

NAILED TO:

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MERRYMOUNT ON LAKE GASTON

AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS

This Amended and Restated Declaration of Protective Covenants (the "Covenants") is made as of the 14th day, of July 2014, by Merrymount Property Owners Association, Inc., a Virginia non-stock corporation (the "Association").

WHEREAS, the Merrymount Declaration of Protective Covenants (the "Declaration"), was made by Warren Land Company, a North Carolina Corporation (the "Developer"), and recorded among the land records in the Office of the Clerk, Circuit Court of Mecklenburg County, Virginia in Deed Book 504, Page 489, and among the land records in the Office of the Registrar of Deeds of Warren County, North Carolina in Deed Book 625, Page 14, submitting certain real estate described in the Declaration, and any Supplementary Declarations recorded subsequent thereto, to the covenants, charges, restrictions, easements and liens contained therein; and

WHEREAS, Merrymount Property Owners Association, Inc. (the "Association"), a Virginia nonstock corporation, is the successor in interest to all of the Declarant's right, title and interest in and to the Declaration; and

WHEREAS, pursuant to Article XIII, Section 1 of the Declaration, the Declaration may be amended upon the affirmative vote of a majority of the then owners of the Residential Lots at a duly held meeting of the Association, and the recordation of an instrument setting forth such amendment in the applicable clerk's office; and

WHEREAS, the Association has complied with Article XIII, Section 1 of the Declaration at a duly held meeting of the Association on May 31, 2014, as evidenced by the Certification of the Chairman attached hereto; and

WHEREAS, the Association deems it to be in the best interests of the Association and the members to amend and restate the Declaration for clarity.

NOW THEREFORE, the Association declares that the Land shall continue to be held, sold and conveyed by it, its successors and assigns, and shall be owned, occupied, used and enjoyed by the Owners and subsequent purchasers thereof, their successors and assigns, subject to the restrictions, reservations, easements, liens, assessments and encumbrances hereinabove or hereinafter mentioned, together with such amendments and/or additions thereto as may be incorporated subsequently by reference.

ARTICLE I
DEFINITIONS

Section 1. The following words, when used in the Covenants (unless the context shall prohibit) shall have the following meaning:

A. “The Association” shall mean and refer to Merrymount Property Owners Association, Inc., a Virginia nonstock, nonprofit corporation.

B. “The Land” shall mean and refer to all lands described in Article II, Section 1, infra.

C. “Residential Lot” shall mean any separately designated parcel of land within the Land shown on any recorded plat of the Land or any portion thereof, or any site plan or any future site plans thereof, and which is designated or intended for the construction of a single family dwelling

D. “Owner” shall mean and refer to the person or legal entity having legal or equitable interest in any Residential Lot whether or not such interest is acquired by deed, contract, will, or intestate descent. The term shall not include, however, mortgagees, judgment lien creditors, or other lien holders.

E. “Legal entity” or “Legal entities” shall include, but shall not be limited to, corporations, partnerships, limited liability companies and/or partnerships, associations, churches, governmental agencies, municipalities, counties, states or the United States of America, and the agencies or political subdivisions of either.

F. “Member” shall refer to those Association members as provided in Article III, Sections 1 and 2 of the Covenants.

G. “Common Property” means and refers to the streets and roads in the Subdivision and the access road to the Subdivision, and such other community areas including lot 128 and parcel B. The Common Property is dedicated hereby to the common use and enjoyment of the Owners of the Residential Lots whether ownership of the Common Property is held by the Association or the political subdivision of the state in which the Common Property or portion thereof is physically located. Common Property does not include, and expressly excludes:

(1) The well lots, which are controlled by the water providing company, or lots shown on the Plats or a plat of any land added to or lying within the Subdivision from time to time; or

(2) The central water system, including wells, pumps, tanks, distribution lines, and other components installed, or to be installed, maintained, repaired or replaced by the water providing company to serve the Subdivision and the Residential Lots; and

(3) The boat piers and slips mentioned in Article XII, infra.

H. “Setback Line” shall mean and refer to the building setback lines of each Residential Lot shown on the Plats or required by the applicable Ordinances of the county of situs, whichever establishes the greater setback requirement.

I. “Clerk’s Office” shall mean the Clerk’s Office of the Circuit Court of Mecklenburg County, Virginia.

J. “Register’s Office” shall mean the Office of the Register of Deeds of Warren County, North Carolina.

K. “Plat” or “Plats” means the recorded subdivision plat or plats mentioned in Article II (A) Section 1 (A) as the context shall require.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Real Property (the “Subdivision”)

Section 1.

