

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR LAKE ANNA PLAZA

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, is made on this 19th day of October, 2000, by and between WILLIAM F. BLOUNT, JR., FAMILY LIMITED PARTNERSHIP, a Virginia Limited Partnership, hereinafter known as "DECLARANT", party of the first part; LAKE ANNA PLAZA OWNERS ASSOCIATION, INC., a Virginia Non-Stock Corporation, hereinafter known as "ASSOCIATION", party of the second part.

WITNESSETH:

WHEREAS, the Declarant is the sole owner of certain real property containing 21,219 square feet, Cuckoo District, Louisa County, Virginia, being a portion of the lands more particularly described in deed from Lake Anna Family Campground, Inc., dated January 1, 1994, and recorded in Deed Book 473, page 182, in the Clerk's Office of the Circuit Court of Louisa County, and more particularly described as follows:

Lots A1 through A5, inclusive, and B6 through B10, inclusive, Lake Anna Plaza, Phase One, containing in the aggregate 21,219 square feet, as the same are duly platted and recorded on a plat of survey drawn by Bells Surveys, Inc., dated October 2, 2000, as last revised, and recorded in Plat Book 8, at Page 1351, among the County of Louisa, Virginia, land records.

WHEREAS, the Declarant desires to subdivide Lake Anna Plaza, Phase One, as hereinabove described, in accordance with the aforesaid subdivision plat; and

WHEREAS, Declarant, for itself and its successors and assigns, desires to create a residential and recreational community which shall have common facilities for the benefit of the community and to provide for the preservation of the values of the community in such areas as may be subjected to this Declaration, and for the maintenance of the open spaces and other facilities; and to this end, does declare and publish its intent to subject the real property known as

Gardner, Maupin & Sutton, P.C.
P. O. Box 129
Spotsylvania, VA 22553

Drafted By / Return To:

BOOK 657 PAGE 555

Lots A1 through A5, inclusive, and B6 through B10, inclusive, Lake Anna Plaza, Phase One, all as herein described (and designate for conveyance to a homeowners association the common areas, parking areas and private streets shown on said plat) to the covenants, restrictions and conditions herein contained and which shall run with said real property and shall be binding on all the persons or entities having or acquiring any right, title or interest in said real property or any part thereof, and shall inure to the benefit of each owner thereof; and

WHEREAS Declarant has deemed it desirable for the efficient preservation of the values of said community to create an agency which shall be delegated and assigned the powers of owning, maintaining and administering the community properties, administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereafter created; and

WHEREAS, Declarant has incorporated under the laws of the Commonwealth of Virginia, as a non-stock corporation, Lake Anna Plaza Owners Association, Inc., for the purposes of exercising the functions aforesaid.

DECLARATION

NOW, THEREFORE, Declarant, for and in consideration of the premises and the covenants contained herein, does hereby grant, establish and convey to each and every Owner of Lots A1 through A5, inclusive, and Lots B6 through B10, inclusive, Phase One, Lake Anna Plaza, mutual and non-exclusive rights, privileges and easements of enjoyment on equal terms and in common with all other Owners of Lots A1 through A5, inclusive, and Lots B6 through B10, inclusive, Phase One, Lake Anna Plaza, in and to the use of any common area which may hereafter be acquired by the Association; and further does hereby declare the real property shown on the above recited plat recorded prior hereto and designated as Lots A1 through A5, inclusive,

and B6 through B10, inclusive, Lake Anna Plaza, Phase One, to be held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (herein referred to as the "Declaration" and/or the "covenants and restrictions"), hereinafter set forth, which are for the purpose of protecting the value and desirability of, and shall run with, the real property and be binding on all parties having any right, title or interest in the above described properties or any part hereof, their successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to Lake Anna Plaza Owners Association, Inc., its successors and assigns. The formation of said Association shall occur prior to the sale of the first residential lot, as hereinafter described, by the Declarant.

Section 2. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions applicable to the Properties, defined hereinbelow, recorded in the office of the Clerk of the Circuit Court of the County of Louisa, Virginia.

Section 3. "Properties" or "Property" shall mean and refer to that certain real property described hereinabove as Lots A1 through A5, inclusive, and Lots B6 through B10, Phase One, Lake Anna Plaza, and any common areas, including parking areas and private streets shown on the said subdivision plat of Lake Anna Plaza, Phase One, hereinabove described, and such additions thereto which, from time to time, may be annexed as a part of Lake Anna Plaza and/or otherwise brought within the jurisdiction of the Association.

The term "Properties" or "Property" shall not include commercial sites or commercial enterprises located upon the lands of the Declarant, including the existing Blount

Realty Offices, New Bridge Market and Deli, and Lake Anna Family Campground, and additional commercial sites to be developed in the future.

Section 4. "Common Area" shall mean all real property which may hereafter be acquired by the Association for the common use and enjoyment of the members of the Association, and includes parking areas and streets not dedicated to public ownership.

Section 5. "Parcel", "Unit" or "Lot" shall mean and refer to any plot of land shown on any recorded subdivision plat of the Properties upon which a residential dwelling could be constructed in accordance with applicable zoning ordinances, with the exception of the common area, streets and parking areas shown on the said subdivision plat of Lake Anna Plaza, Phase One, hereinabove described.

The term "Parcel" or "Unit" or "Lot" shall not include commercial sites or commercial enterprises located upon the lands of the Declarant, including the existing Blount Realty Offices, New Bridge Market and Deli, and Lake Anna Family Campground, and additional commercial sites to be developed in the future.

Section 6. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any parcel which is a part of the Properties, including contract sellers, excluding those having such interest merely as security for an obligation(s).

Section 8. "Declarant" shall mean and refer to William F. Blount, Jr., Family Limited Partnership, a Virginia Limited Partnership, its successors and assigns for purposes of development.

Section 9. "Mortgagee" shall mean and refer to any person or entity secured by a first mortgage or first deed of trust on any parcel excluding the common area, streets and parking areas, and which mortgagee has notified the Association of this fact.

Section 10. "Dwelling Unit" shall mean and refer to any portion of the Properties intended for any type of independent ownership for use and occupancy as a residence by a single household and shall unless otherwise specified, include within its meaning (by way of illustration but not limitation) patio or zero lot line homes and/or townhouses.

Section 11. "Board of Directors" shall mean and refer to the Board of Directors of the "Association", and the members of which shall be chosen in accordance with the Articles of Incorporation and By-Laws of the Association.

Section 12. "Successor Developer" shall mean any person, partnership, corporation or other legal entity to whom eight (8) or more lots have been conveyed for the purpose of construction of single family residences upon the same.

Section 13. "Subdivision Plat" shall mean and refer to the aforesaid Subdivision Plat of Phase One, Lake Anna Plaza, made by Bell Surveys, Inc., dated October 2, 2000, as last revised and recorded among the land records of Louisa County, Virginia, in Plat Book 8, page 1351.

ARTICLE II

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as a security for the performance of an obligation.

The Declarant, and any future Successor Developer, for so long as either or both shall own lots which have been annexed into Lake Anna Plaza or otherwise brought within the jurisdiction of the Association shall be a member of the Association.

Membership shall be appurtenant and may not be separated from ownership of any lot or parcel which is subject to assessment by the Association, or those lots or parcels owned by the Declarant or any Successor Developer. Ownership of such lots or parcels shall be the sole qualification for membership. A mortgagee in possession of a parcel shall be entitled to exercise the owner's right in the Association with regard thereto.

Owners of any present or future commercial development upon the lands of the Declarant shall not be members of the Association, including but not limited to the Blount Realty Offices site, the New Bridge Market and Deli, and Lake Anna Family Campground.

