurtenant to and shall pass with the title of every Lot. The Association or Declarant shall have the right, at any time and from time to time, to dedicate or transfer utility and drainage easements on any part of the Common Elements to any public or private utility company.

12.2 Declarant Reservation. Declarant reserves to itself, its successors and assigns, the right to all easements designated on any Plat, for any purpose or use necessary or convenient for the use and occupancy of the Property, the Expansion Property or any other property owned by

Declarant, which easements, permits or licenses may include, without limitation, water, sewer, gas, electricity, television cable, drainage, and irrigation.

12.3 Association's Easements Over Lots. Declarant hereby grants the Association and the ARC an easement over, across, through and under each Lot to (a) exercise any right held by the Association or the ARC under this Declaration or any other Association Document, and (b) perform any obligation imposed upon the Association or the ARC by this Declaration or any other Association Document. Notwithstanding the foregoing, neither the Association nor the ARC shall enter upon any Lot without reasonable prior notice to the Owner of the Lot, except in cases of emergency.

12.4 Emergency Access Easement. Declarant hereby grants a perpetual non-exclusive easement to all police, sheriff, fire protection, ambulance and other similar agencies and persons to enter upon the Property in the performance of their duties.

12.5 Party Walls.

(a) Each wall which is built as part of the original construction of duplex improvements upon Lots, and placed on the dividing line between Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Section 12.5, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply.

(b) The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

(c) If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Notwithstanding anything in this Section to the contrary, any Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to each Owner's successors in title.

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

13.1 Right to Include Additional Real Property. For so long as Declarant owns any portion of the Property or the Expansion Property, Declarant may subject additional real property, including, but not limited to, all or any part of the Expansion Property and adjoining property, to this

Declaration by recording in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia, an instrument signed by Declarant to that effect. Upon the recording of such instrument, (i) the real property described therein shall thereafter be part of the Property and shall be governed by all of the provisions herein, and (ii) the Declaration shall be deemed amended to add such additional property to the definition and description of the Property herein.

13.2 Right to Exclude Real Property. For so long as Declarant owns any portion of the Property or the Expansion Property, any real property made part of the Subdivision and subject to this Declaration, pursuant to this Declaration, may at any time prior to conveyance of such property to a third party be excluded from the Subdivision and made no longer subject to this Declaration by the recording in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia, of a written instrument signed by Declarant containing (a) a legal description of the real property to be excluded, (b) a statement that such real property is owned by Declarant, and (c) a statement that said real property shall no longer be deemed to be a part of the Subdivision or bound by or subject to any part of this Declaration.

13.3 The Ponds Name. The name "The Ponds" may be used by Declarant, its members and their respective affiliates to refer to all or any part of the Expansion Property or other nearby properties, regardless of whether such property is ever made subject to the Declaration. The name "The Ponds" is proprietary to Declarant and may not be used without Declarant's written authorization.

14. ENFORCEMENT AND REMEDIES

14.1 Enforcement. The Association and Declarant shall have the right to enforce, by any proceeding at law or in equity (including actions seeking injunction), all restrictions and covenants in the Declaration. Failure to so enforce shall not constitute a waiver. In addition, if an Owner fails to perform or observe any covenant or condition on such Owner's part to be performed or observed under this Declaration or any other Association Document, the Association shall have the following rights and remedies:

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

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

(c) The Association shall have all other rights and remedies available to it under this Declaration, at law or in equity.

All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy. Failure

to enforce any provision of this Declaration shall not operate as a waiver of any such provision or of any other provision of this Declaration.

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

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

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

15. MISCELLANEOUS

15.1 Term; Termination. This Declaration shall be in effect for a period of fifty (50) years from the date of its recordation, and shall thereafter be automatically extended for successive and unlimited periods of ten (10) years each. This Declaration may be terminated at the expiration of the initial 50-year term or any subsequent 10-year term, by recorded instrument signed by the Secretary and President of the Association attesting that such termination was approved by 75% of votes of Owners present in person or by proxy at a duly-called meeting in accordance with the Act and the Association Documents. Notwithstanding anything to the contrary set forth herein, Declarant may terminate this Declaration at any time prior to the conveyance of any portion of the Property to a third party.

