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MARY LOU DUNCAN
REGISTER OF DEEDS
SULLIVAN COUNTY, TENNESSEE
12-3-2004 TIME 3:35
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TAX CCF 2
FEE 140.00 TOTAL 142.00
RECEIPT NO. 26828-001

**DECLARATION OF RIGHTS, RESTRICTIONS,
AFFIRMATIVE OBLIGATIONS AND CONDITIONS
THE RESERVE AT LEONARD FARMS**

WHEREAS, the Developer is the owner of certain Real Property, more particularly described on Exhibit A attached hereto and made a part hereof, and desires to establish a plan of development for the real property which may consist of multiple subdivisions; and

WHEREAS, the Developer desires to provide for an orderly means for the addition of acreage to be subjected to these restrictions and obligations as each subdivision is developed in order to provide for the benefit and protection of the lot owners by subjecting real property to restrictions as it is developed; and

WHEREAS, the Developer desires to set forth the Real Property which may be subjected to this Declaration, but only to subject parts of the Real Property to this Declaration by further recordations;

NOW, THEREFORE, this 18TH day of November, 2004, the developer establishes the following declaration of rights, restrictions, affirmative obligations, conditions, and plan of development:

I.

DEFINITIONS

- A. **ACTIVE ADULT HOME.** A detached single family residence and attached garage constructed or to be constructed on an active adult site.
- B. **ACTIVE ADULT SITE or ACTIVE ADULT LOT.** Any site intended for the construction of detached single-family dwelling with clearance as set by the applicable local ordinance, with common maintenance of grounds, which may include the commonly used term in local ordinances "patio home". No site shall be classified as an Active Adult Home Site or Active Adult Lot until a plat showing the site is recorded in the appropriate recording office for the recording for land records where the property is located and the Tract of which it is a part is subjected to this Declaration. Active Adult Home Sites or Active Adult Lots may be grouped together with other parcels of like nature, with common open space or area in accordance with the applicable local ordinance.
- C. **ARCHITECTURAL STANDARDS AND CONSTRUCTION SPECIFICATIONS.** Those architectural standards and construction specifications for specific neighborhoods or subdivisions within The Reserve promulgated by the Developer for the purpose of establishing uniformity and harmony within neighborhoods and which may be amended from time to time.
- D. **ARCHITECTURAL COMMITTEE.** The committee of Association Members appointed to deal with architectural matters as set forth in this Declaration, which shall initially be appointed by the Developer in accordance with this Declaration. The Developer shall deal with all architectural matters regarding a Tract, in lieu of the Architectural Committee, until such Tract is fully developed and the required notice to the Association is given.
- E. **ASSESSMENTS.** Those charges, fees and/or obligations set forth in Article X hereof. The term Assessments shall include:

1. Benefit Assessments,
2. Common Assessments,
3. Neighborhood Assessments,
4. Special Assessments, and
5. Overage Assessments

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As more particularly set forth in Article X.

- F. ASSOCIATION. The Reserve at Leonard Farms Home Owners Association, Inc.
- G. BOARD OF DIRECTORS. The Board of Directors of the Reserve at Leonard Farms Home Owners Association, Inc.
- H. BYLAWS. The bylaws of The Reserve at Leonard Farms Home Owners Association, Inc.
- I. COMMON AREA or COMMON PROPERTY. All real property and personal property owned by the Association. The terms Common Area or Common Property shall include property owned by the Association, but intended for the use of a specific Owner, known as Exclusive Common Area.
- J. DECLARATION. This Declaration of Rights, Restrictions, Affirmative Obligations and Conditions for The Reserve at Leonard Farms, including any amendments hereto later recorded.
- K. DEVELOPER. The Leonard, L.P., its successors and assigns.
- L. DEVELOPER CONTROL PERIOD. The time period during which the Developer is entitled to exercise all voting rights in the Association, which shall extend from the date of the recordation of this Declaration for a period of ten years, or, until the development of The Reserve is completed, whichever occurs first. Developer may, at Developer's sole discretion turn over certain duties to the Association at any time by notifying the Association of such duties in writing during such period and shall have certain veto powers during such period.
- M. ESTATE LOT. A lot designated as an Estate Lot in the Master Plan. No lot shall be classified as an Estate Lot until a plat showing the site is recorded in the appropriate recording office for the recording for land records where the property is located and the Tract of which it is a part is subjected to this Declaration.
- N. EXCLUSIVE COMMON AREA. That portion of the Common Area or Common Property owned by the Association, but designated for the use and benefit of one Owner or a group of Owners, but not for the use and benefit of all Members of the Association.
- O. LOT. A platted lot within any of the subdivisions subjected to this Declaration shall both be considered to be within the meaning of "Lot", whether an Active Adult Lot, Townhome Lot, Manor Lot or Estate Lot, or, whether any future classification of "Lot" established by the Developer and made a part of this Declaration by amendment.
- P. MANOR LOT. A lot designated as a Manor Lot in the Master Plan. No lot shall be classified as a Manor Lot until a plat showing the site is recorded in the appropriate recording office for the recording for land records where the property is located and the Tract of which it is a part is subjected to this Declaration.
- Q. MASTER PLAN. The drawing which represents the conceptual plan for the future development of The Reserve at Leonard Farms. Since the concept of the future development of The Reserve at Leonard Farms may be subject to continuing revision, this term shall refer to the latest revision thereof.
- R. MEMBER. The Owner of a Lot entitled to be a member of the Association.

