The Waters at Lake Anna Covenants

This Map of Survey is incorporated herein for a more complete, accurate and detailed description of the entire The Waters an Lake Anna Subdivision to which this Declaration applies. And whereas, the Declarant, prior to conveying any lots in The Waters on Lake Anna Subdivision, wishes to insure the orderly single family residential development and continued single family residential-character of The Waters on Lake Anna for the benefit of the Subdivision, the Subdivision's Developer, future Subdivision Lot Owners, and the Subdivision Homeowner's Association (i.e. The Waters on Lake Anna Homeowner's Association, Inc.) in order to promote the best interests and protect the investments of the Subdivision,, its Developer, and Lot Owners. In accordance with this objective these covenants are designed to promote the single family residential development and use of the realty comprising The Waters on Lake Anna Subdivision.

Now, therefore, the Declarant hereby declares that all of the Declarant's property which comprises The Waters-on Lake Anna Subdivision as depicted on the Incorporated Map of Survey shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of promoting and protecting the residential nature, value and desirability of The Waters on Lake Anna Subdivision, and which shall run with the property and shall be binding on all parties having any right, title or interest in the property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of The Waters on Lake Anna Subdivision and The Waters at Lake Anna Homeowner's Association, Inc., their heirs, successors or assigns, to wit:

1. No noxious or offensive trade or activity shall be carried on upon subdivision property, nor shall any-thing be done thereon which may be or become an annoyance or nuisance to the neighborhood, and no condition shall be permitted or allowed to exist on the property which is or may become an annoyance or nuisance to the Developer, the Subdivision Lot Owners or the Subdivision Homeowner's Association.

2. No structure of a temporary nature, including but not limited to a trailer, mobile home, basement, tent shack, garage barn or other outbuilding shall be used on the part of the Subdivision at any time as a residence, either temporarily or permanently, and no trailer, mobile home, tent, shack, barn or other outbuilding shall be permitted to exist on the property as a residence. However, in conformity with Provision 119 below, recreational vehicles may be kept and stored on the lot so long as they are not occupied as a residence.

3. With the exceptions set forth herein, no Subdivision property shall be used for any type of commercial, business or industrial undertaking or enterprise. The use of the property shall be restricted to single family residential purposes only. The two exceptions to this provision are as follows: -1- Any occupant of a residence constructed on the property may use an interior room within the residence as an office, provided that the office is a private office that is not open for the reception of customers or clients or provided that the occupant resides in the home; -2- This restriction will not prevent any subdivision support activities in conjunction with this residential subdivision project such as a lot sales office, a homeowner's association management office,

maintenance areas, recreation areas, central meeting room areas and other such functions normally associated with a residential subdivision project.

4. If the Declarant, any lot owner, or any other person or entity who has an interest in any property within the Subdivision, their heirs, successors or assigns violate or attempt to violate any of the covenants herein, except as hereinafter provided, it shall be lawful for the Developer or the Subdivision Homeowner's Association or any other person or persons owning any real property situated in The Waters on Lake Anna Subdivision to prosecute any proceeding at law or in equity against the person, persons or entity violating or attempting to violate any such covenants, either to prevent his or them from so doing or to recover damages or other dues for such violation. However, the Declarant is specifically excluded from any liability for monetary damages.

5. Nothing herein contained shall be construed as imposing any covenants or restrictions on any other properties or subdivisions of the Declarant. However, the Declarant expressly reserves the right to subject other properties to this Declaration.

6. No portion of the Subdivision property shall be used or maintained as a dumping ground for rubbish, trash or waste. When lot owners or persons occupying or using the property generate trash, garbage or other waste, such rubbish shall not be kept except in sanitary containers which shall be emptied and cleaned at least weekly.

7. Lot owners or occupiers shall be responsible for mowing their grass and keeping their property free of rubbish, trash, waste or junk. At all times grass shall not be allowed to grow beyond a maximum length of sixteen (16) inches In height. Should this provision be violated and such violation not abated within ten (10) days of written notice to the lot owner or occupier, the Subdivision Homeowner's Association may enter the property to mow the same, to bring the lot in conformity with this provision. The cost of mowing and any action taken in regards to this Provision and its enforcement (including reasonable attorney fees) shall be an enforceable lien against the lot and shall also be a personal liability to the lot owner or occupier so as to ensure the cost thereof is refunded to the Homeowner's Association.

8. Each Lot Owner shall be a member of The Waters on Lake Anna Homeowner's Association, Inc. and shall remain a member until he ceases to be a lot owner. The interest of a member in the Association or its assets cannot be transferred or encumbered except as an appurtenance of his lot. The Association shall be primarily responsible for enforcement decisions and actions regarding this Declaration, it shall also have the authority to promulgate rules and regulations to enhance the enforcement of this Declaration and to carry on its responsibilities under its Articles of Incorporation, its Bylaws, and this Declaration. As set forth in the Association Bylaws, each lot shall be entitled to two votes cast by its owner(s) in regards to Association matters voted on by members.

