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GPIN Nos.: 8716-61-2006
8716-71-2482


20020710000000880 020015048
Hanover County Circuit Court
7/10/2002 1:20:00 PM LR DECL

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**BELL CREEK
SINGLE FAMILY
PROTECTIVE COVENANTS**

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**BELL CREEK SINGLE FAMILY
PROTECTIVE COVENANTS**

THIS DECLARATION OF PROTECTIVE COVENANTS (the "SF Protective Covenants") is made this 1st day of July, 2002, by THE HANOVER GROUP, L.L.C., a Virginia limited liability company (the "Declarant").

RECITALS:

Declarant is the owner of certain real property (the "Property") containing approximately 173.369 acres located in the County of Hanover, Virginia, as described on Exhibit A and as shown on a plat dated June 26, 2002 and entitled "Bell Creek Covenant Plat", attached as Exhibit B to the Bell Creek Protective Covenants dated July 1, 2002 and recorded immediately prior hereto in the Clerk's Office in Deed Book 1866, page 789 (the "Bell Creek Protective Covenants");

Declarant subjected all of the Property to the Bell Creek Protective Covenants to assure that the Property is developed as a planned, high-quality commercial and residential community. Declarant desires to further subject the portion of the Property being developed as single family residences on approximately 23.716 acres as shown on the Covenant Plat (the "SF Residential Property"), to the covenants, conditions, restrictions, reservations and charges contained in these SF Protective Covenants.

In the Bell Creek Protective Covenants, Declarant established the Bell Creek Property Owners' Association, a Virginia non-stock corporation (the "Property Owners' Association") to perform certain powers and duties of ownership, operation, administration, assessment, and enforcement. Declarant further desires to establish the Bell Creek Single Family Residential Owners' Association (the "SF Residential Association") to act as a member of the Property Owners' Association and to perform certain powers and duties of ownership, operation, administration, assessment and enforcement with respect to the SF Residential Property as provided herein.

DECLARATION

NOW, THEREFORE, DECLARANT declares that the SF Residential Property, and such additions as may be made pursuant to Article IX, Section 9.2 of these SF Protective Covenants, shall be held, conveyed, transferred, sold, leased, mortgaged and otherwise dealt with subject to the easements, covenants, conditions, restrictions, reservations, liens and charges set forth in these SF Protective Covenants and any supplements and amendments hereto, all of which (i) are created in the best interests of the SF Residential Property, (ii) shall run with title to the SF Residential Property and each part thereof, (iii) shall be binding upon all parties having and/or

acquiring any right, title, or interest in the SF Residential Property or any portion thereof, their heirs, successors, successors-in-title and assigns, (iv) shall inure to the benefit of each and every party, from time to time, owning or holding an interest in the SF Residential Property, or any portion thereof, their heirs, successors, successors-in-title and assigns, and (v) shall be inferior in dignity and priority and subject to the terms and conditions of the Bell Creek Protective Covenants.

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. The terms listed below shall have the following meanings:

- (a) ARC. ARC shall have the same meaning as in the Bell Creek Protective Covenants.
- (b) AR Residential Association. AR Residential Association shall mean the Bell Creek Age Restricted Residential Condominium Owners' Association, its successors and assigns. The members of the AR Residential Association shall be every AR Residential Owner.
- (c) AR Residential Common Area. AR Residential Common Area shall mean all real property owned by the AR Residential Association for the common use and enjoyment of the AR Residential Owners.
- (d) AR Residential Common Improvements. AR Residential Common Improvements shall mean all improvements constructed on the AR Residential Property or a Public Right of Way within the AR Residential Property which are owned by the AR Residential Association for the benefit of the AR Residential Owners.
- (e) AR Residential Owner. AR Residential Owner shall have the same meaning as in the Bell Creek Protective Covenants.
- (f) AR Residential Property. AR Residential Property shall mean the real property located in the County of Hanover, Virginia comprised of the AR Residential Sites and the AR Residential Common Area. The term "AR Residential Property" shall not include the SF Residential Property.
- (g) AR Residential Site. AR Residential Site shall have the same meaning as in the Bell Creek Protective Covenants.
- (h) Bell Creek Protective Covenants. Bell Creek Protective Covenants shall mean the Bell Creek Protective Covenants dated July 1, 2002 and recorded immediately prior hereto in the Clerk's Office in Deed Book 1866, page 789, as may be supplemented and

amended from time to time.

(i) Clerk's Office. Clerk's Office shall mean the Clerk's Office of the Circuit Court of the County of Hanover, Virginia.

(j) Code. Code shall mean the Code of Virginia as the same may be amended from time to time.

(k) Commercial Association. Commercial Association shall mean the Bell Creek Commercial Owners' Association, its successors and assigns. The members of the Commercial Association shall be every Commercial Owner.

(l) Commercial Common Area. Commercial Common Area shall mean all real property owned by the Commercial Association for the common use and enjoyment of the Commercial Owners.

(m) Commercial Common Improvements. Commercial Common Improvements shall mean improvements constructed on the Commercial Property which are owned by the Commercial Association for the benefit of the Commercial Owners.

(n) Commercial Owner. Commercial Owner shall have the same meaning as in the Bell Creek Protective Covenants.

(o) Commercial Property. Commercial Property shall mean the real property located in the County of Hanover, Virginia comprised of the Commercial Sites and the Commercial Common Area. Initially, the Commercial Property shall be comprised of approximately 149.653 acres.

(p) Commercial Site. Commercial Site shall have the same meaning as in the Bell Creek Protective Covenants.

(q) Common Area. Common Area shall mean all real property owned by the Property Owners' Association for the common use and enjoyment of the Owners, as provided in Article II of the Bell Creek Protective Covenants but shall specifically exclude Commercial Common Area, SF Residential Common Area and AR Residential Common Area.

(r) Common Improvements. Common Improvements shall mean improvements constructed on any portion of the Property or a Public Right of Way within the Commercial Property which are owned by the Property Owners' Association for the benefit of the Owners as provided in Article II of the Bell Creek Protective Covenants. Common Improvements shall specifically exclude (i) improvements constructed on a Site which are not owned by or conveyed to the Property Owners' Association, (ii) Commercial Common Improvements, (iii) SF Residential Common Improvements and (iv) AR Residential Common Improvements.

(s) Covenant Plat. Covenant Plat shall mean the plat dated June 26, 2002, and entitled "Bell Creek Covenant Plat", a copy of which is attached to the Bell Creek Protective Covenants and any amendments thereto.

(t) Declarant. Declarant shall mean The Hanover Group, L.L.C., a Virginia limited liability company. The Declarant may designate a successor declarant or declarants to take and hold some or all of its respective rights, powers, privileges and obligations as Declarant as provided in Article X, Section 10.3 of these SF Protective Covenants. The SF Residential Association and the SF Residential Owners shall not enjoy any of the rights, powers, privileges or obligations of the Declarant unless and until specifically granted by these SF Protective Covenants or by written instrument executed by the Declarant as provided in Article X, Section 10.3 of these SF Protective Covenants.

(u) Declarant Control Period. Declarant Control Period shall mean the period commencing on the date these SF Protective Covenants are recorded in the Clerk's Office and ending on the earlier to occur of (i) the date that Declarant no longer owns/holds fee simple title to any portion of the SF Residential Property or (ii) the date that the Declarant voluntarily terminates the Declarant Control Period.

(v) Foundation Property. Foundation Property shall mean the approximately 23.857 acres of real property described on the attached Exhibit C owned or to be owned by the Totopotomoy Battlefield at Rural Plans Foundation and located north and east of the SF Residential Property.

(w) Governmental Laws. Governmental Laws shall mean all federal, state and local laws, statutes, rules, regulations, ordinances, orders and directives.

(x) Mortgagee. Mortgagee shall mean and refer to a beneficiary or holder of a mortgage, deed of trust, a deed to secure debt, or any other form of security deed.

(z) Other SF Residential Association Documents. Other SF Residential Association Documents shall mean the SF Articles, SF Bylaws, and SF Rules and Regulations.

(z) Owner. Owner shall have the same meaning as in the Bell Creek Protective Covenants.

(aa) Person. Person means a natural person, a corporation, a partnership, a limited liability company, a trustee, or any other legal entity.

