

**The Quarries ecoVillage Covenants and Bylaws  
(updated May 2006)**

Protective Covenants:

DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS AND RESTRICTIONS "Declaration" is made this 29th day of February, 2000, by THE QUARRIES LLC, a Virginia Limited Liability Company, hereinafter "Steward" and THE QUARRIES ASSOCIATION, INC., a Virginia non-stock corporation, hereinafter "Association" whose address is 8624 Schuyler Road, Schuyler, VA 22969. (As of 5/2006, The current mailing address is The Quarries Association, PO Box 75, Schuyler, VA 22969)

WITNESSETH:

WHEREAS, Steward is the owner of real property located in Nelson and Albemarle Counties, Virginia, as more particularly described in Exhibit A, which is attached hereto and incorporated by reference; and

WHEREAS, the above-referenced property is located in the proposed community of The Quarries, which will contain residential, recreational and related uses; and

WHEREAS, in order to provide for the preservation and enhancement of the property values, amenities and opportunities in the community which will contribute to the personal and general health, safety, and welfare of residents, and for the maintenance of the land and improvements thereon, the Steward desires to subject the real property described above to this Declaration of Covenants and Restrictions; and

WHEREAS, to provide a means for meeting the purposes and intents herein set forth, the Association has been incorporated under the laws of the Commonwealth of Virginia.

NOW THEREFORE, Steward does hereby grant to each Owner mutual nonexclusive rights on equal terms in common with all other Owners in and to the use of the Common Area and facilities; and does hereby declare the above-described real property to be held subject to the covenants and restrictions, which are for the purpose of protecting the value and desirability of, and shall run with, the real property and be binding on all parties, their successors and assigns, and shall inure to the benefit of each Owner thereof.

AND FURTHER, the Steward delegates and assigns to the Association the powers of owning, maintaining, and administering the Common Area, administering and enforcing the Covenants and Restrictions, collecting and disbursing the assessments and charges, and promoting the recreation, health, safety and welfare of the residents.

ARTICLE I  
DEFINITIONS

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

Section 1. "Approval " shall mean the issuance by any public agency of written approval, or any written waiver of approval rights, or a formal letter stating An objection.@

Section 2. "Assessable Parcel" shall mean any real property within the Properties which is subject to assessment as provided in Article VIII.

Section 3. "Association" shall mean The Quarries Association, Inc., its successors and assigns.

Section 4. "Book of Resolutions" shall mean the document containing the rules and regulations and policies of the Association as they may from time to time be amended.

Section 5. "Builder" shall mean a person or entity which acquires a portion of the Properties for the purpose of improving each portion for resale to Owners.

Section 6. "Common Areas" shall mean all portions of the Properties and all interests therein, including easements and improvements thereon, owned or leased by the Association for the use and enjoyment of the Members.

Section 7. "Declaration" shall mean this Declaration of Covenants and Restrictions and all other provisions set forth in this entire document, as may from time to time be amended by Supplementary Declaration.

Section 8. "Development Limits" shall mean and refer to the total of potential land which may become a part of the Properties as depicted in Exhibit B, which is attached and incorporated by reference.

Section 9. "First Mortgagee" shall mean an Institutional Lender who holds the first deed of trust on a Lot and who has notified the Association in writing of its interest in the Lot.

Section 10. "Founding Documents" shall mean the Articles of Incorporation of the Association, this Declaration, the Supplementary Declarations, or amendments to this Declaration, and the Bylaws of the Association, all as initially drawn by the Steward and filed or recorded as the case may be, and all as may be duly amended from time to time.

Section 11. "Governing Document" shall mean the Founding Documents and the Book of Resolutions, as such may be amended from time to time.

Section 12. "Home" shall mean any structure or portion of a structure situated upon the Properties designed for use and occupancy as a single family residence.

Section 13. "Lot" shall mean any plot of land shown upon any recorded subdivision plat of the Properties (with the exception of Common Areas as defined).

Section 14. "Members" shall mean and refer to members of the Association each of whom shall be the Owner of a Lot.

Section 15. "Notice" shall mean (I) written notice delivered personally or mailed to the last known address of the intended recipient; or (ii) notices published at least once a week for two consecutive weeks in a newspaper having general circulation in Nelson and Albemarle counties; or (iii) notice published in two consecutive issues of the newsletter of the Association which is delivered personally or mailed to the address of each occupied Home.

Section 16. "Owner" shall mean 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 a Lot.

Section 17. "Properties" shall mean all real property which is subjected to the Declaration, together with such other real property as may from time to time be annexed in accordance with Article II. At this time, the Properties consist of the real property described in Exhibit A attached.

Section 18. "Quorum of Members" shall mean the representation at a duly called meeting of the Members by presence or proxy of Members who hold at least sixty (60%) percent of the outstanding Class A votes, and the representation by presence or proxy of the Class C member, so long as it shall exist. In the event a "Quorum of Members" is not present at a duly called meeting of the Members, no action may be taken which requires the vote of a Quorum of Members. At the next duly called meeting of the Members after a failure of the attending Members at the previous meeting to constitute a Quorum, the quorum requirement shall be at least thirty (30%) of the outstanding Class A votes and the representation by proxy or presence of the Class C member, so long as it shall exist, provided that in order for the reduced quorum requirement to apply, the purpose of the meeting as recited in the notice given to all Members is the same as the purpose recited in the notice of the preceding meeting at which no quorum was present.