9. The Waters on Lake Anna Homeowner's Association will be conveyed title to the common areas, right-of-ways, and easements as shown on the Incorporated Map of Survey and as described by the "Notes" on the Subdivision Plat to hold for the use and common weal of the

Subdivision. Developer and owners acknowledge that any street shown on any plat may be dedicated to public use and transferred to the County or the Commonwealth of Virginia.

10. Beginning January 1, 2004, (January 1, 2005, for lots formerly in Section one, Lake Forest Subdivision) The Waters on Lake Anna Homeowner's Association, Inc., shall have the authority to levy assessments for liability insurance, local taxes, maintenance of streets and all other common facilities and areas, and such other matters as it deems appropriate. Specifically, it shall provide for yard maintenance of the common areas and street upkeep. Any sum assessed remaining unpaid for more than sixty(60) days shall constitute a lien upon the delinquent lot or lots when filed of record in the Office of the Clerk of Court of Louisa County in the manner provided for the Virginia General Statutes, amended. The lien for unpaid assessments shall also secure reasonable attorneys fees incurred by the Association, its Manager, Officers or Board of Directors incident to the collection of such assessment or the enforcement of such lien.

In addition to the lien provided for unpaid assessment, the owner of a lot. who has failed to pay such assessment may be held personally responsible for such payment. Further, the Grantee of a lot shall be jointly and severally liable with the Grantor for all unpaid assessments against the latter for his proportionate share of the common expenses up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid the Grantee therefore. However, any such Grantee or prospective Grantee shall be entitled to a written statement from the Manager, the Secretary or Board of Directors, as the case may be, setting forth the amount of unpaid assessments against the Grantor and such Grantee shall not be liable for, nor shall the lot conveyed be subject to a lien for any unpaid assessment against the Grantor in excess of the amount therein stated. Assessments shall be prorated among the lots with each lot being assessed an equal share of the common expenses. No lot owned by Declarant shall be subject to these Assessments. Any lot sold by Declarant. shall be liable-for the pro-rata portion of the then current year's Assessment.

11. In regards to the last provision, while this paragraph Shall not be binding upon The Waters on Lake Anna Homeowner's Association, Inc., it is the recommendation of the Declarant to the Association that at the time the Declarant relinquishes control of the Subdivision the Association should initially set an assessment of each lot at $200.00 per year per lot. With closing of each lot sale from the Declarant to a buyer, the Declarant collected $200.00 at each closing which was deposited into an account for the Association.

12. The covenants and restrictions contained in this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of one (1) year unless and until this Declaration is rescinded by a duly adopted resolution of The Waters on Lake Anna Homeowner's Association Board of Directors AND a rescinding instrument signed and notarized by and for not less than the owners of seventy-five percent (75%) of the Lots in the Subdivision. This Declaration may be amended at any time by a duly adopted resolution of The Waters on Lake Anna Homeowner's Association Board of Directors AND an amending instrument signed and notarized by and for not less than the owners of seventy-five percent (75%) of the Lots in the Subdivision. No amendment shall alter any obligation to pay assessments, affect any lien for the payment of assessments or alter any rights reserved by the Developer. To be effective any

rescinding instrument or amendment must be recorded in the Clerks Office of the Circuit Court of Louisa County, Virginia.

13. With the exception set forth below, all livestock and all domesticated farm animals (including, but not limited to, fowl, cattle, and swine) shall be prohibited from all Subdivision property. However, residential occupants of the property may have dogs and cats provided they shall not disturb or annoy residents of the subdivision and are not allowed to run free; dogs and cats shall be walked on leashes. If dogs or cats are walked outside of their home lot, the owner must scoop animal waste and dispose the same in trash containers. The only exception to the prohibition for domesticated farm animals shall be that lots lying North of Route 652 of five (5) or more acres may stable not more than a maximum of up to four (4) horses on the lot which are owned and used by the owner or occupant of the lot so long as such horse owner resides on the property, and lots of five, (5) acres or more in other Sections may stable not more than two (2) horses on the lot which are owned and used by the owner or occupant of the lot so long as such horse owner resides on the property unless prohibited in the Deed of conveyance.

14. Loud noises must be avoided at all times, but especially between the hours of 10:00 p.m. and 8:00 a.m.

15. Occupiers and renters as well as owners are required to abide by these Covenants. Lot owners shall take care to provide occupiers and renters with a copy of these Declarations.

16. After conveyance of each respective lot by the Declarant, no sign or billboards shall be erected or maintained on the said lot except an appropriate "For Sale" sign, as limited in paragraph 27, and no trade materials or inventories may be stored nor, with the following exception, may any trucks or tractors be stored or regularly parked thereon. The exception shall be that privately owned, non-commercial passenger pick-up trucks owned and used by an owner or renter as a primary vehicle may be parked upon lots.

17. The invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions of this Declaration, and the remaining provisions of this Declaration shall remain in full force and effect.

18. All lot owners are hereby granted non-exclusive easements for the purpose of ingress, egress and regress over those appropriate portions of the common areas for the lot owners and their invitees. However, lot owners and occupiers shall not leave their vehicles parked on Subdivision streets (vehicles shall only be parked in drives located within the boundaries of lots). The Waters an Lake Anna Homeowner's Association shall have an easement over all non-common areas for the purposes of carrying out any of its rights or duties.