(bb) Property. Property shall mean (i) the real property containing approximately 173.369 acres located in County of Hanover, Virginia, as described on Exhibit A and as shown on the Covenant Plat attached as Exhibit B to the Bell Creek Protective Covenants and (ii) any additional real property subjected to the Bell Creek Protective Covenants pursuant to

the provisions of Article IX, Section 9.2 thereof.

(cc) Property Owners' Association. Property Owners' Association shall mean the Bell Creek Property Owners' Association, its successors, and assigns. The members of the Property Owners' Association shall be the Commercial Association, the SF Residential Association and the AR Residential Association.

(dd) Public Right of Way. Public Right of Way shall mean any real property dedicated to the appropriate governmental authority for use as a public road, public street, or public right of way.

(ee) SF Articles. SF Articles shall mean the Articles of Incorporation of the SF Residential Association, as the SF Articles may be amended from time to time. The original SF Articles are attached to these SF Protective Covenants as Exhibit A.

(ff) SF Base Assessments. SF Base Assessments shall mean assessments levied against all SF Residential Sites in the SF Residential Property to fund the expenses of the SF Residential Association as provided in Article IV, Section 4.2(a).

(gg) SF Board of Directors. SF Board of Directors shall mean the board of directors of the SF Residential Association which shall initially be appointed by the Declarant during the Declarant Control Period and, upon the expiration of the Declarant Control Period, elected by the SF Members as provided in Article III, Section 3.4 of these SF Protective Covenants.

(hh) SF Bylaws. SF Bylaws shall mean the SF Bylaws of the SF Residential Association, as the SF Bylaws may be amended from time to time. The original SF Bylaws are attached to these SF Protective Covenants as Exhibit B.

(ii) SF Members. SF Members shall mean the members of the SF Residential Association, which shall be all of the SF Residential Owners.

(jj) SF Protective Covenants. SF Protective Covenants shall mean the Bell Creek Single Family Protective Covenants, as may be supplemented or amended from time to time.

(kk) SF Residential Association. SF Residential Association shall mean the Bell Creek Single Family Residential Owners' Association, its successors and assigns. The members of the SF Residential Association shall be the SF Residential Owners.

(ll) SF Residential Common Area. SF Residential Common Area shall mean all real property owned by the SF Residential Association for the common use and enjoyment of the SF Residential Owners. Initially, the SF Residential Common Area shall be comprised of approximately 0.622 acres. The SF Residential Common Area shall not include the Foundation

Property.

(mm) SF Residential Common Improvements. SF Residential Common Improvements shall mean all improvements constructed on the SF Residential Property or within a Public Right of Way within the SF Residential Property which are owned by the SF Residential Association for the benefit of the SF Residential Owners.

(nn) SF Residential Owner. SF Residential Owner shall mean the record owner, whether 1 or more Persons, of fee simple title to any SF Residential Site, their successors and assigns, including the Declarant but excluding those holding title merely as security for the performance of an obligation. If a SF Residential Site is jointly owned by 2 or more Persons, such joint owners shall constitute a single SF Residential Owner for the purposes of these SF Protective Covenants; however, each such owner shall be jointly and severally liable hereunder as a SF Residential Owner. The term "SF Residential Owner" shall not include an AR Residential Owner.

(oo) SF Residential Property. SF Residential Property shall mean the real property located in the County of Hanover, Virginia comprised of the SF Residential Sites and the SF Residential Common Areas. Initially, the SF Residential Property shall be comprised of approximately 23.716 acres. The term "SF Residential Property" shall not include the AR Residential Property or the Foundation Property.

(pp) SF Residential Recreational Facilities. SF Residential Recreational Facilities shall mean the swimming pool, tennis courts, clubhouse, and related improvements located on the SF Residential Common Area within the SF Residential Property and all other recreational facilities on the SF Residential Common Area.

(qq) SF Residential Site. SF Residential Site shall mean (i) any 1 of the residential lots on which a single family residence may be constructed, the occupancy of which is not restricted by age, as shown on the Covenant Plat, and (ii) any other Site the ARC or Declarant, if such classification occurs during the Declarant Control Period, may subsequently classify as a SF Residential Site pursuant to Article IX of the Bell Creek Protective Covenants and Article IX of these SF Protective Covenants, but excluding any Common Area, Common Improvements, SF Residential Common Area, SF Residential Common Improvements or Public Right of Way. Initially, there shall be 100 SF Residential Sites containing approximately 23.094 acres. The term "SF Residential Site" does not include an AR Residential Site or the Foundation Property.

(rr) SF Rules and Regulations. SF Rules and Regulations shall mean the SF Rules and Regulations of the SF Residential Association adopted by the SF Board of Directors, as amended from time to time.

(ss) SF Special Assessments. SF Special Assessments shall mean assessments levied in accordance with Article IV, Sections 4.2(b) and (c).

(tt) Site. Site shall have the same meaning as in the Bell Creek Protective Covenants.

(uu) Zoning Ordinance. Zoning Ordinance shall mean (i) the ordinance adopted by the Board of Supervisors of Hanover County, Virginia as case number C-10-99 with respect to the Property and (ii) such other zoning, subdivision or land use ordinances to the extent applicable to any portion of the Property. Zoning Ordinance shall include, without limitation, any conditions proffered by the zoning applicant and made part of the Zoning Ordinance.

ARTICLE II

SF RESIDENTIAL COMMON AREA AND SF RESIDENTIAL COMMON IMPROVEMENTS

Section 2.1. SF Residential Common Area. The Declarant, by conveyance, dedication, or other appropriate method, shall have the right to transfer title to all or any portion of the SF Residential Property, or any interest therein, owned by the Declarant to the SF Residential Association as a SF Residential Common Area and any such transfer shall be effective upon recording the appropriate instrument of transfer in the Clerk's Office. Any SF Residential Owner, other than the Declarant, may transfer title to all or any portion of a SF Residential Site, or an interest therein, to the SF Residential Association as a SF Residential Common Area and the Property Owners' Association may transfer title to all or any portion of the Common Area to the SF Residential Association as a SF Residential Common Area, but the SF Residential Association shall not be required to accept any such transfer and no such transfer shall be effective until the SF Board of Directors expressly accepts the transfer by directing the president of the SF Residential Association to execute an instrument of transfer and such instrument of transfer is recorded in the Clerk's Office. SF Residential Common Area does not include any portion of a Site, any Common Area, Common Improvements, any Commercial Common Area, AR Residential Common Area, Commercial Common Improvements, AR Residential Common Improvements, SF Residential Common Improvements, Foundation Property or Public Right of Way unless expressly conveyed to the SF Residential Association as a SF Residential Common Area. Nothing in these SF Protective Covenants shall be construed as imposing any obligation upon the Declarant to convey any portion of the Property to the SF Residential Association as a SF Residential Common Area or construct any SF Residential Common Improvements on the SF Residential Common Area.

Section 2.2 Specific SF Residential Common Area. Upon the recordation in the Clerk's Office of these SF Protective Covenants, the Declarant hereby conveys the parcels identified as SF Residential Common Area on the Covenant Plat to the SF Residential Association as SF Residential Common Area.

Section 2.3. Use of SF Residential Common Area. Unless provided otherwise in these SF Protective Covenants, all SF Residential Common Area shall be owned by the SF Residential Association for the benefit of the SF Residential Owners and their respective tenants, family members, and invitees, for all purposes for which the SF Residential Common Area is reasonably intended, subject to the terms of these SF Protective Covenants, the Other SF Residential Association Documents, the Bell Creek Protective Covenants and all applicable Governmental Laws.

Section 2.4. SF Residential Common Improvements. The Declarant may designate all or a portion of the improvements constructed on the SF Residential Property by the Declarant as SF Residential Common Improvements and transfer title to such SF Residential Common Improvements to the SF Residential Association for the benefit of the SF Residential Owners. No such transfer shall be effective until the appropriate instrument of transfer is delivered to the SF Residential Association. The SF Residential Association also may designate all or a portion of the improvements constructed by the SF Residential Association on the SF Residential Common Area as SF Residential Common Improvements for the benefit of the SF Residential Owners; however, no such designation shall be effective until the SF Board of Directors directs the president of the SF Residential Association to execute an instrument designating such improvements as SF Residential Common Improvements. A SF Residential Owner may designate as SF Residential Common Improvements all or a portion of the improvements constructed on a SF Residential Site by the SF Residential Owner and the Property Owners' Association may designate, as SF Residential Common Improvements, all or a portion of the Common Improvements constructed on any Common Area by the Property Owners' Association and transfer title to such SF Residential Common Improvements to the SF Residential Association for the benefit of the SF Residential Owners; however, the SF Residential Association shall not be required to accept any such transfer and no such transfer shall be effective until the SF Board of Directors expressly accepts the transfer by directing the president of the SF Residential Association to execute the instrument of transfer. Nothing in these SF Protective Covenants shall be construed as imposing any obligation on the Declarant or SF Residential Association to construct any SF Residential Common Improvements.