- S. NEIGHBORHOOD ASSESSMENTS. Assessments to be charged by the Association, or by an association established for the benefit of one Subdivision for such items as mowing and exterior maintenance, which are not common to all Subdivisions.
- T. PROPERTY OWNER or OWNER. Each owner of a fee simple interest in a lot which has been subjected to the provisions of this declaration, whether one or more persons or entities, including contract Sellers but excluding those having any interest merely as security for the performance of any debt or other obligation.
- U. REAL PROPERTY. That real property more particularly described on Exhibit A attached hereto and made a part hereof. The real property is that property which may be subjected to this Declaration by the Developer in whole or in part in accordance with the procedure set forth in paragraph IV of this Declaration.
- V. THE RESERVE AT LEONARD FARMS or THE RESERVE. That community consisting of multiple subdivisions to be developed on the Real Property, as shown on the Master Plan of Developer as it may be revised from time to time.
- W. RESTRICTIONS. The rights, restrictions, affirmative obligations and conditions set forth in this document.
- X. SUBDIVISION. A group of Lots of the same classification within The Reserve at Leonard Farms, such as Active Adult, Townhome, Manor or Estate.
- Y. TOWNHOME SITE OR LOT. A site intended for the development of multiple residential dwelling units, which may have a zero lot line clearance in accordance with the applicable local ordinance. No site shall be classified as a "Townhome Site" until a plat showing it is recorded in the appropriate recording office for the recording for land records where the property is located and the Tract of which it is a part is subjected to this Declaration.
- Z. TRACT. A parcel of land within a subdivision located in The Reserve at Leonard Farms, which is designated for residential use and which has been subjected to the provisions of this Declaration as provided for in Section III. of this Declaration. There may be more than one Tract which composes each subdivision within The Reserve at Leonard Farms. Tracts within the same subdivision may be subjected to this Declaration at various times.

II

COVENANTS, RESTRICTIONS AND AFFIRMATIVE OBLIGATIONS APPLICABLE TO ALL RESIDENTIAL PROPERTIES IN THE RESERVE AT LEONARD FARMS AFTER SUBJECTED TO THIS DECLARATION.

The purpose of these restrictions and conditions is to create a community which is aesthetically pleasing and functionally convenient to the Property Owners. The establishment of objective standards relating to design, size and location of structures makes it possible to take advantage of the individual characteristics of each parcel or Tract. In order to implement the purposes of these covenants Developer shall establish, and may amend from time to time as provided for in this Declaration, objective standards and guidelines binding upon the Property Owners and which shall be applicable to each Tract as the Tract is specifically made subject to these restrictions as set forth in Paragraph IV. hereof. These restrictions shall apply to all residential properties, including all Active Adult Lots, Townhome Lots, Manor Lots and Estate Lots. It shall be the sole right of the Developer to designate a Lot as belonging to a particular classification. No Lot shall be classified a Lot of a particular classification until a plat showing the Lot is recorded in the appropriate recording office for the recording for land records where the property is located and the Tract of which it is a part is subjected to this Declaration.

- A. All residential properties shall be used for residential purposes, recreational purposes incidental thereto and customary accessory uses.
- B. The use of a home office is permitted provided there is no customer or client traffic to or from the residence and no sales activity is conducted from the residence and no delivery is made to the residence.
- C. No junk cars, inoperable vehicles, oversized vehicles, race cars, tractors, or trailers shall be maintained or parked on any property in The Reserve at Leonard Farms or its streets at any time. No recreational vehicles, campers, boat trailers, or boats shall be maintained or parked on any property in The Reserve at Leonard Farms. Vehicle repair shall be conducted inside a closed garage and no major repair shall be conducted in The Reserve.
- D. No sign shall be erected on any Lot, including but not limited to the Owner, a tenant, a Realtor, a contractor or a subcontractor, including any sign advertising the structure for sale. The Developer, by its employees and/or agents shall have the right to remove any sign in violation of this provision at the expense of the Owner. During the development of The Reserve at Leonard Farms, the Developer reserves the right to approve other signage including but not limited to size, color, content, number of signs, and location, and any such approval shall be in writing. Developer shall have the right to maintain signage offering Lots sites for sale during the development of the subdivision.
- E. All Lots and other properties in The Reserve shall be kept free from and unclean, unsightly, unkempt, unhealthy or unsafe conditions of the building or grounds, and from any other condition which would decrease the beauty or safety of The Reserve at Leonard Farms. All trash shall be stored in garbage cans or other approved sanitary containers which shall be screened from view from the street and adjoining properties, and kept in a clean and sanitary condition. Garbage cans shall not be placed at the curb before 6 p.m. the day before trash pick-up and shall be promptly removed from the curb on the day of trash pick-up. No Lot, Tract, or other property in The Reserve shall be used as a dumping ground for rubbish.
- F. There shall be no exploration for, development operations for, drilling for or mining or quarrying for oil, gas, hydrocarbons, or other minerals conducted on any Lot, Tract, or property in The Reserve at Leonard Farms. No derrick or other structure designed for use in boring shall be erected, maintained or permitted on any Lot, Tract, or property.
- G. Easements for the installation and maintenance of utilities and for drainage will be reserved and shown on the recorded plat for each Tract. Within these easements no structure, planting or other material shall be placed or permitted to remain which will damage or interfere with the installation or maintenance of the utilities or change the direction of the flow of drainage channels in easements or obstruct the flow of water. The responsibility for maintaining the easement area shall be that of the Owner unless provided to the contrary in any recorded easement agreement.
- H. No structure of a temporary character shall be constructed or maintained on any property, including but not limited to any mobile home, tent, shack, barn, or out-building. No structure of a temporary character, trailer, mobile home, basement, tent, shack, barn, play-house, or out-building shall be used as a residence at any time, whether temporarily or permanently. A temporary field office and/or temporary tool sheds may be used by the Developer and by builders, but shall be removed immediately upon the completion of construction.
- I. No business enterprise shall be conducted on any Lot, Tract, or property.
- J. No noxious or offensive activity shall be conducted on any Lot, Tract, or property, nor shall anything be done thereon which may become a nuisance or annoyance to the neighborhood or increase the insurance rates of other Lots, Tracts, Units, or properties.
- K. No animals, livestock or poultry of any kind shall be raised, bred or kept on in any Lot, Tract, or property except for household pets, such as dogs, cats, fish, and birds, which may be kept

provided they are not bred or maintained for commercial purposes. No reptiles or arachnids shall be kept as pets. Care shall be exercised by the Owner to contain household pets and to insure that their waste does not become a nuisance to adjoining Owners. No dog cages or fences for a dog lot or for other animals shall be allowed. Invisible fences shall be allowed. No animals shall be allowed to roam freely or run at large.

- L. The Developer reserves the right to enter upon any Lot, Tract, or property and cut grass and weeds at the expense of the owner before a structure is constructed on the Lot, Tract, or property, but shall not be obligated to do so.
- M. No outside clotheslines or above ground fuel storage tanks shall be permitted.
- N. No Lot shall be subdivided without the prior written consent of the Developer and unless in compliance with all local ordinances and regulations, unless such part of a Lot or entire Lot is combined in use with another Lot for the construction of one dwelling.
- O. No building shall be built closer to the side, front, or rear lot lines than the minimum setback lines shown on the recorded plat or in recorded restrictions specifically applicable to a specific Tract. Eaves and steps shall not be considered for determination of setback violations. There shall be no mechanical equipment, pool equipment, or other equipment placed within the setbacks.
- P. No building, dwelling, structure, fence, wall or other permanent improvement shall be erected, placed, or altered, nor shall the Owner or his agent apply for a building permit until the proposed plans, specifications, exterior color or finish, plot plan showing the location of the building or structure, driveways, off-street parking areas, landscaping, removal of existing trees, and screening have been approved in writing, as provided in Article V. No prefabricated houses shall be constructed. The Developer reserves to itself the right to promulgate and amend from time to time architectural standards and construction specifications for specific neighborhoods, tracts, or subdivisions within The Reserve at Leonard Farms and to subject specific neighborhoods, tracts, or subdivisions within The Reserve at Leonard Farms to further restrictions applicable only to a certain Tract, which shall be effective from the time the instrument setting forth the same is recorded in the applicable recording office. Items which may be defined include, but are not limited to, location of the improvements on the Lot, architectural style, exterior color or finish, roofing material and specifications, siding material, driveway material, landscape design, screening requirements, and construction technique. Any construction or alteration of mailboxes and newspaper boxes, fences, screening, ancillary recreation facilities, mini satellite dishes, or exterior lighting shall also be approved pursuant to plans submitted by the Owner before construction of the same is commenced in accordance with the procedure set forth in Article V. Each Property Owner shall provide space for the parking of vehicles off the street at such time as the building or structure is to be occupied.
- Q. No mailbox, newspaper box or light pole shall be erected, maintained or altered on any Lot, Tract, or property until the proposed box or light pole is approved in writing by the Developer or Architectural Committee, as applicable, as to design, color and location, which may be a uniform brick mailbox and paper box structure or of a design in keeping with the exterior design of the dwelling, and may include a uniform light pole. The Developer reserves the right to establish in The Reserve at Leonard Farms or for a particular Tract, regulations for a uniform mailbox, newspaper box, and/or light pole, which may define standard design criteria for all mailboxes, newspaper boxes, and light poles, and which may include a uniform house number. Exterior light poles, other than as installed by the Developer, shall require the approval in writing by the Developer or Architectural Committee, as applicable, as to design, color and location. The Developer reserves the right exclude any exterior light poles, other than those that are Developer installed, in its sole discretion. No "dusk to dawn" exterior lighting shall be allowed. Approval for all items enumerated in this section shall be in accordance with the procedure for approval of plans for construction provided in Article V.
- R. No television antenna, radio receiver, satellite receiver, radio transmitter or similar device shall be attached to or installed on any residential Lot, or Tract, or the exterior portion of any

