

PROTECTIVE COVENANTS

EXHIBIT 1 TO THE DECLARATION

1. Application. These Protective Covenants shall apply to all of the Existing Property. Same shall also apply to additions to Existing Property unless the Developer shall specifically except from these Protective Covenants such additions or a portion thereof in the Supplemental Declaration by which the Developer subjects such additions to this Declaration. In the event of conflict between these Protective Covenants and the Declaration, the Declaration shall prevail.

2. Architectural Control Committee. When the Architectural Control Committee, hereinafter referred to as the A.C.C., is mentioned in these Protective Covenants, it shall mean the Architectural Control Committee of the Association as more particularly described in Article XI of the Declaration. Except as to original construction by the Developer, A.C.C. permits shall be required for any construction activity within Glade Springs Village as set forth in Article XI of the Declaration. The A.C.C. shall further have the authority, in connection with the issuance of such permits, to adopt such rules, regulations and standards and to adopt such standard building or other codes (or any portion thereof) as it shall deem appropriate or necessary for the proper performance of its function and duties and for the implementation of these covenants. The owner, contractor and builder will subject all permitted activities to such inspections as required by the A.C.C. to determine compliance with such A.C.C. permits, the Declaration and these Protective Covenants. In the event of any conflict between the provisions of the Declaration, these Protective Covenants and those of the A.C.C. rules, regulations and standards, same shall prevail in that order. All actions of the A.C.C. shall be subject to review by the board of directors of the Association and appeals may be taken thereto under such terms and conditions as such board of directors may set from time to time.

3. Amendment, Rescission or Additions. The Developer, its successors and assigns, may amend, rescind or add to the Protective Covenants from time to time, provided, however, unless the Lots are specifically exempted from the Protective Covenants by the Declaration or a Supplemental Declaration at the time the Lots are subjected to the plan of the Declaration, such amendment, rescission or additions shall not

make the Protective Covenants as to those Lots zoned as residential less restrictive for construction of residential buildings than as provided in the standards herein.

4. Zoning. The notes upon the recorded subdivision plat shall control as to use of the lots reflected thereon, and as to the residential structure types (single family detached, single family attached and multi-family structure) which shall be permitted upon residential lots, and as to the minimum square footage of each such structure.

5. Resubdivision. No Lot shall be resubdivided except upon a formal determination of necessity or hardship by and upon written approval of the A.C.C. In the event more Lots are created by any such A.C.C. approved resubdivision than originally existed, Association assessments shall apply to such newly created Lots as if such had been contained upon the original plat of such lands. The A.C.C. may permit the construction of a single residence upon two or more Lots without a resubdivision upon the waiver of the 7½ foot utility easement and side yard setback on the appropriate interior lot lines, provided, however, such action by the A.C.C. shall not otherwise affect such Lots, or the obligation to pay assessments on each such Lot.

6. Temporary Structures. No structure of a temporary character, trailer, tent, shack, garage, or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently.

7. Setbacks. No building shall be placed closer to the front or back lot lines than the setback lines shown therefor on a recorded subdivision plat, provided, however, where such requirements create an undue hardship upon the owner, such setbacks may be modified by the A.C.C. to the extent necessary to prevent the hardship.

8. Side Yards. Where Lots are zoned as residential, the following shall apply:

(a) A single family detached structure or any building incident thereto shall not be closer to a side lot line than 7½ feet, which restrictions may be extended in excess of 7½ feet when necessary for drainage, utility, or screening purposes and the extent thereof is reflected on the recorded subdivision plat, provided, however, where such restrictions create an undue hardship upon the owner, such restrictions may be modified by the A.C.C. to the extent necessary to alleviate the hardship.

(b) A single family attached structure shall not be required to have a side yard and a common or party wall may be constructed upon the dividing lines between Lots so that the wall may be partially upon one Lot and partially upon the other, or said common wall may be entirely upon one of the two Lots involved.

(c) Multi-family structures shall not be required to have a side yard and may be constructed up to or upon the dividing lines between Lots where approved by the A.C.C.

The A.C.C. shall decide all questions relative to location of structures upon commercial lots.

9. Party Walls. The following provisions shall apply to party walls within Glade Springs Village:

(a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of a structure and placed on the dividing line between Lots shall constitute a party wall. To the extent not inconsistent with the provisions of this section, general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

(b) 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.

(c) 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 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 from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Weatherproofing. Notwithstanding any other provision of this section, 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.

(e) Right to Contribution Runs with Land. The right of any owner to contribution from any other owner under this section shall be appurtenant to the land and shall pass to such owner's successors in title.

(f) Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this section, unless a single arbitrator can be agreed upon, each party shall choose one arbitrator, and such arbitrators, as chosen, shall choose one additional arbitrator; the decision of the arbitrator or a majority of all the arbitrators shall be final and conclusive of the question involved.

10. Land Near Golf Courses and Recreation Areas. No structure shall be placed nor shall any material or refuse be placed or stored upon any Lot or other parcel of land within twenty (20) feet of the property line of any Common Property used as a golf course or permanent recreation area, or as otherwise shown on a record plat of lands within Glade Springs Village.

11. Assurance of Completion of Buildings. Except as to original construction by the Developer, the owner and any contractor, builder, person or entity constructing a structure within Glade Springs Village, shall, prior to beginning the construction of any such structure, furnish the A.C.C. such credit information and proof of financial ability to complete the construction, within the time limits fixed by the A.C.C. At the same time, there shall be furnished to the A.C.C. satisfactory proof that builders' risk and appropriate workmen's compensation insurance will be in effect for the construction period.

12. Time for Completion of Buildings. Commercial structures, single family attached structures, and multi-family structures shall be completed according to plans and specifications and all applicable permits, codes, standards, rules and regulations applicable thereto, both as to exterior and interior, within such time as shall be fixed by the A.C.C. when the plans and specifications for the particular structure are approved by the A.C.C. The following shall apply to the construction of a single family detached structure, as well as garage and outbuildings permitted:

(a) The exterior of any single family detached structure, garage, or permitted outbuildings shall be completely finished within six (6) months of start of construction;

(b) The interior of any single family detached structure, garage or permitted outbuildings shall be completely finished within twelve (12) months of start of construction.

The owner, contractor and builder will subject all structures to inspection by the A.C.C. as required to determine compliance with completion dates as herein provided or as may be provided by the A.C.C. In the

event of non-compliance with completion dates as herein provided, the Association shall have the right, but not the obligation, to hire one or more contractors to perform the work and furnish the materials necessary for compliance and to bill the owner for the amount expended plus 10% for administration. In the event the owner does not pay same, the Association shall have the legal right to file a statutory lien against the property involved and proceed in law or equity to sell the property to obtain said charges. All money received over and above said charges and court costs, including a reasonable attorney's fee, shall be paid over to the owner.

13. Electric Wiring and Plumbing. Electric wiring and plumbing installed in any structure erected upon or moved upon Glade Springs Village shall be in accordance with standards prescribed by these covenants, and in no event shall such standards be less restrictive than those provided by controlling local or federal agencies or by the State of West Virginia.

14. Sewage Disposal. No privately owned septic tank or other sewage disposal system shall be permitted upon any Lot or parcel of land within Glade Springs Village except in extraordinary circumstances involving temporary service to a major building, which temporary service must be discontinued when central sewer service becomes available, and only after approval by the Association, and then not unless such system is designed, located and constructed in accordance with requirements, standards and recommendations of the West Virginia Department of Health and approved by the A.C.C. In any event, no such privately owned individual system shall be permitted on any single family lot registered with the Interstate Land Sales Registration Division, Department of Housing and Urban Development pursuant to the Interstate Land Sales Full Disclosure Act.

15. Water Supply. No privately owned well or other water system shall be permitted upon any Lot or parcel of land within Glade Springs Village unless approved by the Association and then not unless such system is designed, located and constructed in accordance with requirements, standards and recommendations of the West Virginia Department of Health and approved by the A.C.C. In any event, no such privately owned individual system shall be permitted on any single family lot registered with the Interstate Land Sales Registration Division, Department of Housing and Urban Development pursuant to the Interstate Land Sales Full Disclosure Act.

16. Outbuildings. Outbuildings or accessory buildings for residence purposes such as servants' quarters or guest houses, shall be permitted on Lots upon which a single family detached structure has been constructed or is under construction, provided the building and/or buildings are occupied by servants employed on the premises or by guests and are not occupied otherwise as rental units by nonservant or nonguest occupants, and provided the A.C.C. shall approve the design, plans, specifications, et cetera, of such buildings. Outbuildings or accessory buildings permitted upon Lots or parcels of land upon which there is constructed a commercial building, single family attached structures, or multi-family structure, shall be entirely within the discretion of the A.C.C.