Section 2.5. Specific SF Residential Common Improvements. Upon the recordation in the Clerk's Office of these SF Protective Covenants, the Declarant hereby conveys the following to the SF Residential Association as SF Residential Common Improvements:

(a) all fountains, fences, signs, light fixtures and poles, and sidewalks constructed (i) on any SF Residential Common Area, (ii) on any SF Residential Site for the benefit of all SF Residential Owners or (iii) within any Public Right of Way located within the SF Residential Property, for the benefit of all of the SF Residential Owners;

(b) all landscaping and irrigation facilities installed and/or constructed by the Declarant (i) on any SF Residential Common Area, and (ii) within any Public Right of Way located within the SF Residential Property; and

(c) the SF Residential Recreational Facilities.

Section 2.6. Use of SF Residential Common Improvements. Unless provided otherwise in these SF Residential Protective Covenants, all SF Residential Common Improvements shall be owned by the SF Residential Association for the benefit of the SF Residential Owners, and their respective tenants, family members, and invitees, for all purposes for which the SF Residential Common Improvements are reasonably intended, subject to the terms of these SF Residential Protective Covenants, the Other SF Residential Association Documents, the Bell Creek Protective Covenants and all applicable Governmental Laws.

Section 2.7. Common Areas and Common Improvements of Other Associations. Except for certain easement rights provided in Article VIII of these SF Protective Covenants and Article VIII of the Bell Creek Protective Covenants, the SF Residential Association has no interest in, or right to use, the Commercial Common Area or Commercial Common Improvements owned by the Commercial Association, or the AR Residential Common Area or AR Residential Common Improvements owned by the AR Residential Association. Except for certain easement rights provided in Article VIII of these SF Protective Covenants and Article VIII of the Bell Creek Protective Covenants, the Commercial Common Area and Commercial Common Improvements may be used only by a Commercial Owner in accordance with the governing documents of the Commercial Association, and the AR Residential Common Area and AR Residential Common Improvements may be used only by a AR Residential Owner in accordance with the governing documents of the AR Residential Association.

Section 2.8. Easements Affecting SF Residential Common Area and SF Residential Common Improvements. Easements affecting the SF Residential Common Area and SF Residential Common Improvements are provided for in Article VIII of these SF Protective Covenants and Article VIII of the Bell Creek Protective Covenants.

Section 2.9. Repair, Replacement and Maintenance of the SF Residential Common Area and SF Residential Common Improvements. The repair, replacement, and maintenance of the SF Residential Common Area and SF Residential Common Improvements are provided for in Article VII of these SF Protective Covenants and Article VII of the Bell Creek Protective Covenants.

Section 2.10. No Public Rights. The creation of the SF Residential Common Area and SF Residential Common Improvements shall not be deemed or construed to be a dedication of such areas for the general public welfare or use.

Section 2.11 Delegation of Use. Subject to the provisions of Article VIII, Section 8.1, any SF Residential Owner may delegate his or her right of use and enjoyment of the SF Residential Common Area and SF Residential Common Improvements to his or her tenants, family members and invitees, as applicable, subject to reasonable regulation by the SF Board of Directors and in accordance with procedures it may adopt. A SF Residential Owner who leases his or her SF Residential Site shall be deemed to have delegated all of such rights to the tenant of

the SF Residential Site. If a SF Residential Owner desires to lease his or her SF Residential Site, the lease agreement shall contain specific conditions which require the tenant to abide by these SF Protective Covenants and the Other SF Residential Association Documents, and any SF Residential Owner desiring to lease a SF Residential Site further covenants that the tenant will be provided a complete set of these SF Protective Covenants and the Other SF Residential Association Documents. A tenant's violation of these SF Protective Covenants and the Other SF Residential Association Documents shall constitute a default under the lease for which the SF Residential Association, on behalf and at the expense of the SF Residential Owner, may seek any remedies available at law or equity, including the eviction of the tenant on behalf of and as agent for the SF Residential Owner, after 10 days written notice to the SF Residential Owner and the SF Residential Owner's failure to evict the tenant.

ARTICLE III

SF RESIDENTIAL ASSOCIATION

Section 3.1. SF Residential Association. The Declarant has caused the SF Residential Association to be incorporated as a non-stock corporation under the laws of the Commonwealth of Virginia. The SF Residential Association will be governed by the SF Board of Directors pursuant to these SF Protective Covenants and Other SF Residential Association Documents. The primary purpose of the SF Residential Association shall be (i) to own, maintain, repair and replace the SF Residential Common Area and SF Residential Common Improvements, (ii) to enforce and administer the provisions of these SF Protective Covenants, and (iii) to act as a member of the Property Owners' Association. The SF Residential Association shall perform its functions in accordance with these SF Protective Covenants, the Other SF Residential Association Documents and Virginia law.

Section 3.2. SF Members. The SF Members of the Association shall be each SF Residential Owner of an SF Residential Site and membership shall be appurtenant to, and may not be separated from, record title to a SF Residential Site.

Section 3.3. Voting Rights. Each SF Member shall have 1 vote for each SF Residential Site owned by such SF Member.

Section 3.4. SF Board of Directors. The SF Board of Directors shall consist of 5 directors. Notwithstanding the voting rights set forth in Section 3.3 of this Article, during the Declarant Control Period, the Declarant shall be entitled to elect all of the directors, and upon the expiration of the Declarant Control Period, the SF Members shall be entitled to elect the directors comprising the SF Board of Directors. Any vacancy in the SF Board of Directors created by the death, resignation or removal of a director shall be filled by a person appointed by the Declarant if such vacancy occurs during the Declarant Control Period or by the president of the SF Residential Association if the vacancy occurs after the Declarant Control Period.

Section 3.5. Representative to Attend Property Owners' Association Meetings. The president of the SF Residential Association shall represent the SF Residential Association and cast its votes at meetings of the Property Owners' Association.

Section 3.6. SF Residential Association Maintenance. The SF Residential Association shall maintain, repair and replace the SF Residential Common Area and SF Residential Common Improvements in accordance with Article VII of these SF Protective Covenants and Article VII of the Bell Creek Protective Covenants. The SF Residential Association may maintain portions of a SF Residential Site as provided in Article VII of these SF Protective Covenants. The SF Residential Association shall maintain the Foundation Property in accordance with Article VII of these SF Protective Covenants.

Section 3.7. SF Residential Association Funding. The funds necessary for the operation of the SF Residential Association shall be derived by assessments as provided in Article IV of these SF Protective Covenants.

Section 3.8. Personal Property and Real Property for Common Use. The SF Residential Association, through action of the SF Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The SF Board of Directors, acting on behalf of the SF Residential Association, shall accept any real or personal property, leasehold, or other property interests within the SF Residential Property conveyed to it by the Declarant.

Section 3.9. SF Rules and Regulations. The SF Residential Association, through the SF Board of Directors, may make and enforce reasonable SF Rules and Regulations governing the use of the SF Residential Property, which SF Rules and Regulations shall be consistent with the rights and duties established by these SF Protective Covenants. The SF Residential Association, through the SF Board of Directors, shall have authority to impose reasonable user fees for use of the SF Residential Recreational Facilities upon any SF Residential Common Area or comprising the SF Residential Common Improvements.

(a) Repeal/Amendment of SF Rules and Regulations. Any SF Rule or Regulation may be repealed or amended by a majority of votes cast, in person or by proxy, by the SF Members at a meeting of the SF Residential Association convened in accordance with the SF Bylaws.

Section 3.10. Implied Rights. The SF Residential Association may exercise any right or privilege given to it expressly by these SF Protective Covenants and the Other SF Residential Association Documents, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege and/or the proper administration of the SF Residential Association.