(A) Mecklenburg County, Virginia and Warren County, North Carolina:

1. All those certain lots or parcels of land together with improvements thereon and appurtenances thereunto to belonging situate in Palmer Springs Magisterial District, Mecklenburg County, Virginia, shown, designated and described as LOTS 2-74 INCLUSIVE and LOTS 120-128 INCLUSIVE, on a Plat of Survey consisting of five sheets prepared by Marvin L. Crutchfield, C.L.S., (Crutchfield & Associates, Inc.) of the Merrymount on Lake Gaston Subdivision, dated March 27, 1996, (File No. 95-240A)("Plat I") recorded in the Clerk's Office and the Register's Office; and

2. All those certain lots or parcels of land together with improvements thereon and appurtenances thereunto shown, designated and described as Lot 1 "Merrymount on Lake Gaston" Subdivision as shown on a plat of survey prepared by Crutchfield & Associates, Inc., (Marvin L. Crutchfield, Registered Land Surveyor) dated March 27, 1996, (File No. 95-240-C1) recorded in the Clerk's Office; and

3. All those certain lots or parcels of land together with improvements thereon and appurtenances thereunto shown, designated and described as Lots 75-84, 85 and 85B, 86-103 and Lot 129 shown on a plat of survey prepared by Crutchfield and Associates, Inc., dated July 31, 1996, bearing File No. 95-240 B (consisting of 2 sheets) recorded in the Clerk's office; Lots 85 and 85B although non-contiguous and separated by Merrymount Road, are deemed to constitute one single unit the primary building site of which is located on Lot 85 and the on-site sewage disposal site for which is located on Lot 85B; and

4. All those certain lots or parcels of land together with improvements thereon and appurtenances thereunto shown, designated and described as Section C Merrymount on Lake Gaston, Lots 201 through 213 inclusive shown on a plat of survey by Crutchfield and Associates, Inc., dated March 16, 2004, revised March 24, 2004, bearing File No.

03155.CRD/03155FS1.DWG/03155FS2.DWG, recorded in the Clerk's office and in the Register's Office as Section C, Lots 201 through 213 lie in both Palmer Springs District, Mecklenburg County and in Hawtree Township, Warren County, North Carolina; and

(B) Together with a nonexclusive perpetual easement for the ingress, egress and access and for the location, construction, reconstruction, installation, operation and maintenance of streets, roads, public and private utilities of every kind, nature and description and drainage ditches over, across, along, through and under that portion of the land shown and designated on Plat 1 as "Hawtree Way" from its point of intersection with North Carolina State Route 1307; "Merrymount Road", "Bell Arbor Court" and "Botetourt Court" as shown on Plat 1 subject however to the provisions of Section 15.1-487 of the Code of Virginia, 1950, as amended and for that portion of Hawtree Way that lies within the State of North Carolina to the applicable statutes of the State of North Carolina to the extent that such statutes apply all as shown on Plat 1; and in the manner and to the extent permitted or required by the laws of the State of North Carolina, the dedication of that portion of Hawtree Way extending from the north line of North Carolina State Route 1307 north to its point of intersection with the North Carolina-Virginia state boundary as a perpetual though nonexclusive easement of access and utility for the use and benefit of the Association, the Boat Slip Association, Owners, their successors and assigns and designates, subject to the Association, its successors and assigns, to make improvements, modifications, and changes upon, within or to said road way, including its location and design.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership

Each Residential Lot shall include as an appurtenance membership in the Association and each Owner and Co-Owner shall be an Association member.

Section 2. Voting Rights

Each Residential Lot shall include as an appurtenance one but only one vote in all Association matters. The vote shall be cast as the Owners determine. In no event and under no circumstances, shall more than one vote per Residential Lot be cast in the Association affairs.

If a Residential Lot is owned by a legal entity or more than one person, the legal entity or co-owners shall designate their voting representative, in writing, with the Association secretary. The designation may be general or restricted. If no designation is received by the secretary prior to Association meetings, the secretary may recognize any one of the Owners as the Owner's representative; receive and record the vote as cast by the person so recognized.

Section 3. Proxy Votes

Proxy votes shall be permitted at any regular or special meeting of the Association.

Section 4. Quorum

The Owners of the Residential Lots present in person or by proxy at any duly called meeting of the membership shall constitute a quorum for the purpose of electing directors and transacting any business brought before the meeting.

ARTICLE IV

PROPERTY RIGHTS IN COMMON PROPERTIESSection 1. Members Easement of Enjoyment

Subject to the provisions of Section 3, of this Article and Section 2 of Article III, each Residential Lot shall include, as an appurtenance thereto, membership in the Association and the right to the use and enjoyment of the Common Property.

Section 2. Title to and Control of Common Property.

Subject to the provisions of Section 15.1-478 of the Code of Virginia, 1950, as amended, as said Section pertains to streets and roads lying in the Commonwealth of Virginia and to the provisions of the general statutes of the State of North Carolina as said statutes pertain to the streets and roads lying in the State of North Carolina, the Association shall retain title and control of the Common Property and all portions thereof. Property designated as Common

Property is for the mutual enjoyment of the Association and the Owners and is subject to the terms and provisions, conditions and restrictions of the Covenants.

Section 3. Subordination of Members Interest.

The Members' rights and easements of enjoyment hereby created are and shall be subject to the following:

A. The right of the Association, from time to time and at any time, to borrow money to develop, maintain, or improve the Common Property and to encumber the Common Property as security for such debt. The Members' rights and use of the Common Property shall be subordinate to any Purchase Money Deed of Trust given by the Association or any other Deed of Trust given by the Association as security for funds borrowed for the development and maintenance of improvements to the Common Property whether or not the Deed of Trust is in existence as of the date of this Declaration or is made by the Association subsequent to the date hereof;

B. The right of the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosure;

C. The right of the Association or Developer to levy special assessments in addition to the annual assessment, herein provided, for maintenance of or improvements to the Common Property.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENT

Section 1. Creation of the Lien.