15.2 Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first three (3) years by Declarant unilaterally, and thereafter by the affirmative vote and written, recorded action of not less than sixty percent (60%) of the votes allocated to Members. For so long as Declarant owns any part of the Property or Expansion Property, any amendment to this Declaration must also be approved by Declarant. Notwithstanding anything to the contrary herein, this Declaration may be amended by Declarant and solely by Declarant at any time prior to conveyance of a Lot to a third party, and thereafter to correct errors or ensure compliance with applicable standards and requirements of the secondary mortgage market.

15.3 Lender's Interest Not Impaired. No violation or breach of, or failure to comply with, any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any Mortgagee taken in good faith and for value and

perfected by recording in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia, prior to the time of recording in said office of an instrument describing such Property and listing the name or names of the Owner or Owners of fee simple title to the Property and giving notice of such violation, breach or failure to comply; nor shall such violation, breach, failure to comply or action to enforce affect, defeat, render invalid or impair the title or interest of the holder of any such Mortgage acquired by a bona fide purchaser upon foreclosure of any such Mortgage, or result in any liability, personal or otherwise of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Declaration with the exception of violations or breaches of, or failures to comply with, any provisions of this Declaration which occurred prior to the vesting of fee simple title in such purchaser.

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

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

15.6 Disclaimer of Representations. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS DECLARATION, DECLARANT MAKES NO WARRANTIES OR REPRESENTATIONS WHATSOEVER THAT THE PLAN PRESENTLY ENVISIONED FOR THE COMPLETE DEVELOPMENT OF THE SUBDIVISION CAN OR WILL BE CARRIED OUT OR THAT THE EXPANSION PROPERTY OR ANY OTHER LAND NOW OWNED OR HEREAFTER ACQUIRED BY DECLARANT IS OR WILL BE SUBJECTED TO THIS DECLARATION, OR THAT ANY SUCH LAND, WHETHER OR NOT IT HAS BEEN SUBJECTED TO THIS DECLARATION, IS OR WILL BE COMMITTED TO OR DEVELOPED FOR A PARTICULAR USE, OR THAT IF SUCH LAND IS ONCE USED FOR A PARTICULAR USE, THAT SUCH USE WILL CONTINUE IN EFFECT.

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

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

THE PONDS OF MCGAHEYSVILLE, L.L.C.,
a Virginia limited liability company

By: Helen M. Hopkins
Helen M. Hopkins

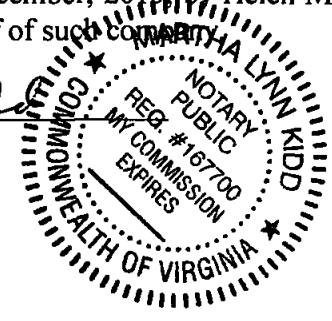
Its: Manager

STATE OF VIRGINIA)
) SS.
CITY OF HARRISONBURG)

The foregoing was acknowledged before me this 7th of December, 2015, by Helen M. Hopkins as Manager of The Ponds of McGaheysville, L.L.C., on behalf of such company.

Witness my hand and official seal. Martha L Kidd
Notary Public

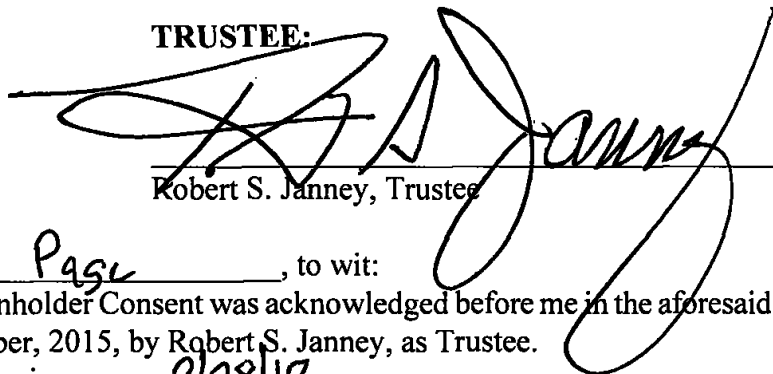
My Commission Expires: 11/31/19
Notary Registration No.: 167207