Section 3.11. Enforcement Rights. The Declarant and SF Residential Association shall have the right to enforce these SF Protective Covenants and the Other SF Residential Association

Documents as prescribed herein. Further, the Declarant, the SF Residential Association, and any SF Residential Owner shall have the right to enforce, by any proceeding at law or in equity, these SF Protective Covenants and the Other SF Residential Association Documents. Failure by the Declarant or the SF Residential Association to enforce any covenant or restriction herein contained shall not be construed or deemed a waiver of the right to do so thereafter. Notwithstanding anything to the contrary herein contained, the Declarant or SF Residential Association may elect to enforce any provision of these SF Protective Covenants or Other SF Residential Association Documents by suit at law or in equity to enjoin any violation or to recover monetary damages or both. In any such action, to the maximum extent permissible, the non-prevailing party or parties shall pay all costs, including reasonable attorneys' fees, actually incurred by the prevailing party or parties. Any enforcement of these SF Protective Covenants and the Other SF Residential Association Documents shall be in compliance with Virginia law.

ARTICLE IV

ASSESSMENTS

Section 4.1 Creation of Assessments. There are hereby created assessments for SF Residential Association expenses as may from time to time specifically be authorized by the SF Board of Directors, to be commenced at the time and in the manner set forth in Section 4.4 of this Article. Except for the Declarant, each SF Residential Owner of a SF Residential Site, by acceptance of a deed or recorded contract of sale for any portion of the SF Residential Property, is deemed to covenant and agree to pay these assessments. In no event shall the Declarant, a successor declarant or any assignee of all or any of the Declarant's rights hereunder be required to pay any assessments described herein. The assessments created pursuant to these SF Protective Covenants are in addition to and not in lieu of the assessments created pursuant to the Bell Creek Protective Covenants, and a SF Residential Owner of a SF Residential Site is obligated to pay assessments pursuant to these SF Protective Covenants and the Bell Creek Protective Covenants.

Section 4.2 Types of Assessments. Subject to the terms of the SF Protective Covenants, the SF Residential Association may make the following types of assessments against the SF Residential Owners:

(a) SF Base Assessments. The SF Residential Association may levy SF Base Assessments against all SF Residential Owners to fund the expenses of the SF Residential Association.

i. Computation of SF Base Assessments. It shall be the duty of the SF Board of Directors, at least 60 days before the beginning of each fiscal year, to prepare a budget covering the estimated expenses of the SF Residential Association during the coming year. The budget may include a capital contribution establishing a reserve fund in accordance with a budget separately prepared, as provided in Section 4.6 of this Article. The SF Base

Assessments to be levied against each SF Residential Owner for the coming fiscal year shall be set at a level which is reasonably expected to produce total income to the SF Residential Association equal to the total budgeted expenses of the SF Residential Association, including reserves. The SF Base Assessments may be increased annually at the discretion of the SF Board of Directors. The SF Board of Directors shall cause a copy of the budget and notice of the amount of each SF Residential Owner's SF Base Assessments for the following year to be delivered to each SF Residential Owner prior to the beginning of the fiscal year. Such budget and the SF Base Assessments shall become effective unless disapproved at a meeting of the SF Residential Association by the SF Members representing at least a majority of the votes of the SF Residential Association. There shall be no obligation to call a meeting for the purpose of considering the budget except upon the petition of the membership for a special meeting in accordance with the SF Bylaws, which petition must be presented to the SF Board of Directors within 10 days of delivery of the notice of SF Base Assessments. Notwithstanding the foregoing, in the event the SF Board of Directors fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

(b) SF Special Assessments Against all SF Residential Owners. In addition to the SF Base Assessments, the SF Residential Association, if found by the SF Board of Directors to be in the best interests of the SF Residential Association, may levy against all SF Residential Owners SF Special Assessments for capital and non-capital expenditures, operating expenditures, administrative and management expenditures, and construction, reconstruction, repair and replacement expenditures for any SF Residential Common Area and SF Residential Common Improvements, and reserves.

i. Rescission or Reduction of SF Special Assessments Against All SF Residential Owners. Any SF Special Assessments against all SF Residential Owners may be rescinded or reduced by a majority of votes cast, in person or by proxy, by the SF Members at a meeting of the SF Residential Association convened in accordance with the SF Bylaws within 60 days of promulgation of the notice of the SF Special Assessments against all SF Residential Owners.

(c) SF Special Assessments Against A Particular SF Residential Owner. The SF Residential Association, if found by the SF Board of Directors to be in the best interests of the SF Residential Association, may levy against a particular SF Residential Owner, individually, and against such SF Residential Owner's SF Residential Site a SF Special Assessment, including fines and penalties, for violating any of the terms of these SF Protective Covenants or the Other SF Residential Association Documents. A SF Special Assessment may be levied against a SF Residential Owner upon the vote of the Board of Directors after notice to the SF Residential Owner and an opportunity to be heard in accordance with Section 55-513 of the Code. The fines and penalties which may be assessed against a violating SF Residential Owner shall be limited to the maximum amount permitted under Virginia law.

Section 4.3. Rate of Assessments. Each SF Residential Owner's SF Base Assessments and any SF Special Assessments made pursuant to Article IV, Section 4.2(b) of these SF Protective Covenants shall be determined by dividing the total amount of the assessment to be imposed against all SF Residential Owners by the number of SF Residential Sites within the SF Residential Property for which assessments are required to be paid.

Section 4.4. Date of Commencement of Assessments; Due Dates. The assessments provided for herein shall commence on the dates established by the SF Board of Directors. The first annual SF Base Assessments shall be adjusted pro rata according to the number of days remaining in the calendar or fiscal year adopted by the SF Board of Directors. The methods of collection and due dates for payment of SF Base Assessments and SF Special Assessments shall be established by the SF Board of Directors.

Section 4.5 Exempt Property. Notwithstanding anything to the contrary herein, the following real property shall be exempt from payment of SF Base Assessments and SF Special Assessments:

- (a) all Common Area and SF Residential Common Area;
- (b) all property dedicated to and accepted by any governmental authority or public utility, including without limitation, public schools, Public Rights of Way, and public parks, if any;
- (c) each undeveloped SF Residential Site but such exemption shall be only for a period of 1 year from the date of recordation in the Clerk's Office of the deed conveying the SF Residential Site from the Declarant to the SF Residential Owner, including a Person constructing improvements on the SF Residential Site for resale. A SF Residential Site shall be deemed "undeveloped" if the construction of building improvements on the SF Residential Site has not commenced;
- (d) all SF Residential Property owned by the Declarant or any successor or assign of all or any portion of the Declarant's rights hereunder; and
- (e) the Foundation Property

Section 4.6 Reserve Budget and Capital Contribution. The SF Board of Directors may, but need not, annually prepare and develop a reserve budget to take into account the number and nature of replacement assets of the SF Residential Association, the expected life of each asset of the SF Residential Association, and the expected repair or replacement of each asset of the SF Residential Association. The SF Board of Directors may require a capital contribution in an amount sufficient to meet the projected needs of the SF Residential Association, as shown on the reserve budget. The capital contribution required, if any, shall be fixed by the SF Board of Directors and distributed with the applicable budget and notice of assessments, as provided in Section 4.2 of this Article.

Section 4.7. Taxes; Insurance. The real and personal property taxes and other charges assessed against the SF Residential Common Area and SF Residential Common Improvements shall be paid by the SF Residential Association. The SF Board of Directors shall have the right to obtain insurance as provided in the SF Bylaws and the cost thereof shall be paid by the SF Residential Association.

Section 4.8 Assessments: Lien and Personal Obligation. All assessments, together with interest at a rate equal to the greater of 12% per annum or the legal rate of interest as defined in Section 6.1-330.53 of the Code, as computed from the date the delinquency first occurs, late charges, costs, costs of collection and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the SF Residential Site of the SF Residential Owner against which each assessment is made until paid. Each such assessment, together with interest, late charges, costs, costs of collection and reasonable attorneys' fees, also shall be the personal obligation of the SF Residential Owner of such SF Residential Site at the time the assessment arose, and, in the event of a transfer of title but subject to the provisions of Sections 55-512.D. and E. of the Code, the SF Residential Owner's grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance.

Section 4.9 Non-Payment and Remedies. The SF Board of Directors shall take such prompt action as may be necessary to collect any assessment or any installment thereof due from any SF Residential Owner which remains unpaid beyond the due date. The SF Board of Directors shall have the authority to establish the date on which any payment is late and deemed to be in default. Upon a default by a SF Residential Owner in the payment of any assessment, the delinquent SF Residential Owner, in addition to all other charges including interest, costs, costs of collection, and reasonable attorneys' fees, also shall be liable for a late charge in an amount to be established by the SF Board of Directors. If payment of the total assessments, or of any installment thereof, including SF Special Assessments, is not made on or before the date of default, the entire balance of assessments due on such SF Residential Owner's account for the SF Residential Site for the remainder of the fiscal year shall be accelerated and due in full. Upon default in the payment of any assessment, the SF Board of Directors may in its discretion, turn the account over to legal counsel.

(a) Legal Action. If turned over to legal counsel, all costs and reasonable attorneys' fees actually incurred by the SF Residential Association from the inception of legal counsel's involvement with the account through resolution, if any, regardless of whether litigation has been initiated to enforce payment of the delinquent assessments, shall be added to the delinquent account. If payment in full of the amounts then due is not received by legal counsel or the SF Residential Association within 10 days after the notice of legal action has been sent, a memorandum of lien may be filed against the SF Residential Owner's SF Residential Site and may include: any and all interest, applicable late charges, costs, costs of collection, reasonable attorneys' fees actually incurred and accelerated assessment amounts through the end of the fiscal year. Non-receipt or lack of notice claimed by the delinquent SF Residential Owner shall not prevent the SF Residential Association from filing a lien within the statutory deadline.

Upon default in the payment of any assessment, the SF Residential Association may, in its discretion, file a civil suit against the delinquent SF Residential Owner, and the SF Residential Association may initiate any available foreclosure remedy to enforce payment of the debt. If any account remains delinquent after the filing of a lien or civil suit, legal counsel for the SF Residential Association shall take other appropriate legal action to collect the amounts due unless directed otherwise by the SF Board of Directors. The SF Residential Association shall not be restricted by any election of remedies and may simultaneously proceed with legal action against a delinquent SF Residential Owner's SF Residential Site, including foreclosure, and the delinquent SF Residential Owner personally, as well as initiate any restrictions against a SF Residential Owner as may be authorized by the SF Board of Directors in accordance with these SF Protective Covenants or the Other SF Residential Association Documents.

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

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

ii. Charges for the actual costs incurred by the SF Residential Association prior to turning the delinquent account over to legal counsel to enforce the payment of the debt;

iii. all returned check charges;

iv. all late fees;

v. interest;

vi. unpaid installments of the SF Base Assessments or SF Special Assessments which are not the subject matter of suit in the order of their coming due; and

vii. unpaid installments of the SF Base Assessments or SF Special Assessments which are the subject matter of suit in the order of their coming due.

(c) Waiver of Assessments. In the event of a delinquency by a SF Residential Owner, the SF Board of Directors may reject any offer of partial payment and demand payment in full of all amounts owed to the SF Residential Association. Any waiver by the SF Board of Directors granted specifically to any SF Residential Owner of any assessments, fees or costs shall be, on a case by case basis, if at all, and in no way shall any waiver constitute a waiver of the SF Board of Director's authority to enforce payment of all amounts owed in accordance with

in these SF Protective Covenants or any Other SF Residential Association Documents.

(d) Obligation of SF Residential Owner. The SF Residential Association shall be entitled to collect all fees and costs of collection, including reasonable attorneys' fees, and every SF Residential Owner, other than the Declarant, by accepting a deed to any portion of the SF Residential Property whether so expressed in the deed or not, covenants and agrees to pay the same. The obligation to pay assessments is a separate and independent covenant on the part of each SF Residential Owner, and no SF Residential Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the SF Residential Common Area, SF Residential Common Improvements or abandonment of such SF Residential Owner's SF Residential Site.

Section 4.10 Perfected Lien for Assessments. Upon recording of a notice of lien on any SF Residential Site, there shall exist a perfected lien for unpaid assessments, interest, late charges, costs, costs of collection and reasonable attorneys' fees prior and superior to all other liens, except as provided in Section 55-516 of the Code. Prior to recording a memorandum of lien, a written notice shall be sent to the SF Residential Owner by certified mail, at the SF Residential Owner's last known address, informing the SF Residential Owner that a memorandum of lien will be recorded in the Clerk's Office. This notice shall be sent at least 10 days before the actual filing date of the memorandum of lien. Such lien may be enforced by suit, judgment, and/or judicial or nonjudicial foreclosure in accordance with Virginia law, as amended. The SF Residential Association, acting on behalf of the SF Residential Owners, shall have the power to bid for the SF Residential Site at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a SF Residential Site is owned by the SF Residential Association following foreclosure: (i) no right to vote shall be exercised on its behalf; (ii) no assessment shall be levied on it; and (iii) each other SF Residential Site shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such SF Residential Site had it not been acquired by the SF Residential Association as a result of foreclosure. Suits to recover a money judgment for unpaid SF Base Assessments, SF Special Assessments, interest, late charges, costs, costs of collection and reasonable attorneys' fees shall be without foreclosing or waiving the lien securing the same.

ARTICLE V

ARCHITECTURAL REVIEW

Section 5.1. Architectural Review. Article V of the Bell Creek Protective Covenants establishes the ARC and grants the ARC the right to control architectural, design, and maintenance aspects of the improvements on the Property. Each SF Residential Owner must comply with, and each SF Residential Site is subject to, the Bell Creek Protective Covenants including, without limitation, the architectural review provisions of Article V of the Bell Creek Protective Covenants.

ARTICLE VI

RESTRICTIONS

Section 6.1. Restrictions in Bell Creek Protective Covenants. Article VI, Sections 6.1 and 6.2 of the Bell Creek Protective Covenants establish restrictions against all or portions of the Property. Each SF Residential Owner must comply with, and each SF Residential Site is subject to, the Bell Creek Protective Covenants including, without limitations, the restrictions contained in Article VI, Sections 6.1 and 6.2 of the Bell Creek Protective Covenants.

Section 6.2. Trash Removal. Unless the SF Board of Directors determines otherwise, a SF Residential Owner shall be required to utilize the vendor chosen by the SF Board of Directors for the periodic pickup of curbside household trash.

ARTICLE VII

MAINTENANCE PROVISIONS

Section 7.1. SF Residential Association Responsibility. The SF Residential Association shall maintain, repair and replace: (a) the SF Residential Common Area and SF Residential Common Improvements (including, without limitation, the SF Residential Recreational Facilities, sidewalks, landscaping and street lighting), and (b) the landscaped areas and irrigation within any Public Right of Way throughout the SF Residential Property. Further, the SF Residential Association shall maintain the Foundation Property which maintenance shall include, without limitation, the removal of trash and other debris. Notwithstanding the foregoing, the obligation of the SF Residential Association to maintain the Foundation Property shall terminate upon the acceptance of such maintenance obligation by The National Park Service or any other public park service. The SF Residential Association also may maintain other property which it does not own, including, without limitation, any SF Residential Site or property dedicated to the public, if the SF Board of Directors determines that such maintenance is necessary or desirable to maintain the standard of maintenance generally prevailing throughout the SF Residential Property. Except as otherwise specifically provided in the following sentence, all costs associated with such maintenance, repair and replacement by the SF Residential Association pursuant to this Section 7.1 shall be an expense of the SF Residential Association charged to all SF Residential Owners. In the event the need for maintenance, repair or replacement to be provided by the SF Residential Association pursuant to this Section 7.1 is caused through the willful or negligent act or omission of an SF Residential Owner, his or her tenants, family members, or invitees, the costs of such maintenance, repair or replacement shall be charged to the SF Residential Owner as a SF Special Assessment and charge upon such SF Residential Owner's SF Residential Site in addition to the SF Base Assessments and any other SF Special Assessments. Additionally, in the event the need for maintenance, repair or replacement to be provided by the SF Residential Association pursuant to this Section 7.1 is to a SF Residential

Site, the costs of such maintenance, repair or replacement shall be charged to the SF Residential Owner of such SF Residential Site as a SF Special Assessment and charge upon such SF Residential Owner's SF Residential Site in addition to the SF Base Assessments and any other SF Special Assessments. However, prior to the assumption of the obligation to maintain, repair or replace any SF Residential Site or the imposition of any SF Special Assessments as a result thereof, the SF Board of Directors shall comply with the provisions of Article IV, Section 4.2(c) and Article III, Section 3.11 of these SF Protective Covenants.

Section 7.2. SF Residential Owner's Responsibility. Each SF Residential Owner shall be responsible for the maintenance, repair and replacement, at his or her own expense, of his or her SF Residential Site and all improvements thereon. All maintenance required by this Section 7.2 shall be performed in a manner consistent with the standard of maintenance generally prevailing throughout the SF Residential Property and all applicable covenants.

ARTICLE VIII

EASEMENTS

Section 8.1. Easement of Enjoyment of SF Residential Common Area and SF Residential Common Improvements. Every SF Residential Owner, including the Declarant, shall have a right and easement of enjoyment in and to the SF Residential Common Area and SF Residential Common Improvements which shall be appurtenant to and shall pass with the title to every SF Residential Site, subject to:

(a) These SF Protective Covenants, the Bell Creek Protective Covenants and any restrictions or limitations contained in any deed or other document conveying such property to the SF Residential Association.

(b) The right of the SF Board of Directors to adopt SF Rules and Regulations on behalf of the SF Residential Association governing the use and operation of the SF Residential Common Area and the SF Residential Common Improvements.

(c) The right of the SF Residential Association to suspend a SF Member's voting rights for nonpayment of assessments and/or a SF Member's violation of these SF Protective Covenants or the Other SF Residential Association Documents.

(d) The right of the SF Board of Directors to assess charges against a SF Residential Owner and/or suspend a SF Residential Owner's right to use the SF Residential Common Area, SF Residential Common Improvements or other services of the SF Residential Association for the SF Residential Owner's violation or the violation by his or her tenants, family members, or invitees of any provision of these SF Protective Covenants or Other SF Residential Association Documents, after notice and an opportunity for a hearing have been provided to the SF Residential Owner pursuant to Virginia law.

(e) The right of the SF Board of Directors to suspend a SF Residential Owner's right to use SF Residential Common Area and SF Residential Common Improvements, facilities and/or services, including utility services, provided directly through the SF Residential Association for nonpayment of assessments which are more than 60 days past due, to the extent that access to the SF Residential Owner's SF Residential Site through the SF Residential Common Area is not precluded, and provided that such suspension shall not endanger the health, safety or property of any SF Residential Owner, tenant or occupant, if any, for any period during which any charge against any SF Residential Owner's SF Residential Site remains delinquent for more than 60 days, or as otherwise provided for by law, after notice and an opportunity for a hearing have been provided to the SF Residential Owner pursuant to Virginia law.

(f) The right of the SF Residential Association to properly maintain, repair and replace the SF Residential Common Area and SF Residential Common Improvements.

(g) The right of the Declarant or SF Residential Association to dedicate or transfer all or any part of the SF Residential Common Area or SF Residential Common Improvements to any public agency, authority (public or private), utility, water management or water control district, free and clear of the SF Residential Owners' easements.

(h) The rights of Persons holding rights under the other easements granted in this Article and/or the Bell Creek Protective Covenants.

(i) The right of the SF Board of Directors to impose reasonable membership requirements and charge reasonable admission or other fees for the use of any SF Residential Recreational Facility situated upon the SF Residential Common Area or comprising a SF Residential Common Improvement.

(j) The right of the SF Board of Directors to permit non-members use of any SF Residential Recreational Facility situated on the SF Residential Common Area or the SF Residential Common Improvements upon payment of fees established by the SF Board of Directors.

Section 8.2. General Easement of Declarant and SF Residential Association. The Declarant reserves unto itself and the SF Residential Association an easement to use the SF Residential Common Area, the SF Residential Common Improvements, and each SF Residential Site, or any portion thereof, as may be needed for repairing, replacing, regrading, landscaping, mowing, maintaining or constructing any SF Residential Common Area, SF Residential Common Improvements, or SF Residential Site.

Section 8.3. Crossover Easement. If a SF Residential Owner, including the Declarant, of any SF Residential Site must, to make repairs or improvements to such SF Residential Owner's SF Residential Site, enter or cross any SF Residential Common Area, SF Residential Common Improvements, or SF Residential Site of another SF Residential Owner, such SF Residential

Owner shall have an easement to do so, provided that the SF Residential Owner exercising such right shall use the most feasible route resulting in the least damage to such area, and, if a SF Residential Site, inconvenience to the SF Residential Owner thereof. The SF Residential Owner exercising such right shall restore the area so entered or crossed to its original condition at the exercising SF Residential Owner's expense.

Section 8.4. Additional Easements. If additional easements, whether or not contemplated in these SF Protective Covenants, across portions of the SF Residential Property, including the SF Residential Common Area or any SF Residential Site, are necessary or desirable to effectuate the purposes of these SF Protective Covenants and/or to develop any SF Residential Site, then, upon the request of the Declarant or the SF Residential Association and provided the additional easements will not (i) unreasonably interfere with the development, use and occupancy of any SF Residential Site or SF Residential Common Area, as applicable, (ii) unreasonably affect access to or operation of any SF Residential Site or SF Residential Common Area, as applicable, or (iii) materially increase the operating costs of any SF Residential Site or SF Residential Common Area, as applicable, each SF Residential Owner, and the SF Residential Association, as applicable, agrees to grant such additional easements across the SF Residential Site or SF Residential Common Area, as applicable, without charge but subject to such reasonable terms and conditions as shall be agreed upon between either the Declarant or the SF Residential Association and the SF Residential Owner. Any new easement shall be executed by the holders of fee simple title to the portions of the SF Residential Property which comprise the land within such new easement and shall be recorded in the Clerk's Office.

Section 8.5. Easement for Hedges and Fences. Each SF Residential Site and its SF Residential Owner are declared to have an easement and the same is granted by the Declarant, for encroachments on adjoining SF Residential Sites or SF Residential Common Area, as the case may be, due to hedges or fences, if any (which shall have been previously approved by the ARC) belonging to such SF Residential Site, to the extent such hedge or fence encroaches on an adjoining SF Residential Site or SF Residential Common Area, provided such encroachments do not exceed 1 foot or interfere with the use of any improvements on the servient property. No such easement shall be created in favor of a SF Residential Owner if the encroachment occurred due to the willful misconduct of the SF Residential Owner.

Section 8.6. Easement over Foundation Property. The SF Residential Association and each SF Residential Owner are declared to have perpetual easements, and the same are hereby granted by the Declarant for, pedestrian access to and from, and enjoyment of, the Foundation Property, subject to such use being protective and respectful of the historical and environmentally sensitive features of the Foundation Property.

Section 8.7. Priority of Easements. Each of the easements referred to in this Article VIII shall be deemed to have been established upon the recordation of these SF Protective Covenants and shall be deemed to be covenants running with the land for the use and benefit of the SF Residential Common Area and each SF Residential Site, superior to all other encumbrances which may hereafter be applied against or in favor of any SF Residential Common Area or SF

Residential Site or any portion thereof.

ARTICLE IX

DIVISION OR MODIFICATION OF SF RESIDENTIAL SITE; ANNEXATION OF ADDITIONAL PROPERTY

Section 9.1. Division of SF Residential Site; SF Residential Site Modification.

(a) Division of SF Residential Site. A SF Residential Site may be divided in accordance with the provisions of Article IX of the Bell Creek Protective Covenants. Upon the division of a SF Residential Site pursuant to Article IX of the Bell Creek Protective Covenants, the Person dividing the SF Residential Site shall record a supplement to these SF Protective Covenants which (i) contains a plat showing the boundaries of each new SF Residential Site created from the original SF Residential Site and (ii) allocates the votes and assessment units attributable to the original SF Residential Site among the new SF Residential Sites on the same bases used prior to the division of the original SF Residential Site. During the Declarant Control Period, the supplement shall be signed by the Declarant and SF Residential Owner, if the Declarant is not the owner of the SF Residential Site being divided, and, upon the expiration of the Declarant Control Period, the supplement shall be signed by the SF Residential Owner of the SF Residential Site and the president of the SF Residential Association upon receipt of written documentation from the ARC approving the division of the SF Residential Site.

(b) Use and/or Boundary Changes of a SF Residential Site. The uses and boundaries of a SF Residential Site may be changed in accordance with the provisions of Article IX of the Bell Creek Protective Covenants. Upon a change in the boundaries and/or use of a SF Residential Site, a supplement to these SF Protective Covenants shall be recorded in the Clerk's Office which (i) if a boundary change, contains a plat showing the relocated boundaries of the SF Residential Sites and (ii) allocates the votes and assessment units attributable to the modified SF Residential Sites on the same basis for allocating votes prior to the boundary or use change. During the Declarant Control Period, the supplement shall be signed by the Declarant and SF Residential Owner, if the Declarant is not the SF Residential Owner of the SF Residential Site being modified, and, upon the expiration of the Declarant Control Period, the supplement shall be signed by the SF Residential Owner of the SF Residential Site and the president of the SF Residential Association upon receipt of written documentation from the ARC approving the boundary change or change in use of the SF Residential Site.

Section 9.2. Annexation. Additional real property may be annexed to the Property and the SF Residential Property in accordance with the provisions of Article IX of the Bell Creek Protective Covenants. Upon the annexation of additional real property pursuant to the provisions of Article IX of the Bell Creek Protective Covenants, a supplement to these SF Protective Covenants shall be recorded in the Clerk's Office containing the following:

- i. Description of the real property being annexed;
- ii. A survey showing the real property being annexed as either 1 or more SF Residential Sites or as SF Residential Common Area;
- iii. If the real property being annexed contains 1 or more SF Residential Sites, a provision allocating assessment units and votes to the new SF Residential Sites on the same bases used for existing SF Residential Sites;
- iv. If the annexation is a portion of the real property described on Exhibit E to the Bell Creek Protective Covenants, the signature of the Declarant, or if the annexation is not a portion of the real property described on Exhibit E to the Bell Creek Protective Covenants and the annexation occurs during the Declarant Control Period, the signatures of the Declarant and owner of the real property being annexed if the Declarant is not the owner or, if the annexation is not a portion of the real property described on Exhibit E and the annexation occurs after the Declarant Control Period, the signature of the president of the SF Residential Association, which he or she shall sign upon receipt of written documentation from the ARC approving the annexation, and the owner of the real property being annexed; and
- v. If applicable, a provision delineating any SF Residential Common Improvements.

Section 9.3. Classification of a Site. New Site classifications may be created in accordance with Article IX of the Bell Creek Protective Covenants.

ARTICLE X

GENERAL PROVISIONS

Section 10.1. Amendments. Prior to the conveyance of the first SF Residential Site, the Declarant may unilaterally amend these SF Protective Covenants. Further, during the Declarant Control Period and after conveyance of the first SF Residential Site, the Declarant may unilaterally record amendments to these SF Protective Covenants in the Clerk's Office (i) to effect technical deletions, additions and revisions to these SF Protective Covenants which correct, clarify or further the intent of these SF Protective Covenants but which do not materially alter the substantive rights of the SF Residential Owners, (ii) to release from these SF Protective Covenants and terminate these SF Protective Covenants as to any portion of the SF Residential Property which has not been conveyed to the SF Residential Association or a SF Residential Owner, (iii) to bring any provision hereof into compliance with any applicable Governmental Laws, (iv) to enable any reputable title insurance company to issue title insurance coverage on the SF Residential Sites, (v) to make changes required by any institutional or governmental lender or purchaser of mortgage loans including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Company Corporation, to enable such lender or

purchaser to make or purchase mortgage loans on the SF Residential Sites, (vi) to enable any governmental agency or reputable private insurance company to insure mortgage loans on the SF Residential Sites, or (vii) to effect divisions of SF Residential Sites, use and boundary changes of a SF Residential Site, annex additional real property, change a SF Residential Site classification or create a new Site classification as provided in Article IX of these SF Protective Covenants. After the Declarant Control Period and otherwise, these SF Protective Covenants may be amended or terminated at any time by more than 2/3's of the votes entitled to be cast by all of the SF Members of the SF Residential Association provided, however, the vote of the SF Members is not required to effect divisions of SF Residential Sites, use and boundary changes of a SF Residential Site, annex additional real property, change a SF Residential Site classification or create a new Site classification as provided in Article IX, which may be made by a supplement satisfying the requirements set forth in Article IX of these SF Protective Covenants. Any amendment or termination of these SF Protective Covenants to be effective must (i) be executed by the president of the SF Residential Association, (ii) have attached to it the sworn affidavit of the secretary of the SF Residential Association stating that the amendment was approved by the requisite number of votes of the SF Members of the SF Residential Association, (iii) be recorded in the Clerk's Office unless the amendment may be made by the Declarant without the vote of the SF Members, in which event any amendment or termination of these SF Protective Covenants, to be effective, must be executed by the Declarant and recorded in the Clerk's Office. The foregoing notwithstanding, any provision of these SF Protective Covenants granting the Declarant any special rights or obligations may not be amended or terminated without the consent of the Declarant.

Section 10.2. Term. These SF Protective Covenants shall run with and bind the SF Residential Property for a period of 30 years from the recordation of these SF Protective Covenants in the Clerk's Office after which the term of these SF Protective Covenants shall be automatically extended for successive periods of 10 years, unless an instrument terminating these SF Protective Covenants is recorded in the Clerk's Office.

Section 10.3. Declarant's Rights. Any or all of the rights of the Declarant may be transferred to 1 or more other parties, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is pursuant to a written instrument executed by the Declarant and the successor of such rights and duly recorded in the Clerk's Office. During the Declarant Control Period, no party shall record any declaration of covenants, conditions or restrictions, or declaration of condominium or similar instrument affecting any portion of the SF Residential Property without the Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions or restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

Section 10.4. Severability. Invalidation of any 1 of these covenants, conditions or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

Section 10.5. Interpretation. Notwithstanding anything contained herein to the contrary, all the provisions of these SF Protective Covenants shall be subject to and conform with the applicable provisions of the Zoning Ordinance. The SF Protective Covenants shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. Nothing contained in these SF Protective Covenants shall be construed as prohibiting the Declarant or any SF Residential Owner of any SF Residential Site from imposing further covenants or restrictions on any SF Residential Site or from providing easement agreements or an owner's association in connection with the development thereof; provided that the approvals required by these SF Protective Covenants are obtained and that, in the event of any conflict between the terms and conditions of any such covenants, conditions and restrictions, or the provisions for or acts of any such owners' association and the terms and conditions of these SF Protective Covenants, the terms and conditions of these SF Protective Covenants shall prevail in all events.

Section 10.6. Exceptions and Waivers. During the Declarant Control Period, the Declarant reserves the right to grant exceptions to and waive any of the provisions contained in these SF Protective Covenants. Such exceptions and waivers shall be granted by the Declarant only when, in its sole and absolute discretion, the exception or waiver is harmonious with the general intent of these SF Protective Covenants. Every exception and waiver granted by the Declarant shall be made in writing in recordable form and may be recorded. The granting of any exception or waiver with respect to any SF Residential Site shall not be deemed an amendment of these SF Protective Covenants except to the extent specifically set forth in such exception or waiver, shall not entitle any other SF Residential Owner to similar rights or privileges, and shall create no negative reciprocal easements in favor of any other party.

Section 10.7. Constructive Notice and Acceptance. Every Person who or which now or hereafter owns or acquires any right, title, or interest in or to any portion of the SF Residential Property is and shall be conclusively deemed to have consented and agreed to every term, covenant, condition, restriction and provision contained in these SF Protective Covenants, whether or not any reference to these SF Protective Covenants is contained in the instrument by which any Person acquired such right, title, or interest. The provisions of this Article X, Section 10.7 shall not apply to any Mortgagee until the Mortgagee becomes a Mortgagee in possession of an SF Residential Site or becomes a SF Residential Owner by foreclosure or otherwise at which time the Mortgagee and its successors and assigns, as the SF Residential Owner of such SF Residential Site, shall be bound by these SF Protective Covenants as long as they are the SF Residential Owner of such SF Residential Site. All employees, tenants, guests, invitees, permittees, assignees and licensees shall be conclusively deemed to have notice of and to have agreed to and be bound by all terms, conditions, covenants, restrictions and provisions of these SF Protective Covenants, and each SF Residential Owner shall be responsible for advising all employees, tenants, guests, invitees, permittees, assignees, and licensees of these SF Protective Covenants.

Section 10.8. Cumulative Remedies. The various rights, options, elections, powers, and remedies contained in these SF Protective Covenants shall be construed as cumulative, and no 1

of them shall be exclusive of any of the others or of any other legal or equitable remedy which the Declarant, the SF Residential Association, any SF Member, the SF Board of Directors or a SF Residential Owner might otherwise have in the event of breach of these SF Protective Covenants, and the exercise of 1 right or remedy of any such party shall not impair such party's right to any other right or remedy.

Section 10.9. Paragraph Headings. Article, section, and paragraph headings, where used herein, are inserted for reference only, are not intended to be a part of these SF Protective Covenants or in any way define, limit or describe the scope or meaning of the particular paragraphs to which they refer and shall not be deemed or construed to affect the meaning of any provision hereof.

Section 10.10. Indemnification. The SF Residential Association shall indemnify every officer, director and committee member against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then SF Board of Directors) to which he or she may be a party by reason of being or having been an officer, director or committee member. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the SF Residential Association, and the SF Residential Association shall indemnify and forever hold each such officer, director and committee members free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member, or former officer, director or committee member may be entitled. The SF Residential Association shall, as a common expense of the SF Residential Association, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation in accordance with the SF Bylaws.

Section 10.11. Right of Entry. The SF Residential Association and/or the Declarant shall have the right, but not the obligation, to enter upon any SF Residential Site for emergency, security and safety reasons, to perform maintenance pursuant to Article VII hereof, and to inspect for the purpose of ensuring compliance with these SF Protective Covenants and the Other SF Residential Association Documents; provided nothing shall authorize any Person to enter any residence or other building constructed on a SF Residential Site without permission of the SF Residential Owner unless reasonably believed to be necessary to avoid an imminent threat of personal injury or property damage. This right may be exercised by the Declarant, the SF Board of Directors, any agent or employee of the SF Residential Association acting with the authorization of the SF Board of Directors, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the SF Residential Owner of the SF Residential Site in question. This right of entry shall include the

right of the Declarant and/or the SF Residential Association to enter a SF Residential Site to cure any condition which may increase the possibility of a fire or other hazard in the event a SF Residential Owner fails or refuses to cure the condition within a reasonable time after request by the Declarant or the SF Board of Directors.

Section 10.12. Perpetuities. If any of the covenants, conditions, restrictions or other provisions of these SF Protective Covenants shall be unlawful, void or voidable for violation of the rule against perpetuities, such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of George Herbert Walker Bush, the former president of the United States.

Section 10.13. Security. The SF Residential Association may, but is not obligated to, maintain or support certain activities within the SF Residential Property designed to make the SF Residential Property safer than it otherwise might be. NEITHER THE SF RESIDENTIAL ASSOCIATION, ITS SF BOARD OF DIRECTORS OR COMMITTEES, ARC, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE SF RESIDENTIAL PROPERTY, AND NEITHER THE SF RESIDENTIAL ASSOCIATION, ITS SF BOARD OF DIRECTORS OR COMMITTEES, ARC, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. EACH SF RESIDENTIAL OWNER AND OCCUPANT OF ANY SF RESIDENTIAL SITE, AND EACH TENANT, GUEST AND INVITEE OF ANY SF RESIDENTIAL OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE SF RESIDENTIAL ASSOCIATION, ITS SF BOARD OF DIRECTORS AND COMMITTEES, ARC, THE DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH SF RESIDENTIAL OWNER AND OCCUPANT OF ANY SF RESIDENTIAL SITE AND EACH TENANT, GUEST AND INVITEE OF ANY SF RESIDENTIAL OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO SF RESIDENTIAL SITES AND TO THE CONTENTS OF SF RESIDENTIAL SITES AND FURTHER ACKNOWLEDGES THAT THE SF RESIDENTIAL ASSOCIATION, ITS SF BOARD OF DIRECTORS AND COMMITTEES, THE DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY SF RESIDENTIAL OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE SF RESIDENTIAL PROPERTY.

Section 10.14 SF Residential Association Disclosure Packet. Upon the written request of any SF Residential Owner, the SF Residential Association shall issue, or cause an appropriate officer to issue, an SF Residential Association disclosure packet including the items required to

be disclosed pursuant to Section 55-512 of the Code. A reasonable charge, not to exceed that allowed by Virginia law, may be made by the SF Residential Association as a condition to issuance of the disclosure packet.

Section 10.15 Consent of Lender and Trustee; Release of Lien as to SF Residential Common Improvements. Declarant is the maker of a note dated January 19, 2001 secured by, among other things, a deed of trust, assignment of leases and security agreement dated January 19, 2001 from Declarant to G. William Beale and John C. Neal, as trustees and either of whom may act, recorded in the Clerk's Office in Deed Book 1018, at page 420 for the benefit of Union Bank and Trust Company (the "Deed of Trust"). John C. Neal, as sole acting trustee, joins herein for the sole purpose of subordinating the lien, dignity and priority of the Deed of Trust to these SF Protective Covenants. Union Bank and Trust Company joins herein for the sole purpose of consenting to the trustee's actions and to hereby release the SF Residential Common Area and the SF Residential Common Improvements from the lien of the Deed of Trust.

IN WITNESS WHEREOF, the Declarant has caused these SF Protective Covenants to be executed by its duly authorized member, John C. Neal has executed these SF Restrictive Covenants, and Union Bank and Trust Company has caused these SF Protective Covenants to be executed by its duly authorized representative.

The Hanover Group, L.L.C., a Virginia
limited liability company

By: HAS Limited Partnership Number One,
a Virginia limited partnership, Sole
Member

By: The Shield Company, a Virginia
corporation, General Partner

By: Henry A. Shield
Henry A. Shield, President

John C. Neal
Sole Acting Trustee

LENDER:

UNION BANK AND TRUST COMPANY

By: John M. Randolph

Title: Senior Vice President

STATE OF VIRGINIA,

City OF Richmond, to wit:

The foregoing instrument was acknowledged before me this 2nd day of July, 2002 by Henry A. Shield as President on behalf of The Shield Company, a Virginia corporation and General Partner of HAS Limited Partnership Number One, a Virginia limited liability company and Sole Member of The Hanover Group, L.L.C., a Virginia limited liability company.

My commission expires: June 30, 2003.

Yamnia B. Daw
Notary Public

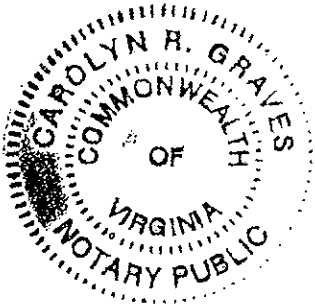
STATE OF VIRGINIA, _____

County OF Hanover, to wit: _____

The foregoing instrument was acknowledged before me this 5th day of July, 2002 by Henry A Shield as sole acting trustee.

My commission expires: 1-31-03.

Carolyn R Graves
Notary Public



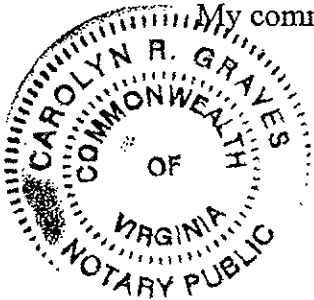
STATE OF VIRGINIA, _____

County OF Hanover, to wit: _____

The foregoing instrument was acknowledged before me this 5th day of July, 2002 by John M Randolph as Senior Vice President on behalf of Union Bank and Trust Company.

My commission expires: 1-31-03.

Carolyn R Graves
Notary Public



STATE OF VIRGINIA,

County OF Caroline, to wit:

The foregoing instrument was acknowledged before me this 8th day of July, 2002 by JOHN C. NEAL as sole acting trustee.

My commission expires: April 30, 2006.

Jeon G. Upshaw
Notary Public



Notary Public

EXHIBITS

EXHIBIT A - SF ARTICLES

EXHIBIT B - SF BYLAWS

EXHIBIT C - DESCRIPTION OF FOUNDATION PROPERTY

H:\SBD\KNS\BELL CREEK\SF PROTECTIVE COVENANTS (FINAL)