Subject to the later provisions of the Article, an annual assessment (the "Assessment") is hereby established and levied on each Residential Lot. The Assessment is hereby made and shall remain a continuing lien on the Residential Lots.

In addition, the Assessment shall be, become and thereafter remain the joint and several personal obligation of the Owners, their successors and assigns.

To the extent not prohibited by applicable law, the lien of and the personal obligation to pay the Assessment shall include:

- A. The principal amount thereof; and
- B. A late payment charge of 50% of the principal amount of the Assessment if it is not paid on or before the 10th day following its due date; and
- C. Compound interest at 10% per annum computed on the sum of the Assessment and the late payment penalty from and after the due date thereof (hereinafter defined); and
- D. All court costs and attorneys fees incurred by the Association in the collection of any unpaid assessment (principal, penalty, and interest).

Section 2. Purpose of Assessment.

The Assessment shall be used by the Association:

- A. To maintain, renovate, improve, operate and administer the Common Property including the streets, roads, shoulders and ditches and drainage easement, if any, to the end that the streets and roads shall be kept reasonably free of potholes and washes, and the shoulders and ditches free of washes and bare spots, devoid of ground cover; and
- B. To construct, maintain, renovate, operate and administer such additional common property as the Association may designate from time to time for the benefit and enjoyment of the Owners to the end that the value of the Property shall be protected, promoted and enhanced. The Common Property shall be maintained in a reasonable, prudent and sightly manner and shall be kept reasonably free of trash, debris and refuse.

Additionally, the Assessment shall be used for the payment of taxes and insurance upon or with reference to the Common Property, and all other reasonable expenses of Association operations.

Section 3. Annual Assessment - Due Date

The annual Assessment shall be assessed per single family Residential Lot. The Assessment shall be due and payable, in advance, beginning March 1, 1997, and thereafter on

March 1 of each succeeding year (the Due Date). The Assessment shall not be prorated for any portion of any year.

Section 4. Annual Assessment - Increase.

The Board of Directors of the Association may increase the Assessment upon thirty (30) days prior written notice to the Owners, but the amount of any increase shall not exceed 25% of the then current assessment in any annual assessment period. The Assessment period begins on March 1 of each year and ends on the last day of February of each succeeding year.

Section 5. Special Assessment-Establishment-Levy.

The Board of Directors of the Association may, by resolution adopted at any regular or special meeting, levy a special assessment. The resolution shall state the purpose of the proposed special assessment, the amount, duration and due date thereof.

The proposed special assessment shall become a lien on each Residential Lot, and shall be the personal obligation of each Owner.

The special assessment shall apply equally to each Residential Lot.

Section 5A. Impact Fee

An Impact Fee to offset wear on the roads from construction traffic shall be imposed on each Residential Lot and is payable to the Association when a building permit is issued on any unimproved Residential Lot. The Board shall set the amount of the Impact Fee on a uniform basis. The Board may modify the amount of the Impact Fee on a yearly basis.

Section 6. Quorum

A quorum for any meeting of the membership shall be those Members present, in person or by proxy, at any duly called meeting notice of which shall have been sent as required by the applicable provisions of the Covenants, the Articles of Incorporation, Bylaws of the Association, or applicable law.

Section 7. Duties of the Board of Directors

The Board of Directors of the Association shall prepare a roster of properties and assessments applicable thereto at least 15 days in advance of the due date of the Assessment.

The roster shall be kept with the Association records and shall be open to inspection by any Member during business hours.

The Association shall send an annual notice of the Assessment to each Owner of record on or before February 15 of each year. The Association shall send a notice of any special assessment to each Member within 15 days after the enactment of any such assessment. Failure of the Association to send the notice of assessment (annual or special) shall in no way abrogate the lien of the Assessment nor the personal obligation of the Owner for the payment of same.

Section 8. Nonpayment of Assessment, Annual or Special Enforcement.

If any assessment remains unpaid more than 30 days beyond its due date as herein provided, the Association may prepare and file a Notice Of Declaration Of Lien or Memorandum of Lien in such jurisdictions and in such manner as may be then prescribed by applicable law.

Thereafter, the Association may proceed by the then appropriate legal action in law or in equity in a Court of competent jurisdiction in personam against the Owner personally obligated to pay the same and/or in rem against the Land to enforce the lien against the Owner or against the Land to collect the Assessment.

Section 9. Subordination of Lien.

Once perfected, the Association shall have a lien on the Residential Lot for unpaid assessments levied against that Residential Lot which shall be prior to all other subsequent liens and encumbrances except (i) real estate tax liens on that Residential Lot, (ii) liens and encumbrances recorded prior to the recordation of the Covenants, and (iii) sums unpaid on and owing under any mortgage or deed of trust recorded prior to the perfection of said lien.

Subsequent assessments shall not be affected adversely by a sale or transfer of the Land. To the extent permitted by applicable bankruptcy law, the personal obligation of the Owner for payment of the Assessment shall not be terminated or otherwise affected by any sale under a foreclosure proceeding or court ordered sale, whether or not the Assessment becomes due prior or subsequent to the foreclosure proceeding or judicial sale.

Section 10. Exempt Property.

The following property shall be exempt from the Assessments, charges and liens created herein:

- A. All properties to the extent of any easement or other interest therein devoted to public use;
- B. All property defined in Article 1, Section 1(g) and Article IV, Section 2, hereof; and
- C. All property exempt from taxation pursuant to the laws of the Federal, State or local government having jurisdiction in the premises.

Section 11. Violations.

The Board of Directors shall have the right to assess any Owner a fine for a violation of the Covenants or Association rules and regulations including Architectural Guidelines. Any such assessment shall be a lien against the Residential Lot, collectible as any other assessment set forth herein.

ARTICLE VI

CONSTRUCTION AND USE LIMITATIONS

It is the intent of the Association to promote, protect and enhance the value of the Land, the Residential Lots, and the Common Property in the Subdivision.

Therefore, to the extent permitted by applicable law, in the event of a conflict between the Covenants and the applicable zoning or Subdivision ordinances or the Covenants and the applicable building codes, the highest, most stringent and most restrictive standard shall be deemed the controlling standard for all construction in the Subdivision.

Section 1. Residential Use and Construction Requirements (Conventional or Pre-fab Construction).

- A. Residential Lots shall be used for single family residential purposes only.

B. Single family residences of one story construction shall have a minimum of 1500 square feet enclosed, heated living area.

Single family residences having more than one story shall have a minimum of 1700 square feet enclosed, heated living area. The basement area, if any, shall not be included in the square footage requirements established by the Covenants whether or not the basement is partial or full or partially or fully above ground level.

Single family residence of one story construction located on Lots 201-213, shall have the minimum of 1700 square feet enclosed heated, living area. Single family residence having more than one story located on Lots 201-213, shall have a minimum of 2100 square feet enclosed heated, living area. The basement area, if any, shall not be included in the square footage requirements established by the Covenants as amended and supplemented regardless of whether or not the basement is partial or full or partially or fully above ground.

C. The main floor of the residence must be supported by and constructed on continuance weight bearing exterior walls (interrupted only by enclosed windows, doors or garage doors) built on a continuous footer constructed to meet the requirements of the applicable state and county building codes.

The main floor may be constructed, in whole or in part, on a concrete slab poured on grade.

The bottom of the foundation sill plate located on top of the foundation wall must be at least two feet above ground level at every point when neither basements nor concrete slabs are employed in the construction technique.

D. All dwelling for human habitation and other free standing structures erected on any Residential Lot shall be of conventional "stick built", "panelized", or "modular" on-site construction. At least 70% of the roof of any structure having less than 1751 square feet enclosed heated living area shall have a minimum slope of 6/12 and a minimum 12 inch overhang over each end and side wall.

E. All building materials shall be new or structurally sound.

All dwellings for human habitation and all other free standing structures erected on any Residential Lot in the Subdivision shall have solid exterior, weight bearing footers, foundations and walls. The exterior walls of all improvements constructed upon any Residential Lot shall be brick, wood, aluminum, vinyl, masonite, dryvit or stucco. No asphalt shingles, tar paper, tin or similar building materials shall be used for the exterior walls of any improvements.

Concrete of similar blocks may be used for foundations but they shall not be employed as "above ground" exterior walls unless they are fully and permanently stuccoed or brick veneered.

F. No temporary structures of any nature shall be erected, located, occupied, used or maintained on any Residential Lot except for "port-a-johns" when used in connection with construction of an on-site single family residence and then only so long as such residence is under construction.

G. Manufactured houses prohibited.

Absolutely no manufactured houses (trailers, mobile homes or multiple wide mobile homes) are permitted in the Subdivision.

Manufactured houses (defined as mobile homes whether single or multiple wide) are absolutely prohibited. No manufactured houses shall be located, erected, placed or parked on any Residential Lot in the Subdivision. A manufactured house (single or multiple wide) is defined as a structure transportable in one or more sections that is built on a permanent chassis having an exterior tongue or other apparatus to enable the unit or units to be moved or towed from one location to another by use of an external motorized power unit and designed to be used as a dwelling for human habitation with or without a permanent continuous weight bearing foundation when connected to the required utilities and includes or may include all or portions of on board plumbing, heating, air conditioning, water, sewage and electrical systems.

H. All dwellings must have solid exterior, weight bearing walls, footers and foundations.

I. The exterior construction of all improvements upon any Residential Lot and all grading, landscaping and seeding shall be complete within one year from commencement of construction.

If any such construction is not complete within one year of its commencement, the ARC or the Association shall notify the owner of the Residential Lot upon which such incomplete construction is located of the deficiency after which the Owner shall have 90 days to complete the exterior construction, grading, landscaping, and seeding after which the Association shall have the absolute right and first option but not the obligation to repurchase the Residential Lot in question at its original cost subject however to the lien of any then existing deeds of trust, judgments, liens or levies existing upon such property.

Section 2. Building Setback Lines.