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building, except for cable television devices, which shall be as inconspicuous as possible. Mini (three foot size or smaller) satellite dishes shall be allowed if concealed or screened from view. Any screened area and the location of the mini dish shall be approved in the same manner as the plans for construction provided in Article V.

- S. Any fencing shall be approved in the same manner as the plans for construction, with plans submitted to include type of fencing, finish, location, and height. Fencing or walls constructed of wood, brick, or stone shall be considered for approval of the plan of design. No chain link or woven wire fencing shall be allowed. No fencing or wall shall extend further toward the front of the Lot than the rear wall of the dwelling. The exterior surface of the fence shall be finished. The Developer reserves to itself the right to limit fencing to that surrounding pools, in the sole discretion of the Developer. All plans for fencing shall be approved in accordance with the procedure set forth in Article V., which shall specify all pertinent information, including but not limited to design, finish and location.
- T. No recreational facility, including but not limited to a tennis court, volley ball court, basketball goal, swimming pool, child's playhouse, playground equipment, or gazebo, or lighting for the same, shall be constructed on a Lot without approval of the plans. No increase in drainage onto other properties in the development shall be permitted from the construction of such a facility. Plans shall be approved in the same manner as the plans for construction provided in Article V. and shall specify size, location, screening or fencing, and landscaping. Children's toys shall be concealed from view when not in use.
- U. No above ground swimming pools shall be permitted. All swimming pools shall be in-ground pools, concealed or screened from view. No pool shall extend further toward the front of the Lot than the rear wall of the dwelling. Any pool design, including lighting, fencing, and landscaping, shall be approved in the same manner as the plans for construction provided in Article V.
- V. All driveways shall be concrete, pea gravel in cement, or brick pavers. No asphalt driveways shall be allowed. All driveways shall be paved in one of these forms within sixty (60) days after certificate of occupancy is issued for the dwelling or it is occupied, whichever occurs first, weather conditions permitted. Plans for driveways, including location, size and material shall be approved in the same manner as the plans for construction provided in Article V.
- W. All landscaping on a dwelling built by an Owner shall be completed within sixty (60) days after certificate of occupancy is issued, weather conditions permitted. All landscaping on a dwelling bought from a contractor shall be completed within sixty (60) days after the date of purchase, if not previously completed, weather conditions permitted. Irrigation systems shall be designed so that no overspray shall occur onto other property, common areas or streets.
- X. All single family dwellings shall have a grade floor level not less than eighteen (18) inches above the highest finish grad at the building footprint.
- Y. No mechanical equipment, pool equipment or other equipment shall be allowed within the set back.
- Z. Safety precautions, barricades and warning lights shall be provided during construction work on any street. No parking shall be allowed on any common area or street during construction. Deliveries requiring temporary stopping on streets shall be off-loaded immediately and not left unattended for any length of time. The Developer shall have the right to designate "no parking" areas on the streets in the development and in the common areas during the Developer Control Period.
- AA.
- BB. The right is reserved to the Developer to fenced the exterior boundary of the Reserve, which fence, once constructed, shall become an obligation of the Association to maintain.

- CC. No gates shall be permitted within the development except for those at the entry to the development which gates, once constructed, shall become an obligation of the Association to maintain.
- DD. The only vehicular access from any Lot shall be onto the streets in the development. There shall be no access onto streets not located within the development, even if the property adjoins such streets.

III.

CONSTRUCTION REQUIREMENTS

- A. During construction the Owner and his builder shall be responsible for removal of debris, including debris from the clearing of any Lot or Tract and construction debris. Construction material or debris shall not be placed on a Lot or Tract other than that on which construction is occurring.
- B. During construction the builder shall be responsible for controlling runoff and erosion.
- C. All construction shall comply with applicable local ordinances and state statutes. Construction shall not cause any interruption of utility service. Barriers and appropriate lighting for safety shall be used during construction involving the streets. At least one traffic lane shall be open at all times.
- D. Once construction has commenced on a Lot, it shall be completed within one year from the date of commencement.

IV.

PROCEDURE TO SUBJECT A TRACT TO THESE RESTRICTIONS.