Section 19. "Registered Notice" shall mean any Notice which has been sent by Registered U.S. Mail, return receipt requested, to the last known address of the intended recipient and which has been signed for or has been certified by the US Postal Service that delivery was attempted at the aforementioned address. Failure by refusal of an intended recipient to acknowledge or accept such Notice shall nevertheless constitute receipt.

Section 20. "Steward" shall mean The Quarries LLC, its successors and assigns; provided, however, that no successor or assignee of the Steward shall have any rights and obligations of the Steward unless such rights and obligations are specifically assigned by The Quarries LLC by document recorded in these land records or unless said rights and obligations of the Steward inure to the successor of The Quarries LLC by operation of

law. The rights and obligations set forth of the Steward, as Steward, shall cease when all lots have been initially sold or 5 years after the recordation of the last Supplementary Declaration among the land records of Nelson and Albemarle Counties, whichever is sooner.

Section 21. "Supplementary Declaration" shall mean any declaration of covenants, conditions and restrictions which may be recorded by the Steward, which expands the Properties beyond the land which is initially subjected to the Declaration.

## ARTICLE II

### PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

Section 1. The Properties. The Properties are and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration.

Section 2. Additions to the Properties. Additional properties may become subject to the Declaration in the following manners:

(a) The Steward shall have the unilateral right to subject to the Declaration any additional properties. The Supplementary Declaration which subjects additional property to the Declaration shall describe the real property to be annexed to the scheme of this Declaration and extend the jurisdiction of the Association to cover the real estate so described. The Supplementary Declaration may contain such complementary additions and modifications to this Declaration as may be necessary to reflect the different character, if any, of the real property being annexed or the various housing or community style characteristics and development approaches to which the annexed land or portions may be subject, all of which may be significantly at variance with other portions of the Properties, but all of which shall be consistent in quality with the improvements constructed on the Properties.

(b) Other additions. Additional land, may be annexed to the Properties upon approval of sixty-seven percent (67%) of the Class A members and the Class C member, if Class C membership has not ceased. The additions authorized under subsection (a) and (b) shall be made by complying with the requirements of the applicable county zoning ordinances; by recording on these land records one or more Supplementary Declarations of covenants and restrictions with respect to the additional property; and by filing with the Association the preliminary plan for such additions.

Section 3. The Development Limits Land.

(a) Purpose. The Development Limits shall not bind the Steward to add to the Properties any or all of the lands which are shown on the Development Limits, nor to impose any portion of such lands unless and until a Supplementary Declaration is filed by the Steward for such property which subjects it to this Declaration. Thereupon, the Steward shall then be obligated to complete development of the portion of the Properties annexed by the Supplementary Declaration.

(b) Unsubmitted Land. The Steward hereby reserves the right to develop the land depicted in the Development Limits and not yet submitted to this Declaration, as desired by the Steward in response to changes in technological, economic, environmental or social conditions related to the development or marketing of the land or to changes in requirements of government agencies and financial institutions.

Section 4. Merger. In accordance with its Articles of Incorporation, the real estate, personalty, rights and obligations of the Association may by operation of law be transferred to another surviving or consolidated association similar in corporate nature and purposes. Similarly, the real estate, personalty, rights, and obligations of an association similar in corporate nature and purposes to the Association may by operation of law be added to the property, rights, and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the Covenants established by this Declaration within the Properties except as herein provided. Such merger or consolidation shall require the affirmative vote of sixty-seven percent (67%) of the Class A Members and the approval of the Class C member, if Class C membership has not ceased.

### ARTICLE III THE ASSOCIATION

#### Section 1. Organization

(a) The Association. The Association is a nonprofit, non-stock corporation organized and existing under the laws of Virginia and charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as such may be amended from time to time, provided no other Governing Documents shall be amended for any reason or otherwise be changed or interpreted so as to be inconsistent with this Declaration.

(b) Institutional Plan. As the operating responsibilities of the Association expand from those related to the Properties as originally constituted, to those required after the full development of the uses in the community of The Quarries, this Declaration and the Governing Documents shall guide the controlled and orderly evolution of the Association into a comprehensive community institution with two (2) operating and administrative levels, each with associated membership rights and assessment obligations:

(1) Neighborhood Level refers to the administrative and operational activities construed to be of material benefit primarily to Members within a single Neighborhood. A neighborhood shall be established by recording a Supplementary Declaration which sets forth its boundaries, purposes, membership, constituency, and the rights and obligations of Members within the Neighborhood which may be unique to the Neighborhood. This level is established to cover the possibility that a section of land might be developed in some type of cluster housing option.

(2) Community Level refers to the administrative and operational activities construed to be of material benefit to the Members at large without respect to the type or location of Home or Lot to which their membership pertains.