17. Protective Screening. There shall be compliance with all protective screening areas as reflected upon any recorded subdivision plat of Glade Springs Village. Except as otherwise provided herein at paragraph 18, "Sight Distance at Intersections", shrub plantings, fences or walls shall be maintained throughout the entire length of such areas by the owner of such areas at their own expense to form an effective screen in order to protect and beautify the area. No building or structure except a screening fence or wall approved by the A.C.C. or utility or drainage facilities shall be placed or permitted to remain in such areas. No vehicular access over the area shall be permitted except for the purpose of installation and maintenance of screening, utility and drainage facilities.

18. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street property lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

19. Signs. All sign are prohibited in areas zoned upon any recorded subdivision plat as residential except:

(a) Signs erected by the Association or Developer for identification of streets, neighborhoods, recreational amenities, traffic control and directional purposes;

(b) Signs of a temporary nature advertising property for sale and construction signs, which such signs shall not exceed one (1) square foot in area, shall be limited to one (1) such sign per Lot, must be placed upon the specific property involved, and may not be placed for the purpose of advertising that such property is already sold; and

(c) Signs erected by Developer in connection with its sales program.

Except for signs as provided in subparagraphs (a), (b) and (c) above, the erection of signs in areas zoned commercial upon any recorded subdivision plat shall require a permit of the A.C.C. and no such sign shall be erected without the prior approval of the A.C.C.

20. Model Houses. No provision of these Protective Covenants shall preclude the Developer or its designees in furtherance of its sales programs from constructing and maintaining model houses in any area zoned as residential.

21. Businesses Prohibited in Residential Areas. The practice of any profession or the carrying on of any business is prohibited within any area zoned as residential except for the business of the Developer in the furtherance of its sales programs and any home occupation which does not create any extraordinary traffic within the subdivision. All such home occupations must, however, first be approved by the A.C.C. and a permit issued therefor.

22. Non-Competition. No commercial lot or any parcel of land subject to these Protective Covenants or to this Declaration shall be used to operate any business which competes in any manner with Glade Springs Resort L.L.C.'s food, lodging, resort, conference, rental or property management businesses, including any timeshare program.

23. Utility and Drainage Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved in the Declaration and will be reserved in any Supplemental Declaration and also will be reserved as indicated upon any recorded subdivision plat of Glade Springs Village. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or

interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels within the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the owner of the Lot, except for those improvements for which the Association, a public authority or a utility company is responsible.

24. Nuisances. No obnoxious or offensive activity shall be carried on upon any Lot or parcel of land within Glade Springs Village.

25. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or parcel of land within Glade Springs Village except that dogs, cats or other household pets which are not considered inherently frightening to the general public may be kept, provided that they are not kept, bred or maintained for any commercial purposes.

26. Garbage and Refuse Disposal. No Lot or parcel of land within Glade Springs Village shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in a clean and sanitary container and disposition of same shall be prompt.

27. Salvage Yards, Etc. No automobile wrecking, junk or salvage yards are permitted on any Lot or on any other parcel of land within Glade Springs Village.

28. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot or parcel of land within Glade Springs Village. No derrick or other structure designed for use in boring for oil or natural gas, nor any oil wells, tanks, tunnels, mineral excavations or shafts shall be erected, maintained or permitted.

29. Cemeteries. The following standards shall apply to the development and construction of any new cemeteries within Glade Springs Village:

a. Sites for cemeteries shall be provided access directly from a collector or arterial street. Access to cemeteries shall not be made from residential streets which have residences or lots abutting the street and using it for access.

b. Any new cemetery shall be located on a site containing not less than five (5) acres.

c. All cemetery structures, including but not limited to, mausoleums, permanent monuments, or maintenance buildings shall be set back not less than twenty-five (25) feet from any property line or street right of way.

d. All graves or burial lots shall be set back not less than twenty-five (25) feet from any property line or street right of way.

30. A.C.C. Responsibility. The function of the A.C.C. is designed for the enforcement of the Declaration and these Protective Covenants. The performance of its duties with respect thereto shall be on a best efforts basis in an effort to reasonably protect the aesthetics and property values within Glade Springs Village and the health, safety and welfare of all of the owners therein as a community of interests. No warranty or representation is made to or should be implied by any individual owner that the actions of the A.C.C. in the issuance of permits, inspection and approval of construction, or otherwise, is intended as a tacit approval of the quality, safety, desirability, or suitability of such design or construction.

31. Enforcement. These Protective Covenants may be enforced in the same manner as any violation or threatened violation of the Declaration of which these Protective Covenants are a part, including, but not limited to the lien rights of the Association for any costs or charges incurred in connection therewith.

NOTE: This document is filed for record in Raleigh County, West Virginia and duly recorded in Book 5004 of Deeds, Page 6485