- A. In order to subject a Tract to these restrictions, the Developer shall record in the appropriate recording office for the recording for land records where the property is located, an instrument signed by the Developer, describing the Tract to be subjected to these restrictions by a metes and bounds property description, stating that these Restrictions shall be applicable to the Tract described.
- B. The Developer may subject portions of the Real Property to the provisions of these restrictions, but shall not be obligated to do so. Additional restrictions for each Subdivision subjected to these Restrictions may be recorded in addition to these Restrictions and may be more restrictive than the Restrictions contained herein, but may not be less restrictive.
- C. The right is specifically reserved to the Developer to designate Lots as belonging to a specific classification and to change the classification of a Lot.

V.

APPROVAL OF PLANS FOR CONSTRUCTION, ALTERATION, ADDITION AND DEMOLITION

- A. Before any dwelling, structure, fence, wall, screening, mailbox and/or newspaper box, light pole, exterior lighting, television antenna, radio receiver, satellite receiver, radio transmitter or similar device, mini satellite dish, recreational facility, pool, pool fence, fence, child's playhouse, playground equipment, tennis court, volley ball court, basketball goal, swimming pool, or gazebo, sidewalk, driveway, irrigation system, or any other temporary or permanent improvement of any kind shall be erected, placed, altered or demolished on any Lot, Site or Tract, and, before the Owner shall apply for a building permit, the Owner shall submit to the Developer in duplicate the proposed plans, specifications, exterior color or finish, and plot

plan showing the location of the building or structure, driveways, off-street parking areas, landscaping, removal of existing trees. Dwelling style shall be limited to Southern Vernacular. The Developer or Architectural Committee, as applicable, shall have thirty (30) days to approve or disapprove the plans submitted. The Developer or Architectural Committee, as applicable, shall have the right to reject plans for any reason, and, shall have the right to refuse the installation of any exterior improvement proposed to be installed. If the plans are not approved, the Owner may resubmit them for approval with changes. The Developer shall have the right to limit fencing or walls to specified locations for any reason or no reason. Refusal to approve or approval of plans, location and specifications may be based upon any grounds, including but not limited to purely aesthetic considerations in the sole discretion of the Developer or Architectural Committee, as applicable. No alteration in the exterior appearance of any building or structure, and no addition to the building, structure or Lot, or Tract shall be made without like prior written approval by the Developer or Architectural Committee, as applicable, including, but not limited to, exterior color. The Developer, or Architectural Committee, as applicable, shall retain one copy of the plans and related material furnished to it for its records. In the event approval is neither granted nor denied within thirty (30) days after actual receipt of all of the materials necessary for Developer to make a decision, the plans shall be deemed to be approved. Any approval or disapproval shall be in writing.

- B. No plastic, vinyl or PVC siding shall be used. All composition roofing shingles shall be "architectural grade". No three-tab shingles, imitation tile, or combustible roofing shall be allowed. No flat roofs shall be allowed, except for twenty percent (20%) or less of the total building footprint. A minimum of seventy five percent (75%) of the exterior surface of all buildings shall be brick, stone, masonry, or synthetic stucco in finish. Special consideration shall be given to designs of historical significance requiring a greater percentage of wood finish. Maximum roof height shall be thirty five (35) feet measured from the highest point of the grade at the front (that side facing the primary street) of the dwelling, excluding chimneys, cupolas and incidental projections. Impervious surface coverage shall be limited to forty percent (40%) of the Lot area (for the purposes of this provision, combined lots or a lot combined with a portion of a lot shall be considered as one Lot).
- C. At such time as construction is initially completed on all Lots and Tracts, the Developer shall notify the Association of the establishment of the Architectural Committee and shall appoint the initial Architectural Committee. The Developer reserves the right to notify the Association to establish the Architectural Committee and appoint the Architectural Committee for a particular Tract or subdivision which is fully developed. The notice from the Developer shall specify the portion of property over which the Architectural Committee shall have control, before the entire development is completed. Such designation shall not give the Architectural Committee any control over the remainder of the development not submitted to its control. At such time the Architectural Committee shall take over the functions set forth in this Article. The Architectural Committee shall be charged with reviewing all proposed work to assure the objective of maintaining high standards of quality in improvements and lifestyle. The Architectural Committee shall be charged with establishing a uniform application for construction approval and shall review each application objectively.

VI.

ESTABLISHMENT OF THE ASSOCIATION.

- A. Each Owner of Lot shall be a Member of The Reserve at Leonard Farms Home Owners Association, Inc. Membership shall be appurtenant to and shall not be separated from ownership of the Lot.
- B. The Association shall have two classes of voting membership. Class A Members shall be all Owners, with the exception of the Developer. Each Owner shall be entitled to one vote for

each Lot owned. When more than one person holds an interest in any Lot all such persons shall be Members. The vote for each Lot shall be exercised as the majority of the persons constituting the Owner may determine, but in no event shall more than one vote be cast per Lot. The Class B Member shall be the Developer, who shall be entitled to exercise all voting rights in the Association until such time as this Declaration has been of record for ten years, or, the development of The Reserve is completed, whichever occurs first. Developer may, at Developer's sole discretion turn over certain duties to the Association at any time by notifying the Association of such duties in writing.

