

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
APPLICABLE TO ALL PROPERTY IN BRIDGEFORTH MILL

THIS DECLARATION is made this 1st day of October, 1991, by BRIDGEFORTH MILL DEVELOPMENT COMPANY, INC., a Virginia corporation ("Declarant"), (grantor and grantee).

RECITALS

Declarant is the owner and developer of certain property in the County of Amelia, Virginia, commonly known as "Bridgeforth Mill". Declarant desires to create a uniform general plan of development for Bridgeforth Mill, which will be aesthetically pleasing to the Owners, and which will foster a peaceful residential lifestyle, regulate the use of the Lake and other Common Areas of the Association, and preserve the attractiveness of Bridgeforth Mill. In order to protect the value and desirability of Bridgeforth Mill and promote the purposes of this Declaration, the Declarant desires to impose certain restrictive covenants, conditions, easements, charges, assessments and affirmative obligations and liens as hereinafter set forth.

DECLARATION

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

ARTICLE I
DEFINITIONS

As used in this Declaration, the following capitalized terms shall have the definitions set forth below. The following definitions are substantive and not merely illustrative. The definitions set forth below shall also apply to the plural form of the following capitalized terms.

Section 1. "ACC" shall mean and refer to an architectural control committee consisting of at least two (2) but not more than five (5) members appointed by the Declarant until such time that one hundred percent (100%) of the property in the Development has been fully developed, improved and conveyed to purchasers in the ordinary course of development and sale. Declarant shall surrender this right prior to such time only by a written statement in recordable form evidencing such surrender. Thereafter, the Board of Directors shall appoint the members of the ACC. This Section shall not be amended or rescinded except with the prior written consent of Declarant. The

ACC shall act by majority vote and pursuant to such rules and regulations as it shall from time to time adopt for the conduct of its business.

Section 2. "Act" shall mean and refer to the Virginia Property Owners' Association Act as set forth in sections 55-508 et seq. of the Code of Virginia of 1950, as amended from time to time.

Section 3. "Additional Property" shall mean and refer to the real property described on Exhibit B attached hereto.

Section 4. "Association" shall mean and refer to the Bridgeforth Mill Homeowners Association, Inc., a Virginia nonstock corporation, its successors and assigns.

Section 5. "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 6. "Bylaws" shall mean and refer to the Bylaws of the Association, as adopted by the Association and amended from time to time.

Section 7. "Clerk's Office" shall mean and refer to the Clerk's Office of the Circuit Court of the County of Amelia, Virginia, or any successor depository of public records wherein documents must be recorded to impart record or constructive notice.

Section 8. "Common Area" shall mean and refer to all real property owned or to be owned by the Association for the common use and enjoyment of the Owners and all Common Area Easements (as defined below). Common Area shall consist of all property conveyed to the Association (by or with the consent of the Declarant during the Declarant Control Period) which is described as Common Area on any plat or other instrument recorded in the Clerk's Office. Common Area Easements shall consist of all easements reserved for the benefit of or conveyed to the Association (by or with the consent of the Declarant during the Declarant Control Period) for the common use, benefit and enjoyment of all Owners, which Common Area Easements affect property described as Common Area Easement on any plat or other instrument recorded in the Clerk's Office. The Lake shall be subject to a Common Area Easement. Each portion of Common Area shall be deemed to have been created as Common Area on the later of (a) the date that the subdivision plat, plat or other instrument first depicting and describing such portion as Common Area is recorded in the Clerk's Office or (b) the date that the Common Area is annexed to the Development and the jurisdiction of this Declaration. Any portion of Common Area may be conveyed to the Association at any time after or contemporaneously with its creation, and the Association shall be bound to accept any property conveyed to it by or with the consent of the Declarant as Common Area.

Section 9. "Declarant" shall mean and refer to Bridgeforth Mill Development Company, Inc., a Virginia corporation. Declarant may designate a successor declarant or declarants to take and hold some or all of its rights, powers, privileges and obligations as Declarant under this Declaration, by written instrument recorded in the Clerk's Office.

Section 10. "Declarant Control Period" shall be the period beginning upon the recordation hereof and terminating on the earlier of (a) fifteen (15) years thereafter, (b) the sale of one hundred percent (100%) of the Lots permitted for the Development Property to parties other than the Declarant, or (c) at such earlier time as specified in a written instrument in recordable form made by Declarant and delivered to the Association.

