

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
PHEASANT RUN CROSSING TOWNHOMES, PHASE I**

THIS DECLARATION, made on the date hereinafter set forth by Pheasant Run, LLC, a Virginia limited liability company, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in Montgomery County, Virginia, which is more particularly described as:

All that certain tract or parcel of land with improvements thereon and appurtenances thereunto belonging, lying, and being situate on Givens Lane in the Town of Blacksburg, Prices Fork Magisterial District of Montgomery County, Virginia, and more particularly described as Parcel "B", containing 8.7052 acres, on that certain plat of survey by Draper Aden Associates, Plan No. L-4885-29, dated May 31, 1995, a copy of which is recorded in the Circuit Court Clerk's Office of Montgomery County, Virginia, prior hereto.

BEING part of the same property conveyed to Pheasant Run, LLC, a Virginia limited liability company, from Jay D. Nicewonder, Jr. and Lorraine B. Nicewonder, his wife, by deed dated January 3, 1996, which deed is recorded in the aforesaid Clerk's Office in Deed Book 901, Page 342.

TOGETHER WITH such other land as may be added to the development in accordance with the Declaration and the Bylaws.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors, and assigns, and shall inure to the benefits of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Pheasant Run Crossing Homeowners Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot: which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The Common Area is owned by the Association as conveyed by a Deed and Deed of Release to Pheasant Run Crossing Homeowners Association, Inc., a Virginia corporation, dated the _____ day of _____, 1996, from Pheasant Run, LLC, a Virginia limited liability company, which deed is recorded in the aforesaid Clerk's Office simultaneously herewith.

Section 5. "Lot" shall mean and refer to any lot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Pheasant Run, LLC, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- A. The right of the Association to charge

reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

B. The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; and

C. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all Owners, including owners of additional land annexed, with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. Class B member(s) shall be the Declarant, and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership, including those in additional annexed land, equal the total votes outstanding in the Class B membership.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and to agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

The Association shall also have the authority, through the Board of Directors to establish, fix, and levy a special assessment on any Lot to secure the liability of the Owner thereof to the Association arising from breach by such Owner of any of the provisions of this Declaration which breach shall require the expenditure of time or money, or both, by the Association for repair or remedy.

Each Owner covenants for himself, his heirs, successors, and assigns, to pay each assessment levied by the Association on the parcel described in such conveyance to him within ten (10) days after receipt of an invoice for the same, and further covenants that if said charge shall not be paid within thirty (30) days from the date that said invoice is deposited, postage prepaid in the United States mails, in an envelope addressed to such Owner at the address of the parcel and to such other address as said Owner shall have designated, the amount of such charge shall become a lien upon said Owner's parcel and shall continue to be such lien until fully paid.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, and of the homes situated upon the Properties.

Section 3. Maximum Annual Assessment. Basis and maximum of annual assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Thirty-Five & 00/100 Dollars (\$35.00) per month, per improved Lot (improved by completed structure). Upon conveyance of first Lot to Owner, Owner shall be required to pay two (2) month's assessment in advance.

A. From and after January 1 of the first year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall not exceed Thirty-Five & 00/100 Dollars (\$35.00) per month, per Lot.

B. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessments may be increased above five percent (5%) by a vote of two-thirds (2/3) at a meeting duly called for this purpose.

C. The Board of Directors may fix the annual assessments at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the vote of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days, nor more than sixty (60) days, in advance of the meeting.

At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount in the annual assessment period. Written notice of the annual assessments shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eight percent (8%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first and second mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All properties dedicated to, and accepted by a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Virginia, shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall, or other structure shall be commenced, erected, or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designate committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

EXTERIOR MAINTENANCE & DUTIES OF ASSOCIATION

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: Paint, repair, replace, and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces, patios, or decks.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

The Association shall pay any real and personal property

taxes and other charges assessed against the Common Area.

The Association shall maintain a policy or policies of liability insurance, insuring the Association and its agents, guests, and invitees, and the Owners of the Lots against liability to the public or to said Owners, their guests, or invitees, incident to the ownership or use of the Common Properties, in an amount not less than One Hundred Thousand & 00/100 Dollars (\$100,000.00) for any one person injured, Three Hundred Thousand & 00/100 Dollars (\$300,000.00) for any one accident, and One Hundred Thousand & 00/100 Dollars (\$100,000.00) for property damage. Said limits shall be reviewed at intervals of not less than three (3) years, and adjusted if necessary to provide such coverage and protection as the Association may deem prudent.

For the purpose solely of performing the exterior maintenance required by this Article, the Association, through its duly authorized agents or employees shall have the right, after reasonable notice to the Owner, to enter upon any Lot or exterior of any Living Unit at reasonable hours of the day except Sunday.

ARTICLE VII

PARKING

Ownership of each Lot shall entitle the Owner or Owners thereof to the reasonable use of parking spaces near and convenient to the said Lot, together with the right of ingress and egress upon said parking area. However, if it be determined by the Association that a Lot Owner or Owners are using parking spaces unreasonably, the Association reserves the right to assign to any unreasonable user specific parking place or places to be used.

ARTICLE VIII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or

omissions shall apply thereto.

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

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner to call for a larger contribution for the others under any rule or law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be a majority of all the arbitrators.

ARTICLE IX

EASEMENTS

Section 1. Adjoining Areas. Each Owner is hereby declared to have an easement and the same is hereby granted by the Declarant over all adjoining parcels for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. There shall be valid easements for the maintenance of said encroachment, settlement, or shifting; provided however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful

misconduct of said Owner or Owners. In the event a structure on any Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

Section 2. Overhanging Roofs and Eaves. Each Lot and its Owner within the Properties is hereby declared to have an easement and the same is hereby granted by the Declarant, over such adjoining Lot and/or the Common Properties, as the case may be, for over-hanging roofs and eaves, and the maintenance thereof.

Section 3. Duties of the Association. There is hereby reserved to the Association such easements as are necessary to perform the duties and obligations of the Association as are hereinabove set forth in Article VI hereof.

Section 4. Priority of Easements. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall henceforth be deemed to be covenants running with the land for the use and benefit of the Lots, and the Common Properties, as the case may be, superior to all other encumbrances which may hereafter be applied against or in favor of the Properties or any portion thereof.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges, now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a

term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter, by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Staged Developments. Additional land may be annexed by the Declarant without the consent of members within ten (10) years of the date of this instrument, provided that the FHA or VA determine that the annexation is in accord with the general plan heretofore approved by them. All owners in such additional land areas shall be entitled to all the rights and privileges of the Owners of Pheasant Run Crossing, Phase I, including the use of all Common Areas now located in Pheasant Run Crossing, Phase I.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions, and Restrictions.

Section 6. Noxious or Offensive Activity. No noxious or offensive activity shall be carried on or upon any Lot or any part of the Properties, nor shall anything be done thereon which may be or may become an annoyance or nuisance, public or private, to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective dwelling unit, or which shall in any way increase the rate of insurance.

Section 7. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs, cats, or other household pets may be kept on Lots provided that they are not kept, bred, or maintained for any commercial purpose, or in unreasonable numbers. Notwithstanding the foregoing, no animals or fowl may be kept on the Properties which result in an annoyance or are obnoxious to residents in the vicinity, and in any event, any Lot Owner shall be absolutely liable to each and all remaining Owners, their families, guests, and invitees, and to the Association, for any and all damage to person or property caused by any pets brought upon or kept upon the Lots or the Common Properties by any Lot Owner or by members of his family, guests, or invitees.

Section 8. Fire Insurance. Each Owner shall maintain fire insurance with extended coverage endorsement covering the improvements on the parcel owned by him, and a copy of such policy shall be delivered to the Association. Each such policy shall be in an amount not less than the value of the improvements. In the event of the failure of any Owner to produce evidence of such policy or insurance to the Association, the Association shall obtain such insurance and the amount of the premium paid therefore shall be assessed to the parcel and each Owner, by accepting the conveyance to him of a parcel, covenants for himself, his heirs, successors, and assigns that such assessment will be paid at the time and in the manner provided hereinabove, and payment therefore may be enforced in the manner set forth hereinabove.

Section 9. Destruction by Fire. Should the improvements on any parcel or parcels be damaged or destroyed by fire or other casualty, the Owner or Owners thereof, shall cause the same to be repaired and restored substantially in accordance with the original plans and specifications therefore, or as approved by the Association. The repairs and restoration work shall be commenced within thirty (30) days after the happening of the destruction or damage and once commenced or carried toward completion with diligence, the Association by the Owner shall be assessed against said parcel or parcels proportionately based upon the nature and extent of the same as it affects the parcel of each Owner and such assessments shall constitute a lien on the parcel or parcels affected and the amount thereof shall be paid as provided hereinabove and the payment thereof enforced in the manner set forth hereinabove.

Section 10. No private trucks or trailers and no unlicensed motor vehicles of any type shall be permitted to remain overnight on the property of a Private Dwelling Unit within Pheasant Run Crossing, Phase I, unless garaged.

Section 11. No boats of any type shall be permitted on the property of a private Dwelling Unit within Pheasant Run Crossing, Phase I, for more than fourteen (14) days unless garaged or screened in a manner acceptable to the Architectural Control Committee of Pheasant Run Crossing, Phase I.

Section 12. No outside radio or television antennas shall be erected on the property of a Private Dwelling Unit within Pheasant Run Crossing, Phase I, unless and until permission for the same has first been granted by the Architectural Control Committee of Pheasant Run Crossing, Phase I.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has hereunto set its hand and seal this the 8 day of Feb., 1996.

PHEASANT RUN, LLC

By: Robert F. Young
Robert F. Young, Manager

STATE OF VIRGINIA,
MONTGOMERY COUNTY, to-wit:

The foregoing instrument was acknowledged before me this 8th day of February, 1996, by Robert F. Young, Manager of Pheasant Run, LLC.

My commission expires January 31, 1999.

Ronna M. Carly
Notary Public

DRAFT

AMENDMENT AND ADDENDUM TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF PHEASANT RUN CROSSING FOR PHASE 2

THIS ADDENDUM made on the date hereinafter set forth by Pheasant Run, LLC, a Virginia limited liability company, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in Montgomery County, Virginia, which is more particularly described as:

All that certain lot or parcel of land situated in the Town of Blacksburg, Prices Fork Magisterial District of Montgomery County, Virginia, described as Phase 2, as shown on that certain plat of survey entitled, "Pheasant Run Crossing, Final Subdivision Plat - Phase 2, Prices Fork Magisterial District, Montgomery County, Virginia," dated _____; and revised _____; designated Job No. _____, prepared by Olver Incorporated, a copy of which plat is recorded in the Circuit Court Clerk's Office of Montgomery County, Virginia, in Plat Book _____, Page _____.

BEING part of the same property conveyed to Pheasant Run, LLC, a Virginia limited liability company, from Jay D. Nicewonder, Jr. and Lorraine B. Nicewonder, his wife, by deed dated January 3, 1996, which deed is recorded in the aforesaid Clerk's Office in Deed Book 901, Page 342.

WHEREAS, Declarant caused that certain Declaration of Covenants, Conditions, and Restrictions of Pheasant Run Crossing, Phase 1 to be placed of record in the aforesaid Clerk's Office in Deed Book 926, Page 209; and

WHEREAS, said Declaration affected the described property known as:

All that certain lot or parcel of land situated in the Town of Blacksburg, Prices Fork Magisterial District of Montgomery County, Virginia, described as Phase 1, as shown on that certain plat of survey entitled, "Pheasant Run Crossing, Final Subdivision Plat - Phase 1, Prices Fork Magisterial District, Montgomery County, Virginia," dated June 18, 1996;

and revised July 18, 1996; August 1, 1996; and August 5, 1996; designated Job No. 11342.01, prepared by Olver Incorporated, a copy of which plat is recorded in the Circuit Court Clerk's Office of Montgomery County, Virginia, in Plat Book 16, Page 603; and

WHEREAS, Declarant has the right as set out in Article X, Section IV, "State Developments" of the aforesaid Declaration to annex additional land and bring said land under the said Declaration; and

WHEREAS, it is the intent of Declarant to incorporate by reference into this Amendment and Addendum, the aforesaid Declaration; and

WHEREAS, it is also the intent of Declarant to extend all entitlements, rights, and privileges of the owners of Phase 1 of Pheasant Run Crossing to all subsequent owners of the Lots in Phase 2 of the Pheasant Run Crossing development, including the use of all common areas and facilities; and

WHEREAS, it is further the intent of Declarant to deed additional common area included in Phase 2 to the Pheasant Run Crossing Homeowners Association, Inc., a Virginia non-stock corporation; and

NOW, THEREFORE, for and in consideration of the sum of Ten & 00/100 Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, Declarant does hereby agree as follows:

1. To annex, pursuant to its authority as set out in Article X, Section IV of the aforesaid Declaration, the following tract of land:

All that certain lot or parcel of land situated in the Town of Blacksburg, Prices Fork Magisterial District of Montgomery County, Virginia, described as Phase 2, as shown on that certain plat of survey entitled, "Pheasant Run Crossing, Final Subdivision Plat - Phase 2, Prices Fork Magisterial District, Montgomery County, Virginia," dated _____; and revised _____; designated Job No. _____, prepared by Olver Incorporated, a copy of which plat is recorded in the Circuit Court Clerk's Office of Montgomery County, Virginia, in Plat Book _____, Page _____.

BEING part of the same property conveyed to Pheasant Run, LLC, a Virginia limited liability company, from Jay D. Nicewonder, Jr. and Lorraine B. Nicewonder, his wife, by deed dated January 3, 1996, which deed is recorded in the aforesaid Clerk's Office in Deed Book 901, Page 342.

as more fully set out in said Article X, Section IV, "Staged Developments".

2. To include further the extension of all entitlements, rights, and privileges of the owners of Phase 1 of Pheasant Run Crossing to all subsequent owners of record of the Lots in Phase 3 of the Pheasant Run Crossing Development, including the use of all common areas and facilities.

3. Declarant additionally acknowledges its responsibilities under Article X, Section V of the aforesaid Declaration to obtain the prior approval of the Federal Housing Administration or the Veterans Administration as to both the annexation of the additional land, the dedication of additional common area, and the approval of this Amendment of the aforesaid Declaration. Said approval of the Federal Housing Administration or the Veterans Administration will be obtained in writing prior to the recordation of this addendum and amendment to the aforesaid Declaration.

IN WITNESS WHEREOF, the undersigned being the Declarant herein has hereunto set its hand and seal this _____ day of _____, 1997.

PHEASANT RUN, LLC
A Virginia Limited Liability
Company

By: _____
Robert F. Young, Manager

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

The foregoing instrument was acknowledged before me this _____ day of _____, 1996, by Robert F. Young, Manager of Pheasant Run, LLC, a Virginia limited liability company.

My commission expires January 31, 1999.

Notary Public

DRAFT

AMENDMENT AND ADDENDUM TO
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF PHEASANT RUN CROSSING
FOR PHASE 3

THIS ADDENDUM made on the date hereinafter set forth by Pheasant Run, LLC, a Virginia limited liability company, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in Montgomery County, Virginia, which is more particularly described as:

All that certain lot or parcel of land situated in the Town of Blacksburg, Prices Fork Magisterial District of Montgomery County, Virginia, described as Phase 3, as shown on that certain plat of survey entitled, "Pheasant Run Crossing, Final Subdivision Plat - Phase 3, Prices Fork Magisterial District, Montgomery County, Virginia," dated _____; and revised _____; designated Job No. _____, prepared by Olver Incorporated, a copy of which plat is recorded in the Circuit Court Clerk's Office of Montgomery County, Virginia, in Plat Book _____, Page _____.

BEING part of the same property conveyed to Pheasant Run, LLC, a Virginia limited liability company, from Jay D. Nicewonder, Jr. and Lorraine B. Nicewonder, his wife, by deed dated January 3, 1996, which deed is recorded in the aforesaid Clerk's Office in Deed Book 901, Page 342.

WHEREAS, Declarant caused that certain Declaration of Covenants, Conditions, and Restrictions of Pheasant Run Crossing, Phase 1 to be placed of record in the aforesaid Clerk's Office in Deed Book 926, Page 209; and

WHEREAS, said Declaration affected the described property known as:

All that certain lot or parcel of land situated in the Town of Blacksburg, Prices Fork Magisterial District of Montgomery County, Virginia, described as Phase 1, as shown on that certain plat of survey entitled, "Pheasant Run Crossing, Final Subdivision Plat - Phase 1, Prices Fork Magisterial District, Montgomery County, Virginia," dated June 18, 1996;

and revised July 18, 1996; August 1, 1996; and August 5, 1996; designated Job No. 11342.01, prepared by Olver Incorporated, a copy of which plat is recorded in the Circuit Court Clerk's Office of Montgomery County, Virginia, in Plat Book 16, Page 603; and

WHEREAS, Declarant has the right as set out in Article X, Section IV, "State Developments" of the aforesaid Declaration to annex additional land and bring said land under the said Declaration; and

WHEREAS, it is the intent of Declarant to incorporate by reference into this Amendment and Addendum, the aforesaid Declaration; and

WHEREAS, it is also the intent of Declarant to extend all entitlements, rights, and privileges of the owners of Phase 1 of Pheasant Run Crossing to all subsequent owners of the Lots in Phase 3 of the Pheasant Run Crossing development, including the use of all common areas and facilities; and

WHEREAS, it is further the intent of Declarant to deed additional common area included in Phase 3 to the Pheasant Run Crossing Homeowners Association, Inc., a Virginia non-stock corporation; and

NOW, THEREFORE, for and in consideration of the sum of Ten & 00/100 Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, Declarant does hereby agree as follows:

1. To annex, pursuant to its authority as set out in Article X, Section IV of the aforesaid Declaration, the following tract of land:

All that certain lot or parcel of land situated in the Town of Blacksburg, Prices Fork Magisterial District of Montgomery County, Virginia, described as Phase 3, as shown on that certain plat of survey entitled, "Pheasant Run Crossing, Final Subdivision Plat - Phase 3, Prices Fork Magisterial District, Montgomery County, Virginia," dated _____; and revised _____; designated Job No. _____, prepared by Olver Incorporated, a copy of which plat is recorded in the Circuit Court Clerk's Office of Montgomery County, Virginia, in Plat Book _____, Page _____.

BEING part of the same property conveyed to Pheasant Run, LLC, a Virginia limited liability company, from Jay D. Nicewonder, Jr. and Lorraine B. Nicewonder, his wife, by deed dated January 3, 1996, which deed is recorded in the aforesaid Clerk's Office in Deed Book 901, Page 342.

as more fully set out in said Article X, Section IV, "Staged Developments".

2. To include further the extension of all entitlements, rights, and privileges of the owners of Phase 1 of Pheasant Run Crossing to all subsequent owners of record of the Lots in Phase 2 of the Pheasant Run Crossing Development, including the use of all common areas and facilities.

3. Declarant additionally acknowledges its responsibilities under Article X, Section V of the aforesaid Declaration to obtain the prior approval of the Federal Housing Administration or the Veterans Administration as to both the annexation of the additional land, the dedication of additional common area, and the approval of this Amendment of the aforesaid Declaration. Said approval of the Federal Housing Administration or the Veterans Administration will be obtained in writing prior to the recordation of this addendum and amendment to the aforesaid Declaration.

IN WITNESS WHEREOF, the undersigned being the Declarant herein has hereunto set its hand and seal this _____ day of _____, 1997.

PHEASANT RUN, LLC
A Virginia Limited Liability
Company

By: _____
Robert F. Young, Manager

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

The foregoing instrument was acknowledged before me this _____ day of _____, 1996, by Robert F. Young, Manager of Pheasant Run, LLC, a Virginia limited liability company.

My commission expires January 31, 1999.

Notary Public