- C. The Association shall be governed by a Board of Directors. The initial Board of Directors shall be appointed by the Developer. The Board of Directors shall have the powers and perform the duties and responsibilities set forth in the Bylaws, except that during the of Developer Control Period, as set forth in this Article VI, Section B, the Board of Directors shall exercise only such powers as are delegated to it by the Developer, and, the Developer shall receive written notice of all actions taken by the Board of Directors and shall have the right within three days of receipt of the notice to veto any such action. The Members may delegate to the Board of Directors such powers as they deem reasonable except that they shall not delegate the authority to amend this Declaration.
- D. There shall be an Architectural Control Committee established consisting of three Members of the Association appointed by the Developer. Architectural control shall be delegated to the Architectural Control Committee as each Tract is completed. The Appointment of the Architectural Control Committee shall occur at such time as the first Tract is fully developed and the authority for the architectural control of the Tract is delegated to the Association. The Developer shall receive written notice of all actions taken by the Architectural Control Committee during the Developer Control Period, and shall have the right within three days of receipt of the notice to veto any action taken by the Architectural Control Committee.
- E. Association Bylaws enumerating the rights and obligations of Members of the Association shall be recorded in the applicable office.
- F. Assessments shall be paid by each member to the Association as set forth in Article X. of this document and in the Bylaws of the Association.
- G. The Association shall have the right, but not the obligation, to control vermin, cut growth and charge the Owner of the Lot or Tract after notice to the Owner and the Owner's failure to do so for a period of ten (10) days after receipt of the notice. The Association shall have the right, but not the obligation, to remove any structures, improvements, signage, or other items located on a Lot which are not permitted by these restrictions, at the cost and expense of the Lot Owner.
- H. Each Owner shall to furnish to the Association the name of each person who rents or leases a dwelling located on a Lot together with a statement as to the duration of lease, within ten days of the occupancy of the dwelling located on a Lot.
- I. The Association shall have no right to encumber the Common Area to secure a loan to the Association without approval of __ % of the membership. During development the Common Area may be subject to a development loan, however at such time as a Tract is developed, the development loan shall be subordinated to this Declaration.
- J. No person shall have the right to demolish any part of the Common Area without approval of the Developer (or Architectural Control Committee in the event that the Developer Control Period has passed) and Association
- K. The Developer reserves the right to establish additional associations of home owners for a particular subdivision, to create such an association for a particular subdivision before a Lot in that subdivision is conveyed, to establish bylaws and committees within such association, and to subject a Tract within a Subdivision to additional restrictions which reference and require the additional association. Such associations may handle Neighborhood Assessments for such items as mowing and exterior maintenance in a specified Subdivision.

VII.**EASEMENTS**

The following easements are established for the benefit of the Developer and the Association, their employees and agents:

A. An easement is hereby established for the removal any item which is not permitted to be placed on a Lot or on the Common Area, including but not limited to signs, improvements, and vegetation.

B. An easement is hereby established for maintaining Lots, for which maintenance is required, including but not limited to mowing, to be charged as Neighborhood Assessments.

C. An easement is hereby established for mowing and maintaining Lots which have not been maintained by the Owner after notice to such Owner at the last address for such Owner on the records of the Developer or the Association.

D. An easement is hereby established in order for the Developer or the Association to carry out any provision of this document, including any maintenance requirements established for a particular Subdivision.

E. An easement is hereby established in the event of an emergency for emergency personnel and agencies to carry out their duties.

VIII.**COMMON AREA OR COMMON PROPERTY**

Common Area or Common Property shall consist of such property as may be designated from time to time on a plat to be recorded in the appropriate recording office for the recording for land records where the property is located, and, any personal property acquired by the association designated in the bill of sale as such, but only the lessee's interest in any property leased by the Association shall be included. At such time as a Tract is developed, the Common Area shall be conveyed to the Association. The Association shall be responsible for the maintenance of the Common Area as set forth in Article VIII.

Exclusive Common Area shall be included within the term Common Area. Exclusive Common Area may be shown on plat to be recorded in the appropriate recording office for the recording for land records where the property is located an/or designated in a deed to the Association and in the deed to the Owner of an individual Lot. Exclusive Common Area for the use of an individual Owner shall include such items as patios and porches, sidewalks leading to a dwelling, swimming pools, and fencing. Costs associated with the maintenance repair and replacement of an Exclusive Common Area for the use of an individual Owner shall be subject to a Benefit Assessment. Exclusive Common Area for the use of all of the Owners of Lots within a Subdivision shall be subject to a Neighborhood Assessment. In the event it is necessary to change the use of the Exclusive Common Area for the use of all of the Owners of Lots within a Subdivision, the designated use of such Exclusive Common Area may be changed by the majority vote of the Members in the Subdivision after notice, and, meeting or written consent, submitted to the Association and recorded in the appropriate recording office for the recording for land records where the property is located.

