

Instrument Control Number

Commonwealth of Virginia
Land Record Instruments
Cover Sheet - Form A

[ILS VLR Cover Sheet Agent 1.0.66]



LR 200200031385 10/21/2002 12:16 PM

Recorded in the Clerk's Office of the
 SPOTSYLVANIA COUNTY, Virginia Circuit Court

Teste: , Clerk Paul M. Metzger

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Date of Instrument: [10/19/2002]

Instrument Type: [DEC]

Number of Parcels [1]

Number of Pages [46]

City ☐ County ☒ [Spotsylvania County] (Box for Deed Stamp Only)

First and Second Grantors

Last Name	First Name	Middle Name or Initial	Suffix
[LEGACY WOODS DE]	[]	[]	[]
[]	[]	[]	[]

First and Second Grantees

Last Name	First Name	Middle Name or Initial	Suffix
[LEGACY WOODS DE]	[]	[]	[]
[]	[]	[]	[]

Grantee Address (Name) [LEGACY WOODS DEVELOPMENT, LLC]
 (Address 1) [812 MOOREFIELD PARK DRIVE, SUITE 304]
 (Address 2) []
 (City, State, Zip) [RICHMOND] [VA] [23236]
 Consideration [0.00] Existing Debt [0.00] Assumption Balance [0.00]

Prior Instr. Recorded at: City ☐ County ☐ [] Percent. in this Juris. [100]

Book [] Page [] Instr. No []

Parcel Identification No (PIN) [22-15-3]

Tax Map Num. (If different than PIN) [22-15-3]

Short Property Description [SEE EXHIBIT A]

Current Property Address (Address 1) []

(Address 2) []

(City, State, Zip) [] [] []

Instrument Prepared by [LEGACY WOODS DEVELOPMENT, LLC]

Recording Paid for by [D. O. ALLEN HOMES, INC.]

Return Recording to (Name) [D. O. ALLEN HOMES, INC.]

(Address 1) [812 MOOREFIELD PARK DRIVE, SUITE 304]

(Address 2) []

(City, State, Zip) [RICHMOND] [VA] [23236]

Customer Case ID [] [] []



DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR LEGACY WOODS HOMEOWNERS' ASSOCIATION, INC.

TMA 22-15-3

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LEGACY WOODS HOMEOWNERS' ASSOCIATION, INC. is made this 12th day of September, 2002, by LEGACY WOODS DEVELOPMENT, LLC, a Virginia limited liability corporation, its successors or assigns (hereinafter referred to as a _Declarant_).

RECITALS

Declarant is the owner of the real property (the "Properties") described in Exhibit _A_ attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the Properties mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of real property within the Properties. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Properties, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Properties as are now or hereafter subject to this Declaration.

DECLARATIONS

Declarant hereby declares that all of the property described in Exhibit _A_ and any additional property which is hereafter subject to this Declaration by Supplemental Declarations (as defined herein) shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subject to this Declaration and which shall be binding on all parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owners thereof. The recitals are incorporated herein and made a part hereof.

ARTICLE I
DEFINITIONS

Section 1. Area of Common Responsibility" shall mean and refer to the Common Area, together with those other areas of responsibility, if any, which by the terms of this Declaration, any Supplemental Declaration or other applicable covenants, or by contract or agreement, become the responsibility of Association, including, but not limited to, the responsibility for maintenance repair and/or replacement.

Section 2. Articles of Incorporation or Articles shall mean and refer to the Articles of Incorporation of Legacy Woods Homeowners' Association, Inc., as filed with the Secretary of the State Corporation Commission of the Commonwealth of Virginia.

Section 3. Association shall mean and refer to the Legacy Woods Homeowners' Association, Inc., a Virginia nonprofit nonstock corporation, its successors or assigns.

Section 4. Base Assessment shall mean and refer to assessments levied equally against all Lots in the Properties to fund Common Expenses.

Section 5. Board of Directors or Board shall mean and refer to the elected body of the Association having its normal meaning under Virginia corporate law.

Section 6. Bylaws shall mean and refer to the Bylaws of the Legacy Woods Homeowners' Association, Inc., as they may be amended from time to time.

Section 7. Class B Control Period shall mean and refer to the period of time during which the Class B member is entitled to appoint a majority of the members of the Board of Directors, as provided in the Bylaws, and may also be referred to as the "Declarant Control Period."

Section 8. Clerk's Office shall mean and refer to the Clerk's office of the Circuit Court of Spotsylvania County, Virginia.

Section 9. Common Area shall mean and refer to all real and personal property now or hereafter owned by the Association for the common use and enjoyment of every Lot Owner, subject only to the limitations set forth in Article II, Section 1 hereof. The Association shall be obligated to accept as Common Area any property or interest therein conveyed to it by the Declarant.

Section 10. Common Expenses shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Lot Owners, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Bylaws, and the Articles of Incorporation of the Association, but shall not include any expenses incurred during the Class B Control Period for initial development, original construction or installation of infrastructure, original capital improvements, or other original construction costs unless approved by a majority of the total Class A vote of the Association.

Section 11. Community-Wide Standard shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors or the New Construction Committee.

Section 12. Declarant shall mean and refer to Legacy Woods Development, LLC, a Virginia limited liability corporation. Declarant may designate a successor declarant or declarants to take and hold some or all of its respective rights, powers, privileges and obligations as Declarant

under this Declaration by written instrument recorded in the Clerk's Office.

Section 13. Development Property shall mean and refer to the property described in Exhibit _A_ and all or a portion of the property described in Exhibit _B_ which Declarant may from time to time anticipate subjecting to this Declaration, and any other property hereinafter subjected to this Declaration. Inclusion of property in Exhibit _B_ shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion or absence of property described on Exhibit _B_ from the Development Property bar its later annexation in accordance with Article IX hereof.

Section 14. Improved Lot shall mean and refer to a Lot on which a residence has been substantially completed and for which an occupancy use permit or certificate of occupancy has been issued by Spotsylvania County. All other Lots are defined as Unimproved Lots.

Section 15. Lot shall mean and refer to any plot of land shown upon the recorded subdivision plat of the Property with the exception of the Common Area.

Section 16. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein.

Section 17. Mortgage shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 18. Mortgagee shall mean and refer to a beneficiary or holder of a Mortgage.

Section 19. Mortgagor shall mean and refer to any Person who gives a Mortgage.

Section 20. Owner shall mean and refer to the record owner, whether one (1) or more persons, of any Lot, including builders and contract sellers, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner.

Section 21. Person means a natural person, a corporation, a partnership, a trustee, or any other legal entity.

Section 22. "Pool" shall mean the swimming pool, club house and parking area located in the northwest corner of the Legacy Woods subdivision, near the main entrance to the subdivision. The Pool is to be constructed by the Declarant and shall be conveyed at no cost, and with no liens and encumbrances, for ownership and maintenance by the Association. Upon conveyance of the Pool to the Association, it shall be deemed Common Area property, as set forth in Article I, Section 9 of this Declaration.

Section 23. "Properties" shall mean and refer to the real property described in Exhibit A attached hereto, together with such additional property as is hereafter subject to this Declaration by Supplemental Declaration.

Section 24. Recreational Facilities shall mean certain real property and the improvements and facilities thereon located adjacent to, in the vicinity of, or within the Properties, which are privately owned and which may be operated by the Association or persons other than the Association for recreational and related purposes, on a club membership basis or otherwise.

Section 25. Special Assessment shall mean and refer to assessments levied in accordance with Article XI, Section 4 hereof.

Section 26. Supplemental Declaration shall mean an amendment or supplement to this Declaration which subjects additional property to this Declaration and/or imposes additional restrictions and obligations on the land described therein.

ARTICLE II PROPERTY RIGHTS

Section 1. General. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, subject to:

(a) this Declaration, and any restrictions or limitations contained in any deed conveying such property to the Association;

(b) the right of the Board to adopt other rules regulating the use and enjoyment of the Common Area, including limiting the number of guests who may use the Common Area;

(c) the right of the Board to assess charges against an Owner for his or her or his or her families', tenants', guests', residents' or other invitees', violation of any provision of this Declaration, Bylaws or rules of the Association, after notice and an opportunity for a hearing have been provided to the Owner pursuant to state law;

(d) the right of the Board to suspend the voting rights or the right of an Owner to use facilities or services, including utility services, provided directly through the Association for nonpayment of assessments which are more than sixty (60) days past due, to the extent that access to the Lot through the Common Areas is not precluded and provided that such suspension shall not endanger the health, safety, or property of any Owner, tenant or occupant, if any (i) for any period during which any charge against such Owner's Lot remains delinquent for more than sixty (60) days, and (ii) for a period not to exceed sixty (60) days for a single violation or for a longer period in the case of any continuing violation, of the Declaration, Bylaws or rules of the

Association, after notice and an opportunity for a hearing have been provided to the Owner pursuant to state law;

(e) the right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area pursuant to Article XIV, Section 4 hereof;

(f) the right of the Board to impose reasonable membership requirements and charge reasonable admission or other fees for the use of any recreational facility situated upon the Common Area;

(g) the right of the Board to permit nonmember use of any recreational facility situated on the Common Area upon payment of use fees established by the Board; and

(h) the right of the Association, acting through the Board, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth in Article XV hereof.

Section 2. Delegation of Use.