(3) Subsidiary Associations. The Association shall have the right to form one or more subsidiary corporations for any purpose or purposes deemed appropriate by a majority vote of the Board of Directors. Such subsidiary corporation shall be subject to this Declaration and may not take any action to lessen or abate the rights of the Members.

## Section 2. Membership.

(a) Basis. Membership is granted to the Owner of each Lot, and shall not be assigned in any way except as provided for in the Governing Documents.

(b) Member's Rights and Duties. Each Member shall have the rights, duties, and obligations set forth in the Governing Documents.

(c) Voting Rights. The Association shall have two classes of voting membership: Class A. Class A Members shall be all Owners except the Class C Member. Class A members shall be entitled to one vote for each Lot owned. Class C. The Class C Member shall be the Steward, or any successor or assignee to whom the Steward assigns any or all of its rights as Steward pursuant to this Declaration by assignment recorded in the land records of Nelson and Albemarle Counties, Virginia. Such assignment shall only operate as to the land which is owned by such successor or assignee and which is referenced specifically in the instrument of assignment. The Class C member shall have 20 votes. The Class C membership and Class C voting rights shall cease when the Steward has transferred ownership of 75% of the lots in Phase 1. Thereafter, the Steward shall have Class A membership rights for each Lot which it owns.

(d) Exercise of Vote. The vote for any membership which is held by more than one person may be exercised by any one of them, provided that no objection or protest by any other holder of such membership is made prior to the completion of a vote. If such protest is lodged prior to the completion of the vote, the vote for such membership shall not be counted, but the Member whose vote is in dispute shall be counted as being present at the meeting for quorum purposes if the protest is lodged at the meeting.

## Section 3. Board of Directors.

(a) Composition. The number of Directors and method of selection of Directors shall be as provided in the Bylaws; provided, however, that the Steward, until its rights as Steward cease, shall be entitled to appoint at least two (2) Directors.

(b) Extent of Power.

(1) The Board of Directors shall have all powers to conduct the affairs of the Association which are enabled by law or the Founding Documents and which are not specifically reserved to Members or the Steward by said Documents.

(2) The Board of Directors shall exercise its powers in accordance with the Governing Documents.

(c) Powers and Duties. By way of example and without limiting the generality thereof, the Board shall have the power and obligation to perform the following duties:

(1) Real and personal property. To acquire, own, hold, improve, maintain, manage, lease, pledge, convey, transfer, or dedicate real or personal property for the benefit of the Members in connection with the affairs of the Association, except the acquisition, mortgaging, or disposal of the Common Area and/or improvements shall be subject to the provisions of Articles II and IV of this Declaration; and

(2) Rule Making. To establish rules and regulations for the use of property as provided for in Articles IV and V and to review, modify and approve architectural standards adopted by the Architectural Resource Team (ART); and

(3) Assessments. To fix, levy, and collect assessments as provided in Article VIII; and

(4) Easements. To grant and convey easements over and across the Common Area as may become necessary and as provided in Article VII; and

(5) Employment of Agents. To employ, enter into contracts with, delegate authority to, and supervise such persons or entities as may be appropriate to manage, contract and perform the business obligations and duties of the Association; and

(6) Mergers/Consolidations. To participate in mergers and consolidations with other corporations as provided for in Article II; and

(7) Enforcement of Governing Documents. To perform acts, as may be reasonably necessary or appropriate, including bringing suit, causing a lien to be filed or enforced, suspending membership rights, or enforcing or effectuating any of the provisions of the Governing Documents.

Section 4. The Architectural Resource Team (ART).

(a) Composition. Initially ART shall be composed of the two principals of The Quarries LLC. On or before the sale of 10 lots, one landowner member shall be added with two considered to be a quorum. No later than the sale of 20 lots, ART shall consist of a total of five members, with one additional landowner member and with one member from outside The Quarries chosen by the other four members. When fully constituted as above, ART shall require a quorum of three. Fred Oesch will not be required to recuse himself from any vote in which he is involved in the design and/or construction. When the Steward's rights as Steward cease, ART members shall be chosen by the Board of Directors.

(b) Powers and Duties. ART shall have the right to review, approve and regulate any and all aspects of the Lot and building, including but not limited to the design, health and

safety issues, energy efficiency, construction materials, construction quality and detailing; orientation to the sun, the road and other lots; tree removal and site planning, in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. ART shall

(1) Review and approve, modify or disprove written applications of Owners and of the Association for improvements or additions to Lots, Homes, or Common Areas. Notice of any disapprovals shall be sent by registered mail or hand delivered and signed for. Approvals shall be sent by regular mail. ART has the right and the responsibility to review all design and site plans for buildings (house and accessory structures) to be constructed at The Quarries. This review process to be completed PRIOR to application to either Nelson or Albemarle County for a building permit.

(2) Monitor Lots for compliance with architectural standards and approved plans for alteration in accordance with the Bylaws and Book of Resolutions;

(3) Adopt architectural standards subject to the confirmation of the Board of Directors;

(4) Adopt procedures for the exercise of its duties and enter them in the Book of Resolutions.