ARTICLE III

VOTING RIGHTS

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

Class A: Class A members shall be all those members as defined herein with the exception of the Declarant or a Successor Developer. Class A members shall be entitled to one vote for each unit in which they hold the interest required for membership by Article II. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as the owners of said lot themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot.

Class B: The Class B member(s) shall be the Declarant or Successor Developer, as defined herein. A Class B member shall be entitled to three (3) votes for each lot in which it holds the interest required for membership by Article II; provided that Class B membership shall

cease and a Class A membership, with one (1) vote for each lot in which it holds an interest, shall issue on the happening of either of the following events, whichever shall first occur:

1. When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
2. On December 31st, 2007.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Member's Easements of Enjoyment. Every member, subject to the provisions herein, shall have right and easement of enjoyment in and to any common area, parking areas and streets, and such right and easement of enjoyment 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(s);
- (b) The right of the Association to limit the number of guests or the number of guests of members at each recreational facility;
- (c) The right of the Association to adopt and enforce rules and regulations governing the use of the common area, parking areas or streets, including the imposition of fines for the violation thereof;
- (d) The right of the Association to suspend the voting rights and rights of a member, or associate recreational amenity member, to the use of any recreational facilities constructed on the common area(s) for any period during which any assessment against the member for said member's lot remains unpaid, or any infraction of the published rules and

regulations of the Association; provided, however, that direct access to a member's lot or unit over any road within the Properties which is a common area(s) shall not be denied the member;

(e) The right of the Association, in accordance with the Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the common area(s) and facilities and in aid thereof, with the assent of more than two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, to mortgage said property, subject to this Declaration and the easement of enjoyment created hereby, and to acquire property encumbered by the lien or liens of the deed or deeds of trust securing improvements on this property; provided that any such mortgage of the common area(s) must state that it is subject to this Declaration, subordinate to the rights of the members hereunder, and the easement of enjoyment created hereby and shall not be in conflict with its designation as "open space" or "recreational amenity";

(f) The right of the Association, at any time, if consistent with the then existing zoning ordinances of the County of Louisa and the designation of any common area(s) as "open space" or "recreational amenity", or, upon dissolution, to dedicate or transfer all or any part of the common area(s), parking areas and streets, to any public agency, authority, or utility for such purposes and subject to conditions as may be agreed to by the members; provided that any such dedication or transfer shall have the assent of more than two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than twenty five (25) days nor more than fifty (50) days in advance of the meeting setting forth the purpose of the meeting. Upon such assent and in accordance herewith, the officers of the Association shall execute the necessary documents;

(g) The right of the Association to grant, with or without payment of damages to the Association, and consistent with the "open space" or "recreational amenity" designation thereof, easements for the construction, reconstruction, installation, repair, and/or necessary maintenance of utility lines through or over any portion of the common area(s). The foregoing shall not be construed, however, to permit acquisition or damage to any improvements situate thereon which would otherwise be deemed to be part of the realty, without the payment of damages, including severance or resulting damages, if any, to the Association, all in amounts and in a manner now or hereafter governing proceedings for the acquisition of private property for use by condemnation in this Commonwealth; and

Section 2. Any member may delegate, in accordance with the By-Laws, his right of enjoyment to the common areas and facilities to his family and to his tenants.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the lien and personal obligation of assessments. Each Owner of any lot or unit by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed of conveyance, is deemed to covenant and agree to pay to the Association:

(a) Annual general assessments or charges, which may be assessed on a pro-rata basis monthly, and shall include, but not be limited to, charges for cutting of grass by Association as hereinafter provided, and charges for provision of central water and sewer facilities and services (which shall include costs of (1) provision of electric service to said facilities, (2) cost of testing and sampling required by the appropriate governmental authorities, and (3) costs of periodic re-application for sewer permit from the appropriate governmental authorities), and for such purposes as more particularly described in Section 2. hereinbelow.

(b) Special assessments levied by the Board of Directors of the Association, where the Board of Directors has found by resolution that said special assessment is and shall be in the best interest of the Association and that the proceeds of said special assessment are used primarily for the maintenance and upkeep, including capital expenditures, of the common area(s). Any such special assessment may be rescinded or reduced by majority vote of the members attending a meeting of the membership convened in accordance with the provisions of this Declaration within sixty (60) days of receipt of the notice of such assessment; and

(c) The general annual assessments and special assessments, together with such interest thereon and costs of collection thereof, including reasonable attorneys fees, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the lot or unit against which each such assessment is made. Each such assessment together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person(s) who was the owner of such lots or units at the time when the assessment fell due. Said personal obligation shall not pass to such person's successors in title unless expressly assumed by them, however, said obligation shall be a charge on the land and shall run therewith.

(d) The failure of any member to pay the annual general assessment or special assessment described hereinabove shall entitle the Association to the lien provided by Section 55-516 of the Code of Virginia, 1950, as amended, as well as the rights afforded the Association hereunder and any other rights afforded a creditor under law.

(e) The Association shall have all rights and powers provided to the Association pursuant to the Virginia Property Owners Association Act, Sections 55-508, et seq., of the Code of Virginia, 1950, as amended, for the collection of said annual general assessments and special assessments.

Section 2. Purposes of Assessments. The annual general assessments levied by the Association shall be used exclusively for the purpose of promoting recreation, health, safety and welfare of the residents in the Properties, and in particular for the payment of taxes, contract services and improvements, and maintenance of improvements and facilities devoted for this purpose and related to the use and enjoyment lots and of the common area(s), including the maintenance of the streets of the project which have not been dedicated to public ownership and are not being maintained by the Virginia Department of Transportation, the maintenance of the parking areas of the facilities of the project, the maintenance of central water and sewer facilities as per Article V, Section 1, (a) hereinabove and Article XV. Section C. hereinbelow, costs of cutting of grass upon lots and common areas, and further for the administrative expenses of the Association and enforcement of this Declaration. The special assessments levied by the Association shall be for the purposes set forth in Article V, Section 1.(b) hereinabove.

Section 3. Establishment of Annual General Assessment and Services Assessments.

(a) The Association must levy in each of its fiscal years an annual general assessment and a services assessment (hereinafter collectively referred to as the "annual assessments") against each lot or unit. The amounts of such annual assessments shall be established by the Board of Directors, subject to the limitations imposed by Section 5 of this Article V, at least thirty (30) days in advance of each annual assessment period. The first annual assessments on each lot or unit imposed pursuant to this Section 3.(a) shall be adjusted according to the number of months remaining in the annual assessment period following the date of purchase or the date of occupancy, whichever shall first occur.

(b) The amount of the annual general assessment shall be determined by the Board of Directors according to its estimate of the costs of providing services or rights of use which are common to all of the units.

(c) Lots owned by the Declarant or Successor Developer, for which a final plat of subdivision has been recorded among the land records of Louisa County, Virginia, shall be subject to an assessment, whether general or special, equal to twenty five percent (25%) of the assessment applicable to lots not owned by the Declarant or Successor Developer.

Notwithstanding the foregoing, the Declarant or a Successor Developer, shall pay the full annual general and special assessments for Lots owned by the Declarant and Successor Developer, upon which a dwelling unit has been completed, beginning with the date of said completion, completion being evidenced by the issuance of a temporary or permanent certificate of occupancy by the County of Louisa, Virginia. Notwithstanding any provision herein to the contrary, the Declarant or Successor Developer, hereby covenant and agree for the benefit of each Class A member hereunder to pay any and all expenses incurred by the Association during the Deficit Period (as such term is hereinafter defined) in furtherance of the Association's purposes to the extent that the annual general and special assessments levied during the Deficit Period are insufficient to pay such expenses; provided, however, that at such time as the Declarant or a Successor Developer, have paid during the annual period an amount equal to one hundred percent (100%) of the assessments for Lots (owned by said Declarant or Successor Developer) had it not been entitled to a reduced assessment as herein provided, then the Declarant or Successor Developer, shall only be obligated to pay any further assessments during that annual period in an amount equal to what would be due for such Lots had they been owned by a Class A member.

As used herein, the term "Deficit Period" shall mean that period of time commencing on the date of recordation of this Declaration and ending on the earlier of (i) the date on which the Class B membership ceases in accordance with the provisions of Article IV of this Declaration; or (ii) the date upon which the Declarant or a Successor Developer, declare, by instrument in writing and recorded among the land records of Louisa County, Virginia, that said Declarant or any Successor Developer, (from the date specified in such recorded writing) waives its rights to reduced assessments as provided in this Section 3(c). The Declarant or Successor Developer, may make such declaration with respect to less than all of the Lots so owned, to be owned or to brought within the jurisdiction of the Association, in which event the Deficit Period shall terminate only with regards to those lots specifically described in such written declaration.

Section 4. Recreational Assessments. In the event that the Association shall operate any recreational amenity then the Association shall have the right to charge an annual recreational amenity assessment related solely to the maintenance and operation of the recreational amenity.

Section 5. Maximum Assessments.

(a) Until January 1st, 2001, the sum of the annual general assessment imposed for any fiscal year of the Association as to each unit pursuant to Section 3, Paragraph (a) of this Article V shall not exceed \$600.00 per lot or unit, which assessments shall be paid monthly to the Association. Such amounts are hereinafter referred to as the "maximum annual assessments".

(b) As to each of the fiscal years of the Association from and after January 1st, 2001, the Board of Directors may increase the maximum annual assessments provided in Section 4.(a) for each lot or unit by the greater of (i) a factor of not more than ten percent (10%) of the maximum annual assessments for the current fiscal year of the Association, or (ii) the percentage increase, if any, in the consumer price index, or equivalent, published by the United

States Department of Labor for the Metropolitan Washington area over the twelve (12) month period ending five (5) months prior to the end of the fiscal year of the Association, or such similar consumer price index if the index herein described is no longer in existence.

(c) From and after January 1st of the year immediately following the commencement of annual assessments, the maximum annual assessments may be increased above the amounts which could be set by the Board of Directors, as hereinabove described with the assent of each (i) two thirds (2/3) of the votes cast by the Class A members who are voting in person or by proxy at a meeting duly called for such purpose at which a quorum is present, and (ii) 100% of the votes cast by the Class B member(s) voting in person or by proxy at any such meeting.

Section 6. Special Assessments. In addition to the annual assessments authorized above, and in addition to the special assessments that may be authorized by the Board of Directors as provided for in Section 1.(b) hereinabove, the Association may levy in any assessment year, a special assessment applicable to that year only for the purposes expressed in Section 1.(b), provided that any such assessment shall have the assent of more than two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose. Nothing herein shall prevent the Board of Directors from approving a special assessment in accordance with Section 1.(b), nor shall the same affect the right of the members to rescind or reduce a special assessment approved by the Board of Directors in accordance with said provisions.

Section 7. Quorum and Notice for any Action Authorized under Sections 3, 5 and 6. At the first meeting called, as provided in Sections 3, 5 and 6 of this Article V, the presence at the meeting of members or proxies entitled to cast ten percent (10%) of all the votes of each class of

membership shall constitute a quorum. If the quorum is not forthcoming at any meeting, another meeting may be called and the required quorum at any such 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. Written notice of each meeting including subsequent meeting(s) called pursuant to Sections 3, 5 and 7 herein shall be sent to all members not less than twenty-five (25) days nor more than fifty (50) days in advance of the meeting setting forth the purpose of the meeting.

(a) For any meeting called for the purpose of rescinding a special assessment levied by the Board of Directors in accordance with Section 1.(b) and Section 7, the presence at the meeting of members or proxies entitled to cast fifty percent (50%) of all the total votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, another meeting may be called and the required quorum at any such 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 thirty (30) days following the preceding meeting. Written notice of each such meeting including subsequent meetings shall be called for the purpose of rescinding a special assessment levied by the Board of Directors shall be sent to all members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting setting forth the purpose of the meeting.

Section 8. Remedies of the Association in the event of Default. If any assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of nine percent (9%) per annum. In addition, the Association at its discretion may:

(a) Impose a penalty as previously established by rules;

(b) Accelerate the required payment date of the entire remaining annual assessments;

(c) Shall have all the rights provided to the Association pursuant to the Virginia Property Owners Association Act, Section 55-508, et seq., of the Code of Virginia, 1950, as amended, for the collection of said assessments;

(d) Bring an action at law against the owner personally obligated to pay the same, and/or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment; and

(e) Suspend a member's rights to use facilities or nonessential services offered by the Association to the extent that access to the lot through the common area is not precluded.

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 or unit.

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

Section 10. Exempt Property. The following property subject to the Declaration shall be exempt from the assessment created herein:

- (a) All properties dedicated to and accepted by a local public authority;
- (b) The common area(s), parking areas and streets;

(c) All properties owned by a charitable or other organization exempt from taxation by the laws of the Commonwealth of Virginia. However, no land or improvements devoted to a residential dwelling shall be exempt from said assessments.

Section 11. Commercial Sites. Notwithstanding anything to the contrary contained herein, the existing commercial enterprises located upon the lands of the Declarant, including the Blount Realty Office site, the New Bridge Market and Deli, Lake Anna Family Campground, and the future commercial development upon the lands of Declarant, shall not be obligated to pay any general or special assessments to the obligation. Such commercial sites or enterprises shall be obligated to pay unto the Declarant, or the Association, as the case may be, their pro-rata share of the maintenance and operating costs of the central water and sewer system as further described in Article XV Section C. hereinbelow.

ARTICLE VI RESTRICTIVE COVENANTS

Section 1. The properties herein described as Lots A1 through A5, inclusive, and Lots B6 through B10, inclusive, Phase One, Lake Anna Plaza, shall be used exclusively for residential purposes. The Declarant, however, for itself, and any Successor Developer, reserves the right, prior to sale and transfer of any unit, pursuant to a recorded project plat, to alter, amend, and change any lot lines or project plan. No building shall be erected, altered, placed, or otherwise permitted to remain on any parcel other than one dwelling unit and other approved structures for use solely by the occupants. Except for those related to real estate sales and construction, no signs of any type, advertisements, or messages other than for identification purposes only shall be displayed or published, including any which offers or implies commercial or professional services, or which may constitute any other kind of business solicitation in, or from, any

residence or residential property. Notwithstanding the foregoing, the Declarant or any or Successor Developer, may, during the construction and/or sales period, and within seven (7) years from the date of subdivision of a particular section, erect, maintain, and operate real estate sales and construction offices, model homes, displays, signs and other special lighting on any part of the Properties, and on or in any building or structure now or hereafter erected thereon, while owned by the Declarant or Successor Developer.

Section 2. No clothing, laundry, or wash shall be aired or dried on any portion of the project, including common areas.

Section 3. No tree, hedge, or shrub planting shall be maintained in such a manner as to obstruct sight lines for vehicular traffic.

Section 4. No noxious or offensive activity shall be carried on in or around any unit, nor shall anything be done or placed thereon which may become an annoyance or nuisance to the neighborhood. Owners shall, at all times, maintain their property and all appurtenances thereto in good repair and in a state of neat appearance. Except for flower gardens, shrubs, and trees which shall be neatly maintained, all open lot areas shall be maintained in lawns or other materials approved by the Architectural Review Board. Provided, however, that all grass cutting upon lots and common areas shall be the responsibility of the Association, as hereinafter provided.

Section 5. No sign of any kind shall be displayed to the public view on any lot, except temporary real estate signs not more than four (4) square feet in area advertising the property for sale or for rent, and except as provided in Section 1 hereinabove. All signs advertising the property for sale or rent shall be removed within three (3) days from the date of execution of any agreement of sale or rental. Notwithstanding anything contained herein, where the ordinances

and regulations of Louisa County, Virginia, permit only a sign of smaller dimensions than those dimensions described herein, the ordinances and regulations of Louisa County, Virginia, shall control.

Section 6. No horse, pony, cow, chicken, pig, hog, sheep, goat, or other domestic or wild animal shall be kept or maintained within the project; however, common household pets, such as dogs and cats, may be kept or maintained, provided they are not kept, bred or maintained for commercial purposes and do not create a nuisance or annoyance to surrounding lots or the neighborhood and are in strict compliance with applicable County of Louisa ordinances.

Notwithstanding anything to the contrary herein contained, no more than two (2) dogs or cats, or combination thereof, shall be kept or maintained on any lot or within any unit.

Section 7. Closed trash and garbage containers shall be required for storage of trash but shall not be permitted to remain in public view except on days of trash collection. No accumulation or storage of litter, new or used building materials, or trash or any kind shall be permitted on any lot. This provision shall not apply to Declarant or Successor Developer, during the construction period of a townhome upon any lot and for a reasonable time thereafter.

Section 8. No person shall paint the exterior of any building a color different than the original color of said building without the proposed color having been approved by the Architectural Review Board.

Section 9. The exteriors of all structures, including walls, doors, windows and roofs shall be kept in good maintenance and repair. No structure shall be permitted to stand with its exterior in an unfinished condition for longer than six (6) months after the commencement of construction. In the event of fire, wind storm or other damage, the exterior of any structure shall not be permitted to remain in a damaged condition for longer than three (3) months.

Section 10. No structure or addition to a structure shall be erected, placed, altered, or externally improved on any lot until the plans and specifications, including elevation, material, color and texture and a site plan showing the location of all improvements with grading modifications shall be filed with and approved in writing by the Architectural Review Board. No alterations, additions, or improvements shall be made which would defeat the purpose for which it was intended. "Structure" shall be defined to include any building or portion thereof, wall, fence, pool, pavement, driveway, or appurtenances to any of the aforementioned.

Section 11. No fence, or other enclosure, shall be erected or built on any lot until approved in writing by the Architectural Review Board, as to the location, materials and design, which approval the Architectural Review Board is not required to give. Any fence or enclosure built on any lot shall be maintained in proper manner so as not to detract from the value and desirability of surrounding property. Notwithstanding anything to the contrary contained herein, any fence or enclosure built on any lot shall be of the same height, design, and material as what has previously been constructed within the subdivision at the time of construction of townhomes thereon.

Section 12. No junk vehicles, recreational vehicles, house trailers, or commercial industrial vehicles, such as, but not limited to, moving vans, trucks, tractors, trailers, vans, wreckers, hearses, buses, boats, boating equipment, travel trailers, or camping equipment shall be regularly or habitually parked on any public or private streets within the subdivision, or otherwise parked within the boundaries of the subdivision, except upon the written approval of the Architectural Control Committee. "Regularly or habitually parked" shall be defined as a vehicle which is parked on any public or private street within the development for a period

exceeding three (3) days in any thirty (30) day period or exceeding ten (10) days in any six (6) month period. The Association shall not be required to provide a storage area for these vehicles.

Section 13. The provisions of Sections 5, 7, 8, 9, 10, 11 and 12 of this Article VI shall not apply to the construction or development of improvements on any parcel by the Declarant or Successor Developer, commencing within seven (7) years from the date of submission of said parcel to this Declaration.

Section 14. Any lease or rental agreement of a unit may be on a daily basis, weekly basis or otherwise. Provided, however, that the rental of any unit shall be limited to no more than two (2) persons per bedroom within said unit and shall otherwise be subject to the rules and regulations set forth in this Declaration and in the other Association documents.

Section 15. The Association shall have the authority to adopt such rules and regulations regarding this Article VI as it may from time to time consider necessary or appropriate.

Section 16. Notwithstanding anything to the contrary contained herein, nor any matter set forth on the plat of subdivision of Lake Anna Plaza, Phase One, Lots A1 through A5, inclusive, and Lots B6 through B10, inclusive, nor on any future plat of subdivision, any uncovered stairs, stoops, bay windows, and chimneys may extend into the minimum required yards (over and past the building set back lines contained in either the zoning ordinance or this Declaration) provided the same are otherwise permitted by the appropriate ordinances of Louisa County, Virginia, in force and effect on the date of construction of said feature, provided that all approvals, where the same would otherwise be required for structures or improvements, are obtained from the Architectural Review Board.

ARTICLE VII

ARCHITECTURAL REVIEW BOARD

Section 1. Composition. The Architectural Review Board shall be comprised of three (3) or more members. Members shall serve staggered three (3) year terms, as determined by the Board of Directors. As long as Declarant or any Successor Developer owns any parcels within the Properties, the Architectural Review Board shall consist of two (2) committees: the New Construction Committee and the Modification and Change Committee. Thereafter, the New Construction Committee shall be terminated.

Section 2. Method of Selection. The Declarant or any Successor Developer shall nominate the persons to serve on the New Construction Committee. The Board of Directors shall appoint the Modification and Change Committee. No member of the Modification and Change Committee may be a Director.

Section 3. Removal and Vacancies. Members of the Modification and Change Committee may be removed by the Board of Directors with or without cause. Appointments to fill vacancies and unexpired terms shall be made in the same manner as the original appointment.

Section 4. Officers. The Architectural Review Board shall appoint a President and Secretary from among its members, who shall serve one (1) year terms, in such offices. In the event that the President is not present at a meeting, the meeting shall be presided over by the Secretary. The Secretary shall keep or cause to be kept, complete records of the minutes of the Architectural Review Board and any resolutions concerning actions taken by the Architectural Review Board. Said records shall be open to any owner, upon notice in writing to the Secretary of the desire to review said records and the Secretary shall make said records available within ten (10) days of receipt of any such notice to review.

Section 5. Duties. The Architectural Review Board shall regulate the external design, appearance and locations of the property and improvements thereon in such a manner so as to

preserve and enhance values and to maintain an harmonious relationship among structures and the natural vegetation and topography. In furtherance thereof, the Architectural Review Board shall:

(a) Review and approve, modify or disapprove, within thirty (30) days, all written applications of owners for improvements or additions to parcels or common areas; in this regard, during the period the Architectural Review Board is composed of the two Committees described above, the New Construction Committee shall act with respect to the initial construction, development or improvements to the parcels and common areas, and the Modification and Change Committee shall act with respect to modifications and changes to the improvements to the parcels and common areas. All applications not acted upon within thirty (30) days shall be deemed approved. For purposes of determining the expiration date of said thirty (30) day period described hereinabove, said period shall begin to run on the date when a written application of an owner is personally delivered to the President or Secretary of the Architectural Review Board, or in the event said written application is mailed, then provided the application is mailed by First Class Mail, certified, return receipt requested, the thirty (30) day period shall begin on the date of mailing;

(b) Periodically inspect the Properties for compliance with architectural standards and approved plans for alterations;

(c) Adopt architectural standards for changes to or additions to existing construction, subject to confirmation of the Board of Directors;

(d) Adopt procedures for the exercise of its duties; and

(e) Maintain complete and accurate records of all actions taken.

Upon the review of any application of owners for improvements or additions to parcels or common areas as described in Section 5.(a) of this Article VII, the Architectural Review Board shall notify said owner of its approval, modification or disapproval of said applications, by mailing notice thereof to the owner at the last known address of the owner on the records of the Association, and which notice shall be mailed First Class, certified, return receipt requested. The date of notice shall be deemed to be the date of mailing, provided said mailing is in accordance with the provisions hereof. In addition, the date of mailing shall be deemed the date that the application is acted upon for purposes of the thirty (30) day period described hereinabove.

Section 6. Appeal. Any aggrieved party may appeal a decision of the Architectural Review Board to the Board of Directors. Such appeal must be in writing, and must be forwarded to the Board of Directors within fifteen (15) days from the date of the decision of the Architectural Review Board, or the date of receipt of notice of said decision, whichever shall first occur. Failure to so notify the Board of Directors shall terminate all rights of appeal hereunder. Upon receipt of an appropriate notice of appeal as described herein, the Board of Directors shall within thirty (30) days of receipt of the same, meet and approve, modify or disapprove the application of the owner as said application was submitted to the Architectural Review Board. The decision of the Board of Directors shall be final.

ARTICLE VIII

EASEMENTS

Section 1. There is a blanket easement hereby granted to the Association, its Directors, officers, agents, or employees, to any manager employed by or on behalf of the Association, and to all police, firemen, ambulance personnel and all similar persons, to enter upon the Properties, including all parcels, lots and common areas, in the exercise of functions provided by this

Declaration and the Articles, By-Laws and Rules of the Association, in the event of emergencies, and in performance of governmental functions.

Section 2. The rights accompanying the easements provided in Section 1 hereof shall be exercised only during reasonable daylight hours and then whenever practicable only after advance notice to, and with the permission of, any owner or tenant directly affected thereby when not an emergency situation or a governmental function.

Section 3. The Declarant, its agents and employees, and any successor developer, shall have a right of ingress and egress over the common areas, parking areas and streets as required for the construction and development of the Properties.

Section 4. There shall be and is hereby reserved to and granted to the Declarant, any Successor Developer and the Association, a non-exclusive easement over any parcel, lot or common area for the purpose of installing, repairing and/or maintaining utility installation or lines of any sort, including, but not limited to, storm drains and drainage swales, sanitary sewers, gas lines, electric lines and cables, water lines, telephone lines, telecommunication lines and cables, for removal of any signs not permitted by this Declaration and for the purpose of conducting any activities required for purpose of obtaining bond release from Louisa County. The easements described herein shall be and are hereby further reserved to any appropriate governmental agency, provider of utility service, including but not limited to electricity, telephone, cable T.V., etc.

Section 5. There shall be and is hereby reserved to and granted to the Declarant, Successor Developer and the Association, a non-exclusive easement over all parcels, lots or common area for the purposes of correcting drainage, regrading, and maintaining, landscaping, mowing, and erecting street intersection signs, directional signs, temporary promotional signs,

entrance features and/or "theme areas", lights, and wall features, and for the purpose or purposes of executing any of the powers, rights or duties granted to or imposed on or upon the Association in Articles VI through IX hereof.

Section 6. Any rights granted to the Declarant and any Successor Developer in this Article shall extend only to parcels, lots or common areas, parking areas and streets, submitted to this Declaration by such Declarant or any Successor Developer.

Section 7. The easements reserved for the Declarant, its successors and assigns, and any Successor Developer, herein shall automatically expire as to any parcel, lot or common area seven (7) years from the date of submission of such parcel or common area to this Declaration, or the date upon which the Declarant no longer owns any parcels submitted to this Declaration, whichever shall last occur.

Section 8. There is reserved for the benefit of Rappahannock Electric Cooperative, Virginia Power, Verizon and all other public utilities, including, but not limited to, electric, telephone, water, sewer, gas, and cable TV, such easements as may be shown on the plat of subdivision and, in addition, an easement seven and one-half (7-1/2) feet in width along the front and rear of each parcel or lot, for the installation and maintenance of said utility lines. No lot owner shall place any permanent structure, including, but not limited to, fences, sheds, within said easement herein described, nor conduct any land disturbing activity within said easement herein described which might affect any buried utility cables or lines within the easement, or otherwise prevent the utility provider from going upon said easement to make necessary installation or repairs of said utility lines or cables.

Section 9. Notwithstanding anything to the contrary herein contained, there is reserved to the Declarant, any Successor Developer and the Association, an easement two (2) feet in width,

along all parcels or lots (front of parcel or lot adjacent to common areas and including parking areas) submitted to this Declaration, for the construction and maintenance of sidewalks. All such sidewalks so constructed shall be for the use and benefit of the Declarant, any Successor Developer, the Association and all parcel or lot owners, their guests or invitees, for the purpose of pedestrian traffic, which right of use shall be a non-exclusive privilege appurtenant to each lot. All such sidewalks so constructed shall be maintained by the Association, and neither the individual parcel nor lot owners, the Declarant, any Successor Developer, nor any Successor Developer, shall have any responsibility (or obligation or liability) for the maintenance of such sidewalks.

Section 10. There is reserved unto the Association an easement over all parcels, lots and common areas for purposes of cutting of grass upon all parcels, lots or common areas.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to apply. Each wall which is built as a part of the original construction of the townhomes upon the properties and placed on the dividing line between the units 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 and destruction by fire or other casualty. If any such party wall is damaged or destroyed by fire or other casualty or by some cause other than the act of the adjoining owner, his agents, or family (including ordinary wear and tear and deterioration from lapse of time) then, in such event, both such adjoining owners shall proceed forthwith to rebuild or repair the same to as good a condition as formerly, in proportion to their

respective use of the party wall. "Proportion to their respective use of the party wall" shall be defined as a fraction the numerator of which is the lineal feet (length as determined by a line parallel to the ground at ground level) of the party wall common to one owner and the denominator of which is the total lineal feet (length as determined by a line parallel to the ground at ground level) of the party wall.

Section 3. Repairs caused by one owner. If any such party wall is damaged or destroyed through the act of one adjoining owner or any of his agents or guests or members of his family (whether or not such act is negligent or otherwise culpable), so as to deprive the other adjoining owner of the full use and enjoyment of the wall, then the first of such owners (damaging owner) shall forthwith proceed to rebuilt and repair the same to as good a condition as formerly, without costs to the adjoining owner (non-damaging owner).

Section 4. Other Changes. In addition to meeting the other requirements of these restrictive covenants, and of any building code or similar regulations or ordinances, any owner proposing to modify, make additions to, or rebuild his residence in any manner which requires the extension or other alteration of any party wall shall first obtain the written consent of the adjoining owner.

Section 5. Right to contribution runs with the land. The right of any owner to contribution from any other owner under this Article IX shall be appurtenant to the land, and shall pass to such owner's successor in title.

Section 6. 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 7. Dispute. In the event of a dispute between owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the costs thereof, then, upon written request of one of such owners addressed to the Association, the matter shall be submitted to the Board of Directors, who shall decide the dispute, and the decision of the Board of Directors shall be final and conclusive upon the parties. In resolving such disputes the Board of Directors shall conduct a hearing, after notice to each of such owners, and each of such owners shall be permitted to be represented by counsel and to submit such evidence as deemed appropriate to the Board of Directors at such hearing. The notice described herein shall be given to each of such owners at their last known address as shown on the records of the Association, by First Class Mail, certified, return receipt requested. Said hearing shall not occur less than fifteen (15) days after mailing of said notice, nor more than forty-five (45) days after mailing of said notice.

ARTICLE X

PARKING

The Association shall promulgate rules and regulations needed to regulate the use of any parking areas that may be constructed or authorized on common areas for the benefit of all owners, which rules and regulations may include assignment of parking spaces. Until otherwise changed by a vote of at least two-thirds (2/3) of each class of members in the Association, there shall be assigned to each unit one (1) parking space, with additional adjacent common parking spaces (as shown on plat of Phase of development) to be used by each set of units on a first come, first serve basis. The initial designation of reserved/assigned parking spaces and common parking spaces shall be made by the Declarant.

Except as otherwise provided hereinbelow, no unit or lot shall be entitled to the use of more than two (2) parking spaces simultaneously (one (1) reserved/assigned parking space

and one (1) first come/first serve space). Provided, however, that one unit may grant in writing, with copy filed with the Association, the use of said unit's reserved/assigned parking space to another unit for a limited period of time, not to exceed seven (7) days.

ARTICLE XI
POWERS AND DUTIES OF THE ASSOCIATION

Section 1. Discretionary Power and Duties. The Association shall have the following powers and duties which may be exercised at its discretion:

(a) To enforce any/all building restrictions which are imposed by the terms of this Declaration or which may hereafter be imposed on any part of the Properties; provided that nothing herein contained shall be deemed to prevent the owner of any unit from enforcing any building restrictions in his own name; the right of enforcement shall not serve to prevent such changes, releases, or modifications of the restrictions or reservations placed upon any part of the properties by any party having the right to make such changes, releases or modifications in the deeds, contracts, declaration, or plats in which such restrictions and reservations are set forth; and the right of enforcement shall not have the effect of preventing the assignment of those rights by the proper parties wherever and whenever such right of assignment exists. The purpose and costs of any such enforcement shall be paid out of the general fund of the Association, as hereinafter provided for;

(b) To provide such light as the Association may deem advisable on the streets and for the maintenance of any and all improvements, structures, or facilities which may exist or may be erected from time to time on any common area;

(c) To build facilities upon land owned or controlled by the Association;

(d) To sow and resow the grass and to care for, spray, trim, protect, plant, and replant trees and shrubs growing on the common area and to pick up and remove from said property all loose material, rubbish, filth, and accumulations of debris; and to do any other thing necessary or desirable in the judgment of the Association to keep the common areas in neat appearance and in good order, including maintenance of water and sewer lines, as well as upkeep of all streets, curbs and gutters;

(e) To exercise all right and control over any easements which the Association from time to time acquire, including but not limited to those easements specifically reserved to the Association in Article VII hereof;

(f) To create, grant and convey easements upon, across, over and under all Association properties including but not limited to easements for the installation, replacement, repair, and maintenance of utility lines serving units within the property;

(g) To create subsidiary corporations;

(h) To employ counsel and institute and prosecute such suits as the Association may deem necessary or advisable, and to defend suits brought against the Association;

(i) To employ from time to time such agents, servants and laborers as the Association may deem necessary in order to exercise the powers, rights, and privileges granted to it, and to make contracts;

(j) To assess charges against any member for any violation of the Declaration or rules and regulations or By-Laws, for which the member or his family members, tenants, guests, or invitees are responsible, provided that before any such charges are assessed the member shall be given an opportunity to be heard and to be represented by counsel before the

Board of Directors (notice of any such hearing to be hand delivered or mailed by registered mail or certified mail, return receipt requested, to the member at his address of record at least 14 days prior to the hearing) and which charges so assessed shall not be limited to the expense or damage to the Association caused by the violation, but shall not exceed \$50.00 for a single offense nor \$10.00 per day for any offense of a continuing nature, and which charges shall be considered as an assessment against the member's lot for purposes of Section 515-516 of the Code of Virginia, 1950, as amended;

(k) To enter into professional management contracts for the management of the Properties; and

(l) And all such other powers as are reasonably necessary for the administration of this Declaration and the duties of the Association.

Section 2. Mandatory Powers and Duties. The Association shall exercise the following powers, rights and duties:

(a) To accept title to the common areas and to hold and administer said property for the benefit and enjoyment of the owners and occupiers of lots or units within the property. The purpose of this provision is to impose on the Association the obligation to accept title to any common area, parking areas and streets, and to hold and maintain the same for the benefit of owners and occupants of Lake Anna Plaza project;

(b) To make and enforce rules and regulations governing the use of the common area.

Section 3. The Association shall obtain fidelity bond coverage against dishonest acts on the part of the Directors, Officers, Trustees, Managers, Employees, or Agents responsible for handling funds collected on behalf or for the benefit of the Association. The fidelity bond shall

cover the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in place. The fidelity bond coverage shall at a minimum shall be equal to the sum of three (3) months assessments on all units in the properties, plus the Association's reserve funds, if any.

Section 4. The Association shall maintain a comprehensive policy of public liability and hazard insurance covering the common areas, parking areas and streets maintained by the Association. Such insurance policy shall contain a severability of interest clause or endorsement which shall preclude the insurer from denying the claim of an owner because of negligent acts of the Association or other owners. The scope of coverage shall include all coverage in kinds and amounts commonly obtained with regard to projects similar in construction, location and use. Further, the public liability insurance must provide coverage of at least One Million Dollars (\$1,000,000.00) for bodily injury and property damage for any single occurrence.

Section 4. The Association shall cut all grass upon the lots and common areas on a regular basis, such that the lawn areas upon such lots and common areas shall not be permitted to grow beyond a reasonable height, not to exceed a 5 inch blade height above the ground.

ARTICLE XII

RIGHTS OF MORTGAGEES

All mortgagees shall have the following rights:

Section 1. A mortgagee shall be given written notice from the Association of the following:

- (a) Any proposed action that would require the consent of a specified percentage of mortgagees;

(b) Any default in the performance of any obligation under this Declaration, or related Association documents, by the owners of the unit that is the security for the indebtedness due the mortgagee which is not cured within sixty (60) days;

(c) Any casualty loss that affects a material portion of the unit that is the security for the indebtedness due the mortgagee;

(d) Any casualty loss, condemnation or eminent domain proceeding or proposed acquisition by a condemning authority that affects any portion of the common area or any parcel or portion thereof, which is related to the indebtedness due the mortgagee;

(e) Any lapse, cancellations or material modification of any insurance policy or fidelity bond maintained by the Association.

Section 2. Any first mortgagee who obtains title to a parcel pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed or assignment in lieu of foreclosure, shall not be liable for each such parcels unpaid dues or charges which accrue prior to the acquisition of title to the parcel by the mortgagee.

Section 3. A mortgagee shall have the right to examine the books and records of the Association during normal business hours and upon reasonable notice to the Association.

Section 4. As outlined in later sections of this Article, holders of first mortgages or other equivalent liens on planned unit development lots shall have the right, upon request, to receive notice of (a) the decision of the owners to abandon or terminate the planned unit development; (b) any material amendment to the Declaration, any of the By-Laws, or any of the Articles of Incorporation; and (c) the decision of the Association to terminate professional management and assume self-management.

Section 5. Provided that improvements have been constructed in the common area(s), and provided that a mortgagee gives notice to the Association that it has relied on the value of the improvements in making a loan on the properties, then such mortgagee shall be further entitled to the following rights:

(a) Subject to the right of the Declarant to annex additional area, as provided in Section 5 of Article XIII, unless fifty-one percent (51%) of the mortgagees and owners, as required by this Declaration or related Association documents, or if no provision is made for owner approval, then two-thirds (2/3) of the owners, have given their prior written approval, the Association shall not:

(1) Fail to maintain fire and extended coverage insurance on insurable parts of the common area or other Association property on a current replacement cost basis in an amount not less than 100% of the insurable value, based on current replacement costs, not including land value;

(2) Use hazard insurance proceeds for losses to the common area or other Association property for other than the repair, replacement or reconstruction of such property;

(3) Add or amend any material provisions of this Declaration or related Association documents concerning the following:

(i) Voting;

(ii) Assessment, assessment liens, or subordination of such liens

(provided that this shall not apply to prevent increases in general assessments or the levy of special assessments in accordance with the provisions of this Declaration);

- (iii) Reserves for maintenance, repair and replacement of those parts of the common area that may be replaced or may require maintenance on a periodic basis;
- (iv) Insurance or Fidelity Bond;
- (v) Responsibility for maintenance and repair of the property;
- (vi) Architectural controls;
- (vii) Leasing of the property;
- (viii) Imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer, or otherwise convey his property;
- (ix) A decision by the Association to establish self-management when professional management had been required previously by a mortgagee;
- (x) Restoration or repair of the properties after a hazard damage or partial condemnation;
- (xi) Termination of the legal status of Lake Anna Plaza Owners Association, Inc., after substantial destruction or condemnation of the project occurs; and
- (xii) Any provisions that are for the express benefit of mortgagees.

Any addition, or amendment to this Declaration or related Association documents shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. A mortgagee who receives written request to approval additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request;

(b) Subject to the right of Declarant to annex additional areas, as provided in Section 5 of Article XIII, unless ninety percent (90%) of the mortgagees and owners have given

their prior written approval, the Association shall not by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common areas, parking areas, streets or other property owned by the Association. The granting of easements for public utilities or other public purposes consistent with the intended use of the common area by the Association shall not be deemed a transfer within the meaning of this clause; provided, however, that this shall not act to prohibit the conveyance of streets to the Commonwealth of Virginia or other governmental entity for public ownership and maintenance;

(c) A mortgagee may, jointly or singularly, pay taxes, or other charges which are in default and which may or have become a charge against the common areas, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage upon the lapse of a policy for such common area. The mortgagee or mortgagees making such payments shall be owed immediate reimbursement therefore from the Association;

(d) The assessments imposed by the Association shall include an adequate reserve fund for maintenance, repairs and replacements for those parts of the common areas which may be replaced or require maintenance on a periodic basis. Such reserve shall be payable in regular installments rather than by special assessments;

(e) The Association shall cause the immediate repair, reconstruction or renovation of any damage to the common area or Association property unless a decision not to repair, reconstruct or renovate is approved by all mortgagees;

(f) In the event that there is a condemnation or destruction of the common area or other Association property, to the extent practicable, condemnation or insurance proceeds shall be used to repair or replace the condemned or destroyed property; and

(g) Should there be excess casualty insurance or condemnation proceeds after the renovation, repair or reconstruction called for herein, such excess proceeds may be distributed equally to the owners, a equal portion to each unit; subject however, to the priority of a mortgagee with regard to the proceeds applicable to the unit securing the said mortgagee.

ARTICLE XIII
GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any owner, shall have the right to enforce, by a 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 right, provision, covenant, or condition which may be granted by this Declaration shall not constitute a waiver of the right of the Association or an owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association or any owner pursuant to any term, provision, covenant or condition of this Declaration shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by this Declaration, or at law or in equity.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court shall in no way affect any other provisions, 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 twenty (20) years from the date this Declaration is recorded, after which time the same shall be automatically extended for successive periods of ten (10) years

unless an instrument signed by the then owners of two thirds (2/3) of the lots has been recorded, agreeing to change such covenants and restrictions in whole or in part. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than seventy five percent (75%) of the lot or unit owners, and thereafter by an instrument signed by not less than two thirds (2/3) of the lot or unit owners. Any such amendment shall not be binding upon any persons not a party thereto until the same has been recorded among the land records of Louisa County, Virginia.

Section 4. Special Amendment. For a period of one (1) year after recordation of this Declaration, the Declarant may make any amendment required by any of the Federal mortgage agencies, such as the Federal Housing Administration, the Veterans Administration, or the Federal Home Loan Mortgage Corporation, or the County of Louisa, Virginia, as a condition of the approval of the documents, by the execution and recordation of such amendment following notices to all owners.

Section 5. Annexation of additional properties. The Declarant, its successors and assigns, shall retain the right to designate additional lands, located upon the 35.9 acres, more or less owned by the Declarant, and as are shown and described on the approved (by the appropriate authorities of Louisa County) Preliminary Site Plan for Lake Anna Plaza, dated November 12, 1996, including up to eight (80) townhouses, or such additional townhouses as may be approved subsequently by the appropriate officials of Louisa County, Virginia, and which approved Preliminary Site Plan for Lake Anna Plaza further shows existing and proposed commercial sites and areas for open space and otherwise reserved for commercial use, of which Lots A1 through A5 and B6 through B10, Phase One, Lake Anna Plaza, herein described are a part, as an addition to Lake Anna Plaza and submit the same to this Declaration without the consent of the Owners or

BOOK 657 PAGE 593

Mortgagees (except to the extent that Mortgagee holds a Mortgage on real estate being submitted to this Declaration). The Declarant, its successors and assigns, may submit such real estate by recording an amendment to this Declaration or recording a Supplementary Declaration signed by the Declarant, or its successors and assigns, whomsoever shall be the record owner of the additional properties to be added to this Declaration, which designates such additional properties as a part of Lake Anna Plaza. Lot owners in such addition shall be entitled to use all the common areas described hereinabove, and shall further be subject to all the responsibilities and obligations of lot owners hereunder. The Association may annex additional areas and provide for maintenance, preservation and architectural control of residence parcels, and so add as to its membership under the provisions of Article II; provided that any such annexation shall be authorized with the consent of all members of the Association. The addition of any other lands, other than those described herein, shall be in accordance with the provisions of Section 7 of this Article XIII.

Section 6. Management Contracts. For such time as the Class B Membership interest exists, the Declarant or its successors or assigns shall have the right to enter into professional management contracts for the management of the Properties; provided, however, that once the Class B Membership interests have been terminated, the Association shall have the right to terminate such contracts, with or without cause, upon ninety (90) days written notice to the other party. All such contracts entered into by the Declarant, or its successors or assigns, for such time as the Declarant, or any Successor Developer, has Class B Membership status, shall include a termination provision as herein described.

Section 7. FHA/VA Approval. Anything otherwise set forth in this Declaration to the contrary notwithstanding, after initial approval of the properties for FHA of VA financing, so

long as there is a Class B member, the following actions shall require approval of the Department of Housing and Urban development and/or the Veteran's Administration, as applicable:

(a) Annexation of additional properties other than those remaining townhouse lots shown on the approved Preliminary Site Plan for Lake Anna Plaza, dated November 12, 1996, and described in Section 5 hereinabove; and

(b) merger or consolidation of the Association; and

(c) mortgaging or dedication of the Common Areas; and

(d) dissolution of the Association; and

(e) material amendment of the Articles of Incorporation or Bylaws of the Association; or material amendment to this Declaration.

For purposes hereof, a material amendment shall be deemed to be that which would have the effect of either (i) substantially limiting the rights of any Owner, or (ii) substantially limiting any duty or obligation otherwise imposed upon the Declarant or any Successor Developer by this Declaration. Material amendment shall not be deemed to include any governmentally required amendment or any correction or clarification not inconsistent with this Declaration, or any corrective amendment permitted by Section 55-512.2.F. of the Code of Virginia, 1950, as amended.

ARTICLE XIV

REQUIRED INSURANCE COVERAGE

Each owner of a single family residential lot which is part of Lake Anna Plaza, and upon which a residence has been constructed, shall maintain a fire and extended coverage insurance policy in an amount equal to the full replacement value of all improvements constructed on the lot. If any Owner fails to obtain the insurance required, the Board of Directors may obtain said

insurance on said Owner's behalf and assess the Lot owned by such Owner for the costs of said insurance and such assessment shall be a lien against the lot and collectable as set forth in Article VI hereinabove.

ARTICLE XV

MAINTENANCE

A. STORMWATER FACILITIES

The Declarant has not been required to construct any BMP/Stormwater Facilities (hereinafter "the Facilities") within Phase One, Lake Anna Plaza, nor does Declarant anticipate being required to construct any such facilities within additional Phases of Lake Anna Plaza, the stormwater for the project being directed into Lake Anna and not upon neighboring properties. In the event that the Declarant is required to construct such facilities for any future Phase of Lake Anna Plaza, the Association shall maintain in perpetuity the BMP/Stormwater Facilities so constructed, in a manner which permit the facilities to perform the purpose for which they were designed and constructed. Specifically, the Association agrees that it shall:

- 1) remove silt and other debris from the facilities so as to maintain the elevation of the bottom of the facilities as shown on the approved plans;
- 2) plant and mow grass or maintain a vegetative cover on any slopes surrounding the facilities;
- 3) maintain in good order and repair any principal and emergency spillways which serve as the outflow devices for the facilities; and
- 4) perform any maintenance or repairs requested in writing by the County of Louisa within thirty (30) days of such request or such longer time if specified by the said County.

BOOK 657 PAGE 596

Further, notwithstanding anything to the contrary contained herein, the Association shall be liable for all maintenance obligations and responsibilities of the Declarant under any applicable rules, regulations or ordinances of the County of Louisa, Virginia. Moreover, the Association shall accept the conveyance of fee simple title to the aforesaid BMP/Stormwater Management Facilities from Declarant at such time as Declarant may choose to make this conveyance to the Association.

B. PARKING AREAS AND ROADWAYS

All parking areas and streets within Lake Anna Plaza are private and for the use of the unit or lot owners within Lake Anna Plaza, their guests and invitees, and for the use of the commercial enterprises (including the New Bridge Market and Deli and any future commercial enterprise) constructed upon any portion of the lands of the Declarant shown on the approved Preliminary Site Plan for Lake Anna Plaza, dated November 12, 1996, hereinabove described, and their guests and invitees and patrons, for ingress and egress to said units, commercial use parcels and State Route 208 (New Bridge Road). The Owners of each such unit or lot, and the owners of any commercial site hereinabove described, shall have a right-of-way over the full length and width of such parking areas and streets for the purpose of ingress and egress, which right-of-way shall be a non-exclusive privilege appurtenant to each lot, unit or commercial site.

C. CENTRAL WATER AND SEWER FACILITIES

The Declarant has constructed, or caused to be constructed, a central water and sewer system to serve Lake Anna Plaza, all townhouse units or lots developed, and the existing commercial enterprises previously constructed, including the New Bridge Market and Deli, the Blount Realty office site, the existing home located upon the lands of the Declarant, the existing campground, and future commercial enterprises to be constructed upon lands of the Declarant.

BOOK 657 PAGE 597

All units or lots within Lake Anna Plaza shall be connected to said central water and sewer facilities. Each lot or unit owner and all commercial enterprises connected to said central water and sewer facility shall pay its proportionate share of the maintenance and operating costs of said central water and sewer facility, including, but not limited to, electric costs, costs of testing and sampling, and costs of re-application for approval of sewer permit to the appropriate governmental authorities. On or before December 1st of each year, the Declarant shall provide to the Association a budget for the anticipated maintenance and operating costs of said central water and sewer facility, which budget shall provide for the payment of appropriate user fees by the townhouse owners, commercial enterprises connected to said central water and sewer system, and other users of said system, and thereafter the general assessments for the upcoming year shall be set by the Board of Directors, such that there shall be collected from each unit or lot owner, along with the assessments for other facilities operated or maintained by the Association, the lot or unit owner's proportional share of operating costs of said central water and sewer facility. Such operating and maintenance costs shall then be paid by the Association to the Declarant on a quarter annual basis. The Declarant shall invoice the aforesaid commercial enterprises, and future commercial enterprises located upon the lands of the Declarant, directly for such commercial enterprises pro-rata share of the costs of maintenance and operation of the central water and sewer system. At such time as the Declarant shall deem the same appropriate, the Declarant may convey the central water and sewer system and its appurtenances to the Association, and thereafter the Association shall be liable for the maintenance and operation of the central water and sewer system. At such time as the Declarant shall convey the central water and sewer system to the Association, the same shall be subject agreements by and between Declarant and commercial enterprises located upon the lands of Declarant shown on the approved Preliminary

BOOK 657 PAGE 598

Site Plan for Lake Anna Plaza, dated November 12, 1996, described hereinabove, and subject to the right of Declarant, its successors and assigns to connect additional commercial enterprises so constructed upon said lands of Declarant shown on the approved Preliminary Site Plan for Lake Anna Plaza, dated November 12, 1996. Following such conveyance to the Association, the Association shall directly invoice the aforesaid commercial enterprises, or future commercial enterprises located upon the lands of the Declarant, for such commercial enterprises pro-rata share of the costs of operation and maintenance of the central water and sewer system.

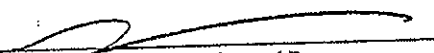
ARTICLE XVI

MISCELLANEOUS

The existing Lake Anna Family Campground located upon a portion of the lands of the Declarant as said lands are shown on the approved Preliminary Site Plan for Lake Anna Plaza, dated November 12, 1996, shall cease operation as a campground no later than December 31st, 2002. Beginning on January 1, 2003, no further overnight camping shall be allowed upon any lands of Declarant as said lands are shown on the aforesaid approved Preliminary Site Plan for Lake Anna Plaza.

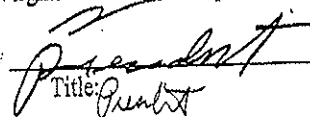
Witness the following signatures and seals:

WILLIAM F. BLOUNT, JR. FAMILY LIMITED
PARTNERSHIP, Virginia Limited Partnership

by 
William F. Blount, Jr., General Partner

(SEAL)

LAKE ANNA PLAZA OWNERS ASSOCIATION, INC.
a Virginia Non-Stock Corporation

by 
Title: President

(SEAL)

George D. Yancey
Vice President

Wachovia Bank, N.A.
151 North Main Street
Culpeper, Virginia 22701

November 27, 2002

William F. Blount, Jr., General Partner
William F. Blount, Jr. Family Partnership
2991b New Bridge Road
Mineral, VA 23117

RE: Promissory Note from William F. Blount, Jr. Family Limited Partnership ("**Borrower**") to Wachovia Bank, National Association ("**Wachovia**") in the original principal amount of \$300,000.00 dated April 4, 2000, including any amendments (the "**Note**").

Obligor # 2892290855 Obligation # 477166

Dear Bill:

Wachovia has agreed to extend the term of the Note, which will mature or has matured on December 1, 2002. Accordingly, this letter shall constitute Wachovia's agreement and formal notice to you, as follows:

Extension. Wachovia hereby extends, on the same terms and conditions as presently in effect, the maturity of the Note to March 1, 2003, at which time the outstanding principal balance, accrued interest and all other amounts due under the Note shall become due and payable. All periodic payments required under the Note shall be made during this extension period.

No Other Changes. Extension on the maturity date as stated herein is the only change to the Note. Except as extended by this letter, the Note and all other Loan Documents (as defined in the Note) shall continue in full force and effect. Should you have any questions, do not hesitate to call.

Very truly yours,

Wachovia Bank, National Association

By: 
George D. Yancey, Vice President

BOOK 657 PAGE 599

STATE OF VIRGINIA

CITY/COUNTY OF SPOTSYLVANIA, to-wit:

The foregoing instrument was duly acknowledged before me this 31st day of Oct, 2000, by WILLIAM F. BLOUNT, JR. (name), the General Partner(title) of the William F. Blount, Jr., Family Limited Partnership, a Virginia Limited Partnership, on behalf of said limited partnership.

My commission expires: 7/31/04

Brenda L. Pulla
Notary Public

STATE OF VIRGINIA

CITY/COUNTY OF SPOTSYLVANIA, to-wit:

The foregoing instrument was duly acknowledged before me this 31st day of Oct, 2000, by William F. Blount, Jr. (name), the President (title) of Lake Anna Plaza Owners Association, Inc., a Virginia Non-Stock Corporation, on behalf of said Corporation.

My commission expires: 7/31/04

Brenda L. Pulla
Notary Public