IX.**MAINTENANCE OF COMMON AREAS**

The Association shall maintain, repair and replace the Common Area, to be funded by Assessments as set forth in this Declaration. Maintenance shall include, but shall not be limited to the maintenance, repair, and replacement of a) all exterior grounds maintenance, including but not limited to, landscaping, grass, trees, and other flora, b) all private streets and roadways, including snow removal, c) all entranceways, fencing, walls, and security facilities, d) all miscellaneous buildings and improvements owned by the Association, e) equipment owned by the Association or to be acquired by the Association, f) facilities for the use of one Subdivision or Tract, the Owners of Lots within it, which may or may not be covered within a Neighborhood Assessment and may be controlled by another association at such time as it is established, g) facilities required as a part of the subdivision process, including but not limited to drainage retention ponds, and h) the exterior of a dwelling owned by an Owner, and items within the term Exclusive Common Element, including but not limited to, sidewalks, patios, driveways and like elements which are used by the Owner of an individual Lot within a particular Subdivision and established by restrictions applicable to such Subdivision.

The cost of maintenance shall be allocated to the types of Assessments set forth in this declaration.

The Association may contract with various parties from time to time for the maintenance of the Common Area in whole or in part, with or without competitive bidding as it determines.

X.**ASSESSMENTS TO BE PAID TO THE ASSOCIATION**

- A. Assessments shall be used for the purposes of promoting proper maintenance, repair, replacement and management of the properties within The Reserve and for fulfilling the obligations of the Association.
- B. No assessment shall be due to the Association for a Lot until it is sold to a third party by the Developer, at which time a assessment shall be due if there is a dwelling on the Lot. If the Lot is unimproved at the time of its sale by the Developer to a third party, no assessment to the Association shall be due until the end of the twelve-month period after the closing of the sale or the issuance of the certificate of occupancy for the dwelling, whichever occurs first. The initial assessment for a Lot shall be as set by the Board of Directors of the Association. Such waiver of assessment shall not relieve the Owner of the obligation to properly maintain an unimproved lot, including keeping it neatly mowed and free from hazards and rubbish.
- C. A lien is hereby created for any assessment which remains unpaid for thirty (30) days after its due date, which shall be a lien on the Lot against which it is assessed and shall bear interest at the rate of ten percent (10%) per annum. Any Association assessments shall be subject to and subordinate to the rights of any noteholder secured by a first deed of trust, first mortgage, or like instrument on any property in The Reserve at Leonard Farms, now existing or placed on any property in the future, unless a lien is recorded in the appropriate office for the recording land records with regard to a particular Lot, as provided in the Bylaws. No sale or transfer, other than a foreclosure under a first lien, shall relieve the Lot from the lien of the assessment or the Owner from personal liability for its payment. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot, and in such event, the Owner shall be liable for all court costs and other expenses and reasonable attorney's fees incurred by the Association. The Association may record a lien in appropriate office for recording land records with regard to a particular Lot, for the unpaid assessment, which shall have priority from the date of recordation in accordance with the laws of the state where the Lot is located. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his property.

- D. Benefit Assessments are hereby created for:
1. The use of a Lot by an Owner which increases the maintenance cost to the Association above the result of an assessment which results from normal compliance with the Declaration. The amount of the Benefit Assessment shall be equal to the cost increase over normal maintenance cost. Such a Benefit Assessment may be imposed by the Board of Directors by majority vote after notice to the Owner, stating a hearing date, and after hearing;
 2. Any charge because of additional cost incurred by the Association which is the result of the violation of the Restrictions as set forth in this Declaration. Such a Benefit Assessment may be imposed by the Board of Directors by majority vote after notice to the Owner, stating a hearing date, and hearing; and
 3. Any charge incurred by the Association for individual services, including, but not limited to cable television, solid waste collection and disposal, Lot maintenance including the mowing and grooming of any unimproved Lot, or landscaping maintenance.
- E. Common Assessments are hereby created for the purpose of maintaining the Common Areas, maintaining the Association, establishing replacement and reserve accounts, insurance, and other fulfilling any other duties of the Association resulting from all properties or Tracts within The Reserve. The streets in The Reserve are private and the Association shall be responsible for maintaining the same and no responsibility shall be placed on the municipality, where any part of the Real Property is located, for the maintenance of the streets or any Common Areas.
- F. Neighborhood Assessments are hereby created for the purpose of covering any expenses necessary for an individual Subdivision and may at some point be delegated to a separate association.
- G. Special Assessments are hereby created for:
1. For expense items which occur only in one year, such as the cost of acquisition, construction, reconstruction, unexpected expense, repair, and/or replacement of a capital improvement to the Common Areas, including but not limited to necessary fixtures and personal property, or, for other extraordinary expense. Such Special Assessment shall require a majority vote of the Members in the Association, and if the Declarant owns property which is the subject of this Declaration, the consent of the Declarant; or
 2. For an expense item related to a specific Lot and Member in order to reimburse the Association for costs incurred in bringing a Lot into compliance with the provisions of the Declaration. Such Special Assessment may be imposed by the Board of Directors by majority vote after notice to the Owner, stating a hearing date, and after hearing.
- H. Overage Assessments are hereby created for the purpose of covering any extraordinary expenses of the Association or overage.