(c) Failure to Act. In the event ART fails to approve, modify, or disapprove, in writing, a correctly filed application within forty-five (45) days, approval shall be deemed granted. Notification of total or partial disapproval shall include the reasons for such disapproval. Failure of ART or the Board of Directors to enforce the architectural standards or to notify an Owner of noncompliance with architectural standards or approved plans for any period of time shall not constitute a waiver by ART of the Board of Directors of the enforcement of this Declaration at a later date.

Section 5. Fidelity Bonds. The Association shall obtain fidelity coverage against dishonest acts on the part of Directors, officers, managers, employees, or agents responsible for handling funds collected and held for the benefit of the Association.

Section 6. Insurance. The Association shall maintain hazard insurance policies for 100% of the replacement cost of any improvements on the Common Areas and a comprehensive policy of public liability insurance covering the Common Areas.

Section 7. Liability and Indemnification of The Quarries Board (added at the annual meeting in May 2006)

Part A. Liability and Indemnification of Officers and Directors. The Quarries Association, Inc. (“the Association”) shall indemnify every officer and director of the Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the then Board of Directors of the Association) to which he may be made a party by reason of being or having been an officer or director of the Association whether or not such person is an



officer or director at the time such expenses are incurred. The officers and directors of the Association shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be owners of lots) and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liabilities to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Association, or former officer or director of the Association, may be entitled.

Part B. Common or Interested Directors. The Directors and Officers shall exercise their powers and duties in good faith and with a view to the interests of the Quarries Association. No contract or other transaction between the Association and one or more of its Directors or Officers, or between the Association and any corporation, firm or association (including the Declarant) in which one or more of the Directors of the Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exists:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof are noted in the Minutes, and the Board authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to the members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed. Common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer or not so interested.

ARTICLE IV  
PROTECTIVE COVENANTS

General Note - The Zoning Ordinances of Nelson or Albemarle County may in some cases be in conflict with the following covenants and guidelines. The applicable County regulations, when more restrictive, would supersede the following.

Section 1. Residential Usage. The Lots at The Quarries shall be used for residential purposes. Home/work spaces, studios and home occupations are permitted and encouraged. One accessory apartment or guest cottage shall also be allowed on each Lot.

Section 2. Siting. Homes and accessory structures shall be sited to take maximum advantage of passive solar heating and cooling and view amenities on each Lot, while providing privacy from any roads, adjoining structures and homesites.

Section 3. Trees and Vegetation. Other than for clearing house site, septic, and driveway, removal of any trees in excess of 10" in diameter at 4' above ground, shall be approved by ART. Removal of any trees in excess of 14" diameter at 4' above ground for any purpose must be approved by ART. No building or structure, except for mailbox, shall be constructed closer than seventy-five (75) feet to a road or trail easement, or twenty-five (25) feet to a side or rear lot line. Said area shall remain as close as possible to its natural state and is not to be cleared of its tree cover or incorporated into a sod lawn. However, undergrowth may be cleared, and shrubs or ground cover, may be planted in the area. Maintenance of natural vegetation throughout the lot shall be strongly encouraged, with use of grassy areas to be seriously discouraged. Strong preference should be given to plantings that are native to the area, with invasive non-native species to be avoided. Living roofs are strongly encouraged.

Section 4. Impermeable Surfaces. Areas of concrete or pavement of any sort are to be seriously discouraged with many more permeable surfaces available. Paved driveways shall not be allowed.

Section 5. Lighting. Mercury vapor lighting is not allowed. Other high volume lighting shall not be allowed if that lighting is visible from a street or other homesite, or diminishes the visibility of the stars.

Section 6. Exterior Materials. Each building shall utilize materials which have been evaluated by ART based on life-cycle value and non-toxic properties, with preference to materials that are of local origin. All materials shall be evaluated in terms of the entire building and not on their individual merits.

Section 7. Energy Efficiency. All buildings shall be required to meet energy efficient guidelines equal to or better than the Model Energy Code, or other guidelines recognized by ART.

Section 8. Housesites. All house locations shall be reviewed and approved by ART, prior to any site clearing, with the requirement that houses and accessory structures be

screened from adjoining lots and roads as in Section 3 above. ART can grant exceptions for unusual circumstances.

Section 9. Animals and wildlife. The Quarries is intended as a sanctuary for wildlife therefore there shall be no hunting on the premises. Fishing of stocked quarries shall be allowed, for homeowners, their families and accompanied guests. All care shall be taken to maintain natural habitats of existing wildlife, with special attention to resident beavers and their dams. All owners of domestic animals shall be required to keep them within the boundaries of their own Lots, and to not cause a nuisance to any adjoining Owner or to the Common Areas. This shall include cats as well as dogs.

Section 10. Fuel Tanks. There shall be no buried fuel oil tanks. Propane tanks are required to be buried and/or screened.

Section 11. Changes in Elevation; Fill. No substantial changes in the elevations of the land shall be made on the premises except as shown on any site plan approved by ART. No stone, gravel, clay or naturally occurring minerals, gas or oil, shall be excavated or removed from any Lot for commercial purposes, except on land owned by The Quarries LLC.