Subject to the provisions of Section 1 hereof, any Owner may delegate his or her right of use and enjoyment to the members of his or her family, lessees and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Lot shall be deemed to have delegated all of such rights to the Lot's lessee unless the Owner notifies the Board in writing that he or she has retained all or a portion of such rights. Should, however, any Owner desire to lease or rent his or her Lot, the lease or rental agreement shall contain specific conditions which require the lessee/renter to abide by all Association covenants, rules and regulations, and any Owner desiring to rent or lease a Lot further covenants that the lessee/renter will be provided a complete set of all Association covenants, rules and regulations. A tenant's violation of the Association's Declaration, Bylaws, rules and/or regulations shall constitute a default under the lease for which the Association, on behalf and at the expense of the Owner, may seek any remedies available at law or equity, including the eviction of the tenant on behalf of and as agent for the Owner, after ten (10) days written notice to the Owner and the Owner's failure to evict said tenant or lessee.

ARTICLE III
OCCUPANCY OF LOTS FOR SENIOR HOUSING

Section 1. General.

THE LOTS WITHIN THE ASSOCIATION ARE INTENDED FOR "SENIOR HOUSING" ALSO REFERRED TO AS THE HOUSING OF PERSONS 55 YEARS OF AGE OR OLDER. THE PROVISIONS OF THIS ARTICLE ARE INTENDED TO BE CONSISTENT

WITH, AND ARE SET FORTH IN ORDER TO COMPLY WITH, SECTION 39-96.7 OF THE CODE OF VIRGINIA, THE FAIR HOUSING AMENDMENTS ACT, 42 U.S.C. '3601 ET SEQ. (1988), AS AMENDED (THE "ACT"), AND THE EXEMPTION THERE FROM PROVIDED BY 42 U.S.C. '3607(B)(2)(C) REGARDING DISCRIMINATION BASED ON FAMILIAL STATUS. THE DECLARANT OR THE ASSOCIATION, ACTING THROUGH ITS BOARD, SHALL HAVE THE POWER TO AMEND THIS ARTICLE, WITHOUT THE CONSENT OF THE VOTING MEMBERS OR ANY PERSON EXCEPT DECLARANT, FOR THE PURPOSE OF MAKING THIS ARTICLE CONSISTENT WITH THE ACT, AS IT MAY BE AMENDED, THE REGULATIONS ADOPTED PURSUANT THERETO, AND ANY JUDICIAL DECISIONS ARISING THEREUNDER OR OTHERWISE RELATING THERETO, IN ORDER TO MAINTAIN THE INTENT AND ENFORCEABILITY OF THIS ARTICLE.

Section 2. Restrictions on Occupancy.

(a) AT LEAST EIGHTY PERCENT (80%) OF THE OCCUPIED LOTS WITHIN THE PROPERTIES SHALL AT ALL TIMES HAVE AS A PERMANENT OCCUPANT THEREIN AT LEAST ONE PERSON WHO IS 55 YEARS OF AGE OR OLDER (THE "QUALIFYING OCCUPANT"); PROVIDED, IN THE EVENT OF THE DEATH OF A PERSON WHO WAS THE SOLE QUALIFYING OCCUPANT OF A LOT, THE SPOUSE OF SUCH QUALIFYING OCCUPANT MAY CONTINUE TO OCCUPY THE LOT AS LONG AS THE PROVISIONS OF THE ACT AND THE REGULATIONS ADOPTED THEREUNDER ARE NOT VIOLATED BY SUCH OCCUPANCY. FOR PURPOSES OF THIS SECTION, AN OCCUPANT SHALL NOT BE CONSIDERED A "PERMANENT OCCUPANT" UNLESS SUCH OCCUPANT CONSIDERS THE LOT TO BE HIS OR HER LEGAL RESIDENCE AND ACTUALLY RESIDES IN THE LOT FOR AT LEAST SIX (6) MONTHS DURING EVERY CALENDAR YEAR.

(B) NO LOT SHALL BE OCCUPIED BY ANY PERSON UNDER THE AGE OF 19. FOR PURPOSES OF THIS SECTION, A LOT SHALL BE DEEMED TO BE "OCCUPIED" BY ANY PERSON WHO STAYS OVERNIGHT IN THE LOT FOR MORE THAN TWENTY-ONE (21) DAYS IN ANY SIXTY (60) DAY PERIOD OR FOR MORE THAN THIRTY (30) DAYS IN ANY TWELVE (12) MONTH PERIOD.

(C) NOTHING IN THIS ARTICLE IS INTENDED TO RESTRICT THE OWNERSHIP OF OR TRANSFER OF TITLE TO ANY LOT; PROVIDED, NO OWNER MAY OCCUPY THE LOT UNLESS THE REQUIREMENTS OF THIS ARTICLE ARE MET NOR SHALL ANY OWNER PERMIT OCCUPANCY OF THE LOT IN VIOLATION OF THIS ARTICLE. LOT OWNERS SHALL BE RESPONSIBLE FOR INCLUDING THE STATEMENT THAT THE LOTS WITHIN THE ASSOCIATION ARE INTENDED FOR THE HOUSING OF PERSONS 55 YEARS OF AGE OR OLDER, AS SET FORTH IN SECTION 1(A) OF THIS ARTICLE, IN CONSPICUOUS TYPE IN ANY LEASE OR OTHER OCCUPANCY AGREEMENT OR CONTRACT OF SALE RELATING TO SUCH OWNER'S

LOT, WHICH AGREEMENTS OR CONTRACTS SHALL BE IN WRITING AND SIGNED BY THE TENANT OR PURCHASER, AND FOR CLEARLY DISCLOSING SUCH INTENT TO ANY PROSPECTIVE TENANT, PURCHASER OR OTHER POTENTIAL OCCUPANT OF THE LOT. EVERY LEASE OF A LOT SHALL PROVIDE THAT FAILURE TO COMPLY WITH THE REQUIREMENTS AND RESTRICTIONS OF THIS ARTICLE SHALL CONSTITUTE A DEFAULT UNDER THE LEASE.

SECTION 3. Change in Occupancy; Notification.

IN THE EVENT OF ANY CHANGE IN OCCUPANCY OF ANY LOT, AS A RESULT OF A TRANSFER OF TITLE, A LEASE OR SUBLEASE, A BIRTH OR DEATH, CHANGE IN MARITAL STATUS, VACANCY, CHANGE IN LOCATION OF PERMANENT RESIDENCE, OR OTHERWISE, THE OWNER OF THE LOT SHALL IMMEDIATELY NOTIFY THE BOARD IN WRITING AND PROVIDE TO THE BOARD THE NAMES AND AGES OF ALL CURRENT OCCUPANTS OF THE LOT AND SUCH OTHER INFORMATION AS THE BOARD MAY REASONABLY REQUIRE TO VERIFY THE AGE OF EACH OCCUPANT. IN THE EVENT THAT AN OWNER FAILS TO NOTIFY THE BOARD AND PROVIDE ALL REQUIRED INFORMATION WITHIN TEN (10) DAYS AFTER A CHANGE IN OCCUPANCY OCCURS, THE ASSOCIATION SHALL BE AUTHORIZED TO LEVY MONETARY CHARGES AGAINST THE OWNER AND THE LOT FOR EACH DAY AFTER THE CHANGE IN OCCUPANCY OCCURS UNTIL THE ASSOCIATION RECEIVES THE REQUIRED NOTICE AND INFORMATION, REGARDLESS OF WHETHER THE OCCUPANTS CONTINUE TO MEET THE REQUIREMENTS OF THIS ARTICLE, IN ADDITION TO ALL OTHER REMEDIES AVAILABLE TO THE ASSOCIATION UNDER THIS DECLARATION AND VIRGINIA LAW.

Section 4. Monitoring Compliance; Appointment of Attorney-in-Fact.

(a) The Association shall be responsible for maintaining age records on all occupants of Lots. The Board shall adopt policies, procedures and rules to monitor and maintain compliance with this Article, including policies regarding visitors, updating of age records, the granting of exemptions pursuant to Section 2(d) of this Article, and enforcement. The Association shall periodically distribute such policies, procedures and rules to the Owners and make copies available to Owners, their tenants and Mortgagees upon reasonable request.

(b) The Association shall have the power and authority to enforce this Section in any legal manner available, as the Board deems appropriate, including, without limitation, conducting a census of the occupants of Lots, requiring copies of birth certificates or other proof of age for each occupant of the Lot to be provided to the Board on periodic basis, and taking action to evict the occupants of any Lot which does not comply with the requirements and restrictions of this Article. EACH OWNER HEREBY APPOINTS THE ASSOCIATION AS ITS ATTORNEY-IN-FACT FOR THE PURPOSE OF TAKING LEGAL ACTION TO DISPOSSESS,

EVICT TO OTHERWISE REMOVE THE OCCUPANTS OF HIS OR HER LOT AS NECESSARY TO ENFORCE COMPLIANCE WITH THIS ARTICLE. Each Owner shall fully and truthfully respond to any and all requests by the Association for information regarding the occupancy of his or her Lot which in the judgment of the Board are reasonably necessary to monitor compliance with this Article.

(c) Each Owner shall be responsible for ensuring compliance of his or her Lots with the requirements and restrictions of this Article and the rules of the Association adopted hereunder by itself and by his or her and other occupants of his or her Lot. EACH OWNER, BY ACCEPTANCE OF TITLE TO A LOT, AGREES TO INDEMNIFY, DEFEND AND HOLD THE ASSOCIATION HARMLESS FROM ANY AND ALL CLAIMS, LOSSES, DAMAGES AND CAUSES OF ACTION WHICH MAY ARISE FROM FAILURE OF SUCH OWNER'S LOT TO SO COMPLY.