A. Unless the applicable state statutes, local ordinances, or recorded Subdivision plats require a more restrictive set back, the building line and the building setback lines are established as follows:

(1) Section A – Mecklenburg County:

(a) Side lines: 10 feet

(b) Front line (street): 50 feet

(c) Rear line, waterfront: 0 feet

(d) Rear line, non waterfront: 30 feet

(2) Building line – Minimum Lot Width:

(a) Mecklenburg County: Each Residential Lot in Section A must be at least 100 feet wide at the building line.

If the recorded Plat establishes a building setback line or lines or a building line greater than those established in this Article VI, then the setback line or lines or the building line shown on the applicable Plat(s) shall control.

Section 3. Easements.

A. Utility and drainage easements. Each Residential Lot is subject to the following general and specific easements reserved for the use and benefit of public or private utility or service companies for electricity, telephone, water, sewer, gas, or cable TV service, and drainage:

- (1) Side lines: 10 feet;
- (2) Front line (street): 10 feet;
- (3) Rear line* (waterfront); 0 feet;
- (4) Rear line (non waterfront): 10 feet

*That portion of any Residential Lot line that fronts on and is conterminous with lands of the Virginia Electric Power company (VEPCO/Lake Gaston), its successors and assigns, is deemed "waterfront".

The Association may convey utility easements in the designated area to the appropriate utility or service company whether or not the individual Residential Lot encumbered thereby has been conveyed to a third party.

Additionally, an easement for the drainage of surface water is reserved within the area designated for utility easements as set forth above.

If the Plat requires or denotes a lesser easement than that contained herein as to any Residential Lot, then the provisions of the Covenants shall control and the conflicting provision shown on the Plat is deemed amended to accord with the provisions of the Covenants.

If the Plat requires or denotes a greater easement than that contained herein as to any Residential Lot, then the provisions of the Plat shall control the conflicting provision contained in the Covenants is deemed amended to accord with that shown on the Plat.

The easements may be used for the construction, reconstruction, operation and maintenance of utility conduits, poles, wires, pipes or fixtures and shall include the right to trim or cut any trees, brush, shrubs or grass ("Vegetation") that interferes, or threatens to interfere, with the construction, reconstruction, operation and maintenance of the utilities whether or not

the Vegetation is actually located upon or situate within the easement area designated above. The utilities shall be installed below the ground.

B. Drainage and Access Easements. The Association reserves the right to clear, grade and maintain the drainage easements so as to afford physical ingress and egress over the easement area to, from, and within the Subdivision and any other property adjacent thereto.

Section 4. Signs.

A. The Owners or his agents or representatives, may advertise Residential Lots for sale by use of one, on-site sign not larger than 2½ feet by 2½ feet, erected on the specific lot to which the sign relates. For rent or signs advertising a business shall not be permitted.

B. The Owner of any Residential Lot may display his name and/or address on one on-site sign not larger than one foot by two feet in diameter.

C. All signs shall be new and shall be properly and adequately maintained as to construction and appearance.

D. The Association may erect and maintain one sign at the entrance to the Subdivision of such size, type and description and for such duration as it may desire for the purpose of identifying the Subdivision.

Section 5. Livestock.

No livestock, poultry or animals shall be permitted in the Subdivision except family household pets (dogs and cats). Stabling of horses is not permitted in the Subdivision. Household pets shall not be maintained in the Subdivision for commercial purposes nor shall they be permitted to interfere with the right of quiet enjoyment of other persons owning property in Subdivision. All dogs shall be under leash control when not on their owner's property.

Section 6. Garbage Containers.

Trash, garbage and other waste materials shall be kept in sanitary containers. Garbage cans and trash containers shall be kept in a clean, sightly and sanitary condition. They shall be concealed from the public view including the view of other Owners except when placed curbside for pickups if and when garbage pickup service is available in the Subdivision.

Section 7. Fuel Containers.

All fuel tanks and other containers shall be buried or concealed from the public view including the view of other Owners.

Section 8. Plumbing Facilities.

All dwellings shall be equipped with inside plumbing facilities and shall conform to the minimum requirements of and shall be approved by the applicable Code Enforcement Officer or Officers and such other governmental agency having jurisdiction in the premise.

Section 9. Location of Improvements/Construction, Use Permits

Proposed improvements to or upon the Residential Lots must be submitted to and approved, in advance of construction, by:

A. The Mecklenburg County Health Department and/or the Mecklenburg County Building Inspector as to those Residential Lots in Virginia and to the corresponding agencies in Warren, North Carolina for Residential Lots located in the jurisdiction.

B. The Architectural Review Committee of the Association and such other agencies of the local, state or federal government that have or any that may acquire jurisdiction in the premises;

C. As to Residential Lots fronting on Lake Gaston, the Owner must obtain a permit from North Carolina/Virginia Power Company, their successors or assigns, before constructing docks, piers, bulkheads, walkways or other improvements in the lake or upon lands owned by the power company adjoining the lake.

Section 10. Fencing.

Except for any fence installed or approved by the Developer, no fence, including any grading or alteration of the Residential Lot, shall be installed except in conformance with the Architectural Guidelines and with the prior written approval of the Architectural Review Committee, or the Board in the event of an appeal provided for in Article VII, Section 4.

Section 11. Outbuildings and Sheds.

Except for any outbuilding or shed installed or approved by the Developer, no outbuilding or shed, including any grading or alteration of the Residential Lot, shall be installed except in conformance with the Architectural Guidelines and with the prior written approval of the Architectural Review Committee or the Board in the event of an appeal provided for in Article VII, Section 4.

Section 12. Hard Landscaping.

Except for any hard landscaping installed or approved by the Developer, no hard landscaping, including any grading or alteration of the Residential Lot, shall be installed except in conformance with the Architectural Guidelines and with the prior written approval of the Architectural Review Committee, or the Board in the event of an appeal provided for in Article VII, Section 4.

Section 13. Renting.

Should any Owner lease a dwelling or Residential Lot, that Owner shall provide the Association with a copy of the lease, which lease shall be in writing and include a requirement that the tenant abide by the Covenants and the Architectural Guidelines of the Association. Further, the Owner shall provide the Association with contact information for the tenant.

ARTICLE VII

ARCHITECTURAL REVIEW COMMITTEE

Section 1. Review by Committee.

No residence, outbuilding, fence or wall shall be constructed or located on any Residential Lot nor shall any addition or exterior change to or modification of the improvements be commenced until the plans and specifications have been submitted and approved, in writing, by the Architectural Review Committee ("ARC").

If no action is taken by the ARC within sixty days after submission of the plans and specifications, the request shall be deemed denied.

Section 2. Committee.

The ARC shall consist of at least three committee members and one alternate appointed by the Board of Directors of the Association to serve for a term of one year each.

Section 3. Architectural Guidelines.

The ARC shall promulgate guidelines to assist owners in improving their Residential Lots. The guidelines shall identify the procedure and criteria for review of Residential Lot improvement applications. Decisions of the ARC will be made on majority basis in a manner prescribed in the guidelines.

Section 4. Appeal Process

Any Owner shall have the right to appeal the decision of the ARC to the Board of Directors. The Board of Directors shall have the right to determine the manner and procedure by which appeals shall be heard. The decision of the Board with regard to any appeal of the ARC shall be final.

Section 5. Monitoring.

The ARC will monitor improvements it has previously approved during installation or construction, and at the conclusion of thereof, will issue a final letter of approval to the Owner if the improvement has been completed in accordance with approved specifications.

ARTICLE VIII

UTILITIESSection 1. Water.

The Residential Lots shall be served by a central water system installed by the Developer. The central water system shall consist of one or more wells, pumps and tanks, and sufficient distribution lines to supply a reasonably continuous supply of potable drinking water for reasonable household purposes to a perimeter lot line of each Residential Lot.

The water system for the Subdivision is operated by a Virginia Public Service Corporation and regulated by the Virginia State Corporation Commission. The initial water

connection fee for each Residential Lot and the monthly usage charge for water will be determined by the private entity responsible for operating the central water distribution system.

If two or more Residential Lots are owned by the same person or legal entity, separate hook on fees shall be paid for each even if the lots adjoin. Connections shall be required for each Residential Lot and each such lot shall be subject to the monthly usage fee after the connection is made following the Owners' request for same.

THE CENTRAL WATER SYSTEM WILL NOT AFFORD FIRE PROTECTION TO THE COMMUNITY.

The central water system will meet the applicable minimum requirements for single family domesticated household purposes.

NO INDIVIDUAL WELLS, WATER SUPPLIES OR SYSTEMS ARE PERMITTED ON ANY RESIDENTIAL LOT OR ANY GROUP OF RESIDENTIAL LOTS. WATER SERVICE TO THE RESIDENTIAL LOTS SHALL BE OBTAINED SOLELY FROM THE CENTRAL SYSTEM.

ARTICLE IX

SANITARY FACILITIES AND UTILITIES

Section 1. Privies Prohibited.

No outside toilet or privy shall be constructed or used on any Residential Lot.

No untreated waste from any Residential Lot shall be permitted to enter any stream, branch, creek, ditch, gully or tributary thereof nor shall any such effluent be permitted to enter Lake Gaston.

Section 2. Septic Tanks.

Sanitary waste disposal is and shall be the responsibility of each Owner. The Owners shall install and maintain, at their sole and separate expense, septic tanks and subsurface drain fields in strict compliance with the requirements of the applicable County Health Department and such other governing bodies or the agencies or political subdivisions having jurisdiction in the premises.

Prior to the commencement of construction of the septic tank or drain field or any other improvements, the Owners must contact the local Health Department and obtain an improvements permit for the facilities.

The local health officials are required to visit the Residential Lot and establish the location of the septic tank drain field in advance of construction.

ARTICLE X

STREETS

Section 1. Construction.

That portion of roads located in Mecklenburg County, Virginia, will be owned by Mecklenburg County, Virginia according to the provisions of Section 15.1-478 of the Code of Virginia, 1950, as amended. The roads will not be constructed or maintained by any public body. Neither Mecklenburg County, Virginia, Warren County, North Carolina, the Commonwealth of Virginia, the State of North Carolina, nor any other public body will maintain the roads.

The roads will be maintained by the Association according to the provisions of this Article.

With reference to that portion of the roads lying within Mecklenburg County, Virginia and as required by Article VI, Section 6-5-2 (J) of the Mecklenburg County Ordinance, it is recited that:

“The grantor(s) (sic.) (the Developer) hereby gives notice as required by the Mecklenburg County Subdivision Ordinance that they do not intend to partially or fully bring the streets and roadways up to the standards required by the State Department of Transportation and no local or state governmental agency will be responsible for the development, maintenance, supervision or control of said streets or roadways. The parties to this deed will hold harmless local and state governmental agencies from any liability or expense concerning road standards and maintenance within the above described subdivision serving the property herein described and within the subdivision, and this is a covenant which runs with the land.”

The roads in Mecklenburg County, Virginia will have a 50 foot right-of-way. The final wearing surface will be asphalt or tar and gravel, as the Association, in its sole

discretion, determines. The wearing surface will be eighteen feet wide, constructed on a six inch, compacted, crusher run base twenty feet wide.

That portion of the road located in the State of North Carolina will be constructed on a 60-foot right-of-way. The final wearing surface will be of asphalt or tar and gravel as the Association, in its sole discretion, shall determine. The width of the wearing surface and the base upon which it is constructed will meet the minimum requirements of the State of North Carolina and Warren County for similar roads of like construction.

The roads will be constructed and reasonably maintained so as to provide two traffic lanes affording year round, all-weather access by conventional motor vehicle to each Residential Lot from North Carolina State Route 1307.

A portion of the annual assessments shall be used to defray the maintenance cost of the roads.

ARTICLE XI

MOTOR VEHICLES

No unlicensed driver shall operate any licensed or unlicensed motor vehicle in the Subdivision except for lawn mowers, farm or garden tractors, rotary tillers, and the like when operated "on premises" on any Residential Lot.

ARTICLE XII

BOAT PIER AND SLIPS

The Developer will construct one or more boat piers and slips ("Slips"), generally in accordance with the design sketch hereto attached as Exhibit A, within the Lake Gaston water impoundment. The Developer reserves the right to change the design at any time without notice. The Slips will be located so as to be accessible by walkway from the Merrymount on Lake Gaston Subdivision and will be available on a "first come/first serve basis" as an appurtenance to a Residential Lot (the "Lot"). Each Slip located within the pier shall be assigned a number or letter. When a Slip is purchased in connection with a Lot, it shall be designated as an appurtenance to the Lot thereafter to be owned, held, used, enjoyed, and conveyed by the original owner and the original owner's successors, assigns, designates, or personal representatives only as an integral part of and

appurtenance to the Lot to which it was assigned initially. A slip may be severed from the Lot to which it was assigned initially or subsequently if and only if it is reassigned, simultaneously with its severance, to another Residential Lot in the Subdivision.

Ownership of the slips and the Lot to which it is assigned must coincide exactly. In the event of a discrepancy between the recorded ownership of the slip and the deeded ownership of the Lot to which it is assigned as the deed to such Lot appears in the Clerk's Office or the Register's Office, the recorded ownership as stated on the face of the Deed to which the slips is assigned shall control.

The Developer has formed a nonstock, nonprofit corporation, "Merrymount Boat Slip Association, Inc." (the "Boat Slip Association"), chartered by the State Corporation Commission of Virginia. Each Slip will have one vote in the management and control of the Boat Slip Association.

In addition to the annual assessment to be paid to the Property Owners Association required under Article V. of the Covenants, each lot owner who has purchased a Slip and to which Lot a Slip has been assigned shall pay to the Boat Slip Association an annual fee of \$200 (the "Annual Fee") to be used by that association to maintain the pier(s) and the Slips within the pier(s) and to obtain and maintain such liability insurance and other hazard insurance as the Boat Slip Association shall determine from time to time and to do and perform such other and more acts or things as are deemed necessary and proper by the directors of the Boat Slip Association.

The Annual Fee is hereby made and shall remain a continuing lien on the Lot to which the Slip is assigned. In addition, the Annual Fee shall be, become, and thereafter remain the joint and several personal obligation of the owner or owners of the Lot to which it is assigned, it/their successors and assigns.

To the extent not prohibited by applicable law, the lien of and personal obligation to pay the Annual Fee shall include:

- A. The principal amount thereof; and
- B. A late payment charge of 50% of the principal Annual Fee if it is not paid on or before the 10th day following its due date; and

C. Compound interest at 10% per annum on the sum of the Annual Fee and the late payment penalty from and after the due date thereof (hereinafter defined); and

D. All court costs incurred by the Boat Slip Association in the collection of any unpaid Annual Fee (principal, penalty, and interest); and

E. Attorney fees of 33-1/3% of the total amount of the Annual Fee including principal, penalty, and accrued unpaid interest.

The obligation to pay the Annual Fee shall commence on March 1 following the date of the deed by which the Lot and the Slip are conveyed to the original purchaser by the Developer, and the Annual Fee shall be due and payable on March 1 annually thereafter. The Annual Fee shall not be prorated for any portion of any year.

The amount of the Annual Fee may be increased at any time by the Directors of the Boat Slip Association, but the amount of any increase shall not exceed 25 percent of the then current Annual Fee in any assessment period.

Additionally, the Directors of the Boat Slip Association may, at any regular or special meeting, adopt a special assessment which shall be submitted thereafter to the membership of the Boat Slip Association for approval at any regular or special meeting of the owners of the Lot and Slip. Notice of any such meeting shall be given in writing to each Lot and Slip owner at least fifteen days but not more than thirty days prior to the meeting and shall state the time, place, and purpose of the meeting. The notice shall state the purpose of the proposed special assessment, the amount, duration, and due date thereof.

The Developer shall control the Boat Slip Association until it has sold a majority of the Slips. Thereafter, on the basis of one vote per Slip, control of the Boat Slip Association shall pass to the unrelated third party purchasers/owners of the Lot and Slips.

The Developer shall maintain the Slips and pier(s) in which they are located until a majority of the Slips have been sold after which the Developer's sole responsibility for the Slips will be to pay the Annual Fee of \$200 per slip for each unsold Slip remaining in its inventory.

The Boat Slip Association shall maintain the pier(s) and Slips in a structurally sound condition.

The Board of Directors of the Boat Slip Association shall and it is hereby given the right to amend, supplement, alter, or change the provisions of this Article XII of the Covenants without the consent of the Merrymount Property Owners Association, Inc. Any such amendment adopted by the directors of the Boat Slip Association shall be submitted to the slip owners for ratification at any regular or special meeting of the membership of the Merrymount Boat Slip Association, Inc., and shall become effective upon ratification of such proposal(s) by the slip owners by a majority vote of the members present in person or by proxy.

ARTICLE XIII
GENERAL PROVISIONS

Section 1. Duration.

The Covenants shall run with and bind the land and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Residential Lot in the Subdivision, their respective legal representatives, heirs, successors and assigns.

Section 2. Notices.

Any notice required to be sent to any Member or Owner under the provisions of the Covenants shall be deemed legally given when in writing, and may be transmitted by the most advanced technology available at the time if such use is a generally accepted business practice, to each Member at the address last appearing on the books of the Association, or supplied by such Member for the purpose of notice.

Section 3. Enforcement.

Enforcement of these Covenants shall be by any proceeding at law or in equity in a court of competent jurisdiction against:

- A. Any person or persons violating or attempting to violate any covenant or restriction, either to enjoin violations or to recover damage; and
- B. The land to enforce any lien created by the Covenants.

Enforcement proceedings may be instituted and maintained by:

- (1) the Association;
- (2) any Owner; and

(3) any government or agency thereof having jurisdiction in the premise.

The failure of the Association, or any Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter.

Section 4. Rights of the Association.

The Association is hereby given the right to enter upon any Residential Lot for the purpose of removing signs, debris, brush, junk or any other unsightly or unsanitary condition and shall not be considered a trespasser in so doing. The Association further reserves the right to make a reasonable charge to the Owner of such Residential Lot for such service which charge shall be a lien upon the Residential Lot and shall be fully enforceable by the Association through appropriate legal action.

Section 5. Severability.

Invalidation of any provision of the Covenants by order or decree of any Court shall in no way effect the remaining provisions of the Covenants which shall continue in full force and effect.

IN WITNESS WHEREOF, Merrymount Property Owners Association, a Virginia non-stock corporation, causes these Covenants to be executed by its Chairperson as its corporate act and deed, pursuant to authority of its Board of Directors as of the date and year first above written.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

Merrymount Property Owners Association, Inc.

By: Patricia McHenry
Patricia McHenry, Chairperson

COMMONWEALTH OF VIRGINIA)

)

CITY/COUNTY OF Medford County)

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Patricia McHenry of MERRYMOUNT PROPERTY OWNERS ASSOCIATION, INC., whose name is signed to the foregoing instrument, has acknowledged the same before me in the aforesaid jurisdiction as an officer of the Association.

Given under my hand and seal on July 14, 2014.

Carol A. Hynd
Notary Public



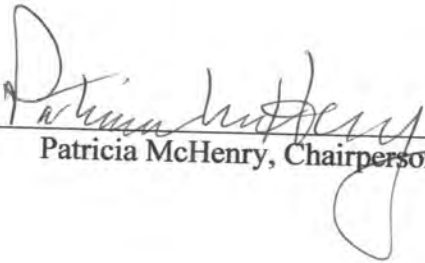
My commission expires: 2-29-16

My notary registration number: 7512849

**CERTIFICATION OF ASSOCIATION CHAIRMAN
TO AMENDMENT TO DECLARATION OF COVENANTS**

I, Patricia McHenry, Chairman of MERRYMOUNT PROPERTY OWNERS ASSOCIATION, INC., hereby certify that the Association has complied with the procedures set forth in Article XIII, Section 1 of the Declaration, and that the agreement of a majority of the then owners of the Residential Lots at duly held meetings of the Association was obtained as evidenced by the signature above.

July 14, 2014



Patricia McHenry, Chairperson

INSTRUMENT #140002511
RECORDED IN THE CLERK'S OFFICE OF
MECKLENBURG COUNTY ON
AUGUST 8, 2014 AT 11:50AM

E. E. COLEMAN, CLERK
RECORDED BY: MBC

LEINBTDU