Section 11. "Declarant's Utility Rights" shall mean and refer to the following:

(a) the exclusive, perpetual, alienable and assignable powers and easements hereby reserved to go on, over and under that portion of each Lot, the Common Area, the Scenic Easement Area and the Additional Area (i) as Declarant shall deem necessary for the establishment of drainage ways across such property and (ii) within twenty (20) feet of the right of way line or boundary line of any public or private right of way and within seven and one-half (7½) feet of any other boundary line of such Lot, Common Area, Scenic Easement Area and Additional Property to construct, maintain, replace, and use utility lines and facilities and drainage ways, provided, however, that such rights shall not unreasonably interfere with the construction of structures in compliance with the ACC Standards on the buildable area of any Lot. These rights shall include the right to cut any trees, bushes or shrubbery, and the right to make any gradings of the soil or take any similar action reasonably necessary to provide and extend any utilities and conveniences. Each Owner, by accepting a deed for a Lot, agrees to execute any instrument required by Declarant for the purpose of granting to any third party the easements and/or rights reserved to Declarant hereunder; and

(b) the exclusive and alienable right to sell, grant and convey or dedicate storm drainage and run-off retention rights to and in the Lake to owners of land adjacent to or near the Development to the extent permitted, and pursuant to any conditions imposed by the County of Amelia, Virginia, as well as roadway and other means of vehicular and pedestrian ingress and egress throughout the Development; and

(c) all other rights reserved to the Declarant herein or in any subdivision plat or other easement agreement.

The Declarant's Utility Rights shall continue to remain vested exclusively in the Declarant even after such time as the Declarant has conveyed some or all of its other rights, title and interest in and to the Lots and all other portions of the Development, unless specifically assigned or conveyed as provided herein.

Section 12. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions Applicable to All Property in Bridgeforth Mill as amended from time to time.

Section 13. "Development" shall mean and refer to that certain real property described on Exhibit A hereto, and any additions which are annexed thereto pursuant to Article XI, Section 3 of this Declaration.

Section 14. "Development Property" shall mean and refer to the property described on Exhibit A and the Additional Property. Inclusion of property in Exhibit B shall not obligate Declarant to subject such property to this Declaration.

Section 15. "Horse Lot" shall mean and refer to the following Lots:
 (a) Lots 1, 1A, 2, 3, 6, 7, 8, 9, 12, 14, 15 and 16 as shown on the Plat, and
 (b) any other Lot annexed to the Development pursuant to Section 3 of Article XI and described in the Declaration of Annexation effecting such annexation, as a Horse Lot.

Section 16. "Interior Lot" shall mean and refer to any Lot depicted on any subdivision plat approved by the County of Amelia, Virginia, and recorded in the Clerk's Office which effects a subdivision of any land within the Development upon which Lot no portion of the Lake is situated or which Lot is not contiguous with the Lake for any portion of such Lot's boundaries and upon which a single family residential dwelling unit may be constructed.

Section 17. "Lake" is defined as the approximately seventy eight (78) acre area partially within the Development, a portion of which lake is designated as Bridgeforth Mill Lake on the Plat and being more particularly described as follows:

ALL that certain lot or parcel of land with improvements thereon and appurtenances thereto belonging, lying and being in Jackson Magisterial District, Amelia County, Virginia, containing 78 acres, more or less, which comprises the Beaver Pond and is shown and designated as Parcel 3 on that certain plat of survey made by Robert W. Timberlake, Certified Land Surveyor, dated March 24, 1987, and recorded in the Clerk's Office of the Circuit Court of Amelia County, Virginia in Plat Cabinet B, Slide 19, and to which plat reference is hereby made for a more particular description of said property.

Section 18. "Lakefront Lot" shall mean and refer to any Lot depicted on any subdivision plat approved by the County of Amelia, Virginia, and recorded in the Clerk's Office which effects a subdivision of any land within the Development upon which Lot any portion of the Lake is situated or which Lot is contiguous with the Lake for any portion of such Lot's boundaries and upon which a single family residential dwelling unit may be constructed.

Section 19. "Lot" shall mean and refer to any lot depicted on any subdivision plat approved by the County of Amelia, Virginia, and recorded in the Clerk's Office which effects a subdivision of any land within the Development and upon which a single family detached residential dwelling unit may be constructed and the Mill Lot. The definition of "Lot" shall not include any area depicted or described on any subdivision plat as "Common Area".

Section 20. "Mill Lot" shall mean and refer to the Lot designated as "Mill Lot" on the Plat.

Section 21. "Owner" shall mean and refer to the record owner (including Declarant), whether one or more persons or entities, of the fee simple title to any Lot, including builders and contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 22. "Plat" shall mean and refer to that certain plat of survey dated January 22, 1991, revised June 7, 1991, made by Robert W. Timberlake, Plan No. P-86-85F, entitled "Plat of Survey of Bridgeforth Mill, Located in Jackson Mag. District, Amelia County, Virginia", which plat is recorded in the Clerk's Office in Plat Cabinet B, Slide 83.

Section 23. "Scenic Easement Area" shall mean and refer to all property within the Development subject to or burdened by easements reserved by or on behalf of the Association by the Declarant or conveyed to the Association (by or with the consent of Declarant during the Declarant Control Period) and described as Scenic Easement Area on any plat or other instrument (including, without limitation, this Declaration) recorded in the Clerk's Office. The following property located in the Development shall be deemed to be Scenic Easement Areas: (a) the property designated as "30' Access R/W to Common Area & Lake" located along the common boundary of lots 18 and 19 as shown on the Plat, (b) any property within the Development located within fifty (50) feet upland of the high water mark of the Lake excluding property designated as Common Area, and (c) the Lake.

ARTICLE II PROPERTY RIGHTS IN COMMON AREA

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

(a) The right of the Association to establish rules and regulations for the use of any facility from time to time situated upon the Common Area;

(b) The right of the Board of Directors to suspend an Owner's right to use the Common Area after notice and a hearing in accordance with Article X, Sections 2 and 3, for any infraction of the Declaration or the Association's published rules and regulations.

(c) The right of the Association, subject to the Declarant's Utility Rights, to dedicate or transfer all or any part of the Common Area, to any public agency, authority, or utility for such purposes and subject to such conditions as may be imposed by law (including, without limitation, the Zoning Ordinance of the County of Amelia, Virginia) or agreed to by the Owners and Declarant; provided, however, that no such dedication or transfer shall be effective unless approved by Owners entitled to cast more than two-thirds (2/3) of the votes entitled to be cast by all of the Owners.

Section 2. Declarant's Marketing Rights. Notwithstanding any provisions contained in this Declaration to the contrary, so long as the initial sale of Lots by Declarant shall continue, Declarant shall have the right to maintain and carry on upon portions of the Common Area and Lots which it owns, such facilities (including sales and business offices, model units, and sales and marketing signs and pavilions) and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction, sale or marketing of property within the Development and the Declarant hereby reserves and shall have an easement for access to such facilities.

Section 3. Improvements. The Declarant and the Association shall have the right, but not the obligation, to develop or improve the Common Area for the use and benefit of the residents in the Development (subject to the Declarant's Utility Rights), including the right to:

(a) construct pedestrian trails, playgrounds, playing fields and other related or incidental facilities, as well as storage areas for recreational vehicles and boats;

(b) install landscaping or other improvements to protect the Common Area from erosion;

(c) exercise, by Declarant only, the Declarant's Utility Rights; and

(d) make all such other improvements to the Common Area as the Declarant or the Association may deem appropriate.

Section 4. Maintenance of Common Areas. No dumping of trash, garbage, sewage, sawdust or any unsightly or offensive materials shall be permitted or placed upon the Common Area except as is temporary and incidental to the bona fide improvement of the Common Area in a manner consistent with its classification as Common Area.

Section 5. No Public Rights. The granting of the easements in the Common Area in this Article in no way grants to the public or the owners of any land outside of the Development the right to enter any part of the Common Area. The creation of the Common Area shall not, in any way, be deemed or construed to be a dedication of such areas for the general public welfare or use.

Section 6. Conveyance of Common Area. The Declarant may retain ownership of the Common Area, or convey the Common Area to the Association, in which case the Association shall accept such conveyance.

