

TRUSTEE'S SALE OF TIMESHARE ESTATES

A number of Time-Share estates in Pine Villas Time-Share Houses located in Basye, VA, will be offered for sale to settle a Memorandum of Lien recorded in the Clerk's Office of the Shenandoah County Circuit Court, Woodstock, Virginia. Each Unit number and its related Time-Share Estates are more specifically defined and described within this document and at the page numbers referenced below. Details referenced for each Unit include the Unit's Statement of Mutual Ownership Agreements, Protective Covenants & Restrictions, as well as the Unit's plat.

The appointed Trustee will conduct the sale at public auction on the steps of the Shenandoah County Circuit Courthouse, 112 South Main St., Woodstock, VA 22664 beginning 11:00am Eastern Daylight Time on Wednesday, August 19, 2026, and continuing until all Time Share Estates are sold.

NAME OF ASSOCIATION: Pine Villas Owners Association, Inc. GENERAL LOCATION OF THE TIME-SHARE PROJECT: Bryce Resort, Basye, Virginia 22810. TERMS OF SALE: Bidding for each Time-Share Estate (i.e., unit-week) starts at a \$5,000 reserve price. 50% deposit due in cash on day of sale. Balance plus annual maintenance fee (\$725) due upon delivery of deed to purchaser. TRUSTEE: Brent Calhoon, 2565 Orkney Grade, Mt. Jackson, VA 22842.

NOTE: Dates associated with each week established by RCI's timeshare interval calendar.

Memorandum of Lien

Grantee	Unit/ Week	Property Type	Property Address	More Details Pages	Date	Instr #
RAMBOW, JAMES E & DOBBS, ELAINE R	008.08	3BR/2BA Chalet	191 Resort Drive, Basye, US, VA, 22810	Pg 6-40	3/24/26	202601620
BURNETTE, ANGELIKA J	008.10	3BR/2BA Chalet	191 Resort Drive, Basye, US, VA, 22810	Pg 6-40	3/24/26	202601620
DULANY, NANCY M & DULANY, DENNIS M	008.13	3BR/2BA Chalet	191 Resort Drive, Basye, US, VA, 22810	Pg 6-40	3/24/26	202601620
HARRISON, JASON W & HARRISON, GLORIA H	008.14	3BR/2BA Chalet	191 Resort Drive, Basye, US, VA, 22810	Pg 6-40	3/24/26	202601620
HILL, MARY G & HILL, JAMES D	008.19	3BR/2BA Chalet	191 Resort Drive, Basye, US, VA, 22810	Pg 6-40	3/24/26	202601620
ROLLINS, JAMES A	008.20	3BR/2BA Chalet	191 Resort Drive, Basye, US, VA, 22810	Pg 6-40	3/24/26	202601620
GIOVAGNONI, MICHAEL	008.24	3BR/2BA Chalet	191 Resort Drive, Basye, US, VA, 22810	Pg 6-40	3/24/26	202601620
SHANKS, HELEN M	008.29	3BR/2BA Chalet	191 Resort Drive, Basye, US, VA, 22810	Pg 6-40	3/24/26	202601620
JONES, NANCY & JONES, JOHN W	008.40	3BR/2BA Chalet	191 Resort Drive, Basye, US, VA, 22810	Pg 6-40	3/24/26	202601620
DERRICK, TIMOTHY	091.30	3BR/2BA Chalet	879 Lee Road, Basye, US, VA, 22810	Pg 41-75	3/24/26	202601620
OKSEN, DIRAN	091.34	3BR/2BA Chalet	879 Lee Road, Basye, US, VA, 22810	Pg 41-75	3/24/26	202601620
HOGAN, KENNETH L & HOGAN, GAIL G	091.44	3BR/2BA Chalet	879 Lee Road, Basye, US, VA, 22810	Pg 41-75	3/24/26	202601620
SECONDARY SOLUTIONS GROUP INC	094.06	3BR/2BA Cabin	72 Connie Road, Basye, US, VA, 22810	Pg 76-109	3/24/26	202601620
LR RENTALS AND REAL ESTATE LLC	094.10	3BR/2BA Cabin	72 Connie Road, Basye, US, VA, 22810	Pg 76-109	3/24/26	202601620
SEAMSTER, MICHAEL ALLAN	094.13	3BR/2BA Cabin	72 Connie Road, Basye, US, VA, 22810	Pg 76-109	3/24/26	202601620
REYNOLDS, SHARON A & BANNING, FREDERICA M	094.19	3BR/2BA Cabin	72 Connie Road, Basye, US, VA, 22810	Pg 76-109	3/24/26	202601620
BARKAS, KEITH	094.34	3BR/2BA Cabin	72 Connie Road, Basye, US, VA, 22810	Pg 76-109	3/24/26	202601620
HOLMAN, THOMAS J & HOLMAN, ALICE J	094.35	3BR/2BA Cabin	72 Connie Road, Basye, US, VA, 22810	Pg 76-109	3/24/26	202601620
LEVINE, ELIZABETH A	094.41	3BR/2BA Cabin	72 Connie Road, Basye, US, VA, 22810	Pg 76-109	3/24/26	202601620

Grantee	Unit/ Week	Property Type	Property Address	More Details Pages	Date	Instr #
COMPASS DESTINATIONS LIMITED	094.45	3BR/2BA Cabin	72 Connie Road, Basye, US, VA, 22810	Pg 76-109	3/24/26	202601620
JANSEN, TIMOTHY R	102.06	3BR/2BA Chalet	309 Roberts Run, Basye, US, VA, 22810	Pg 110-144	3/24/26	202601620
RODRIGUEZ, MELISSA ANNE	102.07	3BR/2BA Chalet	309 Roberts Run, Basye, US, VA, 22810	Pg 110-144	3/24/26	202601620
WALCOTT, JULIAN P BABEL & BABEL-WALCOTT, JULIAN P	102.08	3BR/2BA Chalet	309 Roberts Run, Basye, US, VA, 22810	Pg 110-144	3/24/26	202601620
COOK, HERMAN	102.10	3BR/2BA Chalet	309 Roberts Run, Basye, US, VA, 22810	Pg 110-144	3/24/26	202601620
RUTLEDGE, HELENE F & NICHOLAS, JON P	102.16	3BR/2BA Chalet	309 Roberts Run, Basye, US, VA, 22810	Pg 110-144	3/24/26	202601620
KOZICKI, MARIAN & KOZICKI, BARBARA	102.19	3BR/2BA Chalet	309 Roberts Run, Basye, US, VA, 22810	Pg 110-144	3/24/26	202601620
BROWN, ANTONIO	102.32	3BR/2BA Chalet	309 Roberts Run, Basye, US, VA, 22810	Pg 110-144	3/24/26	202601620
DICKENS, MICHELLE & DICKENS, EVERETT	102.36	3BR/2BA Chalet	309 Roberts Run, Basye, US, VA, 22810	Pg 110-144	3/24/26	202601620
BULLOCK, JUNIOUS & BULLOCK, GERALDINE E &	102.43	3BR/2BA Chalet	309 Roberts Run, Basye, US, VA, 22810	Pg 110-144	3/24/26	202601620
HARVEY, LILY U & HARVEY, EDWARD N	114.03	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
LOCKWOOD, WILLIAM LOCKWOOD, ALBERTA H	114.06	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
SHEEHAN, KEVIN	114.09	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
SMITH, PRESTON K	114.14	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
LOCKHART, DUSTY M	114.16	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
GREAT NORTH MOUNTAIN CORPORATION	114.18	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
SILIES, DONALD E	114.25	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
HANSON, MICHAEL E & HANSON, MAIJAR	114.28	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
SHEEHAN, KEVIN	114.29	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
CLUB SELECT RESORTS	114.30	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
RORICK, JANET E	114.40	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
GUNTHER, ROBERT M & DROWLEY, DIANA	114.41	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
TAYLOR, SHARON EDITH MATILDA	114.47	3BR/2BA Rancher	295 Connie Road, Basye, US, VA, 22810	Pg 145-178	3/24/26	202601620
GILLESPIE, RICHARD E & GILLESPIE, CAROLYN C	119.02	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
JOHNSON, KARLA & JOHNSON, ALVIN	119.06	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
DOVE, ARIANA	119.07	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
WENTLING, WILLIAM S & WENTLING, KATHLEEN C	119.13	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620

Grantee	Unit/ Week	Property Type	Property Address	More Details Pages	Date	Instr #
LORENZ, ANGELIKA	119.14	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
DUDLEY, ANTHONY W & DUDLEY, ANNA D	119.21	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
PERKEY, BARBARA N	119.22	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
WOLFGANG P & HOCHENWARTER, JUTTA B2	119.33	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
GOODWIN, MAURICE B & GOODWIN, ANNE REUSS	119.40	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
WOLFGANG P & HOCHENWARTER, JUTTA B2	119.42	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
WORRELL, ROBERT A & WORRELL, J ANDERSON	119.43	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
VARRE, LOUISE & VARRE, DANIEL G	119.46	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
SMITH, KATHLEEN & SMITH, JAMES	119.50	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
WORLD TRANSFER INC	119.51	3BR/2BA Chalet	657 Nicklaus Drive, Basye, US, VA, 22810	Pg 179-213	3/24/26	202601620
MONGEAU, RONALD A; SR & DEVINE, JOAN	140.04	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
WENDT, C MORTEN & BELTRAN, HOWARD	140.07	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
GUNTHER, ROBERT M & DROWLEY, DIANA	140.15	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
PIRRAMI, JEFFREY J & PIRRAMI, DEBORAH M	140.16	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
WENDT, C MORTEN & BELTRAN, HOWARD	140.17	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
NESS, CLEO G	140.20	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
JAECK, PAUL R; JR & JAECK, DORIS R	140.37	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
REISE CLUB INC	140.38	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
COCHRAN, DERRICK	140.40	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
JONES, ROBERT & JONES, NANCY	140.42	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
CENTER FOR CHILDREN INC	140.47	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
KRAMER, KELLY M & KRAMER, DAVID J	140.48	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
C AND S RESORT GETAWAY LLC	140.50	3BR/2BA Chalet	10 Erika Drive, Basye, US, VA, 22810	Pg 214-247	3/24/26	202601620
BELL, KEVIN M	141A.07	3BR/2BA Chalet	1255 Resort Drive, Basye, US, VA, 22810	Pg 248-281	3/24/26	202601620
OROURKE, ROBERT P & OROURKE, ALICE	141A.16	3BR/2BA Chalet	1255 Resort Drive, Basye, US, VA, 22810	Pg 248-281	3/24/26	202601620
BELL, KEVIN M	141A.26	3BR/2BA Chalet	1255 Resort Drive, Basye, US, VA, 22810	Pg 248-281	3/24/26	202601620
RASMUSSEN, RANDY	141A.30	3BR/2BA Chalet	1255 Resort Drive, Basye, US, VA, 22810	Pg 248-281	3/24/26	202601620

Grantee	Unit/ Week	Property Type	Property Address	More Details Pages	Date	Instr #
VIGIL, DAVID	141A.32	3BR/2BA Chalet	1255 Resort Drive, Basye, US, VA, 22810	Pg 248-281	3/24/26	202601620
PINEDA, KRISTEN E	141A.34	3BR/2BA Chalet	1255 Resort Drive, Basye, US, VA, 22810	Pg 248-281	3/24/26	202601620
INTERVAL WEEKS INVENTORY LLC	141A.50	3BR/2BA Chalet	1255 Resort Drive, Basye, US, VA, 22810	Pg 248-281	3/24/26	202601620
WOODS, PAUL B & EDMONDS, IRMA L	150A.01	3BR/1.5BA Chalet	553 Resort Drive, Basye, US, VA, 22810	Pg 282-315	3/24/26	202601620
RC CONCEPTS LLC	150A.03	3BR/1.5BA Chalet	553 Resort Drive, Basye, US, VA, 22810	Pg 282-315	3/24/26	202601620
SULLIVAN, JOE B & SULLIVAN, JEANETTE T	150A.07	3BR/1.5BA Chalet	553 Resort Drive, Basye, US, VA, 22810	Pg 282-315	3/24/26	202601620
ROCHE, WILLIAM J & ROCHE, BETTINA LYNN	150A.13	3BR/1.5BA Chalet	553 Resort Drive, Basye, US, VA, 22810	Pg 282-315	3/24/26	202601620
SHANNON, SYLVESTER L & SHANNON, DORIS B	150A.21	3BR/1.5BA Chalet	553 Resort Drive, Basye, US, VA, 22810	Pg 282-315	3/24/26	202601620
RHYNE, LUADAN V; JR & RHYNE, JOYCE L	150A.30	3BR/1.5BA Chalet	553 Resort Drive, Basye, US, VA, 22810	Pg 282-315	3/24/26	202601620
BOWLSBY, PATRICIA A & BOWLSBY, ALAN D	150A.36	3BR/1.5BA Chalet	553 Resort Drive, Basye, US, VA, 22810	Pg 282-315	3/24/26	202601620
WILSON, LEONIDAS E; JR	150A.45	3BR/1.5BA Chalet	553 Resort Drive, Basye, US, VA, 22810	Pg 282-315	3/24/26	202601620
VEST, CHARLES E & VEST, AUDREY R	150A.46	3BR/1.5BA Chalet	553 Resort Drive, Basye, US, VA, 22810	Pg 282-315	3/24/26	202601620
RC CONCEPTS LLC	150A.50	3BR/1.5BA Chalet	553 Resort Drive, Basye, US, VA, 22810	Pg 282-315	3/24/26	202601620
LEE, VINTON E; JR	150B.16	3BR/2BA House	591 Resort Drive, Basye, US, VA, 22810	Pg 316-349	3/24/26	202601620
HISHMEH, MARYLINDA & HISHMEH, GEORGE S	150B.19	3BR/2BA House	591 Resort Drive, Basye, US, VA, 22810	Pg 316-349	3/24/26	202601620
SWEET, NADINE	150B.20	3BR/2BA House	591 Resort Drive, Basye, US, VA, 22810	Pg 316-349	3/24/26	202601620
MCGILLIVRAY, JAMES	150B.24	3BR/2BA House	591 Resort Drive, Basye, US, VA, 22810	Pg 316-349	3/24/26	202601620
CALLAHAN & ZALINSKY ASSOCIATES LLC	150B.28	3BR/2BA House	591 Resort Drive, Basye, US, VA, 22810	Pg 316-349	3/24/26	202601620
HISHMEH, MARYLINDA & HISHMEH, GEORGE S	150B.29	3BR/2BA House	591 Resort Drive, Basye, US, VA, 22810	Pg 316-349	3/24/26	202601620
NESS, CLEO G	150B.31	3BR/2BA House	591 Resort Drive, Basye, US, VA, 22810	Pg 316-349	3/24/26	202601620
WYNNS, SHARON M & WYNNS, PEYTON L	150B.35	3BR/2BA House	591 Resort Drive, Basye, US, VA, 22810	Pg 316-349	3/24/26	202601620
SURRATT, MARGARET S & SURRATT, JOHN S	150B.38	3BR/2BA House	591 Resort Drive, Basye, US, VA, 22810	Pg 316-349	3/24/26	202601620
TAYLOR TOURS LLC	150B.49	3BR/2BA House	591 Resort Drive, Basye, US, VA, 22810	Pg 316-349	3/24/26	202601620
VVT INC	162.03	3BR/2BA Chalet	224 Nelson Way, Basye, US, VA, 22810	Pg 350-384	3/24/26	202601620
ENGLE, WENDY JO & ENGLE, MATTHEW	162.08	3BR/2BA Chalet	224 Nelson Way, Basye, US, VA, 22810	Pg 350-384	3/24/26	202601620
CONES, VANESSA M & CONES, KENNETH L; JR	162.21	3BR/2BA Chalet	224 Nelson Way, Basye, US, VA, 22810	Pg 350-384	3/24/26	202601620
GONICK, VELIA DOLORES & GONICK, TIMOTHY JAMES	162.38	3BR/2BA Chalet	224 Nelson Way, Basye, US, VA, 22810	Pg 350-384	3/24/26	202601620

Grantee	Unit/ Week	Property Type	Property Address	More Details Pages	Date	Instr #
BRIM, CAROLYN S	162.39	3BR/2BA Chalet	224 Nelson Way, Basye, US, VA, 22810	Pg 350-384	3/24/26	202601620
DELUCCIA, NADINE & DELUCCIA, FRANK	162.45	3BR/2BA Chalet	224 Nelson Way, Basye, US, VA, 22810	Pg 350-384	3/24/26	202601620
STATHOPOULOS, IRENE C & STATHOPOULOS, ANTHONY	162.47	3BR/2BA Chalet	224 Nelson Way, Basye, US, VA, 22810	Pg 350-384	3/24/26	202601620
LONG, JOHN K & LONG, ANN L	162.48	3BR/2BA Chalet	224 Nelson Way, Basye, US, VA, 22810	Pg 350-384	3/24/26	202601620
HOLUBAR, ROBERT J & HOLUBAR, JENNIFER T	162.50	3BR/2BA Chalet	224 Nelson Way, Basye, US, VA, 22810	Pg 350-384	3/24/26	202601620
WILKINSON, WILFRID P; III TR & WILKINSON, KATHLEEN D; TR	364.02	3BR/2BA Chalet	234 Beauregard Drive, Basye, US, VA, 22810	Pg 385-419	3/24/26	202601620
MCCARTHY, MARK	364.08	3BR/2BA Chalet	234 Beauregard Drive, Basye, US, VA, 22810	Pg 385-419	3/24/26	202601620
MCCARTHY, MARK	364.19	3BR/2BA Chalet	234 Beauregard Drive, Basye, US, VA, 22810	Pg 385-419	3/24/26	202601620
SCHWARTZ, JUDITH M	364.23	3BR/2BA Chalet	234 Beauregard Drive, Basye, US, VA, 22810	Pg 385-419	3/24/26	202601620
ALDRIDGE, JOANNE K & ALDRIDGE, EDWARD C; JR	364.26	3BR/2BA Chalet	234 Beauregard Drive, Basye, US, VA, 22810	Pg 385-419	3/24/26	202601620
ANDERSON, XAVIER	364.30	3BR/2BA Chalet	234 Beauregard Drive, Basye, US, VA, 22810	Pg 385-419	3/24/26	202601620
DANIELS, KELLY	364.37	3BR/2BA Chalet	234 Beauregard Drive, Basye, US, VA, 22810	Pg 385-419	3/24/26	202601620
SENSEBE, JOSEPH & SENSEBE, GINA	364.40	3BR/2BA Chalet	234 Beauregard Drive, Basye, US, VA, 22810	Pg 385-419	3/24/26	202601620
SHAKE, WILLIAM T & SHAKE, CATHERINE G	364.41	3BR/2BA Chalet	234 Beauregard Drive, Basye, US, VA, 22810	Pg 385-419	3/24/26	202601620
BANYARD, CHARLES	364.49	3BR/2BA Chalet	234 Beauregard Drive, Basye, US, VA, 22810	Pg 385-419	3/24/26	202601620
SHIFFLETT, GREGORY A	364.52	3BR/2BA Chalet	234 Beauregard Drive, Basye, US, VA, 22810	Pg 385-419	3/24/26	202601620

#1396
Agreement and Rest. Code 393
Exd 6/5/80
Delivered To:
I. Clinton Miller
6/5/80
Plat on page 426

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**GREAT NORTH MOUNTAIN CORPORATION
STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS
OF THE PINE VILLAS',
BRYCE MOUNTAIN,
BASYE, SHENANDOAH COUNTY, VIRGINIA**

THIS STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS .

Protective Covenants and Restrictions, made this 9TH day of NOV , 1979 ,
by GREAT NORTH MOUNTAIN CORPORATION, a corporation duly organized
and existing under the laws of the State of Virginia, having an address and doing
business at Basye, Shenandoah County, Virginia, Zip Code 22810 (sometimes
hereinafter referred to as "Declarant").

WITNESSETH :

**WHEREAS, the Declarant owns the Property, as defined in Article II of
this Statement of Mutual Ownership Agreements, Protective Covenants and
Restrictions, and desires to maintain its natural beauty, to assure high quality
standards for the development of the property that are compatible with the
character of Bryce Mountain, and to promote the recreational interests and
health, safety and social welfare of each owner of a part hereof; and**

**WHEREAS, the benefits of the Protective Covenants and Time Period
Ownership Agreements set forth herein are intended to run to each original
owner, his heirs, executors, administrators, successors and assigns and are
declared for the purpose of creating and maintaining the Property as a desirable,
attractive, beneficial and suitable place of abode, of guarding against**

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losses by fire and other hazards, of providing for the period of time during which each of the various owners may use the Property, and of providing Rules and Regulations for the mutual benefit and protection of each of the owners.

NOW, THEREFORE, said Great North Mountain Corporation, hereby declares that Units committed to Time Shared Ownership as herein provided, are and shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, declared and agreed to be in furtherance of a uniform occupancy plan for the development of the Property; and this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions is intended to enhance and protect the value and desirability of the property and to mutually benefit each of the owners thereof, and to create mutual equitable servitudes upon each of the undivided fractional ownership interests in the property in favor of each and all other owners therein, to create reciprocal rights and privity of contract in a state between all persons acquiring or owning an interest in the property, including said Great North Mountain Corporation, and their grantees, heirs, devisees, successors, and assigns and shall be deemed to run with the land and be burden and benefit to all such persons, including said Great North Mountain Corporation, their grantees, heirs, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

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As used in this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, the following terms shall have the following meanings:

A. Declarant

Great North Mountain Corporation, its successors or assigns.

B. The Property

The real property referred to at Article II of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions.

C. Statement of Mutual Ownership Agreements

This Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, sometimes herein referred to as "Statement", or "Statement of Ownership Agreements".

D. Bryce Mountain

A planned development approved by the Supervisors of Shenandoah County, Virginia, located at Basye, Virginia, in Shenandoah County, Virginia.

E. Great North Mountain Corporation

The Declarant of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions and the owner of the property at the time of the recording of this Statement, a corporation duly organized and existing under the laws of Virginia, having an address and doing business at Basye, Shenandoah County, Virginia.

F. Owner

Owner shall mean and include any person or other entity and the heirs, executors, administrators, successors and assigns

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thereof who shall be (1) the Grantee named in a deed of an undivided interest in a Unit; (2) the purchaser of an undivided interest in a Unit under a written contract for sale and purchase of an undivided interest in a Unit; (3) the Declarant with respect to any undivided interests in Units not conveyed.

G. Unit

Unit shall mean any and all of the dwelling units and the land on which they are situated, which may presently or in the future be constructed upon any part of the real property referred to at Article II hereof.

H. Time Shared Ownership

Time Share Ownership shall mean a one fifty-second co-tenancy interest in the Unit as more fully defined and restricted in Article III hereof. It contends with the exclusive right to use and occupy a Unit during one or more Time Periods as provided in this Statement.

I. Unit Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any Unit sold under and subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions. The Unit shall become a Unit committed to time shared ownership upon the recording of the first deed in said Unit, conveying an undivided co-tenancy interest in said Unit. No Unit may be committed to time shared ownership by any person, or other entity, other than Declarant. A Unit shall no longer be committed to time shared ownership at any time all time periods are owned by the same legal entity.

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J. Time Period

Time Period shall mean a one week period of time shared ownership in a Unit.

K. The Pine Villas' Owners Association

The nonprofit corporation existing or to be created for the Pine Villas' Time Shared houses for the benefit of Time Period Owners in and to Units committed to time shared ownership located on the property described in Article II hereof.

L. Association Property

All lands and improvements (except for Units) subject to this Statement as shown on a map of The Pine Villas', Section 8, Lot 8, attached hereto and made a part hereof and to be recorded herewith. Said lands and improvements to be conveyed by the Declarant to the Pine Villas' Owners Association in compliance with this Statement.

M. Managing Agent

Managing Agent shall mean the agent or firm appointed and employed by the Association as hereinafter provided to provide full and complete maintenance, administrative supervision and managerial services for the Units and the Association property.

N. Maintenance Time Periods

Maintenance Time Periods shall mean two time periods to be set aside by the Declarant for the maintenance and restoration of each Unit, each year, the title to such maintenance time period to be conveyed by Declarant to the Association provided for hereinafter.

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O. Rules and Regulations

The Rules and Regulations promulgated by the Association or the Managing Agent on behalf of the Association for the benefit of all time period owners. Said Rules and Regulations shall be promulgated for the elaboration and administration of this Declaration.

P. Guests

Any person or persons using a Unit of the Property with the permission of the Time Period owner thereof, including but not limited to, family members, invitees and tenants.

Q. Furnishings

Furnishings shall mean all furniture, fixtures and furnishings for a Unit or other personal property from time to time owned or held for the use by all owners of time periods in and to a Unit during their respective time period.

ARTICLE II**THE PROPERTY****A. Existing Property**

The real property that is hereby subject to this Statement consists of 13,076 square feet, or Section 8, Lot 8, of land lying in Shenandoah County, Virginia, and more particularly shown upon the plat attached hereto, made a part hereof and to be recorded herewith entitled "The Pine Villas", Section 8, Lot 8, Bryce Mountain".

B. Additional Property

The Declarant shall have the right within ten (10) years date hereof to bring within the scheme of this Statement, from time to time and at its discretion, with governmental approvals,

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if required, additional properties, including property now or hereafter acquired by it and property of others that is either abutting the existing property, as described in Article II-A hereof, or additions thereto or so situated that its addition would be consistent with the uniform scheme of development set forth in this Statement. Any such additions as are authorized hereby shall be made by a supplementary declaration as prescribed in Section "C" of this article.

C. Supplementary Declaration

1. A Supplementary Declaration shall contain the following:
 - a. A reference to this declaration;
 - b. Identification of the Declarant of the Supplementary Declaration;
 - c. An expression of intent to submit certain real property to the uniform scheme of this Statement and to the jurisdiction of the Association;
 - d. A Statement that the real property that is the subject of the Supplementary Declaration constitutes Additional Property under Article II-B of this Statement.
2. The Supplementary Declaration may contain such conditions to or modification of the Protective Covenants and Restrictions as may be necessary to reflect the different character, if any, of the real property that is the subject of the Supplementary Declaration.
3. A Supplementary Declaration shall become effective upon being duly recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia.

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ARTICLE III

PROTECTIVE COVENANTS

A. Units Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any unit of the property sold under and subject to this Statement. The unit shall become a Unit Committed to Time Shared Ownership upon the execution and recordation of an instrument conveying an undivided co-tenancy interest in said unit. The Declarant, in its sole discretion, shall have the exclusive right to commit a Unit to time shared ownership. A Unit shall no longer be committed to time shared ownership at any time all Time Periods are owned by the same legal entity.

B. Time Period Ownership

Each Time Period in and to a Unit is a one week ownership period in accordance with subparagraph C of this Article. An owner may own more than one Time Period.

C. Schedule of Time Periods

Time Period No. 1 is the seven (7) days commencing on the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month of the year plus any excess days not otherwise assigned. A Time Period commences at 12:00 noon on the first Friday of the Time Period. Each owner of a Time Period hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations promulgated

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by the Managing Agent for the benefit of all Time Period owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Unit.

D. Ownership Interest

An owner of a Time Period in and to a Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the Declarant, its successors and assigns, and the owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of time periods owned.

E. Transfer of a Time Period

An owner of a Time Period may transfer his undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time Period must be the identical Time Period which the conveying owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying owner or to combine or divide a Time Period acquired by such owner shall be null and void and of no force or effect.

F. Waiver of Right of Partition

Each owner of a Time Period and each purchaser of a Time Period in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Time Period, by such acceptance, such grantee or purchaser shall for

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himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period in Units committed to time shared ownership, to waive and relinquish for the duration of the effective period of this Statement, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Statement. If, however, any Time Period shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Time Period in lieu of partition as between such owners. Each owner of a Time Period may convey, lease, assign, devise or otherwise transfer his entire Time Period as a Time Period is defined in this Article III.

G. Exclusive Use and Occupancy

Each owner of an undivided co-tenancy interest in a Unit committed to time shared ownership shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during his Time Period(s), together with the non-exclusive right in common with all other owners of the Unit when acting through the Managing Agent, to maintain, repair and refurbish the Unit. No Time Period owner shall occupy the Unit, or exercise any other rights of ownership with respect to the Unit and the

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furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the owner entitled to occupy the Unit during such Time Period(s). Each owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, vacate the Unit at the time established by the Rules and Regulations hereinafter mentioned, remove all persons and property therefrom excluding the furniture and furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and other procedures as may from time to time be contained in the Rules and Regulations promulgated by the Managing Agent or a majority of the members of the Time Shared Owners Association.

H. Failure to Vacate Penalties

If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of their not being conveyed, or prevents another owner from using or occupying the Unit during such other owner's, including the Declarant's Time Period, the owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of

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such owner in wrongful possession; (3) shall pay to the owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred per cent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof, including the day of surrender, during which the owner in wrongful possession occupies the Unit; (4) shall reimburse the owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association's terminating any and all utility and other services to the Unit during the period of his wrongful occupancy.

I. Maintenance Periods

(1) The Declarant in its sole discretion shall set aside two Time Periods for each Unit for the maintenance and restoration of the Unit each year. The maintenance periods for all Units need not be the same periods; rather the Declarant shall, in its sole discretion, select the two maintenance periods for each Unit.

(2) Title to such maintenance periods shall be conveyed to the Association in each Unit within three years after the sale and recordation of a deed conveying a Time Period to a purchaser.

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(3) Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to owners of Time Periods under the provision of this Statement, or the By-Laws of the Association.

J. Ownership and Use of Furnishings

(1) Each Unit committed to time shared ownership shall be provided with basic furniture and furnishings. The Declarant, its successors or assigns, shall distribute a list of the specific items of furniture and furnishings provided which list shall be given to each initial Time Period Owner of a Unit at or before occupying a Unit.

(2) Each owner of an individual interest in and to a Unit shall own an individual interest, equivalent to his undivided interest in the Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Statement. Provided, however, that such owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period without hindering or violating the lawful rights of others to use same.

(3) A transfer of an undivided interest in a Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Unit committed to time shared ownership

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under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

(4) At the end of his Time Period, each owner and his guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an owner or his guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Time Period owner thereof in accordance with this Statement and the Rules and Regulations shall be delivered to the Managing Agent who shall keep such property for thirty (30) days. At the end of such thirty (30) day period such property shall be considered to have been abandoned.

(5) No noxious or offensive activity shall be carried on within any Unit, nor shall anything be done or permitted which shall constitute a public nuisance therein, nor shall anything be done or permitted or kept in the unit which would increase the rate of insurance upon the Unit or the furniture or furnishings therein.

(6) No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Statement.

(7) All repairs to a Unit required in order to maintain the Unit in the manner required by this Statement shall be made by

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the Managing Agent. No Time Period owner shall make such repairs. No Time Period owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in this paragraph. Each Time Period owner shall indemnify and hold the other owners of the Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

K. Ownership Subject to Statement

Each owner by his execution of the agreement of sale and the acceptance of the conveyance of a Time Period shall be subject to the provisions of this statement and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the unit is held.

ARTICLE IV

THE PINE VILLAS' OWNERS ASSOCIATION

A. Membership

The Declarant and each Time Period owner shall be a member of the Pine Villas' Owners Association, such membership being mandatory upon an individual's acquiring an interest in or to a Unit, and who by acquiring such interest does agree to abide by the by-laws of the Association.

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B. Voting

(1) The Declarant and each Time Period owner shall be entitled to one vote per Time Period owned, in the affairs of the Association. Provided, however, that if a Time Period is owned by more than one person, all such persons shall be members of the Association but in no event shall more votes be cast with respect to any one Time Period than would be the case if said Time Period was owned by one individual.

(2) Any owner who owns more than one Time Period shall be entitled to one vote per Time Period owned.

(3) The voting rights provided for herein shall be exercised under and subject to the by-laws of the Association.

C. Purpose

The Association shall be responsible for the enforcement of the provisions of this Statement, the maintenance of the Association Property and any improvements thereon, and shall have the exclusive right, duty and responsibility, which may only be delegated to the Managing Agent, as provided for hereinafter, for the maintenance, repair, replacement and decoration of the exterior and interior of all Units situated on the property including but not limited to exterior walls, doors, windows, verandas, roofs of buildings, interior walls, floors, ceilings and the furniture, fixtures, furnishings and appliances situated in the Units.

D. Easement Reserved to Association

There is hereby reserved to the Association the right to have its agents, employees and the Managing Agent enter into or

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upon any Unit to perform and carry out its rights, duties and responsibilities as set forth in subparagraph C of this Article.

E. Title to Association Property

The Declarant shall retain legal title to the Association property until such time as the capital improvements shall have been completed on the property and until the Association in the opinion of the Declarant, shall be able to maintain same, provided, however, that the Declarant hereby covenants for its successors and assigns that in no event shall title to the Association property be retained later than January 1, 1985. At the time of such conveyance by the Declarant, its successors and assigns shall convey good and marketable title, free from all liens, judgments and mortgages, by virtue of a special warranty deed. In addition, the Declarant for itself, its successors and assigns does hereby covenant and agree to remain liable under any then existing and outstanding liens, judgments or mortgages and shall indemnify and save the Association harmless with respect to any and all claims, expenses and charges made pursuant to the provisions of the said then outstanding liens, judgments or mortgages.

F. Waiver and Consent

Notwithstanding any other provision of this Declaration, each owner by becoming a member of the Pine Villas' Owners Association shall consent to and does hereby give the Association the right and authority to suspend his voting rights, if any, and take such other action specifically that is set forth herein if that member violates any provision of this Statement. By so

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consenting, each purchaser does hereby waive any right, judicial or otherwise, he may have against the Association because of the Association's actions.

G. Assessments, Charges or Fees by the Association

(1) The Board of Directors of the Association shall determine the assessment charge or fee to be levied upon each Time Period owner in order to carry out the purposes of the Association.

(2) The Treasurer of the Association, upon demand of any owner liable for an assessment, shall furnish the said owner a certificate in writing setting forth whether such assessment has been paid and, if not, the amount due. Said certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid or of the amount then due and owing by any such owner.

ARTICLE V

A. Reserved to Declarant

1. There is hereby reserved to the Declarant the right to lay out, make and maintain utility easements for the construction, connection, operation, maintenance, relocation, repair and inspection of pipes, sewers, mains, collectors, trunk lines, pumping stations, conduits, lines, poles, and appurtenant access ways and facilities for any and all utility systems at such locations upon, under and across the Property, as shall be necessary or appropriate to serve the Units, the Association Property and the general public with minimum interference with the use and enjoyment of the

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property of any Owner whose real estate may be affected, and to convey such easements to any public utility empowered to operate and maintain the same.

B. Conveyed to Time Period Owners

Each time period owner shall have the right of ingress, egress and regress over the Association property and to use same in accordance with its intended purposes.

ARTICLE VI

REAL ESTATE MANAGEMENT

A. Managing Agent

The Association shall engage a managing firm (the Managing Agent) to act as Managing Agent for the Units. The Managing Agent shall provide full and complete maintenance, administrative supervision and managerial services for Units until its management of such Units is terminated by the vote of a majority of the members of the Pine Villas' Owners Association. Any such vote shall appoint a successor Managing Agent which shall be a managing firm meeting the qualifications set forth herein.

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B. Duties, Obligations and Responsibilities of Managing Agent

1. The Managing Agent employed by the Association shall perform and shall be responsible and liable for the services and duties hereinafter set forth and any other duty, service or function delegated by the Association. It shall be the Association's responsibility to insure that the Managing Agent performs same. The Managing Agent shall collect from the owners of Time Periods all amounts payable by such Time Period owners under this Statement of Mutual Ownership Agreements as follows:

(a) request, demand, collect, receive and receipt for all such amounts.

(b) collect and receive from the owner(s) of each Time Period all amounts payable by such owners under the terms of this Statement and take such action in its own name or in the name of the Association as may be reasonable to collect such amounts including but not limited to the foreclosure of any lien established by this Statement.

(1) The Managing Agent on behalf of the Association may collect interest at the rate of one and one quarter percent (1-1/4%) per month, if then permitted by law, otherwise at the highest rate then so permitted on any amount due from a Time Period owner which is not paid when due under this Statement. In addition, such owner(s) shall reimburse the Managing Agent for all costs and expenses reasonably incurred by the Managing Agent in collection of such delinquent amount.

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(c) provide upon request of an owner of the legal or equitable title of a time shared interest in and to a Unit, a mortgagee or prospective mortgagee, purchaser or prospective transferee of an interest in the Unit or the Board of Directors of the Association, a written statement and account setting forth any amounts unpaid by an owner of a Time Shared interest which shall be binding upon the Managing Agent and the Association in favor of any person who may rely thereon in good faith.

(d) take such action in its own name, in the name of the Association or in the name of the owners of Time Shared interests to enforce this Statement.

(e) enter into contracts with others for the furnishing of such services as it deems proper for Units committed to Time Shared ownership.

(f) adopt from time to time Rules and Regulations for the elaboration and administration of the provisions of this Statement, which Rules and Regulations shall relate to the overall development and use of the property and Units, but shall not in any way diminish the powers of self-government of the Association.

(g) provide for the cleaning and necessary maid service, maintenance and repair upon the departure of each time period owner from a Unit so that each Unit is in good order and repair and ready for occupancy by the next Time Period owner. Further provide any and all necessary repairs, maintenance and repainting, remodeling, refurbishing necessary to maintain the Units in good and adequate condition in accordance with the intention and plan of Pine Villas' as set forth in this Statement.

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(l) any and all major alterations, repairs, renovations and remodeling shall be performed unless the exigencies of the circumstances dictate otherwise during the maintenance week.

(2) all repairs, alterations, remodeling or renovation of the Unit and the personal property appurtenant thereto performed by the Managing Agent on behalf of the owners shall be done in such manner as to maintain and restore the Unit to at least the same condition after such work as it was immediately before the occurrence requiring the work to be done.

(h) provide for the landscaping, upkeep, safety, maintenance and repair of the Association Property and any improvements situated thereon, and accomplish and perform all snow removal and road maintenance for the roads lying and situated on Association property.

(i) keep each Unit equipped in accordance with the list provided to each initial owner of the Unit and shall be authorized to replace or repair any furniture or furnishings which are missing, which become unusable or which become so worn as to require replacement, in the reasonable judgment of the Managing Agent. Except in cases where any such furniture or furnishings must be replaced due to the negligence or intentional act of any owner or his guest (which shall be determined by the Managing Agent in its reasonable judgment), expense of replacing any such

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furniture or furnishings shall be a common expense of the Unit and each owner thereof shall pay his assessed share of such expense.

(j) inspect each Unit when same is vacated, according to the terms of this Statement and the Rules and Regulations promulgated hereunder, and determine whether there are any items of furniture or furnishings which need to be replaced or repaired, and if so, whether such replacement or repair is the responsibility of the owner during whose Time Period such replacement became necessary. The Managing Agent shall promptly notify any owner if he is to be charged for any items of furniture or furnishings which need to be replaced.

(k) pay all taxes and assessments, costs and other charges affecting or relating to the Units on the Association property and discharge, contest or protest liens or charges affecting the Association.

(l) provide, maintain and keep in force on behalf of the Time Period owners and the Association the following insurance coverage, said coverage to be obtained and maintained in favor of the Managing Agent, the Time Period owners, the Association and any lien holders, as their respective interests may appear.

(1) General Public Liability and Property Damage Insurance against claims for bodily injury or death or personal property damage occurring in or on a Unit or on the Association Property in an amount equal to the maximum insurable replacement value of the personal property and in such other amounts and

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providing such coverage as the Managing Agent or the Association may determine from time to time.

(2) Insurance coverage on all furniture, furnishings and other personal property initially supplied or installed in each Unit and replacements thereof, against loss or damage by fire, with extended coverage including insurance against loss or damage by vandalism or malicious mischief, in the amount of the maximum replacement value thereof and without deduction for depreciation.

(3) Fire and extended coverage insurance, and such other insurance as it may deem necessary, for all Units located on the Property and the Association property, the fire and extended coverage insurance to be for replacement cost and to name Pine Villas' Owners Association the appropriate Time Period owners and any lien holders, as beneficiaries, as their respective interests may appear, and the proceeds of such fire and extended coverage insurance shall be used exclusively for repair and replacement purposes.

(aa) all insurance required to be carried by this Statement of Mutual Ownership Agreement shall be carried in favor of the Managing Agent, the owners of undivided interest in and to Units committed to the time shared ownership, and any lien holders, as their respective interests may appear.

(bb) in the event that personal property appurtenant to a Unit committed to time shared ownership is damaged or destroyed, the Managing Agent shall collect the insurance proceeds payable

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on account of such damage or destruction (as agent in fact for the owners) and, unless such personal property is not to be replaced or repaired under the provisions of this Statement, or by direction of the Pine Villas' Owners Association, shall apply the proceeds of insurance to replace or repair the damaged or destroyed personal property. If any excess funds are required in order to replace or repair the personal property, such excess funds shall be considered a special assessment of the owners of the Unit and each owner thereof shall pay his share thereof. If the insurance proceeds exceed the cost of repair or replacement, such excess shall be refunded to the owners of the Unit according to the pro-rata interest herein.

C. Owners Acceptance

Each owner by his acceptance of the deed or other instrument conveying an interest in a Unit does hereby irrevocably constitute and appoint the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to: (1) deal with the interest of such owner upon damage to or destruction of any personal property in his Unit; and (2) to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Statement. Each owner stipulates and agrees that the Power of Attorney executed by this paragraph of the Statement is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each owner in the absence of fraud or mistake.

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ARTICLE VII**CHARGES, ASSESSMENTS AND FEES****A. Common Expense Charge**

Pursuant to this Statement, each Time Period owner will be required for each Time Period owned to pay a common expense charge as determined periodically by the Board of Directors of the Association to pay for the general operating costs of the Association, the Association property and the Units. Said common expense charge shall include but shall not be limited to the following elements:

1. Property taxes
2. Reserve accounts for replacement, repairs, remodeling of the personal property in the Units, the Units and the Association Property taxes
3. Water and sewerage charges
4. Maintenance, including landscaping and snow removal of the Association Property.
5. Maintenance and normal repair of the Units.
6. Utility charges
7. Domestic services
8. Insurance coverage as herein provided for
9. Purchasing, maintenance and replacement of equipment
10. Administrative costs
11. Managing Agent's fee
12. Assessments by Pine Villas' Owners Association
13. Security

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1. The Board of Directors of the Association shall in accordance with the by-laws of the Association review said common expense charge from time to time to determine if same is adequate.

2. A Time Period owner's Unit common expense charge shall be due and payable thirty (30) days prior to occupancy in the year of sale and on January 1 of each year thereafter.

3. In addition to the other remedies provided for herein the Board of Directors of the Association or its delegate, the Managing Agent, shall have the right to deny the occupancy and use of a Unit to any Time Period owner who fails to pay this common expense charge.

B. Individual Expense Charge

Each Time Period owner in addition to the obligation to pay his common expense charge shall be charged and pay on a current basis those expenses directly related to the use and occupancy of a Unit during his time period. Such expenses shall include but not be limited to:

(1) telephone charges directly related to the Time Period owner or his guests.

(2) extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof or the Association Property caused by a Time Period owner's use of the said Unit or property.

C. Special Assessments

The Board of Directors of the Association shall have the right, duty and authority to levy special assessments on Time Period owners in order to carry out the purposes and intent of this Statement.

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ARTICLE VIII

ASSESSMENTS AND LIENS

A. Each Time Period owner shall pay when due all amounts required to be paid by him under this Statement. The Managing Agent or the Association may bring legal action or take other reasonable actions to collect any amounts from the Time Period owner liable for payment thereof, with or without foreclosing or waiving the lien described herein.

B. All amounts due under this Statement which are unpaid shall constitute a lien solely and exclusively on the undivided co-tenancy interest in the Unit of the Time Period owner failing to pay such amount. The lien shall attach from the date when the unpaid amount shall become due and may be foreclosed by the Managing Agent of the Pine Villas' Owners Association in like manner as a mortgage on real property. In any such foreclosure, the Time Period owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Time Period owner who is in default shall not be entitled to use, rent, devise or otherwise assign his undivided co-tenancy interest in the Unit. The Managing Agent shall be entitled to rent such undivided co-tenancy interest in the Unit during the defaulting owner's Time Period and to set off any amounts received against the amount due from the defaulting owner.

C. No Time Period owner shall exempt himself from liability for payment of amounts payable under this Statement either by waiver of the use or enjoyment of his Time Period in the Unit, by abandonment of his Time Period in the Unit, or otherwise.

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ARTICLE IX

ENFORCEMENT OF PROTECTIVE COVENANTS

A. The Declarant, its successors or assigns, the Association, the Managing Agent and one or more of the owners shall be entitled jointly and severally to maintain equitable or legal proceedings to enjoin, abate or obtain other appropriate relief in respect of any and all breaches of the Protective Covenants herein contained.

B. The Declarant, its successors or assigns, the Association and the Managing Agent shall have a right of access to any part or parts of the property for the purpose of making inspections or for the purpose of correcting any condition likely to result in a breach of any protective covenants or for the purpose of abating, remedying or correcting such breach at the expense of the responsible party or parties, and for the purpose of providing real estate management services, provided that requests for entry are made in advance and that any such entry shall be at a reasonably convenient time.

C. The provisions of this Statement may be enforced by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, and against his property to enforce any lien created by these mutual covenants and easements; failure by Declarant, its successors or assigns or the Managing Agent to enforce any protective covenant or easement herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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ARTICLE X
MISCELLANEOUS

A. Notices

Any notice required to be sent to the owner of an undivided interest in and to a Unit, under the provisions of this Statement, shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as owner of said Time Period on the records of the Association at the time of such mailing.

B. Interpretation

It is specifically recognized that this Statement is intended to assure the fair and harmonious operation and care of each Unit for the benefit of each and all of the Time Period owners thereof; therefore, this Statement is to be liberally construed to effectuate its purpose of creating a uniform occupancy plan for the beneficial use and development of Units in The Pine Villas', Bryce Mountain, Shenandoah County, Virginia. This Statement shall not constitute a joint venture or partnership and no part or Time Period owner shall have the right to participate in the individual profits, if any, of any other party or owner arising out of the use and occupancy of the Unit.

C. Invalidity

The invalidity of any part of this Statement shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Statement which shall remain in full force and effect.

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D. Gender and Number

Use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Amendment

(1) The Declarant, its successors or assigns, may, by an instrument in writing in recordable form amend the provisions of this Statement, such amendment to become effective forty-five (45) days after written notice of such amendment to each Time Period owner, provided, however, that no such amendment shall become effective if the Declarant, its successors or assigns, shall receive disapproval of such amendment, by an instrument in writing signed by and acknowledged by Time Period owners holding fifty-one percent (51%) of the Time Period interests in and to Units in said Pine Villas', prior to the termination of the said forty-five (45) day period.

(2) This statement may be amended by written instrument executed by seventy-five percent (75%) of the members of the Pine Villas' Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association Property, and the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent. Subject to the foregoing provisions, any amendment shall be binding upon every Time Period owner and every Time Period.

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(3) The Declarant, its successors or assigns, may, by instrument in writing in recordable form amend the provisions of this Statement at any time prior to the recordation of a deed conveying a Time Period.

F. Law to Govern

This Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

G. Duration

The provisions of this Statement, as set forth herein and as the same may be amended from time to time, shall be enforceable, as set forth herein, for a term of twenty (20) years from the date this Statement is recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia, after which time all of said provisions shall be extended automatically for successive periods of five (5) years each unless an instrument signed and approved by seventy-five percent (75%) of the members of the Pine Villas' Owners Association shall have been recorded, agreeing to terminate all of the said provisions as of a specified and certain date, which shall not be earlier than the expiration of a term of three (3) years from the date of such recording.

H. Provision

The provisions of this Statement shall be binding upon all parties having or acquiring any right, title or interest in the property or any part thereof and shall be for the benefit of each Time Period owner and his heirs, successors or assigns. Each Time Period owner, including the Declarant, its successors and

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assigns, shall be fully discharged and relieved of liability from the provisions herein contained insofar as the same relate to each Time Period owned, upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder, in respect of such Time Period, to the time his ownership interest terminated.

IN WITNESS WHEREOF, the parties hereunto have executed this Statement of Mutual Covenants and Easements this 17th day of December, 1979

GREAT NORTH MOUNTAIN CORPORATION

By: Bruce Forbes

President

STATE OF VIRGINIA,

COUNTY OF SHENANDOAH, to-wit:

The foregoing instrument was acknowledged before me this 7th day of December, 1979, by Bruce Forbes, President of GREAT NORTH MOUNTAIN CORPORATION, a Virginia corporation, on behalf of the corporation.

My commission expires: March 14, 1983

SHENANDOAH COUNTY, ss

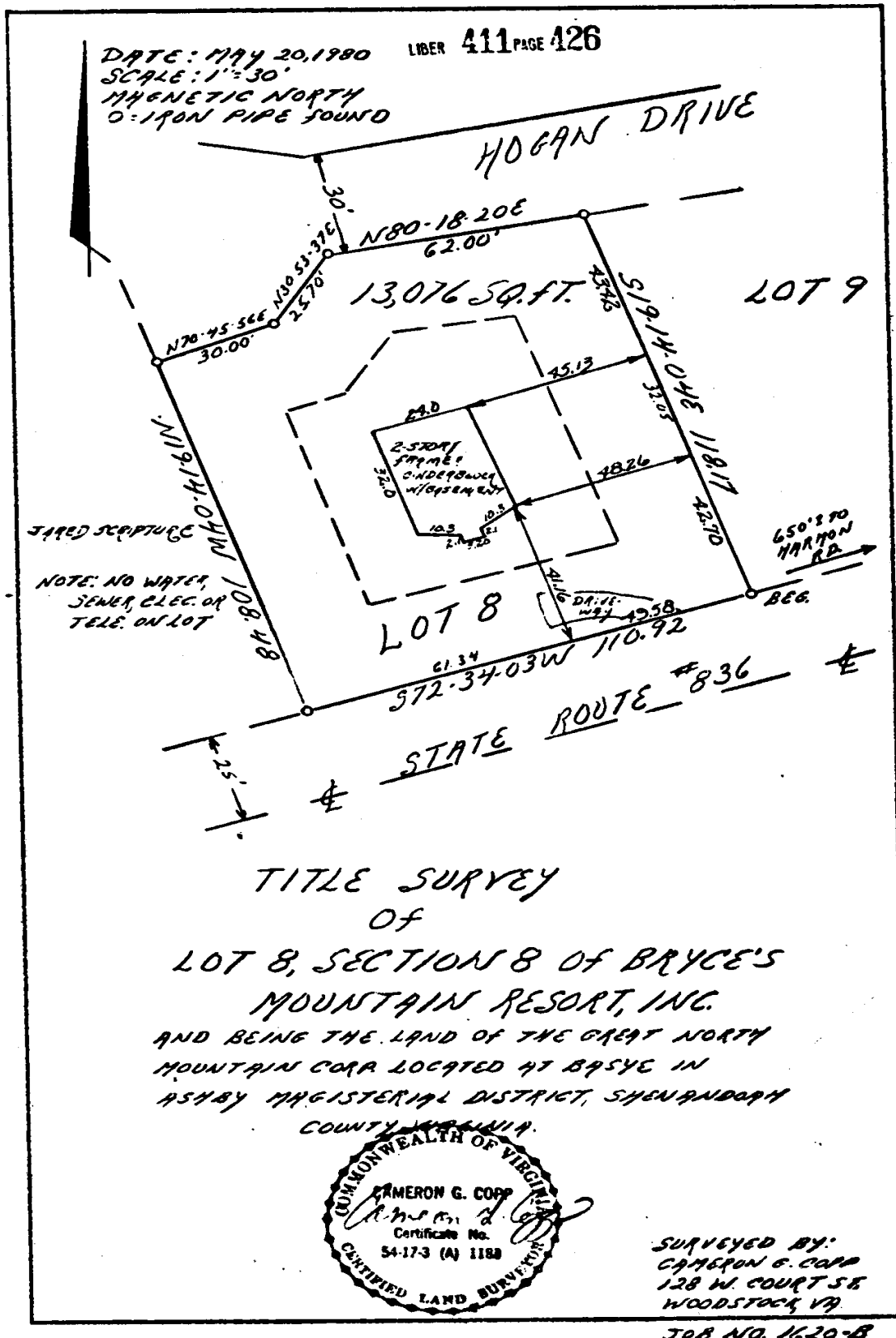
The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, admitted to record and indexed. The taxes imposed by §§ 53-54, (a) and (b), of the Code have been paid.

this 22 day of May 19 80.

11:23 A. M. Teste: Ed. E. Sigler Clerk

Betty J. Scott

Notary Public



CAMERON G. COPP*Certified Land Surveyor*

128 West Court Street - P. O. Box 110

Woodstock, Virginia 22664

Phone (703) 459-4045

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May 20, 1980

The following is the metes and bounds description of Lot 8, Section 8 of Bryce's Mountain Resort, Inc., located at Basye in Ashby Magisterial District, Shenandoah County, Virginia:

Beginning at an iron pipe found on the north side of State Route # 836, a corner with Lot # 9; thence with State Route # 836

S 72-34-03 W 110.92 feet

to an iron pipe found, a corner with Claude Ham; thence with Claude Ham

N 19-14-04 W 108.48 feet

to an iron pipe found on the south side of Hogan Drive; thence with Hogan Drive (for the next 3 courses)

N 70-45-56 E 30.00 feet

to an iron pipe found; thence

N 30-53-37 E 25.70 feet

to an iron pipe found; thence

N 80-18-20 E 62.00 feet

to an iron pipe found, a corner with Lot # 9; thence with Lot # 9

S 19-14-04 E 118.17 feet

to the beginning and enclosing an area of 13,076 square feet.