Section 12. Erosion Control. In order to implement effective and adequate erosion control and to protect the purity and beauty of the ponds, creeks, quarries and other sensitive areas of the Properties, the Owner shall be responsible for constructing and maintaining adequate erosion control and protection devices prior to and during the grading of soil on Owner's property and/or prior to, during, and after the completion of any construction of improvements on the Owner's property. In the event the Owner fails to construct and maintain adequate erosion control and prevention devices, the Steward, its successors, assigns and agents shall have the right to enter upon the Owner's property for the purpose of grading or landscaping in order to construct or maintain erosion control and prevention devices. Prior to the Steward, its successors, or assigns, taking action under this Article, it shall send a written notice to the Owner by personal delivery or certified mail stating the specific type of corrective action required and further stating that such specific action is to be taken within a specific number of days by the Owner, or the Steward will perform such action at the Owner's expense. If the Owner fails to take the specified action in the prescribed time period, the Steward, its successors or assigns, may then exercise its rights under this Article.

Section 13. Indemnification. The main roads through The Quarries are intended to be taken over and maintained and plowed by Virginia Department of Transportation. Every Owner, for himself and his heirs, successors, and assigns, by his acceptance of a deed for a Lot in The Quarries does hereby agree to indemnify, defend and hold harmless the Steward from and against any and all claims concerning the quality or quantity of the road system and Common Areas or arising from the maintenance, and repair of the above, which claims may be made by the Owner or his family, guests, invitees, or any other person or entity making claim through the Owner using the roads or Common Areas.

Section 14. Legal Fees to Enforce These Covenants. Any Owner found guilty of violating these Covenants or Restrictions shall be required to reimburse the Steward, and/or the Association for the reasonable legal costs involved in taking the Owner to court, to insure compliance with these regulations and covenants. That reimbursement shall constitute a lien on the Owner's property.

## ARTICLE V USE OF PROPERTY

Section 1. Protective Restrictions.

(a) Nuisances. No nuisance shall be permitted to exist or operate upon any of the Properties so as to jeopardize property values or be detrimental to the well-being of Members. Nuisance shall include but not be limited to, harboring animals that cause sound or sanitary problems in excess of that which the parcel can reasonably accommodate.

(b) Restriction on Further Subdivision. No Lot shall be further subdivided or separated into smaller Lots by any Owner, other than the Steward, and no portion less than all of such Lot, nor any easement or other interest therein, shall be conveyed or transferred by an Owner, provided that this shall not prohibit deeds of correction, deeds to resolve boundary disputes and similar corrective instruments, easements to public agencies or authorities, or for utilities.

(c) Conditions for Architectural Control. No improvements, alterations, repairs, excavations, changes in grade, or other work which in any way alters the exterior of any Lot or Common Area or the improvements thereon from its natural or improved state, existing on the date such property was first subject to this Declaration, shall be made or done without the prior approval of ART. No building, residence, or other structure, fence, or wall shall be commenced, erected, maintained, improved, altered, made or done on such property without the prior written approval of ART.

(d) Rules. From time to time, the Board of Directors shall adopt general rules, including but not limited to, rules to regulate potential problems relating to the use of property and the well-being of Members, such as keeping of animals, storage and use of all vehicles, storage and use of machinery, satellite dishes, solar panels, signs, trash and trash receptacles, maintenance and removal of vegetation on the Properties, and the type and manner of fertilizers or other chemical treatments to the Properties. Ninety (90) days after conveyance of the first Lot to an Owner such general rules may only be adopted or amended by a two-thirds vote of the Board, following a hearing for which due notice has been provided to all Members. All such general rules and any subsequent amendments shall be placed in the Book of Resolutions and shall be binding on all Members, except where expressly provided otherwise in such rule.

(e) Exceptions. The Board of Directors may issue temporary permits to except any prohibitions expressly or implied by this section, provided that Board can show good cause and acts in accordance with adopted guidelines and procedures. So long as the

Steward is engaged in developing or improving any portion of the Properties, such persons shall be exempted from Rules affecting movement, disposition, and storage of building materials and equipment, erection and maintenance of directional and promotional signs, and conduct of sales activities including maintenance of model Homes. Such exemption shall be subject to such rules as may be established by the Steward to maintain reasonable standards of safety, cleanliness, and general appearance of the Properties.

Section 2. Maintenance of Property.

(a) Owner Obligation. To the extent that exterior maintenance is not provided for in a Supplementary Declaration, each Owner shall keep all Lots owned, and all improvements, in good order and repair, free of debris, all in a manner and with such frequency as is consistent with good property management.

(b) Failure to Maintain. In the event an Owner of any Lot in the Properties shall fail to maintain the premises and the improvement situated thereon as provided herein, the Association, after Notice to the Owner and approval by two-thirds (2/3) vote of the Board of Directors, shall have the right to enter upon said Lot to correct drainage and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. All costs related to such correction, repair, or restoration shall become a Restoration Assessment upon such Lot and as such shall be regarded as any other assessment with respect to lien rights of the Association and remedies provided for herein for nonpayment.