XI.

RIGHTS RESERVED TO THE DEVELOPER

It shall be the sole right of the Developer to:

- A. Amend this Declaration during the Developer Control Period.
- B. Designate a Lot as belonging to a particular classification, to change the classification of a Lot, and/or to designate a new classification of Lots or new type of Subdivision.

- C. Record an instrument subjecting a Tract which is a portion of the Real Property to this Declaration, to add real property which may be subjected to the Declaration to the described Real Property.
- D. Approve or disapprove of plans and specifications for any and all improvements in The Reserve at Leonard Farms, whether or not such improvements are listed in Article V. pursuant to the procedure set forth in Article V. for any reason or no reason.
- E. To appoint the initial Board of Directors and the initial Architectural Control Committee.
- F. Amend this Declaration during the Developer Control Period.
- G. Establish additional restrictions for a Subdivision and establish additional associations applicable to a particular subdivision.
- H. Establish "no parking" areas on the streets and Common Areas.

XII.

GENERAL PROVISIONS

- A. Amendments to this Declaration may be made by the Developer alone during the Developer Control Period. The Developer may waive a violation of a setback line after the construction of a building, for a period of ten years from the date this Declaration is recorded in the appropriate recording office for the recording for land records where the property is located. Setback line violations may also be waived by an instrument signed only by all adjoining Owners, including Owners of the property across the street and recorded in the appropriate recording office for the recording for land records where the property is located.
- B. All other amendments shall be proposed by the Board of Directors or any Member of the Association in accordance with the following procedure:
 - 1. Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting, special or annual, of the Association at which such proposed amendment is to be considered.
 - 2. The amendment must be approved by a vote of not less than seventy-five percent (75%) of the Members entitled to vote in the Association with the consent of seventy-five percent (75%) of first lienholders.
 - 3. An instrument in recordable form setting forth the amendment duly adopted according to the provisions hereof shall be signed by the president or other authorized officer of the Association, and by the required number of first lienholders, shall be effective to amend this Declaration when duly recorded in the appropriate recording office for the recording for land records where the property is located. In the alternative, all of the Members may sign an amendment in recordable form instead of a signature by the president of the Association, together with the required number of first lienholders, which shall be effective when duly recorded in the appropriate recording office for the recording for land records where the property is located.
- C. No partition of the Common Area, in whole or in part, may be made without the consent of all of the Owners and lienholders.
- D. The Developer reserves the right to use a platted Lot or Lots for the construction of streets to provide access to other residential property by passing through this development.
- E. This Declaration and the Restrictions contained herein shall be construed to be covenants running with the land, and with every part thereof and interest therein. Each and every provision shall bind and inure to the benefit of all Owners, Lots, or Subdivisions or any part

thereof or interest therein, and the heirs, representatives, successors and assigns of each Owner.

- F. The obligations, declarations, covenants, conditions, and restrictions contained in this Declaration shall be binding upon all present and future Owners for a period of twenty (20) years from the date of their recordation in the appropriate recording office for the recording for land records where the property is located. They shall be automatically extended for successive periods of ten (10) years unless an instrument signed by all of then current Owners and their first lien holders is recorded in the recorded in the appropriate recording office for the recording for land records where the property is located, or they are otherwise terminated as provided in this Declaration.
- G. Each Owner shall comply strictly with the Bylaws and with the administrative rules and regulations adopted pursuant to those Bylaws, and the obligations, declarations, covenants, conditions and restrictions contained in this Declaration. Failure to comply with the same shall be grounds for an action to recover sums due, for damages or for injunctive relief, maintainable by the Board of Directors on behalf of the Association or by an aggrieved Owner. Failure by the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.
- H. Invalidation of any provision of this Declaration or of the Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

WITNESS the following signature this the day and year first above written.

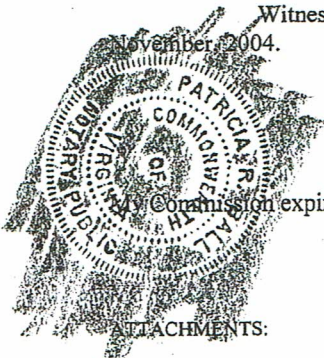
THE LEONARD, L.P.

By: Frank L. Leonard
Frank L. Leonard, Managing Partner

STATE OF VIRGINIA
CITY OF BRISTOL

Personally appeared before me, a Notary Public in and for said city and state, Frank L. Leonard, who acknowledged himself to be the Managing Partner of The Leonard, L.P., a limited partnership, the within bargainor, and that he as such Managing Partner of The Leonard, L.P. being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Limited Partnership by himself as Managing Partner.

Witness my hand and official seal at Bristol, Virginia, this the 18th day of November, 2004.



Patricia A. Bell
Notary Public

Commission expires: 10/31/08

ATTACHMENTS:

- Exhibit A - Property Description
- Exhibit B - Bylaws of The Reserve at Leonard Farms Home Owners Association, Inc.