ARTICLE IV ASSOCIATION FUNCTION; MEMBERSHIP AND VOTING RIGHTS

Section 1. Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility and those portions of the Lots specified in Article V, Section 1 hereof. The Association shall be the primary entity responsible for enforcement of this Declaration, Bylaws, and such reasonable rules regulating the use of the Common Area, as the Board may adopt. The Association shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in the Design Guidelines. The Association shall perform its functions in accordance with this Declaration, the Bylaws, the Articles of Incorporation and Virginia law.

Section 2. Managing Agent. The Board of Directors shall employ a professional Managing Agent for the Association at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, to assist the Association with its responsibilities.

Section 3. Membership. Every Owner, as defined in Article I, Section 20 hereof, shall be deemed to have a membership in the Association. No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Lot owned. In the event a Lot is owned by more than one (1) Person, all such co-owners shall be entitled to the privileges of membership, subject to the restrictions on voting set forth in Section 2 of this Article and in the Bylaws, and all such co-owners shall be jointly and severally obligated to perform the responsibilities of Owners hereunder. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the Bylaws. The membership rights of a Lot owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association. The

foregoing does not include persons or entities, which hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessments.

Section 4. Voting. The Association shall have two classes of Membership, Class A and Class B.

(a) Class A. Class A Members shall be all Owners with the exception of the Class B Member, if any Class A Members shall be entitled to one (1) equal vote for each Lot in which they hold the interest required for membership under Section 1 hereof; there shall be only one vote per Lot.

(b) Class B. The Class B Member shall be the Declarant and be entitled to three (3) for each Lot owned. The rights of the Class B Member are specified elsewhere in the Declaration and the Bylaws. The Class B Member shall be entitled to appoint a majority of the members of the Board of Directors during the Class B Control Period, as specified in the Bylaws. After termination of the Class B Control Period, the Class B Member shall have a right to disapprove actions of the Board of Directors and any committee as provided in the Bylaws. The Class B membership shall terminate and become converted to Class A membership upon the earlier of:

- (i) two years after expiration of the Class B Control Period pursuant to the Bylaws; or
- (ii) when, in its discretion, the Declarant so determines.

ARTICLE V MAINTENANCE

Section 1. Association Responsibility Not Related to the Exterior of Homes Located On The Lots. The Association shall maintain and keep in good repair (unless necessitated by the negligence, misuse or neglect of an Owner, in which case such cost shall be charged to such Owner) all of the following, the cost of which shall be charged to all Owners as a Common Expense: (a) the Common Areas, including, without limitation, the: recreational facilities, pool, streets, entranceway, entrance gate, if any, wetlands, ponds, mailboxes, sidewalks, the conservation easement areas, and street lighting, however, note that the Association shall have no obligation to keep sidewalks adjacent to the streets free and clear of ice and snow, but the Association shall keep the driveways and pathways to the mailbox free and clear of ice and snow; (b) the Lots, including, without limitation, building setback areas, the grass (including mowing and reseeding), trees and shrubs located on Lots; (c) landscaping on any public utility easement within the Properties (subject to the terms of any easement agreement relating thereto); (d) the cost for individual curbside household trash pick up, as determined by the Board; and (e) such portions of any additional property within the Area of Common Responsibility as may be dictated by this Declaration or by a

contract or agreement for maintenance thereof by the Association.

Section 2. Association and Owner Responsibility Related to the Exterior of Homes Located On The Lots. Unless necessitated by the negligence, misuse or neglect of an Owner, in which case such cost shall be charged to such Owner, the Association shall be responsible for the exterior of the homes located on the Lot, the cost of which shall be charged to all Owners as a Common Expense, in accordance with, and limited to, the following: a) the Association shall be responsible for the repair of the roof shingles, roofing paper, and flashing, however, the Board, in its sole discretion, may determine that the roof shingles, roofing paper and flashing may require replacement and, if so determined, the obligation for such replacement shall be that of the Owner; b) the Association shall be responsible for the maintenance, repairs, and painting of the siding, cornice, shutters and building trim, but shall not be responsible for the maintenance, repair or replacement of windows (including window frames and sills) or doors (including door frames and thresholds); c) the Association shall not be responsible for the replacement of siding, cornice, shutters, gutters, or building trim in all circumstances where the need for such replacement was caused by termite damage or any other casualty which should be covered under the homeowners' individual property insurance; d) the Association shall be responsible for the cleaning of the gutters and reattachment of the gutters; e) the Owner shall be responsible for the replacement of the window unit, glass, muntins, etc.; f) the Owner shall be responsible for the maintenance, repair and replacement of all portions of any heating and Air conditioning systems, plumbing, electrical, telephone, cable television and all other utility systems, including any exterior lighting; g) the Owner shall be responsible for concrete repair and replacement. If it is determined that damage to concrete was due to the application of rock salt or other unapproved de-icers, the concrete may be replaced by the Association and the total cost shall be assessed to the Owner; and h) the Owner shall be responsible for all damage to his unit or to the immediately adjacent common areas resulting from insect (including, but not limited to termite) infestation, and for any inspections, treatment, and the obtaining of protective coverage from termite damage.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

There are hereby reserved to the Association blanket easements over the Properties as necessary to enable the Association to fulfill responsibilities under this Section. The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own, except to the extent that it has been negligent in the performance of its maintenance responsibilities.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Lots, subject to the right of the Association to seek reimbursement from other persons responsible for, certain portions of the Area of Common Responsibility pursuant to this

Declaration or other agreements. In the event the need for maintenance or repair to be provided by the Association, pursuant to Section 1 and 2 of Article V of the Declaration above, is caused through the willful or negligent act or omission of an Owner, his family, guests, tenants or invitees, the costs of such maintenance or repair shall be charged to the Lot Owner as an assessment and charge upon the land in addition to the annual and special assessments.

Section 3. Owner's Responsibility. Unless identified in Article V, Sections 1 and 2 of the Declaration as the Association's responsibility, each Owner shall be responsible for the maintenance, repair and replacement, at his or her own expense, of all portions of the Lot, including all portions of the homes located on the Lot. Each Owner shall promptly report to the Board or managing agent in writing any defect or need for repairs for which the Association is responsible as set forth in Sections 1 and 2 hereof. Failure to do so in a prompt and timely manner may result in the cost of the maintenance to be charged to the Lot Owner, which charge may be treated as an assessment against such owner's Lot for the purpose of Section 55-516 of the Virginia Property Owners' Association Act, Section 55-508 et seq. of the Code of Virginia, 1950, as amended, regarding liens. Such charges also shall be the personal obligation of the Owner.

All maintenance required by this Section shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants.

Section 4. Best Management Practice Facilities. To the extent that the Declarant is required to install detention ponds as a result of approved plans or conditions required by the County of Spotsylvania, Virginia (the "County"), then the Declarant shall construct and locate such detention ponds within the Development Properties as required by best management practices (the "BMPs") to control storm water runoff required by the County. The Association shall provide both short and long term maintenance, including routine grass cutting and litter pick-up, for the BMPs serving the Development Properties to ensure that the BMPs are and remain in proper working condition in accordance with approved design standards and with applicable legal requirements. The Declarant, the County, their agents and contractors shall have an easement to enter upon any Lot and all Common Area, whether improved or unimproved, for the purpose of inspecting, operating, and repairing the BMPs, as necessary.

Section 5. Declaration of Easements And Maintenance Obligations. Pursuant to that certain Declaration of Easements and Maintenance Obligations dated December 21, 2001 and recorded in the Clerk's Office of the Circuit Court of Spotsylvania County, Virginia in Deed Book 2087, Page 197 on December 21, 2001 (hereafter, "Agreement") the Declarant shall have the unilateral right, in accordance with the Agreement, to transfer its rights and obligations under the Agreement to the Association. Upon such transfer, the Association, through its Board of Directors, shall have the authority to take any and all action reasonably necessary to insure the Association's compliance with the Agreement.

ARTICLE VI

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket _all-risk_ property insurance, if reasonably available, for all insurable improvements on the Common Area. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Board shall also obtain a public liability policy covering the Area of Common Responsibility, insuring the Association and its Members for all damage or injury caused by the negligence of the Association, any of its Members, employees or agents, or any other person who has a right to occupy a Lot.

In addition to the other insurance required by this Section, the Board shall obtain as a Common Expense, if and to the extent required by law: workers' compensation insurance, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds; and flood insurance, if required by FNMA and reasonably available.

The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than one sixth (1/6) of the annual Base Assessments on all Lots, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses, which shall be included in the Base Assessment, subject to any other covenants or agreements relating thereto. The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties, shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefitted parties, as further identified in subsection (b) below. Such insurance shall be governed by the following provisions:

(a) All policies shall be written with a company authorized to do business in Virginia which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating which is available;

(b) All insurance on the Area of Common Responsibility shall be for the benefit of the Association and its Members and shall be written in the name of the Association as trustee for the benefitted parties;

(c) Exclusive authority to adjust losses under policies obtained by the Association on the Properties shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto;

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees;

(e) All property insurance policies shall have an inflation guard endorsement, if reasonably available, and, if the policy contains a co-insurance clause, it shall also have an agreed amount endorsement. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Spotsylvania County, Virginia area; and

(f) The Association's Board of Directors shall be required to use reasonable efforts to secure insurance policies that will provide the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, officers, employees and manager, the Owners and occupants of Lots, and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(iii) a statement that no policy may be canceled, invalidated, suspended, or subject to nonrenewal on account of any one or more individual Owners;

(iv) a statement that no policy may be canceled, invalidated, suspended, or subject to nonrenewal on account of any curable defect or violation without prior demand in writing delivered to the Association to cure the defect or violation and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

(v) a statement that any _other insurance_ clause in any policy exclude individual Owners' policies from consideration; and

(vi) a statement that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

Section 2. Individual Insurance. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket _all-risk_ property insurance on the Lot(s) and structures constructed thereon meeting the same requirements as set forth in Section 1 of this Article VI for insurance on the Common Area. Each Owner shall provide evidence of such coverage to the Association. With respect to the policy contemplated in this provision: a) the Association shall be a named insured; b) the policy shall guarantee replacement cost; and c) the policy shall adjust to inflation.

Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures comprising his or her Lot, the Board may impose requirements regarding the standards for rebuilding or reconstructing structures on the Lot or the standard for returning the Lot to its natural state in the event the structures are not rebuilt or reconstructed.

The Association shall not be liable, under any circumstances, for any failure by an Owner to provide the Association with evidence of coverage as contemplated by this Section.

Section 3. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall provide with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by change in applicable building codes.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least seventy-five (75%) of the total Class _A_ vote of the Association decide within sixty (60) days after the casualty not to repair or reconstruct.

If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such funds or information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area or common property of a Neighborhood Association shall be repaired or reconstructed.

(c) In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then the affected portion of the Properties shall be cleared of all debris and ruins and maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Section 4. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies held by the Association are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s), as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Lot and may be enforced by such Mortgagee.

Section 5. Repair and Reconstruction. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against those Owners of Lots responsible for the premiums for the applicable insurance coverage under Section 1 of this Article. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE VII NO PARTITION

Except as is permitted in this Declaration or amendments thereto, there shall be no judicial partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE VIII CONDEMNATION

Whenever all or any part of the Common Area shall be taken by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association pursuant to Section 55-516.2 of the

Code of Virginia, 1950, as amended.

ARTICLE IX
ANNEXATION OF ADDITIONAL PROPERTY

Section 1. Annexation Without Approval of Class A Membership. Declarant shall have the unilateral right, privilege, and option from time to time and at any time to annex any property, described in Exhibit _B_ or any other property, whether such property is now owned or subsequently owned by the Declarant (or any successor) which is adjacent or contiguous to or located within a two (2) mile radius of property already forming part of the Association measured from the then existing boundary of the Association, into the Association and subject said annexed property to this Declaration. For purposes of this Section, adjacent or contiguous property includes any property which is separated from property forming part of the Association by a natural or man-made barrier including, but not limited to any lakes, rivers, roadways, paths or other barrier. Such annexation shall be accomplished by filing in the Clerk's office a Supplemental Declaration annexing such property.

Declarant shall have the unilateral right to transfer to any other Person the right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in Exhibits _A_ or _B_ or any other property which is to be subjected to this Declaration and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Section 2. Annexation with Approval of Class A Membership. Subject to the consent of the owners thereof, the Association may annex real property other than that described on Exhibit _B_ or which Declarant now owns or subsequently becomes the owner of, to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of a majority of the Class _A_ votes of the Association (other than those held by Declarant present at a meeting duly called for such purpose) and of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject hereto in accordance with Section 1 of this Article.

Section 3. Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, located within the properties described in Exhibits _A_ or _B_, or which is hereafter subjected to this Declaration, which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 4. Withdrawal of Property. Declarant reserves the unilateral right to amend this Declaration at any time so long as it holds an unexpired option to annex additional property pursuant to this Article IX, without prior notice and without the consent of any Person,

for the purpose of removing certain portions of the Properties then owned by the Declarant, its affiliates, or the Association from the provisions of this Declaration; provided such withdrawal is not unequivocally contrary to the overall uniform scheme of development for the Properties.

Section 5. Additional Covenants and Easements. The Declarant may unilaterally subject any portion of the property submitted to this Declaration initially or by Supplemental Declaration to additional covenants and easements. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrent with or after the annexation of the subject property, and shall require the written consent of the Owner(s) of such property, if other than the Declarant.

Section 6. Amendment. This Article shall not be amended without the prior written consent of the Declarant, so long as the Declarant owns any property described in Exhibits _A_ or _B_ hereof or susceptible of being subject to this Declaration.

ARTICLE X RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area, all improvements thereon and those portions of the Lots specified in Article V, Section 1 hereof and shall keep these areas in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and condition hereof and consistent with the Community-Wide Standard.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Common Area which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions for violations of this Declaration, the Bylaws, or rules and regulations of the Association may include reasonable monetary charges and/or and suspension of the right to vote and/or the right to use any recreational facilities or parking areas on the Common Area. The Board also shall have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the Bylaws of the Association.

The Association, through the Board, by contract or other agreement, shall have the right to enforce county and city ordinances, if applicable, and may permit Spotsylvania County, Virginia to

enforce ordinances on the Properties for the benefit of the Association and its Members.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege and/or the proper administration of the Association.

ARTICLE XI ASSESSMENTS

Section 1. Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors, to be commenced at the time and in the manner set forth in Section 8 of this Article. There shall be two types of assessments: (a) Base Assessments to fund common expenses for the benefit of all Members of the Association which shall be levied equally on all Lots, and (b) Special Assessments as described in Section 4 below. Each Owner of an Improved Lot, other than the Declarant or a Builder, by acceptance of a deed or recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

All assessments, together with interest (at a rate equal to the greater of twelve percent (12%) per annum, or the legal rate of interest as defined in Section 6.1-330.53 of the Code of Virginia, as the same may be amended from time to time), as computed from the date of delinquency first occurs, late charges, costs, costs of collection and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made until paid. Each such assessment, together with interest, late charges, costs, costs of collection and reasonable attorneys' fees also shall be the personal obligation of the Person who was the Owner of such Lot at the time the assessment arose, and, in the event of a transfer of title, his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors and shall be due and payable in advance.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment to the Association of any assessments therein stated to have been paid. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

The Association shall be entitled to collect all fees and costs of collection, including

reasonable attorneys' fees, and every Owner by accepting a deed to property in the Association, whether so expressed in the deed or not, covenants and agrees to pay the same. The obligation to pay assessments is a separate and independent covenant on the part of each Owner, and no Owner may waive or otherwise exempt himself or herself from liability for the assessments provided for herein, including, by way of illustration and no limitation, by non-use of Common Areas or abandonment of the Lot. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 2. Non-Payment and Remedies. The Board of Directors shall take such prompt action as may be necessary to collect any assessment for common expenses or any installment thereof due from any Lot Owner which remains unpaid beyond the due date. The Board of Directors shall have the authority to establish the date on which any payment(s) is late and deemed to be in default. Upon a default by a Lot Owner, the delinquent Lot Owner, in addition to all other charges, including interest, costs and attorneys' fees, shall also be liable for a late fee in an amount to be established by the Board of Directors. If payment of the total assessments, or of any installment thereof, including special assessments, is not made on or before the date of default, the entire balance of assessments due on the account for the Lot for the remainder of the fiscal year shall be accelerated and due in full. Upon default, the Board may in its discretion, turn the account over to legal counsel.

If turned over to counsel, all costs and reasonable attorneys' fees actually incurred by the Association from the inception of counsel's involvement with the account through resolution, if any, regardless of whether litigation has been initiated to enforce payment of the delinquent assessments, shall be added to the delinquent account. If payment in full of the amounts then due is not received by legal counsel or the Association within ten (10) days after the notice of legal action has been sent, a Memorandum of Lien may be filed against the Lot Owner's Lot and may include: any and all applicable late fees, interest, costs, reasonable attorneys' fees actually incurred and accelerated assessment amounts through the end of the fiscal year. The attorneys' fees and costs secured by the Memorandum of Lien shall be separate and independent of any costs and attorneys' fees actually incurred by the Association in any effort by the Association taken personally against a delinquent Lot Owner to enforce payment of any past due assessments. Non-receipt or lack of notice claimed by the delinquent Owner shall not prevent the Association from filing a lien within the statutory deadline. Upon default, the Association may, in its discretion, file a civil suit against the delinquent Lot Owner, and the Association may initiate any available foreclosure remedy to enforce payment of the debt.

If an account remains delinquent after the filing of a lien or civil suit, legal counsel for the

Association shall take other appropriate legal action to collect the amounts due unless directed otherwise by the Board of Directors. If the Association receives from any Lot Owner, in any accounting year, two or more checks returned for insufficient funds for payment of assessments or other charges, the Board may require all future payments to be made by certified check, cashier's check or money order for the remainder of the fiscal year. The Association is not restricted by any election of remedies and may simultaneously proceed with legal action against a delinquent Owner's property, including foreclosure, and the delinquent Owner personally, as well as initiate any restrictions against a Lot Owner as may be authorized by the Board in accordance with the Declaration and Bylaws.

Any payment that is received by legal counsel or the Association and which does not pay the Lot Owner's account balance with the Association in full, shall be credited first to the oldest debt in each category described below until each category is paid in full, in the following order:

1) Charges for the actual costs and reasonable attorneys' fees incurred by the Association subsequent to the delinquent account being turned over to legal counsel for the prosecution of an action to enforce payment of the debt, regardless of the results of litigation or whether litigation has been initiated against the delinquent Lot Owner;

2) all returned check charges;

3) all late fees;

4) interest;

5) unpaid installments of the annual assessments or special assessments which are not the subject matter of suit in the order of their coming due; and

6) unpaid installments of the annual assessment or special assessments which are the subject matter of suit in the order of their coming due.

In the event of a delinquency by a Lot Owner, the Board of Directors may reject any offer of partial payment and demand payment in full of all amounts owed to the Association. Acceptance of any partial payments or any waiver by the Board granted specifically to any Lot Owner's assessment account of any of the fees and costs established herein or in the Bylaws or any Rule and Regulation, shall be, on a case by case basis, if at all, and in no way shall it constitute a waiver of the Board's authority to enforce payment of all amounts owed in accordance with this Declaration, including turnover of the Association's legal counsel for collection.

For so long as the Declarant has the authority to appoint the directors and officers of the Association, Declarant may: (i) advance funds to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association (but specifically not

including an allocation for capital reserves), and the sum of the annual, special and specific assessments collected by the Association in any fiscal year, and such advances shall be evidenced by promissory notes from the Association in favor of the Declarant; or (ii) cause the Association to borrow such amount from a commercial lending institution at the then prevailing rates for such a loan in the local area of the Properties. The Declarant in its sole discretion may guarantee repayment of such loan, if required by the lending institution, but no Mortgage secured by the Common Area or any of the improvements maintained by the Association shall be given in connection with such loan. The Association is specifically authorized to enter into subsidy contracts or contracts for _in kind_ contribution of services or materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the Common Expenses.

Section 3. Computation of Base Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared, as provided in Section 6 of this Article. The budget may also include, at the Board's discretion, any amounts necessary to furnish all equipment, material, labor and other items necessary to provide waste and recycling collection or any other services for each Lot on a community-wide basis. The budget shall also include, at the Board's discretion, any amounts necessary for the funding of the Association's obligation of the Declaration of Easement and Maintenance Obligations, as more fully described in Article V, Section 5 of this Declaration.

The Base Assessments to be levied against each Lot for the coming year shall be set at a level which is reasonably expected to produce total income to the Association equal to the total budgeted Common Expenses, including reserves.

Notwithstanding the above, the Board may, in its sole discretion, reduce the Base Assessments by taking into account:

- (a) other sources of funds available to the Association; and
- (b) assessments to be levied upon additional Lots reasonably anticipated to become subject to assessment during the fiscal year.

If any recreational facilities on the Common Area are owned or leased by the Association, the determination of the annual recreational facilities expenses shall expand a separate line item on the budget.

So long as the Declarant has the right unilaterally to annex additional property pursuant to Article IX hereof, the Declarant may elect on an annual basis, but shall not be obligated, to reduce the resulting Base Assessments for any fiscal year by payment of a subsidy (in addition to any

amount paid by Declarant under Section 1 above); provided, any such subsidy shall be conspicuously disclosed as a line item in the income portion of the Common Expense budget and shall be made known to the membership. The payment of such subsidy in any year shall under no circumstances obligate the Declarant to continue payment of such subsidy in future years.

The Board shall cause a copy of the Common Expense budget and notice of the amount of the Base Assessment to be levied against each Lot for the following year to be delivered to each Owner prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Association by at least a majority of the total Class "A" vote in the Association, and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the membership as provided for special meetings in the Association's Bylaws, which petition must be presented to the Board within ten (10) days of delivery of the notice of assessments.

Notwithstanding the foregoing, however, in the event the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 4. Special Assessments.

(a) Entire Membership. The Board of Directors may levy Special Assessments from time to time pursuant to Section 55-514 of the Virginia Property Owners' Association Act, Section 55-508 et seq. of the Code of Virginia, 1950, as amended. Special Assessments shall be levied against the entire membership in such manner as the Board determines equitable. Special Assessments pursuant to this paragraph shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

(b) Less Than All Members. The Board of Directors may levy a Special Assessment against any Member individually and against such Member's Lot to reimburse the Association for costs incurred in bringing a Member and his or her Lot into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the Bylaws, or the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the member and an opportunity for a hearing.

Section 5. Lien for Assessment. Upon recording of a notice of lien on any Lot, there shall exist a perfected lien for unpaid assessments prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value, unless otherwise provided for by the Virginia Property Owners' Association Act, Section 55-508 et seq. of the Code of Virginia, 1950,

as amended.

Prior to recording a memorandum of lien, a written notice shall be sent to the Owner by certified mail, at the Owner's last known address, informing the Owner that a memorandum of lien will be recorded in the Circuit Court Clerk's office of Spotsylvania County, Virginia. This notice shall be sent at least ten (10) days before the actual filing date of the memorandum of lien. Such lien, when delinquent, may be enforced by suit, judgment, and/or judicial or nonjudicial foreclosure in accordance with Virginia law, as amended.

The Association, acting on behalf of the Owners, shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid Common Expenses and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 6. Reserve Budget and Capital Contribution. Prior to the sale of the first lot on the Property and at the times thereafter, the Board of Directors shall prepare and develop, based on the advice of an outside professional management and/or engineering consultant, a reserve budget and reserve fund to assure the maintenance of the lots and the common area and the maintenance, repair and replacement of the recreational facility, mailboxes, roads, curbs, gutters, street lighting and the exterior of the homes located on Lots. The Board may the required capital contribution in an amount sufficient to permit meeting the projected need of the Association, as shown on the budget, with respect both to amount and timing by annual Base Assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the applicable budget and notice of assessments, as provided in Sections 1 and 3 of this Article.

Section 7. Date of Commencement of Assessments. The obligation to pay the assessments provided for herein shall commence at closing upon conveyance of an Improved Lot to a person or party other than the Declarant, or a Builder or their successors or assigns.

Section 8. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges and costs (including attorney's fees) provided for herein, shall be prior to all other subsequent liens and encumbrances except: (i) real estate tax liens on that Lot; (ii) liens and encumbrances recorded prior to the recordation of the Declaration and (iii) sums unpaid on and owing under any mortgage or deed of trust recorded prior to the perfection of said lien. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or

transfer, unless otherwise provided for by law. No sale or transfer shall relieve such Lot from lien rights for any assessments thereafter becoming due. Where the Mortgage holding a first Mortgage of record or other purchaser of a Lot obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by Association chargeable to such Lot which became due to such acquisition of title, unless otherwise provided for by law. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Lots, including such acquired, its successors and assigns.

Section 9. Failure to Assess. Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

Section 10. Capitalization of Association. Upon acquisition of record title to a Lot by the first purchaser thereof other than the Declarant, or a Builder, the purchaser shall contribute to the working capital of the Association an amount equal to one-sixth (1/6) of the then annual Base Assessment per Lot for that year. This amount shall be in addition to, not in lieu of, the annual Base Assessment levied on the Lot and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into the Association's general operating fund and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the Bylaws.

Section 11. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Base Assessment and Special Assessments:

- (a) all Common Area;
- (b) all Property dedicated to and accepted by any governmental authority or public utility, including without limitation, public schools, public streets, and public parks, if any; and
- (c) all Unimproved and Improved Lots owned by the Declarant or a Builder or their successors and assigns.

ARTICLE XII ARCHITECTURAL STANDARDS

No structure shall be placed, erected or installed upon any Lot, no construction (which term shall include within its definition staking, clearing, excavation, grading and other site work), no exterior alteration or modification of existing improvements, and no plantings or removal of

plants, trees, or shrubs shall take place except in strict compliance with this Article until the requirements below have been fully met, and until the approval of the appropriate committee has been obtained pursuant to Sections 1 and 2 below. The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committees established in Sections 1 and 2 of this Article XII. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

Section 1. New Construction Committee. The New Construction Committee (_NCC_) shall consist of at least two (2), but not more than five (5), persons and shall have exclusive jurisdiction over all original construction on any portion of the properties. All dwellings and any original construction on a Lot shall be done only in accordance with plans and specifications which have received written approval of the NCC and the Declarant. Until one hundred percent (100%) of the Properties have been developed and conveyed to purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the NCC, who shall serve at the discretion of the Declarant, and to approve or disapprove of all construction on any portion of the Properties. All appeals during the Class "B" Control Period as defined in Article IV, Section 4(b) hereof shall be to the Declarant and not the Association's Board of Directors. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by the Declarant. Upon the expiration of such right, the Board of Directors shall appoint the members of the NCC, who shall serve and may be removed at the discretion of the Board of Directors. The members of the NCC may include architects, engineers and other persons who are not members of the Association.

The NCC shall prepare and, on behalf of the Board of Directors, shall promulgate design and development guidelines governing construction within the Properties, which shall include application and review procedures to be followed in submitting an application for approval hereunder (_Design Guidelines_). The NCC shall have sole and full authority to modify and to amend the Design Guidelines from time to time without the consent of any Owner. If approval of such plans and specifications is neither granted nor denied within forty-five (45) days following receipt by the NCC of written requests for approval, the party making the submission for approval shall deliver written notice to the NCC of its failure to act, and, if approval is not granted or denied within fifteen (15) days thereafter, the plans and specifications shall be deemed to be approved.

Section 2. Modifications Committee. The Board of Directors may establish a Modifications Committee (_MC_) to consist of at least two (2) and no more than five (5) persons, all of whom shall be appointed by, and shall serve at the direction of, the Board of Directors. Members of the MC may include architects or similar professionals who are not Members of the Association. The MC, if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Lots or structures containing Lots and the open space, if any, appurtenant thereto. The NCC and the Declarant, during the Class "B" control

period, shall have the right to veto any action taken by the MC which the NCC determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the NCC. The MC shall promulgate detailed standards and procedures governing its areas of responsibility and practice, consistent with those of the NCC. In addition, the following shall apply: plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to quality of workmanship and design as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation.

Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his or her Lot, or to paint the interior of his Lot any color desired; provided however, modifications or alterations to the interior of screened porches, patios, and similar portions of a Lot visible from outside the Lot shall be subject to approval. If approval such plans and specifications is neither granted nor denied within forty-five (45) days following receipt by the MC of written requests for approval, the party making the submission for approval shall deliver written notice to the MC of its failure to act, and, if approval is not granted or denied within fifteen (15) days thereafter, the plans and specifications shall be deemed to be approved.

Section 3. No Waiver of Future Approvals. The approval of either the NCC or MC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 4. Variance. The NCC may authorize from compliance with any of its guidelines and procedures when unique circumstances dictate such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 5. Compliance With Guidelines. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of the guidelines and procedures promulgated by the NCC or MC may be excluded by the Board from the Properties without liability to any person, subject to the notice and hearing procedures contained in the Bylaws.

Section 6. No Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only, and neither the NCC nor the MC shall bear any

responsibility for ensuring the structural integrity or soundness of approval construction or modifications, nor for ensuring compliance with building codes and other ornamental requirements. Neither the Declarant, the Association, the Board of Directors, any committee, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approval construction on or modifications to any Lot.

ARTICLE XIII USE RESTRICTIONS

The Properties shall be used only for residential recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business or sales offices for the Declarant or the Association) as may more particularly be set forth in this Declaration and amendments hereto. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Properties, in addition to those contained herein, and to impose reasonable user fees for use of Common Area facilities. Such regulations and use restrictions shall be binding upon all Owners, occupants, tenants, guests, invitees and licensees, if any, until and unless overruled, canceled or modified in a regular or special meeting of the Association by the vote of the Members representing at least two-thirds (2/3) of the total Class _A_ votes in the Association and by the Class _B_ Member, so long as such membership shall exist.

Section 1. Signs. A single _for sale_ or _for lease_ sign shall be permitted on any Lot being offered for sale or for lease, provided it does not exceed six (6) square feet. No other signs of any kind shall be erected within the Properties or on the Common Areas, including any Lot if visible from outside the Lot, without the written consent of the Board of Directors, except signs installed by Declarant or the Association.

Section 2. Parking and Prohibited Vehicles.

(a) Parking. Vehicles owned, leased or operated by an Owner or an occupant or his or her tenant, guest, family member or other invitee shall be parked only in the garage or driveway serving the Lot, or in such other paved areas as have been designated by the Board of Directors for parking vehicles. A maximum of two (2) vehicles may be parked outside the garage on any paved area, if any, of a Lot. There shall be no on-street parking on the Association's private streets located in the Legacy Woods Community. No garage shall be enclosed, modified or otherwise used so as to reduce its capacity for parking vehicles below that originally approved by the NCC.

(b) Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on

their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be prohibited on the Properties, unless completely enclosed in a garage and not visible from adjacent Lots or Common Area property. Stored vehicles which are either obviously inoperable or do not have current operating licenses, license plates or permits, shall not be permitted on the Properties except within enclosed garages.

Vehicles that become inoperable while on the Properties must be removed within seventy-two (72) hours thereof. For purposes of this Section, a vehicle shall be considered _stored_ if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen (14) consecutive days without the prior approval of the Board. Notwithstanding the foregoing, service and delivery vehicles may be parked in the Properties during daylight hours for such period of times as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Areas. Any vehicle parked in violation of this Section or parking rules promulgated by the Board may be towed in accordance with the Bylaw or Rules and Regulations adopted by the Board.

Section 3. Occupants Bound. All provisions of the Declaration, Bylaws, any applicable Supplemental Declaration, and rules and regulations promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, residents, tenants, guests and invitees (collectively _occupants_) of any Lot. Every Owner shall cause all occupants of his or her Lot to comply with the Declaration, Bylaws, any applicable Supplemental Declaration, and all rules and regulations of the Association. Every Owner shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Lot are fully liable and may be sanctioned for any violation of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto.

Section 4. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Properties, except that dogs, cats, or other usual and common household pets, not to exceed a total of two (2) pets, may be permitted in a Lot. No pets shall be kept, bred or maintained for any commercial purpose. All pet animals must be secured by a leash or lead and under the control of a responsible person and obedient to that person's command at any time they are permitted outside a residence on the Lot property or Common Area. Each Owner shall be absolutely liable to each and all remaining Owners, their families, guests, permittees and invitees and to the Association, for any and all damage to person or property caused by any such pet brought upon or kept on the Properties by such Owner or by his family, guests, permittees, or invitees. Each Owner keeping pets on his or her Lot will comply with all requirements of law applicable to such animal. The Board of Directors shall have the power to adopt, publish, amend and enforce rules and regulations governing the keeping of pets by members of the Association and their families and guests and to establish penalties for the infraction thereof, to the extent such rules and regulations do not conflict with this provision.

Section 5. Quiet Enjoyment. No portion of the Properties shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the Properties that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property.

No noxious, illegal, or offensive activity shall be carried on or upon any portion of the Properties, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Properties. There shall not be maintained any plants or animals or devices or things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties. No outside burning of wood, leaves, trash, garage or household refuse shall be permitted within the Properties. No speaker, horn, whistle, bell or other sound devices, except alarm devices used exclusively for security purposes, shall be installed or operated on any Lot. The use and discharge of firecrackers and other fireworks is prohibited within the Properties.

Section 6. Unsightly or Unkept Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkept condition of his or her Lot. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkept conditions, shall not be pursued or undertaken on any part of the Properties. Notwithstanding the above, the disassembly and assembly of motor vehicles to perform repair work shall be permitted provided such activities are not conducted on a regular or frequent basis, and are either conducted entirely within an enclosed garage or, if conducted outside, are begun and completed within twelve (12) hours.

Section 7. Antennas. Except as otherwise provided by law, including the Federal Telecommunications Act of 1996 and the rules promulgated by the Federal Communications Commission pursuant thereto, no satellite dishes or antennas shall be allowed on any Lot property. To the extent it is reasonable, the preferred location and installation site for permissible satellite dishes and antennas shall be only in the rear of a dwelling or in the rear portion of the Lot property. If such preferred locations preclude the receipt of an acceptable quality on any Lot property, then the Owner should use this or her best efforts to install the equipment in the most innocuous location available where an acceptable quality signal can be received. Satellite dishes which are one meter or less in diameter should be reasonably screened from view from any other Lot or Common Area and should be painted in a fashion that will not interfere with reception so that it blends into the background against which it is mounted.

Section 8. Driveways. All homes constructed on the Property shall be accessed by a

concrete or asphalt paved driveway.

Section 9. Clothesline, Garbage Cans, Tanks, Etc. No clotheslines shall be erected or installed on the exterior portion of any Lot, and no clothing, linens or other material shall be aired or dried on the exterior portion of any Lot. All garbage cans, above ground storage tanks, mechanical equipment, woodpiles, yard equipment and other similar items on Lots shall be located adjacent to the Lot. All rubbish, trash, and garbage shall be stored in appropriate containers approved pursuant to Article XII hereof and shall regularly be removed from the Properties and shall not be allowed to accumulate thereon.

Section 10. Subdivision of Lot and Time Sharing. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Board of Directors of the Association. The Declarant, however, hereby expressly reserves the right to repeat or resubdivide any Lot or Lots owned by Declarant. Any such division, boundary line change, or replanting shall not be in violation of the applicable subdivision and zoning regulations.

No Lot shall be made subject to any type of timesharing, fraction-sharing or similar program whereby the right to exclusive use of the Lot rotates among members of the program on a fixed or floating time schedule over a period of years, except that the Declaration hereby reserves the right for itself and its assigns to operate such a program with respect to Lots which it owns.

Section 11. Firearms, Bows and Arrows. The discharge of firearms and bows and arrows within the Properties is prohibited. The term _firearms_ includes _BB_ guns, pellet guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein or in the Bylaws, the Association shall not be obligated to take action to enforce this Section.

Section 12. Pools. No above ground swimming pool shall be erected, constructed or installed on any Lot. Jacuzzis, whirlpools, or spas approved pursuant to Article XII shall not be considered an above ground pool for the purposes of this Section.

Section 13. Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, ponds, wetlands, canals or other ground or surface waters within the Properties shall be installed, constructed or operated within the Properties except that the Declarant and the Association shall have the right to draw water from such sources for the purpose of irrigating the Area of Common Responsibility ~~and Lots~~. Except those drilled by the Declarant, private irrigation wells are prohibited on the Properties. This Section 13 shall not apply to the Declarant, and it may not be amended without Declarant's written consent so long as Declarant has the right to add property in accordance with Article IX, Section 1.

Section 14. Tents, Mobile Homes and Temporary Structures. Except as may be permitted by the Declarant or the NCC during initial construction within the Properties, no tent, shack, mobile home, or other structure of a temporary nature shall be placed upon a Lot or any part of the

Properties. The foregoing prohibition shall not apply to restrict the construction or installation of a single utility or similar outbuilding to be permanently located on a Lot, provided it receives the prior approval of the NCC or MC, as appropriate, in accordance with Article XII hereof. In addition, party tents or similar temporary structures may be erected for a limited period of time for special events with prior written approval of the Board.