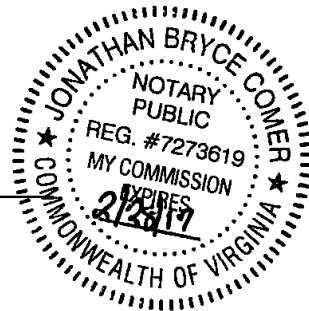


LIENHOLDER CONSENT

The Property described in the attached Protective Covenants and shown on the plat of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 4657, page 22, is subject to the lien of a Credit Line Deed of Trust dated February 18, 2015, and of record in the aforesaid Clerk's Office in Deed Book 4531, page 728, as modified by Credit Line Deed of Trust Modification dated September 17, 2015, and of record in the aforesaid Clerk's Office in Deed Book 4627, page 367. In consideration of the mutual benefit to be derived therefrom, the undersigned Trustee, authorized to act by the Beneficiary as shown by its execution hereto, freely agrees that the lien of said Deed of Trust as modified and now in effect shall be and the same is hereby subordinated to the foregoing Protective Covenants for The Ponds Subdivision.

TRUSTEE:



Robert S. Janney, Trustee



STATE OF VIRGINIA,
CITY / COUNTY OF Page, to wit:

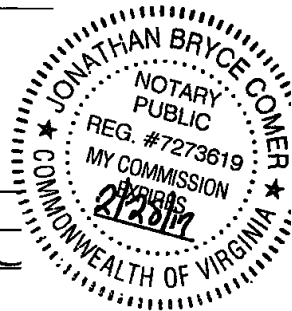
The foregoing Lienholder Consent was acknowledged before me in the aforesaid jurisdiction this 8th day of December, 2015, by Robert S. Janney, as Trustee.
My commission expires: 2/28/17.

[SEAL]


Notary Public Registration No.: 7273619

BLUE RIDGE BANK, Beneficiary

By: Julie A Catron
Name: JULIE A CATRON
Title: AVP- CREDIT ADMINISTRATOR



STATE OF VIRGINIA,
CITY / COUNTY OF Page, to wit:

The foregoing Lienholder Consent was acknowledged before me in the aforesaid jurisdiction this 8th day of December, 2015, by Julie A. Catron as AVP of Blue Ridge Bank, on its behalf.
My commission expires: 2/28/17.

[SEAL]



Notary Public Registration No.: 7273619

EXHIBIT A

(Attached to and forming a part of the
Protective Covenants for The Ponds Subdivision)

LEGAL DESCRIPTION OF THE PROPERTY

ALL that certain lot or parcel of land containing 4.428 acres, more or less, situate on the northwestern side of Island Ford Road (State Route 649) in Stonewall District, Rockingham County, Virginia, and being more particularly described by a plat entitled "Final Plat The Ponds Subdivision, Phase 1," made by Jeffrey S. Simmons, L.S., dated July 2, 2015, revised July 31, 2015, and of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 4657, page 22.

EXHIBIT B

(Attached to and forming a part of the
Protective Covenants for The Ponds Subdivision)

LEGAL DESCRIPTION OF THE EXPANSION PROPERTY

ALL that certain tract of land containing 68.401 acres, more or less, lying on the northeastern side of Island Ford Road (State Route 649), being more particularly described on the plat of survey entitled "Division Survey of the Cave Hill Farm Property" made by Hal T. Benner, L.S., dated July 18, 2011, and signed January 26, 2012, which plat is recorded in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 4001, page 64.

LESS AND EXCEPT that certain lot or parcel of land containing 4.428 acres, more or less, situate on the northwestern side of Island Ford Road (State Route 649) in Stonewall District, Rockingham County, Virginia, and being more particularly described by a plat entitled "Final Plat The Ponds Subdivision, Phase 1," made by Jeffrey S. Simmons, L.S., dated July 2, 2015, revised July 31, 2015, and of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 4657, page 22.

BEING the remainder of the property acquired by The Ponds of McGaheysville, L.L.C., a Virginia limited liability company, by deed dated April 26, 2012, from Cave Hill Farm, L.L.C., a Virginia limited liability company, of record in the aforesaid Clerk's Office in Deed Book 4041, page 398.

HB283910-6.DOC



THIS DOCUMENT WAS PREPARED BY:
LISA ANNE HAWKINS (VSB# 44738)
LENHART PETTIT PC
90 NORTH MAIN STREET, SUITE 201
HARRISONBURG, VIRGINIA 22802

TITLE INSURANCE UNDERWRITER INSURING THIS
INSTRUMENT: NONE

TAX MAP NO.: 142-(A)-L116H (PORTION)

**FIRST SUPPLEMENT AND AMENDMENT TO
PROTECTIVE COVENANTS
OF
THE PONDS SUBDIVISION**

This First Supplement and Amendment is made this 16th day of June, 2017, by THE PONDS OF MCGAHEYSVILLE, LLC, a Virginia limited liability company ("Declarant"), to be indexed as Grantor, and constitutes a supplement and amendment to the Protective Covenants for The Ponds Subdivision, made by Declarant, of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia in Deed Book 4669, page 137 (the "Covenants").

WHEREAS, under Article 13 of the Covenants the Declarant has the right to add all or any part of the Expansion Property (as that term is defined in the Covenants) to the terms and conditions of the Covenants;

WHEREAS, Declarant has platted Phase 2 of The Ponds Subdivision ("Phase 2") upon a plat of survey entitled "Final Plat The Ponds Subdivision, Phase 2" made by Jeffrey S. Simmons, L.S., dated May 25, 2017, revised June 7, 2017, which plat is recorded in the aforesaid Clerk's Office in Deed Book 4892, page 585 (the "Phase 2 Plat") and which Phase 2 property (the "Phase 2 Property") comprises a portion of the Expansion Property; and

WHEREAS, the Declarant desires to add that portion of the Expansion Property included in Phase 2 to The Ponds Subdivision and subject the same to the terms and conditions of the Covenants.

NOW THEREFORE, in the furtherance of the uniform development of the community known as The Ponds Subdivision, Declarant hereby declares:

- (a) That Phase 2 Property is a portion of the Expansion Property and is currently owned by Declarant;
- (b) That the legal description of Phase 2 is set forth on the Phase 2 Plat; and
- (c) Declarant hereby declares that the property within Phase 2, consisting of 9.786 acres comprised of thirteen (13) lots, being shown and subdivided as Lots 7 through 19 inclusive, and one area of open space shown as Open Space 0.376 Acres pursuant to

the Phase 2 Plat, shall at all times hereafter be owned, held, used, occupied, sold and conveyed subject to the provisions of the Covenants and to the covenants, conditions and restrictions, easements, reservations, assessments and charges contained in the Covenants, which shall run with the Phase 2 Property and bind all parties having any right, title or interest in the Phase 2 Property, or any portion thereof, and their respective successors, assigns, heirs, devisees and personal representatives.

Declarant reserves the right to withdraw all or any of such lots or Open Space from the Covenants at any time prior to conveyance to a third party purchaser, by recordation of an instrument to that effect.

All capitalized terms not defined herein shall have the same meaning as defined in the Covenants.

This First Supplement and Amendment shall hereafter be deemed for all purposes as a part of the Covenants.

IN WITNESS WHEREOF, Declarant has executed this First Supplement and Amendment as of the 22nd day of June, 2017.

THE PONDS OF MCGAHEYSVILLE, LLC,
a Virginia limited liability company

By: Cave Hill Farm, L.L.C., its Manager

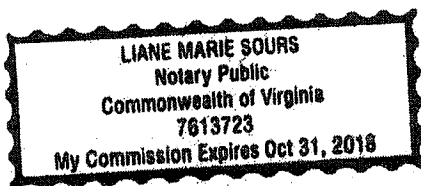
By: Helen M. Hopkins
Name: Helen M. Hopkins
Title: Manager

STATE OF VIRGINIA
CITY OF HARRISONBURG, to-wit:

The foregoing First Supplement and Amendment to Declaration of Protective Covenants for The Ponds Subdivision was acknowledged before me in the jurisdiction aforesaid this 22nd day of June, 2017, by Helen M. Hopkins as Manager of Cave Hill Farm, L.L.C., the Manager of The Ponds of McGaheysville, LLC, on its behalf.

My commission expires: Oct 31st, 2018

(SEAL)



Liane M Sours
Notary Public
Notary Public Registration No. 7613723

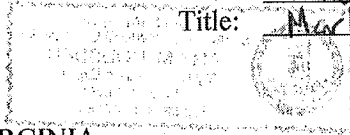
LIENHOLDER CONSENT

The Phase 2 Property is subject to the lien of the Credit Line Deed of Trust dated February 18, 2015, of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia in Deed Book 4531, page 728, as modified by Credit Line Deed of Trust Modification dated September 17, 2015, of record in the aforesaid Clerk's Office in Deed Book 4627, page 367, last modified by Credit Line Deed of Trust Modification dated May 18, 2016, of record in the aforesaid Clerk's Office in Deed Book 4732, page 117 (collectively, the "Deed of Trust"). Blue Ridge Bank, as beneficiary of the Deed of Trust, hereby acknowledges its consent to the foregoing First Supplement and Amendment to Protective Covenants of The Ponds Subdivision, and agrees that in the event of a foreclosure, or other sale of said property in said Deed of Trust under judicial or non-judicial proceeding, the same shall be sold subject to said Covenants. Trustee under the Deed of Trust signs below to effect subordination of the Deed of Trust to this First Supplement and Amendment.

NOTEHOLDER:

BLUE RIDGE BANK

By: Jonathan B Comer
Name: Jonathan B. Comer
Title: Market President



COMMONWEALTH OF VIRGINIA,

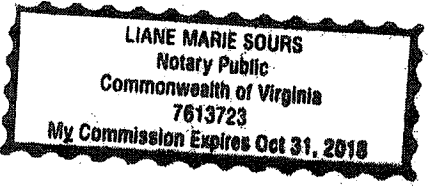
CITY/COUNTY Harrisonburg, to wit:

The foregoing instrument was acknowledgment before me in the aforesaid jurisdiction this 21st day of June, 2017, by Jonathan B Comer as Market President of Blue Ridge Bank, Noteholder.

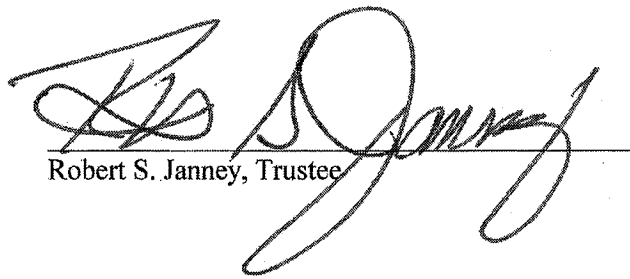
My commission expires: 10/31/2018

Liane M Sours
Notary Public
Notary Registration No. 7613723

(SEAL)



TRUSTEE:


Robert S. Janney, Trustee

COMMONWEALTH OF VIRGINIA,

CITY/COUNTY Page, to wit:

The foregoing instrument was acknowledgment before me in the aforesaid jurisdiction this 21st day of June, 2017, by Robert S. Janney, Trustee.

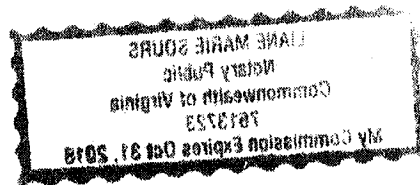
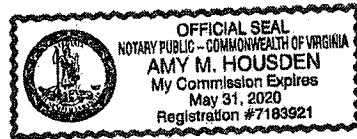
My commission expires: May 31, 2020


Notary Public

(SEAL)

Notary Registration No. 7183921

619525-3





THIS DOCUMENT WAS PREPARED BY:
LISA ANNE HAWKINS (VSB# 44738)
HAWKINS LAW PLC
P.O. BOX 4
BRIDGEWATER, VIRGINIA 22812

RETURN TO:
SAME AS ABOVE

TAX MAP NO. 142-(A)-L116H
(PORTION)

**THIRD SUPPLEMENT AND AMENDMENT TO
PROTECTIVE COVENANTS
OF
THE PONDS SUBDIVISION**

THIS THIRD SUPPLEMENT AND AMENDMENT is made this 27th day of May 2021, by **THE PONDS OF ISLAND FORD LLC**, a Virginia limited liability company (“**Declarant**”), to be indexed as Grantor, to supplement and amend the Protective Covenants for The Ponds Subdivision of record in the Clerk’s Office of the Circuit Court of Rockingham County, Virginia (the “**Clerk’s Office**”), in Deed Book 4669, page 137, as amended by the following of record in the Clerk’s Office: (1) First Supplement and Amendment of record in Deed Book 4892, page 594, and (2) Second Supplement and Amendment of record in Deed Book 4981, page 460 (the “**Covenants**”). By Assignment of Declarant Rights dated December 29, 2020, of record in the Clerk’s Office in Deed Book 5349, page 633, The Ponds of Island Ford LLC became the “**Declarant**” under the Covenants by assignment from the original Declarant, The Ponds of McGaheysville, LLC, of its Declarant rights under the Covenants.

Recitals

A. Under Article 13 of the Covenants, Declarant has the right to expand The Ponds Subdivision by adding all or any part of the Expansion Property (as defined in the Covenants) to the Covenants.

B. Declarant has platted a portion of the Expansion Property as Phase 3 of The Ponds Subdivision (“**Phase 3**”) by the subdivision plat dated March 10, 2021, revised May 26, 2021, entitled

“The Ponds Subdivision Phase Three” prepared by Hal T. Benner, L.S. of Benner & Associates, which plat is to be recorded in the Clerk’s Office prior to this Supplement and Amendment (the **“Plat”**).

Declaration

NOW THEREFORE, Declarant exercises its right to add that portion of the Expansion Property shown on the Plat to the Covenants governing The Ponds Subdivision and declares that the Phase 3 property shown on the Plat shall constitute part of the **“Property”** as defined in the Covenants which shall at all times be owned, held, used, occupied, sold and conveyed subject to the covenants, conditions, restrictions, easements, reservations, assessments, charges and other provisions in the Covenants, all of which shall run with the land and bind all parties having any right, title or interest in any portion of the Phase 3 property as described on the Plat, together with their successors, assigns, heirs, devisees and personal representatives. Each **“Lot”** shown on the Plat shall be a **“Lot”** and all **“Common Area”** shown on the Plat shall be a **“Common Element”** under and as defined in the Covenants. Declarant reserves the right to withdraw any or all Phase 3 property from the Covenants at any time prior to conveyance to a third party, as provided in Section 13.2 of the Covenants.

Special Disclosures regarding Private Airstrip

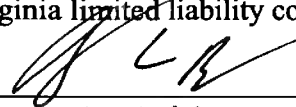
As noted on the Plat, Lots 23, 24, 35 and 36 as created and designated on the Plat are subject to a proffered condition which prohibits construction of a dwelling on any of those four Lots so long as the existing special use permit for use of a private airstrip on the adjoining property known as Rockingham County tax parcels 142-(A)-112 and 112H (the **“Private Airstrip”**) remains in effect.

All owners of Lots within The Ponds are put on notice that the airspace above The Ponds Subdivision is within the flight path of small aircraft using the adjoining Private Airstrip, which

may create noise, risks to safety, and other impairments to residents' peaceful enjoyment of property within The Ponds.

IN WITNESS WHEREOF, The Ponds of Island Ford LLC, a Virginia limited liability company, has caused this Supplement and Amendment to be executed in its name and on its behalf by the undersigned on due authority.

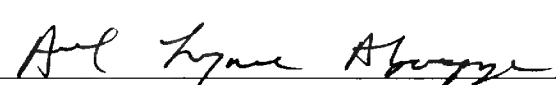
THE PONDS OF ISLAND FORD LLC,
a Virginia limited liability company

By:  (SEAL)
NATHAN W. BLACKWELL, Manager

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing Supplement and Amendment was acknowledged before me in the jurisdiction aforesaid this 1st day of June, 2021, on behalf of The Ponds of Island Ford LLC, by Nathan W. Blackwell, its Manager.




Notary Public
Notary Public Registration No.: 7732185
My Commission Expires: April 30, 2025

**[Prepared based on the direction of the Grantor
without the benefit of a title examination.]**