Section 7. Recreational Vehicles. No dirt bikes, "ATVs", unlicensed vehicles or ultralights shall be used or operated on any property in the Development; provided, however, that the foregoing restriction shall not apply to unlicensed construction vehicles or farm equipment used for the construction of improvements in the Development or other permitted uses.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. Every Owner shall be a member 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 2. General Voting Rights. Except as provided in Section 3 below, each Owner shall be entitled to cast one (1) vote for each Lot owned.

Section 3. Special Lake Assessment Voting Rights. In any vote taken to approve holding a special meeting to approve a general lake assessment or any vote taken to approve a special lake assessment, the Association shall have two (2) classes of voting membership:

(a) Class A. Class A members shall be all Owners of Lakefront Lots. The Owner of each Lakefront Lot shall be entitled to cast three (3) votes for each Lakefront Lot owned.

(b) Class B. Class B members shall be all Owners of Interior Lots. The Owner of each Interior Lot shall be entitled to cast one (1) vote for each Interior Lot owned.

Section 4. Election of New Board of Directors. During the Declarant Control Period, the Declarant shall have the sole and absolute right to appoint the members of the Board of Directors. Upon the expiration of the Declarant Control Period, the Owners shall be entitled to elect a new board of directors of the Association, as provided in the Bylaws.

Section 5. Entitlement to Vote. For the purposes of this Declaration, an Owner shall be deemed entitled to cast the votes to which such Owner is allocated pursuant to this Article (a) unless such Owner's voting rights have been suspended in accordance with this Declaration, and (b) regardless whether such Owner is present (by proxy or otherwise) at any meeting of Owners.

ARTICLE IV
COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner shall pay to the Association: (1) annual assessments or charges, (2) special assessments, (3) special lake assessments, and (4) remedial assessments. Such assessments are to be established and collected as hereinafter provided. Annual assessments, special assessments and special lake assessments shall be imposed on a "per lot" basis. The assessments, together with interest, late fees, costs of collection, and reasonable attorneys' fees, shall be the personal obligation of the person who was the Owner of the Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to successors in title,

provided such successors, or any one of them, were not originally liable for such assessments, either directly or indirectly.

Section 2. Annual Assessments.

(a) Purpose of Annual Assessments. The annual assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Development and the establishment of reserves therefore including by way of example, and without limitation:

(i) the improvement, reconstruction, operation, maintenance and repair of the Common Area and Scenic Easement Area;

(ii) the payment of any real and personal property taxes and other charges assessed against property owned by the Association;

(iii) the maintenance of, (aa) at the discretion of Declarant or the Association all private roadways (excluding driveways serving Lots) located in the Development, if any, including filling, repair work, cleaning, and snow and ice removal and (bb) at the discretion of Declarant or the Association, all roadways located in the Development dedicated or to be dedicated to the County of Amelia and/or the Commonwealth of Virginia to the extent the County fails to perform such maintenance, including filling, repair work, cleaning and snow and ice removal;

(iv) the payment of the Association's operating expenses and salaries and benefits of all employees, including maintenance and management personnel, and others employed in connection with carrying out the Association's responsibilities under this Declaration (including any legal and accounting expenses);

(v) the maintenance of insurance policies obtained by or on behalf of the Association in accordance with this Declaration;

(vi) the maintenance of reasonable reserves;

(vii) the annual or routine maintenance of the Lake and dam facilities related thereto, including, but not limited to, the costs of cleaning the Lake and insuring the dam facilities against casualties as the Board of Directors deems desirable or prudent; and

(viii) the repayment of the principal, interest and other charges accruing on any loan made to the Association to enable it to perform the duties and functions described in this Declaration.

(b) Determination of Annual Assessment.

(i) The initial annual assessment shall be fixed by the Declarant.

(ii) The annual assessment subsequent to the initial annual assessment shall be fixed by the Board of Directors in accordance with a budget prepared and approved by the Board of Directors.

