

DECLARATION OF CONDITIONS,
RESTRICTIVE COVENANTS AND EASEMENTS
SUNRISE BAY

THIS DECLARATION OF CONDITIONS, RESTRICTIVE COVENANTS AND EASEMENTS, ("Declaration") made this 30th day of July, 2003, by and between VA TIMBERLINE, LLC, a Delaware limited liability company ("Declarant" and "Owner"); and SUNRISE BAY PROPERTY OWNERS ASSOCIATION, a Virginia non-stock corporation ("Association").

WHEREAS, VA TIMBERLINE, LLC, a Delaware limited liability company (the "Declarant" and "Owner") is the sole owner of certain real property known as Sunrise Bay, Livingston Magisterial District, Spotsylvania County, Virginia, shown on plat of subdivision entitled "PLAT OF SURVEY OF **SUNRISE BAY FOR VA TIMBERLINE, LLC** LIVINGSTON DISTRICT-SPOTSYLVANIA COUNTY, VA", prepared by Berkley Howell & Assoc., P.C., Kevin A. Merkey, L.S., dated July 23, 2003, as last revised, and recorded in the Clerk's Office of the Circuit Court of Spotsylvania County, Virginia, contemporaneously with this Declaration, reference to which is made for a description of such real property and including Lots 1 through 88, inclusive, Sunrise Bay, and Common Areas "A", "B", "C" and "D", all hereinafter referred to as "SUNRISE BAY", and 23.838 acres to be conveyed unto the County of Spotsylvania, Virginia, being all of the same real property conveyed unto the Declarant by the following deeds: (1) deed dated February 18, 2003, from Thomas L. Woolfolk, et als., recorded as LR#200300006410 and (2) deed dated February 27, 2003, from John L. Zorack, Trustee, et als, recorded as LR#200300006411; and

WHEREAS, it is the desire of Declarant to subdivide said Property (SUNRISE BAY) in accordance with the aforesaid subdivision plat; and

WHEREAS, the Declarant has executed a Deed of Dedication and Easement by and between Owner and the County of Spotsylvania, Virginia, and to be recorded among the land records of Spotsylvania County, Virginia, with and preceding this Declaration; and

WHEREAS, the Declarant has or will execute a Deed of Gift conveying unto the County of Spotsylvania, Virginia, that portion of the real property described on the Plat as “23.838 AC. TO BE DONATED TO SPOTSYLVANIA COUNTY FOR PARKS & RECREATION”, and to be recorded among the land records of Spotsylvania County, Virginia; and

WHEREAS, the Declarant has executed a “First Declaration of Restrictions for Preservation Areas Within Sunrise Bay Subdivision Spotsylvania County, Virginia” with respect to Buffer and Conservation (Steep Slope) Preservation Areas and Wetlands Preservation Areas within Sunrise Bay, and to be recorded among the land records of Spotsylvania County, Virginia, with and preceding this Declaration; and

WHEREAS, Declarant intends to convey such lots in SUNRISE BAY so subdivided in accordance with the subdivision plat recorded herewith and made a part hereof, and further convey Common Areas “A”, “B”, “C” and “D” to the Sunrise Bay Property Owners Association, Inc., subject to certain additional protective covenants conditions, restrictions, reservations, liens and charges as hereinafter set forth or to which reference is herein made.

NOW, THEREFORE, Declarant hereby declares that Property, being Lots 1 through 88, inclusive, SUNRISE BAY, and Common Areas “A”, “B”, “C” and “D”, are hereby subdivided as set forth on the subdivision plat; and the said lots and common areas so designated shall hereby be subjected to this Declaration of Conditions, Restrictive Covenants and Easements for SUNRISE BAY, and shall be held, sold and conveyed subject to the following easements,

restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property.

These easements, covenants, restrictions, and conditions shall run with the Property (lots and common areas) and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each other thereof. It shall not be necessary to set forth or make reference to these restrictions in deeds conveying said lots as recordation of said plat and this writing shall be sufficient notice of the said covenants and restrictions as to any and all persons who may become owners of said lots.

ARTICLE I EASEMENTS AND DEDICATIONS

The Owner and Declarant do hereby:

1) Dedicate and reserve and subject SUNRISE BAY to the dedications, restrictions, easements and rights of way shown upon the Properties, as indicated on the subdivision plat recorded preceding this Declaration and made a part hereof, and incorporated herein by reference.

2) Reserve the right to grant such other easements and rights of way for the construction, maintenance, and operation of utilities, drainage, and streets, parking areas and ingress and egress, as may be necessary in the orderly development of SUNRISE BAY.

3) Reserve in perpetuity for itself, its successors in interest, grantees and assigns (including but not limited to Virginia Electric and Power Company and/or Rappahannock Electric Co-op, and Bell Atlantic/Verizon and/or GTE Telephone Company), the following perpetual and alienable easements:

(a) An easement of fifteen (15) feet on the front and rear lot lines of all lots and five (5) feet on each side of the sidelines of all lots for the purposes of laying, operating and maintaining underground electric and telephone and including usual above-ground fixtures and appurtenances within such easements; and, constructing, operating, maintaining, replacing and removing a communication system consisting of buried cable, buried wires, terminals and location markers as from time to time required;

(b) A temporary easement of ten (10) feet in width adjacent to all streets or roadways within the subdivision for the purpose of placing lines or cables underneath streets located in SUNRISE BAY provided that such easement shall terminate at such time as the streets are accepted by the Virginia Department of Transportation into the State Highway System for ownership and maintenance.

(c) These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility or other such installations and to maintain reasonable standards of health, safety and appearance, provided that any disturbed landscaping will be re-landscaped within a reasonable time. Such rights may be exercised by a licensee of the Declarant, but this reservation shall not be considered an obligation of the Declarant to provide or maintain any such utility or service. No structures, including walls, fences, paving and planting, which will interfere with the rights of ingress and egress and maintenance of facilities provided for in this paragraph, shall be erected upon any part of the Properties. Should any wall, fence or other improvement within such easement area obstruct the required maintenance of utility lines and fixtures, it shall be the property owner's responsibility to remove and appropriately replace such improvement.

4) (a) There is reserved to the Declarant a non-exclusive easement over any Lot or Common Area for the purposes of installing, repairing and/ or maintaining utility lines of any sort, including but not limited to, drainage swales, electric lines and cables, telephone lines, telecommunication lines and cables, and the like. This easement shall automatically expire as to any Lot five (5) years from the date of submission of such Lot to this Declaration.

(b) There is reserved to the Declarant a non-exclusive easement over any Lot or Common Area for the purposes of correcting drainage, regrading, maintaining, landscaping, mowing, and erecting street directional signs. This easement shall automatically expire as to any Lot five (5) years from the date of submission of such Lot to this Declaration.

(c) The Declarant, its agents and employees, shall have a right of ingress and egress over any Common Area as required for construction and development of the Properties, including, but not limited to, construction of recreational facilities upon said Common Areas.

5) Where easements shown on the aforesaid recorded plats of SUNRISE BAY are of different dimensions than those dedicated herein, then the easement of greater dimension shall prevail.

ARTICLE II GENERAL COVENANTS AND RESTRICTIONS

1) Land Use.

(a) Land will be used for single-family residential purposes as permitted by local zoning restrictions. Resubdivision of lots shall not be permitted. Notwithstanding the foregoing, the Declarant reserves the right to adjust the lot lines from the configuration shown on the plat of subdivision in accordance with applicable ordinances in order to comply with Spotsylvania County, as applicable, and Health Department regulations governing water and

septic systems or for such other reasons as the Declarant deems advisable for the benefit of owners of lots within SUNRISE BAY.

(b) Camping shall not be allowed upon any lot. Provided, however, that following construction and completion of a dwelling upon a lot, nothing herein is intended to prevent overnight camping by the owners or guests staying at said dwelling (for example, children having overnight camping sleepover).

(c) Gardens and orchards may be permitted subject to compliance with applicable county or municipal ordinances.

(d) Temporary Structures. Structures of a character such as a basement without building, tent, shack, garage, barn or any other outbuilding shall not be used at anytime as a residence either temporarily or permanently. Single-wide and double-wide manufactured homes (trailer or mobile home) are not permitted. Modular homes built to BOCA or CABO codes and having a wood frame construction shall be permitted as long as the same meets minimum size requirements.

(e) No trade or business shall be conducted or maintained within SUNRISE BAY except that occupants may maintain private offices within their homes, but only to the extent permitted by Spotsylvania County zoning and subdivision ordinances; provided, however, notwithstanding anything to the contrary contained herein or in said ordinances, said private offices shall not be for the purpose of serving on the premises the public, clients, patients, or customers; and no business or professional signs will be allowed within SUNRISE BAY. However, nothing herein shall prohibit the Declarant or home builders in SUNRISE BAY from maintaining, staffing, operating, and receiving the public at model homes, open houses or sales offices during the period of construction and sale of homes in SUNRISE BAY.

(f) Nothing herein shall be deemed to prohibit or prevent the rental (either short term or long term) of any Dwelling for private residential purposes.

2) Completion of Construction. The construction of any building or structure shall be diligently pursued to completion within twelve (12) months after such work has begun. Debris and waste material remaining on the ground after construction of improvements shall be disposed of within one (1) month after completion. Within six (6) months after completion of a residence on a lot, said lot shall be landscaped in the immediate vicinity of the residence. Within one (1) month, or as soon as weather reasonably permits, after completion of construction, the seeding and strawing or mulching of bare earth shall be completed, with the exception of land under cultivation.

3) Excavation. No excavation of stone, gravel, or earth shall be made upon any lot except for basements, cellars, retaining walls, pools, landscaping and driveways. This paragraph shall not prohibit the excavation necessary for providing utilities to the property.

4) Condition of Property. It shall be the responsibility of each owner to prevent any unclean, unsightly, or unkept conditions of buildings or grounds on his property which would tend to decrease the attractiveness of the neighborhood as a whole or the specific area. All improvements on the premises shall be kept in a state of good repair and appearance.

Each lot owner shall keep his lot free of trash, debris and rubbish, and shall employ such conservation practices as necessary to maintain the proper contour of the land and to prevent erosion. No portion of the property shall be used or maintained as a dumping ground for rubbish. Any trash, garbage or other waste shall be kept in sanitary containers maintained in a neat and orderly manner and screened from view from any public roadway.

In the event an owner clears a portion of a lot, grass shall be planted and maintained as lawn or field, or the area otherwise maintained in keeping with these requirements and the residential character of the development. Where grass has been planted, all lawns on any lot shall be kept mowed to a height not exceeding six (6) inches.

Vacant lots shall be cut, mowed or trimmed a minimum of twice per year; provided, however, at no time shall the owner of any vacant lot permit the grass, weeds, or other foreign growth to exceed fifteen (15) inches in height. This provision shall not apply to agricultural products grown upon Lot 6.

In the event that any owner fails to maintain his lot as herein provided, then after fifteen (15) days written notice from the Association to the owner at the owner's last known address as shown on the records of the Association, the Association shall have the right to cause the lawn, grass, weeds or other foreign material be mowed, trimmed or cut, and in doing so, shall not be liable, and are hereby expressly relieved from any liability, trespass or other tort in connection therewith, or arising from such removal. In addition, the Association shall have the right to assess against the owner of the lot the reasonable cost of such mowing, trimming or cutting, and if the invoice for the same is not paid by the owner within thirty (30) days of said assessment, the Association shall have the authority to place a lien against the lot for such cost.

5) Signs. No sign of any kind shall be displayed to the public view on any lot except:

(a) one (1) professionally made sign not exceeding three (3) square feet advertising the property for sale or rent; and,

(b) one (1) professionally made sign not exceeding three (3) square feet identifying and/or advertising a builder or contractor currently employed in the construction of a

residence on the lot. Builder/ contractor signs shall not be permitted on any lot after the expiration of the time period allowed for completion of construction as set forth hereinabove; and,

(c) one (1) sign not exceeding one and one-half (1 1/2) square feet, and not exceeding three (3) feet in height or length, which identifies the residence; and

(d) such other signs as may be approved in writing, prior to the erection thereof, by the Architectural Review Committee ("ARC").

(e) No signs, other than signs above described, shall be permitted on any unimproved lots.

(f) These restrictions on signs shall not apply to the Declarant.

(g) The Declarant or the Association, acting through the ARC, shall have the right to remove any sign, advertisement, billboard or structure which is placed on any lot in violation of this Declaration, and in doing so, shall not be liable, and are hereby expressly relieved from, any liability, trespass or other tort in connection therewith, or arising from such removal.

(h) Notwithstanding anything to the contrary contained herein, any such sign permitted by this section must not only comply with this section, but must also comply with all requirements of the Spotsylvania County zoning and subdivision ordinances.

6) Parking. Any vehicles when parked at or upon any residential lot shall not obstruct nor interfere with vehicular travel on any of the roadways within SUNRISE BAY. No tractor trailer trucks (either tractor or trailer) shall be parked upon any lot. Notwithstanding anything to the contrary herein contained, no vehicles shall be parked on any residential lot in violation of applicable provisions of the Code of the County of Spotsylvania, Virginia.

7) Cleated Equipment. No cleated equipment shall be driven on any subdivision right-of-way or public roadway after the hard surfacing upon said street.

8) Road Damage. Until the acceptance by the Virginia Department of Transportation of the subdivision roads into the State System for ownership and maintenance, the cost to repair any damage to the grading of, and asphalt upon, the subdivision roads, their drainage systems, or siltation and erosion control system, caused by the work of an Owner, his agents, employees, invitees, and guests on such owner's lot shall be paid to Declarant by the owner responsible for such damage and may be collectible, by legal proceedings, together with interest, court costs, and reasonable attorney's fees, from such owner if not paid upon demand.

9) Unlicensed or Disabled Vehicles. No unlicensed or disabled vehicles, machinery or other equipment shall be stored on any lot unless it is suitably housed. All boats, campers, trailers (all types) shall be stored in such a manner as to minimize visibility from any public roadway. In no event shall these type of vehicles be stored in front or forward of the residence. Notwithstanding anything to the contrary contained herein, no such vehicles or machinery shall be stored on any lot in violation of applicable Spotsylvania County subdivision and zoning ordinances.

10) Animals.

(a) No large animals or farm animals (livestock or poultry) of any description shall be permitted except as otherwise provided in this section. No animals of any description shall be kept for boarding, breeding, or any other commercial purpose. Provided, however, that the provisions of this Article II, 10)(a) shall not be applicable to Lot 6 (See Article III hereinafter).

(b) Dogs and other small household pets shall be permitted within SUNRISE BAY except that no more than three (3) dogs shall be kept on any lot.

(c) No lot owner of any lot shall allow any animal related areas or facilities upon his lot to fall into a state of neglect as to cleanliness, maintenance or repair so as to become a nuisance, annoyance, or hazard, to any resident or guest on any other lot or to the public at large.

(d) Notwithstanding anything to the contrary contained herein, the keeping of animals as described hereinabove must not only comply with these covenants and restrictions, but must also comply with all applicable Spotsylvania County zoning and subdivision ordinances.

11) Model Homes. No commercial builder of Residences on the Properties will be permitted to have a model home on the Properties for purposes of promoting sales unless he is actively building Residence(s) on the Properties. Any builder who breaches this condition will be liable to the Declarant for consequential damages.

12) Natural Vegetation. It is declared to be the purpose and intent of the Declarant and the lot owners to generally establish the Property as a development of homesites, utilizing the existing natural vegetation, topography and storm water drainage system as much as practical. No clearing shall be commenced on any lot until a plot plan showing proposed limits of clearing is submitted to and approved by Spotsylvania County.

Lot owners shall be required to comply with all provisions of the Spotsylvania County Chesapeake Bay Preservation Ordinance (Chapter 6A of the Spotsylvania County Code), the purpose of which is to prevent and minimize soil and erosion from entering Lake Anna.

SPECIAL PROVISIONS FOR LOT 6

Lot 6, as shown on the plat of subdivision, consists of the existing farmhouse and certain farm outbuildings located upon Lot 6.

1) The Owner of Lot 6 shall be required to maintain the existing farmhouse and farm outbuildings located upon Lot 6 in the current condition of the farmhouse and farm outbuildings at the time of the approval of Rezoning Case #02-07 by the Board of Supervisors of Spotsylvania County, Virginia, i.e., February 25, 2003.

2) Notwithstanding the provisions of paragraph 1) hereinabove, the Owner of Lot 6 shall be permitted to restore and renovate the existing farmhouse, and restore, renovate or relocate the existing farm outbuildings upon Lot 6, subject to approval by the ARC. Nothing contained in this Declaration shall be deemed to prevent said owner of Lot 6 from restoring or renovating said farmhouse and farm outbuildings in the same type of external construction and materials as exist at the time of recordation of this Declaration.

3) No existing building located upon Lot 6 may be demolished or removed from Lot 6 unless and until the demolition or removal is approved by the Spotsylvania County Building Department (Inspector) upon a finding that the building is no longer structurally sound.

4) The owner of Lot 6 shall be permitted to maintain, board and breed farm animals (livestock and poultry) and farm equipment upon said Lot 6, for use or consumption by the owner of Lot 6, but not for commercial purposes.

ARTICLE IV COVENANTS FOR ARCHITECTURAL STANDARDS

1) Effect of Standards. The following minimum architectural standards shall constitute covenants running with the property, binding on all lot owners.

2) Minimum Dwelling Area. "Dwelling Area" shall not include basements or attics (whether or not such basements or attics are finished), carports, garages, porches, terraces, decks, boat sheds, subsidiary residences or other outbuildings. Each residence erected on any lot or parcel shall contain a minimum Dwelling Area (heated living space) of 1400 square feet on the first floor. Any two story residence shall contain a minimum Dwelling Area (heated living space) of 1800 square, and with a minimum Dwelling Area (heated living space) of 1400 square feet on the first floor, exclusive of those areas not included within Dwelling Area as set forth above.

3) Exterior Materials. The exposed exterior walls of all buildings on the property including, without limitation, houses, residences, garages, and other buildings shall be: brick, brick veneer, stone, solid wood siding, vinyl siding, or stucco. There shall be no cinder block or cement block, nor any metal siding allowed as exposed exterior materials except that horizontal aluminum lap-type siding shall be allowed.

4) Foundation Materials. All exposed foundation walls must be either poured concrete, parged block, or covered with a stone or brick veneer. All exposed poured concrete foundation walls shall be molded to resemble a brick wall. Front porches may be constructed with pressure treated lumber provided that any pressure treated piers are covered with a pressure treated lattice. All pressure treated piers and lattice perimeter must be covered by trim. All lattices and associated trim, parged block and poured concrete walls must also be painted to coordinate with the color of the siding of the house.

5) Metal Exterior Materials. No metal awnings, porches, stoops, stairs, decks or railings shall be affixed to any building or otherwise placed on any lot. No metal siding may be

used, except that horizontal aluminum lap-type siding shall be allowed. All metal window frames must have a baked painted finish.

6) Roofing Materials. Roofing on all buildings in SUNRISE BAY shall be either: (a) slate, (b) shake, (c) asbestos fashioned to resemble shake or slate, (d) asphalt or fiberglass shingle.

7) Roof Pitch. No dwelling house on any lot having a roof pitch of less than a 5:12 ratio on the main portion(s) of the roof, including attached garages, shall be erected on any lot. This restriction shall not apply to gables, porches, accessory use buildings or carports.

8) Provided, however, that the provisions of this Article IV shall not be applicable to Lot 6 (See Article III hereinabove).

ARTICLE V ARCHITECTURAL REVIEW COMMITTEE

1) Composition. The Architectural Review Committee (ARC) shall be comprised of three (3) or more members. Members, except for the initial ARC appointed by the Declarant, shall serve staggered three (3) year terms, as determined by the Board of Directors. As long as the Declarant owns any parcels or lots within the Property, the ARC shall consist of two (2) or more members to be appointed by the Declarant.

2) Method of Selection. The Declarant, and its successors and assigns for purposes of development, shall nominate the persons to serve on the ARC, so long as the Declarant owns any parcels or lots within the Property. At such time as the Declarant no longer owns any parcels or lots within the Property, the ARC shall be appointed by the Board of Directors.

3) Removal and vacancies. Members of the ARC, other than those appointed by the Declarant, may be removed by the Board of Directors with or without cause. Appointments to fill vacancies and unexpired terms shall be made in the same manner as the original appointment.

4) Except for the members of the ARC appointed by the Declarant, not more than one member of the sitting Board of Directors shall be a member of the ARC.

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

6) Duties. The ARC shall regulate and approve the external design, appearance and locations of improvements upon the lots in such a manner so as to preserve and enhance values and to maintain an harmonious relationship among structures and the natural vegetation and topography. In furtherance thereof, the ARC shall:

a) Review and approve, modify or disapprove, within thirty (30) days, all written applications of owners for improvements or additions to lots; in this regard, the ARC shall act with respect to the initial construction, development or improvements to the lots and subsequent changes and modifications to the improvements upon the lots. All applications not acted upon within thirty (30) days shall be deemed approved. For purposes of determining the expiration date of said thirty (30) day period described herein, said period shall begin to run on the date when a written application, of an owner, together with payment (to the order of the

Association) of a review fee in the amount of \$250.00 [no application shall be deemed complete or delivered until payment of the review fee], is personally delivered to the Chairman or Secretary of the ARC, or in the event said written application is mailed, then provided the application is mailed by First Class mail, certified, return receipt requested, the thirty (30) day period shall begin on the date which is three (3) days following the date of mailing;

- b) Periodically inspect the Properties for compliance with architectural standards and approved plans for alterations;
- c) Adopt architectural standards subject to confirmation by the Board of Directors;
- d) Adopt procedures for the exercise of its duties; and
- e) Maintain complete and accurate records of all actions taken.

Upon the review of any application of owners for improvements or additions to lots as described in this Article V, paragraph 6), the ARC shall notify the owner of its approval, modification or disapproval of said applications, by mailing notice thereof to the owner at the last known address of the owner on the records of the Association, and which notice shall be mailed First Class, certified, return receipt requested. The date of notice shall be deemed the date of mailing, provided said mailing is in accordance with the provisions hereof. In addition, the date of mailing shall be deemed the date that the application is acted upon for purposes of the thirty (30) day period described hereinabove.

7) No owner shall begin land disturbance activities or construction of improvements upon any lot, until such application to the ARC has been made, and the ARC has approved the same, or the thirty (30) day period for approval, modification or disapproval has expired, whichever shall first occur.

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

ARTICLE VI GENERAL PROVISIONS

1) Severability. Invalidation of any one or more of these covenants and restrictions by judgment or decree of Court shall in no way affect any of the other provisions contained herein, but they shall remain in full force and effect.

2) Duration of Covenants. These covenants and restrictions shall run with the land and shall exist and be binding upon all lot owners for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless amended as hereinafter provided.

3) Amendment. This Declaration, with the exception of restrictions concerning utility easements and Article III, relating to Lot 6, may be amended during the first twenty (20) year period, and any extensions thereof, by an instrument signed by the record title owners owning at least two-third of the lots in SUNRISE BAY.

Notwithstanding any provision herein to the contrary, no amendment shall be made or be binding during the first three (3) year period of this Declaration unless such amendment has been consented to in writing by the Declarant.

4) Violations. In the event of violation or breach of any of these restrictions by any lot owners, or agent of such lot owner, the owners of lots in SUNRISE BAY or any of them jointly or severally, or the Association, shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent the violation or breach in any event. The failure to enforce any right, reservation, restriction or condition contained in this Declaration shall not be deemed a waiver of the rights to do so hereafter as to the same breach or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement.

5) Annexation. If within seven (7) years of the date of this Declaration, the Declarant should develop additional lands within the vicinity of SUNRISE BAY, such additional lands may be annexed to SUNRISE BAY without the assent of the Owners. The residential properties so annexed, and the owners thereof, shall be governed by the terms of this Declaration or a Supplementary Declaration.

The Supplementary Declaration which subjects additional property to this Declaration shall describe the real property to be annexed to the scheme of this Declaration, and shall state that it is being made pursuant to the terms of this Declaration for the purpose of annexing the property described in the Supplementary Declaration to the scheme of this Declaration. The Supplementary Declaration may contain such complementary additions, deletions and modifications or changes to this Declaration as may be deemed desirable in the sole discretion of the Declarant.

Notwithstanding anything to the contrary contained herein, all restrictions, covenants, and easements contained in this Declaration do not bind or encumber other lands now or in the future owned by the Declarant, and no implied reciprocal easements and restrictions or any other easements or restrictions shall be created over or upon such lands, unless the Declarant shall specifically burden or encumber such other lands by a document executed by the Declarant, in accordance with the provisions of this paragraph, and recorded in the Clerk's Office of the Circuit Court of Spotsylvania County, Virginia.

6) Rights Reserved. Declarant, for a period of seven (7) years from the date of recordation of this Declaration, reserves the right to make changes, modifications and/or exceptions to any of the above covenants, conditions, restrictions, or reservations contained herein, except for the provisions of Article III, relating to Lot 6, when, in its sole discretion, such changes, modifications and/or exceptions will not defeat or alter the purposes or will improve the clarity or effectiveness of this Declaration. This right may be exercised either before or after the conveyance of any lot and without joinder of the Owner of any such lot conveyed.

7) Right of First Refusal. For so long as the Declarant retains ownership of any property within SUNRISE BAY, the Declarant shall be entitled to a right of first refusal in and to any lot previously conveyed by Declarant within SUNRISE BAY upon the following terms:

a) Prior to consummation of a sale of any lot in SUNRISE BAY, the owner shall notify the Declarant in writing by personal delivery or by certified mail, return receipt requested, at the following address: 5736 Courthouse Road, Spotsylvania, VA 22553, as to the terms and conditions of the proposed sale. Within fourteen (14) calendar days of delivery or receipt of said notice, the Declarant shall, by written notice to the owner by certified mail, return receipt requested, notify the owner of its intention to repurchase the lot upon the identical terms and

conditions as the proposed sale. The Declarant shall then consummate repurchase within ten (10) calender days of the notice to the owner.

b) The purchase by Declarant shall be for cash and the owner shall convey the lot to the Declarant by general warranty deed, conveying good and marketable title, but subject to such restrictions, agreements and easements, as may be of record.

c) If the Declarant does not give written notice exercising its rights to purchase within the fourteen (14) day period hereinabove described, or having given said written notice fails to consummate the purchase within the ten (10) day period hereinabove described, its right of first refusal is waived and released in full and the Declarant shall deliver to the owner a document in recordable form evidencing release/waiver of the right of first refusal.

d) In the event that the Declarant fails to deliver a document in recordable form evidencing its release/waiver of the right of first refusal, then upon the execution and recordation of an affidavit by the lot owner that said owner has given the Declarant the notice required herein, and the Declarant has failed to exercise its right of first refusal, a bona fide purchaser may conclusively rely upon said affidavit and upon recordation of the deed of conveyance, the bona fide purchaser shall take title free and clear of the encumbrance of the right of first refusal herein described.

e) The right of first refusal herein described is hereby specifically subordinated to, and inferior to, the lien of any bona fide first lien or second lien deed of trust, without the necessity or requirement of the Declarant executing any subordination agreement.

ARTICLE VII DEFINITIONS

1) "Association" or "association" shall mean and refer to the SUNRISE BAY PROPERTY OWNERS ASSOCIATION, INC., a Virginia non-stock corporation, its successors and assigns.

2) " Properties" or "Property" or "properties" or "property" shall mean and refer to such real property, described as Lots 1 through 88, inclusive, SUNRISE BAY and are herein subjected to this Declaration, and such additions thereto, if any, as may hereafter be annexed as a part of SUNRISE BAY, or otherwise be brought within the jurisdiction of the Association.

3) "Lot" or "lot" or "Lots" or "lots" shall mean and refer to any plot(s) of land shown upon any recorded subdivision plat of the Properties, upon which a residential dwelling could be constructed in accordance with applicable zoning ordinances, within SUNRISE BAY, but not including streets, and roadways.

4) "Member" or "member" shall mean and refer to every person or entity who holds membership in the Association.

5) "Owner" or "Owners" or "owner" or "owners" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, excluding those having such an interest merely as security for the performance of an obligation.

6) "Declarant" shall mean and refer to VA TIMBERLINE, LLC, a Virginia limited liability company, its successors and assigns for purposes of development.

7) "Board of Directors" shall mean and refer to the Board of Directors of the "Association", the initial Board of Directors having been appointed by the Declarant at the time of submission of the Articles of Incorporation of the Association to the State Corporation

Commission, and the subsequent members of which shall be chosen in accordance with the Articles of Incorporation and By-Laws of the Association.

8) "ARC" or "Architectural Review Committee" shall mean and refer to the Architectural Review Committee described in Article V hereinabove.

9) "Declaration" or "declaration" shall mean and refer to this Declaration of Conditions, Restrictive Covenants and Easements of SUNRISE BAY applicable to the properties recorded in the Office of the Clerk of Circuit Court of Spotsylvania County, Virginia, amendments thereto so recorded and all Supplementary Declarations so recorded.

10) "Mortgagee" or "mortgagee" shall mean and refer to any person or entity secured by a first mortgage or a first deed of trust or a second mortgage or second deed of trust on any lot, and which mortgagee has notified the Association of this fact.

11) "Residence" or "residence" or "Dwelling" or "dwelling" shall mean and refer to the single family dwelling built on a lot.

12) "Subdivision plat" or "subdivision plat" or "Subdivision plats" or "subdivision plat" shall mean or refer to the "PLAT OF SURVEY OF SUNRISE BAY FOR VA TIMBERLINE, LLC LIVINGSTON DISTRICT-SPOTSYLVANIA COUNTY, VA.", prepared by Berkely Howell & Assoc., P.C., dated July 23, 2003, as last revised, and recorded in the Clerk's Office of the Circuit Court of Spotsylvania County, Virginia, prior to this Declaration and made a part hereof.

ARTICLE VIII MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot, which is subjected to this Declaration, including contract sellers, shall be a member of the

Association. The foregoing does not intend to include persons or entities who hold an interest merely as security for the performance of an obligation, nor trustees under any instrument securing such an obligation. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subjected to this Declaration. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE IX VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all those members (lot owners) as defined in this Declaration, with the exception of the Declarant as defined in Article VII. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article VIII. When more than one person holds such an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as the owners of said lot themselves determine, but in no event shall more than one vote be cast with respect to any such lot.

Class B. The Class B member(s) shall be the Declarant as defined herein. The Class B member shall be entitled to 176 votes (a number equal to two times the total number of votes of the Class A members), less the number of Class A votes outstanding at the time a vote is taken.

The Class B membership and the Class B voting rights shall cease on December 31, 2007, unless terminated earlier by the Class B. Member.

For purposes of this provision concerning Class B membership and Class B voting rights in the event of annexation of additional lands to the subdivision, in calculating the total votes outstanding in the Class B membership, the same shall be equal to two times the number of lots

in SUNRISE BAY plus two times the number of lots within the annexed properties, less the number of Class A votes outstanding at the time a vote is taken.

ARTICLE X
COVENANT FOR MAINTENANCE ASSESSMENTS
AND RESPONSIBILITY FOR MAINTENANCE

1) Creation of the lien and Personal Obligation of Assessments. Each owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association:

- (a) annual assessments or charges; and
- (b) special assessments for capital improvements approved by the Board of

Directors or Association. The Board of Directors may approve a special assessment where the Board of Directors has found by resolution that said special assessment is and shall be in the best interest of the Association and that the proceeds of said special assessment are used primarily for those capital improvements described in Paragraph 4 of this Article X hereinbelow. Any such special assessment approved by the Board of Directors may be rescinded by majority vote of the members attending a meeting of the membership convened in accordance with the provisions of this Declaration and the By-Laws of the Association within sixty (60) days of the notice of such special assessment.

Such assessments are to be fixed, established, and collected from time to time as provided in the By-Laws of the Association. The annual and special assessments, together with such interest thereon and costs of collection thereof, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees shall also be the

personal obligation of the person who was the owner of such property at the time when the assessment fell due.

2) Purpose of Assessments. The assessments levied by the Association shall be used for the purpose of maintenance of the Common Areas shown on the Plat of Subdivision recorded herewith. In addition, the Association shall have the authority to use the assessments so levied for the purpose of enforcing these covenants and restrictions and for administrative purposes as deemed appropriate by the Board of Directors of the Association and not prohibited by applicable law.

3) Basis and Initial Maximum of Annual General Assessments. There shall be no assessments collected prior to January 1, 2003. The initial and maximum annual general assessment for the calendar year 2003 shall be \$200.00 per year per lot. Beginning on or after January 1, 2003, upon the closing of the sale of a lot all assessments due upon said lot for the portion of the year from the date of closing until December 31st of such year, shall be paid at the time of said closing.

The annual assessments (other than those pro-rata assessments for 2003 collected at the time of closing) shall not be due and payable from any lot owner until January 1, 2004, and shall be at the amount set forth hereinabove, unless increased as hereinafter provided.

No assessments shall be charged to the Declarant.

(a) Thereafter, the maximum annual assessment may be increased by a vote of the members, for the next succeeding year (for calendar year 2004) and at the end of each year following calendar year 2004, provided that any such change shall have the assent of two-thirds (2/3) of the votes of a quorum of each class of Members attending an Association meeting for the

purpose of setting said maximum annual assessments, all in accordance with the By-Laws of the Association.

(b) After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

(c) Lots owned by the Declarant or its successor as developer shall not be subject to any assessments.

4) Special Assessments for Capital Improvements. In addition to annual general assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, or applicable for a maximum of one year, for the purpose of defraying, in whole or in part, the pro-rata cost of any construction or reconstruction, repair or replacement of the common area facilities (including, but not limited to, boat docks, ramps and slips, parking areas and other recreational facilities that may be provided by Declarant), which construction, reconstruction, etc., amounts to more than mere maintenance for the use and benefit of the members of the Association, provided that, any such assessment shall have the assent of two-thirds of a quorum of each class of Members attending an Association meeting for the purpose of consideration of imposition of such special assessments. Nothing herein shall prevent the Board of Directors from approving a special assessment in accordance with Paragraph 1.(b). hereinabove, nor shall the same effect the right of the members to rescind or reduce a special assessment approved by the Board of Directors in accordance with said provisions.

5) Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all lots, except as provided in Paragraph 3(c) of this Article. Such annual and special

assessments may be collected on a monthly, quarterly or annual basis as determined by the Board of Directors.

6) Date of Commencement of Annual Assessments: Due Dates. The annual assessment provided for herein shall commence as to all Lots as set forth in Section 3 hereinabove. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment (other than the initial assessment) against each Lot at least thirty days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon demand at any time furnish a certificate in writing, signed by an officer of the Association, setting forth whether the assessments on a specified lot have been paid. A reasonable charge may be made by the Board for issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

7) Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. Any assessment which is not paid within thirty days after the due date, shall bear interest from the date of delinquency at the rate of fifteen per cent (15%) per annum, and the Association may bring such action at law or in equity against the lot owner personally obligated to pay the same, or against the property subject thereto, or both, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. A lot owner may not waive or otherwise escape liability of the assessment provided for herein by non-use of any Common Areas or abandonment of his Lot. Notwithstanding anything to the contrary contained herein, and in addition to any remedies herein provided, the Association shall have any and all remedies provided by the

Virginia Property Owners Association Act, Section 55-508, et seq., of the Code of Virginia, 1950, as amended, with respect to the enforcement of the obligation or liability of any lot owner for unpaid assessments.

8) Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust financing and further subordinate to the lien of any second deed of trust. Sale or transfer of any Lot shall not affect the lien of any assessment. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

9) Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein:

- (a) All properties dedicated to and accepted by a local or state authority;
- (b) The common areas; and
- (c) All properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Virginia. However, no land or improvements devoted to dwelling use shall be exempt from such assessments, notwithstanding that the title to the lot upon which such dwelling is located is owned by a charitable or nonprofit organization.

10) Notwithstanding anything to the contrary contained herein, the Board of Directors shall comply with the provisions of the Virginia Property Owners Association Act, Section 55-508, et seq., of the Code of Virginia, 1950, as amended, in assessing and collecting all assessments herein described.

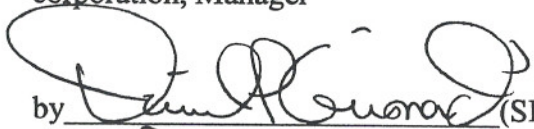
ARTICLE XI
SHORELAND EASEMENTS AND PIERS, DOCKS, BOATHOUSES

1) Piers, docks, boathouses, bulkheads, rip-rap, may be constructed on waterfront lots adjacent to Lake Anna, provided that prior to construction, written approval thereof is obtained from VEPCO, the ARC, and from all appropriate Federal, State and County authorities.

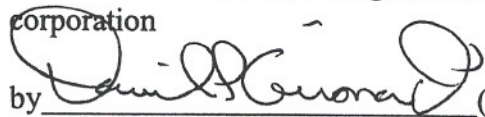
2) The land commonly referred to as Lake Anna "shoreland" adjoining the waterfront lots, which is owned in fee by the Virginia Electric and Power Company (VEPCO), now known as Dominion Power, is subject to the reservations and rights owned by the respective lot owner to use said adjoining shoreland for recreational and agricultural uses all as set forth in the deeds to VEPCO at the time VEPCO acquired the lands for the construction of Lake Anna. The same is further subject to the provisions of the Spotsylvania County Chesapeake Bay Preservation Ordinance (Chapter 6A of the Spotsylvania County Code). The Declarant hereby declares that the shoreland for each waterfront lot of SUNRISE BAY is hereby delineated, divided and defined as shown on the plat of subdivision of SUNRISE BAY and as shall be set forth in the deeds of conveyance to the various lot owners.

WITNESS the following signatures and seals:

VA TIMBERLINE, LLC, a Delaware limited liability company
by LAND PARTNERS, LLC, a Delaware limited liability company, Manager
by HSP Management, Inc., a Massachusetts corporation, Manager

by  (SEAL)
Title: Regional Manager

SUNRISE BAY PROPERTY OWNERS ASSOCIATION, Inc., a Virginia non-stock corporation

by  (SEAL)
title: President

STATE OF VIRGINIA

COUNTY OF SPOTSYLVANIA, to-wit:

The foregoing instrument was duly acknowledged before me this 4th day of August, 2003, by VA TIMBERLINE, LLC, a Delaware limited liability company by LAND PARTNERS, LLC, a Delaware limited liability company, its Manager, by HSP Management, Inc., a Massachusetts corporation, its Manager, by Daniel P. Girouard, II (name), its Regional Manager (title), on behalf of said corporation and limited liability companies.

My commission expires: 7/31/04

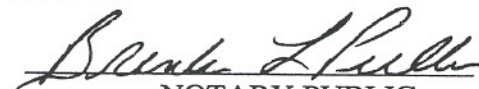

NOTARY PUBLIC

STATE OF VIRGINIA

COUNTY OF SPOTSYLVANIA, to-wit:

The foregoing instrument was duly acknowledged before me this 4th day of August, 2003, by SUNRISE BAY PROPERTY OWNERS ASSOCIATION, INC., a Virginia non-stock corporation,, by Daniel P. Girouard, II (name), its President (title), on behalf of said corporation

My commission expires: 7/31/04


NOTARY PUBLIC