Section 3. Resale of Lots - The deed or instrument transferring title to any Lot shall contain a provision incorporating by reference the Covenants and Restrictions set forth in this Declaration as well as any applicable Supplementary Declaration.

ARTICLE VI  
COMMON AREA

Section 1. Obligations of the Association. The Association, subject to the rights of the Members set forth in this Declaration, 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 in compliance with standards contained in the Book of Resolutions.

Section 2. Easement of Enjoyment.

(a) Common Area. Subject to the provisions herein, every Owner shall have a right and non-exclusive easement of enjoyment in and to the Common Areas, which shall pass with the title to every Lot, and every member shall have a right of enjoyment to the Common Areas.

(b) Neighborhood Common Areas. Neighborhood Common Areas shall be conveyed to the Association subject to the Supplementary Declaration(s) for the primary use, enjoyment, benefit, and convenience of the Owners of Lots within such Neighborhoods,

or as specified in such Supplementary Declaration. Every Owner of a Lot designated in a Supplementary Declaration as being vested with the privilege to use and enjoy a specific Neighborhood Common Area shall have a priority right and nonexclusive easement to use and enjoy a specified Neighborhood Common Area, and such easements shall pass with the title to every such Lot so privileged.

Section 3. Extent of Members Easement. The Members' easement of enjoyment created hereby shall be subject to the following

- (a) The right of the Association to suspend the right of a Member to use the recreational facilities for any period during which any assessment against his Lot or Home 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 a period not to exceed sixty (60) days for each other infraction of the Governing Documents;
- (b) The right of the Association to convey, or transfer, all or any part of the Common Areas subject to the assent of sixty-seven percent (67%) of the Class A Members, and the approval of the Class C Member.
- (c) The right of the Association to regulate the use of the Common Areas for the benefit of the Members;
- (d) The right of the Association to license portions of the Common Area to the Members on a uniform, nonpreferential basis;
- (e) The responsibility of the Members for any damages, defacing, or littering done by their family members or guests.

Section 4. Delegation of Use. Any Member may delegate to the members of his family and his accompanied guests his right of enjoyment to the Common Area and facilities subject to such general regulations as may be established from time to time by the Board of Directors, and included in the Book of Resolutions.

Section 5. Title to Common Area. The Steward covenants that areas designated as open space, which the Steward conveys to the Association as Common Areas shall be free and clear of liens and financial encumbrances at the time of conveyance.

## ARTICLE VII EASEMENTS

Section 1. Utility Easements. There is created an easement through the Properties, as shown on the subdivision plat, for installation, replacement, repair and maintenance of all utility and service lines and systems, including, but not limited to, water, sanitary sewers, storm water drainage, gas, telephones, electricity, television, cable, or communication lines and systems. By virtue of this easement, it shall be expressly permissible for the Steward or the providing utility or service company, with the consent of the Steward to install and maintain facilities and equipment on the Properties, to excavate, and to affix

and maintain wires, circuits, and conduits, provided such company restores as nearly as practicable all disturbed areas to the condition in which they were found. This easement shall in no way affect any other recorded easements on the Properties.

Section 2. Steward's Easement to Correct Drainage. For a period of five (5) years from the date of submission of each Lot to this Declaration, the Steward reserves an easement and right within each Lot to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes, or shrubbery, to perform any grading of the land, or to take any other similar action reasonably necessary, following which the Steward shall restore the affected property to its original condition as nearly as is practicable. The Steward shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Steward an emergency exists which precludes such notice.

Section 3. Construction Easements and Rights. Notwithstanding any provision of this Declaration or of any Supplementary Declaration, so long as the Steward is engaged in developing or improving any portion of the Properties, the Steward and their employees, agents, and assigns shall have an easement of ingress, egress, and use over any portion of the Properties not conveyed as a Lot to an Owner for occupancy for (1) movement and storage of building materials and equipment, (2) erection and maintenance of directional and promotional signs, and (3) conduct of sales activities, including maintenance of model units. Such easement shall be subject to such rules as may be established by the Steward to maintain reasonable standards of safety, cleanliness and general appearance of the Properties.

Section 4. Easement to Inspect. There is created an easement in favor of the Association for ingress and egress on any Lot (a) to inspect such property for alleged violations of the Governing Documents, based on formal, written complaints, and/or compliance with architectural standards and/or approved plans for alterations and improvements and (b) to perform such maintenance as is required by this Declaration or Supplementary Declaration for such Lot, provided the Owner of such Lot is given written notice of the purpose and time of inspection at least three (3) days in advance and such inspection is performed during reasonable hours.

Section 5. Easement for Landscaping, Signs and Related Purposes. There shall be reserved to the Steward, for so long as it retains its right as Steward, a nonexclusive easement over all Lots and Common Areas for a distance of ten (10) feet behind any Lot line which parallels a street (whether public or private) for the purpose of erecting and maintaining street intersection signs, entrance features, lighting, stone, wood or masonry wall features, and./or related landscaping.

Section 6. Trail Easement. The Association shall have the right to inspect and maintain any area which lies within the Trail Easement conveyed to the Association, and to remove any improvement or other items which are constructed or located within the Trail areas, without permission of the Association and in contravention of such easement. Where the trail easement lies within any Lot, any cost incurred by the Association in

removing any improvements or other items shall be chargeable to the Lot owner as a Restoration Assessment as is set forth in Article V, Section 5(b) above, however, the costs of maintaining the trail itself shall be borne by the Association.

## ARTICLE VIII COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. The Steward hereby covenants and 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 agree to pay to the Association such Annual and Special Assessments as are established and paid in the manner provided. All such assessments, together with interest and costs of collection as provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made..

Section 2. Method of Assessment. All assessments shall be levied by the Association against Assessable Parcels, and collected and disbursed by the Association. The Board of Directors shall fix the amount of the assessments as provided, and set the dates such assessments shall become due.

Section 3. Annual Assessments. Annual Assessments shall consist of General Assessments and Neighborhood Assessments and shall be payable annually.

(a) General Assessments.

(1) Purpose. The General Assessment shall be used to improve, maintain and operate the Common Areas and facilities, and shall include the funding of appropriate reserves for future maintenance, repair and replacement.

(2) Basis for Assessment. For General Assessment purposes, there shall be one class of Assessable Parcels. Vacant lots shall be assessed the same as a lot containing a Home, with the exception that any Lot on which a permanent and non-revocable development restriction has been placed shall be assessed at 25% (twenty-five percent) of the Assessable Parcel.

(3) Maximum. Until the first day of the fiscal year, as defined by the Association, following commencement of assessments, the maximum General Assessment rate for one year shall be \$100, which shall be in addition to any Neighborhood Assessments.

(4) Change in Maximum. From and after the first day of the fiscal year immediately following the commencement of assessments, the Board of Directors may increase the maximum each year by not more than ten percent (10%). From and after the first day of the fiscal year immediately following the commencement of assessments, the maximum may be increased above the amount which can be set by the Board with the affirmative vote of sixty-seven percent (67%) of the Class A members who are present and voting, in person or by proxy, at a meeting at which a Quorum of Members is present, and with the consent of the Class C Member, if Class C membership has not ceased.



(b) Neighborhood Assessments.

(1) Purpose. Neighborhood Assessments levied by the Association upon the Lots within a Neighborhood shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of such Neighborhood, the improvement, operation, maintenance of the Neighborhood Common Area, the payment of proper expenses of the Association insofar as such expenses are directly related to the Neighborhood, the establishment of reasonable reserves for the maintenance, repair, and replacement of other capital improvements for the Neighborhood Common Area, and for such other purposes as shall be authorized by the Supplementary Declaration forming the Neighborhood

(2) Basis and Maximum. The applicable Neighborhood Supplementary Declaration shall set forth (a) the basis by which Lots of such Neighborhood shall be assessed for Neighborhood assessment purposes, (b) the maximum Neighborhood Assessment to be collected annually, and c the manner which such maximum Neighborhood Assessment may be changed.

(c) Method of Assessment. By a vote of two-thirds of the Directors, the Board shall fix the General and Neighborhood Assessments to be collected annually at an amount not in excess of the current maximum for each assessment; provided, however, that the Annual Assessments 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.

(d) Date of Commencement of Annual Assessments. The first Annual Assessments provided for herein shall commence as to all Lots within a Phase or Neighborhood when (50%) of the Lots in that particular Phase or Neighborhood have been sold by the Steward.

Section 4. Special Assessments.

(a) Capital Improvement Assessment. The Assessment may levy in any assessment year a Special Assessment against Assessable Parcels, applicable to that year and payable over not more than the next three (3) succeeding years, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or other specified purpose, provided that any such assessment shall require the affirmative vote of two-thirds of the Class A Members who are present and voting, in person or by proxy, at a meeting at which a Quorum of Members who are present and voting, and the consent of the Class C Member, if Class C membership has not expired. Special Assessments for capital improvements to Neighborhood Common Area that will primarily benefit and be maintained by the Owners of that Neighborhood shall be paid only by such Owners in the Neighborhood and require only the approval of two-thirds of the Class A Members in the affected Neighborhood and the consent of the Class C Member.

(b) Restoration Assessment. The Association may levy a Restoration Assessment upon any Lot whose Owner fails to maintain such Lot, as provided in Article VI Section 2, or who fails to provide such maintenance funds as may be required by the Supplementary Declaration for such Lot. Restoration Assessments shall be limited to the amount necessary to meet the cost of restoration or deficiency in required funds and the cost of collection thereof.

Section 5. Steward Assessment. The Steward shall not be responsible for an assessment for any lots offered for sale when assessments are commenced as stated in Section 4(d).

Section 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 provide 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 is permissible by law, such rate to be set by the Board for each Assessment period;
- (c) charge a penalty to be set by the Board of Directors;
- (d) give Notice to the Owner that in the event payment with 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 the Owner of the Lot or Home, suspend the right of such Owner to vote or use the recreational facilities, until the assessment , accrued interest, penalties, and costs of collection are paid in full.

Section 7. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

- (1) all properties to the extent dedicated and accepted by a public authority and devoted to public use;
- (2) all Common Areas;
- (3) The 2 acre parcel known as The Aviary site, Nelson County Tax Parcel 49-Y;
- (4) Lots owned by persons who purchased their property from Greater Charlottesville Habitat for Humanity, Inc., its successors and assigns.

ARTICLE IX  
GENERAL PROVISIONS

Section 1. Duration. The Covenants and Restrictions of this Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty-five (25) years, unless the Covenants and Restrictions are expressly terminated by an instrument signed by not less than seventy-five (75) percent of the Class A Members, by the Class C Member, and by sixty-seven percent (67%) of the First Mortgagees. A termination must be approved by Nelson and Albemarle Counties and be recorded in the land records of said Counties in order to become effective.

Section 2. Amendment. For a period of three (3) years after the recording of this Declaration, the Steward may make any amendment unilaterally which is required by the Federal Mortgage Agencies or the Counties of Nelson or Albemarle, Virginia as a condition of approval of the documents by the execution and recordation of such amendment following Registered Notice to all Owners. After such three (3) year period, or to make any amendment which is not required by such agencies, any amendment shall be accompanied by a document signed by not less than sixty-seven (67%) percent of the Class A Members, the Class C Member, and the Association, and evidence of the approval required in Article VIII above. Any amendment must be recorded in the land records of Nelson and Albemarle Counties, Virginia in order to become effective.

Section 3. Enforcement. The Association, the Steward, any Owner, or First Mortgagee, as their interests may appear, shall have the right to enforce, by any proceeding at law or equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration and of Supplementary Declarations. Failure to enforce any covenants or restrictions contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Certain Rights of the Steward. For such time as the Steward shall own Lots, its rights and interests shall not be prejudiced by any of the following actions unless it shall, in writing, join in such actions:

There shall be no amendments to the Founding Documents which:

- (a) Discriminate or tend to discriminate against its rights as an Owner;
- (b) Change Article I, Definitions in a manner which alters its rights or status;
- (c) Alter its rights under Article II, as regards annexation of additional properties;
- (d) Alter the character and rights of membership or the rights of the Steward as set forth in Article III;
- (e) Alter previously recorded or written agreements with public or quasi-public agencies as regards easements or rights-of-way;

- (f) Deny the right to convey Common Area to the Association so long as such Common Area lies within the land area represented in the Properties or Development Limits;
- (g) Alter its rights as set forth in Article III relating to design controls;
- (h) Alter the basis for assessments;
- (i) Alter the provisions of the protective covenants as set forth in Article IV;
- (j) Alter the number or selection of Directors as established under the Bylaws;
- (k) Alter the Steward's rights as they appear under this Article.

Section 5. Management Contracts. Until such time as the Class C membership expires, the Steward shall have the right to enter into professional management contracts for the management of the Properties; provided however, that such contracts shall not be for more than three (3) years, and the Association shall have the right to terminate such contracts, with or without cause, upon ninety (90) days' written notice given to the other party, or upon the expiration of the rights of the Steward as set forth in Article I, Section 8.

Section 6. Limitations. As long as the Steward has an interest in developing the Properties as defined in Article I hereof, the Association may not use its financial resources to defray any costs of opposing the development activities of the Steward. Nothing in this Section shall be construed to limit the rights of Members to act as individuals or in affiliations with other Members or groups.

Section 7. Severability. Invalidation of any one of those covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 8. Conflict. In the event, of conflict among the Governing Documents, this Declaration shall control, then Supplementary Declarations, then the Articles of Incorporation of the Association, then the Bylaws, then the Book of Resolution; except that in all cases where the Governing Documents are found to be in conflict with statute, the statute shall control.

Section 9. Interpretation. Unless the context otherwise requires, the use of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the term "including: shall mean "including, without limitation." This Declaration shall be liberally construed in favor of the party seeking to enforce the provisions hereto to effectuate the purpose of enhancing the value, marketability, and desirability of the Properties by providing a common plan for the development thereof. The headings used herein are for indexing purposes only and shall not be used as a means on interpreting or construing the substantive provisions hereof.

ARTICLE X  
DISSOLUTION OF THE ASSOCIATION

The Association may be dissolved with the written consent of seventy-five percent (75%) of the Class A Members and the consent of the Class C Member, if any, and the consent of sixty-seven percent (67%) of the First Mortgagees. Prior to the dissolution of the Association, other than incident to a merger or consolidation the assets of the Association shall be offered for dedication to Nelson and/or Albemarle Counties, Virginia. In the event that such dedication is refused acceptance, upon dissolution such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to similar purposes. IN WITNESS WHEREOF, the Steward, The Quarries LLC, has caused this Declaration to be duly recorded this \_\_\_\_ day of \_\_\_\_\_, 2000.

THE QUARRIES LLC By \_\_\_\_\_ Linda Lloyd, Manager