SHENANDOAH COUNTY, ss

The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, admitted to record and indexed. The taxes imposed by Sect 58-54, (a) and (b), of the Code have been paid.

this 22 day of May 1980

11:35 A.M. Teste: *[Signature]* Clerk

Job No. 162(-B)

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#1398

GREAT NORTH MOUNTAIN CORPORATION
STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS
OF THE PINE VILLAS',
BRYCE MOUNTAIN,
BASYE, SHENANDOAH COUNTY, VIRGINIA

THIS STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS,
Protective Covenants and Restrictions, made this 9th day of Nov. 1979,
by GREAT NORTH MOUNTAIN CORPORATION, a corporation duly organized
and existing under the laws of the State of Virginia, having an address and doing
business at Basye, Shenandoah County, Virginia, Zip Code 22810 (sometimes
hereinafter referred to as "Declarant").

WITNESSETH :

WHEREAS, the Declarant owns the Property, as defined in Article II of
this Statement of Mutual Ownership Agreements, Protective Covenants and
Restrictions, and desires to maintain its natural beauty, to assure high quality
standards for the development of the property that are compatible with the
character of Bryce Mountain, and to promote the recreational interests and
health, safety and social welfare of each owner of a part hereof; and

WHEREAS, the benefits of the Protective Covenants and Time Period
Ownership Agreements set forth herein are intended to run to each original
owner, his heirs, executors, administrators, successors and assigns and are
declared for the purpose of creating and maintaining the Property as a desirable,
attractive, beneficial and suitable place of abode, of guarding against

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losses by fire and other hazards, of providing for the period of time during which each of the various owners may use the Property, and of providing Rules and Regulations for the mutual benefit and protection of each of the owners.

NOW, THEREFORE, said Great North Mountain Corporation, hereby declares that Units committed to Time Shared Ownership as herein provided, are and shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, declared and agreed to be in furtherance of a uniform occupancy plan for the development of the Property; and this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions is intended to enhance and protect the value and desirability of the property and to mutually benefit each of the owners thereof, and to create mutual equitable servitudes upon each of the undivided fractional ownership interests in the property in favor of each and all other owners therein, to create reciprocal rights and privative contract in a state between all persons acquiring or owning an interest in the property, including said Great North Mountain Corporation, and their grantees, heirs, devisees, successors, and assigns and shall be deemed to run with the land and be burden and benefit to all such persons, including said Great North Mountain Corporation, their grantees, heirs, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

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As used in this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, the following terms shall have the following meanings:

A. Declarant

Great North Mountain Corporation, its successors or assigns.

B. The Property

The real property referred to at Article II of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions.

C. Statement of Mutual Ownership Agreements

This Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, sometimes herein referred to as "Statement", or "Statement of Ownership Agreements".

D. Bryce Mountain

A planned development approved by the Supervisors of Shenandoah County, Virginia, located at Basye, Virginia, in Shenandoah County, Virginia.

E. Great North Mountain Corporation

The Declarant of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions and the owner of the property at the time of the recording of this Statement, a corporation duly organized and existing under the laws of Virginia, having an address and doing business at Basye, Shenandoah County, Virginia.

F. Owner

Owner shall mean and include any person or other entity and the heirs, executors, administrators, successors and assigns

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thereof who shall be (1) the Grantee named in a deed of an undivided interest in a Unit; (2) the purchaser of an undivided interest in a Unit under a written contract for sale and purchase of an undivided interest in a Unit; (3) the Declarant with respect to any undivided interests in Units not conveyed.

G. Unit

Unit shall mean any and all of the dwelling units and the land on which they are situated, which may presently or in the future be constructed upon any part of the real property referred to at Article II hereof.

H. Time Shared Ownership

Time Share Ownership shall mean a one fifty-second co-tenancy interest in the Unit as more fully defined and restricted in Article III hereof. It contends with the exclusive right to use and occupy a Unit during one or more Time Periods as provided in this Statement.

I. Unit Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any Unit sold under and subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions. The Unit shall become a Unit committed to time shared ownership upon the recording of the first deed in said Unit, conveying an undivided co-tenancy interest in said Unit. No Unit may be committed to time shared ownership by any person, or other entity, other than Declarant. A Unit shall no longer be committed to time shared ownership at any time all time periods are owned by the same legal entity.

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J. Time Period

Time Period shall mean a one week period of time shared ownership in a Unit.

K. The Pine Villas' Owners Association

The nonprofit corporation existing or to be created for the Pine Villas' Time Shared houses for the benefit of Time Period Owners in and to Units committed to time shared ownership located on the property described in Article II hereof.

L. Association Property

All lands and improvements (except for Units) subject to this Statement as shown on a map of The Pine Villas', Section 9, Lot 91, attached hereto and made a part hereof and to be recorded herewith. Said lands and improvements to be conveyed by the Declarant to the Pine Villas' Owners Association in compliance with this Statement.

M. Managing Agent

Managing Agent shall mean the agent or firm appointed and employed by the Association as hereinafter provided to provide full and complete maintenance, administrative supervision and managerial services for the Units and the Association property.

N. Maintenance Time Periods

Maintenance Time Periods shall mean two time periods to be set aside by the Declarant for the maintenance and restoration of each Unit, each year, the title to such maintenance time period to be conveyed by Declarant to the Association provided for hereinafter.

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O. Rules and Regulations

The Rules and Regulations promulgated by the Association or the Managing Agent on behalf of the Association for the benefit of all time period owners. Said Rules and Regulations shall be promulgated for the elaboration and administration of this Declaration.

P. Guests

Any person or persons using a Unit of the Property with the permission of the Time Period owner thereof, including but not limited to, family members, invitees and tenants.

Q. Furnishings

Furnishings shall mean all furniture, fixtures and furnishings for a Unit or other personal property from time to time owned or held for the use by all owners of time periods in and to a Unit during their respective time period.

ARTICLE II**THE PROPERTY****A. Existing Property**

The real property that is hereby subject to this Statement consists of 20,038 square feet, or Section 9, Lot 91, of land lying in Shenandoah County, Virginia, and more particularly shown upon the plat attached hereto, made a part hereof and to be recorded herewith entitled "The Pine Villas", Section 9, Lot 91, Bryce Mountain".

B. Additional Property

The Declarant shall have the right within ten (10) years date hereof to bring within the scheme of this Statement, from time to time and at its discretion, with governmental approvals,

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if required, additional properties, including property now or hereafter acquired by it and property of others that is either abutting the existing property, as described in Article II-A hereof, or additions thereto or so situated that its addition would be consistent with the uniform scheme of development set forth in this Statement. Any such additions as are authorized hereby shall be made by a supplementary declaration as prescribed in Section "C" of this article.

C. Supplementary Declaration

- 1. A Supplementary Declaration shall contain the following:**
 - a. A reference to this declaration;**
 - b. Identification of the Declarant of the Supplementary Declaration;**
 - c. An expression of intent to submit certain real property to the uniform scheme of this Statement and to the jurisdiction of the Association;**
 - d. A Statement that the real property that is the subject of the Supplementary Declaration constitutes Additional Property under Article II-B of this Statement.**
- 2. The Supplementary Declaration may contain such conditions to or modification of the Protective Covenants and Restrictions as may be necessary to reflect the different character, if any, of the real property that is the subject of the Supplementary Declaration.**
- 3. A Supplementary Declaration shall become effective upon being duly recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia.**

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**ARTICLE III
PROTECTIVE COVENANTS**

A. Units Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any unit of the property sold under and subject to this Statement. The unit shall become a Unit Committed to Time Shared Ownership upon the execution and recordation of an instrument conveying an undivided co-tenancy interest in said unit. The Declarant, in its sole discretion, shall have the exclusive right to commit a Unit to time shared ownership. A Unit shall no longer be committed to time shared ownership at any time all Time Periods are owned by the same legal entity.

B. Time Period Ownership

Each Time Period in and to a Unit is a one week ownership period in accordance with subparagraph C of this Article. An owner may own more than one Time Period.

C. Schedule of Time Periods

Time Period No. 1 is the seven (7) days commencing on the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month of the year plus any excess days not otherwise assigned. A Time Period commences at 12:00 noon on the first Friday of the Time Period. Each owner of a Time Period hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations promulgated

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by the Managing Agent for the benefit of all Time Period owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Unit.

D. Ownership Interest

An owner of a Time Period in and to a Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the Declarant, its successors and assigns, and the owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of time periods owned.

E. Transfer of a Time Period

An owner of a Time Period may transfer his undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time Period must be the identical Time Period which the conveying owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying owner or to combine or divide a Time Period acquired by such owner shall be null and void and of no force or effect.

F. Waiver of Right of Partition

Each owner of a Time Period and each purchaser of a Time Period in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Time Period, by such acceptance, such grantee or purchaser shall for

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himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period in Units committed to time shared ownership, to waive and relinquish for the duration of the effective period of this Statement, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Statement. If, however, any Time Period shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Time Period in lieu of partition as between such owners. Each owner of a Time Period may convey, lease, assign, devise or otherwise transfer his entire Time Period as a Time Period is defined in this Article III.

G. Exclusive Use and Occupancy

Each owner of an undivided co-tenancy interest in a Unit committed to time shared ownership shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during his Time Period(s), together with the non-exclusive right in common with all other owners of the Unit when acting through the Managing Agent, to maintain, repair and refurbish the Unit. No Time Period owner shall occupy the Unit, or exercise any other rights of ownership with respect to the Unit and the

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furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the owner entitled to occupy the Unit during such Time Period(s). Each owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, vacate the Unit at the time established by the Rules and Regulations hereinafter mentioned, remove all persons and property therefrom excluding the furniture and furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and other procedures as may from time to time be contained in the Rules and Regulations promulgated by the Managing Agent or a majority of the members of the Time Shared Owners Association.

H. Failure to Vacate Penalties

If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of their not being conveyed, or prevents another owner from using or occupying the Unit during such other owner's, including the Declarant's Time Period, the owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of

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such owner in wrongful possession; (3) shall pay to the owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred per cent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof, including the day of surrender, during which the owner in wrongful possession occupies the Unit; (4) shall reimburse the owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association's terminating any and all utility and other services to the Unit during the period of his wrongful occupancy.

I. Maintenance Periods

(1) The Declarant in its sole discretion shall set aside two Time Periods for each Unit for the maintenance and restoration of the Unit each year. The maintenance periods for all Units need not be the same periods; rather the Declarant shall, in its sole discretion, select the two maintenance periods for each Unit.

(2) Title to such maintenance periods shall be conveyed to the Association in each Unit within three years after the sale and recordation of a deed conveying a Time Period to a purchaser.

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(3) Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to owners of Time Periods under the provision of this Statement, or the By-Laws of the Association.

J. Ownership and Use of Furnishings

(1) Each Unit committed to time shared ownership shall be provided with basic furniture and furnishings. The Declarant, its successors or assigns, shall distribute a list of the specific items of furniture and furnishings provided which list shall be given to each initial Time Period Owner of a Unit at or before occupying a Unit.

(2) Each owner of an individual interest in and to a Unit shall own an individual interest, equivalent to his undivided interest in the Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Statement. Provided, however, that such owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period without hindering or violating the lawful rights of others to use same.

(3) A transfer of an undivided interest in a Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Unit committed to time shared ownership

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under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

(4) At the end of his Time Period, each owner and his guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an owner or his guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Time Period owner thereof in accordance with this Statement and the Rules and Regulations shall be delivered to the Managing Agent who shall keep such property for thirty (30) days. At the end of such thirty (30) day period such property shall be considered to have been abandoned.

(5) No noxious or offensive activity shall be carried on within any Unit, nor shall anything be done or permitted which shall constitute a public nuisance therein, nor shall anything be done or permitted or kept in the unit which would increase the rate of insurance upon the Unit or the furniture or furnishings therein.

(6) No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Statement.

(7) All repairs to a Unit required in order to maintain the Unit in the manner required by this Statement shall be made by

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the Managing Agent. No Time Period owner shall make such repairs. No Time Period owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in this paragraph. Each Time Period owner shall indemnify and hold the other owners of the Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

K. Ownership Subject to Statement

Each owner by his execution of the agreement of sale and the acceptance of the conveyance of a Time Period shall be subject to the provisions of this statement and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the unit is held.

ARTICLE IV

THE PINE VILLAS' OWNERS ASSOCIATION

A. Membership

The Declarant and each Time Period owner shall be a member of the Pine Villas' Owners Association, such membership being mandatory upon an individual's acquiring an interest in or to a Unit, and who by acquiring such interest does agree to abide by the by-laws of the Association.

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B. Voting

(1) The Declarant and each Time Period owner shall be entitled to one vote per Time Period owned, in the affairs of the Association. Provided, however, that if a Time Period is owned by more than one person, all such persons shall be members of the Association but in no event shall more votes be cast with respect to any one Time Period than would be the case if said Time Period was owned by one individual.

(2) Any owner who owns more than one Time Period shall be entitled to one vote per Time Period owned.

(3) The voting rights provided for herein shall be exercised under and subject to the by-laws of the Association.

C. Purpose

The Association shall be responsible for the enforcement of the provisions of this Statement, the maintenance of the Association Property and any improvements thereon, and shall have the exclusive right, duty and responsibility, which may only be delegated to the Managing Agent, as provided for hereinafter, for the maintenance, repair, replacement and decoration of the exterior and interior of all Units situated on the property including but not limited to exterior walls, doors, windows, verandas, roofs of buildings, interior walls, floors, ceilings and the furniture, fixtures, furnishings and appliances situated in the Units.

D. Easement Reserved to Association

There is hereby reserved to the Association the right to have its agents, employees and the Managing Agent enter into or

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upon any Unit to perform and carry out its rights, duties and responsibilities as set forth in subparagraph C of this Article.

E. Title to Association Property

The Declarant shall retain legal title to the Association property until such time as the capital improvements shall have been completed on the property and until the Association in the opinion of the Declarant, shall be able to maintain same, provided, however, that the Declarant hereby covenants for its successors and assigns that in no event shall title to the Association property be retained later than January 1, 1985. At the time of such conveyance by the Declarant, its successors and assigns shall convey good and marketable title, free from all liens, judgments and mortgages, by virtue of a special warranty deed. In addition, the Declarant for itself, its successors and assigns does hereby covenant and agree to remain liable under any then existing and outstanding liens, judgments or mortgages and shall indemnify and save the Association harmless with respect to any and all claims, expenses and charges made pursuant to the provisions of the said then outstanding liens, judgments or mortgages.

F. Waiver and Consent

Notwithstanding any other provision of this Declaration, each owner by becoming a member of the Pine Villas' Owners Association shall consent to and does hereby give the Association the right and authority to suspend his voting rights, if any, and take such other action specifically that is set forth herein if that member violates any provision of this Statement. By so

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consenting, each purchaser does hereby waive any right, judicial or otherwise, he may have against the Association because of the Association's actions.

G. Assessments, Charges or Fees by the Association

(1) The Board of Directors of the Association shall determine the assessment charge or fee to be levied upon each Time Period owner in order to carry out the purposes of the Association.

(2) The Treasurer of the Association, upon demand of any owner liable for an assessment, shall furnish the said owner a certificate in writing setting forth whether such assessment has been paid and, if not, the amount due. Said certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid or of the amount then due and owing by any such owner.

ARTICLE V

A. Reserved to Declarant

1. There is hereby reserved to the Declarant the right to lay out, make and maintain utility easements for the construction, connection, operation, maintenance, relocation, repair and inspection of pipes, sewers, mains, collectors, trunk lines, pumping stations, conduits, lines, poles, and appurtenant access ways and facilities for any and all utility systems at such locations upon, under and across the Property, as shall be necessary or appropriate to serve the Units, the Association Property and the general public with minimum interference with the use and enjoyment of the

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property of any Owner whose real estate may be affected, and to convey such easements to any public utility empowered to operate and maintain the same.

B. Conveyed to Time Period Owners

Each time period owner shall have the right of ingress, egress and regress over the Association property and to use same in accordance with its intended purposes.

ARTICLE VI

REAL ESTATE MANAGEMENT

A. Managing Agent

The Association shall engage a managing firm (the Managing Agent) to act as Managing Agent for the Units. The Managing Agent shall provide full and complete maintenance, administrative supervision and managerial services for Units until its management of such Units is terminated by the vote of a majority of the members of the Pine Villas' Owners Association. Any such vote shall appoint a successor Managing Agent which shall be a managing firm meeting the qualifications set forth herein.

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B. Duties, Obligations and Responsibilities of Managing Agent

1. The Managing Agent employed by the Association shall perform and shall be responsible and liable for the services and duties hereinafter set forth and any other duty, service or function delegated by the Association. It shall be the Association's responsibility to insure that the Managing Agent performs same. The Managing Agent shall collect from the owners of Time Periods all amounts payable by such Time Period owners under this Statement of Mutual Ownership Agreements as follows:

(a) request, demand, collect, receive and receipt for all such amounts.

(b) collect and receive from the owner(s) of each Time Period all amounts payable by such owners under the terms of this Statement and take such action in its own name or in the name of the Association as may be reasonable to collect such amounts including but not limited to the foreclosure of any lien established by this Statement.

(1) The Managing Agent on behalf of the Association may collect interest at the rate of one and one quarter percent (1-1/4%) per month, if then permitted by law, otherwise at the highest rate then so permitted on any amount due from a Time Period owner which is not paid when due under this Statement. In addition, such owner(s) shall reimburse the Managing Agent for all costs and expenses reasonably incurred by the Managing Agent in collection of such delinquent amount.

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(c) provide upon request of an owner of the legal or equitable title of a time shared interest in and to a Unit, a mortgagee or prospective mortgagee, purchaser or prospective transferee of an interest in the Unit or the Board of Directors of the Association, a written statement and account setting forth any amounts unpaid by an owner of a Time Shared interest which shall be binding upon the Managing Agent and the Association in favor of any person who may rely thereon in good faith.

(d) take such action in its own name, in the name of the Association or in the name of the owners of Time Shared interests to enforce this Statement.

(e) enter into contracts with others for the furnishing of such services as it deems proper for Units committed to Time Shared ownership.

(f) adopt from time to time Rules and Regulations for the elaboration and administration of the provisions of this Statement, which Rules and Regulations shall relate to the overall development and use of the property and Units, but shall not in any way diminish the powers of self-government of the Association.

(g) provide for the cleaning and necessary maid service, maintenance and repair upon the departure of each time period owner from a Unit so that each Unit is in good order and repair and ready for occupancy by the next Time Period owner. Further provide any and all necessary repairs, maintenance and repainting, remodeling, refurbishing necessary to maintain the Units in good and adequate condition in accordance with the intention and plan of Pine Villas' as set forth in this Statement.

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(1) any and all major alterations, repairs, renovations and remodeling shall be performed unless the exigencies of the circumstances dictate otherwise during the maintenance week.

(2) all repairs, alterations, remodeling or renovation of the Unit and the personal property appurtenant thereto performed by the Managing Agent on behalf of the owners shall be done in such manner as to maintain and restore the Unit to at least the same condition after such work as it was immediately before the occurrence requiring the work to be done.

(h) provide for the landscaping, upkeep, safety, maintenance and repair of the Association Property and any improvements situated thereon, and accomplish and perform all snow removal and road maintenance for the roads lying and situated on Association property.

(i) keep each Unit equipped in accordance with the list provided to each initial owner of the Unit and shall be authorized to replace or repair any furniture or furnishings which are missing, which become unusable or which become so worn as to require replacement, in the reasonable judgment of the Managing Agent. Except in cases where any such furniture or furnishings must be replaced due to the negligence or intentional act of any owner or his guest (which shall be determined by the Managing Agent in its reasonable judgment), expense of replacing any such

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furniture or furnishings shall be a common expense of the Unit and each owner thereof shall pay his assessed share of such expense.

(j) inspect each Unit when same is vacated, according to the terms of this Statement and the Rules and Regulations promulgated hereunder, and determine whether there are any items of furniture or furnishings which need to be replaced or repaired, and if so, whether such replacement or repair is the responsibility of the owner during whose Time Period such replacement became necessary. The Managing Agent shall promptly notify any owner if he is to be charged for any items of furniture or furnishings which need to be replaced.

(k) pay all taxes and assessments, costs and other charges affecting or relating to the Units on the Association property and discharge, contest or protest liens or charges affecting the Association.

(l) provide, maintain and keep in force on behalf of the Time Period owners and the Association the following insurance coverage, said coverage to be obtained and maintained in favor of the Managing Agent, the Time Period owners, the Association and any lien holders, as their respective interests may appear.

(1) General Public Liability and Property Damage
Insurance against claims for bodily injury or death or personal property damage occurring in or on a Unit or on the Association Property in an amount equal to the maximum insurable replacement value of the personal property and in such other amounts and

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providing such coverage as the Managing Agent or the Association may determine from time to time.

(2) Insurance coverage on all furniture, furnishings and other personal property initially supplied or installed in each Unit and replacements thereof, against loss or damage by fire, with extended coverage including insurance against loss or damage by vandalism or malicious mischief, in the amount of the maximum replacement value thereof and without deduction for depreciation.

(3) Fire and extended coverage insurance, and such other insurance as it may deem necessary, for all Units located on the Property and the Association property, the fire and extended coverage insurance to be for replacement cost and to name Pine Villas' Owners Association the appropriate Time Period owners and any lien holders, as beneficiaries, as their respective interests may appear, and the proceeds of such fire and extended coverage insurance shall be used exclusively for repair and replacement purposes.

(aa) all insurance required to be carried by this Statement of Mutual Ownership Agreement shall be carried in favor of the Managing Agent, the owners of undivided interest in and to Units committed to the time shared ownership, and any lien holders, as their respective interests may appear.

(bb) in the event that personal property appurtenant to a Unit committed to time shared ownership is damaged or destroyed, the Managing Agent shall collect the insurance proceeds payable

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on account of such damage or destruction (as agent in fact for the owners) and, unless such personal property is not to be replaced or repaired under the provisions of this Statement, or by direction of the Pine Villas' Owners Association, shall apply the proceeds of insurance to replace or repair the damaged or destroyed personal property. If any excess funds are required in order to replace or repair the personal property, such excess funds shall be considered a special assessment of the owners of the Unit and each owner thereof shall pay his share thereof. If the insurance proceeds exceed the cost of repair or replacement, such excess shall be refunded to the owners of the Unit according to the pro-rata interest herein.

C. Owners Acceptance

Each owner by his acceptance of the deed or other instrument conveying an interest in a Unit does hereby irrevocably constitute and appoint the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to: (1) deal with the interest of such owner upon damage to or destruction of any personal property in his Unit; and (2) to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Statement. Each owner stipulates and agrees that the Power of Attorney executed by this paragraph of the Statement is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each owner in the absence of fraud or mistake.

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ARTICLE VII**CHARGES, ASSESSMENTS AND FEES****A. Common Expense Charge**

Pursuant to this Statement, each Time Period owner will be required for each Time Period owned to pay a common expense charge as determined periodically by the Board of Directors of the Association to pay for the general operating costs of the Association, the Association property and the Units. Said common expense charge shall include but shall not be limited to the following elements:

1. Property taxes
2. Reserve accounts for replacement, repairs, remodeling of the personal property in the Units, the Units and the Association Property taxes
3. Water and sewerage charges
4. Maintenance, including landscaping and snow removal of the Association Property.
5. Maintenance and normal repair of the Units.
6. Utility charges
7. Domestic services
8. Insurance coverage as herein provided for
9. Purchasing, maintenance and replacement of equipment
10. Administrative costs
11. Managing Agent's fee
12. Assessments by Pine Villas' Owners Association
13. Security

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1. The Board of Directors of the Association shall in accordance with the by-laws of the Association review said common expense charge from time to time to determine if same is adequate.

2. A Time Period owner's Unit common expense charge shall be due and payable thirty (30) days prior to occupancy in the year of sale and on January 1 of each year thereafter.

3. In addition to the other remedies provided for herein the Board of Directors of the Association or its delegate, the Managing Agent, shall have the right to deny the occupancy and use of a Unit to any Time Period owner who fails to pay this common expense charge.

B. Individual Expense Charge

Each Time Period owner in addition to the obligation to pay his common expense charge shall be charged and pay on a current basis those expenses directly related to the use and occupancy of a Unit during his time period. Such expenses shall include but not be limited to:

(1) telephone charges directly related to the Time Period owner or his guests.

(2) extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof or the Association Property caused by a Time Period owner's use of the said Unit or property.

C. Special Assessments

The Board of Directors of the Association shall have the right, duty and authority to levy special assessments on Time Period owners in order to carry out the purposes and intent of this Statement.

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ARTICLE VIII**ASSESSMENTS AND LIENS**

- A. Each Time Period owner shall pay when due all amounts required to be paid by him under this Statement. The Managing Agent or the Association may bring legal action or take other reasonable actions to collect any amounts from the Time Period owner liable for payment thereof, with or without foreclosing or waiving the lien described herein.**
- B. All amounts due under this Statement which are unpaid shall constitute a lien solely and exclusively on the undivided co-tenancy interest in the Unit of the Time Period owner failing to pay such amount. The lien shall attach from the date when the unpaid amount shall become due and may be foreclosed by the Managing Agent of the Pine Villas' Owners Association in like manner as a mortgage on real property. In any such foreclosure, the Time Period owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Time Period owner who is in default shall not be entitled to use, rent, devise or otherwise assign his undivided co-tenancy interest in the Unit. The Managing Agent shall be entitled to rent such undivided co-tenancy interest in the Unit during the defaulting owner's Time Period and to set off any amounts received against the amount due from the defaulting owner.**
- C. No Time Period owner shall exempt himself from liability for payment of amounts payable under this Statement either by waiver of the use or enjoyment of his Time Period in the Unit, by abandonment of his Time Period in the Unit, or otherwise.**

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ARTICLE IX**ENFORCEMENT OF PROTECTIVE COVENANTS**

A. The Declarant, its successors or assigns, the Association, the Managing Agent and one or more of the owners shall be entitled jointly and severally to maintain equitable or legal proceedings to enjoin, abate or obtain other appropriate relief in respect of any and all breaches of the Protective Covenants herein contained.

B. The Declarant, its successors or assigns, the Association and the Managing Agent shall have a right of access to any part or parts of the property for the purpose of making inspections or for the purpose of correcting any condition likely to result in a breach of any protective covenants or for the purpose of abating, remedying or correcting such breach at the expense of the responsible party or parties, and for the purpose of providing real estate management services, provided that requests for entry are made in advance and that any such entry shall be at a reasonably convenient time.

C. The provisions of this Statement may be enforced by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, and against his property to enforce any lien created by these mutual covenants and easements; failure by Declarant, its successors or assigns or the Managing Agent to enforce any protective covenant or easement herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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ARTICLE X
MISCELLANEOUS

A. Notices

Any notice required to be sent to the owner of an undivided interest in and to a Unit, under the provisions of this Statement, shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as owner of said Time Period on the records of the Association at the time of such mailing.

B. Interpretation

It is specifically recognized that this Statement is intended to assure the fair and harmonious operation and care of each Unit for the benefit of each and all of the Time Period owners thereof; therefore, this Statement is to be liberally construed to effectuate its purpose of creating a uniform occupancy plan for the beneficial use and development of Units in The Pine Villas', Bryce Mountain, Shenandoah County, Virginia. This Statement shall not constitute a joint venture or partnership and no part or Time Period owner shall have the right to participate in the individual profits, if any, of any other party or owner arising out of the use and occupancy of the Unit.

C. Invalidity

The invalidity of any part of this Statement shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Statement which shall remain in full force and effect.

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D. Gender and Number

Use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Amendment

(1) The Declarant, its successors or assigns, may, by an instrument in writing in recordable form amend the provisions of this Statement, such amendment to become effective forty-five (45) days after written notice of such amendment to each Time Period owner, provided, however, that no such amendment shall become effective if the Declarant, its successors or assigns, shall receive disapproval of such amendment, by an instrument in writing signed by and acknowledged by Time Period owners holding fifty-one percent (51%) of the Time Period interests in and to Units in said Pine Villas', prior to the termination of the said forty-five (45) day period.

(2) This statement may be amended by written instrument executed by seventy-five percent (75%) of the members of the Pine Villas' Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association Property, and the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent. Subject to the foregoing provisions, any amendment shall be binding upon every Time Period owner and every Time Period.

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(3) The Declarant, its successors or assigns, may, by instrument in writing in recordable form amend the provisions of this Statement at any time prior to the recordation of a deed conveying a Time Period.

F. Law to Govern

This Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

G. Duration

The provisions of this Statement, as set forth herein and as the same may be amended from time to time, shall be enforceable, as set forth herein, for a term of twenty (20) years from the date this Statement is recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia, after which time all of said provisions shall be extended automatically for successive periods of five (5) years each unless an instrument signed and approved by seventy-five percent (75%) of the members of the Pine Villas' Owners Association shall have been recorded, agreeing to terminate all of the said provisions as of a specified and certain date, which shall not be earlier than the expiration of a term of three (3) years from the date of such recording.

H. Provision

The provisions of this Statement shall be binding upon all parties having or acquiring any right, title or interest in the property or any part thereof and shall be for the benefit of each Time Period owner and his heirs, successors or assigns. Each Time Period owner, including the Declarant, its successors and

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assigns, shall be fully discharged and relieved of liability from the provisions herein contained insofar as the same relate to each Time Period owned, upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder, in respect of such Time Period, to the time his ownership interest terminated.

IN WITNESS WHEREOF, the parties hereunto have executed this Statement of Mutual Covenants and Easements this 7th day of December, 1979.

GREAT NORTH MOUNTAIN CORPORATION

By: Bruce Forbes

President

STATE OF VIRGINIA,

COUNTY OF SHENANDOAH, to-wit:

The foregoing instrument was acknowledged before me this 7th day of December, 1979, by Bruce Forbes, President of GREAT NORTH MOUNTAIN CORPORATION, a Virginia corporation, on behalf of the corporation.

My commission expires: March 14, 1983

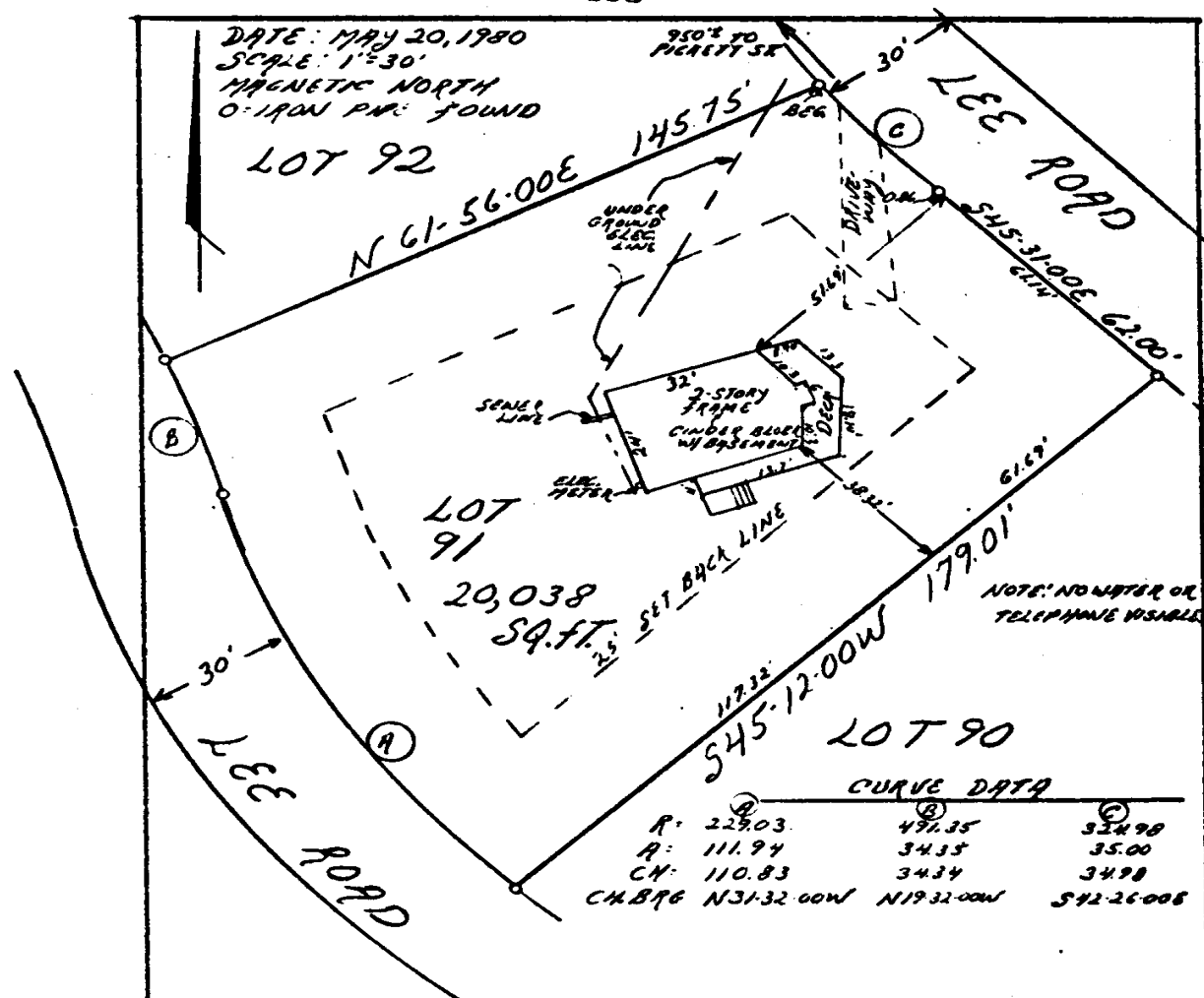
SHENANDOAH COUNTY, ss:

The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, admitted to record and indexed. The taxes imposed by Section 58-54, (a) and (b), of the Code have been paid.

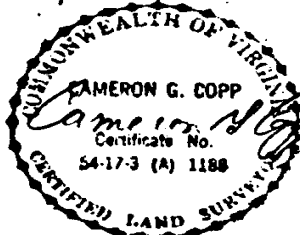
this 23 day of May 1980

11:29 A.M. Teste: W. E. Sigler ClerkBetty J. Scott
Notary Public

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TITLE SURVEY
 of
 LOT 91, SECTION 9, OF
 BRYCE'S MOUNTAIN RESORT, INC.
 AND BEING THE LAND OF THE GREAT NORTH
 MOUNTAIN, CORP. LOCATED AT BRYSIE IN ASHBY
 MAGISTERIAL DISTRICT, SHENANDOAH COUNTY,
 VIRGINIA.



SURVEYED BY:
 CAMERON G. COPP
 128 W. COURT ST.
 WOODSTOCK, VA

JOB NO 1620-9

CAMERON G. COPP

Certified Land Surveyor

128 West Court Street - P. O. Box 110

Woodstock, Virginia 22664

Phone (703) 459-4045

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May 20, 1980

The following is the metes and bounds description of Lot # 91, Section 9 of Bruce's Mountain Resort, Inc. located at Basye in Ashby Magisterial District, Shenandoah County Virginia:

Beginning at an iron pipe found on the southwest side of Lee Road, a corner with Lot # 92 and said pipe being the P. C. of a curve to the left and having a radius of 324.98 feet and an arc of 35.00 feet; thence with Lee Road (for the next 2 courses)

Chord S 42-26-00 E 34.98 feet

to an iron pipe found; thence

S 45-31-00 E 62.00 feet

to an iron pipe found, a corner with Lot # 90; thence with Lot # 90

S 45-12-00 W 179.01 feet

to an iron pipe found on the northeast side of Lee Road, said pipe being the P. C. of a curve to the right and having a radius of 229.03 feet and an arc of 111.94 feet; thence with Lee Road (for the next 2 courses)

Chord N 31-32-00 W 110.83 feet

to an iron pipe found, said pipe being the P.C. of a curve to the left and having a radius of 491.35 feet and an arc of 34.35 feet; thence

Chord N 19-32-00 W 34.34 feet

to an iron pipe set, a corner with Lot # 92; thence with Lot # 92

N 61-56-00 E 145.75 feet

to the beginning and enclosing an area of 20,038 square feet.

SHENANDOAH COUNTY, ss

The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, admitted to record and indexed. The taxes imposed by Sect. 58-54, (a) and (b), of the Code have been paid.

Job No. 1620-4

this 23 day of May 1980
11:30 A.M. Teste: *[Signature]* Clerk

#3231
Proct. Cov. & Rest.
Exd 12/17/79
Delivered To;
I. Clinton Miller
12/17/79

503

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3231

**GREAT NORTH MOUNTAIN CORPORATION
STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS
OF THE PINE VILLAS',
BRYCE MOUNTAIN,
BASYE, SHENANDOAH COUNTY, VIRGINIA**

**THIS STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS ,
Protective Covenants and Restrictions, made this 1st day of March, 1979 ,
by GREAT NORTH MOUNTAIN CORPORATION, a corporation duly organized
and existing under the laws of the State of Virginia, having an address and doing
business at Basye, Shenandoah County, Virginia, Zip Code 22810 (sometimes
hereinafter referred to as "Declarant").**

WITNESSETH :

**WHEREAS, the Declarant owns the Property, as defined in Article II of
this Statement of Mutual Ownership Agreements, Protective Covenants and
Restrictions, and desires to maintain its natural beauty, to assure high quality
standards for the development of the property that are compatible with the
character of Bryce Mountain, and to promote the recreational interests and
health, safety and social welfare of each owner of a part hereof; and**

**WHEREAS, the benefits of the Protective Covenants and Time Period
Ownership Agreements set forth herein are intended to run to each original
owner, his heirs, executors, administrators, successors and assigns and are
declared for the purpose of creating and maintaining the Property as a desirable,
attractive, beneficial and suitable place of abode, of guarding against**

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losses by fire and other hazards, of providing for the period of time during which each of the various owners may use the Property, and of providing Rules and Regulations for the mutual benefit and protection of each of the owners.

NOW, THEREFORE, said Great North Mountain Corporation, hereby declares that Units committed to Time Shared Ownership as herein provided, are and shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, declared and agreed to be in furtherance of a uniform occupancy plan for the development of the Property; and this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions is intended to enhance and protect the value and desirability of the property and to mutually benefit each of the owners thereof, and to create mutual equitable servitudes upon each of the undivided fractional ownership interests in the property in favor of each and all other owners therein, to create reciprocal rights and privative contract in a state between all persons acquiring or owning an interest in the property, including said Great North Mountain Corporation, and their grantees, heirs, devisees, successors, and assigns and shall be deemed to run with the land and be burden and benefit to all such persons, including said Great North Mountain Corporation, their grantees, heirs, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

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As used in this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, the following terms shall have the following meanings:

A. Declarant

Great North Mountain Corporation, its successors or assigns.

B. The Property

The real property referred to at Article II of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions.

C. Statement of Mutual Ownership Agreements

This Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, sometimes herein referred to as "Statement", or "Statement of Ownership Agreements".

D. Bryce Mountain

A planned development approved by the Supervisors of Shenandoah County, Virginia, located at Basye, Virginia, in Shenandoah County, Virginia.

E. Great North Mountain Corporation

The Declarant of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions and the owner of the property at the time of the recording of this Statement, a corporation duly organized and existing under the laws of Virginia, having an address and doing business at Basye, Shenandoah County, Virginia.

F. Owner

Owner shall mean and include any person or other entity and the heirs, executors, administrators, successors and assigns

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thereof who shall be (1) the Grantee named in a deed of an undivided interest in a Unit; (2) the purchaser of an undivided interest in a Unit under a written contract for sale and purchase of an undivided interest in a Unit; (3) the Declarant with respect to any undivided interests in Units not conveyed.

G. Unit

Unit shall mean any and all of the dwelling units and the land on which they are situated, which may presently or in the future be constructed upon any part of the real property referred to at Article II hereof.

H. Time Shared Ownership

Time Share Ownership shall mean a one fifty-second co-tenancy interest in the Unit as more fully defined and restricted in Article III hereof. It contends with the exclusive right to use and occupy a Unit during one or more Time Periods as provided in this Statement.

I. Unit Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any Unit sold under and subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions. The Unit shall become a Unit committed to time shared ownership upon the recording of the first deed in said Unit, conveying an undivided co-tenancy interest in said Unit. No Unit may be committed to time shared ownership by any person, or other entity, other than Declarant. A Unit shall no longer be committed to time shared ownership at any time all time periods are owned by the same legal entity.

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J. Time Period

Time Period shall mean a one week period of time shared ownership in a Unit.

K. The Pine Villas' Owners Association

The nonprofit corporation existing or to be created for the Pine Villas' Time Shared houses for the benefit of Time Period Owners in and to Units committed to time shared ownership located on the property described in Article II hereof.

L. Association Property

All lands and improvements (except for Units) subject to this Statement as shown on a map of The Pine Villas', Section 96, Lot 94, attached hereto and made a part hereof and to be recorded herewith. Said lands and improvements to be conveyed by the Declarant to the Pine Villas' Owners Association in compliance with this Statement.

M. Managing Agent

Managing Agent shall mean the agent or firm appointed and employed by the Association as hereinafter provided to provide full and complete maintenance, administrative supervision and managerial services for the Units and the Association property.

N. Maintenance Time Periods

Maintenance Time Periods shall mean two time periods to be set aside by the Declarant for the maintenance and restoration of each Unit, each year, the title to such maintenance time period to be conveyed by Declarant to the Association provided for hereinafter.

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O. Rules and Regulations

The Rules and Regulations promulgated by the Association or the Managing Agent on behalf of the Association for the benefit of all time period owners. Said Rules and Regulations shall be promulgated for the elaboration and administration of this Declaration.

P. Guests

Any person or persons using a Unit of the Property with the permission of the Time Period owner thereof, including but not limited to, family members, invitees and tenants.

Q. Furnishings

Furnishings shall mean all furniture, fixtures and furnishings for a Unit or other personal property from time to time owned or held for the use by all owners of time periods in and to a Unit during their respective time period.

ARTICLE II**THE PROPERTY****A. Existing Property**

The real property that is hereby subject to this Statement consists of 12,134 square feet, or Section 9 Ext, Lot 94, of land lying in Shenandoah County, Virginia, and more particularly shown upon the plat attached hereto, made a part hereof and to be recorded herewith entitled "The Pine Villas", Section 9 Ext, Lot 94, Bryce Mountain".

B. Additional Property

The Declarant shall have the right within ten (10) years date hereof to bring within the scheme of this Statement, from time to time and at its discretion, with governmental approvals,

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if required, additional properties, including property now or hereafter acquired by it and property of others that is either abutting the existing property, as described in Article II-A hereof, or additions thereto or so situated that its addition would be consistent with the uniform scheme of development set forth in this Statement. Any such additions as are authorized hereby shall be made by a supplementary declaration as prescribed in Section "C" of this article.

C. Supplementary Declaration

1. A Supplementary Declaration shall contain the following:

- a. A reference to this declaration;**
- b. Identification of the Declarant of the Supplementary Declaration;**
- c. An expression of intent to submit certain real property to the uniform scheme of this Statement and to the jurisdiction of the Association;**
- d. A Statement that the real property that is the subject of the Supplementary Declaration constitutes Additional Property under Article II-B of this Statement.**

2. The Supplementary Declaration may contain such conditions to or modification of the Protective Covenants and Restrictions as may be necessary to reflect the different character, if any, of the real property that is the subject of the Supplementary Declaration.

3. A Supplementary Declaration shall become effective upon being duly recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia.

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**ARTICLE III
PROTECTIVE COVENANTS**

A. Units Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any unit of the property sold under and subject to this Statement. The unit shall become a Unit Committed to Time Shared Ownership upon the execution and recordation of an instrument conveying an undivided co-tenancy interest in said unit. The Declarant, in its sole discretion, shall have the exclusive right to commit a Unit to time shared ownership. A Unit shall no longer be committed to time shared ownership at any time all Time Periods are owned by the same legal entity.

B. Time Period Ownership

Each Time Period in and to a Unit is a one week ownership period in accordance with subparagraph C of this Article. An owner may own more than one Time Period.

C. Schedule of Time Periods

Time Period No. 1 is the seven (7) days commencing on the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month of the year plus any excess days not otherwise assigned. A Time Period commences at 12:00 noon on the first Friday of the Time Period. Each owner of a Time Period hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations promulgated

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by the Managing Agent for the benefit of all Time Period owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Unit.

D. Ownership Interest

An owner of a Time Period in and to a Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the Declarant, its successors and assigns, and the owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of time periods owned.

E. Transfer of a Time Period

An owner of a Time Period may transfer his undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time Period must be the identical Time Period which the conveying owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying owner or to combine or divide a Time Period acquired by such owner shall be null and void and of no force or effect.

F. Waiver of Right of Partition

Each owner of a Time Period and each purchaser of a Time Period in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Time Period, by such acceptance, such grantee or purchaser shall for

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himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period in Units committed to time shared ownership, to waive and relinquish for the duration of the effective period of this Statement, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Statement. If, however, any Time Period shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Time Period in lieu of partition as between such owners. Each owner of a Time Period may convey, lease, assign, devise or otherwise transfer his entire Time Period as a Time Period is defined in this Article III.

G. Exclusive Use and Occupancy

Each owner of an undivided co-tenancy interest in a Unit committed to time shared ownership shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during his Time Period(s), together with the non-exclusive right in common with all other owners of the Unit when acting through the Managing Agent, to maintain, repair and refurbish the Unit. No Time Period owner shall occupy the Unit, or exercise any other rights of ownership with respect to the Unit and the

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furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the owner entitled to occupy the Unit during such Time Period(s). Each owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, vacate the Unit at the time established by the Rules and Regulations hereinafter mentioned, remove all persons and property therefrom excluding the furniture and furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and other procedures as may from time to time be contained in the Rules and Regulations promulgated by the Managing Agent or a majority of the members of the Time Shared Owners Association.

H. Failure to Vacate Penalties

If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of their not being conveyed, or prevents another owner from using or occupying the Unit during such other owner's, including the Declarant's Time Period, the owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of

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such owner in wrongful possession; (3) shall pay to the owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred per cent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof, including the day of surrender, during which the owner in wrongful possession occupies the Unit; (4) shall reimburse the owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association's terminating any and all utility and other services to the Unit during the period of his wrongful occupancy.

1. Maintenance Periods

(1) The Declarant in its sole discretion shall set aside two Time Periods for each Unit for the maintenance and restoration of the Unit each year. The maintenance periods for all Units need not be the same periods; rather the Declarant shall, in its sole discretion, select the two maintenance periods for each Unit.

(2) Title to such maintenance periods shall be conveyed to the Association in each Unit within three years after the sale and recordation of a deed conveying a Time Period to a purchaser.

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(3) Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to owners of Time Periods under the provision of this Statement, or the By-Laws of the Association.

J. Ownership and Use of Furnishings

(1) Each Unit committed to time shared ownership shall be provided with basic furniture and furnishings. The Declarant, its successors or assigns, shall distribute a list of the specific items of furniture and furnishings provided which list shall be given to each Initial Time Period Owner of a Unit at or before occupying a Unit.

(2) Each owner of an individual interest in and to a Unit shall own an individual interest, equivalent to his undivided interest in the Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Statement. Provided, however, that such owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period without hindering or violating the lawful rights of others to use same.

(3) A transfer of an undivided interest in a Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Unit committed to time shared ownership

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under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

(4) At the end of his Time Period, each owner and his guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an owner or his guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Time Period owner thereof in accordance with this Statement and the Rules and Regulations shall be delivered to the Managing Agent who shall keep such property for thirty (30) days. At the end of such thirty (30) day period such property shall be considered to have been abandoned.

(5) No noxious or offensive activity shall be carried on within any Unit, nor shall anything be done or permitted which shall constitute a public nuisance therein, nor shall anything be done or permitted or kept in the unit which would increase the rate of insurance upon the Unit or the furniture or furnishings therein.

(6) No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Statement.

(7) All repairs to a Unit required in order to maintain the Unit in the manner required by this Statement shall be made by

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the Managing Agent. No Time Period owner shall make such repairs, No Time Period owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in this paragraph. Each Time Period owner shall indemnify and hold the other owners of the Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

K. Ownership Subject to Statement

Each owner by his execution of the agreement of sale and the acceptance of the conveyance of a Time Period shall be subject to the provisions of this statement and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the unit is held.

ARTICLE IV

THE PINE VILLAS' OWNERS ASSOCIATION

A. Membership

The Declarant and each Time Period owner shall be a member of the Pine Villas' Owners Association, such membership being mandatory upon an individual's acquiring an interest in or to a Unit, and who by acquiring such interest does agree to abide by the by-laws of the Association.

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B. Voting

(1) The Declarant and each Time Period owner shall be entitled to one vote per Time Period owned, in the affairs of the Association. Provided, however, that if a Time Period is owned by more than one person, all such persons shall be members of the Association but in no event shall more votes be cast with respect to any one Time Period than would be the case if said Time Period was owned by one individual.

(2) Any owner who owns more than one Time Period shall be entitled to one vote per Time Period owned.

(3) The voting rights provided for herein shall be exercised under and subject to the by-laws of the Association.

C. Purpose

The Association shall be responsible for the enforcement of the provisions of this Statement, the maintenance of the Association Property and any improvements thereon, and shall have the exclusive right, duty and responsibility, which may only be delegated to the Managing Agent, as provided for hereinafter, for the maintenance, repair, replacement and decoration of the exterior and interior of all Units situated on the property including but not limited to exterior walls, doors, windows, verandas, roofs of buildings, interior walls, floors, ceilings and the furniture, fixtures, furnishings and appliances situated in the Units.

D. Easement Reserved to Association

There is hereby reserved to the Association the right to have its agents, employees and the Managing Agent enter into or

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upon any Unit to perform and carry out its rights, duties and responsibilities as set forth in subparagraph C of this Article.

E. Title to Association Property

The Declarant shall retain legal title to the Association property until such time as the capital improvements shall have been completed on the property and until the Association in the opinion of the Declarant, shall be able to maintain same, provided, however, that the Declarant hereby covenants for its successors and assigns that in no event shall title to the Association property be retained later than January 1, 1985. At the time of such conveyance by the Declarant, its successors and assigns shall convey good and marketable title, free from all liens, judgments and mortgages, by virtue of a special warranty deed. In addition, the Declarant for itself, its successors and assigns does hereby covenant and agree to remain liable under any then existing and outstanding liens, judgments or mortgages and shall indemnify and save the Association harmless with respect to any and all claims, expenses and charges made pursuant to the provisions of the said then outstanding liens, judgments or mortgages.

F. Waiver and Consent

Notwithstanding any other provision of this Declaration, each owner by becoming a member of the Pine Villas' Owners Association shall consent to and does hereby give the Association the right and authority to suspend his voting rights, if any, and take such other action specifically that is set forth herein if that member violates any provision of this Statement. By so

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consenting, each purchaser does hereby waive any right, judicial or otherwise, he may have against the Association because of the Association's actions.

G. Assessments, Charges or Fees by the Association

(1) The Board of Directors of the Association shall determine the assessment charge or fee to be levied upon each Time Period owner in order to carry out the purposes of the Association.

(2) The Treasurer of the Association, upon demand of any owner liable for an assessment, shall furnish the said owner a certificate in writing setting forth whether such assessment has been paid and, if not, the amount due. Said certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid or of the amount then due and owing by any such owner.

ARTICLE V

A. Reserved to Declarant

1. There is hereby reserved to the Declarant the right to lay out, make and maintain utility easements for the construction, connection, operation, maintenance, relocation, repair and inspection of pipes, sewers, mains, collectors, trunk lines, pumping stations, conduits, lines, poles, and appurtenant access ways and facilities for any and all utility systems at such locations upon, under and across the Property, as shall be necessary or appropriate to serve the Units, the Association Property and the general public with minimum interference with the use and enjoyment of the

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property of any Owner whose real estate may be affected, and to convey such easements to any public utility empowered to operate and maintain the same.

B. Conveyed to Time Period Owners

Each time period owner shall have the right of ingress, egress and regress over the Association property and to use same in accordance with its intended purposes.

ARTICLE VI

REAL ESTATE MANAGEMENT

A. Managing Agent

The Association shall engage a managing firm (the Managing Agent) to act as Managing Agent for the Units. The Managing Agent shall provide full and complete maintenance, administrative supervision and managerial services for Units until its management of such Units is terminated by the vote of a majority of the members of the Pine Villas' Owners Association. Any such vote shall appoint a successor Managing Agent which shall be a managing firm meeting the qualifications set forth herein.

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B. Duties, Obligations and Responsibilities of Managing Agent

1. The Managing Agent employed by the Association shall perform and shall be responsible and liable for the services and duties hereinafter set forth and any other duty, service or function delegated by the Association. It shall be the Association's responsibility to insure that the Managing Agent performs same. The Managing Agent shall collect from the owners of Time Periods all amounts payable by such Time Period owners under this Statement of Mutual Ownership Agreements as follows:

- (a) request, demand, collect, receive and receipt for all such amounts.
- (b) collect and receive from the owner(s) of each Time Period all amounts payable by such owners under the terms of this Statement and take such action in its own name or in the name of the Association as may be reasonable to collect such amounts including but not limited to the foreclosure of any lien established by this Statement.

(1) The Managing Agent on behalf of the Association may collect interest at the rate of one and one quarter percent (1-1/4%) per month, if then permitted by law, otherwise at the highest rate then so permitted on any amount due from a Time Period owner which is not paid when due under this Statement. In addition, such owner(s) shall reimburse the Managing Agent for all costs and expenses reasonably incurred by the Managing Agent in collection of such delinquent amount.

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(c) provide upon request of an owner of the legal or equitable title of a time shared interest in and to a Unit, a mortgagee or prospective mortgagee, purchaser or prospective transferee of an interest in the Unit or the Board of Directors of the Association, a written statement and account setting forth any amounts unpaid by an owner of a Time Shared interest which shall be binding upon the Managing Agent and the Association in favor of any person who may rely thereon in good faith.

(d) take such action in its own name, in the name of the Association or in the name of the owners of Time Shared interests to enforce this Statement.

(e) enter into contracts with others for the furnishing of such services as it deems proper for Units committed to Time Shared ownership.

(f) adopt from time to time Rules and Regulations for the elaboration and administration of the provisions of this Statement, which Rules and Regulations shall relate to the overall development and use of the property and Units, but shall not in any way diminish the powers of self-government of the Association.

(g) provide for the cleaning and necessary maid service, maintenance and repair upon the departure of each time period owner from a Unit so that each Unit is in good order and repair and ready for occupancy by the next Time Period owner. Further provide any and all necessary repairs, maintenance and repainting, remodeling, refurbishing necessary to maintain the Units in good and adequate condition in accordance with the intention and plan of Pine Villas' as set forth in this Statement.

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(1) any and all major alterations, repairs, renovations and remodeling shall be performed unless the exigencies of the circumstances dictate otherwise during the maintenance week.

(2) all repairs, alterations, remodeling or renovation of the Unit and the personal property appurtenant thereto performed by the Managing Agent on behalf of the owners shall be done in such manner as to maintain and restore the Unit to at least the same condition after such work as it was immediately before the occurrence requiring the work to be done.

(h) provide for the landscaping, upkeep, safety, maintenance and repair of the Association Property and any improvements situated thereon, and accomplish and perform all snow removal and road maintenance for the roads lying and situated on Association property.

(i) keep each Unit equipped in accordance with the list provided to each initial owner of the Unit and shall be authorized to replace or repair any furniture or furnishings which are missing, which become unusable or which become so worn as to require replacement, in the reasonable judgment of the Managing Agent. Except in cases where any such furniture or furnishings must be replaced due to the negligence or intentional act of any owner or his guest (which shall be determined by the Managing Agent in its reasonable judgment), expense of replacing any such

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furniture or furnishings shall be a common expense of the Unit and each owner thereof shall pay his assessed share of such expense.

(j) inspect each Unit when same is vacated, according to the terms of this Statement and the Rules and Regulations promulgated hereunder, and determine whether there are any items of furniture or furnishings which need to be replaced or repaired, and if so, whether such replacement or repair is the responsibility of the owner during whose Time Period such replacement became necessary. The Managing Agent shall promptly notify any owner if he is to be charged for any items of furniture or furnishings which need to be replaced.

(k) pay all taxes and assessments, costs and other charges affecting or relating to the Units on the Association property and discharge, contest or protest liens or charges affecting the Association.

(l) provide, maintain and keep in force on behalf of the Time Period owners and the Association the following insurance coverage, said coverage to be obtained and maintained in favor of the Managing Agent, the Time Period owners, the Association and any lien holders, as their respective interests may appear.

(1) General Public Liability and Property Damage Insurance against claims for bodily injury or death or personal property damage occurring in or on a Unit or on the Association Property in an amount equal to the maximum insurable replacement value of the personal property and in such other amounts and

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providing such coverage as the Managing Agent or the Association may determine from time to time.

(2) Insurance coverage on all furniture, furnishings and other personal property initially supplied or installed in each Unit and replacements thereof, against loss or damage by fire, with extended coverage including insurance against loss or damage by vandalism or malicious mischief, in the amount of the maximum replacement value thereof and without deduction for depreciation.

(3) Fire and extended coverage insurance, and such other insurance as it may deem necessary, for all Units located on the Property and the Association property, the fire and extended coverage insurance to be for replacement cost and to name Pine Villas' Owners Association the appropriate Time Period owners and any lien holders, as beneficiaries, as their respective interests may appear, and the proceeds of such fire and extended coverage insurance shall be used exclusively for repair and replacement purposes.

(aa) all insurance required to be carried by this Statement of Mutual Ownership Agreement shall be carried in favor of the Managing Agent, the owners of undivided interest in and to Units committed to the time shared ownership, and any lien holders, as their respective interests may appear.

(bb) in the event that personal property appurtenant to a Unit committed to time shared ownership is damaged or destroyed, the Managing Agent shall collect the insurance proceeds payable

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on account of such damage or destruction (as agent in fact for the owners) and, unless such personal property is not to be replaced or repaired under the provisions of this Statement, or by direction of the Pine Villas' Owners Association, shall apply the proceeds of insurance to replace or repair the damaged or destroyed personal property. If any excess funds are required in order to replace or repair the personal property, such excess funds shall be considered a special assessment of the owners of the Unit and each owner thereof shall pay his share thereof. If the insurance proceeds exceed the cost of repair or replacement, such excess shall be refunded to the owners of the Unit according to the pro-rata interest herein.

C. Owners Acceptance

Each owner by his acceptance of the deed or other instrument conveying an interest in a Unit does hereby irrevocably constitute and appoint the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to: (1) deal with the interest of such owner upon damage to or destruction of any personal property in his Unit; and (2) to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Statement. Each owner stipulates and agrees that the Power of Attorney executed by this paragraph of the Statement is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each owner in the absence of fraud or mistake.

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ARTICLE VII**CHARGES, ASSESSMENTS AND FEES****A. Common Expense Charge**

Pursuant to this Statement, each Time Period owner will be required for each Time Period owned to pay a common expense charge as determined periodically by the Board of Directors of the Association to pay for the general operating costs of the Association, the Association property and the Units. Said common expense charge shall include but shall not be limited to the following elements:

1. Property taxes
2. Reserve accounts for replacement, repairs, remodeling of the personal property in the Units, the Units and the Association Property taxes
3. Water and sewerage charges
4. Maintenance, including landscaping and snow removal of the Association Property.
5. Maintenance and normal repair of the Units.
6. Utility charges
7. Domestic services
8. Insurance coverage as herein provided for
9. Purchasing, maintenance and replacement of equipment
10. Administrative costs
11. Managing Agent's fee
12. Assessments by Pine Villas' Owners Association
13. Security

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1. The Board of Directors of the Association shall in accordance with the by-laws of the Association review said common expense charge from time to time to determine if same is adequate.

2. A Time Period owner's Unit common expense charge shall be due and payable thirty (30) days prior to occupancy in the year of sale and on January 1 of each year thereafter.

3. In addition to the other remedies provided for herein the Board of Directors of the Association or its delegate, the Managing Agent, shall have the right to deny the occupancy and use of a Unit to any Time Period owner who fails to pay this common expense charge.

B. Individual Expense Charge

Each Time Period owner in addition to the obligation to pay his common expense charge shall be charged and pay on a current basis those expenses directly related to the use and occupancy of a Unit during his time period. Such expenses shall include but not be limited to:

(1) telephone charges directly related to the Time Period owner or his guests.

(2) extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof or the Association Property caused by a Time Period owner's use of the said Unit or property.

C. Special Assessments

The Board of Directors of the Association shall have the right, duty and authority to levy special assessments on Time Period owners in order to carry out the purposes and intent of this Statement.

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ARTICLE VIIIASSESSMENTS AND LIENS

A. Each Time Period owner shall pay when due all amounts required to be paid by him under this Statement. The Managing Agent or the Association may bring legal action or take other reasonable actions to collect any amounts from the Time Period owner liable for payment thereof, with or without foreclosing or waiving the lien described herein.

B. All amounts due under this Statement which are unpaid shall constitute a lien solely and exclusively on the undivided co-tenancy interest in the Unit of the Time Period owner failing to pay such amount. The lien shall attach from the date when the unpaid amount shall become due and may be foreclosed by the Managing Agent of the Pine Villas' Owners Association in like manner as a mortgage on real property. In any such foreclosure, the Time Period owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Time Period owner who is in default shall not be entitled to use, rent, devise or otherwise assign his undivided co-tenancy interest in the Unit. The Managing Agent shall be entitled to rent such undivided co-tenancy interest in the Unit during the defaulting owner's Time Period and to set off any amounts received against the amount due from the defaulting owner.

C. No Time Period owner shall exempt himself from liability for payment of amounts payable under this Statement either by waiver of the use or enjoyment of his Time Period in the Unit, by abandonment of his Time Period in the Unit, or otherwise.

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ARTICLE IX**ENFORCEMENT OF PROTECTIVE COVENANTS**

A. The Declarant, its successors or assigns, the Association, the Managing Agent and one or more of the owners shall be entitled jointly and severally to maintain equitable or legal proceedings to enjoin, abate or obtain other appropriate relief in respect of any and all breaches of the Protective Covenants herein contained.

B. The Declarant, its successors or assigns, the Association and the Managing Agent shall have a right of access to any part or parts of the property for the purpose of making inspections or for the purpose of correcting any condition likely to result in a breach of any protective covenants or for the purpose of abating, remedying or correcting such breach at the expense of the responsible party or parties, and for the purpose of providing real estate management services, provided that requests for entry are made in advance and that any such entry shall be at a reasonably convenient time.

C. The provisions of this Statement may be enforced by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, and against his property to enforce any lien created by these mutual covenants and easements; failure by Declarant, its successors or assigns or the Managing Agent to enforce any protective covenant or easement herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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ARTICLE X
MISCELLANEOUS

A. Notices

Any notice required to be sent to the owner of an undivided interest in and to a Unit, under the provisions of this Statement, shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as owner of said Time Period on the records of the Association at the time of such mailing.

B. Interpretation

It is specifically recognized that this Statement is intended to assure the fair and harmonious operation and care of each Unit for the benefit of each and all of the Time Period owners thereof; therefore, this Statement is to be liberally construed to effectuate its purpose of creating a uniform occupancy plan for the beneficial use and development of Units in The Pine Villas, Bryce Mountain, Shenandoah County, Virginia. This Statement shall not constitute a joint venture or partnership and no part or Time Period owner shall have the right to participate in the individual profits, if any, of any other party or owner arising out of the use and occupancy of the Unit.

C. Invalidity

The invalidity of any part of this Statement shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Statement which shall remain in full force and effect.

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D. Gender and Number

Use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Amendment

(1) The Declarant, its successors or assigns, may, by an instrument in writing in recordable form amend the provisions of this Statement, such amendment to become effective forty-five (45) days after written notice of such amendment to each Time Period owner, provided, however, that no such amendment shall become effective if the Declarant, its successors or assigns, shall receive disapproval of such amendment, by an instrument in writing signed by and acknowledged by Time Period owners holding fifty-one percent (51%) of the Time Period interests in and to Units in said Pine Villas', prior to the termination of the said forty-five (45) day period.

(2) This statement may be amended by written instrument executed by seventy-five percent (75%) of the members of the Pine Villas' Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association Property, and the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent. Subject to the foregoing provisions, any amendment shall be binding upon every Time Period owner and every Time Period.

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(3) The Declarant, its successors or assigns, may, by instrument in writing in recordable form amend the provisions of this Statement at any time prior to the recordation of a deed conveying a Time Period.

F. Law to Govern

This Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

G. Duration

The provisions of this Statement, as set forth herein and as the same may be amended from time to time, shall be enforceable, as set forth herein, for a term of twenty (20) years from the date this Statement is recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia, after which time all of said provisions shall be extended automatically for successive periods of five (5) years each unless an instrument signed and approved by seventy-five percent (75%) of the members of the Pine Villas' Owners Association shall have been recorded, agreeing to terminate all of the said provisions as of a specified and certain date, which shall not be earlier than the expiration of a term of three (3) years from the date of such recording.

H. Provision

The provisions of this Statement shall be binding upon all parties having or acquiring any right, title or interest in the property or any part thereof and shall be for the benefit of each Time Period owner and his heirs, successors or assigns. Each Time Period owner, including the Declarant, its successors and

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assigns, shall be fully discharged and relieved of liability from the provisions herein contained insofar as the same relate to each Time Period owned, upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder, in respect of such Time Period, to the time his ownership interest terminated.

IN WITNESS WHEREOF, the parties hereunto have executed this Statement of Mutual Covenants and Easements this 27th day of November, 1979.

GREAT NORTH MOUNTAIN CORPORATION

By: [Signature]

Vice President

STATE OF VIRGINIA,

COUNTY OF SHENANDOAH, to-wit:

The foregoing instrument was acknowledged before me this 27th day of November, 1979, by Bruce Forbes of GREAT NORTH MOUNTAIN CORPORATION, a Virginia corporation, on behalf of the corporation.

My commission expires: March 14, 1983

SHENANDOAH COUNTY, ss

The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, subject to record and index. The taxes imposed by Sect. 58-54, (a) and (b), of the Code, have been paid.

this 30th day of December, 19799:51 A.M. Teste: [Signature]

Clerk

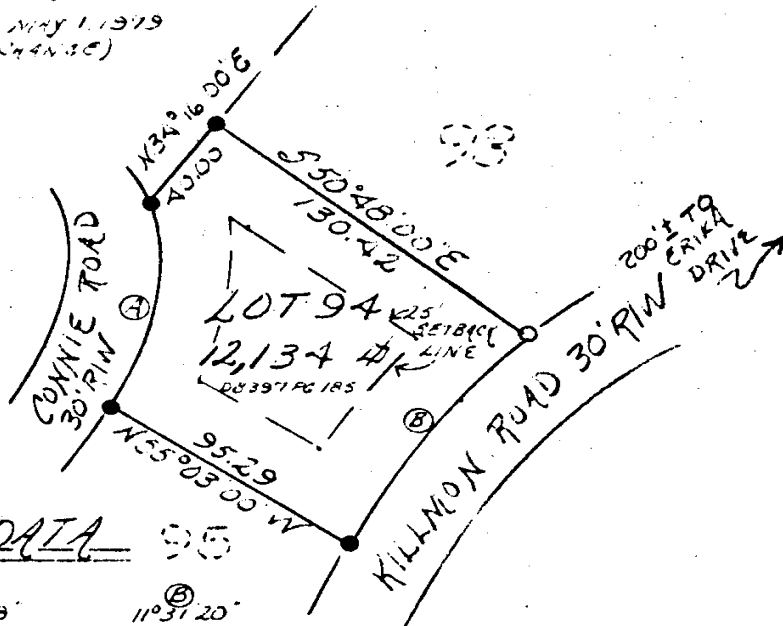
Notary Public

702 #1116
 Paat only
 Exd 5/15/79
 Filed in Clerk's office
 5/15/79

SW 813 405 Page 503 for
 Restrictive Covenants etc.
 Audrey Stuhler Dep. Clerk.
 11/30/79

DATE: SEPT. 25, 1978
 SCALE: 1"=50'
 MAGNETIC NORTH
 ○ IRON PIN SET
 ● IRON PIN FOUND
 RECORDED MAY 1, 1979
 (TITLE CHANGE)

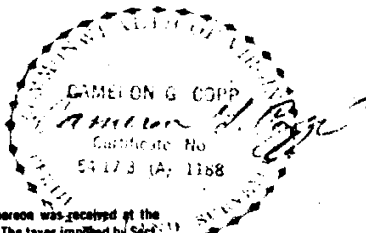
BOOK 397 PAGE 702



CURVE DATA

①	39° 41' 58"	②	110° 31' 20"
RADIUS -	117.97		510.58
ARC -	81.74		102.68
CHORD -	80.11		102.51
CHORD BEARING -	N 09° 14' 00\"E		S 34° 41' 00\"W

PLAT OF LOT 94, SECTION 9 EXT.
 OF BRYCE'S MOUNTAIN RESORT, INC.
 AND BEING THE LAND OF THE GREAT NORTH MOUNTAIN CORP.
 BRYCE, ASHEY MAGISTERIAL DISTRICT,
 SHENANDOAH COUNTY,
 VIRGINIA.



SHENANDOAH COUNTY, ss
 The foregoing writing with certificate of acknowledgment thereon was received at the
 Clerk's Office of said County, admitted to record and indexed. The taxes imposed by Sect.
 58-54, (a) and (b), of the Code have been paid.

this 2nd day of October 1979
 11:30 A.M. Teste: [Signature] Clerk

SURVEYED BY:
 CAMERON G. COPP
 128 W. COURT ST.
 WOODSTOCK VA
 JOB NO. 1357

428

#1397
Agreement and Rest. Covenants
Exd 6/5/80
Delivered to
I. Clinton Miller
6/5/80

plot on page 462

#1397

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GREAT NORTH MOUNTAIN CORPORATION
STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS
OF THE PINE VILLAS,
BRYCE MOUNTAIN,
BASYE, SHENANDOAH COUNTY, VIRGINIA

THIS STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS ,
Protective Covenants and Restrictions, made this 8th day of Nov. 1979,
by GREAT NORTH MOUNTAIN CORPORATION, a corporation duly organized
and existing under the laws of the State of Virginia, having an address and doing
business at Basye, Shenandoah County, Virginia, Zip Code 22810 (sometimes
hereinafter referred to as "Declarant").

WITNESSETH :

WHEREAS, the Declarant owns the Property, as defined in Article II of
this Statement of Mutual Ownership Agreements, Protective Covenants and
Restrictions, and desires to maintain its natural beauty, to assure high quality
standards for the development of the property that are compatible with the
character of Bryce Mountain, and to promote the recreational interests and
health, safety and social welfare of each owner of a part hereof; and

WHEREAS, the benefits of the Protective Covenants and Time Period
Ownership Agreements set forth herein are intended to run to each original
owner, his heirs, executors, administrators, successors and assigns and are
declared for the purpose of creating and maintaining the Property as a desirable,
attractive, beneficial and suitable place of abode, of guarding against

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losses by fire and other hazards, of providing for the period of time during which each of the various owners may use the Property, and of providing Rules and Regulations for the mutual benefit and protection of each of the owners.

NOW, THEREFORE, said Great North Mountain Corporation, hereby declares that Units committed to Time Shared Ownership as herein provided, are and shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, declared and agreed to be in furtherance of a uniform occupancy plan for the development of the Property; and this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions is intended to enhance and protect the value and desirability of the property and to mutually benefit each of the owners thereof, and to create mutual equitable servitudes upon each of the undivided fractional ownership interests in the property in favor of each and all other owners therein, to create reciprocal rights and privity of contract in a state between all persons acquiring or owning an interest in the property, including said Great North Mountain Corporation, and their grantees, heirs, devisees, successors, and assigns and shall be deemed to run with the land and be burden and benefit to all such persons, including said Great North Mountain Corporation, their grantees, heirs, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

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As used in this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, the following terms shall have the following meanings:

A. Declarant

Great North Mountain Corporation, its successors or assigns.

B. The Property

The real property referred to at Article II of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions.

C. Statement of Mutual Ownership Agreements

This Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, sometimes herein referred to as "Statement", or "Statement of Ownership Agreements".

D. Bryce Mountain

A planned development approved by the Supervisors of Shenandoah County, Virginia, located at Basye, Virginia, in Shenandoah County, Virginia.

E. Great North Mountain Corporation

The Declarant of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions and the owner of the property at the time of the recording of this Statement, a corporation duly organized and existing under the laws of Virginia, having an address and doing business at Basye, Shenandoah County, Virginia.

F. Owner

Owner shall mean and include any person or other entity and the heirs, executors, administrators, successors and assigns

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thereof who shall be (1) the Grantee named in a deed of an undivided interest in a Unit; (2) the purchaser of an undivided interest in a Unit under a written contract for sale and purchase of an undivided interest in a Unit; (3) the Declarant with respect to any undivided interests in Units not conveyed.

G. Unit

Unit shall mean any and all of the dwelling units and the land on which they are situated, which may presently or in the future be constructed upon any part of the real property referred to at Article II hereof.

H. Time Shared Ownership

Time Share Ownership shall mean a one fifty-second co-tenancy interest in the Unit as more fully defined and restricted in Article III hereof. It contends with the exclusive right to use and occupy a Unit during one or more Time Periods as provided in this Statement.

I. Unit Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any Unit sold under and subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions. The Unit shall become a Unit committed to time shared ownership upon the recording of the first deed in said Unit, conveying an undivided co-tenancy interest in said Unit. No Unit may be committed to time shared ownership by any person, or other entity, other than Declarant. A Unit shall no longer be committed to time shared ownership at any time all time periods are owned by the same legal entity.

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J. Time Period

Time Period shall mean a one week period of time shared ownership in a Unit.

K. The Pine Villas' Owners Association

The nonprofit corporation existing or to be created for the Pine Villas' Time Shared houses for the benefit of Time Period Owners in and to Units committed to time shared ownership located on the property described in Article II hereof.

L. Association Property

All lands and improvements (except for Units) subject to this Statement as shown on a map of The Pine Villas', Section 7A, Lot 102, attached hereto and made a part hereof and to be recorded herewith. Said lands and improvements to be conveyed by the Declarant to the Pine Villas' Owners Association in compliance with this Statement.

M. Managing Agent

Managing Agent shall mean the agent or firm appointed and employed by the Association as hereinafter provided to provide full and complete maintenance, administrative supervision and managerial services for the Units and the Association property.

N. Maintenance Time Periods

Maintenance Time Periods shall mean two time periods to be set aside by the Declarant for the maintenance and restoration of each Unit, each year, the title to such maintenance time period to be conveyed by Declarant to the Association provided for hereinafter.

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O. Rules and Regulations

The Rules and Regulations promulgated by the Association or the Managing Agent on behalf of the Association for the benefit of all time period owners. Said Rules and Regulations shall be promulgated for the elaboration and administration of this Declaration.

P. Guests

Any person or persons using a Unit of the Property with the permission of the Time Period owner thereof, including but not limited to, family members, invitees and tenants.

Q. Furnishings

Furnishings shall mean all furniture, fixtures and furnishings for a Unit or other personal property from time to time owned or held for the use by all owners of time periods in and to a Unit during their respective time period.

ARTICLE II**THE PROPERTY****A. Existing Property**

The real property that is hereby subject to this Statement consists of 12,416 square feet, or Section 7A, Lot 102, of land lying in Shenandoah County, Virginia, and more particularly shown upon the plat attached hereto, made a part hereof and to be recorded herewith entitled "The Pine Villas", Section 7A, Lot 102, Bryce Mountain".

B. Additional Property

The Declarant shall have the right within ten (10) years date hereof to bring within the scheme of this Statement, from time to time and at its discretion, with governmental approvals,

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if required, additional properties, including property now or hereafter acquired by it and property of others that is either abutting the existing property, as described in Article II-A hereof, or additions thereto or so situated that its addition would be consistent with the uniform scheme of development set forth in this Statement. Any such additions as are authorized hereby shall be made by a supplementary declaration as prescribed in Section "C" of this article.

C. Supplementary Declaration

1. A Supplementary Declaration shall contain the following:
 - a. A reference to this declaration;
 - b. Identification of the Declarant of the Supplementary Declaration;
 - c. An expression of intent to submit certain real property to the uniform scheme of this Statement and to the jurisdiction of the Association;
 - d. A Statement that the real property that is the subject of the Supplementary Declaration constitutes Additional Property under Article II-B of this Statement.
2. The Supplementary Declaration may contain such conditions to or modification of the Protective Covenants and Restrictions as may be necessary to reflect the different character, if any, of the real property that is the subject of the Supplementary Declaration.
3. A Supplementary Declaration shall become effective upon being duly recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia.

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ARTICLE III

PROTECTIVE COVENANTS

A. Units Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any unit of the property sold under and subject to this Statement. The unit shall become a Unit Committed to Time Shared Ownership upon the execution and recordation of an instrument conveying an undivided co-tenancy interest in said unit. The Declarant, in its sole discretion, shall have the exclusive right to commit a Unit to time shared ownership. A Unit shall no longer be committed to time shared ownership at any time all Time Periods are owned by the same legal entity.

B. Time Period Ownership

Each Time Period in and to a Unit is a one week ownership period in accordance with subparagraph C of this Article. An owner may own more than one Time Period.

C. Schedule of Time Periods

Time Period No. 1 is the seven (7) days commencing on the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month of the year plus any excess days not otherwise assigned. A Time Period commences at 12:00 noon on the first Friday of the Time Period. Each owner of a Time Period hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations promulgated

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by the Managing Agent for the benefit of all Time Period owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Unit.

D. Ownership Interest

An owner of a Time Period in and to a Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the Declarant, its successors and assigns, and the owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of time periods owned.

E. Transfer of a Time Period

An owner of a Time Period may transfer his undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time Period must be the identical Time Period which the conveying owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying owner or to combine or divide a Time Period acquired by such owner shall be null and void and of no force or effect.

F. Waiver of Right of Partition

Each owner of a Time Period and each purchaser of a Time Period in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Time Period, by such acceptance, such grantee or purchaser shall for

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himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period in Units committed to time shared ownership, to waive and relinquish for the duration of the effective period of this Statement, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Statement. If, however, any Time Period shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Time Period in lieu of partition as between such owners. Each owner of a Time Period may convey, lease, assign, devise or otherwise transfer his entire Time Period as a Time Period is defined in this Article III.

G. Exclusive Use and Occupancy

Each owner of an undivided co-tenancy interest in a Unit committed to time shared ownership shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during his Time Period(s), together with the non-exclusive right in common with all other owners of the Unit when acting through the Managing Agent, to maintain, repair and refurbish the Unit. No Time Period owner shall occupy the Unit, or exercise any other rights of ownership with respect to the Unit and the

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furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the owner entitled to occupy the Unit during such Time Period(s). Each owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, vacate the Unit at the time established by the Rules and Regulations hereinafter mentioned, remove all persons and property therefrom excluding the furniture and furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and other procedures as may from time to time be contained in the Rules and Regulations promulgated by the Managing Agent or a majority of the members of the Time Shared Owners Association.

H. Failure to Vacate Penalties

If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of their not being conveyed, or prevents another owner from using or occupying the Unit during such other owner's, including the Declarant's Time Period, the owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of

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such owner in wrongful possession; (3) shall pay to the owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred per cent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof, including the day of surrender, during which the owner in wrongful possession occupies the Unit; (4) shall reimburse the owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association's terminating any and all utility and other services to the Unit during the period of his wrongful occupancy.

I. Maintenance Periods

(1) The Declarant in its sole discretion shall set aside two Time Periods for each Unit for the maintenance and restoration of the Unit each year. The maintenance periods for all Units need not be the same periods; rather the Declarant shall, in its sole discretion, select the two maintenance periods for each Unit.

(2) Title to such maintenance periods shall be conveyed to the Association in each Unit within three years after the sale and recordation of a deed conveying a Time Period to a purchaser.

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(3) Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to owners of Time Periods under the provision of this Statement, or the By-Laws of the Association.

J. Ownership and Use of Furnishings

(1) Each Unit committed to time shared ownership shall be provided with basic furniture and furnishings. The Declarant, its successors or assigns, shall distribute a list of the specific items of furniture and furnishings provided which list shall be given to each initial Time Period Owner of a Unit at or before occupying a Unit.

(2) Each owner of an individual interest in and to a Unit shall own an individual interest, equivalent to his undivided interest in the Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Statement. Provided, however, that such owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period without hindering or violating the lawful rights of others to use same.

(3) A transfer of an undivided interest in a Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Unit committed to time shared ownership

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under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

(4) At the end of his Time Period, each owner and his guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an owner or his guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Time Period owner thereof in accordance with this Statement and the Rules and Regulations shall be delivered to the Managing Agent who shall keep such property for thirty (30) days. At the end of such thirty (30) day period such property shall be considered to have been abandoned.

(5) No noxious or offensive activity shall be carried on within any Unit, nor shall anything be done or permitted which shall constitute a public nuisance therein, nor shall anything be done or permitted or kept in the unit which would increase the rate of insurance upon the Unit or the furniture or furnishings therein.

(6) No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Statement.

(7) All repairs to a Unit required in order to maintain the Unit in the manner required by this Statement shall be made by

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the Managing Agent. No Time Period owner shall make such repairs, No Time Period owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in this paragraph. Each Time Period owner shall indemnify and hold the other owners of the Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

K. Ownership Subject to Statement

Each owner by his execution of the agreement of sale and the acceptance of the conveyance of a Time Period shall be subject to the provisions of this statement and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the unit is held.

ARTICLE IV

THE PINE VILLAS' OWNERS ASSOCIATION

A. Membership

The Declarant and each Time Period owner shall be a member of the Pine Villas' Owners Association, such membership being mandatory upon an individual's acquiring an interest in or to a Unit, and who by acquiring such interest does agree to abide by the by-laws of the Association.

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B. Voting

(1) The Declarant and each Time Period owner shall be entitled to one vote per Time Period owned, in the affairs of the Association. Provided, however, that if a Time Period is owned by more than one person, all such persons shall be members of the Association but in no event shall more votes be cast with respect to any one Time Period than would be the case if said Time Period was owned by one individual.

(2) Any owner who owns more than one Time Period shall be entitled to one vote per Time Period owned.

(3) The voting rights provided for herein shall be exercised under and subject to the by-laws of the Association.

C. Purpose

The Association shall be responsible for the enforcement of the provisions of this Statement, the maintenance of the Association Property and any improvements thereon, and shall have the exclusive right, duty and responsibility, which may only be delegated to the Managing Agent, as provided for hereinafter, for the maintenance, repair, replacement and decoration of the exterior and interior of all Units situated on the property including but not limited to exterior walls, doors, windows, verandas, roofs of buildings, interior walls, floors, ceilings and the furniture, fixtures, furnishings and appliances situated in the Units.

D. Easement Reserved to Association

There is hereby reserved to the Association the right to have its agents, employees and the Managing Agent enter into or

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upon any Unit to perform and carry out its rights, duties and responsibilities as set forth in subparagraph C of this Article.

E. Title to Association Property

The Declarant shall retain legal title to the Association property until such time as the capital improvements shall have been completed on the property and until the Association in the opinion of the Declarant, shall be able to maintain same, provided, however, that the Declarant hereby covenants for its successors and assigns that in no event shall title to the Association property be retained later than January 1, 1985. At the time of such conveyance by the Declarant, its successors and assigns shall convey good and marketable title, free from all liens, judgments and mortgages, by virtue of a special warranty deed. In addition, the Declarant for itself, its successors and assigns does hereby covenant and agree to remain liable under any then existing and outstanding liens, judgments or mortgages and shall indemnify and save the Association harmless with respect to any and all claims, expenses and charges made pursuant to the provisions of the said then outstanding liens, judgments or mortgages.

F. Waiver and Consent

Notwithstanding any other provision of this Declaration, each owner by becoming a member of the Pine Villas' Owners Association shall consent to and does hereby give the Association the right and authority to suspend his voting rights, if any, and take such other action specifically that is set forth herein if that member violates any provision of this Statement. By so

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consenting, each purchaser does hereby waive any right, judicial or otherwise, he may have against the Association because of the Association's actions.

G. Assessments, Charges or Fees by the Association

(1) The Board of Directors of the Association shall determine the assessment charge or fee to be levied upon each Time Period owner in order to carry out the purposes of the Association.

(2) The Treasurer of the Association, upon demand of any owner liable for an assessment, shall furnish the said owner a certificate in writing setting forth whether such assessment has been paid and, if not, the amount due. Said certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid or of the amount then due and owing by any such owner.

ARTICLE V

A. Reserved to Declarant

1. There is hereby reserved to the Declarant the right to lay out, make and maintain utility easements for the construction, connection, operation, maintenance, relocation, repair and inspection of pipes, sewers, mains, collectors, trunk lines, pumping stations, conduits, lines, poles, and appurtenant access ways and facilities for any and all utility systems at such locations upon, under and across the Property, as shall be necessary or appropriate to serve the Units, the Association Property and the general public with minimum interference with the use and enjoyment of the

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property of any Owner whose real estate may be affected, and to convey such easements to any public utility empowered to operate and maintain the same.

B. Conveyed to Time Period Owners

Each time period owner shall have the right of ingress, egress and regress over the Association property and to use same in accordance with its intended purposes.

ARTICLE VI

REAL ESTATE MANAGEMENT

A. Managing Agent

The Association shall engage a managing firm (the Managing Agent) to act as Managing Agent for the Units. The Managing Agent shall provide full and complete maintenance, administrative supervision and managerial services for Units until its management of such Units is terminated by the vote of a majority of the members of the Pine Villas' Owners Association. Any such vote shall appoint a successor Managing Agent which shall be a managing firm meeting the qualifications set forth herein.

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B. Duties, Obligations and Responsibilities of Managing Agent

1. The Managing Agent employed by the Association shall perform and shall be responsible and liable for the services and duties hereinafter set forth and any other duty, service or function delegated by the Association. It shall be the Association's responsibility to insure that the Managing Agent performs same. The Managing Agent shall collect from the owners of Time Periods all amounts payable by such Time Period owners under this Statement of Mutual Ownership Agreements as follows:

(a) request, demand, collect, receive and receipt for all such amounts.

(b) collect and receive from the owner(s) of each Time Period all amounts payable by such owners under the terms of this Statement and take such action in its own name or in the name of the Association as may be reasonable to collect such amounts including but not limited to the foreclosure of any lien established by this Statement.

(1) The Managing Agent on behalf of the Association may collect interest at the rate of one and one quarter percent, (1-1/4%) per month, if then permitted by law, otherwise at the highest rate then so permitted on any amount due from a Time Period owner which is not paid when due under this Statement. In addition, such owner(s) shall reimburse the Managing Agent for all costs and expenses reasonably incurred by the Managing Agent in collection of such delinquent amount.

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(c) provide upon request of an owner of the legal or equitable title of a time shared interest in and to a Unit, a mortgagee or prospective mortgagee, purchaser or prospective transferee of an interest in the Unit or the Board of Directors of the Association, a written statement and account setting forth any amounts unpaid by an owner of a Time Shared interest which shall be binding upon the Managing Agent and the Association in favor of any person who may rely thereon in good faith.

(d) take such action in its own name, in the name of the Association or in the name of the owners of Time Shared interests to enforce this Statement.

(e) enter into contracts with others for the furnishing of such services as it deems proper for Units committed to Time Shared ownership.

(f) adopt from time to time Rules and Regulations for the elaboration and administration of the provisions of this Statement, which Rules and Regulations shall relate to the overall development and use of the property and Units, but shall not in any way diminish the powers of self-government of the Association.

(g) provide for the cleaning and necessary maid service, maintenance and repair upon the departure of each time period owner from a Unit so that each Unit is in good order and repair and ready for occupancy by the next Time Period owner. Further provide any and all necessary repairs, maintenance and repainting, remodeling, refurbishing necessary to maintain the Units in good and adequate condition in accordance with the intention and plan of Pine Villas' as set forth in this Statement.

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(l) any and all major alterations, repairs, renovations and remodeling shall be performed unless the exigencies of the circumstances dictate otherwise during the maintenance week.

(2) all repairs, alterations, remodeling or renovation of the Unit and the personal property appurtenant thereto performed by the Managing Agent on behalf of the owners shall be done in such manner as to maintain and restore the Unit to at least the same condition after such work as it was immediately before the occurrence requiring the work to be done.

(h) provide for the landscaping, upkeep, safety, maintenance and repair of the Association Property and any improvements situated thereon, and accomplish and perform all snow removal and road maintenance for the roads lying and situated on Association property.

(i) keep each Unit equipped in accordance with the list provided to each initial owner of the Unit and shall be authorized to replace or repair any furniture or furnishings which are missing, which become unusable or which become so worn as to require replacement, in the reasonable judgment of the Managing Agent. Except in cases where any such furniture or furnishings must be replaced due to the negligence or intentional act of any owner or his guest (which shall be determined by the Managing Agent in its reasonable judgment), expense of replacing any such

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furniture or furnishings shall be a common expense of the Unit and each owner thereof shall pay his assessed share of such expense.

(j) inspect each Unit when same is vacated, according to the terms of this Statement and the Rules and Regulations promulgated hereunder, and determine whether there are any items of furniture or furnishings which need to be replaced or repaired, and if so, whether such replacement or repair is the responsibility of the owner during whose Time Period such replacement became necessary. The Managing Agent shall promptly notify any owner if he is to be charged for any items of furniture or furnishings which need to be replaced.

(k) pay all taxes and assessments, costs and other charges affecting or relating to the Units on the Association property and discharge, contest or protest liens or charges affecting the Association.

(l) provide, maintain and keep in force on behalf of the Time Period owners and the Association the following insurance coverage, said coverage to be obtained and maintained in favor of the Managing Agent, the Time Period owners, the Association and any lien holders, as their respective interests may appear.

(1) General Public Liability and Property Damage
Insurance against claims for bodily injury or death or personal property damage occurring in or on a Unit or on the Association Property in an amount equal to the maximum insurable replacement value of the personal property and in such other amounts and

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providing such coverage as the Managing Agent or the Association may determine from time to time.

(2) Insurance coverage on all furniture, furnishings and other personal property initially supplied or installed in each Unit and replacements thereof, against loss or damage by fire, with extended coverage including insurance against loss or damage by vandalism or malicious mischief, in the amount of the maximum replacement value thereof and without deduction for depreciation.

(3) Fire and extended coverage insurance, and such other insurance as it may deem necessary, for all Units located on the Property and the Association property, the fire and extended coverage insurance to be for replacement cost and to name Pine Villas' Owners Association the appropriate Time Period owners and any lien holders, as beneficiaries, as their respective interests may appear, and the proceeds of such fire and extended coverage insurance shall be used exclusively for repair and replacement purposes.

(aa) all insurance required to be carried by this Statement of Mutual Ownership Agreement shall be carried in favor of the Managing Agent, the owners of undivided interest in and to Units committed to the time shared ownership, and any lien holders, as their respective interests may appear.

(bb) in the event that personal property appurtenant to a Unit committed to time shared ownership is damaged or destroyed, the Managing Agent shall collect the insurance proceeds payable

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on account of such damage or destruction (as agent in fact for the owners) and, unless such personal property is not to be replaced or repaired under the provisions of this Statement, or by direction of the Pine Villas' Owners Association, shall apply the proceeds of insurance to replace or repair the damaged or destroyed personal property. If any excess funds are required in order to replace or repair the personal property, such excess funds shall be considered a special assessment of the owners of the Unit and each owner thereof shall pay his share thereof. If the insurance proceeds exceed the cost of repair or replacement, such excess shall be refunded to the owners of the Unit according to the pro-rata interest herein.

C. Owners Acceptance

Each owner by his acceptance of the deed or other instrument conveying an interest in a Unit does hereby irrevocably constitute and appoint the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to: (1) deal with the interest of such owner upon damage to or destruction of any personal property in his Unit; and (2) to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Statement. Each owner stipulates and agrees that the Power of Attorney executed by this paragraph of the Statement is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each owner in the absence of fraud or mistake.

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ARTICLE VII**CHARGES, ASSESSMENTS AND FEES****A. Common Expense Charge**

Pursuant to this Statement, each Time Period owner will be required for each Time Period owned to pay a common expense charge as determined periodically by the Board of Directors of the Association to pay for the general operating costs of the Association, the Association property and the Units. Said common expense charge shall include but shall not be limited to the following elements:

1. Property taxes
2. Reserve accounts for replacement, repairs, remodeling of the personal property in the Units, the Units and the Association Property taxes
3. Water and sewerage charges
4. Maintenance, including landscaping and snow removal of the Association Property.
5. Maintenance and normal repair of the Units.
6. Utility charges
7. Domestic services
8. Insurance coverage as herein provided for
9. Purchasing, maintenance and replacement of equipment
10. Administrative costs
11. Managing Agent's fee
12. Assessments by Pine Villas' Owners Association
13. Security

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1. The Board of Directors of the Association shall in accordance with the by-laws of the Association review said common expense charge from time to time to determine if same is adequate.

2. A Time Period owner's Unit common expense charge shall be due and payable thirty (30) days prior to occupancy in the year of sale and on January 1 of each year thereafter.

3. In addition to the other remedies provided for herein the Board of Directors of the Association or its delegate, the Managing Agent, shall have the right to deny the occupancy and use of a Unit to any Time Period owner who fails to pay this common expense charge.

B. Individual Expense Charge

Each Time Period owner in addition to the obligation to pay his common expense charge shall be charged and pay on a current basis those expenses directly related to the use and occupancy of a Unit during his time period. Such expenses shall include but not be limited to:

(1) telephone charges directly related to the Time Period owner or his guests.

(2) extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof or the Association Property caused by a Time Period owner's use of the said Unit or property.

C. Special Assessments

The Board of Directors of the Association shall have the right, duty and authority to levy special assessments on Time Period owners in order to carry out the purposes and intent of this Statement.

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ARTICLE VIII

ASSESSMENTS AND LIENS

A. Each Time Period owner shall pay when due all amounts required to be paid by him under this Statement. The Managing Agent or the Association may bring legal action or take other reasonable actions to collect any amounts from the Time Period owner liable for payment thereof, with or without foreclosing or waiving the lien described herein.

B. All amounts due under this Statement which are unpaid shall constitute a lien solely and exclusively on the undivided co-tenancy interest in the Unit of the Time Period owner failing to pay such amount. The lien shall attach from the date when the unpaid amount shall become due and may be foreclosed by the Managing Agent of the Pine Villas' Owners Association in like manner as a mortgage on real property. In any such foreclosure, the Time Period owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Time Period owner who is in default shall not be entitled to use, rent, devise or otherwise assign his undivided co-tenancy interest in the Unit. The Managing Agent shall be entitled to rent such undivided co-tenancy interest in the Unit during the defaulting owner's Time Period and to set off any amounts received against the amount due from the defaulting owner.

C. No Time Period owner shall exempt himself from liability for payment of amounts payable under this Statement either by waiver of the use or enjoyment of his Time Period in the Unit, by abandonment of his Time Period in the Unit, or otherwise.

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ARTICLE IX

ENFORCEMENT OF PROTECTIVE COVENANTS

A. The Declarant, its successors or assigns, the Association, the Managing Agent and one or more of the owners shall be entitled jointly and severally to maintain equitable or legal proceedings to enjoin, abate or obtain other appropriate relief in respect of any and all breaches of the Protective Covenants herein contained.

B. The Declarant, its successors or assigns, the Association and the Managing Agent shall have a right of access to any part or parts of the property for the purpose of making inspections or for the purpose of correcting any condition likely to result in a breach of any protective covenants or for the purpose of abating, remedying or correcting such breach at the expense of the responsible party or parties, and for the purpose of providing real estate management services, provided that requests for entry are made in advance and that any such entry shall be at a reasonably convenient time.

C. The provisions of this Statement may be enforced by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, and against his property to enforce any lien created by these mutual covenants and easements; failure by Declarant, its successors or assigns or the Managing Agent to enforce any protective covenant or easement herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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ARTICLE X
MISCELLANEOUS

A. Notices

Any notice required to be sent to the owner of an undivided interest in and to a Unit, under the provisions of this Statement, shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as owner of said Time Period on the records of the Association at the time of such mailing.

B. Interpretation

It is specifically recognized that this Statement is intended to assure the fair and harmonious operation and care of each Unit for the benefit of each and all of the Time Period owners thereof; therefore, this Statement is to be liberally construed to effectuate its purpose of creating a uniform occupancy plan for the beneficial use and development of Units in The Pine Villas', Bryce Mountain, Shenandoah County, Virginia. This Statement shall not constitute a joint venture or partnership and no part or Time Period owner shall have the right to participate in the individual profits, if any, of any other party or owner arising out of the use and occupancy of the Unit.

C. Invalidity

The invalidity of any part of this Statement shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Statement which shall remain in full force and effect.

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D. Gender and Number

Use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Amendment

(1) The Declarant, its successors or assigns, may, by an instrument in writing in recordable form amend the provisions of this Statement, such amendment to become effective forty-five (45) days after written notice of such amendment to each Time Period owner, provided, however, that no such amendment shall become effective if the Declarant, its successors or assigns, shall receive disapproval of such amendment, by an instrument in writing signed by and acknowledged by Time Period owners holding fifty-one percent (51%) of the Time Period interests in and to Units in said Pine Villas', prior to the termination of the said forty-five (45) day period.

(2) This statement may be amended by written instrument executed by seventy-five percent (75%) of the members of the Pine Villas' Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association Property, and the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent. Subject to the foregoing provisions, any amendment shall be binding upon every Time Period owner and every Time Period.

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(3) The Declarant, its successors or assigns, may, by instrument in writing in recordable form amend the provisions of this Statement at any time prior to the recordation of a deed conveying a Time Period.

F. Law to Govern

This Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

G. Duration

The provisions of this Statement, as set forth herein and as the same may be amended from time to time, shall be enforceable, as set forth herein, for a term of twenty (20) years from the date this Statement is recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia, after which time all of said provisions shall be extended automatically for successive periods of five (5) years each unless an instrument signed and approved by seventy-five percent (75%) of the members of the Pine Villas' Owners Association shall have been recorded, agreeing to terminate all of the said provisions as of a specified and certain date, which shall not be earlier than the expiration of a term of three (3) years from the date of such recording.

H. Provision

The provisions of this Statement shall be binding upon all parties having or acquiring any right, title or interest in the property or any part thereof and shall be for the benefit of each Time Period owner and his heirs, successors or assigns. Each Time Period owner, including the Declarant, its successors and

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assigns, shall be fully discharged and relieved of liability from the provisions herein contained insofar as the same relate to each Time Period owned, upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder, in respect of such Time Period, to the time his ownership interest terminated.

IN WITNESS WHEREOF, the parties hereunto have executed this Statement of Mutual Covenants and Easements this 27th day of November, 1979.

GREAT NORTH MOUNTAIN CORPORATION

By: Bruce Forbes

President

STATE OF VIRGINIA,

COUNTY OF SHENANDOAH, to-wit:

The foregoing instrument was acknowledged before me this 27th day of November, 1979, by Bruce Forbes, President of GREAT NORTH MOUNTAIN CORPORATION, a Virginia corporation, on behalf of the corporation.

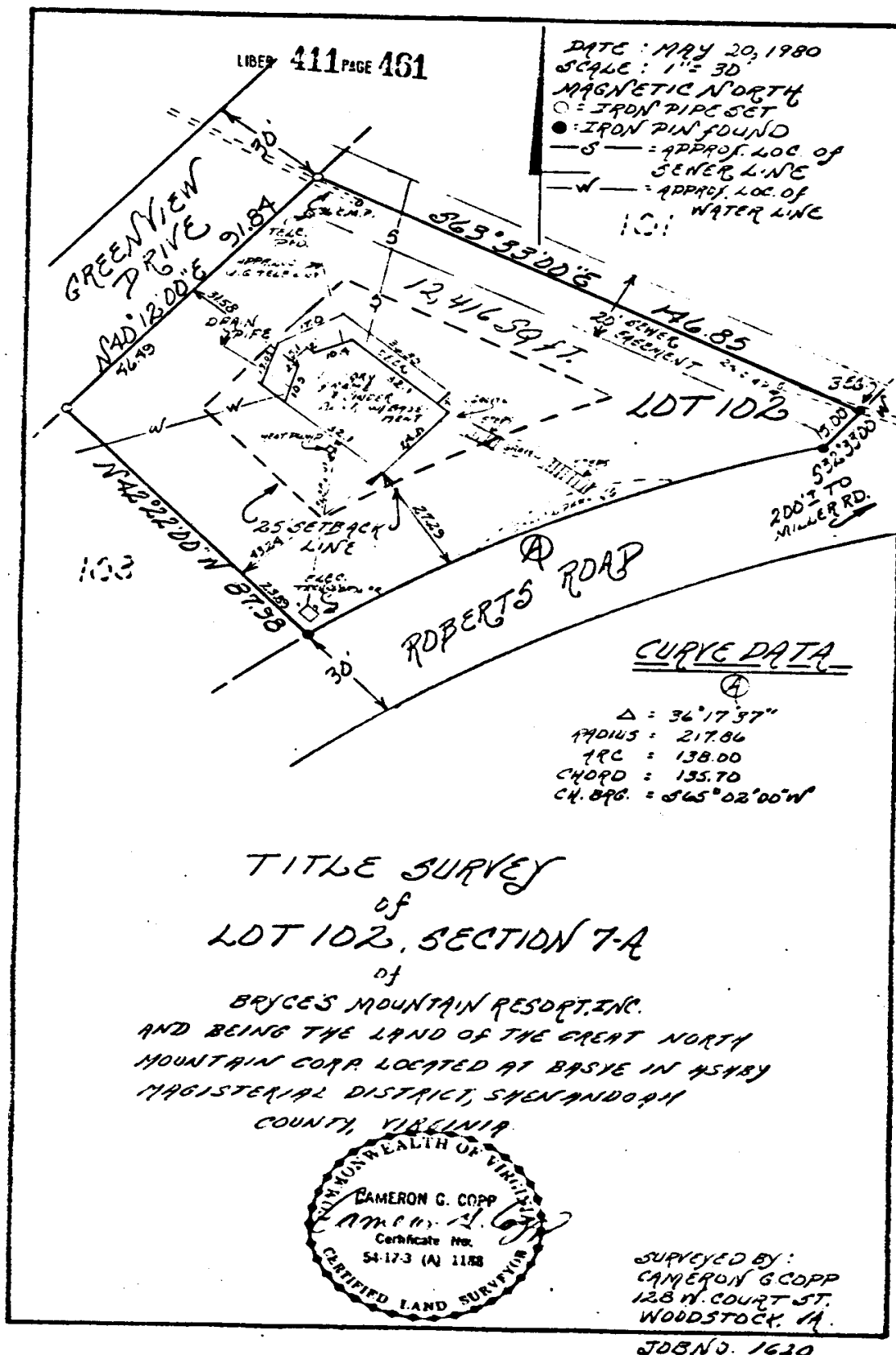
My commission expires: March 14, 1983

SHENANDOAH COUNTY, ss

The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, admitted to record and indexed. The taxes imposed by Sec. 59-54, (a) and (b), of the Code have been paid.

This 22 day of May, 198011:25 A.M. Teste: [Signature] Clerk

Betty J. Scott
Notary Public



CAMERON G. COPP*Certified Land Surveyor*128 West Court Street - P. O. Box 110
Woodstock, Virginia 22664

Phone (703) 419-4045

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May 20, 1980

The following is the metes and bounds description of Lot # 102 in Section 7-A of Bryce's Mountain Resort, Inc., Basye, Ashby Magisterial District, Shenandoah County, Virginia:

Beginning at an iron pipe found on the north side of Robert's Road, a corner with Lot # 101; thence with the north side of Robert's Road (for the next 2 courses)

S 32-33-00 W 15.00 feet

to an iron pipe found, said pipe being the P. C. of a curve to the left and having a radius of 217.86 feet and an arc of 138.00 feet; thence

Chord S 65-02-00 W 135.70 feet

to an iron pipe found, a corner with Lot # 103; thence with Lot # 103

N 42-22-00 W 87.89 feet

to an iron pipe set on the southeast side of Greeview Drive; thence with the southeast side of Greeview Drive

N 40-12-00 E 91.84 feet

to an iron pipe set, a corner with Lot # 101; thence with Lot # 101

S 63-33-00 E 146.35 feet

to the beginning and enclosing an area of 12,416 Square feet.

SHERANDOAH COUNTY, VA

The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, admitted to record and indexed. The taxes imposed by Sect. 58-54, (a) and (b), of the Code have been paid.

this 22 day of May 1980
11:21 A.M. Teste *Mr. J. Sigler* Clerk

Job No. 162)

#3331

Agreements, etc.

Exd 12/19/79

Delivered To:

I. Clinton Miller

12/19/79

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* 3331

**GREAT NORTH MOUNTAIN CORPORATION
STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS
OF THE PINE VILLAS,
BRYCE MOUNTAIN,
BASYE, SHENANDOAH COUNTY, VIRGINIA**

**THIS STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS ,
Protective Covenants and Restrictions, made this 1st day of March, 1979 ,
by GREAT NORTH MOUNTAIN CORPORATION, a corporation duly organized
and existing under the laws of the State of Virginia, having an address and doing
business at Basye, Shenandoah County, Virginia, Zip Code 22810 (sometimes
hereinafter referred to as "Declarant").**

WITNESSETH :

**WHEREAS, the Declarant owns the Property, as defined in Article II of
this Statement of Mutual Ownership Agreements, Protective Covenants and
Restrictions, and desires to maintain its natural beauty, to assure high quality
standards for the development of the property that are compatible with the
character of Bryce Mountain, and to promote the recreational interests and
health, safety and social welfare of each owner of a part hereof; and**

**WHEREAS, the benefits of the Protective Covenants and Time Period
Ownership Agreements set forth herein are intended to run to each original
owner, his heirs, executors, administrators, successors and assigns and are
declared for the purpose of creating and maintaining the Property as a desirable,
attractive; beneficial and suitable place of abode, of guarding against**

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losses by fire and other hazards, of providing for the period of time during which each of the various owners may use the Property, and of providing Rules and Regulations for the mutual benefit and protection of each of the owners.

NOW, THEREFORE, said Great North Mountain Corporation, hereby declares that Units committed to Time Shared Ownership as herein provided, are and shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, declared and agreed to be in furtherance of a uniform occupancy plan for the development of the Property; and this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions is intended to enhance and protect the value and desirability of the property and to mutually benefit each of the owners thereof, and to create mutual equitable servitudes upon each of the undivided fractional ownership interests in the property in favor of each and all other owners therein, to create reciprocal rights and privity of contract in a state between all persons acquiring or owning an interest in the property, including said Great North Mountain Corporation, and their grantees, heirs, devisees, successors, and assigns and shall be deemed to run with the land and be burden and benefit to all such persons, including said Great North Mountain Corporation, their grantees, heirs, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

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As used in this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, the following terms shall have the following meanings:

A. Declarant

Great North Mountain Corporation, its successors or assigns.

B. The Property

The real property referred to at Article II of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions.

C. Statement of Mutual Ownership Agreements

This Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, sometimes herein referred to as "Statement", or "Statement of Ownership Agreements".

D. Bryce Mountain

A planned development approved by the Supervisors of Shenandoah County, Virginia, located at Basye, Virginia, in Shenandoah County, Virginia.

E. Great North Mountain Corporation

The Declarant of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions and the owner of the property at the time of the recording of this Statement, a corporation duly organized and existing under the laws of Virginia, having an address and doing business at Basye, Shenandoah County, Virginia.

F. Owner

Owner shall mean and include any person or other entity and the heirs, executors, administrators, successors and assigns

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thereof who shall be (1) the Grantee named in a deed of an undivided interest in a Unit; (2) the purchaser of an undivided interest in a Unit under a written contract for sale and purchase of an undivided interest in a Unit; (3) the Declarant with respect to any undivided interests in Units not conveyed.

G. Unit

Unit shall mean any and all of the dwelling units and the land on which they are situated, which may presently or in the future be constructed upon any part of the real property referred to at Article II hereof.

H. Time Shared Ownership

Time Share Ownership shall mean a one fifty-second co-tenancy interest in the Unit as more fully defined and restricted in Article III hereof. It contends with the exclusive right to use and occupy a Unit during one or more Time Periods as provided in this Statement.

I. Unit Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any Unit sold under and subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions. The Unit shall become a Unit committed to time shared ownership upon the recording of the first deed in said Unit, conveying an undivided co-tenancy interest in said Unit. No Unit may be committed to time shared ownership by any person, or other entity, other than Declarant. A Unit shall no longer be committed to time shared ownership at any time all time periods are owned by the same legal entity.

J. Time Period

Time Period shall mean a one week period of time shared ownership in a Unit.

K. The Pine Villas' Owners Association

The nonprofit corporation existing or to be created for the Pine Villas' Time Shared houses for the benefit of Time Period Owners in and to Units committed to time shared ownership located on the property described in Article II hereof.

L. Association Property

All lands and improvements (except for Units) subject to this Statement as shown on a map of The Pine Villas', Section 9 EXT, Lot 114, attached hereto and made a part hereof and to be recorded herewith. Said lands and improvements to be conveyed by the Declarant to the Pine Villas' Owners Association in compliance with this Statement.

M. Managing Agent

Managing Agent shall mean the agent or firm appointed and employed by the Association as hereinafter provided to provide full and complete maintenance, administrative supervision and managerial services for the Units and the Association property.

N. Maintenance Time Periods

Maintenance Time Periods shall mean two time periods to be set aside by the Declarant for the maintenance and restoration of each Unit, each year, the title to such maintenance time period to be conveyed by Declarant to the Association provided for hereinafter.

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O. Rules and Regulations

The Rules and Regulations promulgated by the Association or the Managing Agent on behalf of the Association for the benefit of all time period owners. Said Rules and Regulations shall be promulgated for the elaboration and administration of this Declaration.

P. Guests

Any person or persons using a Unit of the Property with the permission of the Time Period owner thereof, including but not limited to, family members, invitees and tenants.

Q. Furnishings

Furnishings shall mean all furniture, fixtures and furnishings for a Unit or other personal property from time to time owned or held for the use by all owners of time periods in and to a Unit during their respective time period.

ARTICLE II**THE PROPERTY****A. Existing Property**

The real property that is hereby subject to this Statement consists of 13,069 square feet, or Section 9 Ext, Lot 114, of land lying in Shenandoah County, Virginia, and more particularly shown upon the plat attached hereto, made a part hereof and to be recorded herewith entitled "The Pine Villas", Section 9 Ext, Lot 114, Bryce Mountain".

B. Additional Property

The Declarant shall have the right within ten (10) years date hereof to bring within the scheme of this Statement, from time to time and at its discretion, with governmental approvals.

if required, additional properties, including property now or hereafter acquired by it and property of others that is either abutting the existing property, as described in Article II-A hereof, or additions thereto or so situated that its addition would be consistent with the uniform scheme of development set forth in this Statement. Any such additions as are authorized hereby shall be made by a supplementary declaration as prescribed in Section "C" of this article.

C. Supplementary Declaration

1. A Supplementary Declaration shall contain the following:

- a. A reference to this declaration;**
- b. Identification of the Declarant of the Supplementary Declaration;**
- c. An expression of intent to submit certain real property to the uniform scheme of this Statement and to the jurisdiction of the Association;**
- d. A Statement that the real property that is the subject of the Supplementary Declaration constitutes Additional Property under Article II-B of this Statement.**

2. The Supplementary Declaration may contain such conditions to or modification of the Protective Covenants and Restrictions as may be necessary to reflect the different character, if any, of the real property that is the subject of the Supplementary Declaration.

3. A Supplementary Declaration shall become effective upon being duly recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia.

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ARTICLE III

PROTECTIVE COVENANTS

A. Units Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any unit of the property sold under and subject to this Statement. The unit shall become a Unit Committed to Time Shared Ownership upon the execution and recordation of an instrument conveying an undivided co-tenancy interest in said unit. The Declarant, in its sole discretion, shall have the exclusive right to commit a Unit to time shared ownership. A Unit shall no longer be committed to time shared ownership at any time all Time Periods are owned by the same legal entity.

B. Time Period Ownership

Each Time Period in and to a Unit is a one week ownership period in accordance with subparagraph C of this Article. An owner may own more than one Time Period.

C. Schedule of Time Periods

Time Period No. 1 is the seven (7) days commencing on the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month of the year plus any excess days not otherwise assigned. A Time Period commences at 12:00 noon on the first Friday of the Time Period. Each owner of a Time Period hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations promulgated

by the Managing Agent for the benefit of all Time Period owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Unit.

D. Ownership Interest

An owner of a Time Period in and to a Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the Declarant, its successors and assigns, and the owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of time periods owned.

E. Transfer of a Time Period

An owner of a Time Period may transfer his undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time Period must be the identical Time Period which the conveying owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying owner or to combine or divide a Time Period acquired by such owner shall be null and void and of no force or effect.

F. Waiver of Right of Partition

Each owner of a Time Period and each purchaser of a Time Period in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Time Period, by such acceptance, such grantee or purchaser shall for,

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himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period in Units committed to time shared ownership, to waive and relinquish for the duration of the effective period of this Statement, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Statement. If, however, any Time Period shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Time Period in lieu of partition as between such owners. Each owner of a Time Period may convey, lease, assign, devise or otherwise transfer his entire Time Period as a Time Period is defined in this Article III.

G. Exclusive Use and Occupancy

Each owner of an undivided co-tenancy interest in a Unit committed to time shared ownership shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during his Time Period(s), together with the non-exclusive right in common with all other owners of the Unit when acting through the Managing Agent, to maintain, repair and refurbish the Unit. No Time Period owner shall occupy the Unit, or exercise any other rights of ownership with respect to the Unit and the

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furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the owner entitled to occupy the Unit during such Time Period(s). Each owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, vacate the Unit at the time established by the Rules and Regulations hereinafter mentioned, remove all persons and property therefrom excluding the furniture and furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and other procedures as may from time to time be contained in the Rules and Regulations promulgated by the Managing Agent or a majority of the members of the Time Shared Owners Association.

H. Failure to Vacate Penalties

If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of their not being conveyed, or prevents another owner from using or occupying the Unit during such other owner's, including the Declarant's Time Period, the owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of

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such owner in wrongful possession; (3) shall pay to the owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred per cent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof, including the day of surrender, during which the owner in wrongful possession occupies the Unit; (4) shall reimburse the owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association's terminating any and all utility and other services to the Unit during the period of his wrongful occupancy.

1. Maintenance Periods

(1) The Declarant in its sole discretion shall set aside two Time Periods for each Unit for the maintenance and restoration of the Unit each year. The maintenance periods for all Units need not be the same periods; rather the Declarant shall, in its sole discretion, select the two maintenance periods for each Unit.

(2) Title to such maintenance periods shall be conveyed to the Association in each Unit within three years after the sale and recordation of a deed conveying a Time Period to a purchaser.

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(3) Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to owners of Time Periods under the provision of this Statement, or the By-Laws of the Association.

J. Ownership and Use of Furnishings

(1) Each Unit committed to time shared ownership shall be provided with basic furniture and furnishings. The Declarant, its successors or assigns, shall distribute a list of the specific items of furniture and furnishings provided which list shall be given to each initial Time Period Owner of a Unit at or before occupying a Unit.

(2) Each owner of an individual interest in and to a Unit shall own an individual interest, equivalent to his undivided interest in the Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Statement. Provided, however, that such owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period without hindering or violating the lawful rights of others to use same.

(3) A transfer of an undivided interest in a Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Unit committed to time shared ownership

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under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

(4) At the end of his Time Period, each owner and his guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an owner or his guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Time Period owner thereof in accordance with this Statement and the Rules and Regulations shall be delivered to the Managing Agent who shall keep such property for thirty (30) days. At the end of such thirty (30) day period such property shall be considered to have been abandoned.

(5) No noxious or offensive activity shall be carried on within any Unit, nor shall anything be done or permitted which shall constitute a public nuisance therein, nor shall anything be done or permitted or kept in the unit which would increase the rate of insurance upon the Unit or the furniture or furnishings therein.

(6) No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Statement.

(7) All repairs to a Unit required in order to maintain the Unit in the manner required by this Statement shall be made by

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the Managing Agent. No Time Period owner shall make such repairs, No Time Period owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in this paragraph. Each Time Period owner shall indemnify and hold the other owners of the Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

K. Ownership Subject to Statement

Each owner by his execution of the agreement of sale and the acceptance of the conveyance of a Time Period shall be subject to the provisions of this statement and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the unit is held.

ARTICLE IV

THE PINE VILLAS' OWNERS ASSOCIATION

A. Membership

The Declarant and each Time Period owner shall be a member of the Pine Villas' Owners Association, such membership being mandatory upon an individual's acquiring an interest in or to a Unit, and who by acquiring such interest does agree to abide by the by-laws of the Association.

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B. Voting

(1) The Declarant and each Time Period owner shall be entitled to one vote per Time Period owned, in the affairs of the Association. Provided, however, that if a Time Period is owned by more than one person, all such persons shall be members of the Association but in no event shall more votes be cast with respect to any one Time Period than would be the case if said Time Period was owned by one individual.

(2) Any owner who owns more than one Time Period shall be entitled to one vote per Time Period owned.

(3) The voting rights provided for herein shall be exercised under and subject to the by-laws of the Association.

C. Purpose

The Association shall be responsible for the enforcement of the provisions of this Statement, the maintenance of the Association Property and any improvements thereon, and shall have the exclusive right, duty and responsibility, which may only be delegated to the Managing Agent, as provided for hereinafter, for the maintenance, repair, replacement and decoration of the exterior and interior of all Units situated on the property including but not limited to exterior walls, doors, windows, verandas, roofs of buildings, interior walls, floors, ceilings and the furniture, fixtures, furnishings and appliances situated in the Units.

D. Easement Reserved to Association

There is hereby reserved to the Association the right to have its agents, employees and the Managing Agent enter into or

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upon any Unit to perform and carry out its rights, duties and responsibilities as set forth in subparagraph C of this Article.

E. Title to Association Property

The Declarant shall retain legal title to the Association property until such time as the capital improvements shall have been completed on the property and until the Association in the opinion of the Declarant, shall be able to maintain same, provided, however, that the Declarant hereby covenants for its successors and assigns that in no event shall title to the Association property be retained later than January 1, 1985. At the time of such conveyance by the Declarant, its successors and assigns shall convey good and marketable title, free from all liens, judgments and mortgages, by virtue of a special warranty deed. In addition, the Declarant for itself, its successors and assigns does hereby covenant and agree to remain liable under any then existing and outstanding liens, judgments or mortgages and shall indemnify and save the Association harmless with respect to any and all claims, expenses and charges made pursuant to the provisions of the said then outstanding liens, judgments or mortgages.

F. Waiver and Consent

Notwithstanding any other provision of this Declaration, each owner by becoming a member of the Pine Villas' Owners Association shall consent to and does hereby give the Association the right and authority to suspend his voting rights, if any, and take such other action specifically that is set forth herein if that member violates any provision of this Statement. By so

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consenting, each purchaser does hereby waive any right, judicial or otherwise, he may have against the Association because of the Association's actions.

G. Assessments, Charges or Fees by the Association

(1) The Board of Directors of the Association shall determine the assessment charge or fee to be levied upon each Time Period owner in order to carry out the purposes of the Association.

(2) The Treasurer of the Association, upon demand of any owner liable for an assessment, shall furnish the said owner a certificate in writing setting forth whether such assessment has been paid and, if not, the amount due. Said certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid or of the amount then due and owing by any such owner.

ARTICLE V

A. Reserved to Declarant

1. There is hereby reserved to the Declarant the right to lay out, make and maintain utility easements for the construction, connection, operation, maintenance, relocation, repair and inspection of pipes, sewers, mains, collectors, trunk lines, pumping stations, conduits, lines, poles, and appurtenant access ways and facilities for any and all utility systems at such locations upon, under and across the Property, as shall be necessary or appropriate to serve the Units, the Association Property and the general public with minimum interference with the use and enjoyment of the

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property of any Owner whose real estate may be affected,
and to convey such easements to any public utility empowered
to operate and maintain the same.

B. Conveyed to Time Period Owners

Each time period owner shall have the right of ingress,
egress and regress over the Association property and to use
same in accordance with its intended purposes.

ARTICLE VI

REAL ESTATE MANAGEMENT

A. Managing Agent

The Association shall engage a managing firm (the
Managing Agent) to act as Managing Agent for the Units.
The Managing Agent shall provide full and complete
maintenance, administrative supervision and managerial
services for Units until its management of such Units is
terminated by the vote of a majority of the members of
the Pine Villas' Owners Association. Any such
vote shall appoint a successor Managing Agent which
shall be a managing firm meeting the qualifications
set forth herein.

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B. Duties, Obligations and Responsibilities of Managing Agent

1. The Managing Agent employed by the Association shall perform and shall be responsible and liable for the services and duties hereinafter set forth and any other duty, service or function delegated by the Association. It shall be the Association's responsibility to insure that the Managing Agent performs same. The Managing Agent shall collect from the owners of Time Periods all amounts payable by such Time Period owners under this Statement of Mutual Ownership Agreements as follows:

(a) request, demand, collect, receive and receipt for all such amounts.

(b) collect and receive from the owner(s) of each Time Period all amounts payable by such owners under the terms of this Statement and take such action in its own name or in the name of the Association as may be reasonable to collect such amounts including but not limited to the foreclosure of any lien established by this Statement.

(1) The Managing Agent on behalf of the Association may collect interest at the rate of one and one quarter percent (1-1/4%) per month, if then permitted by law, otherwise at the highest rate then so permitted on any amount due from a Time Period owner which is not paid when due under this Statement. In addition, such owner(s) shall reimburse the Managing Agent for all costs and expenses reasonably incurred by the Managing Agent in collection of such delinquent amount.

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(c) provide upon request of an owner of the legal or equitable title of a time shared interest in and to a Unit, a mortgagee or prospective mortgagee, purchaser or prospective transferee of an interest in the Unit or the Board of Directors of the Association, a written statement and account setting forth any amounts unpaid by an owner of a Time Shared interest which shall be binding upon the Managing Agent and the Association in favor of any person who may rely thereon in good faith.

(d) take such action in its own name, in the name of the Association or in the name of the owners of Time Shared interests to enforce this Statement.

(e) enter into contracts with others for the furnishing of such services as it deems proper for Units committed to Time Shared ownership.

(f) adopt from time to time Rules and Regulations for the elaboration and administration of the provisions of this Statement, which Rules and Regulations shall relate to the overall development and use of the property and Units, but shall not in any way diminish the powers of self-government of the Association.

(g) provide for the cleaning and necessary maid service, maintenance and repair upon the departure of each time period owner from a Unit so that each Unit is in good order and repair and ready for occupancy by the next Time Period owner. Further provide any and all necessary repairs, maintenance and repainting, remodeling, refurbishing necessary to maintain the Units in good and adequate condition in accordance with the intention and plan of Pine Villas' as set forth in this Statement.

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(1) any and all major alterations, repairs, renovations and remodeling shall be performed unless the exigencies of the circumstances dictate otherwise during the maintenance week.

(2) all repairs, alterations, remodeling or renovation of the Unit and the personal property appurtenant thereto performed by the Managing Agent on behalf of the owners shall be done in such manner as to maintain and restore the Unit to at least the same condition after such work as it was immediately before the occurrence requiring the work to be done.

(h) provide for the landscaping, upkeep, safety, maintenance and repair of the Association Property and any improvements situated thereon, and accomplish and perform all snow removal and road maintenance for the roads lying and situated on Association property.

(i) keep each Unit equipped in accordance with the list provided to each initial owner of the Unit and shall be authorized to replace or repair any furniture or furnishings which are missing, which become unusable or which become so worn as to require replacement, in the reasonable judgment of the Managing Agent. Except in cases where any such furniture or furnishings must be replaced due to the negligence or intentional act of any owner or his guest (which shall be determined by the Managing Agent in its reasonable judgment), expense of replacing any such

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furniture or furnishings shall be a common expense of the Unit and each owner thereof shall pay his assessed share of such expense.

(j) inspect each Unit when same is vacated, according to the terms of this Statement and the Rules and Regulations promulgated hereunder, and determine whether there are any items of furniture or furnishings which need to be replaced or repaired, and if so, whether such replacement or repair is the responsibility of the owner during whose Time Period such replacement became necessary. The Managing Agent shall promptly notify any owner if he is to be charged for any items of furniture or furnishings which need to be replaced.

(k) pay all taxes and assessments, costs and other charges affecting or relating to the Units on the Association property and discharge, contest or protest liens or charges affecting the Association.

(l) provide, maintain and keep in force on behalf of the Time Period owners and the Association the following insurance coverage, said coverage to be obtained and maintained in favor of the Managing Agent, the Time Period owners, the Association and any lien holders, as their respective interests may appear.

(1) General Public Liability and Property Damage Insurance against claims for bodily injury or death or personal property damage occurring in or on a Unit or on the Association Property in an amount equal to the maximum insurable replacement value of the personal property and in such other amounts and

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providing such coverage as the Managing Agent or the Association may determine from time to time.

(2) Insurance coverage on all furniture, furnishings and other personal property initially supplied or installed in each Unit and replacements thereof, against loss or damage by fire, with extended coverage including insurance against loss or damage by vandalism or malicious mischief, in the amount of the maximum replacement value thereof and without deduction for depreciation.

(3) Fire and extended coverage insurance, and such other insurance as it may deem necessary, for all Units located on the Property and the Association property, the fire and extended coverage insurance to be for replacement cost and to name Pine Villas' Owners Association the appropriate Time Period owners and any lien holders, as beneficiaries, as their respective interests may appear, and the proceeds of such fire and extended coverage insurance shall be used exclusively for repair and replacement purposes.

(aa) all insurance required to be carried by this Statement of Mutual Ownership Agreement shall be carried in favor of the Managing Agent, the owners of undivided interest in and to Units committed to the time shared ownership, and any lien holders, as their respective interests may appear.

(bb) in the event that personal property appurtenant to a Unit committed to time shared ownership is damaged or destroyed, the Managing Agent shall collect the insurance proceeds payable

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on account of such damage or destruction (as agent in fact for the owners) and, unless such personal property is not to be replaced or repaired under the provisions of this Statement, or by direction of the Pine Villas' Owners Association, shall apply the proceeds of insurance to replace or repair the damaged or destroyed personal property. If any excess funds are required in order to replace or repair the personal property, such excess funds shall be considered a special assessment of the owners of the Unit and each owner thereof shall pay his share thereof. If the insurance proceeds exceed the cost of repair or replacement, such excess shall be refunded to the owners of the Unit according to the pro-rata interest herein.

C. Owners Acceptance

Each owner by his acceptance of the deed or other instrument conveying an interest in a Unit does hereby irrevocably constitute and appoint the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to: (1) deal with the interest of such owner upon damage to or destruction of any personal property in his Unit; and (2) to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Statement. Each owner stipulates and agrees that the Power of Attorney executed by this paragraph of the Statement is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each owner in the absence of fraud or mistake.

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ARTICLE VII**CHARGES, ASSESSMENTS AND FEES****A. Common Expense Charge**

Pursuant to this Statement, each Time Period owner will be required for each Time Period owned to pay a common expense charge as determined periodically by the Board of Directors of the Association to pay for the general operating costs of the Association, the Association property and the Units. Said common expense charge shall include but shall not be limited to the following elements:

1. Property taxes
2. Reserve accounts for replacement, repairs, remodeling of the personal property in the Units, the Units and the Association Property taxes
3. Water and sewerage charges
4. Maintenance, including landscaping and snow removal of the Association Property.
5. Maintenance and normal repair of the Units.
6. Utility charges
7. Domestic services
8. Insurance coverage as herein provided for
9. Purchasing, maintenance and replacement of equipment
10. Administrative costs
11. Managing Agent's fee
12. Assessments by Pine Villas' Owners Association
13. Security

1. The Board of Directors of the Association shall in accordance with the by-laws of the Association review said common expense charge from time to time to determine if same is adequate.

2. A Time Period owner's Unit common expense charge shall be due and payable thirty (30) days prior to occupancy in the year of sale and on January 1 of each year thereafter.

3. In addition to the other remedies provided for herein the Board of Directors of the Association or its delegate, the Managing Agent, shall have the right to deny the occupancy and use of a Unit to any Time Period owner who fails to pay this common expense charge.

B. Individual Expense Charge

Each Time Period owner in addition to the obligation to pay his common expense charge shall be charged and pay on a current basis those expenses directly related to the use and occupancy of a Unit during his time period. Such expenses shall include but not be limited to:

(1) telephone charges directly related to the Time Period owner or his guests.

(2) extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof or the Association Property caused by a Time Period owner's use of the said Unit or property.

C. Special Assessments

The Board of Directors of the Association shall have the right, duty and authority to levy special assessments on Time Period owners in order to carry out the purposes and intent of this Statement.

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ARTICLE VIIIASSESSMENTS AND LIENS

A. Each Time Period owner shall pay when due all amounts required to be paid by him under this Statement. The Managing Agent or the Association may bring legal action or take other reasonable actions to collect any amounts from the Time Period owner liable for payment thereof, with or without foreclosing or waiving the lien described herein.

B. All amounts due under this Statement which are unpaid shall constitute a lien solely and exclusively on the undivided co-tenancy interest in the Unit of the Time Period owner failing to pay such amount. The lien shall attach from the date when the unpaid amount shall become due and may be foreclosed by the Managing Agent of the Pine Villas' Owners Association in like manner as a mortgage on real property. In any such foreclosure, the Time Period owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Time Period owner who is in default shall not be entitled to use, rent, devise or otherwise assign his undivided co-tenancy interest in the Unit. The Managing Agent shall be entitled to rent such undivided co-tenancy interest in the Unit during the defaulting owner's Time Period and to set off any amounts received against the amount due from the defaulting owner.

C. No Time Period owner shall exempt himself from liability for payment of amounts payable under this Statement either by waiver of the use or enjoyment of his Time Period in the Unit, by abandonment of his Time Period in the Unit, or otherwise.

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ARTICLE IX.**ENFORCEMENT OF PROTECTIVE COVENANTS**

A. The Declarant, its successors or assigns, the Association, the Managing Agent and one or more of the owners shall be entitled jointly and severally to maintain equitable or legal proceedings to enjoin, abate or obtain other appropriate relief in respect of any and all breaches of the Protective Covenants herein contained.

B. The Declarant, its successors or assigns, the Association and the Managing Agent shall have a right of access to any part or parts of the property for the purpose of making inspections or for the purpose of correcting any condition likely to result in a breach of any protective covenants or for the purpose of abating, remedying or correcting such breach at the expense of the responsible party or parties, and for the purpose of providing real estate management services, provided that requests for entry are made in advance and that any such entry shall be at a reasonably convenient time.

C. The provisions of this Statement may be enforced by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, and against his property to enforce any lien created by these mutual covenants and easements; failure by Declarant, its successors or assigns or the Managing Agent to enforce any protective covenant or easement herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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ARTICLE X

MISCELLANEOUS

A. Notices

Any notice required to be sent to the owner of an undivided interest in and to a Unit, under the provisions of this Statement, shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as owner of said Time Period on the records of the Association at the time of such mailing.

B. Interpretation

It is specifically recognized that this Statement is intended to assure the fair and harmonious operation and care of each Unit for the benefit of each and all of the Time Period owners thereof; therefore, this Statement is to be liberally construed to effectuate its purpose of creating a uniform occupancy plan for the beneficial use and development of Units in The Pine Villas, Bryce Mountain, Shenandoah County, Virginia. This Statement shall not constitute a joint venture or partnership and no part or Time Period owner shall have the right to participate in the individual profits, if any, of any other party or owner arising out of the use and occupancy of the Unit.

C. Invalidity

The invalidity of any part of this Statement shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Statement which shall remain in full force and effect.

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D. Gender and Number

Use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Amendment

(1) The Declarant, its successors or assigns, may, by an instrument in writing in recordable form amend the provisions of this Statement, such amendment to become effective forty-five (45) days after written notice of such amendment to each Time Period owner, provided, however, that no such amendment shall become effective if the Declarant, its successors or assigns, shall receive disapproval of such amendment, by an instrument in writing signed by and acknowledged by Time Period owners holding fifty-one percent (51%) of the Time Period interests in and to Units in said Pine Villas', prior to the termination of the said forty-five-45) day period.

(2) This statement may be amended by written instrument executed by seventy-five percent (75%) of the members of the Pine Villas' Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association Property, and the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent. Subject to the foregoing provisions, any amendment shall be binding upon every Time Period owner and every Time Period.

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(3) The Declarant, its successors or assigns, may, by instrument in writing in recordable form amend the provisions of this Statement at any time prior to the recordation of a deed conveying a Time Period.

F. Law to Govern

This Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

G. Duration

The provisions of this Statement, as set forth herein and as the same may be amended from time to time, shall be enforceable, as set forth herein, for a term of twenty (20) years from the date this Statement is recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia, after which time all of said provisions shall be extended automatically for successive periods of five (5) years each unless an instrument signed and approved by seventy-five percent (75%) of the members of the Pine Villas' Owners Association shall have been recorded, agreeing to terminate all of the said provisions as of a specified and certain date, which shall not be earlier than the expiration of a term of three (3) years from the date of such recording.

H. Provision

The provisions of this Statement shall be binding upon all parties having or acquiring any right, title or interest in the property or any part thereof and shall be for the benefit of each Time Period owner and his heirs, successors or assigns. Each Time Period owner, including the Declarant, its successors and

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assigns, shall be fully discharged and relieved of liability from the provisions herein contained insofar as the same relate to each Time Period owned, upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder, in respect of such Time Period, to the time his ownership interest terminated.

IN WITNESS WHEREOF, the parties hereunto have executed this Statement of Mutual Covenants and Easements this day of

GREAT NORTH MOUNTAIN CORPORATION

By: Bruce Forbes

Vice President

STATE OF VIRGINIA,
COUNTY OF SHENANDOAH, to-wit:

The foregoing instrument was acknowledged before me this 27th day of November, 1979 by Bruce Forbes of GREAT NORTH MOUNTAIN CORPORATION, a Virginia corporation, on behalf of the corporation.

My commission expires: March 14, 1983

SHENANDOAH COUNTY, ss.

The foregoing writing with certificate of acknowledgment thereof was received by the Clerk's Office of said County, and the same is hereby acknowledged to be a true and correct copy of the original as the same appears from the records of the Clerk's Office.

this 4th day of December 1979

11:27 A. M. Teste

Betty J. Scott
Notary Public

624

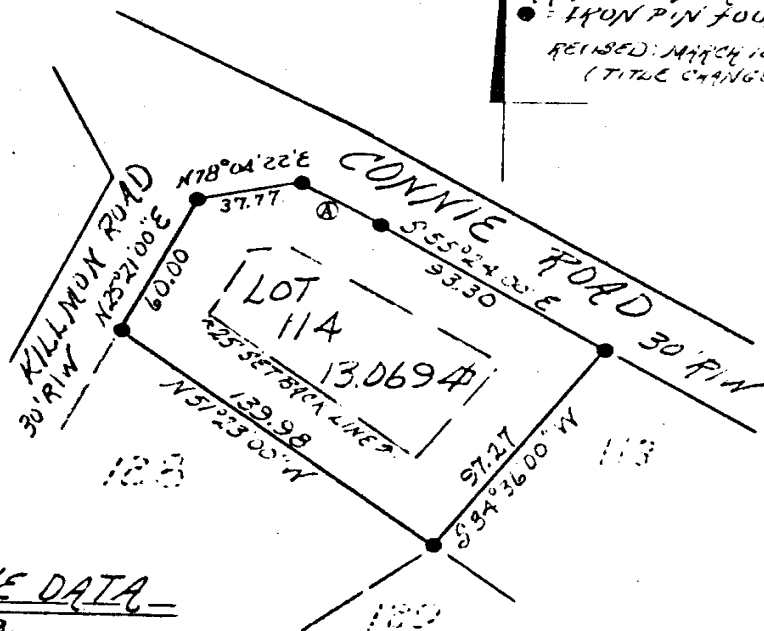
DATE: SEPT. 25, 1978

SCALE 1"=50'

MAGNETIC NORTH

● IRON PIN FOUND

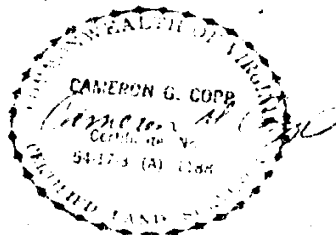
REUSED: MARCH 16, 1979
(TITLE CHANGE).



CURVE DATA.

$\Delta = 3^{\circ}08'49''$
 PROJUS - 54.20
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 BEARING - $556^{\circ}59'00''E$

PLAT OF LOT 114, SECTION 9 EXTENDED OF
BRYCE'S MOUNTAIN RESORT, INC.,
AND BEING THE LAND OF THE GREAT NORTH MOUNTAIN, N. CORP.,
BASED, ASHBY MAGISTERIAL DISTRICT,
SHENANDOAH COUNTY,
VIRGINIA.

[illegible]

SURVEYED BY:
CAMERON G. COPP
128 W. COURT ST.
WOODSTOCK, N.

20. 10 1957

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3330

**GREAT NORTH MOUNTAIN CORPORATION
STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS
OF THE PINE VILLAS',
BRYCE MOUNTAIN,
BASYE, SHENANDOAH COUNTY, VIRGINIA**

**THIS STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS ,
Protective Covenants and Restrictions, made this 1st day of March, 1979 ,
by GREAT NORTH MOUNTAIN CORPORATION, a corporation duly organized
and existing under the laws of the State of Virginia, having an address and doing
business at Basye, Shenandoah County, Virginia, Zip Code 22810 (sometimes
hereinafter referred to as "Declarant").**

WITNESSETH :

**WHEREAS, the Declarant owns the Property, as defined in Article II of
this Statement of Mutual Ownership Agreements, Protective Covenants and
Restrictions, and desires to maintain its natural beauty, to assure high quality
standards for the development of the property that are compatible with the
character of Bryce Mountain, and to promote the recreational interests and
health, safety and social welfare of each owner of a part hereof; and**

**WHEREAS, the benefits of the Protective Covenants and Time Period
Ownership Agreements set forth herein are intended to run to each original
owner, his heirs, executors, administrators, successors and assigns and are
declared for the purpose of creating and maintaining the Property as a desirable,
attractive, beneficial and suitable place of abode, of guarding against**

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losses by fire and other hazards, of providing for the period of time during which each of the various owners may use the Property, and of providing Rules and Regulations for the mutual benefit and protection of each of the owners.

NOW, THEREFORE, said Great North Mountain Corporation, hereby declares that Units committed to Time Shared Ownership as herein provided, are and shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, declared and agreed to be in furtherance of a uniform occupancy plan for the development of the Property; and this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions is intended to enhance and protect the value and desirability of the property and to mutually benefit each of the owners thereof, and to create mutual equitable servitudes upon each of the undivided fractional ownership interests in the property in favor of each and all other owners therein, to create reciprocal rights and privative contract in a state between all persons acquiring or owning an interest in the property, including said Great North Mountain Corporation, and their grantees, heirs, devisees, successors, and assigns and shall be deemed to run with the land and be burden and benefit to all such persons, including said Great North Mountain Corporation, their grantees, heirs, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

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As used in this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, the following terms shall have the following meanings:

A. Declarant

Great North Mountain Corporation, its successors or assigns.

B. The Property

The real property referred to at Article II of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions.

C. Statement of Mutual Ownership Agreements

This Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, sometimes herein referred to as "Statement", or "Statement of Ownership Agreements".

D. Bryce Mountain

A planned development approved by the Supervisors of Shenandoah County, Virginia, located at Basye, Virginia, in Shenandoah County, Virginia.

E. Great North Mountain Corporation

The Declarant of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions and the owner of the property at the time of the recording of this Statement, a corporation duly organized and existing under the laws of Virginia, having an address and doing business at Basye, Shenandoah County, Virginia.

F. Owner

Owner shall mean and include any person or other entity and the heirs, executors, administrators, successors and assigns

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thereof who shall be (1) the Grantee named in a deed of an undivided interest in a Unit; (2) the purchaser of an undivided interest in a Unit under a written contract for sale and purchase of an undivided interest in a Unit; (3) the Declarant with respect to any undivided interests in Units not conveyed.

G. Unit

Unit shall mean any and all of the dwelling units and the land on which they are situated, which may presently or in the future be constructed upon any part of the real property referred to at Article II hereof.

H. Time Shared Ownership

Time Share Ownership shall mean a one fifty-second co-tenancy interest in the Unit as more fully defined and restricted in Article III hereof. It contends with the exclusive right to use and occupy a Unit during one or more Time Periods as provided in this Statement.

I. Unit Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any Unit sold under and subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions. The Unit shall become a Unit committed to time shared ownership upon the recording of the first deed in said Unit, conveying an undivided co-tenancy interest in said Unit. No Unit may be committed to time shared ownership by any person, or other entity, other than Declarant. A Unit shall no longer be committed to time shared ownership at any time all time periods are owned by the same legal entity.

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J. Time Period

Time Period shall mean a one week period of time shared ownership in a Unit.

K. The Pine Villas' Owners Association

The nonprofit corporation existing or to be created for the Pine Villas' Time Shared houses for the benefit of Time Period Owners in and to Units committed to time shared ownership located on the property described in Article II hereof.

L. Association Property

All lands and improvements (except for Units) subject to this Statement as shown on a map of The Pine Villas', Section 8, Lot 119, attached hereto and made a part hereof and to be recorded herewith. Said lands and improvements to be conveyed by the Declarant to the Pine Villas' Owners Association in compliance with this Statement.

M. Managing Agent

Managing Agent shall mean the agent or firm appointed and employed by the Association as hereinafter provided to provide full and complete maintenance, administrative supervision and managerial services for the Units and the Association property.

N. Maintenance Time Periods

Maintenance Time Periods shall mean two time periods to be set aside by the Declarant for the maintenance and restoration of each Unit, each year, the title to such maintenance time period to be conveyed by Declarant to the Association provided for hereinafter.

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O. Rules and Regulations

The Rules and Regulations promulgated by the Association or the Managing Agent on behalf of the Association for the benefit of all time period owners. Said Rules and Regulations shall be promulgated for the elaboration and administration of this Declaration.

P. Guests

Any person or persons using a Unit of the Property with the permission of the Time Period owner thereof, including but not limited to, family members, invitees and tenants.

Q. Furnishings

Furnishings shall mean all furniture, fixtures and furnishings for a Unit or other personal property from time to time owned or held for the use by all owners of time periods in and to a Unit during their respective time period.

ARTICLE II**THE PROPERTY****A. Existing Property**

The real property that is hereby subject to this Statement consists of 35,543 square feet, or Section 8, Lot 119, of land lying in Shenandoah County, Virginia, and more particularly shown upon the plat attached hereto, made a part hereof and to be recorded herewith entitled "The Pine Villas", Section 8, Lot 119, Bryce Mountain".

B. Additional Property

The Declarant shall have the right within ten (10) years date hereof to bring within the scheme of this Statement, from time to time and at its discretion, with governmental approvals,

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if required, additional properties, including property now or hereafter acquired by it and property of others that is either abutting the existing property, as described in Article II-A hereof, or additions thereto or so situated that its addition would be consistent with the uniform scheme of development set forth in this Statement. Any such additions as are authorized hereby shall be made by a supplementary declaration as prescribed in Section "C" of this article.

C. Supplementary Declaration

1. A Supplementary Declaration shall contain the following:

- a. A reference to this declaration;**
- b. Identification of the Declarant of the Supplementary Declaration;**
- c. An expression of intent to submit certain real property to the uniform scheme of this Statement and to the jurisdiction of the Association;**
- d. A Statement that the real property that is the subject of the Supplementary Declaration constitutes Additional Property under Article II-B of this Statement.**

2. The Supplementary Declaration may contain such conditions to or modification of the Protective Covenants and Restrictions as may be necessary to reflect the different character, if any, of the real property that is the subject of the Supplementary Declaration.

3. A Supplementary Declaration shall become effective upon being duly recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia.

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**ARTICLE III
PROTECTIVE COVENANTS**

A. Units Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any unit of the property sold under and subject to this Statement. The unit shall become a Unit Committed to Time Shared Ownership upon the execution and recordation of an instrument conveying an undivided co-tenancy interest in said unit. The Declarant, in its sole discretion, shall have the exclusive right to commit a Unit to time shared ownership. A Unit shall no longer be committed to time shared ownership at any time all Time Periods are owned by the same legal entity.

B. Time Period Ownership

Each Time Period in and to a Unit is a one week ownership period in accordance with subparagraph C of this Article. An owner may own more than one Time Period.

C. Schedule of Time Periods

Time Period No. 1 is the seven (7) days commencing on the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month of the year plus any excess days not otherwise assigned. A Time Period commences at 12:00 noon on the first Friday of the Time Period. Each owner of a Time Period hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations promulgated

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by the Managing Agent for the benefit of all Time Period owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Unit.

D. Ownership Interest

An owner of a Time Period in and to a Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the Declarant, its successors and assigns, and the owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of time periods owned.

E. Transfer of a Time Period

An owner of a Time Period may transfer his undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time Period must be the identical Time Period which the conveying owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying owner or to combine or divide a Time Period acquired by such owner shall be null and void and of no force or effect.

F. Waiver of Right of Partition

Each owner of a Time Period and each purchaser of a Time Period in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Time Period, by such acceptance, such grantee or purchaser shall for

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himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period in Units committed to time shared ownership, to waive and relinquish for the duration of the effective period of this Statement, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Statement. If, however, any Time Period shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Time Period in lieu of partition as between such owners. Each owner of a Time Period may convey, lease, assign, devise or otherwise transfer his entire Time Period as a Time Period is defined in this Article III.

G. Exclusive Use and Occupancy

Each owner of an undivided co-tenancy interest in a Unit committed to time shared ownership shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during his Time Period(s), together with the non-exclusive right in common with all other owners of the Unit when acting through the Managing Agent, to maintain, repair and refurbish the Unit. No Time Period owner shall occupy the Unit, or exercise any other rights of ownership with respect to the Unit and the

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furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the owner entitled to occupy the Unit during such Time Period(s). Each owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, vacate the Unit at the time established by the Rules and Regulations hereinafter mentioned, remove all persons and property therefrom excluding the furniture and furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and other procedures as may from time to time be contained in the Rules and Regulations promulgated by the Managing Agent or a majority of the members of the Time Shared Owners Association.

H. Failure to Vacate Penalties

If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of their not being conveyed, or prevents another owner from using or occupying the Unit during such other owner's, including the Declarant's Time Period, the owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of

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such owner in wrongful possession; (3) shall pay to the owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred per cent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof, including the day of surrender, during which the owner in wrongful possession occupies the Unit; (4) shall reimburse the owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association's terminating any and all utility and other services to the Unit during the period of his wrongful occupancy.

I. Maintenance Periods

(1) The Declarant in its sole discretion shall set aside two Time Periods for each Unit for the maintenance and restoration of the Unit each year. The maintenance periods for all Units need not be the same periods; rather the Declarant shall, in its sole discretion, select the two maintenance periods for each Unit.

(2) Title to such maintenance periods shall be conveyed to the Association in each Unit within three years after the sale and recordation of a deed conveying a Time Period to a purchaser.

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(3) Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to owners of Time Periods under the provision of this Statement, or the By-Laws of the Association.

J. Ownership and Use of Furnishings

(1) Each Unit committed to time shared ownership shall be provided with basic furniture and furnishings. The Declarant, its successors or assigns, shall distribute a list of the specific items of furniture and furnishings provided which list shall be given to each initial Time Period Owner of a Unit at or before occupying a Unit.

(2) Each owner of an individual interest in and to a Unit shall own an individual interest, equivalent to his undivided interest in the Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Statement. Provided, however, that such owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period without hindering or violating the lawful rights of others to use same.

(3) A transfer of an undivided interest in a Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Unit committed to time shared ownership

under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

(4) At the end of his Time Period, each owner and his guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an owner or his guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Time Period owner thereof in accordance with this Statement and the Rules and Regulations shall be delivered to the Managing Agent who shall keep such property for thirty (30) days. At the end of such thirty (30) day period such property shall be considered to have been abandoned.

(5) No noxious or offensive activity shall be carried on within any Unit, nor shall anything be done or permitted which shall constitute a public nuisance therein, nor shall anything be done or permitted or kept in the unit which would increase the rate of insurance upon the Unit or the furniture or furnishings therein.

(6) No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Statement.

(7) All repairs to a Unit required in order to maintain the Unit in the manner required by this Statement shall be made by

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the Managing Agent. No Time Period owner shall make such repairs. No Time Period owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in this paragraph. Each Time Period owner shall indemnify and hold the other owners of the Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

K. Ownership Subject to Statement

Each owner by his execution of the agreement of sale and the acceptance of the conveyance of a Time Period shall be subject to the provisions of this statement and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the unit is held.

ARTICLE IV

THE PINE VILLAS' OWNERS ASSOCIATION

A. Membership

The Declarant and each Time Period owner shall be a member of the Pine Villas' Owners Association, such membership being mandatory upon an individual's acquiring an interest in or to a Unit, and who by acquiring such interest does agree to abide by the by-laws of the Association.

B. Voting

(1) The Declarant and each Time Period owner shall be entitled to one vote per Time Period owned, in the affairs of the Association. Provided, however, that if a Time Period is owned by more than one person, all such persons shall be members of the Association but in no event shall more votes be cast with respect to any one Time Period than would be the case if said Time Period was owned by one individual.

(2) Any owner who owns more than one Time Period shall be entitled to one vote per Time Period owned.

(3) The voting rights provided for herein shall be exercised under and subject to the by-laws of the Association.

C. Purpose

The Association shall be responsible for the enforcement of the provisions of this Statement, the maintenance of the Association Property and any improvements thereon, and shall have the exclusive right, duty and responsibility, which may only be delegated to the Managing Agent, as provided for hereinafter, for the maintenance, repair, replacement and decoration of the exterior and interior of all Units situated on the property including but not limited to exterior walls, doors, windows, verandas, roofs of buildings, interior walls, floors, ceilings and the furniture, fixtures, furnishings and appliances situated in the Units.

D. Easement Reserved to Association

There is hereby reserved to the Association the right to have its agents, employees and the Managing Agent enter into or

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upon any Unit to perform and carry out its rights, duties and responsibilities as set forth in subparagraph C of this Article.

E. Title to Association Property

The Declarant shall retain legal title to the Association property until such time as the capital improvements shall have been completed on the property and until the Association in the opinion of the Declarant, shall be able to maintain same, provided, however, that the Declarant hereby covenants for its successors and assigns that in no event shall title to the Association property be retained later than January 1, 1985. At the time of such conveyance by the Declarant, its successors and assigns shall convey good and marketable title, free from all liens, judgments and mortgages, by virtue of a special warranty deed. In addition, the Declarant for itself, its successors and assigns does hereby covenant and agree to remain liable under any then existing and outstanding liens, judgments or mortgages and shall indemnify and save the Association harmless with respect to any and all claims, expenses and charges made pursuant to the provisions of the said then outstanding liens, judgments or mortgages.

F. Waiver and Consent

Notwithstanding any other provision of this Declaration, each owner by becoming a member of the Pine Villas' Owners Association shall consent to and does hereby give the Association the right and authority to suspend his voting rights, if any, and take such other action specifically that is set forth herein if that member violates any provision of this Statement. By so

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consenting, each purchaser does hereby waive any right, judicial or otherwise, he may have against the Association because of the Association's actions.

G. Assessments, Charges or Fees by the Association

(1) The Board of Directors of the Association shall determine the assessment charge or fee to be levied upon each Time Period owner in order to carry out the purposes of the Association.

(2) The Treasurer of the Association, upon demand of any owner liable for an assessment, shall furnish the said owner a certificate in writing setting forth whether such assessment has been paid and, if not, the amount due. Said certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid or of the amount then due and owing by any such owner.

ARTICLE V

A. Reserved to Declarant

1. There is hereby reserved to the Declarant the right to lay out, make and maintain utility easements for the construction, connection, operation, maintenance, relocation, repair and inspection of pipes, sewers, mains, collectors, trunk lines, pumping stations, conduits, lines, poles, and appurtenant access ways and facilities for any and all utility systems at such locations upon, under and across the Property, as shall be necessary or appropriate to serve the Units, the Association Property and the general public with minimum interference with the use and enjoyment of the

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property of any Owner whose real estate may be affected, and to convey such easements to any public utility empowered to operate and maintain the same.

B. Conveyed to Time Period Owners

Each time period owner shall have the right of ingress, egress and regress over the Association property and to use same in accordance with its intended purposes.

ARTICLE VI

REAL ESTATE MANAGEMENT

A. Managing Agent

The Association shall engage a managing firm (the Managing Agent) to act as Managing Agent for the Units. The Managing Agent shall provide full and complete maintenance, administrative supervision and managerial services for Units until its management of such Units is terminated by the vote of a majority of the members of the Pine Villas' Owners Association. Any such vote shall appoint a successor Managing Agent which shall be a managing firm meeting the qualifications set forth herein.

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B. Duties, Obligations and Responsibilities of Managing Agent

1. The Managing Agent employed by the Association shall perform and shall be responsible and liable for the services and duties hereinafter set forth and any other duty, service or function delegated by the Association. It shall be the Association's responsibility to insure that the Managing Agent performs same. The Managing Agent shall collect from the owners of Time Periods all amounts payable by such Time Period owners under this Statement of Mutual Ownership Agreements as follows:

(a) request, demand, collect, receive and receipt for all such amounts.

(b) collect and receive from the owner(s) of each Time Period all amounts payable by such owners under the terms of this Statement and take such action in its own name or in the name of the Association as may be reasonable to collect such amounts including but not limited to the foreclosure of any lien established by this Statement.

(1) The Managing Agent on behalf of the Association may collect interest at the rate of one and one quarter percent (1-1/4%) per month, if then permitted by law, otherwise at the highest rate then so permitted on any amount due from a Time Period owner which is not paid when due under this Statement. In addition, such owner(s) shall reimburse the Managing Agent for all costs and expenses reasonably incurred by the Managing Agent in collection of such delinquent amount.

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(c) provide upon request of an owner of the legal or equitable title of a time shared interest in and to a Unit, a mortgagee or prospective mortgagee, purchaser or prospective transferee of an interest in the Unit or the Board of Directors of the Association, a written statement and account setting forth any amounts unpaid by an owner of a Time Shared interest which shall be binding upon the Managing Agent and the Association in favor of any person who may rely thereon in good faith.

(d) take such action in its own name, in the name of the Association or in the name of the owners of Time Shared interests to enforce this Statement.

(e) enter into contracts with others for the furnishing of such services as it deems proper for Units committed to Time Shared ownership.

(f) adopt from time to time Rules and Regulations for the elaboration and administration of the provisions of this Statement, which Rules and Regulations shall relate to the overall development and use of the property and Units, but shall not in any way diminish the powers of self-government of the Association.

(g) provide for the cleaning and necessary maid service, maintenance and repair upon the departure of each time period owner from a Unit so that each Unit is in good order and repair and ready for occupancy by the next Time Period owner. Further provide any and all necessary repairs, maintenance and repainting, remodeling, refurbishing necessary to maintain the Units in good and adequate condition in accordance with the intention and plan of Pine Villas' as set forth in this Statement.

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(1) any and all major alterations, repairs, renovations and remodeling shall be performed unless the exigencies of the circumstances dictate otherwise during the maintenance week.

(2) all repairs, alterations, remodeling or renovation of the Unit and the personal property appurtenant thereto performed by the Managing Agent on behalf of the owners shall be done in such manner as to maintain and restore the Unit to at least the same condition after such work as it was immediately before the occurrence requiring the work to be done.

(h) provide for the landscaping, upkeep, safety, maintenance and repair of the Association Property and any improvements situated thereon, and accomplish and perform all snow removal and road maintenance for the roads lying and situated on Association property.

(i) keep each Unit equipped in accordance with the list provided to each initial owner of the Unit and shall be authorized to replace or repair any furniture or furnishings which are missing, which become unusable or which become so worn as to require replacement, in the reasonable judgment of the Managing Agent. Except in cases where any such furniture or furnishings must be replaced due to the negligence or intentional act of any owner or his guest (which shall be determined by the Managing Agent in its reasonable judgment), expense of replacing any such

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furniture or furnishings shall be a common expense of the Unit and each owner thereof shall pay his assessed share of such expense.

(j) inspect each Unit when same is vacated, according to the terms of this Statement and the Rules and Regulations promulgated hereunder, and determine whether there are any items of furniture or furnishings which need to be replaced or repaired, and if so, whether such replacement or repair is the responsibility of the owner during whose Time Period such replacement became necessary. The Managing Agent shall promptly notify any owner if he is to be charged for any items of furniture or furnishings which need to be replaced.

(k) pay all taxes and assessments, costs and other charges affecting or relating to the Units on the Association property and discharge, contest or protest liens or charges affecting the Association.

(l) provide, maintain and keep in force on behalf of the Time Period owners and the Association the following insurance coverage, said coverage to be obtained and maintained in favor of the Managing Agent, the Time Period owners, the Association and any lien holders, as their respective interests may appear.

(1) General Public Liability and Property Damage Insurance against claims for bodily injury or death or personal property damage occurring in or on a Unit or on the Association Property in an amount equal to the maximum insurable replacement value of the personal property and in such other amounts and

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providing such coverage as the Managing Agent or the Association may determine from time to time.

(2) Insurance coverage on all furniture, furnishings and other personal property initially supplied or installed in each Unit and replacements thereof, against loss or damage by fire, with extended coverage including insurance against loss or damage by vandalism or malicious mischief, in the amount of the maximum replacement value thereof and without deduction for depreciation.

(3) Fire and extended coverage insurance, and such other insurance as it may deem necessary, for all Units located on the Property and the Association property, the fire and extended coverage insurance to be for replacement cost and to name Pine Villas' Owners Association the appropriate Time Period owners and any lien holders, as beneficiaries, as their respective interests may appear, and the proceeds of such fire and extended coverage insurance shall be used exclusively for repair and replacement purposes.

(aa) all insurance required to be carried by this Statement of Mutual Ownership Agreement shall be carried in favor of the Managing Agent, the owners of undivided interest in and to Units committed to the time shared ownership, and any lien holders, as their respective interests may appear.

(bb) in the event that personal property appurtenant to a Unit committed to time shared ownership is damaged or destroyed, the Managing Agent shall collect the insurance proceeds payable

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on account of such damage or destruction (as agent in fact for the owners) and, unless such personal property is not to be replaced or repaired under the provisions of this Statement, or by direction of the Pine Villas' Owners Association, shall apply the proceeds of insurance to replace or repair the damaged or destroyed personal property. If any excess funds are required in order to replace or repair the personal property, such excess funds shall be considered a special assessment of the owners of the Unit and each owner thereof shall pay his share thereof. If the insurance proceeds exceed the cost of repair or replacement, such excess shall be refunded to the owners of the Unit according to the pro-rata interest herein.

C. Owners Acceptance

Each owner by his acceptance of the deed or other instrument conveying an interest in a Unit does hereby irrevocably constitute and appoint the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to: (1) deal with the interest of such owner upon damage to or destruction of any personal property in his Unit; and (2) to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Statement. Each owner stipulates and agrees that the Power of Attorney executed by this paragraph of the Statement is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each owner in the absence of fraud or mistake.

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ARTICLE VII**CHARGES, ASSESSMENTS AND FEES****A. Common Expense Charge**

Pursuant to this Statement, each Time Period owner will be required for each Time Period owned to pay a common expense charge as determined periodically by the Board of Directors of the Association to pay for the general operating costs of the Association, the Association property and the Units. Said common expense charge shall include but shall not be limited to the following elements:

1. Property taxes
2. Reserve accounts for replacement, repairs, remodeling of the personal property in the Units, the Units and the Association Property taxes
3. Water and sewerage charges
4. Maintenance, including landscaping and snow removal of the Association Property.
5. Maintenance and normal repair of the Units.
6. Utility charges
7. Domestic services
8. Insurance coverage as herein provided for
9. Purchasing, maintenance and replacement of equipment
10. Administrative costs
11. Managing Agent's fee
12. Assessments by Pine Villas' Owners Association
13. Security

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1. The Board of Directors of the Association shall in accordance with the by-laws of the Association review said common expense charge from time to time to determine if same is adequate.

2. A Time Period owner's Unit common expense charge shall be due and payable thirty (30) days prior to occupancy in the year of sale and on January 1 of each year thereafter.

3. In addition to the other remedies provided for herein the Board of Directors of the Association or its delegate, the Managing Agent, shall have the right to deny the occupancy and use of a Unit to any Time Period owner who fails to pay this common expense charge.