Section 15. Drainage and Septic Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No Person other than Declarant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage and water flow. Septic tanks and drain fields, other than those installed by or with the consent of the Declarant, are prohibited with the Properties. No Owner or occupant shall dump grass clippings, leaves or other debris, petroleum products, fertilizers or other potentially hazardous or toxic substances, in any drainage ditch, stream, pond or lake within the Properties.

Section 16. Tree Removal. No trees shall be removed, except diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved in accordance with Article XII of this Declaration. In the event of an intentional or unintentional violation of this Section, the violator may be required, by the committee having jurisdiction, to replace the removed tree with one (1) or more comparable trees of such size and number, at the sole expense of the violator, and in such locations, as such committee may determine necessary, in its sole discretion, to mitigate the damage.

Section 17. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 18. Lighting. Except for traditional holiday decorative lights, which may be displayed for one (1) month prior to and one (1) month after any commonly recognized holiday for which such lights are traditionally displayed, all exterior lights must be approved in accordance with Article XII of this Declaration. The rights of owners to display lighting as provided for herein shall not be abridged, except that the Association may adopt reasonable time, place and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and occupants.

Section 19. Artificial Vegetation, Exterior Sculpture, and Similar Items. The rights of Owners to display signs, symbols and decorations, including religious and holiday ones, on their Lots of the kinds normally displayed in or outside of residences located in similar residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place and manner restrictions for the purpose of minimizing damage and disturbance to other Owners

and occupants.

Section 20. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the appropriate committee pursuant to Article XII hereof. No windmills, wind generators or other apparatus of generating power from the wind shall be erected or installed on any Lot.

Section 21. Playground. No jungle gyms, swing sets or similar playground equipment shall be erected or installed on any Lot.

Section 22. Fences. No dog runs, animal pens of any kind shall be permitted on any Lot. Fences shall be subject to approval by the NCC or MC pursuant to Article XII of this Declaration.

Section 23. Business Use. No garage sale, moving sale, rummage sale or similar activity and no trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in a Lot may, as determined and approved in the sole discretion of the Board, conduct business activities within the Lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve regular visitation of the Lot by clients, customers, suppliers or other business invitees or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties.

The terms _business_ and _trade_, as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods and services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor.

Notwithstanding the above, the leasing of a Lot shall not be considered a trade or business within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant or conducted by a builder with approval of the Declarant, with respect to its development and sale of the Properties or its use of any Lots which it owns within the Properties.

Section 24. On-Site Fuel Storage. No on site storage of gasoline, kerosene or fuel oils shall be permitted on any part of the Properties except that up to fix (5) gallons of fuel may be stored on each Lot for emergency purposes and operations of lawn mowers and similar tools or equipment,

and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

Section 25. Leasing of Lots.

(a) Definition. Leasing, for purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.

(b) Leasing Provision.

(i) General. Lots may be rented only in their entirety; no fraction or portion may be rented. All leases shall be in writing and shall be for an initial term of no less than six (6) months, except with the prior written consent of the Board of Directors. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Lot Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, Bylaws, and the rules and regulations. The Board may adopt reasonable rules regulating leasing and subleasing.

(ii) Compliance with Declaration, Bylaws and Rules and Regulations. Every Owner shall cause all occupants of his or her Lot to comply with the Declaration, Bylaws, any applicable Supplemental Declaration, and the rules and regulations adopted pursuant to the foregoing, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Lot are fully liable and may be sanctioned for any violation of the Declaration, Bylaws, and the rules and regulations adopted pursuant to the foregoing.

Section 26. Laws and Ordinances. Every Owner and occupant of any Lot, their guests and invitees, shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments applicable to the Properties and any violation thereof may be considered a violation of this Declaration; provided, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.

Section 27. Single Family Occupancy. No Lot shall be occupied by more than a single family. For purposes of this restriction, a single family shall be defined as any number of persons related by blood, adoption or marriage living with not more than one (1) person who is not so related as a single household Lot, and the household employees of either household Lot.

Section 28. Doors and Windows. No burglar bars, steel or wrought iron bars, or similar fixtures, whether designed for decorative, security or other purposes, shall be installed on the exterior of any windows or doors of any dwelling. No signs, numerals or other writing shall be

written on or placed on the doors or windows of any dwelling, either temporary or permanently, except that the Board may, at its discretion, permit house numbers to be written temporarily on a single window of a dwelling while occupants are moving in, provided such numbers are removed within seventy-two (72) hours after the occupants have taken occupancy. All windows of an occupied dwelling on a Lot which are visible from the street or other Lots shall have draperies, curtains, blinds or other permanent interior window treatments, and all portions thereof which are visible from outside the dwelling shall be white or off white in color, unless otherwise approved in writing by the Board. Sheets or similar temporary window treatments may be used for a short time after taking occupancy of a dwelling, provided they are removed and replaced with permanent window treatments within a reasonable time after taking occupancy of the dwelling, as determined in the sole discretion of the Board of Directors.

Section 29. Utility Line. No overhead utility lines, including lines for cable television, shall be permitted within the Properties, except for temporary lines as required during construction and high voltage lines if required by law or for safety purposes.

ARTICLE XIV GENERAL PROVISIONS

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

Section 2. Amendment. Prior to the conveyance of the first Lot, Declarant may unilaterally amend this Declaration. After such conveyance, the Declarant may unilaterally amend this Declaration at any time and from time to time if such amendment is: (a) to effect technical deletions, additions and revisions to the Declaration but which do not alter the substantive rights of those Owners or Mortgagees; (b) necessary to bring any provision hereof into compliance with any applicable government statutes, rule or regulation, or judicial determination; (c) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots; (d) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Company Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots; (e) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots; or (f) necessary to annex any additional property into the Association; provided, however, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing. So long as it still owns property described in Exhibits _A_ or _B_ for development as part of the Properties, the Declarant may unilaterally amend this Declaration for any other purpose.

Thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing sixty-six and two-thirds percent (66 2/3%) of the total Class _A_ votes in the Association, and the written consent of the Class _B_ Member, so long as such membership exists. In addition, the approval requirements set forth in Article XV hereof shall be met, if applicable.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the Clerk's Office. If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right of privilege. Any procedural challenge to any amendment to this Declaration must be filed in the Spotsylvania County Circuit Court no later than one year from the date such amendment was recorded amongst the land records of Spotsylvania County, Virginia.

Section 3. Indemnification. The Association shall indemnify every officer, director and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director or committee member.

The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member, or former officer director or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Easements for Utilities, Etc. There is hereby reserved unto Declarant, so long as the Declarant owns any property described on Exhibit "A" or "B" of this Declaration (b) subject to annexation, or (c) which is hereinafter subjected to this Declaration, the Association, and the

designees of each (which may include, without limitation, Spotsylvania County, Virginia, and any utility), blanket easements upon, across, over and under all of the Properties for the purpose of replacing, repairing and maintaining cable television systems, roads, walkways, bicycle pathways, lakes, ponds, wetlands, drainage systems, street lights, signage and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas and electricity, and for the purpose of installing any of the foregoing on property which it owns or within easements designated for such purposes on recorded plats of the Properties.

Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Properties, except as may be approved by the Association's Board of Directors or as provided by Declarant.

Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement over the Properties without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Properties.

The Board shall have, by a two-thirds (2/3) vote, the power to dedicate portions of the Common Area to Spotsylvania County, Virginia, or to any other local, state or federal governmental entity, subject to such approval requirements as may be contained in Article XV hereof.

Section 5. Easement for Hedges and Fences. Each Lot and its Owner are declared to have an easement and the same is granted by the Declarant, for encroachments on adjoining Lots or Common Area, as the case may be, due to hedges or fences, if any, (which shall have been previously approved by the New Construction Committee), belonging to such Lot, to the extent such hedge or fence encroaches on adjoining Lots or Common Area, provided such encroachments do not exceed one (1) foot or interfere with the use of any improvements on the servient property. No such easement shall be created in favor of any Owner if the encroachment occurred due to the willful misconduct of the Owner.

Section 6. Easements for River and Pond Maintenance and Flood Water. Declarant reserves for itself and its successors, assigns and designees the non-exclusive right and easement, but not the obligation, to enter upon the rivers, ponds, streams and wetlands located within the Area of Common Responsibility to fulfill its maintenance responsibility as provided in this Declaration. Declarant's rights and easements provided in this Section 6 shall be transferred to the Association at such time as Declarant shall cease to own property subject to the Declaration, or such earlier time as Declarant may decide, in its sole discretion and transfer such rights by a written instrument.

The Declarant, the Association and their designees shall have an access easement over and

across any of the Properties abutting or containing any portion of any of the rivers, ponds, streams or wetlands to the extent reasonably necessary to exercise their rights and responsibilities under this Section. There is further reserved herein and hereby, for the benefit of Declarant, the Association and their designees, a perpetual, non-exclusive right and easement of access and encroachment over Common Areas and Lots (but not the dwellings thereon) adjacent to or within fifty (50) feet of river banks, ponds and streams within the Properties, in order: (a) to temporarily flood and back water upon and maintain water over such portions of the Properties; (b) to fill, drain, dredge, deepen, clean, fertilize, dye and generally maintain the ponds, streams and wetlands within the Area of Common Responsibility; (c) to maintain and landscape the slopes and banks pertaining to such rivers, ponds, streams and wetlands; and (d) to enter upon and across such portions of the Properties for the purpose of exercising its or their rights under this Section.

The easement rights in this Section 6 shall not conflict with any easements, agreements or restrictions of record applicable to ponds, wetlands, BMP's, or storm water maintenance facilities existing on the Properties.

Section 7. Easements to Serve Additional Property. The Declarant and its duly authorized agents, representatives and employees, as well as its successors, assigns, licensees and mortgagees, shall have and there is hereby reserved an easement over, under and through the Common Areas for the purposes of enjoyment, use, access and development of the Additional Property described in Exhibit _B_ attached hereto and by this reference incorporated herein or any property hereafter subject to this Declaration, whether or not such Additional Property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Areas for construction of roads and for tying in and installation of utilities on Additional Property.

Declarant agrees that it, its successors or assigns, shall be responsible for any damage caused to the Common Areas as a result of vehicular traffic connected with development of the Additional Property.

Section 8. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 9. Right of Entry. The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security and safety reasons, to perform maintenance pursuant to Article V hereof, and to inspect for the purpose of ensuring compliance with this Declaration, the Bylaws, any Supplemental Declaration and the rules of the Association; provided nothing herein shall authorize any person to enter any dwelling or other building constructed on a Lot without permission of the Owner unless reasonably believed to be necessary to avoid an imminent threat of personal injury or personal damage. This right may be exercised by the Association's Board of Directors, any agent or employee of the Association acting with the authorization of the

Board of Directors, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Lot to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after request by the Board.

Section 10. Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 11. Compliance. Every Owner and occupant of any Lot shall comply with all lawful provisions of this Declaration, the Bylaws, Design Guidelines and the rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association acting through its Board of Directors, or, in a proper case, by any aggrieved Lot Owner or Owners. In addition, the Association may avail itself of any and all remedies provided in this Declaration or the Bylaws. All rights, remedies and privileges granted to the Association pursuant to any terms, provision, covenant or condition of this Declaration, the Bylaws or state law 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. The Association shall also be entitled to receive its costs and attorneys' fees in any action brought against an Owner and/or occupant.

Section 12. Notice of Sale or Transfer of Title. In the event that any Owner desires to sell or otherwise transfer title to his or her Lot, such Owner shall give the Board of Directors at least seven (7) days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. Until such written notice is received by the Board of Directors, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Lot hereunder, including payment of assessments, notwithstanding the transfer of title to the Lot.

Section 13. Use of the Words "Legacy Woods" or "Legacy Woods Homeowners' Association, Inc." No Person, Owner, Resident, or Member shall use the words "Legacy Woods" or "Legacy Woods Homeowner' Association, Inc." or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the terms in printed or promotional matter where such term or terms are used solely to specify that the particular property is located within Legacy Woods and Legacy Woods Homeowners' Association, Inc., in which case Owners shall be entitled to use the words "Legacy Woods" and "Legacy Woods Homeowners' Association, Inc."

Section 14. Security. Legacy Woods Homeowners' Association, Inc. may, but is not obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, HOWEVER, AND NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY LOT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, THE DECLARANT, OR ANY SUCCESSOR DECLARANT AND THE NEW CONSTRUCTION AND MODIFICATIONS COMMITTEES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT OR THE NEW CONSTRUCTION OR MODIFICATIONS COMMITTEES MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY LOT, AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY LOT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS AND TO THE CONTENTS OF LOTS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, THE DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTIES.

ARTICLE XV
MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first Mortgagee on Lots in the

Properties. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the street address of the Lot to which its Mortgage relates, therefore becoming an _Eligible Holder_), will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;
- (b) Any delinquency in the payment of assessments or charges owed on a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Declaration, or Bylaws relating to such Lot or the Owner or occupant thereof which is not cured within sixty (60) days;
- (c) Any lapse, cancellation or material modification of any insurance policy maintained by the Association; or
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

Section 2. Actions Requiring Approval of Eligible Mortgage Holders. To the extent possible under Virginia law:

- (a) Any restoration or repair of the Properties after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Holders of first Mortgages on Lots to which at least fifty-one percent (51%) of the votes of Lots subject to Mortgages held by such Eligible Holders are allocated.
- (b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of Voting Members representing sixty-seven percent (67%) of the total Association vote and the approval of the Eligible Holders of the first Mortgages on Lots to which at least fifty-one percent (51%) of the votes of Lots subject to Mortgages held by such Eligible Holders are allocated.
- (c) Any election to terminate the Association under circumstances other than substantial destruction or a substantial taking in condemnation shall require the consent of Voting Members representing at least sixty-seven percent (67%) of the Class _A_ votes and of the

Declarant, so long as it owns any land subject to this Declaration, and the approval of the Eligible Holders of first Mortgages on Lots to which at least sixty-seven percent (67%) of the votes of Lots subject to a Mortgage are allocated.

(d) Any material amendment to the Declaration, Bylaws, or Articles of Incorporation of the Association shall require the consent of Members representing at least sixty-seven percent (67%) of the Class "A" votes and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of Eligible Holders of first Mortgages on Lots to which at least fifty-one percent (51%) of the votes of Lots subject to a Mortgage held by an Eligible Holder are allocated. An amendment which changes the provisions for any of the following shall be considered material:

- (i) voting rights;
- (ii) assessments, assessment liens, or subordination of such liens;
- (iii) reserves for maintenance, repair, and replacement of the Common Area;
- (iv) responsibility for maintenance and repair of the Properties;
- (v) rights to use the Common Area;
- (vi) boundaries of any Lot;
- (vii) expansion or contraction of the Properties or the addition, annexation, or withdrawal of Properties to or from the Association;
- (viii) insurance or fidelity bonds;
- (ix) leasing of Lots;
- (x) imposition of any right of first refusal or similar restriction of the right of any owner to sell, transfer, or otherwise convey his or her Lot;
- (xi) establishment of self-management by the Association where professional management has been required by an Eligible Holder; or
- (xii) any provisions included in the Declaration, Bylaws or Articles of Incorporation which are for the express benefit of holders, guarantors or insurers of first Mortgages on Lots.

Section 3. Additional Requirements. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least sixty-seven percent (67%) of the first Mortgagees or Members representing at least sixty-seven percent (67%) of the total Association vote entitled to be cast thereon consent, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner of a Lot (a decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Properties regarding assessments for Neighborhoods or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration);

(c) by act or omission change, waive or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots and of the Common Area (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);

(d) fail to maintain insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and First Mortgagees making such payment shall be entitled to immediate reimbursement from the Association.

Section 4. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the First Mortgagee of any Lot in a case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 5. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's

Lot.

Section 6. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

Section 7. Applicability of Article XV. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Virginia law or any of the acts set out in this Article.

Section 8. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

ARTICLE XVI DECLARANT'S RIGHTS

Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein or in the Bylaws, as applicable, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Clerk's Office.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Lots shall continue, it shall be expressly permissible for Declarant and any builder designated by Declarant to maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Lots, including, but not limited to business offices, signs, model units, and sales offices, and the Declarant and such designated builder(s) shall have easements for access to and use of such facilities.

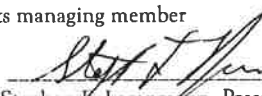
So long as Declarant continues to have rights under this paragraph, no Person shall record any declaration of covenants, conditions and restrictions or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent thereto. Any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions or declarations of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) twenty 20 years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 12th day of September, 2002

LEGACY WOODS DEVELOPMENT, LLC, a
Virginia limited liability corporation

By: D.O. ALLEN HOMES, INC., a Virginia Corporation,
its managing member

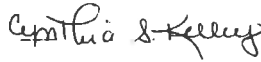

By: Stephen F. Lampmann, President

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF Chesterfield, to-wit:

I, Cynthia S. Kelley, a Notary Public in and for the jurisdiction aforesaid, so certify that the foregoing Declaration of Covenants, Conditions and Restrictions was executed and acknowledged before me this 16 day of September, 2002, by Stephen F. Lampmann, President of D.O. Allen Homes, Inc., a Virginia corporation, on behalf of such corporation.

My Commission expires:

April 30, 2006



Notary Public

EXHIBIT A

SUBMITTED LAND

* * * * *

ALL those certain lots, pieces or parcels of land, with improvements thereon and appurtenances thereto, lying and being in Chancellor Magisterial District, Spotsylvania County, Virginia, and shown as Lots numbered 1-87 and PARCEL "A", PARCEL "B", PARCEL "C", PARCEL "D", PARCEL "E", and PARCEL "F" on that certain plat entitled "SUBDIVISION PLAT "LEGACY WOODS" TAX MAP 22((15)), PARCEL 3" dated May 3, 2002, as revised September 11, 2002, prepared by Dewberry & Davis LLC, which survey is recorded in the Clerk's Office, Circuit Court, Spotsylvania County, Virginia (the "Clerk's Office"), as instrument no. 200200031383, to which plat reference is hereby made for a more particular description (the "Subdivision Plat").

BEING the same property conveyed to Legacy Woods Development, LLC, by deed from Mary M. Rowe, Sole Acting Trustee, dated December 18, 2001, recorded in the Clerk's Office, in Deed Book 2087 at Page 226, as adjusted pursuant to that certain deed of Boundary Adjustment by and between Legacy Woods Development, LLC, and the various individual Trustees of Mt. Hope Baptist Church, dated June 26, 2002, recorded in the Clerk's Office, at Instrument Number 200200022373.

EXHIBIT B
ADDITIONAL PROPERTY

Any property, whether such property is now owned or which is subsequently owned by the Declarant (or any successor), which is adjacent or contiguous to or located within a two (2) mile radius of the property already forming part of the Association which is described in Exhibit A hereto measured from the then existing boundary of the Association.