19. With the two exceptions set forth, no mobile homes, trailers, tents, shacks or manufactured hones (whether single or double wide) may be installed on or maintained within the Subdivision. All construction on the property must conform to all Louisa County building regulations and requirements. The two exceptions to this provision shall be that: (1) Nothing herein shall prevent VIRGINIA LAND & LAKES, INC. from maintaining a trailer on the property as a sales office for so long as VIRGINIA LAND & LAKES, INC. shall own any lots within the Subdivision

which are for sale, and (2) Nothing herein shall prevent a resident owner or a resident renter of a lot from parking in the rear of an improved lot (i.e. the residence's side opposite the adjoining subdivision street, on the other side of the home from the street) a recreational camper style mobile home which is titled in the name of the resident owner or, resident renter and is not used or occupied on the lot.

20. Once a Subdivision lot has been conveyed by VIRGINIA LAND & LAKES, INC. such lot may not be split or subdivided into smaller-parcels.

21. Upon application to and approval of the Developer or the Homeowner's Association, and in accordance to such Louisa County rules or ordinances as which may be applicable, and in accordance to such provisions as required by the Homeowner's Association or Developer, two adjoining lots which have the same ownership may be combined to form a single lot. In such event the newly formed single lot shall have all the rights and obligations of a single lot under these Declarations and the Bylaws of the Homeowner's Association.

22. Lot improvements within the Subdivision shall be limited to single family residential dwellings with either attached or detached garages provided the detached garage is of the same construction style, and material of the dwelling. For waterfront lots, such single family residential construction shall have an enclosed, heated living space of at least 2,000 square feet, not including cellars, decks, enclosed parches and garages. For interior, non waterfront lots, such single family residential dwelling construction shall have an enclosed, heated living space of at least 1,800 square feet, not including. cellars, decks, enclosed porches or garages. Dwellings shall have at a minimum at least four (4) ridgepoles in the roof line and a minimum roof pitch ratio of 5/12. Exteriors of such construction shall be of wood and/or masonry excluding concrete block type and may be covered by exterior siding (however, excluding T111 type siding). In conjunction with the construction of a residential dwelling or thereafter the property may be further improved by the same construction material as the dwelling. Certain areas lend themselves to accommodation of larger residences, and Developer may include additional construction Restrictions in Deeds to individual lots, which restrictions shall be enforceable as if set out in full herein.

23. Use of the property shall be in conformity with all local, state and federal laws, regulations and rules regarding construction, usage, setbacks, improvements, or environmental protection.

24. All of the property composing of The Waters on Lake Anna subdivision is depicted upon the Incorporated Map of Survey and is subject to all matters shown on the Incorporated Map of Survey. For purposes of this Amended Declaration, this expressly includes the property formerly shown as Section one, Lake Forest Subdivision. Each lot shall be conveyed subject to all drainage easements, setbacks, street right-of-ways, wetland delineations and all other matters depicted on the Incorporated Map of Survey or described by the Map's "Note" section.

25. The Declarant's rights, duties and obligations hereunder shall cease when the Declarant relinquishes control of the Subdivision to the Homeowner's Association.

26. "Period of Declarant Control" means the period commencing on the date hereof and continuing until the earlier of (i) five (5) years after the date of the first conveyance of a lot to an owner other than the Declarant; (ii) 120 days after conveyance of eighty-five percent (85%) of the lots (including any lots which may be created pursuant to special declarant rights) to a lot owner other than the Declarant; (ii) two years after Declarant has ceased to offer lots for sale in the ordinary course of business; or (iv) the date upon which the Declarant voluntarily surrenders control of the development. Declarant reserves the following special declarant rights for the entire Property, which shall be exercisable during the period of Declarant control:

(A) To complete any and all improvements indicated on the plats and plans;

(B) To construct and maintain any sales office, management office or model on any of the lots or on any of the common elements shown on the plat;

(C) To alter the size of any lot, combine or merge two or more lots, and subdivide any lot;

(D) To appoint or remove any executive board members during the period of declarant control

Subject to the initial period of Declarant's control as set forth in the Declaration I nomination for election of the Board of Directors of the Homeowner's Association shall be made from the floor at the annual meeting. Election shall be by secret written ballot and by a majority of the lot owners when a quorum is present. For this context a quorum shall be as, set in the Bylaws; a quorum shall consist of members present, in person or by proxy entitled to cast at least fifty percent (50%) of the total votes in the Association. Cumulative voting is not permitted. At the annual meeting following the termination of Declarant control, board members shall be elected as set forth in the Bylaws.

27. A lot owner shall not advertise by placement of a sign an unimproved lot as being for sale unless and until the Declarant has sold all of the lots depicted on the Incorporated Plan Map of Development. For purposes of this provision a lot shall be considered improved only upon the completion of a single family residence ready for occupancy. This covenant shall bind lots formerly in Section One of Lake Forest Subdivision only until January 1, 2004.