

CLAREMONT BEACH ROAD MAINTENANCE AGREEMENT

THIS AGREEMENT made as of April 10, 2007, by and among PERRY HOFER and KATHY KROUT, whose address is P.O. Box 205, Claremont, Virginia 23899, GARNETT GILBERT and SUE W. GILBERT, whose address is P.O. Box 53, Claremont, Virginia 23899, COREY SCHULTZ, whose address is P.O. Box 260, Claremont, Virginia, 23899, THOMAS BOOTHE, whose address is 1047 Camera Road, Waverly, Virginia 23890, ROBERT C. LAWSON, JR., AND SUZANNE G. LAWSON, whose address is 6921 Berrystone Road, Chester, Virginia 23831, and WILLIAM B. SAVAGE AND SARAH P. SAVAGE, whose address is 124 East Pinecrest Road, Wakefield, Virginia 23888, hereinafter the "Parties".

The Parties have agreed to certain terms and conditions regarding the use and maintenance of Surfside Drive, also known as the "Pipe Stem Driveway", hereinafter referred to as the "Road", as depicted on the Subdivision Plat of Claremont Beach, dated April 2, 2007, and recorded on April 10, 2007, in the Clerk's Office of the Circuit Court of Surry County, Virginia, and also referred to in Deeds conveying Lots 1 through 6, as depicted in this Plat, from Waldheim Waterside, L.L.C. to the Parties to this Agreement. The Parties, as the Owners of their respective lots, desire to set forth their agreement in this document.

WITNESSETH:

1. Use of the Road for access shall be limited to the normal and customary uses of occupants of detached, single family residential homes. Use of the Road for access shall be strictly limited to use by the Parties or other occupants of Lots 1 through 6 as shown on the Subdivision Plat of Claremont Beach, dated April 2, 2007, and their successors in title, guests, licensees and invitees.

2. The Parties hereby agree, only for the benefit of each other and their respective successors in title, to maintain and repair the Road so that it is kept in a good condition in accordance with the standards set forth below.

3. The cost of maintenance and repair of the Road shall be shared by the owners of the land that have a right to use the Road and that have on their land a dwelling place (whether permanent or temporary, occupied or unoccupied), barn, garage, or other building improvement. The cost shall be shared, with one-sixth of the cost being paid by each lot owner. In addition, in the event of the subdivision of any of the land served by the Road, each of the resulting sub-parcels so created, provided they abut the Road or are expressly given access to the Road over another sub-parcel, shall have a right to use the Road. In such event, each sub-parcel that has a right to use the Road shall share in the cost of maintenance and repair of the Road on the same basis as the other owners permitted to use the Road.

4. The terms "maintenance" and "repair" shall include, but shall not be limited to, repairing the surface, adding stone, clearing obstructions, grading or scraping as necessary, cleaning or cutting ditches as necessary, trimming brush, removing snow, unplugging or opening culverts or drain pipes, and performing any and all other work required to maintain the Road in a condition that will allow for reasonable access by standard passenger vehicles.

5. Notwithstanding any other provision of this Agreement, any land owner that has a right to use the Road shall have the right to repair, maintain, upgrade or improve all or any portion of the Road to a superior condition at such owner's sole expense.

6. In the event any land owner or his guest, licensees or invitees causes damage to the Road, other than ordinary wear and tear, such land owner shall be required to repair such damage at his sole cost and expense. As an example only, if an owner engages a contractor to

build an improvement on his land and the contractor uses the Road for access by large or heavy equipment that damages the Road, the owner shall be required to repair such damage at his sole cost and expense.

7. Regardless of how well or poorly the Road may be maintained, each land owner hereby expressly assumes all risks in using the Road and waives and releases every other land owner and their respective guests, licensees and invitees from any and all liability, expenses (including attorney's fees), claims and causes of action of every nature and description arising from the condition of the Road; and each such land owner agrees to indemnify and save harmless the other land owners and their respective guests, licensees and invitees from any such claims of others permitted to use the Road as the guest, licensee or invitee of such indemnifying land owner. Each land owner shall be responsible to the other land owners for advising and warning their respective guests, licensees and invitees that use of the Road shall be at their own risk.

8. In order to discuss any and all issues dealing with the Road, the land owners agree to meet at such times as deemed necessary by a majority of the votes entitled to be cast.

9. Decisions by the land owners shall be made by voting in person or by written proxy at duly called meetings with at least thirty (30) days prior written notice to each land owner at the address that real estate tax bills are sent; unless notice is waived in writing. The aforementioned notice shall state the time, date, place and purpose of such meeting. In addition, action may be taken without a meeting if agreed to in writing by all land owners.

10. Each land owner shall be entitled to cast the number of votes equal to what would be his share of a One Hundred Dollar Road maintenance cost. If a land owner has not paid his share of any cost or budgeted amount for the Road within twenty (20) days after written notice of

non-payment, he shall not be eligible to vote; nevertheless, he shall be bound by the decisions of the remaining land owners.

11. Decisions regarding the repair and maintenance work to be performed, the amount of money to be expended for repair and maintenance, the payment terms for the land owners, and all other ordinary and recurring decisions regarding the Road shall be determined by the affirmative vote of a majority of the votes entitled to be cast.

12. Any decision to improve the Road beyond its existing condition (for example only, a decision to pave the Road), a decision to dedicate the Road to the public, and all other extraordinary decisions regarding the Road shall be determined by the affirmative vote of three-fourths (3/4) of the votes entitled to be cast.

13. All money paid by the land owners for repair, maintenance or other improvements of the Road shall be placed in a segregated account and then paid to contractors or suppliers. Money paid by the land owners also may be used to pay attorney's fees and other costs incurred in collecting delinquent payments from land owners.

14. The land owners shall designate an individual or entity, that need not be a land owner, to collect, keep, disburse and record all funds for the repair, maintenance and/or improvement of the Road, including the costs of collection.

15. The land owner's duty to pay his share of costs regarding the Road that are duly incurred shall be the personal obligation of each land owner (jointly and severally if a parcel has more than one owner), and shall be a continuing lien upon each parcel having a right to use the Road to secure the payment of the assessments and other charges described herein, but such liens shall at all times be subject to any first and second deeds of trust placed on any parcel until written notice of a delinquency shall have been recorded by filing a memorandum of lien among

the land records where deeds are recorded. From the date and time of recordation of a memorandum of lien, the amount stated in such memorandum, together with interest, costs and reasonable attorney's fees, shall become a valid and perfected lien against the parcel described therein, which lien shall be superior to any deeds of trust recorded subsequent to such memorandum and shall be binding upon any subsequent owner of the parcel. In order to be valid, the memorandum of lien must be filed in the appropriate office before the expiration of twelve (12) months after the date the unpaid assessment originally became due and payable. In addition, a duly filed lien shall expire if a suit or petition to enforce the lien is not filed within twenty-four (24) months from the date the memorandum of lien was recorded. Regardless of whether a memorandum of lien is recorded, suit for collection may be brought personally against the person or entity that owned the parcel on the date the assessment originally became due and payable.

16. If a land owner fails to pay an assessment or other charge described herein within twenty (20) days after the date of written notice, a late charge equal to five percent (5%) shall be added to such amount, and if not paid within forty-five (45) days after such notice, the original assessment and the late charge shall begin to accrue interest at the judgment rate of interest at such time and as such rate may change from time to time, plus two percent (2%) per year, from such date (forty-five [45] days after the date of the written notice) until paid. In addition, such land owner shall pay all costs and expenses of collection, including attorney's fees of twenty percent (20%) of the amount due or Two Hundred Dollars (\$200.00) whichever is greater.

17. If a land owner has failed to pay any assessment or other charge described herein, and such failure has continued for more than forty-five (45) days after the date of written notice to the land owner, at any time thereafter, the land owners shall be entitled to designate and

appoint a person or entity, that need not be a land owner, as their agent for purposes of filing a memorandum of lien against the delinquent land owner and for purposes of instituting collection proceedings.

18. The covenants, agreements and liens set forth in this instrument shall run with the land described above and shall be binding upon the heirs, personal representatives and successors of the parties hereto.

19. This instrument contains the entire understanding and agreement among the Parties regarding these matters; all prior negotiations and agreements between the Parties have been merged into and made a part of this instrument; there are no representations, covenants, agreements or understandings, either oral or written, other than those set forth herein; and no provision of this instrument shall be amended or waived unless such amendment or waiver is in writing and signed by all land owners or such amendment or waiver is authorized by the affirmative vote of three-fourths (3/4) of the votes entitled to be cast at a duly called meeting. This instrument shall be interpreted and enforced in accordance with the laws of the State of Virginia, and should any provision be determined to be unenforceable, such provision shall be severed, and the remaining provisions of this instrument shall continue in full force and effect.

20. This Agreement may be executed in any number of counterparts so that a complete set of signature pages and/or accurate copies of same, together with an accurate copy of the complete terms and conditions of this Agreement shall constitute one and the same Agreement.

WITNESS the following duly authorized signatures and seals: