

**DECLARATION OF PROTECTIVE COVENANTS AND CONDITIONS
OF
BEACON HILL SUBDIVISION**

THIS DECLARATION OF PROTECTIVE COVENANTS, ("Declaration") is made on this 29th day of June, 2001, by BEACON HILL OF HARRISONBURG, LLC, a Virginia limited liability company, hereinafter "Declarant", and BEACON HILL HOMEOWNER'S ASSOCIATION, INC., hereinafter "Association", whose address is Clark and Bradshaw, 92 North Liberty Street, Harrisonburg, VA 22801.

W I T N E S S E T H:

WHEREAS, Declarant, Beverly F. Knight, Elaine N. Joecks, Jamey Cordell Groff and Genevieve Lynn Moyer-Groff are the owners of certain property in the City of Harrisonburg, Commonwealth of Virginia, which consists of eight (8) lots, more or less, being developed as Beacon Hill Subdivision Section One and being more particularly described as all remaining lots and streets, which have not been vacated, of Beacon Hill Subdivision Section One, as originally recorded in Deed Book 1731, at Page 560. The property consists of all streets dedicated by the aforesaid subdivision; together with Lots 33, 34, 35, 50, and 51; Lot 36 as shown on the "Resubdivision of Lots 36 and 37, Beacon Hill Subdivision, Section One," recorded in Deed Book 1938, at Page 403; Lot 54, and 55 as shown on the "Re-subdivision of Lots 53, 54, and 55, Beacon Hill Subdivision, Section One," recorded in Deed Book 1938, at Page

407; together with the utility easements as shown on the aforesaid plat entitled "Vacation of Lot Lines in Beacon Hill Subdivision, Section One, DB 1731/560."

WHEREAS, the aforesaid owner of the aforesaid parcel of land, in order to insure purchasers of said parcel a uniform mode of development, desires that all of the Lots in said Subdivision, but specifically excluding all other lands of the Grantor, be sold subject to the following restrictions, conditions, covenants, limitations, and easements;

WHEREAS, a Declaration of Protective Covenants and Conditions of Beacon Hill Subdivision was recorded in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia in Deed Book 1731, page 569;

WHEREAS, a second Declaration of Protective Covenants and Conditions of Beacon Hill Subdivision was recorded in the aforesaid Clerk's Office in Deed Book 1815, page 541;

WHEREAS, this Declaration of Protective Covenants and Conditions dated June 29, 2001, shall revoke the aforesaid Declarations of Protective Covenants;

WHEREAS, Beacon Hill of Harrisonburg, LLC conveyed to Beverly F. Knight by deed dated March 19, 2001, and recorded in the aforesaid Clerk's Office in Deed Book 1899, page 782 Lot 50, Section 1 of Beacon Hill Subdivision as described on a plat entitled "Final Subdivision Plat Beacon Hill Subdivision Section One" dated August 5, 1999, and made by Mark D. Smith, C.L.S., which plat is recorded in the aforesaid Clerk's Office in Deed Book 1731, page 560. Beverly F. Knight joins in this Declaration to evidence her consent to both the revocation of the aforesaid Declarations of Protective Covenants and Conditions and the implementation of this Declaration of Protective Covenants and Conditions;

WHEREAS, Beacon Hill of Harrisonburg, LLC conveyed to Elaine N. Joecks, by deed dated April 9, 2001, and recorded in the aforesaid Clerk's Office in Deed Book 1903, page 639 Lot 34, Section 1 of Beacon Hill Subdivision as described on a plat entitled "Final Subdivision Plat Beacon Hill Subdivision Section One" dated August 5, 1999, and made by Mark D. Smith, C.L.S., which plat is recorded in the aforesaid Clerk's Office in Deed Book 1731, page 560. Elaine N. Joecks joins in this Declaration to evidence her consent to both the revocation of the aforesaid Declarations of Protective Covenants and Conditions and the implementation of this Declaration of Protective Covenants and Conditions;

WHEREAS, Beacon Hill of Harrisonburg, LLC conveyed to Jamey Cordell Groff and Genevieve Lynn Moyer-Groff, by deed dated May 17, 2001, and recorded in the aforesaid Clerk's Office in Deed Book 1920, page 1, Lot 34, Section 1 of Beacon Hill Subdivision as described on a plat entitled "Final Subdivision Plat Beacon Hill Subdivision Section One" dated August 5, 1999, and made by Mark D. Smith, C.L.S., which plat is recorded in the aforesaid Clerk's Office in Deed Book 1731, page 560. Jamey Cordell Groff and Genevieve Lynn Moyer-Groff join in this Declaration to evidence their consent to both the revocation of the aforesaid Declarations of Protective Covenants and Conditions and the implementation of this Declaration of Protective Covenants and Conditions;

WHEREAS, Albermarle First has liens on the property which are subject to this Declaration. Albermarle First, by its trustee, joins in this Declaration to evidence its consent to both the revocation of the aforesaid Declarations of Protective Covenants and Conditions and the implementation of this Declaration of Protective Covenants and Conditions.

WHEREAS, Albermarle First obtained a lien on the property which is subject to this Declaration by Deed of Trust recorded in the aforesaid Clerk's Office in Deed Book 1723, page 335. Said Deed of Trust was corrected in by a document recorded in the aforesaid Clerk's Office in Deed Book 1772, page 383 and modified by a document recorded in the aforesaid Clerk's Office in Deed Book 1857, page 541. Albermarle First, by its trustee, joins in this Declaration to evidence its consent to both the revocation of the aforesaid Declarations of Protective Covenants and Conditions and the implementation of this Declaration of Protective Covenants and Conditions.

NOW, THEREFORE, BEACON HILL OF HARRISONBURG, LLC, Declarant, BEVERLY F. KNIGHT, ELAINE N. JOECKS, JAMEY CORDELL GROFF, and GENEVIEVE LYNN MOYER-GROFF, Owners, covenant and agree for themselves, their successors and assigns, that each and every one of said Lots shown on said plats shall be sold and held by the purchasers thereof, their heirs, successors, devisees, and assigns, subject to the following restrictions, conditions, covenants, limitations, and easements which shall run with the title to said Lots. The aforesaid covenants recorded in Deed Book 1731, page 569 and Deed Book 1815, page 541 are hereby revoked.

AND, FURTHER, at such time as 75 percent (75%) of the Lots are sold in the Beacon Hill Subdivision, which includes any Additional Land henceforth defined, Declarant shall delegate and assign to the Association, hereinafter defined, the powers of owning, maintaining and administering the Common Areas, including, but not limited to common green areas. Further, the Declarant delegates and assigns to the Association the power of administration and

enforcement of the protective covenants, which includes but is not limited to: collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, health, safety, and welfare of the residents.

ARTICLE I

Unless the context clearly indicates to the contrary, the terms listed below shall be construed in accordance with the following definitions.

Definitions

SECTION 1. "Additional Land" shall mean and refer to certain adjoining parcels of property located in the City of Harrisonburg, Virginia, adjoining Section One. Said parcels, whether now owned by Declarant or hereafter acquired, are reserved for future development by Declarant.

SECTION 2: "Approval" shall mean and refer to the issuance by any public agency of written approval, or any written waiver of approval rights, or formal letter stating "no objection".

SECTION 3: "Association" shall mean and refer to Beacon Hill Homeowners' Association, Inc., a non-stock, non-profit organization, formed by filing its by-laws with the Clerk of the Circuit Court of the County of Rockingham, in the City of Harrisonburg, Virginia, which shall function as the homeowners' association for the Subdivision.

SECTION 4: "Common Areas" shall consist of all property included in Section One and such Additional Land as may be later included that is not included within or as part of a Lot.

This term shall also include areas indicated as "Private Open Space" on the Final Subdivision Plat of Beacon Hill Subdivision.

SECTION 5: "Declaration" shall mean and refer to this Declaration of Protective Covenants and all other provisions herein set forth in this entire document, as the same may from time to time be amended by supplementary declaration.

SECTION 6: "Declarant" shall mean and refer to Beacon Hill of Harrisonburg, LLC, its successors and assigns; provided, however, that no successor or assignee of the Declarant shall have any rights or obligations of the Declarant hereunder unless such rights and obligations are specifically assigned by Beacon Hill of Harrisonburg, LLC, by document recorded on these land records or unless such rights and obligations of the Declarant inure to the successor of Beacon Hill of Harrisonburg, LLC. The rights and obligations set forth herein of Declarant, as Declarant, shall cease when Declarant settles the sale of Lots (including improvements on the Additional Land) representing 75% or more of the aggregate Lots.

SECTION 7: "Mortgage" is any first deed of trust or mortgage encumbering the Lot.

SECTION 8: "Mortgagee" is the holder of a note secured by mortgagee who has given written notice to the Association stating its name, address, and Lot subject to its mortgage.

SECTION 9: "Institutional Lender" shall mean and refer to one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds, or business trusts, including, but not limited to, real estate investment trusts, any other lender regularly engaged in financing the purchase, construction, or improvement of real estate, or any assignee of loans made by such a lender, or

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any private or governmental institution which has insured a loan of such a lender, or any combination of any of the foregoing entities.

SECTION 10: “Lot” shall mean and refer to any plot of land showing upon the recorded plat of Section One and any Additional Land together with any improvements thereon (with the exception of Common Areas as herein defined).

SECTION 11: “Members” shall mean and refer to members of the Association, as defined herein, each of whom shall be the owner of all or a portion of Lot. Members are entitled to a vote in Association meetings based on their ownership in a Lot, all portions of which comprise no more than one vote per Lot.

SECTION 12: “Notice” shall mean and refer to (i) written notice delivered personally or mailed to the last known address of the intended recipients; or (ii) notices published at least once a week for two consecutive weeks in a newspaper having general circulation in Rockingham County; or (iii) notice published in two consecutive issues of the newsletter of the Association which is delivered personally or mailed to the address of a Member.

SECTION 13: “Occupant” shall mean and refer to a resident of a Lot who is the owner, contract purchaser, lessee, or sub-leaser who holds a written lease having an initial term of at least six months. There shall be no more than three unrelated occupants per Lot for the purposes of this Declaration.

SECTION 14: “Owner” shall mean and refer to the record holder of the fee simple title to any Lot, whether referring to one person or entity or collectively to more than one person or entity who have joint ownership of the Lot, including contract sellers; the term “owner” shall

exclude those having an interest merely as a security for the performance of an obligation. And Owner, whether one or more persons, is entitled to only one vote at Association meetings.

SECTION 15: "Subdivision" shall mean the subdivision to be constructed on the property herein described and the Additional Land.

ARTICLE II

Property Subject to this Declaration and Additions Thereto

SECTION 1: Each Lot is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration.

SECTION 2: "Additional Land" Additional Land, as previously defined herein, may become subject to this Declaration in the following manner:

A. Additions by the Declarant. The Declarant shall have the unilateral right to subject to the Declaration any Additional Land, as herein defined. The "Additional Land" consists of approximately 30 acres of land. The Additional Land will become part of the Subdivision upon the Declarant recording 1) one or more subdivision plats setting forth further sections and 2) supplemental declarations and By-laws subjecting the Additional Land. However, the Declarant is not obligated to expand the Subdivision.

ARTICLE III

The Association

SECTION 1: Organization. The Association is a nonprofit, nonstock organization existing under the laws of Virginia and charged with the duties and powers prescribed by law and set forth in the governing documents, as such may be amended from time to time, provided

no other governing document shall be amended for any reason or otherwise changed or interpreted so as to be inconsistent with this Declaration.

SECTION 2: Membership shall be appurtenant to the Lot. Membership shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except as provided in the governing documents. No person, firm, or corporation holding any lien, deed of trust, or other encumbrance upon any Lot or upon the Subdivision as a whole shall be entitled by virtue of such lien, deed of trust, or other encumbrance to membership in the Association or to any of the rights or privileges of such membership.

SECTION 3: Voting. Each member shall have the rights, duties, and obligations set forth in the governing documents. Each Lot shall be allocated one vote regardless of its number of owners.

SECTION 4: Exterior Maintenance: The Association shall be responsible for all maintenance, repair, and replacement of the Common Areas; however, the Association shall not be responsible for maintaining the exterior or interior of the homes, nor of Lots owned by Association members. The cost of all such maintenance, repairs, replacements made by the Association to the Common Areas shall be a common expense unless (i) in the opinion of not less than 2/3 of the Board of Directors of the Association, such expense was incurred due to the negligence, misuse, or neglect of an Owner, in which event such expense may be charged to the responsible Owner, or (ii) the Owner has agreed by separate agreement with the Association to pay for such maintenance, repairs, and replacements to the Common Areas of a special or unique nature or benefit to the Owner.

ARTICLE IV

ARCHITECTURAL CONTROL

SECTION 1. The appearance of Beacon Hill Subdivision, including Common Areas and Lots, shall be governed by the By-laws of the Beacon Hill Homeowners Association, adopted by the Beacon Hill Homeowners Association Board of Directors. Some, but not all, of those pertinent by-laws are: No building, landscaping, fence, wall, or other structure shall be commenced, erected, or maintained upon the Lots or Common Areas nor shall any exterior addition to or change, including paint or trim, or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color of paint, quality of workmanship, and location of same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of not less than three and no more than seven representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within 30 days after said plans and specifications have been submitted to it, approval shall be considered DENIED and this Article will deemed to have been fully complied with.

ARTICLE V

COMMON AREAS

SECTION 1: Obligations of the Association. The Association shall be responsible for the management and control for the benefit of the members of the Common Areas conveyed to it, and shall keep the same in good, clean, attractive, and sanitary condition, order and repair.

The Association shall be responsible for removing snow in the commonly traveled areas of the parking areas, maintenance of landscaping in the Common Areas, including but not limited to, lawn mowing and trimming shrubs and trees. Under no circumstances shall the Beacon Hill Homeowners' Association be required to provide, maintain or repair streets, sidewalks, lighting, trash removal or similar services that are or would be the duty of the City of Harrisonburg

SECTION 2: Alterations of Common Areas by Declarant. Declarant reserves the right to modify, alter, remove, or improve defective, obsolete, or nonfunctional portions of the Common Areas, including, without limitation, any equipment, fixtures, landscaping and appurtenances, when in Declarant's sole discretion it is necessary or desirable to do so, until the expiration of the applicable warranty period.

SECTION 3: Structural Integrity. Nothing shall be done to any Lot, or in, on, or to the Common Areas, which may impair the structural integrity of any improvement.

SECTION 4: Easement of Enjoyment Common Areas shall be subject to the provisions herein, every owner shall have a right and nonexclusive easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to every Lot, and every member shall have a right of enjoyment to the Common Areas.

SECTION 5: Extent of Member's Easement. The members easement of enjoyment created hereby shall be subject to the following:

- a. The right of the Association to establish reasonable admission and other fees for the use of the Common Areas

b. The right of the Association to suspend the right of a member to use the Common Areas for any period during which any assessment against his Lot remains unpaid for more than thirty (30) days after notice until such default has been remedied; the right of the Association to suspend the right of a member to use the recreational facilities for infraction of regulations in the governing documents;

ARTICLE VI

MAINTENANCE OF PARTY WALLS

SECTION 1. General Rules of Law to Apply. Each wall which is built as part of the original construction of any structure upon the real estate subject to this Declaration and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omission shall apply thereto.

SECTION 2. Sharing of Repair and Maintenance. The cost or reasonable repair and maintenance of the party wall shall be shared by the owners who make use of the wall in proportion to such use.

SECTION 3: Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may repair or restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost or 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.

SECTION 4: Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this article shall be appurtenant to and run with land and shall pass to such Owners' successors in title.

SECTION 5: Association's Right to Maintain. In the event that any Owner shall fail to maintain a party wall in a manner satisfactory to the Board of Directors, the Association, after 30 day's prior written notice to such owner, and upon affirmative vote of the majority of the Board of Directors, shall have the right (but not the obligation), through its agents and employees to enter upon such Lot and to repair, maintain, and restore the party wall. The cost of such repair and maintenance shall be added to and become a part of the assessment to which the Lot is subject.

SECTION 6: Easements. Each Lot and the property included in the Common Areas shall be subject to an easement for encroachment created by the construction, settling, and overhangs of structures designed or constructed by the Declarant. A valid easement for setting encroachments and the maintenance of same, so long as it stands, shall and does exist. In the event that the homes on one or more Lots shall be partially or totally destroyed and then rebuilt, the Owner of the Lot so affected agree that minor encroachments of parts of the adjacent homes due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist. Every portion of a building contributing the support of an abutting building shall be burdened with an easement of support for the benefit of such abutting building.

ARTICLE VII**COVENANT FOR ASSESSMENTS**

SECTION 1: Creation of the Lien and Personal Obligations of Assessments. The Declarant hereby covenants each Owner of any Lot by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association such annual and special assessments as are established and paid in the manner hereinafter provided.

All such assessments, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which such assessment was made. Each such assessment together with interest thereon and costs of collection thereof, including attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due and shall not pass as personal obligation to his successors in title unless expressly assumed by them. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

SECTION 2: Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust. Seller's transfer of any Assessable Lot shall not affect the assessment lien. However, the sellers transfer of any Lot pursuant to foreclosure of first mortgage or first deed of trust or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which

become due prior to such seller transfer. No seller transfer shall relieve Lot from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION 3: Method of Assessments. All assessments shall be levied by the Association against Lots based on their size and style, and collected and disbursed by the Association. The Board of Trustees shall fix the amount of the assessments as provided hereinafter and set the date such assessment shall become due.

SECTION 4: Annual Assessments. Annual Assessments shall be payable quarterly.

A.. Assessments.

1. Purpose. The general assessment shall be used exclusively to promote the health, safety, and welfare of the members of the Association as a whole and in particular to improve, maintain, and operate the Common Areas and the facilities, and shall include the funding of appropriate reserves for future maintenance, repair, and replacement.

2. Method of Assessment. By a vote of two-thirds (2/3) of its members, the Board shall fix the assessments to be collected annually provided, however that the annual assessment shall be sufficient to meet the obligations imposed by the Declaration and the Supplementary Declarations. In the event the Board fails to fix an assessment for any fiscal year, then each assessment established for the prior year shall automatically be continued until such time as the Board acts.

3. Date of Commencement of Annual Assessments. The first quarter payment or portion thereof of the first annual assessment provided for herein shall be paid at closing.

Subsequent quarterly payments shall be due on the first day of the month of the subsequent quarters.

4. Special Assessments - Capital Assessment. The Association may levy, in any assessment year, a special assessment against the Lots applicable to that year and payable together with interest over not more than the next three succeeding years, for the purpose of deferring, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Areas, provided that any such assessment shall require the affirmative vote of the majority of the members.

5. Restoration Assessment. The Association may levy a restoration assessment upon any Lot whose owner fails to maintain such Lot or who fails to provide such maintenance funds as may be assessed by the Homeowners Association for such Lot.

6. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment installment not paid within thirty (30) days after the due date shall be delinquent. Thereupon, the Association shall give notice of such delinquency as provided by law and may

- (a) declare the entire balance of such annual or special assessment due and payable in full;
- (b) charge interest from the due date at a percentage rate no greater than as permissible by the State of Virginia law, such rate to be set by the Board for each assessment;
- (c) charge a penalty to be set by the Board of Trustees;

(d) give notice to the owner that in the event accrued interest and penalties are not paid within thirty (30) days from the date of such notice, then the expressed contractual lien provided for herein shall be filed and/or enforced; and

(e) upon registered notice to owner or occupant of the Lot, suspend the right of such owner or occupant to vote or to use the recreational facilities until the assessment, accrued interest, penalties, and costs of collection are paid in full.

ARTICLE VIII

SPECIAL PROTECTIONS

SECTION 1: Residential Use. Unless otherwise stated herein, all Lots shall be used for private residential purposes exclusively. No trailer, tent, garage, or other outbuilding may be placed or constructed upon any Lot and used as a residence, temporary or permanent. Nothing except temporary nonresidential uses may be permitted by the Board of Directors of the Association (the "Board of Directors") from time to time. Nothing in this document shall be construed to prohibit the Declarant from (a) using any Lot which Declarant owns for construction, business, promotional, marketing for display purposes as "model homes", or (b) leasing any Lot or Lots which Declarant owns. Any Owner that is a corporation, trust, or partnership shall annually notify the Association in writing of the name or names of those persons entitled to use the Lot.

SECTION 2: Leasing. No Lot shall be rented for transient or hotel purposes or for any period less than six (6) months without the prior written approval of the Board of Directors. Furthermore, no portion of the Lot less than an entire Lot shall be rented. No Owner shall lease

a Lot other than on a written form of lease: (i) requiring the lessee to comply with the Subdivision instruments and such rules and regulations as are promulgated by the Board of Directors from time to time; (ii) providing that failure to so comply constitutes a default under the lease; (iii) providing that the Board of Directors shall have the power to terminate the lease or bring summary proceedings to evict the lessee in the name of the Owner/lessor upon any such default which is not cured by either the lessee or the Owner/lessor within thirty (30) days after delivery of written notice of such default to each of them. Each Owner shall, promptly following the execution of a lease of a Lot, forward a copy thereof to the Board of Directors certified by the Owner as true, correct, and complete. The provisions of this section shall not apply to the Declarant, nor to any mortgagee who comes into possession of the Lot by reason of any remedies provided by law or in any mortgage or as a result of foreclosure or judicial sale, or as a result of any proceeding, arrangement, or deed in lieu of foreclosure.

SECTION 2A: Uses of Commercial Property. A portion of the Additional Land is designated commercial on the Master Plan approved by the City of Harrisonburg, Virginia and Declarant has the right to operate, lease, or sell the Lot subject to applicable zoning regulations.

SECTION 3: Prohibited Uses and Nuisances.

1. No Owner shall permit anything to be done or kept in his Lot or upon the Common Areas which will result in the cancellation of insurance on the Subdivision or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste will be committed by any Owner in the Common Areas.

2. No unlawful use shall be made of the Subdivision or any part thereof, and all laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency requiring any repair or alteration to any portion of the Subdivision shall be complied with, by and at the sole expense of the Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Subdivision. If the latter, then the cost of such compliance shall be a Common Expense, unless at least two thirds (2/3) of the Board of Directors determine that an alteration is required to satisfy the needs of the particular Owner, in which event the cost of the alteration may be charged to the Owner.

3. No Owner shall obstruct any of the Common Areas nor shall any Owner store anything upon any of the Common Areas. Any items determined by the Board of Directors to be existing in violation of the foregoing may be removed without any notice being required. Vehicular parking upon the Common Areas if provided and available may be regulated or assigned by the Board of Directors. Nothing shall be altered or constructed in or removed from the Common Areas without the prior written consent of the Board of Directors.

4. The Common Areas shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Lots. Nothing shall be kept upon or at the Common Areas or Lots which may be or become an annoyance to the Subdivision or the other Owners, with the exception of materials and tools and vehicles used to complete work on behalf of the Declarant.

5. Nothing shall be done in any Lot or in or on the Common Areas which might impair the structural integrity, or change the structure or external appearance, of any part of any Lot without the prior written consent of the Board of Directors.

6. No motorized vehicles, including, without limitation, motorcycles, ATVs and mopeds, may be driven or used upon the Common Areas (except paved roads) without the prior written consent of the Board of Directors.

7. No noxious or offensive trade or activity shall be carried on within the Subdivision or within any Lot, nor shall anything be done thereon or therein which may be or become an annoyance or nuisance to the Subdivision or the other Owners. Declarant, during construction, is not bound by this provisions.

8. In units with a garage, the garage shall not be converted into or used exclusively for storage spaces, living spaces, or for any other purpose other than the housing of vehicles.

9. No Lot shall be sold to or occupied by more than three unrelated persons.

10. In the event that a dwelling is destroyed, the Owner of the dwelling within thirty (30) days from said destruction, shall clear away the remaining portion of the dwelling unit and maintain the lot in a neat and orderly condition. No structure other than a dwelling unit of at least the same dimensions and architecture and size as the unit destroyed shall be constructing in the place of the original unit.

11. The Association shall have the right to adopt such additional rules and regulations that it deems in the best interest of the Subdivision.

SECTION 4: Governing Conditions

1. Personal Property

To promote an attractive Subdivision in which prospective buyers would like to live, all personal property, such as barbecue grills, lawn chairs, bicycles, patio tables, etc., must be kept in a neat and orderly arrangement in the rear of the house.

No signs, awnings, clothes lines, canopies, shutters, antennae, lights, electrical outlets, basketball backboards, rims and nets, nor satellite dishes nor any other device nor ornament be affixed to or placed upon any lot or dwelling including the exterior walls, doors, fences or roof without the prior written approval of the Board of Directors. Nor may any fences be constructed without the prior written approval of the Board of Directors.

Exceptions: This provision does not apply to seasonal holiday decorations, provided they are put up and taken down in a timely manner. Satellite dishes less than 18" in diameter are permitted if placement does not, in the sole opinion and discretion of the Homeowners Association Board, detract from the appearance of the property.

2. Decorative Items

While sales are ongoing, the exterior appearance of homes may not be altered, including, but not limited to, colors and decorative features. The color of the paint on the exterior of every building on each Lot shall be the same as the original color.

3. Flowers/Landscape Plants

Each owner shall keep all lots owned by him/her and all improvements in good order and repair, and free of debris, including, but not limited to, the seeding, watering and mowing of all

lawns, the pruning and cutting of all trees and shrubbery, and other appropriate external care of the land comprising the owner's lot.

4. Other Items

The following items will be strictly prohibited in the community:

Laundry may not be hung outside (including, without limitation, swim suits, towels and rugs).

No Lot shall be used or maintained as a dumping ground or storage facility for trash or rubbish.

5. Exterior Alterations

Alterations No changes, including but not limited to alterations, additions, fences, hedges, walls, patios, decks, etc., may be made to the exterior of the building, nor removed without the prior written approval of the board of directors.

Storm Doors: Storm doors may be added at the resident's expense using only the design and color approved by the Board. Specific information about approved storm doors may be obtained through the Sales Office.

Exterior Upkeep Each owner shall keep all structures on lots owned by him/her in good order and repair, including, but not limited to, the painting and other appropriate external care of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management.

6. Signs

Nothing may be hung or displayed from inside the windows except one professionally prepared 18 " x 24" "For Sale" sign or two security system decals, which shall be limited to no

more than two inches on a side. No real estate signs are permitted on any Common Element. No "For Rent" sign of any size is permitted on any Lot or Common Element.

7. Animals

Number and Type: Only dogs, cats and common household pets kept in cages (such as birds or hamsters) may be kept in any one home, provided they are not bred or maintained for commercial purposes, and are not in unusual numbers.

Leash: All animals, when not on the owner's lot, shall be maintained on a leash not more than eight (8) feet in length. When outside, all animals shall be supervised by a resident or pet sitter at all times, even when on the owner's lot.

Pet Litter: PET LITTER ON ANY BUT THE OWNER'S LOT MUST BE CLEANED UP IMMEDIATELY.

Control: No pet shall be tethered, kept, or left outside the home unattended.

Fines: Pet owners may be fined for violation of these policies at the rate of \$10.00 for the first offense and \$25.00 for each additional offense. If any pet becomes a nuisance in the opinion of the Board of Directors, the pet may be ejected from the community at the discretion of the Board of Directors.

8. Parking/vehicles

Types: No mobile homes, boats, motor homes, busses, trailers, trucks larger than a 3/4 ton pickup, or other vehicles larger than a 3/4 ton pickup may be parked on any street or driveway or in any area other than the parking lots constructed by the builder. Recreational vehicles will be permitted to park in front of the owner's home for no more than twelve (12)

hours to allow for loading and unloading. Such vehicles must not exceed twenty (20) feet in length and must not block normal access of other residents. Commercial moving vans, when conducting contract business, and commercial trucks when in the area to perform service or repair work are an authorized exception.

Places: Ownership of each Lot shall entitle the Owner thereof to the use of not more than two (2) vehicular parking spaces which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress upon said Parking Area. Should occupants of a home own more than two vehicles, the additional vehicles may NOT be parked in front on another home. Additional vehicles must be parked in the additional spaces designated for that purpose.

Condition: Inoperable vehicles (with flat tires, expired licence tags, etc.) and vehicles which cannot be identified as belonging to a resident or a resident's guest which are parked for more than 48 consecutive hours may be towed off the premises at the vehicle owner's expense. No repair work is permitted on vehicles in parking lots or Common Areas except for short-term emergency work (flat tire, battery charge, etc.).

Operation: No vehicle shall be parked in any manner which blocks any street or driveway, or the ingress/egress to any parking area. Excessive speed, and parking or driving on the lawn areas is prohibited.

9. Trash Collection

Trash containers should not be set out prior to 5:00 p.m. the day preceding collection, and the containers must be picked up and put away by 9:00 p.m. the day of collection. (Ask a

neighbor to take care of your container if you're going to be away.) Only trash containers with lids securely tied, or heavy duty trash bags are permitted for trash disposal.

All trash for collection must be set out at the point designated by the trash collection agency. No refuse or any container for same shall be placed or stored in front of any home, except on the date of garbage pickup. Please keep our Subdivision attractive by picking up trash spilled from the containers.

10. Solicitation and Garage Sales

Solicitation is not authorized within the community. In a like manner and due to restricted parking availability, garage sales and tag sales are specifically prohibited, unless approved by the Board of Directors as a planned community activity.

11. Utilities

Residents are responsible for maintenance and payment of separately metered gas, water, electric, cable television, telephone, and for calling to initiate service on the date of possession.

12. Used Home Sales

Any owner who sells his or her home is responsible for:

- 1 Notifying the Association of ownership changes when a closing date is established.
- 2 Making certain all Association dues are current.
- 3 Making certain new owners receive the homeowner's association documents.

ARTICLE IX

OPTION TO EXPAND

Section 1: Reservation Declarant reserves an option to expand the Subdivision upon the Additional Land from time to time without the consent of any Owners being required. Such expansion may only be effected by the filing by the Declarant of an additional subdivision plat. The Additional Land, or any portion thereof, may be added to the Subdivision at any time, at different times, in any order, without limitation; provided, however, that the Additional Land shall not exceed the area described previously herein. There are no other limitations on the option to expand.

Section 2: Assurances. Declarant makes no assurances as to the location of improvements on the Additional Land. The Declarant makes no assurances as to what improvements may be constructed on the Additional Land but such improvements will be reasonably compatible in quality, materials and style with the other construction on the Land.

The Declarant reserves the right to designate Common Areas on the Additional Land. The Declarant makes no assurances as to type, size or maximum number of such Common Areas. The allocation of Percentage Interests in the Additional Land shall be made on the basis set forth in this Declaration. If the Declarant shall not add, or adds and then subsequently withdraws, any portion of the Additional Land, the Declarant shall nevertheless have the right to construct all or any portion of any building on the Additional Land and operate the same without restriction. Without limiting the generality of the foregoing, nothing contained herein shall limit or restrict nor be so construed as to limit or restrict as to all or any portion of the

Additional Land that is not added to the Subdivision the number of dwelling Homes or other improvements that may be constructed hereon, the use that may be made of such property or improvements, or the architecture of such improvements.

Section 3: Amendments. Amendments made to affect the expansion of the Subdivision, amendments which do not substantially alter the enjoyment by Owners, and amendments to conform this Declaration to the requirements and guidelines, as modified from time to time, of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the United States Veterans Administration need only have the consent of the Declarant. Each Owner shall be given written notice of any amendment effected only by the Declarant within thirty (30) days after the date such amendment is recorded. No amendment to this Declaration shall diminish or impair the rights of the Declarant without the written consent of the Declarant. Upon sale of 75 percent of the Lots and when the Beacon Hill Homeowners Association has elected board members, Article VIII of this Declaration may be amended upon (i) the consent of owners of Lots to which seventy-five percent (75%) or more of the votes allocated to all of the Lots appertain, (ii) compliance with Section 12.4(b) of the Bylaws, and (iii) the recording of an instrument setting forth such amendment in the Clerk's office of the Circuit Court of the County of Rockingham, Virginia.

ARTICLE X

EASEMENTS

SECTION 1: Easements. The following easements are granted or reserved as the case may be:

SECTION 2. Easement to Facilitate Sales. The Declarant reserves an easement to facilitate sales. All Lots are subject to this easement. Declarant reserves the right to use any Lots owned by Declarant as models, management offices or sales offices until such time as Declarant conveys title thereto to Owners. Declarant reserves the right to relocate such model, management office or sales office from time to time within the Subdivision. Declarant further reserves the right to maintain advertising signs in compliance with applicable governmental regulations. Such signs may be placed in any location within the Subdivision and may be relocated or removed, all at the sole discretion of Declarant.

SECTION 3. Easement for Ingress and Egress Through Common Areas, Access to Lots and Support. Declarant reserves an easement, and each Owner is granted an easement in common with each other Owner for ingress and egress through all Common Areas, subject to such reasonable rules, regulations and restrictions as may be imposed by the Association. Each Lot is burdened with and subject to an easement for ingress and egress through all Common Areas by persons lawfully using or entitled to the same.

SECTION 4. Declarant reserves in favor of Declarant and the Association, and the authorized agents of each, a "private maintenance easement," consisting of the right of access to any Lot for maintenance and any other purpose set forth herein or in the Bylaws of Beacon Hill Homeowners' Association. In case of emergency, such entry may be immediate, regardless of whether the Owner is present.

SECTION 5. Each Lot and Common Areas shall have an easement for lateral and subjacent support from every other Lot and Common Areas.

SECTION 6. Easements for Operations. Easements to the Association shall exist upon, over and under all of the Subdivision for ingress and egress from, and the installation, replacing, repairing and maintaining of, all utilities, including, but not limited to water, sewer, gas, telephone, electricity, security systems, master television antennas and cable television, and the road system and walkways, and for all other purposes necessary for the proper operation of the Subdivision. By these easements, it shall be expressly permissible for the Association to grant to the appropriate public authorities and/or private companies and contractors permission to construct and maintain the necessary appurtenances and improvements on, above, across and under the Subdivision, provided that such appurtenances and improvements do not unreasonably interfere with the use and enjoyment of the Subdivision. Should any public authority or other company furnishing a service request a specific easement, permit, or license, the Board shall have the right to grant such easement, permit, or license without conflicting with the terms hereof. In addition, in the event the Board determines that the grant of easement rights to others is in the best interest of the Association, the Association shall have the right to grant the same, provided that use of the same would not, in the sole Judgment of the Board, unreasonably interfere with the use and enjoyment of the Subdivision by the Owners.

SECTION 7 Declarant's Right to Grant Easements. The Declarant shall have the right to grant and reserve, and does hereby reserve for itself and its successors and assigns, easements and rights-of-way through, under, over and across the Land for construction purposes, for slopes, and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, cable television, and other

utilities. Declarant also reserves the right, prior to the termination of the period of Declarant control, to grant and reserve, and does hereby reserve for itself and its successors and assigns, any other easements and rights-of-way required to facilitate sharing of services between the Subdivision and any portion of the Additional Land not then a part of the Subdivision and to provide for vehicular and pedestrian access to and from any portion of the Additional Land not then a part of the Subdivision and the public and private rights of way adjacent to the boundaries of the Subdivision.

SECTION 8. Reservations. Declarant further reserves unto itself, its successors or assigns a blanket easement and right on, over, and under the ground and exterior of Homes within said Subdivision to maintain reasonable standards of safety and appearance. Such right expressly includes, but is not limited to, the right to cut trees, bushes or shrubbery, make any grading of the soil or to take any other similar action reasonably necessary, following which the Declarant shall restore the affected property to its original condition as near as practical. The Declarant shall give reasonable notice to such affected owners, unless in the opinion of the Declarant an emergency exists which precludes such notice. Reservation by Declarant of such blanket easement and rights contained herein shall not, in any way, obligate Declarant to undertake any maintenance, repair or corrective action whatsoever and shall not impose any liability or responsibility upon Declarant therefore.

SECTION 9. Easements Not for Public Use; Easements for Services. Nothing contained in this Declaration shall be deemed to grant any easements to the public or for the public's use. Non-exclusive easements are hereby granted to all police, firemen, ambulance

operators, postal services, delivery persons, and trash removal personnel to enter the Common Areas in the performance of their duties, subject to such reasonable rules and regulations as the Board may establish from time to time.

ARTICLE XI

MISCELLANEOUS

SECTION 1: Failure on the part of Declarant to enforce any restrictions herein contained shall in no event redeem the waiver of the right to do so thereafter as the same breach as to one occurring prior or subsequent thereto.

Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages therefor.

SECTION 2: Declarant Rights Declarant shall own each Lot not sold to any purchaser or otherwise transferred in fee simple. Declarant retains the right to enter into leases with any third parties for the occupancy of any of the Lots owned by Declarant. "Special Declarant Rights" are those right reserved for the benefit of a declarant, including without limitation the following rights: (a) to maintain sales offices, management offices, signs advertising the Subdivision and models; (b) to construct Homes and execute improvements; (c) to appoint or remove any officer of the Association or Board of Directors during the period of Declarant control; (d) to expand the Subdivision; (e) to make amendments to this Declaration, and (e) to exercise any power or responsibility otherwise assigned by any Subdivision Instrument or any officer or the Beacon Hill Homeowners Association Board of Directors. All Special Declarant

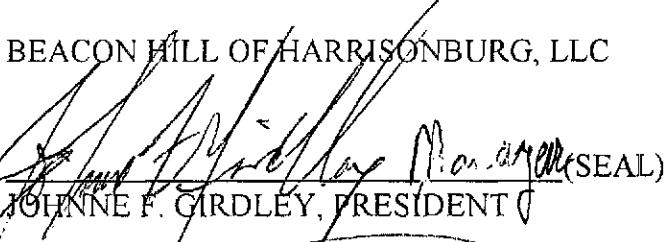
Rights are reserved by, and are vested in, the Declarant. Nothing contained in the Subdivision Instruments shall be deemed to impose upon the Declarant any obligation of any nature to build, construct or provide any buildings or other improvements except to the extent required by law.

SECTION 3: Amendment Without the prior written approval of at least two-thirds (2/3) of the owners, no material amendment shall be made to the Declaration or Bylaws

Invalidation of any of the provisions of this instrument by judgment or court order shall in no way affect any of the other provisions and shall remain in full force and effect.

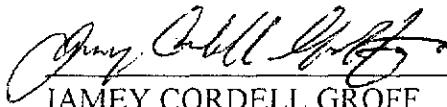
WITNESS the following signature and seal:

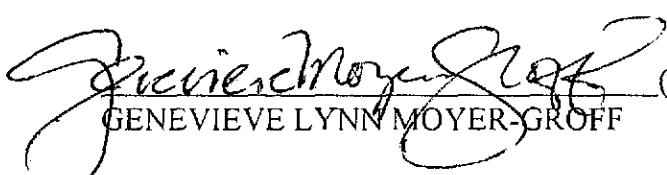
BEACON HILL OF HARRISONBURG, LLC

BY:  (SEAL)
JOHNE F. GIRDLEY, PRESIDENT

 (SEAL)
BEVERLY F. KNIGHT

 (SEAL)
ELAINE N. JOECKS

 (SEAL)
JAMEY CORDELL GROFF

 (SEAL)
GENEVIEVE LYNN MOYER-GROFF

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

The foregoing instrument entitled Declaration of Covenants, Conditions and Restrictions of Beacon Hill, was acknowledged before the undersigned Notary Public, in and for the jurisdiction aforesaid, by John F. Gridley this 29th day of June, 2001.

Wendy S. Papatrik
NOTARY PUBLIC

My Commission expires: 6-30-05

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

The foregoing instrument entitled Declaration of Covenants, Conditions and Restrictions of Beacon Hill, was acknowledged before the undersigned Notary Public, in and for the jurisdiction aforesaid, by Beverly Knight this 29 day of June, 2001.

Wendy S. Papatrik
NOTARY PUBLIC

My Commission expires: 6-30-05

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

The foregoing instrument entitled Declaration of Covenants, Conditions and Restrictions of Beacon Hill, was acknowledged before the undersigned Notary Public, in and for the jurisdiction aforesaid, by Elaine N. Jucks this 2 day of July, 2001.

Wendy S. Papatak
NOTARY PUBLIC

My Commission expires: 6-30-05

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

The foregoing instrument entitled Declaration of Covenants, Conditions and Restrictions of Beacon Hill, was acknowledged before the undersigned Notary Public, in and for the jurisdiction aforesaid, by Tammy Groff this 26th day of June, 2001.

Wendy S. Papatak
NOTARY PUBLIC

My Commission expires: 6-30-05

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

The foregoing instrument entitled Declaration of Covenants, Conditions and Restrictions of Beacon Hill, was acknowledged before the undersigned Notary Public, in and for the jurisdiction aforesaid, by Genevieve Cross this 24th day of June, 2001.

Wendy S Papatrik
NOTARY PUBLIC

My Commission expires: 6-30-05

01 JUN 11 2001
ROCKINGHAM COUNTY
L. WAYNE HARPER CLERK

VIRGINIA: In the Clerk's Office of the Circuit Court of Rockingham County
The foregoing instrument was this day presented in the office aforesaid, and is
together with the certificate of acknowledgement annexed, admitted to record this
11 day of July, 2001, at 2:31 PM. I certify that
taxes were paid when applicable:

Sec. 58-54 - State _____ County _____ City _____
Sec. 58-54.1 - State _____ County _____ City _____ Transfer _____
Recording 52410 TESTE _____
L. WAYNE HARPER, CLERK

Deed Book No 1940 Page 509

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