

PINE KNOLL FARMS

DECLARATION OF ROAD MAINTENANCE AGREEMENT

THIS DECLARATION, made this 5th day of December, 2002, by WOODS GAP LAND

& TIMBER L.L.C., a Virginia Limited Liability Company, hereinafter styled, "Developer."

W I T N E S S E T H:

WHEREAS, by deed dated September 3, 2002, and of record in the Clerk's Office of the Circuit Court of Patrick County, Virginia, at Instrument No. 020259, the Developer took title to tracts in that certain Subdivision known as "Pine Knoll Farms," located in the Mayo River Magisterial District of Patrick County, Virginia; and

WHEREAS, a portion of said property has been subdivided as shown on that certain plat prepared by T. G. Slusher, L.S., dated November 8, 2002, which plat is recorded in the Clerk's Office of the Circuit Court of Patrick County, Virginia, at P1-, and as partially shown on that plat showing Tracts A & B of Pine Knoll Farms, Section Two, by T. G. Slusher, L.S., survey revised December 2, 2002, which is recorded in the aforesaid Clerk's Office, at _____ (collectively referred to as "the plat"); and

WHEREAS, by this Declaration the Developer wishes to establish a road maintenance agreement for the hereinafter described tracts and lots in the said Subdivision

NOW THEREFORE, the Developer hereby declares that, unless otherwise provided for herein, all of the properties described hereafter shall be held, sold and conveyed subject to the following Road Maintenance Agreement, said Agreement being for the purpose of protecting the value and desirability of the real property in said Subdivision and being binding on all parties having any right, title, or interest in the described properties or any part thereof, and their heirs, successors, and assigns, and shall enure to the benefit of Developer's successors and assigns and shall run with the land. All Owners as defined herein join in this Declaration and shall be subject to this Road Maintenance Agreement, unless otherwise provided for herein. The part of that road deemed to be a common road and which is the subject of this Road Maintenance Agreement is all of the 50' right-of-way shown on the aforementioned survey and as reserved in a certain reservation of easements of even date herewith.

*Del. To James Skeritt
12/12/02*

ARTICLE I
DEFINITIONS

Section 1. "Road Association" shall mean and refer to Pine Knoll Farms Subdivision Road Association, its successors and assigns.

Section 2. "Owners" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to Tract Nos. 8 through 21 of Pine Knoll Farms, as shown on that plat referenced above, as well as owners of any tracts which adjoin the common roads which are a part of Section Two of Pine Knoll Farms, which is to be subdivided at a later date.

Section 3. "Properties" or "Tracts" shall mean and refer to Tracts or Lots Nos. 8 through 21 of said Subdivision known as Pine Knoll Farms Subdivision, as well as any tracts which adjoin the common roads which are a part of Section Two of Pine Knoll Farms, which is to be subdivided at a later date and any additions thereto as may be brought within the jurisdiction of the Road Association by separate agreement.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a tract which is subject to assessment herein shall be a member of the Road Association, except that any Owner purchasing a tract which has frontage on a public road may opt not to participate in this Road Maintenance Agreement by written instrument to be recorded in the Clerk's Office if the Circuit Court of Patrick County, Virginia. Should an Owner opt out of this Road Maintenance Agreement, he or she shall have no right to use the common road and he or she, for his/her heirs, successors and assigns, forever RELEASES and waives any easements and right of ways reserved unto said Lot. Should an Owner choose to participate in this Road Maintenance Agreement, membership may not be separate from ownership of any tract which is subject to assessment.

Section 2. All Owners shall be entitled to one vote for each lot owned.

**ARTICLE III
CALL OF FIRST MEETING**

Section 1. An organizational meeting of the said Road Association shall be held no later than six (6) months after the sale of two or more lots, or after August 1, 2003, regardless of the number of lots sold, for the purpose of electing officers and taking account for the collection of any and all assessments hereinafter made reference to.

Section 2. The meeting date shall be established and notice given for the organizational meeting by Developer.

Section 3. Notice for the said organizational meeting shall be given by the said Developer at least seven (7) days prior to the scheduled date and time of said meeting. Said notice being given by letter sent by regular mail to the last known addresses of the Owners of tracts in said Subdivision and to adjoining landowners who may choose to become a part of this Agreement. The Owner shall be responsible for giving notice to any other dwellers on his or her tract of such meeting.

Section 4. A quorum for said organizational meeting shall be all Owners of tracts therein present and shall not require a majority or any percentage of owners to establish a quorum for conducting business.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the lien and personal obligation of assessments. The Owners of each lot subject hereto within the Subdivision, hereby covenant, and each Owner of any lot by acceptance of this document by the execution hereof or by the acceptance of any future Deed therefore, whether or not it shall be so expressed in such Deed (unless the Owner has opted out of this Road Maintenance Agreement as provided in Article II), is deemed to covenant and agree to pay the Road Association and its official officers: (1) Annual assessments or charges; and (2) Special assessments for capital improvements to the road as established by the organization hereafter. The annual and special assessments together with interest, costs, and reasonable attorney's fees shall be

a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who is the Owner of such property at the time when the assessment fell due, or of the person dwelling on such tract who uses the road. Personal obligation for delinquent assessment shall not pass to its successors in title unless expressly assumed by them.

Section 2. Purpose of assessments. The assessments levied by the Road Association shall be used exclusively to provide for the maintenance of the roadway, the right of way to which is fifty (50) feet in width, and which roads run from Virginia Secondary Route No. 694 through the property as shown on the survey. Developer assumes no liability for continuing upkeep of the road.

Section 3. Maximum annual assessment. The maximum annual assessment shall be \$100.00 per tract.

Section 4A. When due. The annual assessment shall be due on or before the first day of July of each year, beginning no less than seven (7) days prior to the first meeting.

Section 4B. Any additional assessment or any increase in the maximum annual assessment provided herein after the first meeting, shall be made only upon a vote of two-thirds of the members of the Road Association who are present and voting at a meeting duly called for that purpose by the officers of the Road Association. Votes by proxy shall not be counted for this meeting.

Section 5. Special assessments for capital improvements. In addition to the annual assessments authorized above, the Road Association may levy in any assessment year a special assessment applicable only to that year for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair, or replacement of such roadway provided that any such assessment shall have the assent of two-thirds of the votes of the members of the Road Association whether voting in person or by proxy at a meeting called for that purpose.

Section 6. Notice. Except for the organizational meeting, written notice of any meeting

called for the purpose of taking any action authorized under any Sections herein shall be sent to all Owners not less than fifteen (15) days, nor more than thirty (30) days in advance of the meeting. A quorum for said meeting shall be the same as for the organizational meeting. Notice shall be given by the secretary of the Road Association by mail.

Section 7. Uniform rate of assessment. Both annual and special assessments must be fixed at uniform rate for all lots and all lots are responsible for the assessment therein created.

Section 8. Increase of assessments. Annual assessments may be increased, but any such increase as provided for herein must be made at least thirty (30) days in advance of the due date of each annual assessment.

Section 9. Effect of nonpayment of assessment. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Road Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the same obligation against the property.

Section 10. Subordination of lien. The lien of the assessment provided for herein shall be subordinated to the lien of any first mortgage. Sale or transfer of any tracts shall not affect the assessment lien. No sale or transfer shall relieve such tract from liability for any assessment thereafter becoming due or from the lien thereof.

Section 11. Damage from construction. Each lot owner shall be individually responsible for damage to the road caused by the use of construction equipment or heavy equipment not compatible with residential use.

Section 12. Savings account or checking account. With the signing of this agreement, the parties hereto agree to establish an escrow savings or checking account with a local bank and to deposit in said account such assessments paid by Owners.

Section 13. Responsibility for own driveways. Each Owner shall be responsible for maintaining his or her own driveway leading off of the common road to his or her tract or lot.

Section 14. Opt out. An Owner may opt out of this Road Maintenance Agreement by signing documents to release all easements and rights to use the common road(s) maintained by this Agreement. The Owner desiring to opt out of the Road Maintenance Agreement must be current and have paid in full any and all fees and assessments due to the Road Maintenance Agreement.

**ARTICLE V
GENERAL PROVISION**

Section 1. Severability. Invalidity of any of these covenants or restrictions by judgment or Court Order shall in no way affect any other provision which shall remain in full force and effect.

Section 2. Amendment. The covenants and restrictions of this declaration shall run with and bind the land for a term of twenty (20) years from the date of this declaration, after which time they shall be automatically extended for successive periods of ten (10) years. This declaration may be amended in the first twenty (20) year period by an instrument signed by not less than sixty percent (60%) of the tract owners, and thereafter by an instrument signed by not less than sixty percent (60%) of the tract owners, and thereafter by an instrument signed by not less than sixty percent (60%) of the tract owners. Any amendment must be recorded to be valid.

Section 3. Developer. Developer has no obligation for payment of the assessment on any tract or tracts owned by Developer and which are part of the Pine Knoll Farms Subdivision.

Section 4. At such time as the VDOT may assume full responsibility for upkeep and maintenance of the road, then this Road Maintenance Agreement shall terminate and all monies held by the Road Association shall be returned to owners in proportion to the payments made by each owner.

WITNESS the following signatures and seals.

WOODS GAP LAND & TIMBER, L.L.C.,
a Virginia Limited Liability Company

By  (SEAL)
Ronnie D. Bolt, Member
DEVELOPER