B. Individual Expense Charge

Each Time Period owner in addition to the obligation to pay his common expense charge shall be charged and pay on a current basis those expenses directly related to the use and occupancy of a Unit during his time period. Such expenses shall include but not be limited to:

- (1) telephone charges directly related to the Time Period owner or his guests.
- (2) extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof or the Association Property caused by a Time Period owner's use of the said Unit or property.

C. Special Assessments

The Board of Directors of the Association shall have the right, duty and authority to levy special assessments on Time Period owners in order to carry out the purposes and intent of this Statement.

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ARTICLE VIII**ASSESSMENTS AND LIENS**

A. Each Time Period owner shall pay when due all amounts required to be paid by him under this Statement. The Managing Agent or the Association may bring legal action or take other reasonable actions to collect any amounts from the Time Period owner liable for payment thereof, with or without foreclosing or waiving the lien described herein.

B. All amounts due under this Statement which are unpaid shall constitute a lien solely and exclusively on the undivided co-tenancy interest in the Unit of the Time Period owner failing to pay such amount. The lien shall attach from the date when the unpaid amount shall become due and may be foreclosed by the Managing Agent of the Pine Villas' Owners Association in like manner as a mortgage on real property. In any such foreclosure, the Time Period owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Time Period owner who is in default shall not be entitled to use, rent, devise or otherwise assign his undivided co-tenancy interest in the Unit. The Managing Agent shall be entitled to rent such undivided co-tenancy interest in the Unit during the defaulting owner's Time Period and to set off any amounts received against the amount due from the defaulting owner.

C. No Time Period owner shall exempt himself from liability for payment of amounts payable under this Statement either by waiver of the use or enjoyment of his Time Period in the Unit, by abandonment of his Time Period in the Unit, or otherwise.

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ARTICLE IX**ENFORCEMENT OF PROTECTIVE COVENANTS**

A. The Declarant, its successors or assigns, the Association, the Managing Agent and one or more of the owners shall be entitled jointly and severally to maintain equitable or legal proceedings to enjoin, abate or obtain other appropriate relief in respect of any and all breaches of the Protective Covenants herein contained.

B. The Declarant, its successors or assigns, the Association and the Managing Agent shall have a right of access to any part or parts of the property for the purpose of making inspections or for the purpose of correcting any condition likely to result in a breach of any protective covenants or for the purpose of abating, remedying or correcting such breach at the expense of the responsible party or parties, and for the purpose of providing real estate management services, provided that requests for entry are made in advance and that any such entry shall be at a reasonably convenient time.

C. The provisions of this Statement may be enforced by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, and against his property to enforce any lien created by these mutual covenants and easements; failure by Declarant, its successors or assigns or the Managing Agent to enforce any protective covenant or easement herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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ARTICLE X
MISCELLANEOUS

A. Notices

Any notice required to be sent to the owner of an undivided interest in and to a Unit, under the provisions of this Statement, shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as owner of said Time Period on the records of the Association at the time of such mailing.

B. Interpretation

It is specifically recognized that this Statement is intended to assure the fair and harmonious operation and care of each Unit for the benefit of each and all of the Time Period owners thereof; therefore, this Statement is to be liberally construed to effectuate its purpose of creating a uniform occupancy plan for the beneficial use and development of Units in The Pine Villas', Bryce Mountain, Shenandoah County, Virginia. This Statement shall not constitute a joint venture or partnership and no part or Time Period owner shall have the right to participate in the individual profits, if any, of any other party or owner arising out of the use and occupancy of the Unit.

C. Invalidity

The invalidity of any part of this Statement shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Statement which shall remain in full force and effect.

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D. Gender and Number

Use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Amendment

(1) The Declarant, its successors or assigns, may, by an instrument in writing in recordable form amend the provisions of this Statement, such amendment to become effective forty-five (45) days after written notice of such amendment to each Time Period owner, provided, however, that no such amendment shall become effective if the Declarant, its successors or assigns, shall receive disapproval of such amendment, by an instrument in writing signed by and acknowledged by Time Period owners holding fifty-one percent (51%) of the Time Period interests in and to Units in said Pine Villas', prior to the termination of the said forty-five-45) day period.

(2) This statement may be amended by written instrument executed by seventy-five percent (75%) of the members of the Pine Villas' Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association Property, and the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent. Subject to the foregoing provisions, any amendment shall be binding upon every Time Period owner and every Time Period.

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(3) The Declarant, its successors or assigns, may, by instrument in writing in recordable form amend the provisions of this Statement at any time prior to the recordation of a deed conveying a Time Period.

F. Law to Govern

This Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

G. Duration

The provisions of this Statement, as set forth herein and as the same may be amended from time to time, shall be enforceable, as set forth herein, for a term of twenty (20) years from the date this Statement is recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia, after which time all of said provisions shall be extended automatically for successive periods of five (5) years each unless an instrument signed and approved by seventy-five percent (75%) of the members of the Pine Villas' Owners Association shall have been recorded, agreeing to terminate all of the said provisions as of a specified and certain date, which shall not be earlier than the expiration of a term of three (3) years from the date of such recording.

H. Provision

The provisions of this Statement shall be binding upon all parties having or acquiring any right, title or interest in the property or any part thereof and shall be for the benefit of each Time Period owner and his heirs, successors or assigns. Each Time Period owner, including the Declarant, its successors and

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assigns, shall be fully discharged and relieved of liability from the provisions herein contained insofar as the same relate to each Time Period owned, upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder, in respect of such Time Period, to the time his ownership interest terminated.

IN WITNESS WHEREOF, the parties hereunto have executed this Statement of Mutual Covenants and Easements this day of

GREAT NORTH MOUNTAIN CORPORATION
By: Bruce Forbes
Vice President

STATE OF VIRGINIA,
COUNTY OF SHENANDOAH, to-wit:

The foregoing instrument was acknowledged before me this 27th day of November, 1979, by Bruce Forbes of GREAT NORTH MOUNTAIN CORPORATION, a Virginia corporation, on behalf of the corporation.

My commission expires: March 14, 1983

Betty J. Scott
Notary Public

SHENANDOAH COUNTY, VA
The foregoing writing, with certificate of acknowledgment thereon was received at the Clerk's Office of said County, admitted to record and indexed. The taxes imposed by § 56-54, (a) and (b), of the Code have been paid.

this 4th day of January, 1979
11:37 A. M. Teste: [Signature]

2691
 Plat
 Recorded in Clerk's Office
 10/23/79

CAMERON G. COPP

Certified Land Surveyor
 128 West Court Street - P. O. Box 110
 Woodstock, Virginia 22664

Phone (703) 439-4045

BOOK 403 PAGE 626

October 5 1979

The following is the metes and bounds description of lot 119, section 8 of Bryce's Mountain Resort, Inc., Ashby Magisterial District, Shenandoah County, Virginia:

Beginning at an iron pipe found on the east side of Nicklaus Drive, a corner with lot 118; thence with lot 118

N 57-35-32 E 90.00 feet

to an iron pipe found, a corner with lot 95 and lot 94; thence with lot 94

S 36-01-37 E 162.45 feet

to an iron pipe found on the northwest side of State Route # 836; thence with State Route # 836

S 37-23-05 W 43.41 feet

to an iron pipe found, a corner with lot 120; thence with lot 120

N 70-37-47 W 145.46 feet

to an iron pipe found, said pipe being the P.O.C. of a curve to the left having a radius of 80.00 feet and an arc of 72.30 feet; thence

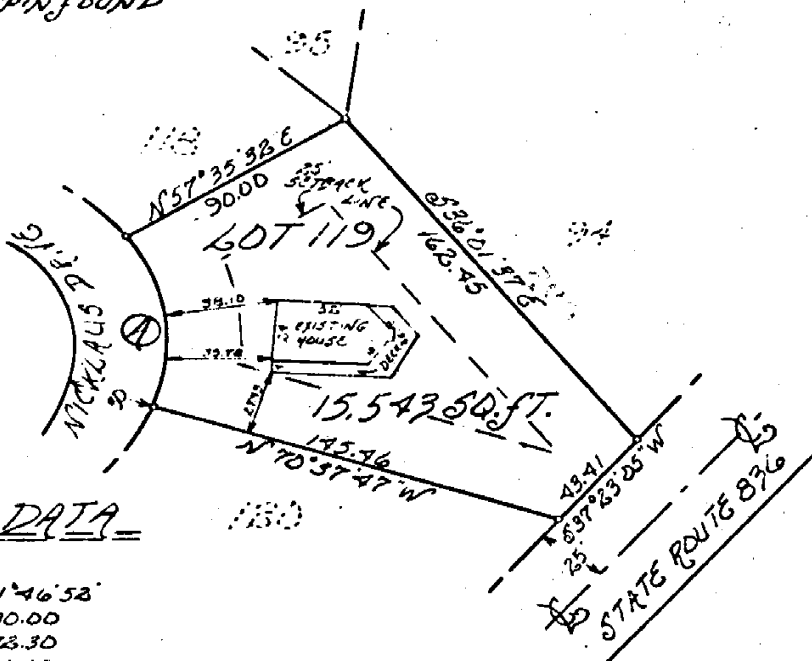
Chord N 06-32-00 W 69.85 feet

to the beginning and enclosing an area of 15,543 square feet.

Job No. 1521-A

DATE: OCTOBER 5, 1979
 SCALE: 1"=50'
 MAGNETIC NORTH
 0=IRON PIN FOUND

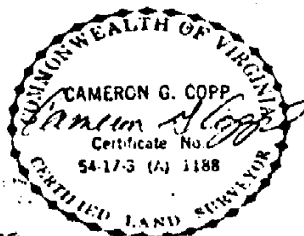
BOTH 403 PAGE 627



CURVE DATA

①
 Δ - 51°46'58"
 RADIUS - 80.00
 ARC - 73.30
 CHORD - 69.85
 CHORD - N06°32'00" W
 B.P.C.

PLAT OF LOT 119, SECTION EIGHT
 of
 BRYCE'S MOUNTAIN RESORT, INC.
 AND BEING THE LAND OF THE GREAT NORTH MOUNTAIN, CORP.,
 BASE, ASHBY MAGISTERIAL DISTRICT,
 SHENANDOAH COUNTY,
 VIRGINIA.



SHERANDOAH COUNTY, VA.
 The foregoing was with certificate of acknowledgment thereon was received
 Clerk's Office of said County, admitted to record and indexed. The taxes imposed by
 58-54, (a) and (b), of the Code have been paid.

this 12th day of October 1979
 10:22 A.M. Test: *[Signature]*

SURVEYED BY:
 CAMERON G. COPP
 125 W. COURT ST.
 WOODSTOCK VA.

JOB NO. 1521-A

294 #1393
Agreements
End 6/5/80
Delivered TO;
I. Clinton Miller
6/5/80

#1393

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**GREAT NORTH MOUNTAIN CORPORATION
STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS
OF THE PINE VILLAS',
BRYCE MOUNTAIN,
BASYE, SHENANDOAH COUNTY, VIRGINIA**

**THIS STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS ,
Protective Covenants and Restrictions, made this 7th day of December, 1979,
by GREAT NORTH MOUNTAIN CORPORATION, a corporation duly organized
and existing under the laws of the State of Virginia, having an address and doing
business at Basye, Shenandoah County, Virginia, Zip Code 22810 (sometimes
hereinafter referred to as "Declarant").**

WITNESSETH :

**WHEREAS, the Declarant owns the Property, as defined in Article II of
this Statement of Mutual Ownership Agreements, Protective Covenants and
Restrictions, and desires to maintain its natural beauty, to assure high quality
standards for the development of the property that are compatible with the
character of Bryce Mountain, and to promote the recreational interests and
health, safety and social welfare of each owner of a part hereof; and**

**WHEREAS, the benefits of the Protective Covenants and Time Period
Ownership Agreements set forth herein are intended to run to each original
owner, his heirs, executors, administrators, successors and assigns and are
declared for the purpose of creating and maintaining the Property as a desirable,
attractive, beneficial and suitable place of abode, of guarding against**

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losses by fire and other hazards, of providing for the period of time during which each of the various owners may use the Property, and of providing Rules and Regulations for the mutual benefit and protection of each of the owners.

NOW, THEREFORE, said Great North Mountain Corporation, hereby declares that Units committed to Time Shared Ownership as herein provided, are and shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, declared and agreed to be in furtherance of a uniform occupancy plan for the development of the Property; and this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions is intended to enhance and protect the value and desirability of the property and to mutually benefit each of the owners thereof, and to create mutual equitable servitudes upon each of the undivided fractional ownership interests in the property in favor of each and all other owners therein, to create reciprocal rights and privity of contract in a state between all persons acquiring or owning an interest in the property, including said Great North Mountain Corporation, and their grantees, heirs, devisees, successors, and assigns and shall be deemed to run with the land and be burden and benefit to all such persons, including said Great North Mountain Corporation, their grantees, heirs, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

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As used in this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, the following terms shall have the following meanings:

A. Declarant

Great North Mountain Corporation, its successors or assigns.

B. The Property

The real property referred to at Article II of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions.

C. Statement of Mutual Ownership Agreements

This Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, sometimes herein referred to as "Statement", or "Statement of Ownership Agreements".

D. Bryce Mountain

A planned development approved by the Supervisors of Shenandoah County, Virginia, located at Basye, Virginia, in Shenandoah County, Virginia.

E. Great North Mountain Corporation

The Declarant of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions and the owner of the property at the time of the recording of this Statement, a corporation duly organized and existing under the laws of Virginia, having an address and doing business at Basye, Shenandoah County, Virginia.

F. Owner

Owner shall mean and include any person or other entity and the heirs, executors, administrators, successors and assigns

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thereof who shall be (1) the Grantee named in a deed of an undivided interest in a Unit; (2) the purchaser of an undivided interest in a Unit under a written contract for sale and purchase of an undivided interest in a Unit; (3) the Declarant with respect to any undivided interests in Units not conveyed.

G. Unit

Unit shall mean any and all of the dwelling units and the land on which they are situated, which may presently or in the future be constructed upon any part of the real property referred to at Article II hereof.

H. Time Shared Ownership

Time Share Ownership shall mean a one fifty-second co-tenancy interest in the Unit as more fully defined and restricted in Article III hereof. It contends with the exclusive right to use and occupy a Unit during one or more Time Periods as provided in this Statement.

I. Unit Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any Unit sold under and subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions. The Unit shall become a Unit committed to time shared ownership upon the recording of the first deed in said Unit, conveying an undivided co-tenancy interest in said Unit. No Unit may be committed to time shared ownership by any person, or other entity, other than Declarant. A Unit shall no longer be committed to time shared ownership at any time all time periods are owned by the same legal entity.

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J. Time Period

Time Period shall mean a one week period of time shared ownership in a Unit.

K. The Pine Villas' Owners Association

The nonprofit corporation existing or to be created for the Pine Villas' Time Shared houses for the benefit of Time Period Owners in and to Units committed to time shared ownership located on the property described in Article II hereof.

L. Association Property

All lands and improvements (except for Units) subject to this Statement as shown on a map of The Pine Villas',/Section 9 & 9 EXT, Lot 140, attached hereto and made a part hereof and to be recorded herewith. Said lands and improvements to be conveyed by the Declarant to the Pine Villas' Owners Association in compliance with this Statement.

M. Managing Agent

Managing Agent shall mean the agent or firm appointed and employed by the Association as hereinafter provided to provide full and complete maintenance, administrative supervision and managerial services for the Units and the Association property.

N. Maintenance Time Periods

Maintenance Time Periods shall mean two time periods to be set aside by the Declarant for the maintenance and restoration of each Unit, each year, the title to such maintenance time period to be conveyed by Declarant to the Association provided for hereinafter.

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O. Rules and Regulations

The Rules and Regulations promulgated by the Association or the Managing Agent on behalf of the Association for the benefit of all time period owners. Said Rules and Regulations shall be promulgated for the elaboration and administration of this Declaration.

P. Guests

Any person or persons using a Unit of the Property with the permission of the Time Period owner thereof, including but not limited to, family members, invitees and tenants.

Q. Furnishings

Furnishings shall mean all furniture, fixtures and furnishings for a Unit or other personal property from time to time owned or held for the use by all owners of time periods in and to a Unit during their respective time period.

ARTICLE II**THE PROPERTY****A. Existing Property**

The real property that is hereby subject to this Statement consists of 24,287 square feet, or ADDITION TO SECTION 9 & EXT, Lot 140, of land lying in Shenandoah County, Virginia, and more particularly shown upon the plat attached hereto, made a part hereof and to be recorded herewith entitled "The Pine Villas", Section _____, Lot 140, Addition to Section 9 Bryce Mountain".

B. Additional Property

The Declarant shall have the right within ten (10) years date hereof to bring within the scheme of this Statement, from time to time and at its discretion, with governmental approvals,

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if required, additional properties, including property now or hereafter acquired by it and property of others that is either abutting the existing property, as described in Article II-A hereof, or additions thereto or so situated that its addition would be consistent with the uniform scheme of development set forth in this Statement. Any such additions as are authorized hereby shall be made by a supplementary declaration as prescribed in Section "C" of this article.

C. Supplementary Declaration

- 1. A Supplementary Declaration shall contain the following:**
 - a. A reference to this declaration;**
 - b. Identification of the Declarant of the Supplementary Declaration;**
 - c. An expression of intent to submit certain real property to the uniform scheme of this Statement and to the jurisdiction of the Association;**
 - d. A Statement that the real property that is the subject of the Supplementary Declaration constitutes Additional Property under Article II-B of this Statement.**
- 2. The Supplementary Declaration may contain such conditions to or modification of the Protective Covenants and Restrictions as may be necessary to reflect the different character, if any, of the real property that is the subject of the Supplementary Declaration.**
- 3. A Supplementary Declaration shall become effective upon being duly recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia.**

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ARTICLE III

PROTECTIVE COVENANTS

A. Units Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any unit of the property sold under and subject to this Statement. The unit shall become a Unit Committed to Time Shared Ownership upon the execution and recordation of an instrument conveying an undivided co-tenancy interest in said unit. The Declarant, in its sole discretion, shall have the exclusive right to commit a Unit to time shared ownership. A Unit shall no longer be committed to time shared ownership at any time all Time Periods are owned by the same legal entity.

B. Time Period Ownership

Each Time Period in and to a Unit is a one week ownership period in accordance with subparagraph C of this Article. An owner may own more than one Time Period.

C. Schedule of Time Periods

Time Period No. 1 is the seven (7) days commencing on the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month of the year plus any excess days not otherwise assigned. A Time Period commences at 12:00 noon on the first Friday of the Time Period. Each owner of a Time Period hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations promulgated

by the Managing Agent for the benefit of all Time Period owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Unit.

D. Ownership Interest

An owner of a Time Period in and to a Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the Declarant, its successors and assigns, and the owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of time periods owned.

E. Transfer of a Time Period

An owner of a Time Period may transfer his undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time Period must be the identical Time Period which the conveying owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying owner or to combine or divide a Time Period acquired by such owner shall be null and void and of no force or effect.

F. Waiver of Right of Partition

Each owner of a Time Period and each purchaser of a Time Period in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Time Period, by such acceptance, such grantee or purchaser shall for

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himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period in Units committed to time shared ownership, to waive and relinquish for the duration of the effective period of this Statement, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Statement. If, however, any Time Period shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Time Period in lieu of partition as between such owners. Each owner of a Time Period may convey, lease, assign, devise or otherwise transfer his entire Time Period as a Time Period is defined in this Article III.

G. Exclusive Use and Occupancy

Each owner of an undivided co-tenancy interest in a Unit committed to time shared ownership shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during his Time Period(s), together with the non-exclusive right in common with all other owners of the Unit when acting through the Managing Agent, to maintain, repair and refurbish the Unit. No Time Period owner shall occupy the Unit, or exercise any other rights of ownership with respect to the Unit and the

furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the owner entitled to occupy the Unit during such Time Period(s). Each owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, vacate the Unit at the time established by the Rules and Regulations hereinafter mentioned, remove all persons and property therefrom excluding the furniture and furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and other procedures as may from time to time be contained in the Rules and Regulations promulgated by the Managing Agent or a majority of the members of the Time Shared Owners Association.

H. Failure to Vacate Penalties

If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of their not being conveyed, or prevents another owner from using or occupying the Unit during such other owner's, including the Declarant's Time Period, the owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of

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such owner in wrongful possession; (3) shall pay to the owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred per cent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof, including the day of surrender, during which the owner in wrongful possession occupies the Unit; (4) shall reimburse the owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association's terminating any and all utility and other services to the Unit during the period of his wrongful occupancy.

I. Maintenance Periods

(1) The Declarant in its sole discretion shall set aside two Time Periods for each Unit for the maintenance and restoration of the Unit each year. The maintenance periods for all Units need not be the same periods; rather the Declarant shall, in its sole discretion, select the two maintenance periods for each Unit.

(2) Title to such maintenance periods shall be conveyed to the Association in each Unit within three years after the sale and recordation of a deed conveying a Time Period to a purchaser.

(3) Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to owners of Time Periods under the provision of this Statement, or the By-Laws of the Association.

J. Ownership and Use of Furnishings

(1) Each Unit committed to time shared ownership shall be provided with basic furniture and furnishings. The Declarant, its successors or assigns, shall distribute a list of the specific items of furniture and furnishings provided which list shall be given to each initial Time Period Owner of a Unit at or before occupying a Unit.

(2) Each owner of an individual interest in and to a Unit shall own an individual interest, equivalent to his undivided interest in the Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Statement. Provided, however, that such owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period without hindering or violating the lawful rights of others to use same.

(3) A transfer of an undivided interest in a Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Unit committed to time shared ownership

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under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

(4) At the end of his Time Period, each owner and his guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an owner or his guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Time Period owner thereof in accordance with this Statement and the Rules and Regulations shall be delivered to the Managing Agent who shall keep such property for thirty (30) days. At the end of such thirty (30) day period such property shall be considered to have been abandoned.

(5) No noxious or offensive activity shall be carried on within any Unit, nor shall anything be done or permitted which shall constitute a public nuisance therein, nor shall anything be done or permitted or kept in the unit which would increase the rate of insurance upon the Unit or the furniture or furnishings therein.

(6) No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Statement.

(7) All repairs to a Unit required in order to maintain the Unit in the manner required by this Statement shall be made by

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the Managing Agent. No Time Period owner shall make such repairs, No Time Period owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in this paragraph. Each Time Period owner shall indemnify and hold the other owners of the Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

K. Ownership Subject to Statement

Each owner by his execution of the agreement of sale and the acceptance of the conveyance of a Time Period shall be subject to the provisions of this statement and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the unit is held.

ARTICLE IV

THE PINE VILLAS' OWNERS ASSOCIATION

A. Membership

The Declarant and each Time Period owner shall be a member of the Pine Villas' Owners Association, such membership being mandatory upon an individual's acquiring an interest in or to a Unit, and who by acquiring such interest does agree to abide by the by-laws of the Association.

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B. Voting

(1) The Declarant and each Time Period owner shall be entitled to one vote per Time Period owned, in the affairs of the Association. Provided, however, that if a Time Period is owned by more than one person, all such persons shall be members of the Association but in no event shall more votes be cast with respect to any one Time Period than would be the case if said Time Period was owned by one individual.

(2) Any owner who owns more than one Time Period shall be entitled to one vote per Time Period owned.

(3) The voting rights provided for herein shall be exercised under and subject to the by-laws of the Association.

C. Purpose

The Association shall be responsible for the enforcement of the provisions of this Statement, the maintenance of the Association Property and any improvements thereon, and shall have the exclusive right, duty and responsibility, which may only be delegated to the Managing Agent, as provided for hereinafter, for the maintenance, repair, replacement and decoration of the exterior and interior of all Units situated on the property including but not limited to exterior walls, doors, windows, verandas, roofs of buildings, interior walls, floors, ceilings and the furniture, fixtures, furnishings and appliances situated in the Units.

D. Easement Reserved to Association

There is hereby reserved to the Association the right to have its agents, employees and the Managing Agent enter into or

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upon any Unit to perform and carry out its rights, duties and responsibilities as set forth in subparagraph C of this Article.

E. Title to Association Property

The Declarant shall retain legal title to the Association property until such time as the capital improvements shall have been completed on the property and until the Association in the opinion of the Declarant, shall be able to maintain same, provided, however, that the Declarant hereby covenants for its successors and assigns that in no event shall title to the Association property be retained later than January 1, 1985. At the time of such conveyance by the Declarant, its successors and assigns shall convey good and marketable title, free from all liens, judgments and mortgages, by virtue of a special warranty deed. In addition, the Declarant for itself, its successors and assigns does hereby covenant and agree to remain liable under any then existing and outstanding liens, judgments or mortgages and shall indemnify and save the Association harmless with respect to any and all claims, expenses and charges made pursuant to the provisions of the said then outstanding liens, judgments or mortgages.

F. Waiver and Consent

Notwithstanding any other provision of this Declaration, each owner by becoming a member of the Pine Villas' Owners Association shall consent to and does hereby give the Association the right and authority to suspend his voting rights, if any, and take such other action specifically that is set forth herein if that member violates any provision of this Statement. By so

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consenting, each purchaser does hereby waive any right, judicial or otherwise, he may have against the Association because of the Association's actions.

G. Assessments, Charges or Fees by the Association

(1) The Board of Directors of the Association shall determine the assessment charge or fee to be levied upon each Time Period owner in order to carry out the purposes of the Association.

(2) The Treasurer of the Association, upon demand of any owner liable for an assessment, shall furnish the said owner a certificate in writing setting forth whether such assessment has been paid and, if not, the amount due. Said certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid or of the amount then due and owing by any such owner.

ARTICLE V

A. Reserved to Declarant

1. There is hereby reserved to the Declarant the right to lay out, make and maintain utility easements for the construction, connection, operation, maintenance, relocation, repair and inspection of pipes, sewers, mains, collectors, trunk lines, pumping stations, conduits, lines, poles, and appurtenant access ways and facilities for any and all utility systems at such locations upon, under and across the Property, as shall be necessary or appropriate to serve the Units, the Association Property and the general public with minimum interference with the use and enjoyment of the

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property of any Owner whose real estate may be affected, and to convey such easements to any public utility empowered to operate and maintain the same.

B. Conveyed to Time Period Owners

Each time period owner shall have the right of ingress, egress and regress over the Association property and to use same in accordance with its intended purposes.

ARTICLE VI

REAL ESTATE MANAGEMENT

A. Managing Agent

The Association shall engage a managing firm (the Managing Agent) to act as Managing Agent for the Units. The Managing Agent shall provide full and complete maintenance, administrative supervision and managerial services for Units until its management of such Units is terminated by the vote of a majority of the members of the Pine Villas' Owners Association. Any such vote shall appoint a successor Managing Agent which shall be a managing firm meeting the qualifications set forth herein.

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B. Duties, Obligations and Responsibilities of Managing Agent

1. The Managing Agent employed by the Association shall perform and shall be responsible and liable for the services and duties hereinafter set forth and any other duty, service or function delegated by the Association. It shall be the Association's responsibility to insure that the Managing Agent performs same. The Managing Agent shall collect from the owners of Time Periods all amounts payable by such Time Period owners under this Statement of Mutual Ownership Agreements as follows:

(a) request, demand, collect, receive and receipt for all such amounts.

(b) collect and receive from the owner(s) of each Time Period all amounts payable by such owners under the terms of this Statement and take such action in its own name or in the name of the Association as may be reasonable to collect such amounts including but not limited to the foreclosure of any lien established by this Statement.

(1) The Managing Agent on behalf of the Association may collect interest at the rate of one and one quarter percent (1-1/4%) per month, if then permitted by law, otherwise at the highest rate then so permitted on any amount due from a Time Period owner which is not paid when due under this Statement. In addition, such owner(s) shall reimburse the Managing Agent for all costs and expenses reasonably incurred by the Managing Agent in collection of such delinquent amount.

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(c) provide upon request of an owner of the legal or equitable title of a time shared interest in and to a Unit, a mortgagee or prospective mortgagee, purchaser or prospective transferee of an interest in the Unit or the Board of Directors of the Association, a written statement and account setting forth any amounts unpaid by an owner of a Time Shared interest which shall be binding upon the Managing Agent and the Association in favor of any person who may rely thereon in good faith.

(d) take such action in its own name, in the name of the Association or in the name of the owners of Time Shared interests to enforce this Statement.

(e) enter into contracts with others for the furnishing of such services as it deems proper for Units committed to Time Shared ownership.

(f) adopt from time to time Rules and Regulations for the elaboration and administration of the provisions of this Statement, which Rules and Regulations shall relate to the overall development and use of the property and Units, but shall not in any way diminish the powers of self-government of the Association.

(g) provide for the cleaning and necessary maid service, maintenance and repair upon the departure of each time period owner from a Unit so that each Unit is in good order and repair and ready for occupancy by the next Time Period owner. Further provide any and all necessary repairs, maintenance and repainting, remodeling, refurbishing necessary to maintain the Units in good and adequate condition in accordance with the intention and plan of Pine Villas' as set forth in this Statement.

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(1) any and all major alterations, repairs, renovations and remodeling shall be performed unless the exigencies of the circumstances dictate otherwise during the maintenance week.

(2) all repairs, alterations, remodeling or renovation of the Unit and the personal property appurtenant thereto performed by the Managing Agent on behalf of the owners shall be done in such manner as to maintain and restore the Unit to at least the same condition after such work as it was immediately before the occurrence requiring the work to be done.

(h) provide for the landscaping, upkeep, safety, maintenance and repair of the Association Property and any improvements situated thereon, and accomplish and perform all snow removal and road maintenance for the roads lying and situated on Association property.

(i) keep each Unit equipped in accordance with the list provided to each initial owner of the Unit and shall be authorized to replace or repair any furniture or furnishings which are missing, which become unusable or which become so worn as to require replacement, in the reasonable judgment of the Managing Agent. Except in cases where any such furniture or furnishings must be replaced due to the negligence or intentional act of any owner or his guest (which shall be determined by the Managing Agent in its reasonable judgment), expense of replacing any such

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furniture or furnishings shall be a common expense of the Unit and each owner thereof shall pay his assessed share of such expense.

(j) inspect each Unit when same is vacated, according to the terms of this Statement and the Rules and Regulations promulgated hereunder, and determine whether there are any items of furniture or furnishings which need to be replaced or repaired, and if so, whether such replacement or repair is the responsibility of the owner during whose Time Period such replacement became necessary. The Managing Agent shall promptly notify any owner if he is to be charged for any items of furniture or furnishings which need to be replaced.

(k) pay all taxes and assessments, costs and other charges affecting or relating to the Units on the Association property and discharge, contest or protest liens or charges affecting the Association.

(l) provide, maintain and keep in force on behalf of the Time Period owners and the Association the following insurance coverage, said coverage to be obtained and maintained in favor of the Managing Agent, the Time Period owners, the Association and any lien holders, as their respective interests may appear.

(1) General Public Liability and Property Damage Insurance against claims for bodily injury or death or personal property damage occurring in or on a Unit or on the Association Property in an amount equal to the maximum insurable replacement value of the personal property and in such other amounts and

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providing such coverage as the Managing Agent or the Association may determine from time to time.

(2) Insurance coverage on all furniture, furnishings and other personal property initially supplied or installed in each Unit and replacements thereof, against loss or damage by fire, with extended coverage including insurance against loss or damage by vandalism or malicious mischief, in the amount of the maximum replacement value thereof and without deduction for depreciation.

(3) Fire and extended coverage insurance, and such other insurance as it may deem necessary, for all Units located on the Property and the Association property, the fire and extended coverage insurance to be for replacement cost and to name Pine Villas' Owners Association the appropriate Time Period owners and any lien holders, as beneficiaries, as their respective interests may appear, and the proceeds of such fire and extended coverage insurance shall be used exclusively for repair and replacement purposes.

(aa) all insurance required to be carried by this Statement of Mutual Ownership Agreement shall be carried in favor of the Managing Agent, the owners of undivided interest in and to Units committed to the time shared ownership, and any lien holders, as their respective interests may appear.

(bb) in the event that personal property appurtenant to a Unit committed to time shared ownership is damaged or destroyed, the Managing Agent shall collect the insurance proceeds payable

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on account of such damage or destruction (as agent in fact for the owners) and, unless such personal property is not to be replaced or repaired under the provisions of this Statement, or by direction of the Pine Villas' Owners Association, shall apply the proceeds of insurance to replace or repair the damaged or destroyed personal property. If any excess funds are required in order to replace or repair the personal property, such excess funds shall be considered a special assessment of the owners of the Unit and each owner thereof shall pay his share thereof. If the insurance proceeds exceed the cost of repair or replacement, such excess shall be refunded to the owners of the Unit according to the pro-rata interest herein.

C. Owners Acceptance

Each owner by his acceptance of the deed or other instrument conveying an interest in a Unit does hereby irrevocably constitute and appoint the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to: (1) deal with the interest of such owner upon damage to or destruction of any personal property in his Unit; and (2) to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Statement. Each owner stipulates and agrees that the Power of Attorney executed by this paragraph of the Statement is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each owner in the absence of fraud or mistake.

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ARTICLE VII**CHARGES, ASSESSMENTS AND FEES****A. Common Expense Charge**

Pursuant to this Statement, each Time Period owner will be required for each Time Period owned to pay a common expense charge as determined periodically by the Board of Directors of the Association to pay for the general operating costs of the Association, the Association property and the Units. Said common expense charge shall include but shall not be limited to the following elements:

1. Property taxes
2. Reserve accounts for replacement, repairs, remodeling of the personal property in the Units, the Units and the Association Property taxes
3. Water and sewerage charges
4. Maintenance, including landscaping and snow removal of the Association Property.
5. Maintenance and normal repair of the Units.
6. Utility charges
7. Domestic services
8. Insurance coverage as herein provided for
9. Purchasing, maintenance and replacement of equipment
10. Administrative costs
11. Managing Agent's fee
12. Assessments by Pine Villas' Owners Association
13. Security

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1. The Board of Directors of the Association shall in accordance with the by-laws of the Association review said common expense charge from time to time to determine if same is adequate.

2. A Time Period owner's Unit common expense charge shall be due and payable thirty (30) days prior to occupancy in the year of sale and on January 1 of each year thereafter.

3. In addition to the other remedies provided for herein the Board of Directors of the Association or its delegate, the Managing Agent, shall have the right to deny the occupancy and use of a Unit to any Time Period owner who fails to pay this common expense charge.

B. Individual Expense Charge

Each Time Period owner in addition to the obligation to pay his common expense charge shall be charged and pay on a current basis those expenses directly related to the use and occupancy of a Unit during his time period. Such expenses shall include but not be limited to:

(1) telephone charges directly related to the Time Period owner or his guests.

(2) extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof or the Association Property caused by a Time Period owner's use of the said Unit or property.

C. Special Assessments

The Board of Directors of the Association shall have the right, duty and authority to levy special assessments on Time Period owners in order to carry out the purposes and intent of this Statement.

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ARTICLE VIII
ASSESSMENTS AND LIENS

A. Each Time Period owner shall pay when due all amounts required to be paid by him under this Statement. The Managing Agent or the Association may bring legal action or take other reasonable actions to collect any amounts from the Time Period owner liable for payment thereof, with or without foreclosing or waiving the lien described herein.

B. All amounts due under this Statement which are unpaid shall constitute a lien solely and exclusively on the undivided co-tenancy interest in the Unit of the Time Period owner failing to pay such amount. The lien shall attach from the date when the unpaid amount shall become due and may be foreclosed by the Managing Agent of the Pine Villas' Owners Association in like manner as a mortgage on real property. In any such foreclosure, the Time Period owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Time Period owner who is in default shall not be entitled to use, rent, devise or otherwise assign his undivided co-tenancy interest in the Unit. The Managing Agent shall be entitled to rent such undivided co-tenancy interest in the Unit during the defaulting owner's Time Period and to set off any amounts received against the amount due from the defaulting owner.

C. No Time Period owner shall exempt himself from liability for payment of amounts payable under this Statement either by waiver of the use or enjoyment of his Time Period in the Unit, by abandonment of his Time Period in the Unit, or otherwise.

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ARTICLE IX**ENFORCEMENT OF PROTECTIVE COVENANTS**

A. The Declarant, its successors or assigns, the Association, the Managing Agent and one or more of the owners shall be entitled jointly and severally to maintain equitable or legal proceedings to enjoin, abate or obtain other appropriate relief in respect of any and all breaches of the Protective Covenants herein contained.

B. The Declarant, its successors or assigns, the Association and the Managing Agent shall have a right of access to any part or parts of the property for the purpose of making inspections or for the purpose of correcting any condition likely to result in a breach of any protective covenants or for the purpose of abating, remedying or correcting such breach at the expense of the responsible party or parties, and for the purpose of providing real estate management services, provided that requests for entry are made in advance and that any such entry shall be at a reasonably convenient time.

C. The provisions of this Statement may be enforced by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, and against his property to enforce any lien created by these mutual covenants and easements; failure by Declarant, its successors or assigns or the Managing Agent to enforce any protective covenant or easement herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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ARTICLE X
MISCELLANEOUS

A. Notices

Any notice required to be sent to the owner of an undivided interest in and to a Unit, under the provisions of this Statement, shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as owner of said Time Period on the records of the Association at the time of such mailing.

B. Interpretation

It is specifically recognized that this Statement is intended to assure the fair and harmonious operation and care of each Unit for the benefit of each and all of the Time Period owners thereof; therefore, this Statement is to be liberally construed to effectuate its purpose of creating a uniform occupancy plan for the beneficial use and development of Units in 'The Pine Villas', Bryce Mountain, Shenandoah County, Virginia. This Statement shall not constitute a joint venture or partnership and no part or Time Period owner shall have the right to participate in the individual profits, if any, of any other party or owner arising out of the use and occupancy of the Unit.

C. Invalidity

The invalidity of any part of this Statement shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Statement which shall remain in full force and effect.

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D. Gender and Number

Use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Amendment

(1) The Declarant, its successors or assigns, may, by an instrument in writing in recordable form amend the provisions of this Statement, such amendment to become effective forty-five (45) days after written notice of such amendment to each Time Period owner, provided, however, that no such amendment shall become effective if the Declarant, its successors or assigns, shall receive disapproval of such amendment, by an instrument in writing signed by and acknowledged by Time Period owners holding fifty-one percent (51%) of the Time Period interests in and to Units in said Pine Villas', prior to the termination of the said forty-five (45) day period.

(2) This statement may be amended by written instrument executed by seventy-five percent (75%) of the members of the Pine Villas' Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association Property, and the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent. Subject to the foregoing provisions, any amendment shall be binding upon every Time Period owner and every Time Period.

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(3) The Declarant, its successors or assigns, may, by instrument in writing in recordable form amend the provisions of this Statement at any time prior to the recordation of a deed conveying a Time Period.

F. Law to Govern

This Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

G. Duration

The provisions of this Statement, as set forth herein and as the same may be amended from time to time, shall be enforceable, as set forth herein, for a term of twenty (20) years from the date this Statement is recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia, after which time all of said provisions shall be extended automatically for successive periods of five (5) years each unless an instrument signed and approved by seventy-five percent (75%) of the members of the Pine Villas' Owners Association shall have been recorded, agreeing to terminate all of the said provisions as of a specified and certain date, which shall not be earlier than the expiration of a term of three (3) years from the date of such recording.

H. Provision

The provisions of this Statement shall be binding upon all parties having or acquiring any right, title or interest in the property or any part thereof and shall be for the benefit of each Time Period owner and his heirs, successors or assigns. Each Time Period owner, including the Declarant, its successors and

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assigns, shall be fully discharged and relieved of liability from the provisions herein contained insofar as the same relate to each Time Period owned, upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder, in respect of such Time Period, to the time his ownership interest terminated.

IN WITNESS WHEREOF, the parties hereunto have executed this Statement of Mutual Covenants and Easements this 7th day of December, 1979.

GREAT NORTH MOUNTAIN CORPORATION

By: Bruce Forbes

President

STATE OF VIRGINIA,

COUNTY OF SHENANDOAH, to-wit:

The foregoing instrument was acknowledged before me this 7th day of December, 1979, by Bruce Forbes, President of GREAT NORTH MOUNTAIN CORPORATION, a Virginia corporation, on behalf of the corporation.

My commission expires: March 14, 1983

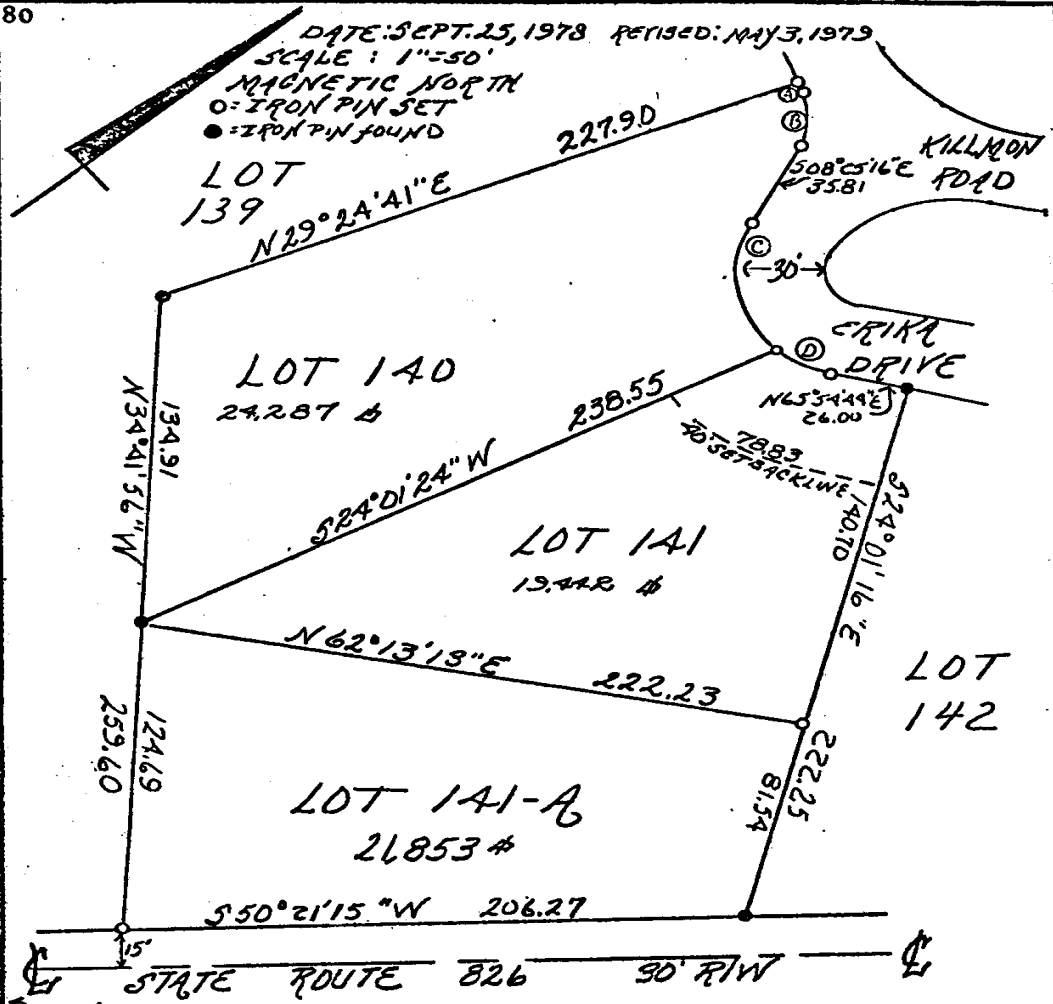
SHENANDOAH COUNTY, ss

The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, admitted to record and indexed. The taxes imposed by Sect. 58-54, (a) and (b), of the Code have been paid.

this 22 day of May 1980

11:28A. M. Teste: M. J. Sigler Clerk

#1306
Plat only
Exd. 5/27/80
Filed in Clerk's Ofc
5/27/80

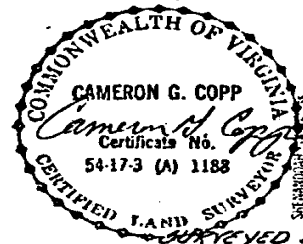


PLAT OF LOTS 140, 141, AND 141-A

LOCATED IN THE ADDITION TO SECTION 9 AND 9 EXTENDED
OF BRYCE'S MOUNTAIN RESORT, INC., BASSE, ASHBY
MAGISTERIAL DISTRICT, SHENANDOAH COUNTY, VIRGINIA

5/14/78 SIGNED Robert DeClawick
DATE SHENANDOAH CO. PLANNING COMM., AGENT
CURVE DATA Zone P-2

④ Δ 2°21'38" R- 110.68 A- 4.56 CH- 4.55 CH.BRC- 54°25'16"E	⑤ Δ 75°27'00" R- 41.54 A- 57.60 CH 53.08 CH.BRC 54°08'13"E
③ Δ 54°10'44" R- 25.00 A- 23.64 CH 22.77 CH.BRC 53°31'16"E	② Δ 26°12'30" R- 41.54 A- 13.00 CH 18.84 CH.BRC N79°00'59"E



WITNESSED BY:
CAMERON G. COPP
128 W. COURT ST.
WOODSTOCK, VA.

503 NO 1278

the foregoing with certificate of acknowledgment thereon was received by the Clerk of said County, admitted to record and indexed. The taxes imposed, Sect. 58-56 (a) and (b) of the Code have been paid.

THIS 9 day of May 1980

Robert DeClawick

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GREAT NORTH MOUNTAIN CORPORATION
STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS
OF THE PINE VILLAS',
BRYCE MOUNTAIN,
BASYE, SHENANDOAH COUNTY, VIRGINIA

THIS STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS,
Protective Covenants and Restrictions, made this 7th day of December, 1999
by GREAT NORTH MOUNTAIN CORPORATION, a corporation duly organized
and existing under the laws of the State of Virginia, having an address and doing
business at Basye, Shenandoah County, Virginia, Zip Code 22810 (sometimes
hereinafter referred to as "Declarant").

WITNESSETH :

WHEREAS, the Declarant owns the Property, as defined in Article II of
this Statement of Mutual Ownership Agreements, Protective Covenants and
Restrictions, and desires to maintain its natural beauty, to assure high quality
standards for the development of the property that are compatible with the
character of Bryce Mountain, and to promote the recreational interests and
health, safety and social welfare of each owner of a part hereof; and

WHEREAS, the benefits of the Protective Covenants and Time Period
Ownership Agreements set forth herein are intended to run to each original
owner, his heirs, executors, administrators, successors and assigns and are
declared for the purpose of creating and maintaining the Property as a desirable,
attractive, beneficial and suitable place of abode, of guarding against

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losses by fire and other hazards, of providing for the period of time during which each of the various owners may use the Property, and of providing Rules and Regulations for the mutual benefit and protection of each of the owners.

NOW, THEREFORE, said Great North Mountain Corporation, hereby declares that Units committed to Time Shared Ownership as herein provided, are and shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, declared and agreed to be in furtherance of a uniform occupancy plan for the development of the Property; and this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions is intended to enhance and protect the value and desirability of the property and to mutually benefit each of the owners thereof, and to create mutual equitable servitudes upon each of the undivided fractional ownership interests in the property in favor of each and all other owners therein, to create reciprocal rights and privative contract in a state between all persons acquiring or owning an interest in the property, including said Great North Mountain Corporation, and their grantees, heirs, devisees, successors, and assigns and shall be deemed to run with the land and be burden and benefit to all such persons, including said Great North Mountain Corporation, their grantees, heirs, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

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As used in this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, the following terms shall have the following meanings:

A. Declarant

Great North Mountain Corporation, its successors or assigns.

B. The Property

The real property referred to at Article II of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions.

C. Statement of Mutual Ownership Agreements

This Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, sometimes herein referred to as "Statement", or "Statement of Ownership Agreements".

D. Bryce Mountain

A planned development approved by the Supervisors of Shenandoah County, Virginia, located at Basye, Virginia, in Shenandoah County, Virginia.

E. Great North Mountain Corporation

The Declarant of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions and the owner of the property at the time of the recording of this Statement, a corporation duly organized and existing under the laws of Virginia, having an address and doing business at Basye, Shenandoah County, Virginia.

F. Owner

Owner shall mean and include any person or other entity and the heirs, executors, administrators, successors and assigns

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thereof who shall be (1) the Grantee named in a deed of an undivided interest in a Unit; (2) the purchaser of an undivided interest in a Unit under a written contract for sale and purchase of an undivided interest in a Unit; (3) the Declarant with respect to any undivided interests in Units not conveyed.

G. Unit

Unit shall mean any and all of the dwelling units and the land on which they are situated, which may presently or in the future be constructed upon any part of the real property referred to at Article II hereof.

H. Time Shared Ownership

Time Share Ownership shall mean a one fifty-second co-tenancy interest in the Unit as more fully defined and restricted in Article III hereof. It contends with the exclusive right to use and occupy a Unit during one or more Time Periods as provided in this Statement.

I. Unit Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any Unit sold under and subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions. The Unit shall become a Unit committed to time shared ownership upon the recording of the first deed in said Unit, conveying an undivided co-tenancy interest in said Unit. No Unit may be committed to time shared ownership by any person, or other entity, other than Declarant. A Unit shall no longer be committed to time shared ownership at any time all time periods are owned by the same legal entity.

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J. Time Period

Time Period shall mean a one week period of time shared ownership in a Unit.

K. The Pine Villas' Owners Association

The nonprofit corporation existing or to be created for the Pine Villas' Time Shared houses for the benefit of Time Period Owners in and to Units committed to time shared ownership located on the property described in Article II hereof.

L. Association Property

All lands and improvements (except for Units) subject to this Statement as shown on a map of The Pine Villas', ^{Addition to} Section 9 & 9 EXT, Lot 141A, attached hereto and made a part hereof and to be recorded herewith. Said lands and improvements to be conveyed by the Declarant to the Pine Villas' Owners Association in compliance with this Statement.

M. Managing Agent

Managing Agent shall mean the agent or firm appointed and employed by the Association as hereinafter provided to provide full and complete maintenance, administrative supervision and managerial services for the Units and the Association property.

N. Maintenance Time Periods

Maintenance Time Periods shall mean two time periods to be set aside by the Declarant for the maintenance and restoration of each Unit, each year, the title to such maintenance time period to be conveyed by Declarant to the Association provided for hereinafter.

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O. Rules and Regulations

The Rules and Regulations promulgated by the Association or the Managing Agent on behalf of the Association for the benefit of all time period owners. Said Rules and Regulations shall be promulgated for the elaboration and administration of this Declaration.

P. Guests

Any person or persons using a Unit of the Property with the permission of the Time Period owner thereof, including but not limited to, family members, invitees and tenants.

Q. Furnishings

Furnishings shall mean all furniture, fixtures and furnishings for a Unit or other personal property from time to time owned or held for the use by all owners of time periods in and to a Unit during their respective time period.

ARTICLE II**THE PROPERTY****A. Existing Property**

The real property that is hereby subject to this Statement consists of ^{Addition to Section 9 &} 21,853 square feet, or ~~Section~~ 9 EXT, Lot 141-A, of land lying in Shenandoah County, Virginia, and more particularly shown upon the plat attached hereto, made a part hereof and to be recorded herewith entitled "The Pine Villas", Section _____, Lot 141A, Addition to Section 9 Bryce Mountain". & 9 Ext.

B. Additional Property

The Declarant shall have the right within ten (10) years date hereof to bring within the scheme of this Statement, from time to time and at its discretion, with governmental approvals,

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if required, additional properties, including property now or hereafter acquired by it and property of others that is either abutting the existing property, as described in Article II-A hereof, or additions thereto or so situated that its addition would be consistent with the uniform scheme of development set forth in this Statement. Any such additions as are authorized hereby shall be made by a supplementary declaration as prescribed in Section "C" of this article.

C. Supplementary Declaration

- 1. A Supplementary Declaration shall contain the following:**
 - a. A reference to this declaration;**
 - b. Identification of the Declarant of the Supplementary Declaration;**
 - c. An expression of intent to submit certain real property to the uniform scheme of this Statement and to the jurisdiction of the Association;**
 - d. A Statement that the real property that is the subject of the Supplementary Declaration constitutes Additional Property under Article II-B of this Statement.**
- 2. The Supplementary Declaration may contain such conditions to or modification of the Protective Covenants and Restrictions as may be necessary to reflect the different character, if any, of the real property that is the subject of the Supplementary Declaration.**
- 3. A Supplementary Declaration shall become effective upon being duly recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia.**

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ARTICLE III

PROTECTIVE COVENANTS

A. Units Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any unit of the property sold under and subject to this Statement. The unit shall become a Unit Committed to Time Shared Ownership upon the execution and recordation of an instrument conveying an undivided co-tenancy interest in said unit. The Declarant, in its sole discretion, shall have the exclusive right to commit a Unit to time shared ownership. A Unit shall no longer be committed to time shared ownership at any time all Time Periods are owned by the same legal entity.

B. Time Period Ownership

Each Time Period in and to a Unit is a one week ownership period in accordance with subparagraph C of this Article. An owner may own more than one Time Period.

C. Schedule of Time Periods

Time Period No. 1 is the seven (7) days commencing on the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month of the year plus any excess days not otherwise assigned. A Time Period commences at 12:00 noon on the first Friday of the Time Period. Each owner of a Time Period hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations promulgated

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by the Managing Agent for the benefit of all Time Period owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Unit.

D. Ownership Interest

An owner of a Time Period in and to a Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the Declarant, its successors and assigns, and the owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of time periods owned.

E. Transfer of a Time Period

An owner of a Time Period may transfer his undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time Period must be the identical Time Period which the conveying owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying owner or to combine or divide a Time Period acquired by such owner shall be null and void and of no force or effect.

F. Waiver of Right of Partition

Each owner of a Time Period and each purchaser of a Time Period in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Time Period, by such acceptance, such grantee or purchaser shall for

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himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period in Units committed to time shared ownership, to waive and relinquish for the duration of the effective period of this Statement, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Statement. If, however, any Time Period shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Time Period in lieu of partition as between such owners. Each owner of a Time Period may convey, lease, assign, devise or otherwise transfer his entire Time Period as a Time Period is defined in this Article III.

G. Exclusive Use and Occupancy

Each owner of an undivided co-tenancy interest in a Unit committed to time shared ownership shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during his Time Period(s), together with the non-exclusive right in common with all other owners of the Unit when acting through the Managing Agent, to maintain, repair and refurbish the Unit. No Time Period owner shall occupy the Unit, or exercise any other rights of ownership with respect to the Unit and the

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furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the owner entitled to occupy the Unit during such Time Period(s). Each owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, vacate the Unit at the time established by the Rules and Regulations hereinafter mentioned, remove all persons and property therefrom excluding the furniture and furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and other procedures as may from time to time be contained in the Rules and Regulations promulgated by the Managing Agent or a majority of the members of the Time Shared Owners Association.

H. Failure to Vacate Penalties

If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of their not being conveyed, or prevents another owner from using or occupying the Unit during such other owner's, including the Declarant's Time Period, the owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of

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such owner in wrongful possession; (3) shall pay to the owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred per cent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof, including the day of surrender, during which the owner in wrongful possession occupies the Unit; (4) shall reimburse the owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association's terminating any and all utility and other services to the Unit during the period of his wrongful occupancy.

1. Maintenance Periods

(1) The Declarant in its sole discretion shall set aside two Time Periods for each Unit for the maintenance and restoration of the Unit each year. The maintenance periods for all Units need not be the same periods; rather the Declarant shall, in its sole discretion, select the two maintenance periods for each Unit.

(2) Title to such maintenance periods shall be conveyed to the Association in each Unit within three years after the sale and recordation of a deed conveying a Time Period to a purchaser.

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(3) Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to owners of Time Periods under the provision of this Statement, or the By-Laws of the Association.

J. Ownership and Use of Furnishings

(1) Each Unit committed to time shared ownership shall be provided with basic furniture and furnishings. The Declarant, its successors or assigns, shall distribute a list of the specific items of furniture and furnishings provided which list shall be given to each initial Time Period Owner of a Unit at or before occupying a Unit.

(2) Each owner of an individual interest in and to a Unit shall own an individual interest, equivalent to his undivided interest in the Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Statement. Provided, however, that such owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period without hindering or violating the lawful rights of others to use same.

(3) A transfer of an undivided interest in a Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Unit committed to time shared ownership

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under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

(4) At the end of his Time Period, each owner and his guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an owner or his guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Time Period owner thereof in accordance with this Statement and the Rules and Regulations shall be delivered to the Managing Agent who shall keep such property for thirty (30) days. At the end of such thirty (30) day period such property shall be considered to have been abandoned.

(5) No noxious or offensive activity shall be carried on within any Unit, nor shall anything be done or permitted which shall constitute a public nuisance therein, nor shall anything be done or permitted or kept in the unit which would increase the rate of insurance upon the Unit or the furniture or furnishings therein.

(6) No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Statement.

(7) All repairs to a Unit required in order to maintain the Unit in the manner required by this Statement shall be made by

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the Managing Agent. No Time Period owner shall make such repairs. No Time Period owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in this paragraph. Each Time Period owner shall indemnify and hold the other owners of the Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

K. Ownership Subject to Statement

Each owner by his execution of the agreement of sale and the acceptance of the conveyance of a Time Period shall be subject to the provisions of this statement and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the unit is held.

ARTICLE IV

THE PINE VILLAS' OWNERS ASSOCIATION

A. Membership

The Declarant and each Time Period owner shall be a member of the Pine Villas' Owners Association, such membership being mandatory upon an individual's acquiring an interest in or to a Unit, and who by acquiring such interest does agree to abide by the by-laws of the Association.

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B. Voting

(1) The Declarant and each Time Period owner shall be entitled to one vote per Time Period owned, in the affairs of the Association. Provided, however, that if a Time Period is owned by more than one person, all such persons shall be members of the Association but in no event shall more votes be cast with respect to any one Time Period than would be the case if said Time Period was owned by one individual.

(2) Any owner who owns more than one Time Period shall be entitled to one vote per Time Period owned.

(3) The voting rights provided for herein shall be exercised under and subject to the by-laws of the Association.

C. Purpose

The Association shall be responsible for the enforcement of the provisions of this Statement, the maintenance of the Association Property and any improvements thereon, and shall have the exclusive right, duty and responsibility, which may only be delegated to the Managing Agent, as provided for hereinafter, for the maintenance, repair, replacement and decoration of the exterior and interior of all Units situated on the property including but not limited to exterior walls, doors, windows, verandas, roofs of buildings, interior walls, floors, ceilings and the furniture, fixtures, furnishings and appliances situated in the Units.

D. Easement Reserved to Association

There is hereby reserved to the Association the right to have its agents, employees and the Managing Agent enter into or

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upon any Unit to perform and carry out its rights, duties and responsibilities as set forth in subparagraph C of this Article.

E. Title to Association Property

The Declarant shall retain legal title to the Association property until such time as the capital improvements shall have been completed on the property and until the Association in the opinion of the Declarant, shall be able to maintain same, provided, however, that the Declarant hereby covenants for its successors and assigns that in no event shall title to the Association property be retained later than January 1, 1985. At the time of such conveyance by the Declarant, its successors and assigns shall convey good and marketable title, free from all liens, judgments and mortgages, by virtue of a special warranty deed. In addition, the Declarant for itself, its successors and assigns does hereby covenant and agree to remain liable under any then existing and outstanding liens, judgments or mortgages and shall indemnify and save the Association harmless with respect to any and all claims, expenses and charges made pursuant to the provisions of the said then outstanding liens, judgments or mortgages.

F. Waiver and Consent

Notwithstanding any other provision of this Declaration, each owner by becoming a member of the Pine Villas' Owners Association shall consent to and does hereby give the Association the right and authority to suspend his voting rights, if any, and take such other action specifically that is set forth herein if that member violates any provision of this Statement. By so

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consenting, each purchaser does hereby waive any right, judicial or otherwise, he may have against the Association because of the Association's actions.

G. Assessments, Charges or Fees by the Association

(1) The Board of Directors of the Association shall determine the assessment charge or fee to be levied upon each Time Period owner in order to carry out the purposes of the Association.

(2) The Treasurer of the Association, upon demand of any owner liable for an assessment, shall furnish the said owner a certificate in writing setting forth whether such assessment has been paid and, if not, the amount due. Said certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid or of the amount then due and owing by any such owner.

ARTICLE V

A. Reserved to Declarant

1. There is hereby reserved to the Declarant the right to lay out, make and maintain utility easements for the construction, connection, operation, maintenance, relocation, repair and inspection of pipes, sewers, mains, collectors, trunk lines, pumping stations, conduits, lines, poles, and appurtenant access ways and facilities for any and all utility systems at such locations upon, under and across the Property, as shall be necessary or appropriate to serve the Units, the Association Property and the general public with minimum interference with the use and enjoyment of the

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property of any Owner whose real estate may be affected, and to convey such easements to any public utility empowered to operate and maintain the same.

B. Conveyed to Time Period Owners

Each time period owner shall have the right of ingress, egress and regress over the Association property and to use same in accordance with its intended purposes.

ARTICLE VI

REAL ESTATE MANAGEMENT

A. Managing Agent

The Association shall engage a managing firm (the Managing Agent) to act as Managing Agent for the Units. The Managing Agent shall provide full and complete maintenance, administrative supervision and managerial services for Units until its management of such Units is terminated by the vote of a majority of the members of the Pine Villas' Owners Association. Any such vote shall appoint a successor Managing Agent which shall be a managing firm meeting the qualifications set forth herein.

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B. Duties, Obligations and Responsibilities of Managing Agent

1. The Managing Agent employed by the Association shall perform and shall be responsible and liable for the services and duties hereinafter set forth and any other duty, service or function delegated by the Association. It shall be the Association's responsibility to insure that the Managing Agent performs same. The Managing Agent shall collect from the owners of Time Periods all amounts payable by such Time Period owners under this Statement of Mutual Ownership Agreements as follows:

(a) request, demand, collect, receive and receipt for all such amounts.

(b) collect and receive from the owner(s) of each Time Period all amounts payable by such owners under the terms of this Statement and take such action in its own name or in the name of the Association as may be reasonable to collect such amounts including but not limited to the foreclosure of any lien established by this Statement.

(1) The Managing Agent on behalf of the Association may collect interest at the rate of one and one quarter percent (1-1/4%) per month, if then permitted by law, otherwise at the highest rate then so permitted on any amount due from a Time Period owner which is not paid when due under this Statement. In addition, such owner(s) shall reimburse the Managing Agent for all costs and expenses reasonably incurred by the Managing Agent in collection of such delinquent amount.

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(c) provide upon request of an owner of the legal or equitable title of a time shared interest in and to a Unit, a mortgagee or prospective mortgagee, purchaser or prospective transferee of an interest in the Unit or the Board of Directors of the Association, a written statement and account setting forth any amounts unpaid by an owner of a Time Shared interest which shall be binding upon the Managing Agent and the Association in favor of any person who may rely thereon in good faith.

(d) take such action in its own name, in the name of the Association or in the name of the owners of Time Shared interests to enforce this Statement.

(e) enter into contracts with others for the furnishing of such services as it deems proper for Units committed to Time Shared ownership.

(f) adopt from time to time Rules and Regulations for the elaboration and administration of the provisions of this Statement, which Rules and Regulations shall relate to the overall development and use of the property and Units, but shall not in any way diminish the powers of self-government of the Association.

(g) provide for the cleaning and necessary maid service, maintenance and repair upon the departure of each time period owner from a Unit so that each Unit is in good order and repair and ready for occupancy by the next Time Period owner. Further provide any and all necessary repairs, maintenance and repainting, remodeling, refurbishing necessary to maintain the Units in good and adequate condition in accordance with the intention and plan of Pine Villas' as set forth in this Statement.

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(1) any and all major alterations, repairs, renovations and remodeling shall be performed unless the exigencies of the circumstances dictate otherwise during the maintenance week.

(2) all repairs, alterations, remodeling or renovation of the Unit and the personal property appurtenant thereto performed by the Managing Agent on behalf of the owners shall be done in such manner as to maintain and restore the Unit to at least the same condition after such work as it was immediately before the occurrence requiring the work to be done.

(h) provide for the landscaping, upkeep, safety, maintenance and repair of the Association Property and any improvements situated thereon, and accomplish and perform all snow removal and road maintenance for the roads lying and situated on Association property.

(i) keep each Unit equipped in accordance with the list provided to each initial owner of the Unit and shall be authorized to replace or repair any furniture or furnishings which are missing, which become unusable or which become so worn as to require replacement, in the reasonable judgment of the Managing Agent. Except in cases where any such furniture or furnishings must be replaced due to the negligence or intentional act of any owner or his guest (which shall be determined by the Managing Agent in its reasonable judgment), expense of replacing any such

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furniture or furnishings shall be a common expense of the Unit and each owner thereof shall pay his assessed share of such expense.

(j) inspect each Unit when same is vacated, according to the terms of this Statement and the Rules and Regulations promulgated hereunder, and determine whether there are any items of furniture or furnishings which need to be replaced or repaired, and if so, whether such replacement or repair is the responsibility of the owner during whose Time Period such replacement became necessary. The Managing Agent shall promptly notify any owner if he is to be charged for any items of furniture or furnishings which need to be replaced.

(k) pay all taxes and assessments, costs and other charges affecting or relating to the Units on the Association property and discharge, contest or protest liens or charges affecting the Association.

(l) provide, maintain and keep in force on behalf of the Time Period owners and the Association the following insurance coverage, said coverage to be obtained and maintained in favor of the Managing Agent, the Time Period owners, the Association and any lien holders, as their respective interests may appear.

(1) General Public Liability and Property Damage Insurance against claims for bodily injury or death or personal property damage occurring in or on a Unit or on the Association Property in an amount equal to the maximum insurable replacement value of the personal property and in such other amounts and

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providing such coverage as the Managing Agent or the Association may determine from time to time.

(2) Insurance coverage on all furniture, furnishings and other personal property initially supplied or installed in each Unit and replacements thereof, against loss or damage by fire, with extended coverage including insurance against loss or damage by vandalism or malicious mischief, in the amount of the maximum replacement value thereof and without deduction for depreciation.

(3) Fire and extended coverage insurance, and such other insurance as it may deem necessary, for all Units located on the Property and the Association property, the fire and extended coverage insurance to be for replacement cost and to name Pine Villas' Owners Association the appropriate Time Period owners and any lien holders, as beneficiaries, as their respective interests may appear, and the proceeds of such fire and extended coverage insurance shall be used exclusively for repair and replacement purposes.

(aa) all insurance required to be carried by this Statement of Mutual Ownership Agreement shall be carried in favor of the Managing Agent, the owners of undivided interest in and to Units committed to the time shared ownership, and any lien holders, as their respective interests may appear.

(bb) in the event that personal property appurtenant to a Unit committed to time shared ownership is damaged or destroyed, the Managing Agent shall collect the insurance proceeds payable

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on account of such damage or destruction (as agent in fact for the owners) and, unless such personal property is not to be replaced or repaired under the provisions of this Statement, or by direction of the Pine Villas' Owners Association, shall apply the proceeds of insurance to replace or repair the damaged or destroyed personal property. If any excess funds are required in order to replace or repair the personal property, such excess funds shall be considered a special assessment of the owners of the Unit and each owner thereof shall pay his share thereof. If the insurance proceeds exceed the cost of repair or replacement, such excess shall be refunded to the owners of the Unit according to the pro-rata interest herein.

C. Owners Acceptance

Each owner by his acceptance of the deed or other instrument conveying an interest in a Unit does hereby irrevocably constitute and appoint the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to: (1) deal with the interest of such owner upon damage to or destruction of any personal property in his Unit; and (2) to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Statement. Each owner stipulates and agrees that the Power of Attorney executed by this paragraph of the Statement is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each owner in the absence of fraud or mistake.

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ARTICLE VII**CHARGES, ASSESSMENTS AND FEES****A. Common Expense Charge**

Pursuant to this Statement, each Time Period owner will be required for each Time Period owned to pay a common expense charge as determined periodically by the Board of Directors of the Association to pay for the general operating costs of the Association, the Association property and the Units. Said common expense charge shall include but shall not be limited to the following elements:

1. Property taxes
2. Reserve accounts for replacement, repairs, remodeling of the personal property in the Units, the Units and the Association Property taxes
3. Water and sewerage charges
4. Maintenance, including landscaping and snow removal of the Association Property.
5. Maintenance and normal repair of the Units.
6. Utility charges
7. Domestic services
8. Insurance coverage as herein provided for
9. Purchasing, maintenance and replacement of equipment
10. Administrative costs
11. Managing Agent's fee
12. Assessments by Pine Villas' Owners Association
13. Security

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1. The Board of Directors of the Association shall in accordance with the by-laws of the Association review said common expense charge from time to time to determine if same is adequate.

2. A Time Period owner's Unit common expense charge shall be due and payable thirty (30) days prior to occupancy in the year of sale and on January 1 of each year thereafter.

3. In addition to the other remedies provided for herein the Board of Directors of the Association or its delegate, the Managing Agent, shall have the right to deny the occupancy and use of a Unit to any Time Period owner who fails to pay this common expense charge.

B. Individual Expense Charge

Each Time Period owner in addition to the obligation to pay his common expense charge shall be charged and pay on a current basis those expenses directly related to the use and occupancy of a Unit during his time period. Such expenses shall include but not be limited to:

(1) telephone charges directly related to the Time Period owner or his guests.

(2) extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof or the Association Property caused by a Time Period owner's use of the said Unit or property.

C. Special Assessments

The Board of Directors of the Association shall have the right, duty and authority to levy special assessments on Time Period owners in order to carry out the purposes and intent of this Statement.

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ARTICLE VIII**ASSESSMENTS AND LIENS**

A. Each Time Period owner shall pay when due all amounts required to be paid by him under this Statement. The Managing Agent or the Association may bring legal action or take other reasonable actions to collect any amounts from the Time Period owner liable for payment thereof, with or without foreclosing or waiving the lien described herein.

B. All amounts due under this Statement which are unpaid shall constitute a lien solely and exclusively on the undivided co-tenancy interest in the Unit of the Time Period owner failing to pay such amount. The lien shall attach from the date when the unpaid amount shall become due and may be foreclosed by the Managing Agent of the Pine Villas' Owners Association in like manner as a mortgage on real property. In any such foreclosure, the Time Period owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Time Period owner who is in default shall not be entitled to use, rent, devise or otherwise assign his undivided co-tenancy interest in the Unit. The Managing Agent shall be entitled to rent such undivided co-tenancy interest in the Unit during the defaulting owner's Time Period and to set off any amounts received against the amount due from the defaulting owner.

C. No Time Period owner shall exempt himself from liability for payment of amounts payable under this Statement either by waiver of the use or enjoyment of his Time Period in the Unit, by abandonment of his Time Period in the Unit, or otherwise.

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ARTICLE IX**ENFORCEMENT OF PROTECTIVE COVENANTS**

A. The Declarant, its successors or assigns, the Association, the Managing Agent and one or more of the owners shall be entitled jointly and severally to maintain equitable or legal proceedings to enjoin, abate or obtain other appropriate relief in respect of any and all breaches of the Protective Covenants herein contained.

B. The Declarant, its successors or assigns, the Association and the Managing Agent shall have a right of access to any part or parts of the property for the purpose of making inspections or for the purpose of correcting any condition likely to result in a breach of any protective covenants or for the purpose of abating, remedying or correcting such breach at the expense of the responsible party or parties, and for the purpose of providing real estate management services, provided that requests for entry are made in advance and that any such entry shall be at a reasonably convenient time.

C. The provisions of this Statement may be enforced by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, and against his property to enforce any lien created by these mutual covenants and easements; failure by Declarant, its successors or assigns or the Managing Agent to enforce any protective covenant or easement herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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ARTICLE X

MISCELLANEOUS

A. Notices

Any notice required to be sent to the owner of an undivided interest in and to a Unit, under the provisions of this Statement, shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as owner of said Time Period on the records of the Association at the time of such mailing.

B. Interpretation

It is specifically recognized that this Statement is intended to assure the fair and harmonious operation and care of each Unit for the benefit of each and all of the Time Period owners thereof; therefore, this Statement is to be liberally construed to effectuate its purpose of creating a uniform occupancy plan for the beneficial use and development of Units in The Pine Villas', Bryce Mountain, Shenandoah County, Virginia. This Statement shall not constitute a joint venture or partnership and no part or Time Period owner shall have the right to participate in the individual profits, if any, of any other party or owner arising out of the use and occupancy of the Unit.

C. Invalidity

The invalidity of any part of this Statement shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Statement which shall remain in full force and effect.

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D. Gender and Number

Use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Amendment

(1) The Declarant, its successors or assigns, may, by an instrument in writing in recordable form amend the provisions of this Statement, such amendment to become effective forty-five (45) days after written notice of such amendment to each Time Period owner, provided, however, that no such amendment shall become effective if the Declarant, its successors or assigns, shall receive disapproval of such amendment, by an instrument in writing signed by and acknowledged by Time Period owners holding fifty-one percent (51%) of the Time Period interests in and to Units in said Pine Villas', prior to the termination of the said forty-five-45) day period.

(2) This statement may be amended by written instrument executed by seventy-five percent (75%) of the members of the Pine Villas' Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association Property, and the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent. Subject to the foregoing provisions, any amendment shall be binding upon every Time Period owner and every Time Period.

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(3) The Declarant, its successors or assigns, may, by instrument in writing in recordable form amend the provisions of this Statement at any time prior to the recordation of a deed conveying a Time Period.

F. Law to Govern

This Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

G. Duration

The provisions of this Statement, as set forth herein and as the same may be amended from time to time, shall be enforceable, as set forth herein, for a term of twenty (20) years from the date this Statement is recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia, after which time all of said provisions shall be extended automatically for successive periods of five (5) years each unless an instrument signed and approved by seventy-five percent (75%) of the members of the Pine Villas' Owners Association shall have been recorded, agreeing to terminate all of the said provisions as of a specified and certain date, which shall not be earlier than the expiration of a term of three (3) years from the date of such recording.

H. Provision

The provisions of this Statement shall be binding upon all parties having or acquiring any right, title or interest in the property or any part thereof and shall be for the benefit of each Time Period owner and his heirs, successors or assigns. Each Time Period owner, including the Declarant, its successors and

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assigns, shall be fully discharged and relieved of liability from the provisions herein contained insofar as the same relate to each Time Period owned, upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder, in respect of such Time Period, to the time his ownership interest terminated.

IN WITNESS WHEREOF, the parties hereunto have executed this Statement of Mutual Covenants and Easements this 7th day of December, 1979.

GREAT NORTH MOUNTAIN CORPORATION

By: Bruce Forbes

President

STATE OF VIRGINIA,

COUNTY OF SHENANDOAH, to-wit:

The foregoing instrument was acknowledged before me this 7th day of December, 1979, by Bruce Forbes, President of GREAT NORTH MOUNTAIN CORPORATION, a Virginia corporation, on behalf of the corporation.

My commission expires: March 14, 1983

SHENANDOAH COUNTY, ss

The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, admitted to record and indexed. The taxes imposed by Sec. 58-54, (a) and (b), of the Code have been paid.

this 22 day of May 1980

11:25 A. M. Teste: By J. H. Sigler Clerk

Betty J. Scott
Notary Public

DATE: SEPT. 25, 1978 PERIOD: MAY 3, 1979

SCALE : 1"=50

MAGNETIC NORTH

O-IRON PIN SET

● = I P O N P I N FOUND

LOT
139

N 29° 24' 41" E

N 34° 41' 56" W

LOT 140

24,287 lb

524° 01' 24" W

LOT 141

19.44R

N 62° 13' 13" E

222.23

LOT
142

LOT 141-A

21853 #

550°21'15" W 206.27

15' STATE ROUTE 826 30' R/W

PLAT OF LOTS 140, 141, AND 141-A

LOCATED IN THE ADDITION TO SECTION 9 AND 9 EXTENDED
OF BRYCE'S MOUNTAIN RESORT, INC., BAYNE, ASHBY
MILITARY DISTRICT, SHENANDOAH COUNTY, VIRGINIA.

5/4/78 SIGNED Rob DeClawick
DATE SHENANDOAH CO. PLANNING COMM., AGENT
CURVE DATA Zoned R-2

④
Δ 2°21'38"

Q- 110.68

A - 4.56

CH-455
CHRPC-56

07.04.01 2000 00 00 00

④
A: 29° 27' 00"

R. 21.54

4- 57.60

CH 33.08
CHRPC 54

11. 672 3 42-07-12 2

 $\Delta 54^{\circ}10'44''$

R. 25.00
1. 23.14

CH 22.77

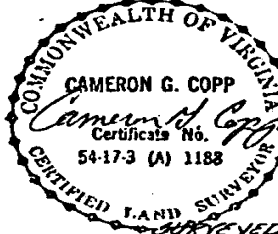
U4.2FG. 53:

$\Delta 26^{\circ}12'30''$

R 41.54
A 19.00

CH. 18.84

CH. 9. N 79° 20' 59" E



CAMERON G. COPP
128 W. COURT ST.
WOODSTOCK, VA.

503 NO 1278

2973
Great N. Mtn. Corp.
Statement of Mutual
Ownership Agreements
Protective Covenants
& Restrictions of the
Pine Villas"
Exd. 11/19/79
Del'd to I. Clinton
Miller, Woodstock, Va.
11/19/79

2973
LIBER 404 PAGE 663

**GREAT NORTH MOUNTAIN CORPORATION
STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS
OF THE PINE VILLAS',
BRYCE MOUNTAIN,
BASYE, SHENANDOAH COUNTY, VIRGINIA**

THIS STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS .

Protective Covenants and Restrictions, made this 1st day of March, 1979 .
by GREAT NORTH MOUNTAIN CORPORATION, a corporation duly organized
and existing under the laws of the State of Virginia, having an address and doing
business at Basye, Shenandoah County, Virginia, Zip Code 22810 (sometimes
hereinafter referred to as "Declarant").

WITNESSETH :

WHEREAS, the Declarant owns the Property, as defined in Article II of
this Statement of Mutual Ownership Agreements, Protective Covenants and
Restrictions, and desires to maintain its natural beauty, to assure high quality
standards for the development of the property that are compatible with the
character of Bryce Mountain, and to promote the recreational interests and
health, safety and social welfare of each owner of a part hereof; and

WHEREAS, the benefits of the Protective Covenants and Time Period
Ownership Agreements set forth herein are intended to run to each original
owner, his heirs, executors, administrators, successors and assigns and are
declared for the purpose of creating and maintaining the Property as a desirable,
attractive, beneficial and suitable place of abode, of guarding against

losses by fire and other hazards, of providing for the period of time during which each of the various owners may use the Property, and of providing Rules and Regulations for the mutual benefit and protection of each of the owners.

NOW, THEREFORE, said Great North Mountain Corporation, hereby declares that Units committed to Time Shared Ownership as herein provided, are and shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, declared and agreed to be in furtherance of a uniform occupancy plan for the development of the Property; and this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions is intended to enhance and protect the value and desirability of the property and to mutually benefit each of the owners thereof, and to create mutual equitable servitudes upon each of the undivided fractional ownership interests in the property in favor of each and all other owners therein, to create reciprocal rights and privative contract in a state between all persons acquiring or owning an interest in the property, including said Great North Mountain Corporation, and their grantees, heirs, devisees, successors, and assigns and shall be deemed to run with the land and be burden and benefit to all such persons, including said Great North Mountain Corporation, their grantees, heirs, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

As used in this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, the following terms shall have the following meanings:

A. Declarant

Great North Mountain Corporation, its successors or assigns.

B. The Property

The real property referred to at Article II of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions.

C. Statement of Mutual Ownership Agreements

This Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, sometimes herein referred to as "Statement", or "Statement of Ownership Agreements".

D. Bryce Mountain

A planned development approved by the Supervisors of Shenandoah County, Virginia, located at Basye, Virginia, in Shenandoah County, Virginia.

E. Great North Mountain Corporation

The Declarant of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions and the owner of the property at the time of the recording of this Statement, a corporation duly organized and existing under the laws of Virginia, having an address and doing business at Basye, Shenandoah County, Virginia.

F. Owner

Owner shall mean and include any person or other entity and the heirs, executors, administrators, successors and assigns

thereof who shall be (1) the Grantee named in a deed of an undivided interest in a Unit; (2) the purchaser of an undivided interest in a Unit under a written contract for sale and purchase of an undivided interest in a Unit; (3) the Declarant with respect to any undivided interests in Units not conveyed.

G. Unit

Unit shall mean any and all of the dwelling units and the land on which they are situated, which may presently or in the future be constructed upon any part of the real property referred to at Article II herof.

H. Time Shared Ownership

Time Share Ownership shall mean a one fifty-second co-tenancy interest in the Unit as more fully defined and restricted in Article III hereof. It contends with the exclusive right to use and occupy a Unit during one or more Time Periods as provided in this Statement.

I. Unit Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any Unit sold under and subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions. The Unit shall become a Unit committed to time shared ownership upon the recording of the first deed in said Unit, conveying an undivided co-tenancy interest in said Unit. No Unit may be committed to time shared ownership by any person, or other entity, other than Declarant. A Unit shall no longer be committed to time shared ownership at any time all time periods are owned by the same legal entity.

J. Time Period

Time Period shall mean a one week period of time shared ownership in a Unit.

K. The Pine Villas' Owners Association

The nonprofit corporation existing or to be created for the Pine Villas' Time Shared houses for the benefit of Time Period Owners in and to Units committed to time shared ownership located on the property described in Article II hereof.

L. Association Property

All lands and improvements (except for Units) subject to this Statement as shown on a map of The Pine Villas', Section 8, Lot 150A, attached hereto and made a part hereof and ~~made~~ recorded herewith/ ^{In Deed Book 395, page 845.} Said lands and improvements to be conveyed by the Declarant to the Pine Villas' Owners Association in compliance with this Statement.

M. Managing Agent

Managing Agent shall mean the agent or firm appointed and employed by the Association as hereinafter provided to provide full and complete maintenance, administrative supervision and managerial services for the Units and the Association property.

N. Maintenance Time Periods

Maintenance Time Periods shall mean two time periods to be set aside by the Declarant for the maintenance and restoration of each Unit, each year, the title to such maintenance time period to be conveyed by Declarant to the Association provided for hereinafter.

O. Rules and Regulations

The Rules and Regulations promulgated by the Association or the Managing Agent on behalf of the Association for the benefit of all time period owners. Said Rules and Regulations shall be promulgated for the elaboration and administration of this Declaration.

P. Guests

Any person or persons using a Unit of the Property with the permission of the Time Period owner thereof, including but not limited to, family members, invitees and tenants.

Q. Furnishings

Furnishings shall mean all furniture, fixtures and furnishings for a Unit or other personal property from time to time owned or held for the use by all owners of time periods in and to a Unit during their respective time period.

ARTICLE II

THE PROPERTY

A. Existing Property

The real property that is hereby subject to this Statement consists of 15,221 square feet, or Section 8, Lot 150A, of land lying in Shenandoah County, Virginia, and more particularly shown upon the plat attached hereto, made a part hereof and to be recorded herewith entitled "The Pine Villas", Section 8, Lot 150A, Bryce Mountain".

B. Additional Property

The Declarant shall have the right within ten (10) years date hereof to bring within the scheme of this Statement, from time to time and at its discretion, with governmental approvals,

if required, additional properties, including property now or hereafter acquired by it and property of others that is either abutting the existing property, as described in Article II-A hereof, or additions thereto or so situated that its addition would be consistent with the uniform scheme of development set forth in this Statement. Any such additions as are authorized hereby shall be made by a supplementary declaration as prescribed in Section "C" of this article.

C. Supplementary Declaration

1. A Supplementary Declaration shall contain the following:

- a. A reference to this declaration;**
- b. Identification of the Declarant of the Supplementary Declaration;**
- c. An expression of intent to submit certain real property to the uniform scheme of this Statement and to the jurisdiction of the Association;**
- d. A Statement that the real property that is the subject of the Supplementary Declaration constitutes Additional Property under Article II-B of this Statement.**

2. The Supplementary Declaration may contain such conditions to or modification of the Protective Covenants and Restrictions as may be necessary to reflect the different character, if any, of the real property that is the subject of the Supplementary Declaration.

3. A Supplementary Declaration shall become effective upon being duly recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia.

**ARTICLE III
PROTECTIVE COVENANTS**

A. Units Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any unit of the property sold under and subject to this Statement. The unit shall become a Unit Committed to Time Shared Ownership upon the execution and recordation of an instrument conveying an undivided co-tenancy interest in said unit. The Declarant, in its sole discretion, shall have the exclusive right to commit a Unit to time shared ownership. A Unit shall no longer be committed to time shared ownership at any time all Time Periods are owned by the same legal entity.

B. Time Period Ownership

Each Time Period in and to a Unit is a one week ownership period in accordance with subparagraph C of this Article. An owner may own more than one Time Period.

C. Schedule of Time Periods

Time Period No. 1 is the seven (7) days commencing on the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month of the year plus any excess days not otherwise assigned. A Time Period commences at 12:00 noon on the first Friday of the Time Period. Each owner of a Time Period hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations promulgated

by the Managing Agent for the benefit of all Time Period owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Unit.

D. Ownership Interest

An owner of a Time Period in and to a Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the Declarant, its successors and assigns, and the owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of time periods owned.

E. Transfer of a Time Period

An owner of a Time Period may transfer his undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time Period must be the identical Time Period which the conveying owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying owner or to combine or divide a Time Period acquired by such owner shall be null and void and of no force or effect.

F. Waiver of Right of Partition

Each owner of a Time Period and each purchaser of a Time Period in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Time Period, by such acceptance, such grantee or purchaser shall for

himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period in Units committed to time shared ownership, to waive and relinquish for the duration of the effective period of this Statement, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Statement. If, however, any Time Period shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Time Period in lieu of partition as between such owners. Each owner of a Time Period may convey, lease, assign, devise or otherwise transfer his entire Time Period as a Time Period is defined in this Article III.

G. Exclusive Use and Occupancy

Each owner of an undivided co-tenancy interest in a Unit committed to time shared ownership shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during his Time Period(s), together with the non-exclusive right in common with all other owners of the Unit when acting through the Managing Agent, to maintain, repair and refurbish the Unit. No Time Period owner shall occupy the Unit, or exercise any other rights of ownership with respect to the Unit and the

furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the owner entitled to occupy the Unit during such Time Period(s). Each owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, vacate the Unit at the time established by the Rules and Regulations hereinafter mentioned, remove all persons and property therefrom excluding the furniture and furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and other procedures as may from time to time be contained in the Rules and Regulations promulgated by the Managing Agent or a majority of the members of the Time Shared Owners Association.

H. Failure to Vacate Penalties

If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of their not being conveyed, or prevents another owner from using or occupying the Unit during such other owner's, including the Declarant's Time Period, the owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of

such owner in wrongful possession; (3) shall pay to the owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred per cent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof, including the day of surrender, during which the owner in wrongful possession occupies the Unit; (4) shall reimburse the owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association's terminating any and all utility and other services to the Unit during the period of his wrongful occupancy.

I. Maintenance Periods

(1) The Declarant in its sole discretion shall set aside two Time Periods for each Unit for the maintenance and restoration of the Unit each year. The maintenance periods for all Units need not be the same periods; rather the Declarant shall, in its sole discretion, select the two maintenance periods for each Unit.

(2) Title to such maintenance periods shall be conveyed to the Association in each Unit within three years after the sale and recordation of a deed conveying a Time Period to a purchaser.

(3) Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to owners of Time Periods under the provision of this Statement, or the By-Laws of the Association.

J. Ownership and Use of Furnishings

(1) Each Unit committed to time shared ownership shall be provided with basic furniture and furnishings. The Declarant, its successors or assigns, shall distribute a list of the specific items of furniture and furnishings provided which list shall be given to each Initial Time Period Owner of a Unit at or before occupying a Unit.

(2) Each owner of an individual interest in and to a Unit shall own an individual interest, equivalent to his undivided interest in the Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Statement. Provided, however, that such owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period without hindering or violating the lawful rights of others to use same.

(3) A transfer of an undivided interest in a Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Unit committed to time shared ownership

under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

(4) At the end of his Time Period, each owner and his guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an owner or his guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Time Period owner thereof in accordance with this Statement and the Rules and Regulations shall be delivered to the Managing Agent who shall keep such property for thirty (30) days. At the end of such thirty (30) day period such property shall be considered to have been abandoned.

(5) No noxious or offensive activity shall be carried on within any Unit, nor shall anything be done or permitted which shall constitute a public nuisance therein, nor shall anything be done or permitted or kept in the unit which would increase the rate of insurance upon the Unit or the furniture or furnishings therein.

(6) No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Statement.

(7) All repairs to a Unit required in order to maintain the Unit in the manner required by this Statement shall be made by

the Managing Agent. No Time Period owner shall make such repairs, No Time Period owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in this paragraph. Each Time Period owner shall indemnify and hold the other owners of the Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

K. Ownership Subject to Statement

Each owner by his execution of the agreement of sale and the acceptance of the conveyance of a Time Period shall be subject to the provisions of this statement and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the unit is held.

ARTICLE IV

THE PINE VILLAS' OWNERS ASSOCIATION

A. Membership

The Declarant and each Time Period owner shall be a member of the Pine Villas' Owners Association, such membership being mandatory upon an individual's acquiring an interest in or to a Unit, and who by acquiring such interest does agree to abide by the by-laws of the Association.

B. Voting

(1) The Declarant and each Time Period owner shall be entitled to one vote per Time Period owned, in the affairs of the Association. Provided, however, that if a Time Period is owned by more than one person, all such persons shall be members of the Association but in no event shall more votes be cast with respect to any one Time Period than would be the case if said Time Period was owned by one individual.

(2) Any owner who owns more than one Time Period shall be entitled to one vote per Time Period owned.

(3) The voting rights provided for herein shall be exercised under and subject to the by-laws of the Association.

C. Purpose

The Association shall be responsible for the enforcement of the provisions of this Statement, the maintenance of the Association Property and any improvements thereon, and shall have the exclusive right, duty and responsibility, which may only be delegated to the Managing Agent, as provided for hereinafter, for the maintenance, repair, replacement and decoration of the exterior and interior of all Units situated on the property including but not limited to exterior walls, doors, windows, verandas, roofs of buildings, interior walls, floors, ceilings and the furniture, fixtures, furnishings and appliances situated in the Units.

D. Easement Reserved to Association

There is hereby reserved to the Association the right to have its agents, employees and the Managing Agent enter into or

upon any Unit to perform and carry out its rights, duties and responsibilities as set forth in subparagraph C of this Article.

E. Title to Association Property

The Declarant shall retain legal title to the Association property until such time as the capital improvements shall have been completed on the property and until the Association in the opinion of the Declarant, shall be able to maintain same, provided, however, that the Declarant hereby covenants for its successors and assigns that in no event shall title to the Association property be retained later than January 1, 1985. At the time of such conveyance by the Declarant, its successors and assigns shall convey good and marketable title, free from all liens, judgments and mortgages, by virtue of a special warranty deed. In addition, the Declarant for itself, its successors and assigns does hereby covenant and agree to remain liable under any then existing and outstanding liens, judgments or mortgages and shall indemnify and save the Association harmless with respect to any and all claims, expenses and charges made pursuant to the provisions of the said then outstanding liens, judgments or mortgages.

F. Waiver and Consent

Notwithstanding any other provision of this Declaration, each owner by becoming a member of the Pine Villas' Owners Association shall consent to and does hereby give the Association the right and authority to suspend his voting rights, if any, and take such other action specifically that is set forth herein if that member violates any provision of this Statement. By so

consenting, each purchaser does hereby waive any right, judicial or otherwise, he may have against the Association because of the Association's actions.

G. Assessments, Charges or Fees by the Association

(1) The Board of Directors of the Association shall determine the assessment charge or fee to be levied upon each Time Period owner in order to carry out the purposes of the Association.

(2) The Treasurer of the Association, upon demand of any owner liable for an assessment, shall furnish the said owner a certificate in writing setting forth whether such assessment has been paid and, if not, the amount due. Said certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid or of the amount then due and owing by any such owner.

ARTICLE V

A. Reserved to Declarant

1. There is hereby reserved to the Declarant the right to lay out, make and maintain utility easements for the construction, connection, operation, maintenance, relocation, repair and inspection of pipes, sewers, mains, collectors, trunk lines, pumping stations, conduits, lines, poles, and appurtenant access ways and facilities for any and all utility systems at such locations upon, under and across the Property, as shall be necessary or appropriate to serve the Units, the Association Property and the general public with minimum interference with the use and enjoyment of the

property of any Owner whose real estate may be affected, and to convey such easements to any public utility empowered to operate and maintain the same.

B. Conveyed to Time Period Owners

Each time period owner shall have the right of ingress, egress and regress over the Association property and to use same in accordance with its intended purposes.

ARTICLE VI

REAL ESTATE MANAGEMENT

A. Managing Agent

The Association shall engage a managing firm (the Managing Agent) to act as Managing Agent for the Units. The Managing Agent shall provide full and complete maintenance, administrative supervision and managerial services for Units until its management of such Units is terminated by the vote of a majority of the members of the Pine Villas' Owners Association. Any such vote shall appoint a successor Managing Agent which shall be a managing firm meeting the qualifications set forth herein.

B. Duties, Obligations and Responsibilities of Managing Agent

1. The Managing Agent employed by the Association shall perform and shall be responsible and liable for the services and duties hereinafter set forth and any other duty, service or function delegated by the Association. It shall be the Association's responsibility to insure that the Managing Agent performs same. The Managing Agent shall collect from the owners of Time Periods all amounts payable by such Time Period owners under this Statement of Mutual Ownership Agreements as follows:

(a) request, demand, collect, receive and receipt for all such amounts.

(b) collect and receive from the owner(s) of each Time Period all amounts payable by such owners under the terms of this Statement and take such action in its own name or in the name of the Association as may be reasonable to collect such amounts including but not limited to the foreclosure of any lien established by this Statement.

(1) The Managing Agent on behalf of the Association may collect interest at the rate of one and one quarter percent (1-1/4%) per month, if then permitted by law, otherwise at the highest rate then so permitted on any amount due from a Time Period owner which is not paid when due under this Statement. In addition, such owner(s) shall reimburse the Managing Agent for all costs and expenses reasonably incurred by the Managing Agent in collection of such delinquent amount.

(c) provide upon request of an owner of the legal or equitable title of a time shared interest in and to a Unit, a mortgagee or prospective mortgagee, purchaser or prospective transferee of an interest in the Unit or the Board of Directors of the Association, a written statement and account setting forth any amounts unpaid by an owner of a Time Shared interest which shall be binding upon the Managing Agent and the Association in favor of any person who may rely thereon in good faith.

(d) take such action in its own name, in the name of the Association or in the name of the owners of Time Shared interests to enforce this Statement.

(e) enter into contracts with others for the furnishing of such services as it deems proper for Units committed to Time Shared ownership.

(f) adopt from time to time Rules and Regulations for the elaboration and administration of the provisions of this Statement, which Rules and Regulations shall relate to the overall development and use of the property and Units, but shall not in any way diminish the powers of self-government of the Association.

(g) provide for the cleaning and necessary maid service, maintenance and repair upon the departure of each time period owner from a Unit so that each Unit is in good order and repair and ready for occupancy by the next Time Period owner. Further provide any and all necessary repairs, maintenance and repainting, remodeling, refurbishing necessary to maintain the Units in good and adequate condition in accordance with the intention and plan of 'Pine Villas' as set forth in this Statement.

(1) any and all major alterations, repairs, renovations and remodeling shall be performed unless the exigencies of the circumstances dictate otherwise during the maintenance week.

(2) all repairs, alterations, remodeling or renovation of the Unit and the personal property appurtenant thereto performed by the Managing Agent on behalf of the owners shall be done in such manner as to maintain and restore the Unit to at least the same condition after such work as it was immediately before the occurrence requiring the work to be done.

(h) provide for the landscaping, upkeep, safety, maintenance and repair of the Association Property and any improvements situated thereon, and accomplish and perform all snow removal and road maintenance for the roads lying and situated on Association property.

(i) keep each Unit equipped in accordance with the list provided to each initial owner of the Unit and shall be authorized to replace or repair any furniture or furnishings which are missing, which become unusable or which become so worn as to require replacement, in the reasonable judgment of the Managing Agent. Except in cases where any such furniture or furnishings must be replaced due to the negligence or intentional act of any owner or his guest (which shall be determined by the Managing Agent in its reasonable judgment), expense of replacing any such

furniture or furnishings shall be a common expense of the Unit and each owner thereof shall pay his assessed share of such expense.

(k) inspect each Unit when same is vacated, according to the terms of this Statement and the Rules and Regulations promulgated hereunder, and determine whether there are any items of furniture or furnishings which need to be replaced or repaired, and if so, whether such replacement or repair is the responsibility of the owner during whose Time Period such replacement became necessary. The Managing Agent shall promptly notify any owner if he is to be charged for any items of furniture or furnishings which need to be replaced.

(l) pay all taxes and assessments, costs and other charges affecting or relating to the Units on the Association property and discharge, contest or protest liens or charges affecting the Association.

(m) provide, maintain and keep in force on behalf of the Time Period owners and the Association the following insurance coverage, said coverage to be obtained and maintained in favor of the Managing Agent, the Time Period owners, the Association and any lien holders, as their respective interests may appear.

(l) General Public Liability and Property Damage Insurance against claims for bodily injury or death or personal property damage occurring in or on a Unit or on the Association Property in an amount equal to the maximum insurable replacement value of the personal property and in such other amounts and

providing such coverage as the Managing Agent or the Association may determine from time to time.

(2) Insurance coverage on all furniture, furnishings and other personal property initially supplied or installed in each Unit and replacements thereof, against loss or damage by fire, with extended coverage including insurance against loss or damage by vandalism or malicious mischief, in the amount of the maximum replacement value thereof and without deduction for depreciation.

(3) Fire and extended coverage insurance, and such other insurance as it may deem necessary, for all Units located on the Property and the Association property, the fire and extended coverage insurance to be for replacement cost and to name Pine Villas' Owners Association the appropriate Time Period owners and any lien holders, as beneficiaries, as their respective interests may appear, and the proceeds of such fire and extended coverage insurance shall be used exclusively for repair and replacement purposes.

(aa) all insurance required to be carried by this Statement of Mutual Ownership Agreement shall be carried in favor of the Managing Agent, the owners of undivided interest in and to Units committed to the time shared ownership, and any lien holders, as their respective interests may appear.

(bb) in the event that personal property appurtenant to a Unit committed to time shared ownership is damaged or destroyed, the Managing Agent shall collect the insurance proceeds payable

on account of such damage or destruction (as agent in fact for the owners) and, unless such personal property is not to be replaced or repaired under the provisions of this Statement, or by direction of the Pine Villas' Owners Association, shall apply the proceeds of insurance to replace or repair the damaged or destroyed personal property. If any excess funds are required in order to replace or repair the personal property, such excess funds shall be considered a special assessment of the owners of the Unit and each owner thereof shall pay his share thereof. If the insurance proceeds exceed the cost of repair or replacement, such excess shall be refunded to the owners of the Unit according to the pro-rata interest herein.

C. Owners Acceptance

Each owner by his acceptance of the deed or other instrument conveying an interest in a Unit does hereby irrevocably constitute and appoint the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to: (1) deal with the interest of such owner upon damage to or destruction of any personal property in his Unit; and (2) to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Statement. Each owner stipulates and agrees that the Power of Attorney executed by this paragraph of the Statement is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each owner in the absence of fraud or mistake.

ARTICLE VII

CHARGES, ASSESSMENTS AND FEES

A. Common Expense Charge

Pursuant to this Statement, each Time Period owner will be required for each Time Period owned to pay a common expense charge as determined periodically by the Board of Directors of the Association to pay for the general operating costs of the Association, the Association property and the Units. Said common expense charge shall include but shall not be limited to the following elements:

1. Property taxes
2. Reserve accounts for replacement, repairs, remodeling of the personal property in the Units, the Units and the Association Property taxes
3. Water and sewerage charges
4. Maintenance, including landscaping and snow removal of the Association Property.
5. Maintenance and normal repair of the Units.
6. Utility charges
7. Domestic services
8. Insurance coverage as herein provided for
9. Purchasing, maintenance and replacement of equipment
10. Administrative costs
11. Managing Agent's fee
12. Assessments by Pine Villas' Owners Association
13. Security

1. The Board of Directors of the Association shall in accordance with the by-laws of the Association review said common expense charge from time to time to determine if same is adequate.

2. A Time Period owner's Unit common expense charge shall be due and payable thirty (30) days prior to occupancy in the year of sale and on January 1 of each year thereafter.

3. In addition to the other remedies provided for herein the Board of Directors of the Association or its delegate, the Managing Agent, shall have the right to deny the occupancy and use of a Unit to any Time Period owner who fails to pay this common expense charge.

B. Individual Expense Charge

Each Time Period owner in addition to the obligation to pay his common expense charge shall be charged and pay on a current basis those expenses directly related to the use and occupancy of a Unit during his time period. Such expenses shall include but not be limited to:

(1) telephone charges directly related to the Time Period owner or his guests.

(2) extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof or the Association Property caused by a Time Period owner's use of the said Unit or property.

C. Special Assessments

The Board of Directors of the Association shall have the right, duty and authority to levy special assessments on Time Period owners in order to carry out the purposes and intent of this Statement.

ARTICLE VIII
ASSESSMENTS AND LIENS

A. Each Time Period owner shall pay when due all amounts required to be paid by him under this Statement. The Managing Agent or the Association may bring legal action or take other reasonable actions to collect any amounts from the Time Period owner liable for payment thereof, with or without foreclosing or waiving the lien described herein.

B. All amounts due under this Statement which are unpaid shall constitute a lien solely and exclusively on the undivided co-tenancy interest in the Unit of the Time Period owner failing to pay such amount. The lien shall attach from the date when the unpaid amount shall become due and may be foreclosed by the Managing Agent of the Pine Villas' Owners Association in like manner as a mortgage on real property. In any such foreclosure, the Time Period owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Time Period owner who is in default shall not be entitled to use, rent, devise or otherwise assign his undivided co-tenancy interest in the Unit. The Managing Agent shall be entitled to rent such undivided co-tenancy interest in the Unit during the defaulting owner's Time Period and to set off any amounts received against the amount due from the defaulting owner.

C. No Time Period owner shall exempt himself from liability for payment of amounts payable under this Statement either by waiver of the use or enjoyment of his Time Period in the Unit, by abandonment of his Time Period in the Unit, or otherwise.

ARTICLE IX

ENFORCEMENT OF PROTECTIVE COVENANTS

A. The Declarant, its successors or assigns, the Association, the Managing Agent and one or more of the owners shall be entitled jointly and severally to maintain equitable or legal proceedings to enjoin, abate or obtain other appropriate relief in respect of any and all breaches of the Protective Covenants herein contained.

B. The Declarant, its successors or assigns, the Association and the Managing Agent shall have a right of access to any part or parts of the property for the purpose of making inspections or for the purpose of correcting any condition likely to result in a breach of any protective covenants or for the purpose of abating, remedying or correcting such breach at the expense of the responsible party or parties, and for the purpose of providing real estate management services, provided that requests for entry are made in advance and that any such entry shall be at a reasonably convenient time.

C. The provisions of this Statement may be enforced by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, and against his property to enforce any lien created by these mutual covenants and easements; failure by Declarant, its successors or assigns or the Managing Agent to enforce any protective covenant or easement herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE X
MISCELLANEOUS

A. Notices

Any notice required to be sent to the owner of an undivided interest in and to a Unit, under the provisions of this Statement, shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as owner of said Time Period on the records of the Association at the time of such mailing.

B. Interpretation

It is specifically recognized that this Statement is intended to assure the fair and harmonious operation and care of each Unit for the benefit of each and all of the Time Period owners thereof; therefore, this Statement is to be liberally construed to effectuate its purpose of creating a uniform occupancy plan for the beneficial use and development of Units in The Pine Villas', Bryce Mountain, Shenandoah County, Virginia. This Statement shall not constitute a joint venture or partnership and no part or Time Period owner shall have the right to participate in the individual profits, if any, of any other party or owner arising out of the use and occupancy of the Unit.

C. Invalidity

The invalidity of any part of this Statement shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Statement which shall remain in full force and effect.

D. Gender and Number

Use of the masculine gener herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Amendment

(1) The Declarant, its successors or assigns, may, by an instrument in writing in recordable form amend the provisions of this Statement, such amendment to become effective forty-five (45) days after written notice of such amendment to each Time Period owner, provided, however, that no such amendment shall become effective if the Declarant, its successors or assigns, shall receive disapproval of such amendment, by an instrument in writing signed by and acknowledged by Time Period owners holding fifty-one percent (51%) of the Time Period interests in and to Units in said Pine Villas', prior to the termination of the said forty-five (45) day period.

(2) This Statement may be amended by written instrument executed by seventy-five percent (75%) of the members of the Pine Villas' Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association Property, and the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent. Subject to the foregoing provisions, any amendment shall be binding upon every Time Period owner and every Time Period.

(3) The Declarant, its successors or assigns, may, by instrument in writing in recordable form amend the provisions of this Statement at any time prior to the recordation of a deed conveying a Time Period.

F. Law to Govern

This Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

G. Duration

The provisions of this Statement, as set forth herein and as the same may be amended from time to time, shall be enforceable, as set forth herein, for a term of twenty (20) years from the date this Statement is recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia, after which time all of said provisions shall be extended automatically for successive periods of five (5) years each unless an instrument signed and approved by seventy-five percent (75%) of the members of the Pine Villas' Owners Association shall have been recorded, agreeing to terminate all of the said provisions as of a specified and certain date, which shall not be earlier than the expiration of a term of three (3) years from the date of such recording.

H. Provision

The provisions of this Statement shall be binding upon all parties having or acquiring any right, title or interest in the property or any part thereof and shall be for the benefit of each Time Period owner and his heirs, successors or assigns. Each Time Period owner, including the Declarant, its successors and

assigns, shall be fully discharged and relieved of liability from the provisions herein contained insofar as the same relate to each Time Period owned, upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder, in respect of such Time Period, to the time his ownership interest terminated.

IN WITNESS WHEREOF, the parties hereunto have executed this Statement of Mutual Covenants and Easements this 28 day of September, 1979.

GREAT NORTH MOUNTAIN CORPORATION

By: Bruce L. Carlson
President

STATE OF VIRGINIA,
COUNTY OF SHENANDOAH, to-wit:

The foregoing instrument was acknowledged before me this 28th day of September, 1979, by Bruce L. Carlson, President of GREAT NORTH MOUNTAIN CORPORATION, a Virginia corporation, on behalf of the corporation.

My commission expires: September 6, 1982

SHENANDOAH COUNTY, ss

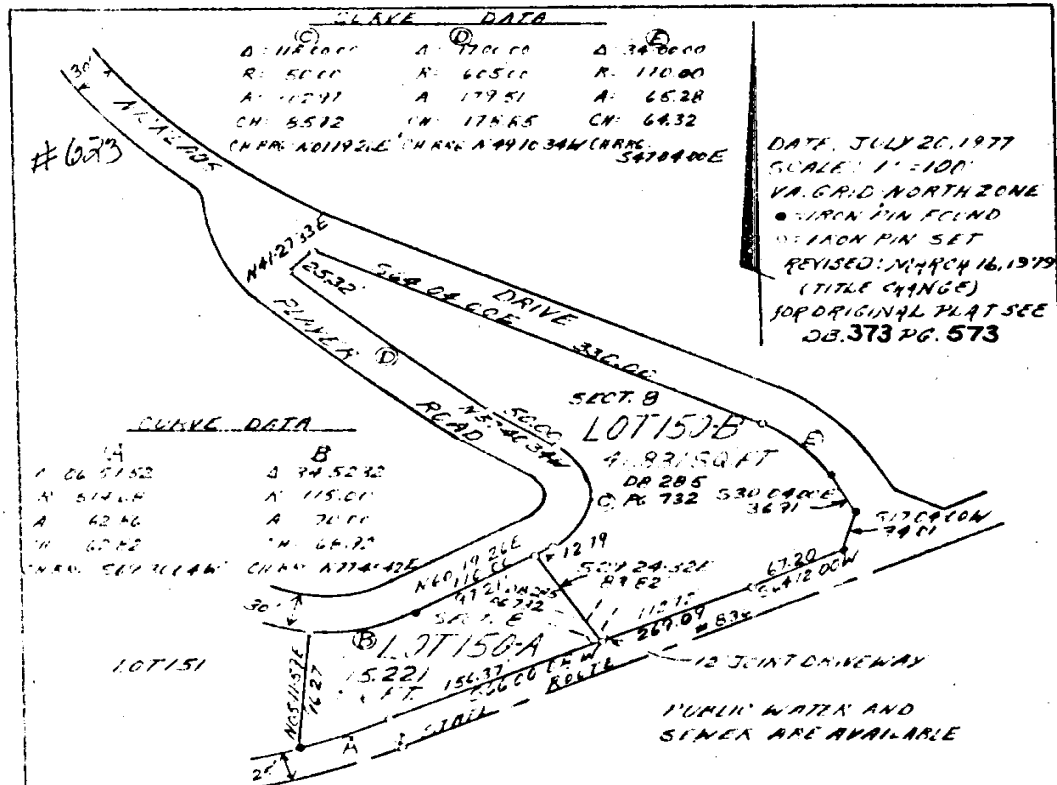
The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, admitted to record and indexed. The taxes imposed by Sec. 58-54, (a) and (b), of the Code have been paid.

This 9th day of November, 19 79

9:31A M. Teale By J. J. Sizler Clerk

Jessie C. Howard
Notary Public

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APPROVALS

(SIGNED) VIRGINIA DEPT. OF HIGHWAYS, RESIDENT ENGINEER

(SIGNED) SHEN. CO. PLANNING COMMISSION, AGENT

PLAT OF LOT 150-A, 15,221 SQ. FT. LOT, AND LOT 150-B, 41,831 SQ. FT. LOT, AND BEING LOT 150, SECTION 8 OF ERYCE'S MOUNTAIN RESORT, INC., AND BEING THE LAND OF THE GREAT NORTH MOUNTAIN CORP., SHAYE, SHAYE MAGISTERIAL DISTRICT, SHENANDOAH COUNTY, VIRGINIA.

SHENANDOAH COUNTY, VA.
 The Surveying Office with its records of Shenandoah County has received the plat of the land shown on the map and has found it to be correct and in accordance with the laws of the State of Virginia.
 No. 1160
 Date: 10/19/79
 JCB



SURVEYED BY
 CAMERON G. COPP
 128 W. COURT ST.
 WOODSTOCK, VA

JCB NO. 1160

360

#1395

Agreement and Restrictive Covenants

Exd 6/5/80

Delivered TO;

I. Clinton Miller

6/5/80

#1395

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**GREAT NORTH MOUNTAIN CORPORATION
STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS
OF THE PINE VILLAS',
BRYCE MOUNTAIN,
BASYE, SHENANDOAH COUNTY, VIRGINIA**

**THIS STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS ,
Protective Covenants and Restrictions, made this 1ST day of MARCH, 1979,
by GREAT NORTH MOUNTAIN CORPORATION, a corporation duly organized
and existing under the laws of the State of Virginia, having an address and doing
business at Basye, Shenandoah County, Virginia, Zip Code 22810 (sometimes
hereinafter referred to as "Declarant").**

WITNESSETH :

**WHEREAS, the Declarant owns the Property, as defined in Article II of
this Statement of Mutual Ownership Agreements, Protective Covenants and
Restrictions, and desires to maintain its natural beauty, to assure high quality
standards for the development of the property that are compatible with the
character of Bryce Mountain, and to promote the recreational interests and
health, safety and social welfare of each owner of a part hereof; and**

**WHEREAS, the benefits of the Protective Covenants and Time Period
Ownership Agreements set forth herein are intended to run to each original
owner, his heirs, executors, administrators, successors and assigns and are
declared for the purpose of creating and maintaining the Property as a desirable,
attractive, beneficial and suitable place of abode, of guarding against**

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losses by fire and other hazards, of providing for the period of time during which each of the various owners may use the Property, and of providing Rules and Regulations for the mutual benefit and protection of each of the owners.

NOW, THEREFORE, said Great North Mountain Corporation, hereby declares that Units committed to Time Shared Ownership as herein provided, are and shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, declared and agreed to be in furtherance of a uniform occupancy plan for the development of the Property; and this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions is intended to enhance and protect the value and desirability of the property and to mutually benefit each of the owners thereof, and to create mutual equitable servitudes upon each of the undivided fractional ownership interests in the property in favor of each and all other owners therein, to create reciprocal rights and privative contract in a state between all persons acquiring or owning an interest in the property, including said Great North Mountain Corporation, and their grantees, heirs, devisees, successors, and assigns and shall be deemed to run with the land and be burden and benefit to all such persons, including said Great North Mountain Corporation, their grantees, heirs, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

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As used in this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, the following terms shall have the following meanings:

A. Declarant

Great North Mountain Corporation, its successors or assigns.

B. The Property

The real property referred to at Article II of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions.

C. Statement of Mutual Ownership Agreements

This Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, sometimes herein referred to as "Statement", or "Statement of Ownership Agreements".

D. Bryce Mountain

A planned development approved by the Supervisors of Shenandoah County, Virginia, located at Basye, Virginia, in Shenandoah County, Virginia.

E. Great North Mountain Corporation

The Declarant of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions and the owner of the property at the time of the recording of this Statement, a corporation duly organized and existing under the laws of Virginia, having an address and doing business at Basye, Shenandoah County, Virginia.

F. Owner

Owner shall mean and include any person or other entity and the heirs, executors, administrators, successors and assigns

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thereof who shall be (1) the Grantee named in a deed of an undivided interest in a Unit; (2) the purchaser of an undivided interest in a Unit under a written contract for sale and purchase of an undivided interest in a Unit; (3) the Declarant with respect to any undivided interests in Units not conveyed.

G. Unit

Unit shall mean any and all of the dwelling units and the land on which they are situated, which may presently or in the future be constructed upon any part of the real property referred to at Article II hereof.

H. Time Shared Ownership

Time Share Ownership shall mean a one fifty-second co-tenancy interest in the Unit as more fully defined and restricted in Article III hereof. It contends with the exclusive right to use and occupy a Unit during one or more Time Periods as provided in this Statement.

I. Unit Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any Unit sold under and subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions. The Unit shall become a Unit committed to time shared ownership upon the recording of the first deed in said Unit, conveying an undivided co-tenancy interest in said Unit. No Unit may be committed to time shared ownership by any person, or other entity, other than Declarant. A Unit shall no longer be committed to time shared ownership at any time all time periods are owned by the same legal entity.

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J. Time Period

Time Period shall mean a one week period of time shared ownership in a Unit.

K. The Pine Villas' Owners Association

The nonprofit corporation existing or to be created for the Pine Villas' Time Shared houses for the benefit of Time Period Owners in and to Units committed to time shared ownership located on the property described in Article II hereof.

L. Association Property

All lands and improvements (except for Units) subject to this Statement as shown on a map of The Pine Villas', Section 8, Lot 1508, attached hereto and made a part hereof and to be recorded herewith. Said lands and improvements to be conveyed by the Declarant to the Pine Villas' Owners Association in compliance with this Statement.

M. Managing Agent

Managing Agent shall mean the agent or firm appointed and employed by the Association as hereinafter provided to provide full and complete maintenance, administrative supervision and managerial services for the Units and the Association property.

N. Maintenance Time Periods

Maintenance Time Periods shall mean two time periods to be set aside by the Declarant for the maintenance and restoration of each Unit, each year, the title to such maintenance time period to be conveyed by Declarant to the Association provided for hereinafter.

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O. Rules and Regulations

The Rules and Regulations promulgated by the Association or the Managing Agent on behalf of the Association for the benefit of all time period owners. Said Rules and Regulations shall be promulgated for the elaboration and administration of this Declaration.

P. Guests

Any person or persons using a Unit of the Property with the permission of the Time Period owner thereof, including but not limited to, family members, invitees and tenants.

Q. Furnishings

Furnishings shall mean all furniture, fixtures and furnishings for a Unit or other personal property from time to time owned or held for the use by all owners of time periods in and to a Unit during their respective time period.

ARTICLE II**THE PROPERTY****A. Existing Property**

The real property that is hereby subject to this Statement consists of 41,831 square feet, or Section 8, Lot 1508, of land lying in Shenandoah County, Virginia, and more particularly shown upon the plat attached hereto, made a part hereof and to be recorded herewith entitled "The Pine Villas", Section 8, Lot 1508, Bryce Mountain".

B. Additional Property

The Declarant shall have the right within ten (10) years date hereof to bring within the scheme of this Statement, from time to time and at its discretion, with governmental approvals,

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if required, additional properties, including property now or hereafter acquired by it and property of others that is either abutting the existing property, as described in Article II-A hereof, or additions thereto or so situated that its addition would be consistent with the uniform scheme of development set forth in this Statement. Any such additions as are authorized hereby shall be made by a supplementary declaration as prescribed in Section "C" of this article.

C. Supplementary Declaration

1. A Supplementary Declaration shall contain the following:
 - a. A reference to this declaration;
 - b. Identification of the Declarant of the Supplementary Declaration;
 - c. An expression of intent to submit certain real property to the uniform scheme of this Statement and to the jurisdiction of the Association;
 - d. A Statement that the real property that is the subject of the Supplementary Declaration constitutes Additional Property under Article II-B of this Statement.
2. The Supplementary Declaration may contain such conditions to or modification of the Protective Covenants and Restrictions as may be necessary to reflect the different character, if any, of the real property that is the subject of the Supplementary Declaration.
3. A Supplementary Declaration shall become effective upon being duly recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia.

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**ARTICLE III
PROTECTIVE COVENANTS**

A. Units Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any unit of the property sold under and subject to this Statement. The unit shall become a Unit Committed to Time Shared Ownership upon the execution and recordation of an instrument conveying an undivided co-tenancy interest in said unit. The Declarant, in its sole discretion, shall have the exclusive right to commit a Unit to time shared ownership. A Unit shall no longer be committed to time shared ownership at any time all Time Periods are owned by the same legal entity.

B. Time Period Ownership

Each Time Period in and to a Unit is a one week ownership period in accordance with subparagraph C of this Article. An owner may own more than one Time Period.

C. Schedule of Time Periods

Time Period No. 1 is the seven (7) days commencing on the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month of the year plus any excess days not otherwise assigned. A Time Period commences at 12:00 noon on the first Friday of the Time Period. Each owner of a Time Period hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations promulgated

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by the Managing Agent for the benefit of all Time Period owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Unit.

D. Ownership Interest

An owner of a Time Period in and to a Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the Declarant, its successors and assigns, and the owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of time periods owned.

E. Transfer of a Time Period

An owner of a Time Period may transfer his undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time Period must be the identical Time Period which the conveying owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying owner or to combine or divide a Time Period acquired by such owner shall be null and void and of no force or effect.

F. Waiver of Right of Partition

Each owner of a Time Period and each purchaser of a Time Period in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Time Period, by such acceptance, such grantees or purchaser shall for

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himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period in Units committed to time shared ownership, to waive and relinquish for the duration of the effective period of this Statement, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Statement. If, however, any Time Period shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Time Period in lieu of partition as between such owners. Each owner of a Time Period may convey, lease, assign, devise or otherwise transfer his entire Time Period as a Time Period is defined in this Article III.

G. Exclusive Use and Occupancy

Each owner of an undivided co-tenancy interest in a Unit committed to time shared ownership shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during his Time Period(s), together with the non-exclusive right in common with all other owners of the Unit when acting through the Managing Agent, to maintain, repair and refurbish the Unit. No Time Period owner shall occupy the Unit, or exercise any other rights of ownership with respect to the Unit and the

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furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the owner entitled to occupy the Unit during such Time Period(s). Each owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, vacate the Unit at the time established by the Rules and Regulations hereinafter mentioned, remove all persons and property therefrom excluding the furniture and furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and other procedures as may from time to time be contained in the Rules and Regulations promulgated by the Managing Agent or a majority of the members of the Time Shared Owners Association.

H. Failure to Vacate Penalties

If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of their not being conveyed, or prevents another owner from using or occupying the Unit during such other owner's, including the Declarant's Time Period, the owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of

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such owner in wrongful possession; (3) shall pay to the owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred per cent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof, including the day of surrender, during which the owner in wrongful possession occupies the Unit; (4) shall reimburse the owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association's terminating any and all utility and other services to the Unit during the period of his wrongful occupancy.

I. Maintenance Periods

(1) The Declarant in its sole discretion shall set aside two Time Periods for each Unit for the maintenance and restoration of the Unit each year. The maintenance periods for all Units need not be the same periods; rather the Declarant shall, in its sole discretion, select the two maintenance periods for each Unit.

(2) Title to such maintenance periods shall be conveyed to the Association in each Unit within three years after the sale and recordation of a deed conveying a Time Period to a purchaser.

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(3) Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to owners of Time Periods under the provision of this Statement, or the By-Laws of the Association.

J. Ownership and Use of Furnishings

(1) Each Unit committed to time shared ownership shall be provided with basic furniture and furnishings. The Declarant, its successors or assigns, shall distribute a list of the specific items of furniture and furnishings provided which list shall be given to each initial Time Period Owner of a Unit at or before occupying a Unit.

(2) Each owner of an individual interest in and to a Unit shall own an individual interest, equivalent to his undivided interest in the Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Statement. Provided, however, that such owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period without hindering or violating the lawful rights of others to use same.

(3) A transfer of an undivided interest in a Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Unit committed to time shared ownership

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under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

(4) At the end of his Time Period, each owner and his guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an owner or his guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Time Period owner thereof in accordance with this Statement and the Rules and Regulations shall be delivered to the Managing Agent who shall keep such property for thirty (30) days. At the end of such thirty (30) day period such property shall be considered to have been abandoned.

(5) No noxious or offensive activity shall be carried on within any Unit, nor shall anything be done or permitted which shall constitute a public nuisance therein, nor shall anything be done or permitted or kept in the unit which would increase the rate of insurance upon the Unit or the furniture or furnishings therein.

(6) No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Statement.

(7) All repairs to a Unit required in order to maintain the Unit in the manner required by this Statement shall be made by

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the Managing Agent. No Time Period owner shall make such repairs. No Time Period owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in this paragraph. Each Time Period owner shall indemnify and hold the other owners of the Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

K. Ownership Subject to Statement

Each owner by his execution of the agreement of sale and the acceptance of the conveyance of a Time Period shall be subject to the provisions of this statement and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the unit is held.

ARTICLE IV

THE PINE VILLAS' OWNERS ASSOCIATION

A. Membership

The Declarant and each Time Period owner shall be a member of the Pine Villas' Owners Association, such membership being mandatory upon an individual's acquiring an interest in or to a Unit, and who by acquiring such interest does agree to abide by the by-laws of the Association.

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B. Voting

(1) The Declarant and each Time Period owner shall be entitled to one vote per Time Period owned, in the affairs of the Association. Provided, however, that if a Time Period is owned by more than one person, all such persons shall be members of the Association but in no event shall more votes be cast with respect to any one Time Period than would be the case if said Time Period was owned by one individual.

(2) Any owner who owns more than one Time Period shall be entitled to one vote per Time Period owned.

(3) The voting rights provided for herein shall be exercised under and subject to the by-laws of the Association.

C. Purpose

The Association shall be responsible for the enforcement of the provisions of this Statement, the maintenance of the Association Property and any improvements thereon, and shall have the exclusive right, duty and responsibility, which may only be delegated to the Managing Agent, as provided for hereinafter, for the maintenance, repair, replacement and decoration of the exterior and interior of all Units situated on the property including but not limited to exterior walls, doors, windows, verandas, roofs of buildings, interior walls, floors, ceilings and the furniture, fixtures, furnishings and appliances situated in the Units.

D. Easement Reserved to Association

There is hereby reserved to the Association the right to have its agents, employees and the Managing Agent enter into or

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upon any Unit to perform and carry out its rights, duties and responsibilities as set forth in subparagraph C of this Article.

E. Title to Association Property

The Declarant shall retain legal title to the Association property until such time as the capital improvements shall have been completed on the property and until the Association in the opinion of the Declarant, shall be able to maintain same, provided, however, that the Declarant hereby covenants for its successors and assigns that in no event shall title to the Association property be retained later than January 1, 1985. At the time of such conveyance by the Declarant, its successors and assigns shall convey good and marketable title, free from all liens, judgments and mortgages, by virtue of a special warranty deed. In addition, the Declarant for itself, its successors and assigns does hereby covenant and agree to remain liable under any then existing and outstanding liens, judgments or mortgages and shall indemnify and save the Association harmless with respect to any and all claims, expenses and charges made pursuant to the provisions of the said then outstanding liens, judgments or mortgages.

F. Waiver and Consent

Notwithstanding any other provision of this Declaration, each owner by becoming a member of the Pine Villas' Owners Association shall consent to and does hereby give the Association the right and authority to suspend his voting rights, if any, and take such other action specifically that is set forth herein if that member violates any provision of this Statement. By so

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consenting, each purchaser does hereby waive any right, judicial or otherwise, he may have against the Association because of the Association's actions.

G. Assessments, Charges or Fees by the Association

(1) The Board of Directors of the Association shall determine the assessment charge or fee to be levied upon each Time Period owner in order to carry out the purposes of the Association.

(2) The Treasurer of the Association, upon demand of any owner liable for an assessment, shall furnish the said owner a certificate in writing setting forth whether such assessment has been paid and, if not, the amount due. Said certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid or of the amount then due and owing by any such owner.

ARTICLE V

A. Reserved to Declarant

1. There is hereby reserved to the Declarant the right to lay out, make and maintain utility easements for the construction, connection, operation, maintenance, relocation, repair and inspection of pipes, sewers, mains, collectors, trunk lines, pumping stations, conduits, lines, poles, and appurtenant access ways and facilities for any and all utility systems at such locations upon, under and across the Property, as shall be necessary or appropriate to serve the Units, the Association Property and the general public with minimum interference with the use and enjoyment of the

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property of any Owner whose real estate may be affected, and to convey such easements to any public utility empowered to operate and maintain the same.

B. Conveyed to Time Period Owners

Each time period owner shall have the right of ingress, egress and regress over the Association property and to use same in accordance with its intended purposes.

ARTICLE VI

REAL ESTATE MANAGEMENT

A. Managing Agent

The Association shall engage a managing firm (the Managing Agent) to act as Managing Agent for the Units. The Managing Agent shall provide full and complete maintenance, administrative supervision and managerial services for Units until its management of such Units is terminated by the vote of a majority of the members of the Pine Villas' Owners Association. Any such vote shall appoint a successor Managing Agent which shall be a managing firm meeting the qualifications set forth herein.

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B. Duties, Obligations and Responsibilities of Managing Agent

1. The Managing Agent employed by the Association shall perform and shall be responsible and liable for the services and duties hereinafter set forth and any other duty, service or function delegated by the Association. It shall be the Association's responsibility to insure that the Managing Agent performs same. The Managing Agent shall collect from the owners of Time Periods all amounts payable by such Time Period owners under this Statement of Mutual Ownership Agreements as follows:

(a) request, demand, collect, receive and receipt for all such amounts.

(b) collect and receive from the owner(s) of each Time Period all amounts payable by such owners under the terms of this Statement and take such action in its own name or in the name of the Association as may be reasonable to collect such amounts including but not limited to the foreclosure of any lien established by this Statement.

(1) The Managing Agent on behalf of the Association may collect interest at the rate of one and one quarter percent (1-1/4%) per month, if then permitted by law, otherwise at the highest rate then so permitted on any amount due from a Time Period owner which is not paid when due under this Statement. In addition, such owner(s) shall reimburse the Managing Agent for all costs and expenses reasonably incurred by the Managing Agent in collection of such delinquent amount.

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(c) provide upon request of an owner of the legal or equitable title of a time shared interest in and to a Unit, a mortgagee or prospective mortgagee, purchaser or prospective transferee of an interest in the Unit or the Board of Directors of the Association, a written statement and account setting forth any amounts unpaid by an owner of a Time Shared interest which shall be binding upon the Managing Agent and the Association in favor of any person who may rely thereon in good faith.

(d) take such action in its own name, in the name of the Association or in the name of the owners of Time Shared interests to enforce this Statement.

(e) enter into contracts with others for the furnishing of such services as it deems proper for Units committed to Time Shared ownership.

(f) adopt from time to time Rules and Regulations for the elaboration and administration of the provisions of this Statement, which Rules and Regulations shall relate to the overall development and use of the property and Units, but shall not in any way diminish the powers of self-government of the Association.

(g) provide for the cleaning and necessary maid service, maintenance and repair upon the departure of each time period owner from a Unit so that each Unit is in good order and repair and ready for occupancy by the next Time Period owner. Further provide any and all necessary repairs, maintenance and repainting, remodeling, refurbishing necessary to maintain the Units in good and adequate condition in accordance with the intention and plan of Pine Villas' as set forth in this Statement.

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(1) any and all major alterations, repairs, renovations and remodeling shall be performed unless the exigencies of the circumstances dictate otherwise during the maintenance week.

(2) all repairs, alterations, remodeling or renovation of the Unit and the personal property appurtenant thereto performed by the Managing Agent on behalf of the owners shall be done in such manner as to maintain and restore the Unit to at least the same condition after such work as it was immediately before the occurrence requiring the work to be done.

(h) provide for the landscaping, upkeep, safety, maintenance and repair of the Association Property and any improvements situated thereon, and accomplish and perform all snow removal and road maintenance for the roads lying and situated on Association property.

(i) keep each Unit equipped in accordance with the list provided to each initial owner of the Unit and shall be authorized to replace or repair any furniture or furnishings which are missing, which become unusable or which become so worn as to require replacement, in the reasonable judgment of the Managing Agent. Except in cases where any such furniture or furnishings must be replaced due to the negligence or intentional act of any owner or his guest (which shall be determined by the Managing Agent in its reasonable judgment), expense of replacing any such

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furniture or furnishings shall be a common expense of the Unit and each owner thereof shall pay his assessed share of such expense.

(j) inspect each Unit when same is vacated, according to the terms of this Statement and the Rules and Regulations promulgated hereunder, and determine whether there are any items of furniture or furnishings which need to be replaced or repaired, and if so, whether such replacement or repair is the responsibility of the owner during whose Time Period such replacement became necessary. The Managing Agent shall promptly notify any owner if he is to be charged for any items of furniture or furnishings which need to be replaced.

(k) pay all taxes and assessments, costs and other charges affecting or relating to the Units on the Association property and discharge, contest or protest liens or charges affecting the Association.

(l) provide, maintain and keep in force on behalf of the Time Period owners and the Association the following insurance coverage, said coverage to be obtained and maintained in favor of the Managing Agent, the Time Period owners, the Association and any lien holders, as their respective interests may appear.

(1) General Public Liability and Property Damage
Insurance against claims for bodily injury or death or personal property damage occurring in or on a Unit or on the Association Property in an amount equal to the maximum insurable replacement value of the personal property and in such other amounts and

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providing such coverage as the Managing Agent or the Association may determine from time to time.

(2) Insurance coverage on all furniture, furnishings and other personal property initially supplied or installed in each Unit and replacements thereof, against loss or damage by fire, with extended coverage including insurance against loss or damage by vandalism or malicious mischief, in the amount of the maximum replacement value thereof and without deduction for depreciation.

(3) Fire and extended coverage insurance, and such other insurance as it may deem necessary, for all Units located on the Property and the Association property, the fire and extended coverage insurance to be for replacement cost and to name Pine Villas' Owners Association the appropriate Time Period owners and any lien holders, as beneficiaries, as their respective interests may appear, and the proceeds of such fire and extended coverage insurance shall be used exclusively for repair and replacement purposes.

(aa) all insurance required to be carried by this Statement of Mutual Ownership Agreement shall be carried in favor of the Managing Agent, the owners of undivided interest in and to Units committed to the time shared ownership, and any lien holders, as their respective interests may appear.

(bb) in the event that personal property appurtenant to a Unit committed to time shared ownership is damaged or destroyed, the Managing Agent shall collect the insurance proceeds payable

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on account of such damage or destruction (as agent in fact for the owners) and, unless such personal property is not to be replaced or repaired under the provisions of this Statement, or by direction of the Pine Villas' Owners Association, shall apply the proceeds of insurance to replace or repair the damaged or destroyed personal property. If any excess funds are required in order to replace or repair the personal property, such excess funds shall be considered a special assessment of the owners of the Unit and each owner thereof shall pay his share thereof. If the insurance proceeds exceed the cost of repair or replacement, such excess shall be refunded to the owners of the Unit according to the pro-rata interest herein.

C. Owners Acceptance

Each owner by his acceptance of the deed or other instrument conveying an interest in a Unit does hereby irrevocably constitute and appoint the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to: (1) deal with the interest of such owner upon damage to or destruction of any personal property in his Unit; and (2) to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Statement. Each owner stipulates and agrees that the Power of Attorney executed by this paragraph of the Statement is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each owner in the absence of fraud or mistake.

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ARTICLE VII**CHARGES, ASSESSMENTS AND FEES****A. Common Expense Charge**

Pursuant to this Statement, each Time Period owner will be required for each Time Period owned to pay a common expense charge as determined periodically by the Board of Directors of the Association to pay for the general operating costs of the Association, the Association property and the Units. Said common expense charge shall include but shall not be limited to the following elements:

1. Property taxes
2. Reserve accounts for replacement, repairs, remodeling of the personal property in the Units, the Units and the Association Property taxes
3. Water and sewerage charges
4. Maintenance, including landscaping and snow removal of the Association Property.
5. Maintenance and normal repair of the Units.
6. Utility charges
7. Domestic services
8. Insurance coverage as herein provided for
9. Purchasing, maintenance and replacement of equipment
10. Administrative costs
11. Managing Agent's fee
12. Assessments by Pine Villas' Owners Association
13. Security

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1. The Board of Directors of the Association shall in accordance with the by-laws of the Association review said common expense charge from time to time to determine if same is adequate.

2. A Time Period owner's Unit common expense charge shall be due and payable thirty (30) days prior to occupancy in the year of sale and on January 1 of each year thereafter.

3. In addition to the other remedies provided for herein the Board of Directors of the Association or its delegate, the Managing Agent, shall have the right to deny the occupancy and use of a Unit to any Time Period owner who fails to pay this common expense charge.

B. Individual Expense Charge

Each Time Period owner in addition to the obligation to pay his common expense charge shall be charged and pay on a current basis those expenses directly related to the use and occupancy of a Unit during his time period. Such expenses shall include but not be limited to:

(1) telephone charges directly related to the Time Period owner or his guests.

(2) extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof or the Association Property caused by a Time Period owner's use of the said Unit or property.

C. Special Assessments

The Board of Directors of the Association shall have the right, duty and authority to levy special assessments on Time Period owners in order to carry out the purposes and intent of this Statement.

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ARTICLE VIII**ASSESSMENTS AND LIENS**

- A. Each Time Period owner shall pay when due all amounts required to be paid by him under this Statement. The Managing Agent or the Association may bring legal action or take other reasonable actions to collect any amounts from the Time Period owner liable for payment thereof, with or without foreclosing or waiving the lien described herein.
- B. All amounts due under this Statement which are unpaid shall constitute a lien solely and exclusively on the undivided co-tenancy interest in the Unit of the Time Period owner failing to pay such amount. The lien shall attach from the date when the unpaid amount shall become due and may be foreclosed by the Managing Agent of the Pine Villas' Owners Association in like manner as a mortgage on real property. In any such foreclosure, the Time Period owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Time Period owner who is in default shall not be entitled to use, rent, devise or otherwise assign his undivided co-tenancy interest in the Unit. The Managing Agent shall be entitled to rent such undivided co-tenancy interest in the Unit during the defaulting owner's Time Period and to set off any amounts received against the amount due from the defaulting owner.
- C. No Time Period owner shall exempt himself from liability for payment of amounts payable under this Statement either by waiver of the use or enjoyment of his Time Period in the Unit, by abandonment of his Time Period in the Unit, or otherwise.

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ARTICLE IX**ENFORCEMENT OF PROTECTIVE COVENANTS**

A. The Declarant, its successors or assigns, the Association, the Managing Agent and one or more of the owners shall be entitled jointly and severally to maintain equitable or legal proceedings to enjoin, abate or obtain other appropriate relief in respect of any and all breaches of the Protective Covenants herein contained.

B. The Declarant, its successors or assigns, the Association and the Managing Agent shall have a right of access to any part or parts of the property for the purpose of making inspections or for the purpose of correcting any condition likely to result in a breach of any protective covenants or for the purpose of abating, remedying or correcting such breach at the expense of the responsible party or parties, and for the purpose of providing real estate management services, provided that requests for entry are made in advance and that any such entry shall be at a reasonably convenient time.

C. The provisions of this Statement may be enforced by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, and against his property to enforce any lien created by these mutual covenants and easements; failure by Declarant, its successors or assigns or the Managing Agent to enforce any protective covenant or easement herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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ARTICLE X
MISCELLANEOUS

A. Notices

Any notice required to be sent to the owner of an undivided interest in and to a Unit, under the provisions of this Statement, shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as owner of said Time Period on the records of the Association at the time of such mailing.

B. Interpretation

It is specifically recognized that this Statement is intended to assure the fair and harmonious operation and care of each Unit for the benefit of each and all of the Time Period owners thereof; therefore, this Statement is to be liberally construed to effectuate its purpose of creating a uniform occupancy plan for the beneficial use and development of Units in The Pine Villas', Bryce Mountain, Shenandoah County, Virginia. This Statement shall not constitute a joint venture or partnership and no part or Time Period owner shall have the right to participate in the individual profits, if any, of any other party or owner arising out of the use and occupancy of the Unit.

C. Invalidity

The invalidity of any part of this Statement shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Statement which shall remain in full force and effect.

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D. Gender and Number

Use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Amendment

(1) The Declarant, its successors or assigns may, by an instrument in writing in recordable form amend the provisions of this Statement, such amendment to become effective forty-five (45) days after written notice of such amendment to each Time Period owner, provided, however, that no such amendment shall become effective if the Declarant, its successors or assigns, shall receive disapproval of such amendment, by an instrument in writing signed by and acknowledged by Time Period owners holding fifty-one percent (51%) of the Time Period interests in and to Units in said Pine Villas', prior to the termination of the said forty-five (45) day period.

(2) This statement may be amended by written instrument executed by seventy-five percent (75%) of the members of the Pine Villas' Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association Property, and the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent. Subject to the foregoing provisions, any amendment shall be binding upon every Time Period owner and every Time Period.

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(3) The Declarant, its successors or assigns, may, by instrument in writing in recordable form amend the provisions of this Statement at any time prior to the recordation of a deed conveying a Time Period.

F. Law to Govern

This Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

G. Duration

The provisions of this Statement, as set forth herein and as the same may be amended from time to time, shall be enforceable, as set forth herein, for a term of twenty (20) years from the date this Statement is recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia, after which time all of said provisions shall be extended automatically for successive periods of five (5) years each unless an instrument signed and approved by seventy-five percent (75%) of the members of the Pine Villas' Owners Association shall have been recorded, agreeing to terminate all of the said provisions as of a specified and certain date, which shall not be earlier than the expiration of a term of three (3) years from the date of such recording.

H. Provision

The provisions of this Statement shall be binding upon all parties having or acquiring any right, title or interest in the property or any part thereof and shall be for the benefit of each Time Period owner and his heirs, successors or assigns. Each Time Period owner, including the Declarant, its successors and

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assigns, shall be fully discharged and relieved of liability from the provisions herein contained insofar as the same relate to each Time Period owned, upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder, in respect of such Time Period, to the time his ownership interest terminated.

IN WITNESS WHEREOF, the parties hereunto have executed this Statement of Mutual Covenants and Easements this 17th day of December, 1979

GREAT NORTH MOUNTAIN CORPORATION

By: Bruce Forbes
President

STATE OF VIRGINIA,

COUNTY OF SHENANDOAH, to-wit:

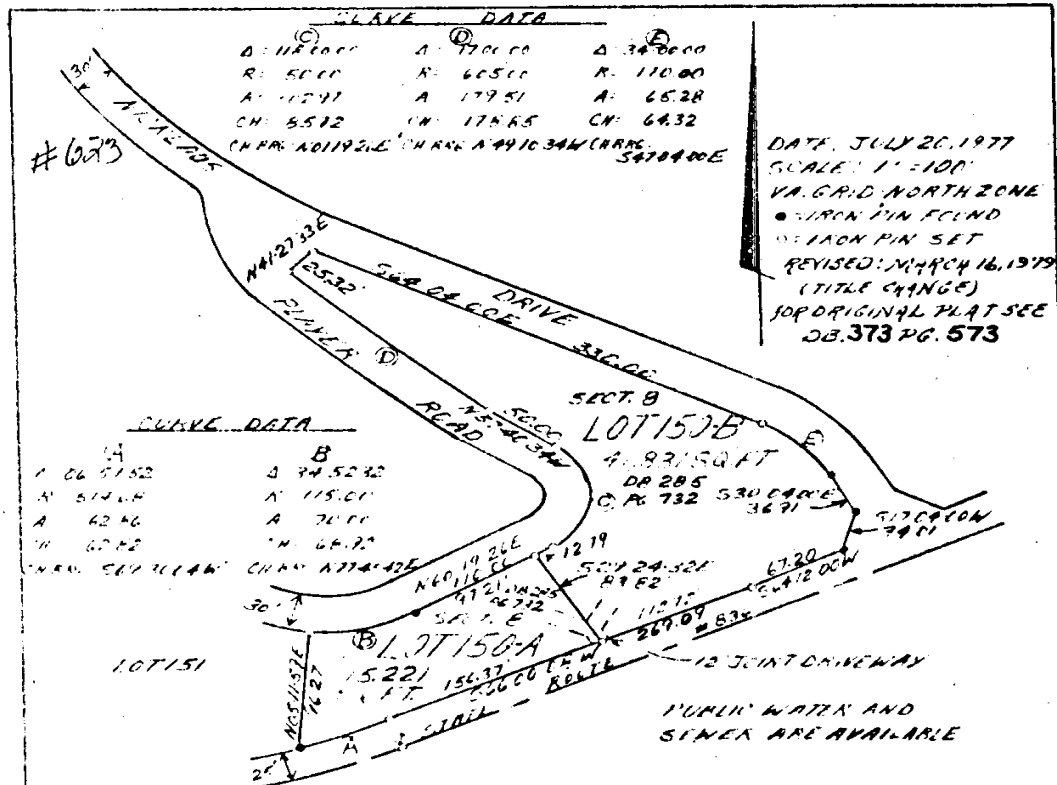
The foregoing instrument was acknowledged before me this 7th day of December, 1979, by Bruce Forbes, President of GREAT NORTH MOUNTAIN CORPORATION, a Virginia corporation, on behalf of the corporation.

My commission expires: March 14, 1983

SHENANDOAH COUNTY, ss:
The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, submitted to record and indexed. The taxes imposed by Sect. 58.54, (a) and (b), of the Code have been paid.

This 22 day of May 1980
11:25 A.M. Teste: My J. Sigler Clerk

Betty J. Scott
Notary Public



APPROVALS

(SIGNED) VIRGINIA DEPT. OF HIGHWAYS, RESIDENT ENGINEER

(SIGNED) SHEN. CO. PLANNING COM. ADJ. INT.

PLAT OF LOT 150-A, 15,221 SQ. FT. LOT, AND LOT 150-B, 41,831 SQ. FT. LOT, AND BEING LOT 150, SECTION 8 OF ERYCE'S MOUNTAIN RESORT, INC., AND BEING THE LAND OF THE GREAT NORTH MOUNTAIN CORP., SHAYE, SHAYE MASTERIAL DISTRICT, SHENANDOAH COUNTY, VIRGINIA.

SHENANDOAH COUNTY, VA.
 The Surveying Office with the Office of Shenandoah County is located at the
 2524 1st St. S.W. in the City of the State House, VA. 22601
 No. 1166
 Date: 10/19/79
 1166



SURVEYED BY
 CAMERON G. CORP.
 128 W. COURT ST.
 WOODSTOCK, VA

JCB NO. 1160

#3329
Agreement, etc.
Dated 12/19/79
Delivered To:
I. Clinton Miller
12/19/79

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#3329

**GREAT NORTH MOUNTAIN CORPORATION
STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS
OF THE PINE VILLAS,
BRYCE MOUNTAIN,
BASYE, SHENANDOAH COUNTY, VIRGINIA**

**THIS STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS ,
Protective Covenants and Restrictions, made this 1st day of MARCH, 1979 ,
by GREAT NORTH MOUNTAIN CORPORATION, a corporation duly organized
and existing under the laws of the State of Virginia, having an address and doing
business at Basye, Shenandoah County, Virginia, Zip Code 22810 (sometimes
hereinafter referred to as "Declarant").**

WITNESSETH :

**WHEREAS, the Declarant owns the Property, as defined in Article II of
this Statement of Mutual Ownership Agreements, Protective Covenants and
Restrictions, and desires to maintain its natural beauty, to assure high quality
standards for the development of the property that are compatible with the
character of Bryce Mountain, and to promote the recreational interests and
health, safety and social welfare of each owner of a part hereof; and**

**WHEREAS, the benefits of the Protective Covenants and Time Period
Ownership Agreements set forth herein are intended to run to each original
owner, his heirs, executors, administrators, successors and assigns and are
declared for the purpose of creating and maintaining the Property as a desirable,
attractive, beneficial and suitable place of abode, of guarding against**

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losses by fire and other hazards, of providing for the period of time during which each of the various owners may use the Property, and of providing Rules and Regulations for the mutual benefit and protection of each of the owners.

NOW, THEREFORE, said Great North Mountain Corporation, hereby declares that Units committed to Time Shared Ownership as herein provided, are and shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, declared and agreed to be in furtherance of a uniform occupancy plan for the development of the Property; and this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions is intended to enhance and protect the value and desirability of the property and to mutually benefit each of the owners thereof, and to create mutual equitable servitudes upon each of the undivided fractional ownership interests in the property in favor of each and all other owners therein, to create reciprocal rights and privity of contract in a state between all persons acquiring or owning an interest in the property, including said Great North Mountain Corporation, and their grantees, heirs, devisees, successors, and assigns and shall be deemed to run with the land and be burden and benefit to all such persons, including said Great North Mountain Corporation, their grantees, heirs, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

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As used in this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, the following terms shall have the following meanings:

A. Declarant

Great North Mountain Corporation, its successors or assigns.

B. The Property

The real property referred to at Article II of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions.

C. Statement of Mutual Ownership Agreements

This Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, sometimes herein referred to as "Statement", or "Statement of Ownership Agreements".

D. Bryce Mountain

A planned development approved by the Supervisors of Shenandoah County, Virginia, located at Basye, Virginia, in Shenandoah County, Virginia.

E. Great North Mountain Corporation

The Declarant of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions and the owner of the property at the time of the recording of this Statement, a corporation duly organized and existing under the laws of Virginia, having an address and doing business at Basye, Shenandoah County, Virginia.

F. Owner

Owner shall mean and include any person or other entity and the heirs, executors, administrators, successors and assigns

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thereof who shall be (1) the Grantee named in a deed of an undivided interest in a Unit; (2) the purchaser of an undivided interest in a Unit under a written contract for sale and purchase of an undivided interest in a Unit; (3) the Declarant with respect to any undivided interests in Units not conveyed.

G. Unit

Unit shall mean any and all of the dwelling units and the land on which they are situated, which may presently or in the future be constructed upon any part of the real property referred to at Article II hereof.

H. Time Shared Ownership

Time Share Ownership shall mean a one fifty-second co-tenancy interest in the Unit as more fully defined and restricted in Article III hereof. It contends with the exclusive right to use and occupy a Unit during one or more Time Periods as provided in this Statement.

I. Unit Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any Unit sold under and subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions. The Unit shall become a Unit committed to time shared ownership upon the recording of the first deed in said Unit, conveying an undivided co-tenancy interest in said Unit. No Unit may be committed to time shared ownership by any person, or other entity, other than Declarant. A Unit shall no longer be committed to time shared ownership at any time all time periods are owned by the same legal entity.

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J. Time Period

Time Period shall mean a one week period of time shared ownership in a Unit.

K. The Pine Villas' Owners Association

The nonprofit corporation existing or to be created for the Pine Villas' Time Shared houses for the benefit of Time Period Owners in and to Units committed to time shared ownership located on the property described in Article II hereof.

L. Association Property

All lands and improvements (except for Units) subject to this Statement as shown on a map of The Pine Villas', Section 8, Lot 162, attached hereto and made a part hereof and to be recorded herewith. Said lands and improvements to be conveyed by the Declarant to the Pine Villas' Owners Association in compliance with this Statement.

M. Managing Agent

Managing Agent shall mean the agent or firm appointed and employed by the Association as hereinafter provided to provide full and complete maintenance, administrative supervision and managerial services for the Units and the Association property.

N. Maintenance Time Periods

Maintenance Time Periods shall mean two time periods to be set aside by the Declarant for the maintenance and restoration of each Unit, each year, the title to such maintenance time period to be conveyed by Declarant to the Association provided for hereinafter.

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O. Rules and Regulations

The Rules and Regulations promulgated by the Association or the Managing Agent on behalf of the Association for the benefit of all time period owners. Said Rules and Regulations shall be promulgated for the elaboration and administration of this Declaration.

P. Guests

Any person or persons using a Unit of the Property with the permission of the Time Period owner thereof, including but not limited to, family members, invitees and tenants.

Q. Furnishings

Furnishings shall mean all furniture, fixtures and furnishings for a Unit or other personal property from time to time owned or held for the use by all owners of time periods in and to a Unit during their respective time period.

ARTICLE II**THE PROPERTY****A. Existing Property**

The real property that is hereby subject to this Statement consists of 20,743 square feet, or Section 8, Lot 162, of land lying in Shenandoah County, Virginia, and more particularly shown upon the plat attached hereto, made a part hereof and to be recorded herewith entitled "The Pine Villas", Section 8, Lot 162, Bryce Mountain".

B. Additional Property

The Declarant shall have the right within ten (10) years date hereof to bring within the scheme of this Statement, from time to time and at its discretion, with governmental approvals,

if required, additional properties, including property now or hereafter acquired by it and property of others that is either abutting the existing property, as described in Article II-A hereof, or additions thereto or so situated that its addition would be consistent with the uniform scheme of development set forth in this Statement. Any such additions as are authorized hereby shall be made by a supplementary declaration as prescribed in Section "C" of this article.

C. Supplementary Declaration

1. A Supplementary Declaration shall contain the following:
 - a. A reference to this declaration;
 - b. Identification of the Declarant of the Supplementary Declaration;
 - c. An expression of intent to submit certain real property to the uniform scheme of this Statement and to the jurisdiction of the Association;
 - d. A Statement that the real property that is the subject of the Supplementary Declaration constitutes Additional Property under Article II-B of this Statement.
2. The Supplementary Declaration may contain such conditions to or modification of the Protective Covenants and Restrictions as may be necessary to reflect the different character, if any, of the real property that is the subject of the Supplementary Declaration.
3. A Supplementary Declaration shall become effective upon being duly recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia.

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**ARTICLE III
PROTECTIVE COVENANTS**

A. Units Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any unit of the property sold under and subject to this Statement. The unit shall become a Unit Committed to Time Shared Ownership upon the execution and recordation of an instrument conveying an undivided co-tenancy interest in said unit. The Declarant, in its sole discretion, shall have the exclusive right to commit a Unit to time shared ownership. A Unit shall no longer be committed to time shared ownership at any time all Time Periods are owned by the same legal entity.

B. Time Period Ownership

Each Time Period in and to a Unit is a one week ownership period in accordance with subparagraph C of this Article. An owner may own more than one Time Period.

C. Schedule of Time Periods

Time Period No. 1 is the seven (7) days commencing on the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month of the year plus any excess days not otherwise assigned. A Time Period commences at 12:00 noon on the first Friday of the Time Period. Each owner of a Time Period hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations promulgated

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by the Managing Agent for the benefit of all Time Period owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Unit.

D. Ownership Interest

An owner of a Time Period in and to a Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the Declarant, its successors and assigns, and the owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of time periods owned.

E. Transfer of a Time Period

An owner of a Time Period may transfer his undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time Period must be the identical Time Period which the conveying owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying owner or to combine or divide a Time Period acquired by such owner shall be null and void and of no force or effect.

F. Waiver of Right of Partition

Each owner of a Time Period and each purchaser of a Time Period in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Time Period, by such acceptance, such grantee or purchaser shall for

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himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period in Units committed to time shared ownership, to waive and relinquish for the duration of the effective period of this Statement, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Statement. If, however, any Time Period shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Time Period in lieu of partition as between such owners. Each owner of a Time Period may convey, lease, assign, devise or otherwise transfer his entire Time Period as a Time Period as defined in this Article III.

G. Exclusive Use and Occupancy

Each owner of an undivided co-tenancy interest in a Unit committed to time shared ownership shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during his Time Period(s), together with the non-exclusive right in common with all other owners of the Unit when acting through the Managing Agent, to maintain, repair and refurbish the Unit. No Time Period owner shall occupy the Unit, or exercise any other rights of ownership with respect to the Unit and the

furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the owner entitled to occupy the Unit during such Time Period(s). Each owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, vacate the Unit at the time established by the Rules and Regulations hereinafter mentioned, remove all persons and property therefrom excluding the furniture and furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and other procedures as may from time to time be contained in the Rules and Regulations promulgated by the Managing Agent or a majority of the members of the Time Shared Owners Association.

H. Failure to Vacate Penalties

If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of their not being conveyed, or prevents another owner from using or occupying the Unit during such other owner's, including the Declarant's Time Period, the owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of

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such owner in wrongful possession; (3) shall pay to the owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred per cent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof, including the day of surrender, during which the owner in wrongful possession occupies the Unit; (4) shall reimburse the owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association's terminating any and all utility and other services to the Unit during the period of his wrongful occupancy.

1. Maintenance Periods

(1) The Declarant in its sole discretion shall set aside two Time Periods for each Unit for the maintenance and restoration of the Unit each year. The maintenance periods for all Units need not be the same periods; rather the Declarant shall, in its sole discretion, select the two maintenance periods for each Unit.

(2) Title to such maintenance periods shall be conveyed to the Association in each Unit within three years after the sale and recordation of a deed conveying a Time Period to a purchaser.

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(3) Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to owners of Time Periods under the provision of this Statement, or the By-Laws of the Association.

J. Ownership and Use of Furnishings

(1) Each Unit committed to time shared ownership shall be provided with basic furniture and furnishings. The Declarant, its successors or assigns, shall distribute a list of the specific items of furniture and furnishings provided which list shall be given to each initial Time Period Owner of a Unit at or before occupying a Unit.

(2) Each owner of an individual interest in and to a Unit shall own an individual interest, equivalent to his undivided interest in the Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Statement. Provided, however, that such owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period without hindering or violating the lawful rights of others to use same.

(3) A transfer of an undivided interest in a Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Unit committed to time shared ownership

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under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

(4) At the end of his Time Period, each owner and his guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an owner or his guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Time Period owner thereof in accordance with this Statement and the Rules and Regulations shall be delivered to the Managing Agent who shall keep such property for thirty (30) days. At the end of such thirty (30) day period such property shall be considered to have been abandoned.

(5) No noxious or offensive activity shall be carried on within any Unit, nor shall anything be done or permitted which shall constitute a public nuisance therein, nor shall anything be done or permitted or kept in the unit which would increase the rate of insurance upon the Unit or the furniture or furnishings therein.

(6) No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Statement.

(7) All repairs to a Unit required in order to maintain the Unit in the manner required by this Statement shall be made by

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the Managing Agent. No Time Period owner shall make such repairs, No Time Period owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in this paragraph. Each Time Period owner shall indemnify and hold the other owners of the Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

K. Ownership Subject to Statement

Each owner by his execution of the agreement of sale and the acceptance of the conveyance of a Time Period shall be subject to the provisions of this statement and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the unit is held.

ARTICLE IV

THE PINE VILLAS' OWNERS ASSOCIATION

A. Membership

The Declarant and each Time Period owner shall be a member of the Pine Villas' Owners Association, such membership being mandatory upon an individual's acquiring an interest in or to a Unit, and who by acquiring such interest does agree to abide by the by-laws of the Association.

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B. Voting

(1) The Declarant and each Time Period owner shall be entitled to one vote per Time Period owned, in the affairs of the Association. Provided, however, that if a Time Period is owned by more than one person, all such persons shall be members of the Association but in no event shall more votes be cast with respect to any one Time Period than would be the case if said Time Period was owned by one individual.

(2) Any owner who owns more than one Time Period shall be entitled to one vote per Time Period owned.

(3) The voting rights provided for herein shall be exercised under and subject to the by-laws of the Association.

C. Purpose

The Association shall be responsible for the enforcement of the provisions of this Statement, the maintenance of the Association Property and any improvements thereon, and shall have the exclusive right, duty and responsibility, which may only be delegated to the Managing Agent, as provided for hereinafter, for the maintenance, repair, replacement and decoration of the exterior and interior of all Units situated on the property including but not limited to exterior walls, doors, windows, verandas, roofs of buildings, interior walls, floors, ceilings and the furniture, fixtures, furnishings and appliances situated in the Units.

D. Easement Reserved to Association

There is hereby reserved to the Association the right to have its agents, employees and the Managing Agent enter into or

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upon any Unit to perform and carry out its rights, duties and responsibilities as set forth in subparagraph C of this Article.

E. Title to Association Property

The Declarant shall retain legal title to the Association property until such time as the capital improvements shall have been completed on the property and until the Association in the opinion of the Declarant, shall be able to maintain same, provided, however, that the Declarant hereby covenants for its successors and assigns that in no event shall title to the Association property be retained later than January 1, 1985. At the time of such conveyance by the Declarant, its successors and assigns shall convey good and marketable title, free from all liens, judgments and mortgages, by virtue of a special warranty deed. In addition, the Declarant for itself, its successors and assigns does hereby covenant and agree to remain liable under any then existing and outstanding liens, judgments or mortgages and shall indemnify and save the Association harmless with respect to any and all claims, expenses and charges made pursuant to the provisions of the said then outstanding liens, judgments or mortgages.

F. Waiver and Consent

Notwithstanding any other provision of this Declaration, each owner by becoming a member of the Pine Villas' Owners Association shall consent to and does hereby give the Association the right and authority to suspend his voting rights, if any, and take such other action specifically that is set forth herein if that member violates any provision of this Statement. By so

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consenting, each purchaser does hereby waive any right, judicial or otherwise, he may have against the Association because of the Association's actions.

G. Assessments, Charges or Fees by the Association

(1) The Board of Directors of the Association shall determine the assessment charge or fee to be levied upon each Time Period owner in order to carry out the purposes of the Association.

(2) The Treasurer of the Association, upon demand of any owner liable for an assessment, shall furnish the said owner a certificate in writing setting forth whether such assessment has been paid and, if not, the amount due. Said certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid or of the amount then due and owing by any such owner.

ARTICLE V

A. Reserved to Declarant

1. There is hereby reserved to the Declarant the right to lay out, make and maintain utility easements for the construction, connection, operation, maintenance, relocation, repair and inspection of pipes, sewers, mains, collectors, trunk lines, pumping stations, conduits, lines, poles, and appurtenant access ways and facilities for any and all utility systems at such locations upon, under and across the Property, as shall be necessary or appropriate to serve the Units, the Association Property and the general public with minimum interference with the use and enjoyment of the

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property of any Owner whose real estate may be affected, and to convey such easements to any public utility empowered to operate and maintain the same.

B. Conveyed to Time Period Owners

Each time period owner shall have the right of ingress, egress and regress over the Association property and to use same in accordance with its intended purposes.

ARTICLE VI

REAL ESTATE MANAGEMENT

A. Managing Agent

The Association shall engage a managing firm (the Managing Agent) to act as Managing Agent for the Units. The Managing Agent shall provide full and complete maintenance, administrative supervision and managerial services for Units until its management of such Units is terminated by the vote of a majority of the members of the Pine Villas' Owners Association. Any such vote shall appoint a successor Managing Agent which shall be a managing firm meeting the qualifications set forth herein.

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B. Duties, Obligations and Responsibilities of Managing Agent

1. The Managing Agent employed by the Association shall perform and shall be responsible and liable for the services and duties hereinafter set forth and any other duty, service or function delegated by the Association. It shall be the Association's responsibility to insure that the Managing Agent performs same. The Managing Agent shall collect from the owners of Time Periods all amounts payable by such Time Period owners under this Statement of Mutual Ownership Agreements as follows:

(a) request, demand, collect, receive and receipt for all such amounts.

(b) collect and receive from the owner(s) of each Time Period all amounts payable by such owners under the terms of this Statement and take such action in its own name or in the name of the Association as may be reasonable to collect such amounts including but not limited to the foreclosure of any lien established by this Statement.

(1) The Managing Agent on behalf of the Association may collect interest at the rate of one and one quarter percent (1-1/4%) per month, if then permitted by law, otherwise at the highest rate then so permitted on any amount due from a Time Period owner which is not paid when due under this Statement. In addition, such owner(s) shall reimburse the Managing Agent for all costs and expenses reasonably incurred by the Managing Agent in collection of such delinquent amount.

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(c) provide upon request of an owner of the legal or equitable title of a time shared interest in and to a Unit, a mortgagee or prospective mortgagee, purchaser or prospective transferee of an interest in the Unit or the Board of Directors of the Association, a written statement and account setting forth any amounts unpaid by an owner of a Time Shared interest which shall be binding upon the Managing Agent and the Association in favor of any person who may rely thereon in good faith.

(d) take such action in its own name, in the name of the Association or in the name of the owners of Time Shared interests to enforce this Statement.

(e) enter into contracts with others for the furnishing of such services as it deems proper for Units committed to Time Shared ownership.

(f) adopt from time to time Rules and Regulations for the elaboration and administration of the provisions of this Statement, which Rules and Regulations shall relate to the overall development and use of the property and Units, but shall not in any way diminish the powers of self-government of the Association.

(g) provide for the cleaning and necessary maid service, maintenance and repair upon the departure of each time period owner from a Unit so that each Unit is in good order and repair and ready for occupancy by the next Time Period owner. Further provide any and all necessary repairs, maintenance and repainting, remodeling, refurbishing necessary to maintain the Units in good and adequate condition in accordance with the intention and plan of Pine Villas' as set forth in this Statement.

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(1) any and all major alterations, repairs, renovations and remodeling shall be performed unless the exigencies of the circumstances dictate otherwise during the maintenance week.

(2) all repairs, alterations, remodeling or renovation of the Unit and the personal property appurtenant thereto performed by the Managing Agent on behalf of the owners shall be done in such manner as to maintain and restore the Unit to at least the same condition after such work as it was immediately before the occurrence requiring the work to be done.

(h) provide for the landscaping, upkeep, safety, maintenance and repair of the Association Property and any improvements situated thereon, and accomplish and perform all snow removal and road maintenance for the roads lying and situated on Association property.

(i) keep each Unit equipped in accordance with the list provided to each initial owner of the Unit and shall be authorized to replace or repair any furniture or furnishings which are missing, which become unusable or which become so worn as to require replacement, in the reasonable judgment of the Managing Agent. Except in cases where any such furniture or furnishings must be replaced due to the negligence or intentional act of any owner or his guest (which shall be determined by the Managing Agent in its reasonable judgment), expense of replacing any such

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furniture or furnishings shall be a common expense of the Unit and each owner thereof shall pay his assessed share of such expense.

(j) inspect each Unit when same is vacated, according to the terms of this Statement and the Rules and Regulations promulgated hereunder, and determine whether there are any items of furniture or furnishings which need to be replaced or repaired, and if so, whether such replacement or repair is the responsibility of the owner during whose Time Period such replacement became necessary. The Managing Agent shall promptly notify any owner if he is to be charged for any items of furniture or furnishings which need to be replaced.

(k) pay all taxes and assessments, costs and other charges affecting or relating to the Units on the Association property and discharge, contest or protest liens or charges affecting the Association.

(l) provide, maintain and keep in force on behalf of the Time Period owners and the Association the following insurance coverage, said coverage to be obtained and maintained in favor of the Managing Agent, the Time Period owners, the Association and any lien holders, as their respective interests may appear.

(1) General Public Liability and Property Damage Insurance against claims for bodily injury or death or personal property damage occurring in or on a Unit or on the Association Property in an amount equal to the maximum insurable replacement value of the personal property and in such other amounts and

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providing such coverage as the Managing Agent or the Association may determine from time to time.

(2) Insurance coverage on all furniture, furnishings and other personal property initially supplied or installed in each Unit and replacements thereof, against loss or damage by fire, with extended coverage including insurance against loss or damage by vandalism or malicious mischief, in the amount of the maximum replacement value thereof and without deduction for depreciation.

(3) Fire and extended coverage insurance, and such other insurance as it may deem necessary, for all Units located on the Property and the Association property, the fire and extended coverage insurance to be for replacement cost and to name Pine Villas' Owners Association the appropriate Time Period owners and any lien holders, as beneficiaries, as their respective interests may appear, and the proceeds of such fire and extended coverage insurance shall be used exclusively for repair and replacement purposes.

(aa) all insurance required to be carried by this Statement of Mutual Ownership Agreement shall be carried in favor of the Managing Agent, the owners of undivided interest in and to Units committed to the time shared ownership, and any lien holders, as their respective interests may appear.

(bb) In the event that personal property appurtenant to a Unit committed to time shared ownership is damaged or destroyed, the Managing Agent shall collect the insurance proceeds payable

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on account of such damage or destruction (as agent in fact for the owners) and, unless such personal property is not to be replaced or repaired under the provisions of this Statement, or by direction of the Pine Villas' Owners Association, shall apply the proceeds of insurance to replace or repair the damaged or destroyed personal property. If any excess funds are required in order to replace or repair the personal property, such excess funds shall be considered a special assessment of the owners of the Unit and each owner thereof shall pay his share thereof. If the insurance proceeds exceed the cost of repair or replacement, such excess shall be refunded to the owners of the Unit according to the pro-rata interest herein.

C. Owners Acceptance

Each owner by his acceptance of the deed or other instrument conveying an interest in a Unit does hereby irrevocably constitute and appoint the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to: (1) deal with the interest of such owner upon damage to or destruction of any personal property in his Unit; and (2) to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Statement. Each owner stipulates and agrees that the Power of Attorney executed by this paragraph of the Statement is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each owner in the absence of fraud or mistake.

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ARTICLE VII**CHARGES, ASSESSMENTS AND FEES****A. Common Expense Charge**

Pursuant to this Statement, each Time Period owner will be required for each Time Period owned to pay a common expense charge as determined periodically by the Board of Directors of the Association to pay for the general operating costs of the Association, the Association property and the Units. Said common expense charge shall include but shall not be limited to the following elements:

1. Property taxes
2. Reserve accounts for replacement, repairs, remodeling of the personal property in the Units, the Units and the Association Property taxes
3. Water and sewerage charges
4. Maintenance, including landscaping and snow removal of the Association Property.
5. Maintenance and normal repair of the Units.
6. Utility charges
7. Domestic services
8. Insurance coverage as herein provided for
9. Purchasing, maintenance and replacement of equipment
10. Administrative costs
11. Managing Agent's fee
12. Assessments by Pine Villas' Owners Association
13. Security

1. The Board of Directors of the Association shall in accordance with the by-laws of the Association review said common expense charge from time to time to determine if same is adequate.

2. A Time Period owner's Unit common expense charge shall be due and payable thirty (30) days prior to occupancy in the year of sale and on January 1 of each year thereafter.

3. In addition to the other remedies provided for herein the Board of Directors of the Association or its delegate, the Managing Agent, shall have the right to deny the occupancy and use of a Unit to any Time Period owner who fails to pay this common expense charge.

B. Individual Expense Charge

Each Time Period owner in addition to the obligation to pay his common expense charge shall be charged and pay on a current basis those expenses directly related to the use and occupancy of a Unit during his time period. Such expenses shall include but not be limited to:

(1) telephone charges directly related to the Time Period owner or his guests.

(2) extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof or the Association Property caused by a Time Period owner's use of the said Unit or property.

C. Special Assessments

The Board of Directors of the Association shall have the right, duty and authority to levy special assessments on Time Period owners in order to carry out the purposes and intent of this Statement.

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ARTICLE VIII**ASSESSMENTS AND LIENS**

- A. Each Time Period owner shall pay when due all amounts required to be paid by him under this Statement. The Managing Agent or the Association may bring legal action or take other reasonable actions to collect any amounts from the Time Period owner liable for payment thereof, with or without foreclosing or waiving the lien described herein.**
- B. All amounts due under this Statement which are unpaid shall constitute a lien solely and exclusively on the undivided co-tenancy interest in the Unit of the Time Period owner failing to pay such amount. The lien shall attach from the date when the unpaid amount shall become due and may be foreclosed by the Managing Agent of the Pine Villas' Owners Association in like manner as a mortgage on real property. In any such foreclosure, the Time Period owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Time Period owner who is in default shall not be entitled to use, rent, devise or otherwise assign his undivided co-tenancy interest in the Unit. The Managing Agent shall be entitled to rent such undivided co-tenancy interest in the Unit during the defaulting owner's Time Period and to set off any amounts received against the amount due from the defaulting owner.**
- C. No Time Period owner shall exempt himself from liability for payment of amounts payable under this Statement either by waiver of the use or enjoyment of his Time Period in the Unit, by abandonment of his Time Period in the Unit, or otherwise.**

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ARTICLE IX**ENFORCEMENT OF PROTECTIVE COVENANTS**

A. The Declarant, its successors or assigns, the Association, the Managing Agent and one or more of the owners shall be entitled jointly and severally to maintain equitable or legal proceedings to enjoin, abate or obtain other appropriate relief in respect of any and all breaches of the Protective Covenants herein contained.

B. The Declarant, its successors or assigns, the Association and the Managing Agent shall have a right of access to any part or parts of the property for the purpose of making inspections or for the purpose of correcting any condition likely to result in a breach of any protective covenants or for the purpose of abating, remedying or correcting such breach at the expense of the responsible party or parties, and for the purpose of providing real estate management services, provided that requests for entry are made in advance and that any such entry shall be at a reasonably convenient time.

C. The provisions of this Statement may be enforced by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, and against his property to enforce any lien created by these mutual covenants and easements; failure by Declarant, its successors or assigns or the Managing Agent to enforce any protective covenant or easement herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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ARTICLE X
MISCELLANEOUS

A. Notices

Any notice required to be sent to the owner of an undivided interest in and to a Unit, under the provisions of this Statement, shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as owner of said Time Period on the records of the Association at the time of such mailing.

B. Interpretation

It is specifically recognized that this Statement is intended to assure the fair and harmonious operation and care of each Unit for the benefit of each and all of the Time Period owners thereof; therefore, this Statement is to be liberally construed to effectuate its purpose of creating a uniform occupancy plan for the beneficial use and development of Units in 'The Pine Villas', Bryce Mountain, Shenandoah County, Virginia. This Statement shall not constitute a joint venture or partnership and no part or Time Period owner shall have the right to participate in the individual profits, if any, of any other party or owner arising out of the use and occupancy of the Unit.

C. Invalidity

The invalidity of any part of this Statement shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Statement which shall remain in full force and effect.

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D. Gender and Number

Use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Amendment

(1) The Declarant, its successors or assigns, may, by an instrument in writing in recordable form amend the provisions of this Statement, such amendment to become effective forty-five (45) days after written notice of such amendment to each Time Period owner, provided, however, that no such amendment shall become effective if the Declarant, its successors or assigns, shall receive disapproval of such amendment, by an instrument in writing signed by and acknowledged by Time Period owners holding fifty-one percent (51%) of the Time Period interests in and to Units in said Pine Villas', prior to the termination of the said forty-five (45) day period.

(2) This statement may be amended by written instrument executed by seventy-five percent (75%) of the members of the Pine Villas' Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association Property, and the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent. Subject to the foregoing provisions, any amendment shall be binding upon every Time Period owner and every Time Period.

LIBER 405 PAGE 765

(3) The Declarant, its successors or assigns, may, by instrument in writing in recordable form amend the provisions of this Statement at any time prior to the recordation of a deed conveying a Time Period.

F. Law to Govern

This Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

G. Duration

The provisions of this Statement, as set forth herein and as the same may be amended from time to time, shall be enforceable, as set forth herein, for a term of twenty (20) years from the date this Statement is recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia, after which time all of said provisions shall be extended automatically for successive periods of five (5) years each unless an instrument signed and approved by seventy-five percent (75%) of the members of the Pine Villas' Owners Association shall have been recorded, agreeing to terminate all of the said provisions as of a specified and certain date, which shall not be earlier than the expiration of a term of three (3) years from the date of such recording.

H. Provision

The provisions of this Statement shall be binding upon all parties having or acquiring any right, title or interest in the property or any part thereof and shall be for the benefit of each Time Period owner and his heirs, successors or assigns. Each Time Period owner, including the Declarant, its successors and

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assigns, shall be fully discharged and relieved of liability from the provisions herein contained insofar as the same relate to each Time Period owned, upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder, in respect of such Time Period, to the time his ownership interest terminated.

IN WITNESS WHEREOF, the parties hereunto have executed this Statement of Mutual Covenants and Easements this day of

GREAT NORTH MOUNTAIN CORPORATION

By: Bruce Forbes

Vice President

STATE OF VIRGINIA,

COUNTY OF SHENANDOAH, to-wit:

The foregoing instrument was acknowledged before me this 27th day of November, 1979, by Bruce Forbes of GREAT NORTH MOUNTAIN CORPORATION, a Virginia corporation, on behalf of the corporation.

My commission expires: March 14, 1983

SHENANDOAH COUNTY, ss

The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, admitted to record and indexed. The taxes imposed by Sect. 58 54, (a) and (b), of the Code have been paid.

Betty J. Scott
Notary Publicthis 4th day of December 19 7911:38A. M. Teste: [Signature] Clerk

2692

Plat

Recorded in Clerk's Office

10/23/79

CAMERON G. COPP*Certified Land Surveyor*128 West Court Street - P. O. Box 110
Woodstock, Virginia 22664

Phone (703) 459-4045

BOOK 403 PAGE 628

October 5, 1979

2692
The following is the metes and bounds description of lot 162, Section 8 of Bryce's Mountain Resort, Inc., Ashby Magisterial District, Shenandoah County, Virginia:

Beginning at an iron pipe found on the south side of Nelson Way, a corner with lot 161; thence with lot 161

S 29-58-22 E 166.13 feet

to an iron pipe set on the North side of State Route # 836, said pipe being the P.O.C. of a curve to the right having a radius of 441.22 feet and an arc of 182.19 feet; thence along State Route # 836

chord S 84-35-39 W 180.91 feet

to an iron pipe found, a corner with lot 163; thence with lot 163

N 03-37-14 E 147.23 feet

to an iron pipe set on the south side of Nelson Way; thence with the south side of Nelson Way (for the next 2 courses)

S 86-22-43 E 22.00 feet

to an iron pipe set, said pipe being the P.C. of a curve to the left having a radius of 117.00 feet and an arc of 68.60 feet; thence

chord N 76-49-43 E 67.62 feet

to the beginning and enclosing an area of 20,743 Square feet.

Job No. 1521

DATE: OCTOBER 5, 1979

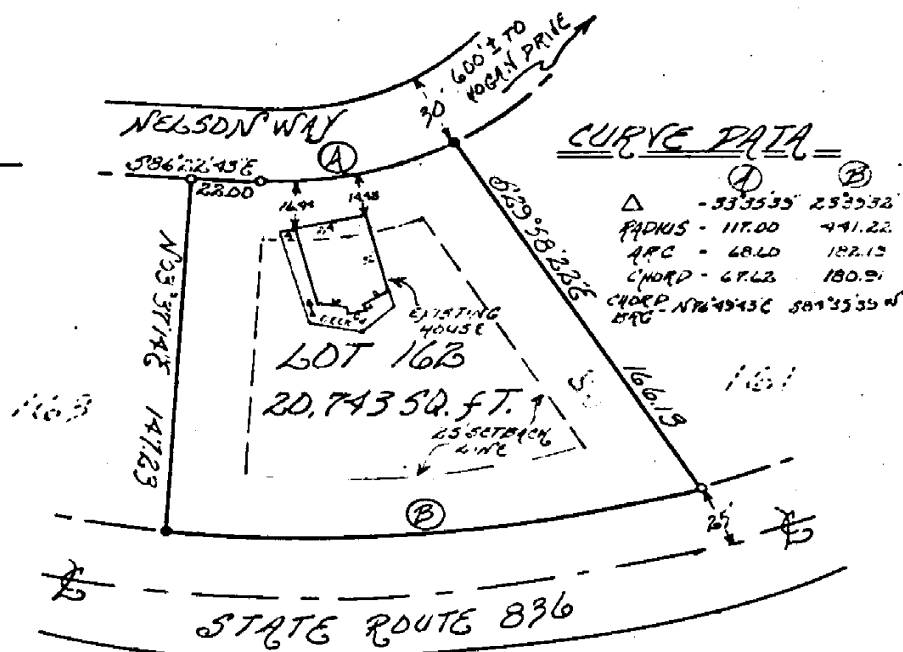
SCALE: 1"=50'

MAGNETIC NORTH

● IRON PIN FOUND

○ IRON PIPE SET

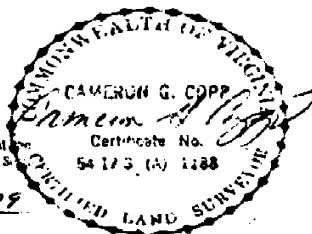
BOOK 403 PAGE 629



PLAT OF LOT 162, SECTION EIGHT
of
BRYCE'S MOUNTAIN RESORT, INC.
AND BEING THE LAND OF THE GREAT NORTH MOUNTAIN, CORP.,
BASE, ASHBY MAGISTERIAL DISTRICT,
SHENANDOAH COUNTY,
VIRGINIA.

SHENANDOAH COUNTY, ss
The foregoing writing with certificate of acknowledgment thereon was received at the
Clerk's Office of said County, admitted to record and indexed. The taxes imposed by S.
56 54, (a) and (b), of the Code have been paid.

This 12th day of October 1979
10:24 AM Teste: *[Signature]* Clerk



SURVEYED BY:
CAMERON G. COPP
128 W. COURT ST.
WOODSTOCK, VA.
JOB NO. 1581

370

#721

~~Restrictive Covenants~~

Exd. 4/9/80

Delivered to:

I. Clinton Miller

4/9/80

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**GREAT NORTH MOUNTAIN CORPORATION
STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS
PROTECTIVE COVENANTS AND RESTRICTIONS
OF THE PINE VILLAS',
BRYCE MOUNTAIN,
BASYE, SHENANDOAH COUNTY, VIRGINIA**

#721

**THIS STATEMENT OF MUTUAL OWNERSHIP AGREEMENTS ,
Protective Covenants and Restrictions, made this 1st day of March, 1979,
by GREAT NORTH MOUNTAIN CORPORATION, a corporation duly organized
and existing under the laws of the State of Virginia, having an address and doing
business at Basye, Shenandoah County, Virginia, Zip Code 22810 (sometimes
hereinafter referred to as "Declarant").**

WITNESSETH :

**WHEREAS, the Declarant owns the Property, as defined in Article II of
this Statement of Mutual Ownership Agreements, Protective Covenants and
Restrictions, and desires to maintain its natural beauty, to assure high quality
standards for the development of the property that are compatible with the
character of Bryce Mountain, and to promote the recreational interests and
health, safety and social welfare of each owner of a part hereof; and**

**WHEREAS, the benefits of the Protective Covenants and Time Period
Ownership Agreements set forth herein are intended to run to each original
owner, his heirs, executors, administrators, successors and assigns and are
declared for the purpose of creating and maintaining the Property as a desirable,
attractive, beneficial and suitable place of abode, of guarding against**

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losses by fire and other hazards, of providing for the period of time during which each of the various owners may use the Property, and of providing Rules and Regulations for the mutual benefit and protection of each of the owners.

NOW, THEREFORE, said Great North Mountain Corporation, hereby declares that Units committed to Time Shared Ownership as herein provided, are and shall be held, occupied, improved, transferred, sold, leased, assigned and conveyed subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, declared and agreed to be in furtherance of a uniform occupancy plan for the development of the Property: and this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions is intended to enhance and protect the value and desirability of the property and to mutually benefit each of the owners thereof, and to create mutual equitable servitudes upon each of the undivided fractional ownership interests in the property in favor of each and all other owners therein, to create reciprocal rights and privative contract in a state between all persons acquiring or owning an interest in the property, including said Great North Mountain Corporation, and their grantees, heirs, devisees, successors, and assigns and shall be deemed to run with the land and be burden and benefit to all such persons, including said Great North Mountain Corporation, their grantees, heirs, devisees, successors and assigns.

ARTICLE I

DEFINITIONS

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As used in this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, the following terms shall have the following meanings:

A. Declarant

Great North Mountain Corporation, its successors or assigns.

B. The Property

The real property referred to at Article II of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions.

C. Statement of Mutual Ownership Agreements

This Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions, sometimes herein referred to as "Statement", or "Statement of Ownership Agreements".

D. Bryce Mountain

A planned development approved by the Supervisors of Shenandoah County, Virginia, located at Basye, Virginia, in Shenandoah County, Virginia.

E. Great North Mountain Corporation

The Declarant of this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions and the owner of the property at the time of the recording of this Statement, a corporation duly organized and existing under the laws of Virginia, having an address and doing business at Basye, Shenandoah County, Virginia.

F. Owner

Owner shall mean and include any person or other entity and the heirs, executors, administrators, successors and assigns

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thereof who shall be (1) the Grantee named in a deed of an undivided interest in a Unit; (2) the purchaser of an undivided interest in a Unit under a written contract for sale and purchase of an undivided interest in a Unit; (3) the Declarant with respect to any undivided interests in Units not conveyed.

G. Unit

Unit shall mean any and all of the dwelling units and the land on which they are situated, which may presently or in the future be constructed upon any part of the real property referred to at Article II hereof.

H. Time Shared Ownership

Time Share Ownership shall mean a one fifty-second co-tenancy interest in the Unit as more fully defined and restricted in Article III hereof. It contends with the exclusive right to use and occupy a Unit during one or more Time Periods as provided in this Statement.

I. Unit Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any Unit sold under and subject to this Statement of Mutual Ownership Agreements, Protective Covenants and Restrictions. The Unit shall become a Unit committed to time shared ownership upon the recording of the first deed in said Unit, conveying an undivided co-tenancy interest in said Unit. No Unit may be committed to time shared ownership by any person, or other entity, other than Declarant. A Unit shall no longer be committed to time shared ownership at any time all time periods are owned by the same legal entity.

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J. Time Period

Time Period shall mean a one week period of time shared ownership in a Unit.

K. The Pine Villas' Owners Association

The nonprofit corporation existing or to be created for the Pine Villas' Time Shared houses for the benefit of Time Period Owners in and to Units committed to time shared ownership located on the property described in Article II hereof.

L. Association Property

All lands and improvements (except for Units) subject to this Statement as shown on a map of The Pine Villas', Section 9, and 9 Extended, Lot 364, attached hereto and made a part hereof and to be recorded herewith. Said lands and improvements to be conveyed by the Declarant to the Pine Villas' Owners Association in compliance with this Statement.

M. Managing Agent

Managing Agent shall mean the agent or firm appointed and employed by the Association as hereinafter provided to provide full and complete maintenance, administrative supervision and managerial services for the Units and the Association property.

N. Maintenance Time Periods

Maintenance Time Periods shall mean two time periods to be set aside by the Declarant for the maintenance and restoration of each Unit, each year, the title to such maintenance time period to be conveyed by Declarant to the Association provided for hereinafter.

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O. Rules and Regulations

The Rules and Regulations promulgated by the Association or the Managing Agent on behalf of the Association for the benefit of all time period owners. Said Rules and Regulations shall be promulgated for the elaboration and administration of this Declaration.

P. Guests

Any person or persons using a Unit of the Property with the permission of the Time Period owner thereof, including but not limited to, family members, invitees and tenants.

Q. Furnishings

Furnishings shall mean all furniture, fixtures and furnishings for a Unit or other personal property from time to time owned or held for the use by all owners of time periods in and to a Unit during their respective time period.

ARTICLE II

THE PROPERTY

A. Existing Property

The real property that is hereby subject to this Statement consists of 14,418 square feet, or Section 9, 900 ^{Addition to 6 9 Extended} Lot 364, of land lying in Shenandoah County, Virginia, and more particularly shown upon the plat attached hereto, made a part hereof and to be recorded herewith entitled "The Pine Villas" ^{Addition to} Section 9 & 9 Extended Lot 364 - Bryce Mountain". Sometimes shown and designated as "9 Add".

B. Additional Property

The Declarant shall have the right within ten (10) years date hereof to bring within the scheme of this Statement, from time to time and at its discretion, with governmental approvals.

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if required, additional properties, including property now or hereafter acquired by it and property of others that is either abutting the existing property, as described in Article II-A hereof, or additions thereto or so situated that its addition would be consistent with the uniform scheme of development set forth in this Statement. Any such additions as are authorized hereby shall be made by a supplementary declaration as prescribed in Section "C" of this article.

C. Supplementary Declaration

1. A Supplementary Declaration shall contain the following:
 - a. A reference to this declaration;
 - b. Identification of the Declarant of the Supplementary Declaration;
 - c. An expression of intent to submit certain real property to the uniform scheme of this Statement and to the jurisdiction of the Association;
 - d. A Statement that the real property that is the subject of the Supplementary Declaration constitutes Additional Property under Article II-B of this Statement.
2. The Supplementary Declaration may contain such conditions to or modification of the Protective Covenants and Restrictions as may be necessary to reflect the different character, if any, of the real property that is the subject of the Supplementary Declaration.
3. A Supplementary Declaration shall become effective upon being duly recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia.

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ARTICLE III

PROTECTIVE COVENANTS

A. Units Committed to Time Shared Ownership

A Unit committed to time shared ownership shall be any unit of the property sold under and subject to this Statement. The unit shall become a Unit Committed to Time Shared Ownership upon the execution and recordation of an instrument conveying an undivided co-tenancy interest in said unit. The Declarant, in its sole discretion, shall have the exclusive right to commit a Unit to time shared ownership. A Unit shall no longer be committed to time shared ownership at any time all Time Periods are owned by the same legal entity.

B. Time Period Ownership

Each Time Period in and to a Unit is a one week ownership period in accordance with subparagraph C of this Article. An owner may own more than one Time Period.

C. Schedule of Time Periods

Time Period No. 1 is the seven (7) days commencing on the first Friday of each year. Time Period No. 2 is the seven (7) days succeeding. Additional weeks up to and including Time Period No. 51 are computed in a like manner. Time Period No. 52 contains the seven (7) days succeeding the end of Time Period No. 51 without regard to the month of the year plus any excess days not otherwise assigned. A Time Period commences at 12:00 noon on the first Friday of the Time Period. Each owner of a Time Period hereby covenants and agrees to use, enjoy and occupy his Time Period subject to the Rules and Regulations promulgated

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by the Managing Agent for the benefit of all Time Period owners, particularly the Rules and Regulations as to time of occupancy and time of vacating the Unit.

D. Ownership Interest

An owner of a Time Period in and to a Unit shall own an undivided one fifty-second interest in the Unit as a tenant in common with the Declarant, its successors and assigns, and the owners from time to time of other undivided fractional interests in and to the Unit. Each tenancy in co-tenancy ownership interest shall be computed from the number of time periods owned.

E. Transfer of a Time Period

An owner of a Time Period may transfer his undivided one fifty-second co-tenancy interest in the Unit only by an instrument which specifies the Time Period appurtenant to the Unit, which Time Period must be the identical Time Period which the conveying owner acquired. Any deed purporting to change or alter the Time Period acquired by the conveying owner or to combine or divide a Time Period acquired by such owner shall be null and void and of no force or effect.

F. Waiver of Right of Partition

Each owner of a Time Period and each purchaser of a Time Period in and to a Unit, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Time Period, by such acceptance, such grantee or purchaser shall for

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himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other Time Period in Units committed to time shared ownership, to waive and relinquish for the duration of the effective period of this Statement, any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of his Unit. No owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through legal proceedings, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration date of this Statement. If, however, any Time Period shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Time Period in lieu of partition as between such owners. Each owner of a Time Period may convey, lease, assign, devise or otherwise transfer his entire Time Period as a Time Period is defined in this Article III.

G. Exclusive Use and Occupancy

Each owner of an undivided co-tenancy interest in a Unit committed to time shared ownership shall have the exclusive right to occupy the Unit and the rights and easements appurtenant to the Unit during his Time Period(s), together with the non-exclusive right in common with all other owners of the Unit when acting through the Managing Agent, to maintain, repair and refurbish the Unit. No Time Period owner shall occupy the Unit, or exercise any other rights of ownership with respect to the Unit and the

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furniture and furnishings appurtenant to the Unit, other than the rights herein provided, during any other Time Period(s) unless expressly so authorized by the owner entitled to occupy the Unit during such Time Period(s). Each owner shall keep the Unit and all furniture and furnishings appurtenant to the Unit in good condition and repair during his Time Period, vacate the Unit at the time established by the Rules and Regulations hereinafter mentioned, remove all persons and property therefrom excluding the furniture and furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable occupancy Rules and other procedures as may from time to time be contained in the Rules and Regulations promulgated by the Managing Agent or a majority of the members of the Time Shared Owners Association.

H. Failure to Vacate Penalties

If any owner of a Time Period fails to vacate the Unit at the time prescribed by the Rules and Regulations, or otherwise uses or occupies the Unit during a Time Period for the Unit conveyed to another including the Time Period which Declarant owns by reason of their not being conveyed, or prevents another owner from using or occupying the Unit during such other owner's, including the Declarant's Time Period, the owner in wrongful possession (1) shall be subject to immediate removal, eviction or ejection from the Unit wrongfully occupied; (2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of

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such owner in wrongful possession; (3) shall pay to the owner entitled to use the Unit during said wrongful occupancy, as liquidated damages for the wrongful use of the Unit and the appropriation of such other owner's Time Period, a sum equal to Three Hundred per cent (300%) of the fair rental value per day of the Unit that such Unit is wrongfully occupied, for each day or portion thereof, including the day of surrender, during which the owner in wrongful possession occupies the Unit; (4) shall reimburse the owner entitled to use the Unit during the wrongful occupancy of the Unit for all costs and expenses, including but not limited to, court costs and reasonable attorney's fees incurred in connection with removing, evicting or ejecting the owner in wrongful possession of the Unit; (5) shall be subject to having his voting rights, if any, suspended by the Association; and (6) shall be subject to having the Association's terminating any and all utility and other services to the Unit during the period of his wrongful occupancy.

I. Maintenance Periods

(1) The Declarant in its sole discretion shall set aside two Time Periods for each Unit for the maintenance and restoration of the Unit each year. The maintenance periods for all Units need not be the same periods; rather the Declarant shall, in its sole discretion, select the two maintenance periods for each Unit.

(2) Title to such maintenance periods shall be conveyed to the Association in each Unit within three years after the sale and recordation of a deed conveying a Time Period to a purchaser.

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(3) Neither the Declarant or the Association by reason of the ownership of the maintenance periods shall be liable or responsible for the payment of any expense fee or assessment chargeable to owners of Time Periods under the provision of this Statement, or the By-Laws of the Association.

J. Ownership and Use of Furnishings

(1) Each Unit committed to time shared ownership shall be provided with basic furniture and furnishings. The Declarant, its successors or assigns, shall distribute a list of the specific items of furniture and furnishings provided which list shall be given to each initial Time Period Owner of a Unit at or before occupying a Unit.

(2) Each owner of an individual interest in and to a Unit shall own an individual interest, equivalent to his undivided interest in the Unit in all furniture, furnishings and personal property located in and appurtenant to said Unit under and subject to the provisions of this Statement. Provided, however, that such owner may use such personal property only in accordance with the purposes for which it is intended and with respect to the furniture and furnishings, only during his Time Period without hindering or violating the lawful rights of others to use same.

(3) A transfer of an undivided interest in a Unit shall transfer to the grantee ownership of the transferor's interest in the furniture, furnishings and personal property appurtenant to such Unit without any reference thereto. The transfer of the title to an interest in a Unit committed to time shared ownership

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under a foreclosure proceeding shall entitle the purchaser to the interest in the furniture, furnishings and personal property appurtenant to such Unit with the foreclosed interest.

(4) At the end of his Time Period, each owner and his guests shall remove from the Unit all clothing, luggage and personal effects brought into the Unit. The Managing Agent, the Association and subsequent Time Period Owners shall not be liable in any manner whatsoever for any personal effects left in the Unit by an owner or his guests. All clothing, luggage and personal property remaining in the Unit after it has been vacated by the Time Period owner thereof in accordance with this Statement and the Rules and Regulations shall be delivered to the Managing Agent who shall keep such property for thirty (30) days. At the end of such thirty (30) day period such property shall be considered to have been abandoned.

(5) No noxious or offensive activity shall be carried on within any Unit, nor shall anything be done or permitted which shall constitute a public nuisance therein, nor shall anything be done or permitted or kept in the unit which would increase the rate of insurance upon the Unit or the furniture or furnishings therein.

(6) No Unit or the furniture or furnishings in such Unit shall be altered, remodeled or renovated unless such alteration, remodeling or renovation shall be approved in accordance with the terms of this Statement.

(7) All repairs to a Unit required in order to maintain the Unit in the manner required by this Statement shall be made by

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the Managing Agent. No Time Period owner shall make such repairs, No Time Period owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon except in the manner set forth in this paragraph. Each Time Period owner shall indemnify and hold the other owners of the Unit harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of removing any unauthorized improvements and repairing and restoring the Unit to substantially the same condition prior to such alteration, remodeling, renovation or repair.

K. Ownership Subject to Statement

Each owner by his execution of the agreement of sale and the acceptance of the conveyance of a Time Period shall be subject to the provisions of this statement and shall thereby agree that the covenants, restrictions and provisions hereof are reasonable in scope and are essential to the uniform plan and form of ownership in which the unit is held.

ARTICLE IV

THE PINE VILLAS' OWNERS ASSOCIATION

A. Membership

The Declarant and each Time Period owner shall be a member of the Pine Villas' Owners Association, such membership being mandatory upon an individual's acquiring an interest in or to a Unit, and who by acquiring such interest does agree to abide by the by-laws of the Association.

B. Voting

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(1) The Declarant and each Time Period owner shall be entitled to one vote per Time Period owned. In the affairs of the Association. Provided, however, that if a Time Period is owned by more than one person, all such persons shall be members of the Association but in no event shall more votes be cast with respect to any one Time Period than would be the case if said Time Period was owned by one individual.

(2) Any owner who owns more than one Time Period shall be entitled to one vote per Time Period owned.

(3) The voting rights provided for herein shall be exercised under and subject to the by-laws of the Association.

C. Purpose

The Association shall be responsible for the enforcement of the provisions of this Statement, the maintenance of the Association Property and any improvements thereon, and shall have the exclusive right, duty and responsibility, which may only be delegated to the Managing Agent, as provided for hereinafter, for the maintenance, repair, replacement and decoration of the exterior and interior of all Units situated on the property including but not limited to exterior walls, doors, windows, verandas, roofs of buildings, interior walls, floors, ceilings and the furniture, fixtures, furnishings and appliances situated in the Units.

D. Easement Reserved to Association

There is hereby reserved to the Association the right to have its agents, employees and the Managing Agent enter into or

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upon any Unit to perform and carry out its rights, duties and responsibilities as set forth in subparagraph C of this Article.

E. Title to Association Property

The Declarant shall retain legal title to the Association property until such time as the capital improvements shall have been completed on the property and until the Association in the opinion of the Declarant, shall be able to maintain same, provided, however, that the Declarant hereby covenants for its successors and assigns that in no event shall title to the Association property be retained later than January 1, 1985. At the time of such conveyance by the Declarant, its successors and assigns shall convey good and marketable title, free from all liens, judgments and mortgages, by virtue of a special warranty deed. In addition, the Declarant for itself, its successors and assigns does hereby covenant and agree to remain liable under any then existing and outstanding liens, judgments or mortgages and shall indemnify and save the Association harmless with respect to any and all claims, expenses and charges made pursuant to the provisions of the said then outstanding liens, judgments or mortgages.

F. Waiver and Consent

Notwithstanding any other provision of this Declaration, each owner by becoming a member of the Pine Villas' Owners Association shall consent to and does hereby give the Association the right and authority to suspend his voting rights, if any, and take such other action specifically that is set forth herein if that member violates any provision of this Statement. By so

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consenting, each purchaser does hereby waive any right, judicial or otherwise, he may have against the Association because of the Association's actions.

G. Assessments, Charges or Fees by the Association

(1) The Board of Directors of the Association shall determine the assessment charge or fee to be levied upon each Time Period owner in order to carry out the purposes of the Association.

(2) The Treasurer of the Association, upon demand of any owner liable for an assessment, shall furnish the said owner a certificate in writing setting forth whether such assessment has been paid and, if not, the amount due. Said certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid or of the amount then due and owing by any such owner.

ARTICLE V

A. Reserved to Declarant

1. There is hereby reserved to the Declarant the right to lay out, make and maintain utility easements for the construction, connection, operation, maintenance, relocation, repair and inspection of pipes, sewers, mains, collectors, trunk lines, pumping stations, conduits, lines, poles, and appurtenant access ways and facilities for any and all utility systems at such locations upon, under and across the Property, as shall be necessary or appropriate to serve the Units, the Association Property and the general public with minimum interference with the use and enjoyment of the

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property of any Owner whose real estate may be affected, and to convey such easements to any public utility empowered to operate and maintain the same.

B. Conveyed to Time Period Owners

Each time period owner shall have the right of ingress, egress and regress over the Association property and to use same in accordance with its intended purposes.

ARTICLE VI

REAL ESTATE MANAGEMENT

A. Managing Agent

The Association shall engage a managing firm (the Managing Agent) to act as Managing Agent for the Units. The Managing Agent shall provide full and complete maintenance, administrative supervision and managerial services for Units until its management of such Units is terminated by the vote of a majority of the members of the Pine Villas' Owners Association. Any such vote shall appoint a successor Managing Agent which shall be a managing firm meeting the qualifications set forth herein.

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B. Duties, Obligations and Responsibilities of Managing Agent

1. The Managing Agent employed by the Association shall perform and shall be responsible and liable for the services and duties hereinafter set forth and any other duty, service or function delegated by the Association. It shall be the Association's responsibility to insure that the Managing Agent performs same. The Managing Agent shall collect from the owners of Time Periods all amounts payable by such Time Period owners under this Statement of Mutual Ownership Agreements as follows:

(a) request, demand, collect, receive and receipt for all such amounts.

(b) collect and receive from the owner(s) of each Time Period all amounts payable by such owners under the terms of this Statement and take such action in its own name or in the name of the Association as may be reasonable to collect such amounts including but not limited to the foreclosure of any lien established by this Statement.

(1) The Managing Agent on behalf of the Association may collect interest at the rate of one and one quarter percent (1-1/4%) per month, if then permitted by law, otherwise at the highest rate then so permitted on any amount due from a Time Period owner which is not paid when due under this Statement. In addition, such owner(s) shall reimburse the Managing Agent for all costs and expenses reasonably incurred by the Managing Agent in collection of such delinquent amount.

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(c) provide upon request of an owner of the legal or equitable title of a time shared interest in and to a Unit, a mortgagee or prospective mortgagee, purchaser or prospective transferee of an interest in the Unit or the Board of Directors of the Association, a written statement and account setting forth any amounts unpaid by an owner of a Time Shared interest which shall be binding upon the Managing Agent and the Association in favor of any person who may rely thereon in good faith.

(d) take such action in its own name, in the name of the Association or in the name of the owners of Time Shared interests to enforce this Statement.

(e) enter into contracts with others for the furnishing of such services as it deems proper for Units committed to Time Shared ownership.

(f) adopt from time to time Rules and Regulations for the elaboration and administration of the provisions of this Statement, which Rules and Regulations shall relate to the overall development and use of the property and Units, but shall not in any way diminish the powers of self-government of the Association.

(g) provide for the cleaning and necessary maid service, maintenance and repair upon the departure of each time period owner from a Unit so that each Unit is in good order and repair and ready for occupancy by the next Time Period owner. Further provide any and all necessary repairs, maintenance and repainting, remodeling, refurbishing necessary to maintain the Units in good and adequate condition in accordance with the intention and plan of Pine Villas' as set forth in this Statement.

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(1) any and all major alterations, repairs, renovations and remodeling shall be performed unless the exigencies of the circumstances dictate otherwise during the maintenance week.

(2) all repairs, alterations, remodeling or renovation of the Unit and the personal property appurtenant thereto performed by the Managing Agent on behalf of the owners shall be done in such manner as to maintain and restore the Unit to at least the same condition after such work as it was immediately before the occurrence requiring the work to be done.

(h) provide for the landscaping, upkeep, safety, maintenance and repair of the Association Property and any improvements situated thereon, and accomplish and perform all snow removal and road maintenance for the roads lying and situated on Association property.

(i) keep each Unit equipped in accordance with the list provided to each initial owner of the Unit and shall be authorized to replace or repair any furniture or furnishings which are missing, which become unusable or which become so worn as to require replacement, in the reasonable judgment of the Managing Agent. Except in cases where any such furniture or furnishings must be replaced due to the negligence or intentional act of any owner or his guest (which shall be determined by the Managing Agent in its reasonable judgment), expense of replacing any such

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furniture or furnishings shall be a common expense of the Unit and each owner thereof shall pay his assessed share of such expense.

(j) inspect each Unit when same is vacated, according to the terms of this Statement and the Rules and Regulations promulgated hereunder, and determine whether there are any items of furniture or furnishings which need to be replaced or repaired, and if so, whether such replacement or repair is the responsibility of the owner during whose Time Period such replacement became necessary. The Managing Agent shall promptly notify any owner if he is to be charged for any items of furniture or furnishings which need to be replaced.

(k) pay all taxes and assessments, costs and other charges affecting or relating to the Units on the Association property and discharge, contest or protest liens or charges affecting the Association.

(l) provide, maintain and keep in force on behalf of the Time Period owners and the Association the following insurance coverage, said coverage to be obtained and maintained in favor of the Managing Agent, the Time Period owners, the Association and any lien holders, as their respective interests may appear.

(1) General Public Liability and Property Damage Insurance against claims for bodily injury or death or personal property damage occurring in or on a Unit or on the Association Property in an amount equal to the maximum insurable replacement value of the personal property and in such other amounts and

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providing such coverage as the Managing Agent or the Association may determine from time to time.

(2) Insurance coverage on all furniture, furnishings and other personal property initially supplied or installed in each Unit and replacements thereof, against loss or damage by fire, with extended coverage including insurance against loss or damage by vandalism or malicious mischief, in the amount of the maximum replacement value thereof and without deduction for depreciation.

(3) Fire and extended coverage insurance, and such other insurance as it may deem necessary, for all Units located on the Property and the Association property, the fire and extended coverage insurance to be for replacement cost and to name Pine Villas' Owners Association the appropriate Time Period owners and any lien holders, as beneficiaries, as their respective interests may appear, and the proceeds of such fire and extended coverage insurance shall be used exclusively for repair and replacement purposes.

(aa) all insurance required to be carried by this Statement of Mutual Ownership Agreement shall be carried in favor of the Managing Agent, the owners of undivided interest in and to Units committed to the time shared ownership, and any lien holders, as their respective interests may appear.

(bb) In the event that personal property appurtenant to a Unit committed to time shared ownership is damaged or destroyed, the Managing Agent shall collect the insurance proceeds payable

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on account of such damage or destruction (as agent in fact for the owners) and, unless such personal property is not to be replaced or repaired under the provisions of this Statement, or by direction of the Pine Villas' Owners Association, shall apply the proceeds of insurance to replace or repair the damaged or destroyed personal property. If any excess funds are required in order to replace or repair the personal property, such excess funds shall be considered a special assessment of the owners of the Unit and each owner thereof shall pay his share thereof. If the insurance proceeds exceed the cost of repair or replacement, such excess shall be refunded to the owners of the Unit according to the pro-rata interest herein.

C. Owners Acceptance

Each owner by his acceptance of the deed or other instrument conveying an interest in a Unit does hereby irrevocably constitute and appoint the Managing Agent acting from time to time, with full power of substitution, as his true and lawful attorney in his name, place and stead to: (1) deal with the interest of such owner upon damage to or destruction of any personal property in his Unit; and (2) to enter into all agreements which the Managing Agent is authorized to enter into pursuant to the terms of this Statement. Each owner stipulates and agrees that the Power of Attorney executed by this paragraph of the Statement is coupled with an interest. The action of the Managing Agent in settling any claim for damage to any personal property shall be binding upon each owner in the absence of fraud or mistake.

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ARTICLE VII**CHARGES, ASSESSMENTS AND FEES****A. Common Expense Charge**

Pursuant to this Statement, each Time Period owner will be required for each Time Period owned to pay a common expense charge as determined periodically by the Board of Directors of the Association to pay for the general operating costs of the Association, the Association property and the Units. Said common expense charge shall include but shall not be limited to the following elements:

1. Property taxes
2. Reserve accounts for replacement, repairs, remodeling of the personal property in the Units, the Units and the Association Property taxes
3. Water and sewerage charges
4. Maintenance, including landscaping and snow removal of the Association Property.
5. Maintenance and normal repair of the Units.
6. Utility charges
7. Domestic services
8. Insurance coverage as herein provided for
9. Purchasing, maintenance and replacement of equipment
10. Administrative costs
11. Managing Agent's fee
12. Assessments by Pine Villas' Owners Association
13. Security

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1. The Board of Directors of the Association shall in accordance with the by-laws of the Association review said common expense charge from time to time to determine if same is adequate.

2. A Time Period owner's Unit common expense charge shall be due and payable thirty (30) days prior to occupancy in the year of sale and on January 1 of each year thereafter.

3. In addition to the other remedies provided for herein the Board of Directors of the Association or its delegate, the Managing Agent, shall have the right to deny the occupancy and use of a Unit to any Time Period owner who fails to pay this common expense charge.

B. Individual Expense Charge

Each Time Period owner in addition to the obligation to pay his common expense charge shall be charged and pay on a current basis those expenses directly related to the use and occupancy of a Unit during his time period. Such expenses shall include but not be limited to:

(1) telephone charges directly related to the Time Period owner or his guests.

(2) extraordinary repairs for damages to the Unit, equipment, furnishings or fixtures thereof or the Association Property caused by a Time Period owner's use of the said Unit or property.

C. Special Assessments

The Board of Directors of the Association shall have the right, duty and authority to levy special assessments on Time Period owners in order to carry out the purposes and intent of this Statement.

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ARTICLE VIII

ASSESSMENTS AND LIENS

A. Each Time Period owner shall pay when due all amounts required to be paid by him under this Statement. The Managing Agent or the Association may bring legal action or take other reasonable actions to collect any amounts from the Time Period owner liable for payment thereof, with or without foreclosing or waiving the lien described herein.

B. All amounts due under this Statement which are unpaid shall constitute a lien solely and exclusively on the undivided co-tenancy interest in the Unit of the Time Period owner failing to pay such amount. The lien shall attach from the date when the unpaid amount shall become due and may be foreclosed by the Managing Agent of the Pine Villas' Owners Association in like manner as a mortgage on real property. In any such foreclosure, the Time Period owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees and court costs. During the period of foreclosure, the Time Period owner who is in default shall not be entitled to use, rent, devise or otherwise assign his undivided co-tenancy interest in the Unit. The Managing Agent shall be entitled to rent such undivided co-tenancy interest in the Unit during the defaulting owner's Time Period and to set off any amounts received against the amount due from the defaulting owner.

C. No Time Period owner shall exempt himself from liability for payment of amounts payable under this Statement either by waiver of the use or enjoyment of his Time Period in the Unit, by abandonment of his Time Period in the Unit, or otherwise.

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ARTICLE IX

ENFORCEMENT OF PROTECTIVE COVENANTS

- A. The Declarant, its successors or assigns, the Association, the Managing Agent and one or more of the owners shall be entitled jointly and severally to maintain equitable or legal proceedings to enjoin, abate or obtain other appropriate relief in respect of any and all breaches of the Protective Covenants herein contained.**
- B. The Declarant, its successors or assigns, the Association and the Managing Agent shall have a right of access to any part or parts of the property for the purpose of making inspections or for the purpose of correcting any condition likely to result in a breach of any protective covenants or for the purpose of abating, remedying or correcting such breach at the expense of the responsible party or parties, and for the purpose of providing real estate management services, provided that requests for entry are made in advance and that any such entry shall be at a reasonably convenient time.**
- C. The provisions of this Statement may be enforced by any proceeding at law or in equity against any person or persons violating or attempting to violate the same, either to restrain violation or to recover damages, and against his property to enforce any lien created by these mutual covenants and easements; failure by Declarant, its successors or assigns or the Managing Agent to enforce any protective covenant or easement herein contained shall in no event be deemed a waiver of the right to do so thereafter.**

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ARTICLE X**MISCELLANEOUS****A. Notices**

Any notice required to be sent to the owner of an undivided interest in and to a Unit, under the provisions of this Statement, shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as owner of said Time Period on the records of the Association at the time of such mailing.

B. Interpretation

It is specifically recognized that this Statement is intended to assure the fair and harmonious operation and care of each Unit for the benefit of each and all of the Time Period owners thereof; therefore, this Statement is to be liberally construed to effectuate its purpose of creating a uniform occupancy plan for the beneficial use and development of Units in The Pine Villas', Bryce Mountain, Shenandoah County, Virginia. This Statement shall not constitute a joint venture or partnership and no part or Time Period owner shall have the right to participate in the individual profits, if any, of any other party or owner arising out of the use and occupancy of the Unit.

C. Invalidity

The invalidity of any part of this Statement shall not impair or affect in any manner the validity, enforceability or effect of the balance of the Statement which shall remain in full force and effect.

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D. Gender and Number

Use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Amendment

(1) The Declarant, its successors or assigns, may, by an instrument in writing in recordable form amend the provisions of this Statement, such amendment to become effective forty-five (45) days after written notice of such amendment to each Time Period owner, provided, however, that no such amendment shall become effective if the Declarant, its successors or assigns, shall receive disapproval of such amendment, by an instrument in writing signed by and acknowledged by Time Period owners holding fifty-one percent (51%) of the Time Period interests in and to Units in said Pine Villas', prior to the termination of the said forty-five (45) day period.

(2) This statement may be amended by written instrument executed by seventy-five percent (75%) of the members of the Pine Villas' Owners Association, provided, however, that no such amendment may affect or alter the right of any Time Period owner to exclusively occupy, use and enjoy his Time Period, and, as between the owners, to use and enjoy the Association Property, and the rights and easements appurtenant to a Unit during a Time Period owner's Time Period, unless such owner shall expressly so consent. Subject to the foregoing provisions, any amendment shall be binding upon every Time Period owner and every Time Period.

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(3) The Declarant, its successors or assigns, may, by instrument in writing in recordable form amend the provisions of this Statement at any time prior to the recordation of a deed conveying a Time Period.

F. Law to Govern

This Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

G. Duration

The provisions of this Statement, as set forth herein and as the same may be amended from time to time, shall be enforceable, as set forth herein, for a term of twenty (20) years from the date this Statement is recorded in the Clerk's Office of the Circuit Court of Shenandoah County, Virginia, after which time all of said provisions shall be extended automatically for successive periods of five (5) years each unless an instrument signed and approved by seventy-five percent (75%) of the members of the Pine Villas' Owners Association shall have been recorded, agreeing to terminate all of the said provisions as of a specified and certain date, which shall not be earlier than the expiration of a term of three (3) years from the date of such recording.

H. Provision

The provisions of this Statement shall be binding upon all parties having or acquiring any right, title or interest in the property or any part thereof and shall be for the benefit of each Time Period owner and his heirs, successors or assigns. Each Time Period owner, including the Declarant, its successors and

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assigns, shall be fully discharged and relieved of liability from the provisions herein contained insofar as the same relate to each Time Period owned, upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder, in respect of such Time Period, to the time his ownership interest terminated.

IN WITNESS WHEREOF, the parties hereunto have executed this Statement of Mutual Covenants and Easements this day of

GREAT NORTH MOUNTAIN CORPORATION

By: Bruce Forbes

President

STATE OF VIRGINIA.

COUNTY OF SHENANDOAH, to-wit:

The foregoing instrument was acknowledged before me this 27th day of November, 1979, by Bruce Forbes, President of GREAT NORTH MOUNTAIN CORPORATION, a Virginia corporation, on behalf of the corporation.

My commission expires: March 14, 1983

SHENANDOAH COUNTY, SS

The foregoing writing with certificate of acknowledgment thereon was received at the Clerk's Office of said County, submitted to said and indexed. The taxes imposed by Sect 58-54, (a) and (b) of the Code have been paid.

this 24 day of March, 1980
2:54 M. Tester: [Signature] Clerk

Betty J. Scott

Notary Public

PUBLIC

#722

Plat only

Exd. 4/9/80

Filed in Clerk's Ofc.
4/9/80

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CAMERON G. COPP

Certified Land Surveyor

128 West Court Street - P. O. Box 110
Woodstock, Virginia 22664

Phone (703) 439-4043

December 13, 1979

#722
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The following is the metes and bounds description of Lot #364, in the Addition to Section 9 and 9 extended of Bryce's Mountain Resort, Inc., located at Bays in Ashby Magisterial District, Shenandoah County, Virginia:

Beginning at an iron pipe found on the south side of Beauregard Drive, a corner with Lot # 363; thence with Lot # 363

S 19-58-00 E 145.59 feet

to an iron pipe set, a corner with Lot # 366 and Lot # 363; thence with Lot # 363

S 70-51-00 W 94.63 feet

to an iron pipe found in the line of Lot # 363, a corner with Lot # 362; thence with Lot # 362

N 21-58-00 W 149.58 feet

to an iron pipe found on the south side of Beauregard Drive; thence with the south side of Beauregard Drive

N 70-40-00 E 12.00 feet

to an iron pipe found on the south side of Beauregard Drive, said pipe being the P.C. of a curve to the right and having a radius of 941.58 and an arc of 88.00; thence with the south side of Beauregard Drive

Chord N 73-20-00 E 87.97

to the beginning and enclosing an area of 14,418 square feet.

Job No. 1502-C

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