(iii) All annual assessments which are less than ten percent (10%) greater than the previous year's annual assessment shall be fixed by the Board of Directors without submission of the same to the Owners for approval. Any budget and resulting annual assessment approved by the Board of Directors which is more than ten percent (10%) greater than the previous year's annual assessment must be presented to the Owners at the annual meeting of the Association preceding the fiscal year in which such assessment shall go into effect. The annual assessment described in the preceding sentence shall automatically go into effect the first day of the succeeding fiscal year unless disapproved by Owners entitled to cast more than two-thirds (2/3) of the votes entitled to be cast by all of the Owners at a special meeting duly called for this purpose within sixty (60) days after approval of such assessment by the Board of Directors. Upon such disapproval, the Board of Directors shall promptly meet to establish a revised budget and assessment and shall submit the same to a special meeting of the Association. The revised budget and assessment approved by the Board of Directors shall go into effect as of the first day of the fiscal year unless again disapproved by Owners entitled to cast more than two-thirds (2/3) of the votes entitled to be cast by all of the Owners. If for any reason the Association does not approve a budget and assessment for a fiscal year prior to commencement of the fiscal year, the budget and assessment for the preceding fiscal year, automatically increased by ten percent (10%), shall remain in effect until a new budget and assessment have been approved.

(c) Date of Commencement of Annual Assessment and Due Dates.

The initial annual assessment shall commence as to all Lots on the later to occur of (i) the first day of the fiscal year after ten percent (10%) of the Lots are developed and sold to Owners or (ii) January 1, 1993. The initial annual assessment shall be adjusted pro rata according to the number of months remaining in the fiscal year. Written notice of each annual assessment shall be sent to all Owners subject thereto within thirty (30) days after approval by the Board of Directors. Annual assessments shall be paid in equal monthly, quarterly, semi-annual or annual installments as determined by the Board of Directors in their sole discretion. The first installment of each annual assessment subsequent to the initial annual assessment shall be due on the first day of the first month of the fiscal year.

Section 3. Special Assessments.

(a) Purpose of Special Assessments. In addition to the annual assessments authorized above, the Association may levy a special assessment (i) for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, maintenance, repair or replacement of the Common Area or a capital improvement located upon the Common Area, including fixtures and personal property related thereto, (ii) for any purpose for which annual assessments may be used, or (iii) for any other purpose permitted by the Act.

(b) Determination of Special Assessment. Special assessments shall be fixed by the Board of Directors and written notice thereof shall be sent to all Owners subject thereto within thirty (30) days after approval by the Board of Directors. A special assessment may be made without the approval of the Owners to the extent that the amount of any special assessment payable in one (1) fiscal year does not exceed twenty percent (20%) of the annual assessment for the same fiscal year. Any special assessments, the payment of which exceeds such amount, whether singularly or when combined with prior special assessments due in the same fiscal year, may be rescinded by Owners entitled to cast more than two thirds (2/3) of the votes entitled to be cast by all of the Owners at a special meeting duly called for this purpose within sixty (60) days after approval of such assessment by the Board of Directors. The Board of Directors may make further attempts to impose special assessments in excess of said amount in the same fiscal year at special meetings duly called for this purpose within sixty (60) days after rescission by the Owners of special assessments proposed by the Board of Directors.

- Low 50%
majority

Section 4. Special Lake Assessments.

(a) Purpose of Special Assessments. In addition to the annual assessments and special assessments authorized above, the Association may levy special lake assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, major repair or replacement of the Lake or dam facilities or a capital improvement made thereto.

(b) Determination of Special Lake Assessment. Special lake assessments shall be fixed and approved in the same manner set forth in Section 3 (b), subject to the special voting rights applicable thereto.

Section 5. Rate of Assessment. The amount of the annual assessment and any special assessment or any special Lake assessment shall be determined by multiplying the total amount of the assessment to be imposed by a fraction, the numerator of which shall be the "assessment unit" applicable to the particular property assessed and the denominator of which shall be the aggregate number of assessment units applicable to all property within the Development, set forth as follows:

(i) Each Lakefront Lot shall have an assessment unit of one (1); provided, however, that with respect to special lake assessments, each Lakefront Lot shall have an assessment unit of three (3); and

(ii) Each Interior Lot shall have an assessment unit of one (1).

Section 6. Remedial Assessments.

(a) Owner's Duty to Maintain. Each Owner shall maintain the real property and improvements owned by the Owner, and the structures located thereon, in an attractive, neat, sightly and first-class appearance and condition. To that end, each Owner shall regularly and properly effect the following to and on his property: