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KINLOCH

DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS

APRIL 24, 2003

TABLE OF CONTENTS

PAGE

RECITALS

DECLARATION

ARTICLE I - DEFINITIONS

|            |  |    |
|------------|--|----|
| Section 1  | Architectural Review Board .....               | 7  |
| Section 2  | Articles of Incorporation.....                 | 7  |
| Section 3  | Association Documents .....                    | 7  |
| Section 4  | Base Assessment.....                           | 8  |
| Section 5  | Board.....                                     | 8  |
| Section 6  | Bylaws.....                                    | 8  |
| Section 7  | Clerk’s Office.....                            | 8  |
| Section 8  | Common Area.....                               | 8  |
| Section 9  | Common Expenses.....                           | 8  |
| Section 10 | Declarant .....                                | 8  |
| Section 11 | Golf Club .....                                | 8  |
| Section 12 | Golf Property .....                            | 8  |
| Section 13 | Guidelines .....                               | 8  |
| Section 14 | Initial Capital Assessment.....                | 8  |
| Section 15 | Lake.....                                      | 9  |
| Section 16 | Lake Association.....                          | 9  |
| Section 17 | Lake Covenants.....                            | 9  |
| Section 18 | Lake Easement Agreement .....                  | 9  |
| Section 19 | Lot.....                                       | 9  |
| Section 20 | Member .....                                   | 9  |
| Section 21 | Mortgagee .....                                | 9  |
| Section 22 | Neighboring Property.....                      | 9  |
| Section 23 | Owner.....                                     | 9  |
| Section 24 | Person.....                                    | 9  |
| Section 25 | Properties .....                               | 10 |
| Section 26 | Rules and Regulations.....                     | 10 |
| Section 27 | Special Assessment.....                        | 10 |
| Section 28 | Specific Zone Assessment .....                 | 10 |
| Section 29 | Structure.....                                 | 10 |
| Section 30 | Supplemental Declaration.....                  | 10 |
| Section 31 | Virginia Property Owners’ Association Act..... | 10 |
| Section 32 | Zone .....                                     | 10 |

ARTICLE II - COMMON AREA PROPERTY RIGHTS

|           |                        |    |
|-----------|------------------------|----|
| Section 1 | General.....           | 10 |
| Section 2 | Use by Declarant.....  | 11 |
| Section 3 | Delegation of Use..... | 11 |
| Section 4 | Kinloch Lake.....      | 12 |
| Section 5 | Kinloch Golf Club..... | 12 |

ARTICLE III - OWNERS ASSOCIATION

|           |                                 |    |
|-----------|---------------------------------|----|
| Section 1 | Creation.....                   | 13 |
| Section 2 | Function of Association.....    | 13 |
| Section 3 | Board of Directors.....         | 13 |
| Section 4 | Managing Agent.....             | 13 |
| Section 5 | Membership.....                 | 13 |
| Section 6 | Membership Classes; Voting..... | 14 |

ARTICLE IV - MAINTENANCE AND SERVICES

|           |  |    |
|-----------|--|----|
| Section 1 | Association Maintenance and Services for the Benefit<br>Of All Lots..... | 14 |
| Section 2 | Association Maintenance and Services for the Individual Zones..          | 15 |
| Section 3 | Maintenance of Improved Lots.....  | 15 |
| Section 4 | Shared Driveways.....  | 16 |
| Section 5 | Maintenance of Unimproved Lots.....                                      | 16 |
| Section 6 | Repair of Damage.....  | 16 |

ARTICLE V - INSURANCE AND CASUALTY LOSSES

|           |                                |    |
|-----------|--------------------------------|----|
| Section 1 | Insurance.....                 | 16 |
| Section 2 | Individual Insurance.....      | 18 |
| Section 3 | Damage and Destruction.....    | 18 |
| Section 4 | Disbursement of Proceeds.....  | 18 |
| Section 5 | Repair and Reconstruction..... | 18 |

ARTICLE VI - NO PARTITION.....19

ARTICLE VII - CONDEMNATION.....19

ARTICLE VIII - ADDITIONAL PROPERTY AND RESTRICTIONS

|           |  |    |
|-----------|--|----|
| Section 1 | Annexation Without Approval of Class “A” Membership..... | 19 |
| Section 2 | Annexation with Approval of Class “A” Membership.....    | 19 |
| Section 3 | Acquisition of Additional Common Area.....               | 19 |
| Section 4 | Withdrawal of Property.....                              | 19 |

|           |   |    |
|-----------|---|----|
| Section 5 | Additional Covenants and Easements..... | 20 |
| Section 6 | Amendment.....                          | 20 |

ARTICLE IX - RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

|           |  |    |
|-----------|--|----|
| Section 1 | Common Areas .....                                       | 20 |
| Section 2 | Personal Property and Real Property for Common Use ..... | 20 |
| Section 3 | Rules and Regulations.....                               | 20 |
| Section 4 | Enforcement.....   | 20 |
| Section 5 | Implied Rights.....                                      | 20 |
| Section 6 | Security .....   | 21 |
| Section 7 | Wildlife .....   | 21 |

ARTICLE X - ASSESSMENTS

|            |  |    |
|------------|--|----|
| Section 1  | Types of Assessments .....                             | 21 |
| Section 2  | Base Assessments .....                                 | 21 |
| Section 3  | Special Assessments .....                              | 22 |
| Section 4  | Specific Zone Assessment .....                         | 22 |
| Section 5  | Initial Capital Assessment.....                        | 22 |
| Section 6  | Liability for Assessments.....                         | 22 |
| Section 7  | Lien for Assessments .....                             | 23 |
| Section 8  | Certificates Regarding Assessments .....               | 23 |
| Section 9  | Operating Budget; Computation of Base Assessment ..... | 24 |
| Section 10 | Capital Budget and Contribution .....                  | 24 |
| Section 11 | Distribution of Budgets.....                           | 24 |
| Section 12 | Failure to Adopt Budget or Impose Assessments .....    | 24 |
| Section 13 | Acceleration and Remedies.....                         | 24 |
| Section 14 | Exempt Property .....                                  | 25 |

ARTICLE XI - ARCHITECTURAL STANDARDS

|            |   |    |
|------------|---|----|
| Section 1  | General.....  | 25 |
| Section 2  | Architectural Review Board .....                      | 25 |
| Section 3  | Guidelines .....                                      | 25 |
| Section 4  | Time for Approval or Denial of Approval of Plans..... | 25 |
| Section 5  | No Approval for Certain Alterations .....             | 26 |
| Section 6  | No Waiver of Future Approvals .....                   | 26 |
| Section 7  | Variance .....  | 26 |
| Section 8  | Compliance with Guidelines; Time for Completion.....  | 26 |
| Section 9  | Completion Escrow.....                                | 27 |
| Section 10 | No Liability.....                                     | 28 |
| Section 11 | Application Fees .....                                | 28 |
| Section 12 | Entry No Trespass.....                                | 28 |
| Section 13 | Architectural Review Board Records .....              | 28 |
| Section 14 | Appeals .....   | 28 |

ARTICLE XII - USE RESTRICTIONS - GENERAL

|            |  |    |
|------------|--|----|
| Section 1  | General.....   | 28 |
| Section 2  | Signs.....   | 28 |
| Section 3  | Parking and Storage; Prohibited Vehicles .....                   | 29 |
| Section 4  | Animals and Pets.....  | 29 |
| Section 5  | Quiet Enjoyment.....   | 30 |
| Section 6  | Unsightly or Unkempt Conditions.....                             | 30 |
| Section 7  | Antennas .....   | 30 |
| Section 8  | Driveways .....  | 30 |
| Section 9  | Clotheslines, Insect Control Devices, Tanks, Etc. ....           | 30 |
| Section 10 | Subdivision; Time Sharing .....                                  | 31 |
| Section 11 | Firearms and Other Weapons.....                                  | 31 |
| Section 12 | Pools.....   | 31 |
| Section 13 | Tennis Courts.....   | 31 |
| Section 14 | Wells; Irrigation.....   | 31 |
| Section 15 | Tents, Mobile Homes and Temporary Structures or Facilities ..... | 31 |
| Section 16 | Drainage and Septic Systems.....                                 | 32 |
| Section 17 | Tree Removal and Replacement.....                                | 32 |
| Section 18 | Sight Distance; Entrance Features .....                          | 32 |
| Section 19 | Lighting.....  | 32 |
| Section 20 | Exterior Displays and Decorations .....                          | 32 |
| Section 21 | Flags, Flagpoles and Supporting Structures.....                  | 33 |
| Section 22 | Energy Conservation Equipment.....                               | 33 |
| Section 23 | Playground and Recreational Equipment.....                       | 33 |
| Section 24 | Garage Sales; Business Use.....                                  | 33 |
| Section 25 | Fuel Storage .....   | 33 |
| Section 26 | Leasing.....   | 33 |
| Section 27 | Laws and Ordinances.....   | 34 |
| Section 28 | Single Family Occupancy.....                                     | 34 |
| Section 29 | Doors and Windows.....   | 34 |
| Section 30 | Utility Lines .....  | 34 |
| Section 31 | No Water Withdrawal from Lake .....                              | 34 |
| Section 32 | Waste Pickup Services.....                                       | 34 |
| Section 33 | Rules and Regulations.....                                       | 34 |

ARTICLE XIII – EASEMENTS - GENERAL

|           |  |    |
|-----------|--|----|
| Section 1 | Easements for Utilities.....   | 35 |
| Section 2 | Easements for Signs and Landscaping.....                                 | 35 |
| Section 3 | Easements for Maintenance of Common Areas.....                           | 35 |
| Section 4 | Easements for Maintenance of the Lake and<br>Other Bodies of Water ..... | 35 |

|           |   |    |
|-----------|---|----|
| Section 5 | Easements for Exercise or Performance of Declarant<br>or Association Rights and Responsibilities..... | 36 |
| Section 6 | Easements to Serve Additional Property .....  | 36 |

ARTICLE XIV – GOLF PROPERTY RESTRICTIONS AND EASEMENTS

|            |  |    |
|------------|--|----|
| Section 1  | Restriction for Benefit of the Golf Property ..... | 36 |
| Section 2  | Overspray Easement .....                           | 37 |
| Section 3  | Landscaping Easement.....                          | 38 |
| Section 4  | Enforcement.....                                   | 38 |
| Section 5. | No Other Rights .....                              | 38 |

ARTICLE XV - GENERAL PROVISIONS

|           |   |    |
|-----------|---|----|
| Section 1 | Term.....                                 | 38 |
| Section 2 | Enforcement.....                          | 38 |
| Section 3 | Parties Bound .....                       | 39 |
| Section 4 | Amendment.....                            | 39 |
| Section 5 | Assignable Rights .....                   | 39 |
| Section 6 | Indemnification.....                      | 40 |
| Section 7 | Severability .....                        | 40 |
| Section 8 | Notice of Sale or Transfer of Title ..... | 40 |
| Section 9 | Use of Kinloch Name.....                  | 40 |

DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
FOR  
KINLOCH

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this \_\_\_ day of April, 2003, by KINLOCH DEVELOPMENT CORPORATION, a Virginia corporation (“Declarant”) and KINLOCH LAKE, L.C., a Virginia limited liability company (“Kinloch Lake”).

WITNESSETH:

RECITALS

Declarant is the owner of the real property (the “Properties”) described in Exhibit A attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the Properties mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of the Properties. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Properties, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Properties as are now or hereafter subject to this Declaration.

DECLARATION

Declarant hereby declares that the Properties, and any additional property which is hereafter subjected to this Declaration and made a part of the Properties, shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the Properties and which shall be binding on all parties having any right, title, or interest in the Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof. The recitals are incorporated herein and made a part hereof.

ARTICLE I  
DEFINITIONS

Section 1. “Architectural Review Board” shall mean and refer to the committee appointed by the Declarant initially and subsequently by the Board of Directors in accordance with Article XI of this Declaration.

Section 2. “Articles of Incorporation” shall mean and refer to the Articles of Incorporation of the Association as filed with the Secretary of the State Corporation Commission of the Commonwealth of Virginia, including any amendments thereto.

Section 3. “Association Documents” shall mean collectively these Articles of Incorporation, the Declaration, Supplemental Declarations and the Bylaws, all as amended from

time to time. Any exhibit, schedule, certification or amendment to an Association Document is an integral part of that document.

Section 4. “Base Assessment” shall mean and refer to assessments levied, on an annual basis, against Lots to fund Common Expenses.

Section 5. “Board” shall mean and refer to the executive and administrative entity established in the Articles of Incorporation as the governing body of the Association.

Section 6. “Bylaws” shall mean and refer to the bylaws of the Association, as amended from time to time.

Section 7. “Clerk’s Office” shall mean and refer to the Clerk’s Office of the Circuit Court of Goochland County, Virginia.

Section 8. “Common Area” shall mean and refer to all real and personal property now or hereafter held by the Association for the common use and enjoyment of Owners subject to the limitations set forth in Article II, Section 1 of this Declaration.

Section 9. “Common Expenses” shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Owners, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Bylaws, and the Articles of Incorporation, but shall not include any expenses incurred by the Declarant for initial development or construction or for installation of infrastructure unless approved by a majority of the Class “A” Members.

Section 10. “Declarant” shall mean and refer to Kinloch Development Corporation, a Virginia stock corporation, its successors and assigns.

Section 11. “Golf Club” shall mean and refer to the Kinloch Golf Club located adjacent to the Properties and the Lake.

Section 12. “Golf Property” shall mean and refer to certain real property located in Goochland County, Virginia containing approximately 271.52 acres which is more particularly described in Exhibit B attached hereto as a part hereof and which has been developed for the Golf Club.

Section 13. “Guidelines” shall mean and refer to the design guidelines and procedures prepared and issued from time to time by the Architectural Review Board relating to the review and approval of all development, construction, landscaping and signage plans for the Properties, as more thoroughly described in Article XI of this Declaration.

Section 14. “Initial Capital Assessment” shall mean and refer to the assessments to be paid by each Owner upon the acquisition of a Lot as provided in Article X, Section 5 of this Declaration.

Section 15. “Lake” shall mean and refer to the Kinloch Lake which is adjacent to portions of the Properties and is described on Exhibit C attached hereto as a part hereof.

Section 16. “Lake Association” shall mean and refer to Kinloch Lake Association, Inc., a Virginia non-stock corporation to be formed by the Declarant pursuant to the Lake Covenants, and its successors or assigns.

Section 17. “Lake Covenants” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Kinloch Lake to be recorded in the Clerk’s Office and which shall govern the use and maintenance of the Lake.

Section 18. “Lake Easement Agreement” shall mean and refer to that certain Lake Easement Agreement by and between C.B. Robertson, III, et als. and Kinloch Golf Club, L.L.C. dated June 30, 1999, recorded July 9, 1999 in the Clerk’s Office in Deed Book 413, page 751, as amended by First Amendment to Lake Easement Agreement by and between C. B. Robertson, III, et als. and Kinloch Golf Club, L.L.C. dated July 28, 1999, recorded September 8, 1999 in the Clerk’s Office in Deed Book 418, page 14.

Section 19. “Lot” shall mean and refer to any portion of the Properties which is designated as a separate lot or parcel on a recorded subdivision plat with the exception of any Common Area.

Section 20. “Member” shall mean and refer to a Person entitled to membership in the Association, as provided herein.

Section 21. “Mortgagee” shall mean and refer to an institutional lender (one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds or business trusts, including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities) holding a first mortgage or first deed of trust (“Mortgage”) encumbering a Lot.

Section 22. “Neighboring Property” shall mean and refer to the property described on Exhibit D attached hereto as a part hereof which is located adjacent to the Golf Property and which is or becomes a portion of the Properties subject to this Declaration.

Section 23. “Owner” shall mean and refer to the record owner, whether one (1) or more Persons, of any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. Every Owner shall be treated for all purposes as a single Owner for each parcel owned, irrespective of whether such ownership is joint, in common or tenancy by the entirety. Wherever used herein, “Owner” shall include Developer, unless otherwise expressly provided.

Section 24. “Person” means a natural person, a corporation, a limited liability company, a partnership, a trustee, or any other legal entity.

Section 25. “Properties” shall mean and refer to the real property described in Exhibit A attached hereto, together with such additional property as is hereafter made subject to this Declaration by Supplemental Declaration. Provided, however, from and after the date any portion of the Properties is dedicated to and accepted by any governmental authority for any public purpose or purposes, such portion of the Properties shall be excluded from the definition of the Properties for all purposes hereunder and shall not be subject to the terms and provisions hereof.

Section 26. “Rules and Regulations” shall mean the rules and regulations governing the use, occupancy and operation and physical appearance of the properties adopted from time to time by the Board.

Section 27. “Special Assessment” shall mean and refer to assessments levied by the Association for expenses of the Association which are not funded by Base Assessments.

Section 28. “Specific Zone Assessment” shall mean and refer to assessments levied by the Association for payment of expenses associated with a particular Zone established pursuant to this Declaration.

Section 29. “Structure” shall mean any improvement constructed or erected on or below the ground, including but not limited to principal buildings, accessory buildings, fences, walls, footings, basements, framing, pilings, foundations and flagpoles.

Section 30. “Supplemental Declaration” shall mean an amendment or supplement to this Declaration which subjects additional property to this Declaration and/or imposes additional restrictions and obligations on the land described therein.

Section 31. “Virginia Property Owners’ Association Act” shall mean and refer to the Virginia Property Owners’ Association Act, Section 55-508 et seq. of the Code of Virginia, 1950, as amended from time to time.

Section 32. “Zone” shall mean and refer to any specific zone of Lots established by the Declarant for the purpose of distinguishing such zone from other portions of the Properties with respect to permitted improvements, services to be provided by the Association, assessments, maintenance obligations, restrictions and other matters as determined in the sole discretion of the Declarant. All Lots to be included within a Zone shall be designated by Declarant in this Declaration, on subdivision plats for the Properties or in Supplemental Declarations.

## ARTICLE II COMMON AREA PROPERTY RIGHTS

Section 1. General. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, subject to:

(a) this Declaration, and any restrictions or limitations contained in any deed conveying such property to the Association;

(b) the right of the Board to adopt Rules and Regulations regulating the use and enjoyment of the Common Area, including limiting the number and type of guests who may use the Common Area;

(c) the right of the Board to suspend an Owner's voting rights for nonpayment of assessments and/or for the Owner's violation or the violation by any Owner's family member, tenant, guest, or other invitee of any provision of this Declaration, the Bylaws or any Rules and Regulations;

(d) the right of the Board to assess charges against an Owner and/or suspend an Owner's right to use facilities and services of the Association, including the right to use the Common Area, for the Owner's violation or the violation by any Owner's family member, tenant, guest or other invitee of any provision of this Declaration, the Bylaws or any Rules and Regulations, after notice and an opportunity for a hearing before the Board have been provided to the Owner, as may be required by law;

(e) the right of the Board to suspend an Owner's right to use facilities or services, including the right to use the Common Area and utility services provided directly through the Association, for nonpayment of assessments which are more than sixty (60) days past due or as otherwise provided for by law; provided that (i) access to such Owner's Lot through the Common Areas, if applicable, is not precluded, (ii) such suspension shall not endanger the health, safety, or property of any Owner, tenant or occupant and (iii) the Owner has been provided notice and an opportunity for a hearing before the Board as may be required by law;

(f) the right of the Board to dedicate or transfer all or any part of the Common Area;

(g) the right of the Board to impose reasonable membership requirements and charge reasonable admission or other fees for the use of any recreational facility situated upon the Common Area; and

(h) the right of the Board to permit non-member use of any recreational facility situated on the Common Area upon payment of use fees established by the Board.

Section 2. Use By Declarant. Notwithstanding any provisions contained in this Declaration to the contrary, until the completion of development and construction activities within the Properties, Declarant shall have the right to use portions of the Common Areas for activities of the Declarant and its successors and assigns in connection with such development and construction.

Section 3. Delegation of Use. Subject to the provisions of this Declaration, any Owner may delegate such Owner's right of use and enjoyment to the members of such Owner's family, tenants (to the extent permitted by this Declaration) and social invitees, as applicable. Any Owner who leases a Lot shall be deemed to have delegated all such rights attributable to such Lot to the tenant unless the Owner notifies the Board in writing of any such rights which have been retained by the Owner.

Section 4. Kinloch Lake.

(a) Use of the Lake. The Lake, which is presently owned by Kinloch Lake, an affiliate of Declarant, is intended to serve as (i) a storm drainage facility for all portions of the Properties which are designed to drain into the Lake, (ii) a recreational facility and visual amenity for all Owners of Lots which are adjacent to the outer perimeter boundary of the Lake as provided in the Lake Covenants, (iii) a recreational facility for other Owners and third parties who become members of the Lake Association as permitted pursuant to the Lake Covenants and (iv) a water management facility, source of irrigation and visual amenity for the Golf Club pursuant to the terms and conditions of the Lake Easement Agreement.

(b) Lake Covenants; Conveyance of Lake and Drainage Easement. Simultaneous with the recordation of this Declaration, Declarant and Kinloch Lake shall record the Lake Covenants in the Clerk's Office. The Lake Covenants shall govern membership in the Lake Association and the use and maintenance of the Lake. Prior to the conveyance of any Lots, Kinloch Lake shall (a) grant an easement to the Association for the use of the Lake for the drainage of storm water from the Properties and providing for the payment of a prorata portion of the expense of maintaining the Lake by the Association, as more particularly described in Section 3(c) below, which easement shall be a part of the Common Area and which expense shall be a part of the Common Expenses and (b) convey fee simple title to the Lake to the Lake Association to be formed pursuant to the Lake Covenants.

(c) Maintenance of the Lake. Primary maintenance of the Lake is performed by the Golf Club subject to the provisions of the Lake Easement Agreement. The Lake Easement Agreement provides that the cost to maintain the Lake shall be paid by the Golf Club and by the owners of the Lake Property and other property described in the Lake Easement Agreement as "Grantor's Adjacent Property, of which the Properties are a part. The easement to be conveyed to the Association pursuant to Section 3(b) above shall provide that the Association shall be responsible for a prorata portion of the cost to maintain the Lake, which prorata portion shall be equal to a fraction, the numerator of which is the area of the Properties which are part of Grantor's Adjacent Property and the denominator of which is the area of Grantor's Adjacent Property. The maintenance expense to be paid by the Association pursuant to such easement shall be a Common Expense to be assessed equally against all Lots.

(d) Rights in Lake Limited. Except for use of the Lake for drainage of storm water pursuant to the easement to be granted pursuant to this Section, the Lake is not a part of the Common Area and no Owner shall obtain any other rights in the Lake by virtue of this Declaration.

Section 5. Kinloch Golf Club. The Properties are located adjacent to the Golf Club which is a private club which is not owned or controlled by Declarant and which is not a part of the Kinloch development. The Golf Club is not a part of the Common Area and no Owner shall be entitled to any rights with respect to the Golf Club by purchasing a Lot or becoming a Member of the Association. The fact that the Golf Club may constitute open or recreation area for purposes of applicable zoning ordinances and regulations shall not be asserted by any Owner and each Owner, by acceptance of a deed to any portion of the Properties, releases and forever discharges the Declarant, the Association, the Golf Club, any grantor of such Owner, any officer, director, manager

or partner of any such parties and their successors and assigns from any claim that the Golf Club must be owned by any such parties or be operated for the benefit of the Properties.

### ARTICLE III OWNERS ASSOCIATION

Section 1. Creation. Within sixty (60) days after recordation of this Declaration in the Clerk's Office, the Declarant shall cause the Association to be formed under the laws of the Commonwealth of Virginia as a nonstock corporation.

Section 2. Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Common Area and those portions of the Lots specified in this Declaration. The Association shall be the primary entity responsible for enforcement of this Declaration and such Rules and Regulations as are adopted by the Board. The Association shall also be responsible for administering and, with the Architectural Review Board, enforcing the architectural standards and controls set forth in this Declaration and in the Guidelines. The Association shall perform its functions in accordance with this Declaration, the Bylaws, the Articles of Incorporation and Virginia law.

Section 3. Board of Directors. The Association will be governed by a board of directors which shall contain not less than three (3) and not more than five (5) members as provided in the Bylaws. Except as expressly provided in this Declaration, the Association shall be operated in accordance with the Bylaws adopted by the Board. The initial directors will be named by the Declarant in the Articles of Incorporation. Thereafter, members of the Board shall be elected by the affirmative vote of the Members entitled to vote in accordance with the procedures provided in the by-laws of the Association subject to the right of the Class "B" Member set forth herein. Except as expressly provided in this Declaration, all powers of the Association shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed by or at the direction of, the Board.

Section 4. Managing Agent. The Board may, in its discretion, employ a professional Managing Agent for the Association at a compensation established by the Board, to perform such duties and services as the Board shall authorize.

Section 5. Membership. Every Owner shall be a Member of the Association and membership shall be appurtenant to and may not be separated from ownership of any portion of the Properties which is subject to assessments. No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Lot owned. In the event a Lot is owned by more than one (1) Person, all co-owners shall be entitled to the privileges of membership, subject to the restrictions on voting set forth in this Article and in the Bylaws, and all such co-owners shall be jointly and severally obligated to perform the responsibilities of Owners hereunder. The membership rights of a Lot owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association. The foregoing does not include any Person which holds an interest merely as security for the performance of an obligation.

Section 6. Membership Classes; Voting. The Association shall have two classes of Membership, Class “A” and Class “B”.

(a) Class “A”. Class “A” Members shall be all Owners with the exception of the Class “B” Member, if any. Class “A” Members shall be entitled to one (1) equal vote for each Lot in which they hold the interest required for membership under Section 1 hereof; there shall be only one vote per Lot.

(b) Class “B”. The Class “B” Member shall be the Declarant who shall be entitled to one (1) vote for each Lot owned. Until termination of the Class “B” Membership as provided herein, the Class “B” Member shall be entitled in its sole discretion to appoint all but one of the members of the Board who shall serve at the pleasure of the Class “B” Member. The Class “B” membership shall terminate and become converted to Class “A” membership upon the earlier of:

(i) when at least three hundred fifteen (315) Lots have been made subject to this Declaration and conveyed to Persons other than the Declarant, principal dwellings have been constructed on such Lots pursuant to plans approved by the Architectural Review Board and certificates of occupancy have been issued for such dwellings;

(ii) twenty five (25) years after the date on which this Declaration is recorded in the land records of Goochland County, Virginia; or

(iii) such date when, in its discretion, the Class “B” Member may elect to terminate the Class “B” Membership.

(c) In any case where any Lot or portion of the Properties has more than one Owner, any one such Owner may exercise the votes applicable to such Lot or portion of the Properties, and such exercise shall be conclusive and binding with respect to all other persons having any interest in the Lot or portion of the Properties in question. In no event shall the vote or votes with respect to any jointly-owned Lot or portion of the Properties be cast separately.

#### ARTICLE IV MAINTENANCE AND SERVICES

Section 1. Association Maintenance and Services for the Benefit of All Lots.

(a) Maintenance. The Association shall, directly or by agreements with others, maintain and keep in good repair, including replacement as necessary, for the benefit of all Lots all of the following: (i) all Common Area including any Structures and landscaping located within the Common Area and any irrigation systems installed by Declarant or the Association serving the Common Area; (ii) the landscaped areas within public rights-of-way within or adjacent to the Properties which the Board elects to maintain, including any irrigation systems installed by Declarant or the Association serving such areas; (iii) landscaping within any public utility easement within or adjacent to the Properties (subject to the terms of any easement agreement relating thereto)

which the Board elects to maintain, including any irrigation systems installed by Declarant or the Association serving such areas; (iv) any areas for which the Association is responsible to maintain pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenants, contract, easement or agreement; and (v) any other areas, whether or not owned by the Association which the Board determines should be maintained for the benefit of all Lots.

(b) Services. The Association may, as determined by the Board from time to time and in accordance with policies and procedures adopted by the Board, provide routine services for the benefit of all Lots, including, but not limited to individual curbside household waste pick up.

(c) Cost. Except as otherwise specifically provided in this Declaration, all costs associated with the maintenance and services to be provided pursuant to Sections 1(a) and 1(b) above shall be a Common Expense to be allocated among all Lots equally. In the event the need for maintenance or repair to be provided by the Association pursuant to this Section 1 is caused through the willful or negligent act or omission of an Owner, or any Owner's family member, tenant, guest or other invitee, the costs of such maintenance or repair shall be charged to the Owner as an assessment upon such Owner's Lot in addition to other Base Assessments and Special Assessments applicable to such Lot.

Section 2. Association Maintenance and Services for Individual Zones.

(a) Maintenance and Services. The Association shall perform maintenance and provide services to Lots within individual Zones established by the Declarant to the extent such maintenance or services are either specified by the Declarant in a Supplemental Declaration or otherwise approved by the Board with the consent of the Owners of a majority of the Lots in the applicable Zone and, as long as it owns any Lots, the Declarant. Such maintenance and services may include (i) maintenance of yards and landscaping, including mowing and reseeded grassed areas, (ii) leaf removal, (iii) general landscaping services and (iv) exterior maintenance of Structures. The maintenance and services to be provided by the Association within each Zone may be modified by the Declarant or by the Association, with the consent of the Declarant as long as it owns any Lots. Any such change shall be effected by written notice to the Owners of all affected Lots.

(b) Cost. The cost of all maintenance and services provided to individual Zones shall be paid by the Owners of Lots within the applicable Zone through a Specific Zone Assessment as contemplated by Article X, Section 4 of this Declaration.

(c) Alteration of Zone Designations. The Declarant shall have the right in its sole discretion to increase or decrease the number of Zones and to designate which Lots shall be a part of each Zone by recordation of a Supplemental Declaration; provided, however, no such change shall affect any Lot not owned by the Declarant without the consent of the Owner of such Lot.

Section 3. Maintenance of Improved Lots. Subject to any maintenance or services to be provided by the Association pursuant to this Declaration, each Owner shall be responsible, at the Owner's expense, to maintain such Owner's Lot, including any Structures and improvements located thereon, in first quality condition and repair in accordance with such standards as may be established by the Architectural Review Board and the standards observed by the Association in maintaining the

Common Area. Each Owner shall be responsible for payment to the Association any costs incurred by the Association to repair any damages to areas owned or maintained by the Association which are caused by an act or omission of an Owner or an Owner's family member, guest, tenant or other invitee.

Section 4. Shared Driveways. In the event two or more Owners share a common driveway, in the absence of an agreement among such Owners regarding maintenance of the driveway, all Owners with rights to the driveway, shall be responsible on a pro rata basis, for the maintenance, repair and replacement of the common driveway.

Section 5. Maintenance of Unimproved Lots. All unimproved Lots for which no Certificate of Compliance from the Architectural Review Board or a Certificate of Occupancy from Goochland County have been issued shall be maintained in an attractive condition free of waste, debris, dead materials, fallen trees or fallen limbs and leaves and unsightly or obnoxious vegetation and in accordance with such additional standards as are established by the Board.

Section 6. Repair of Damage. Damage to any Structure shall be promptly repaired by the Owner in accordance with the plans approved by the Architectural Review Board unless an Owner elects not to rebuild a damaged Structure in which event the Owner shall promptly remove the Structure and return the Lot to its natural state following any applicable Guidelines.

## ARTICLE V INSURANCE AND CASUALTY LOSSES

### Section 1. Insurance.

(a) Property Insurance. The Board, or its duly authorized agent, shall have the authority to and shall obtain "all-risk" property insurance, for all insurable improvements on the Common Area. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

(b) Liability Insurance. The Board shall also obtain a public liability policy covering the Common Area and other areas to be maintained by the Association, insuring the Association and its Members for all damage or injury caused by the negligence of the Association, any of its Members, employees or agents, or any other Person who has a right to occupy a Lot.

(c) Other Insurance. In addition to the other insurance required by this Section, the Board shall obtain: workers' compensation insurance, if and to the extent required by law; directors' and officers' liability coverage, a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds; and flood insurance, to the extent required. The amount of fidelity coverage shall be determined in the directors' best business judgment. Bonds shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

(d) Premiums. Premiums for all insurance maintained by the Association shall be Common Expenses, which shall be included in the Base Assessment, subject to any other covenants or agreements relating thereto. The policies may contain a reasonable deductible, which shall also be a Common Expense, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder.

(e) General. All insurance coverage obtained by the Board shall be written in the name of the Association. Such insurance shall be governed by the following provisions:

(i) All policies shall be written with a company authorized to do business in Virginia which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating which is available;

(ii) Exclusive authority to adjust losses under policies obtained by the Association on the Properties shall be vested in the Board; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto;

(iii) In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees;

(iv) All property insurance policies shall have an inflation guard endorsement, if reasonably available, and, if the policy contains a co-insurance clause, it shall also have an agreed amount endorsement. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified Persons; and

(f) Conditions of Insurance. The Board shall be required to use reasonable efforts to secure insurance policies that will provide the following:

(i) a waiver of subrogation by the insurer as to any claims against the Board, officers, employees and manager, Owners and occupants of Lots, and their respective tenants, guests, or other invitees;

(ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(iii) a statement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of any one or more individual Owners without prior demand in writing delivered to the Association to cure the defect or violation and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner or Mortgagee;

(iv) a statement that no policy may be canceled, invalidated, suspended, or subject to nonrenewal on account of any curable defect or violation without prior demand in writing

delivered to the Association to cure the defect or violation and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner or Mortgagee;

(v) a statement that any “other insurance” clause in any policy exclude individual Owners’ policies from consideration; and

(vi) a statement that the Association will be given at least thirty (30) days’ prior written notice of any cancellation, substantial modification, or non-renewal.

Section 2. Individual Insurance. Each Owner shall be responsible to maintain liability insurance with respect to any Lot and property damage and casualty insurance or other insurance coverage, as may be appropriate, with respect to all Structures constructed on a Lot. Owners of Lots located on Kinloch Lake shall maintain liability insurance in such amounts and according to terms established by the Association Board of Directors. Such policies of insurance shall name the Association, and Kinloch Lakes Association and their respective officers, directors, agents and members as additional insureds. Lot owners may be required to provide certificates of insurance to evidence required coverage, as determined by the Association Board of Directors and upon request of the Lakes Association board of directors.

Section 3. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall provide for the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by change in applicable building codes.

(b) Any damage or destruction to property insured by the Association shall be repaired or reconstructed unless the Board elects not to repair or reconstruct. If the Board elects not to repair or reconstruct, then the affected area shall be cleared of all debris and ruins and maintained by the Association in a neat and attractive condition.

Section 4. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies held by the Association are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction shall be retained by and for the benefit of the Association.

Section 5. Repair and Reconstruction. If the damage or destruction to property insured by the Association for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Members, levy a Special Assessment against all Owners.

ARTICLE VI  
NO PARTITION

Except as is permitted in this Declaration or amendments thereto, there shall be no judicial partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE VII  
CONDEMNATION

Whenever all or any part of the Common Area shall be taken by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association pursuant to Section 55-516.2 of the Code of Virginia, 1950, as amended.

ARTICLE VIII  
ADDITIONAL PROPERTY AND RESTRICTIONS

Section 1. Annexation Without Approval of Class "A" Membership. Declarant shall have the unilateral right and option from time to time to annex additional property to the Properties whether the additional property is now owned or is subsequently acquired by the Declarant provided such additional property is adjacent or contiguous to a portion of the Properties then subject to this Declaration and is located within a three (3) mile radius of the property described on Exhibit A. For purposes of this Section, adjacent or contiguous property includes any property which is separated from property forming part of the Properties by a natural or man-made barrier including, but not limited to any lakes, rivers, roadways or paths. Such annexation shall be accomplished by filing a Supplemental Declaration in the Clerk's Office.

Section 2. Annexation with Approval of Class "A" Membership. With the affirmative vote of a majority of the Class "A" Members, Declarant may annex real property other than that described in Section 1 above to the Properties.

Section 3. Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, located within the Properties which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all Members.

Section 4. Withdrawal of Property. Declarant reserves the unilateral right to amend this Declaration at any time without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates provided

such withdrawal is not unequivocally contrary to the overall uniform scheme of development for the Properties.

Section 5. Additional Covenants and Easements. The Declarant may, by Supplemental Declaration, impose additional restrictions on or create additional easements in any portion of the Properties subject, however, to the written consent of the Owner of the affected portions of the Properties if other than the Declarant.

Section 6. Amendment. This Article shall not be amended without the prior written consent of the Declarant so long as the Declarant owns any portion of the Properties.

## ARTICLE IX RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. Common Area. The Association, subject to the rights of the Owners and the Declarant as set forth in this Declaration, shall be responsible for the management and control of the Common Area and all additional areas to be maintained by the Association pursuant to this Declaration and shall keep these areas in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof.

Section 2. Personal Property and Real Property for Common Use. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. The Association shall accept any real or personal property or interests therein within the Properties which are conveyed to the Association by the Declarant.

Section 3. Rules and Regulations. The Board may adopt, amend, repeal and enforce reasonable Rules and Regulations governing the use of the Properties, which Rules and Regulations may supplement but may not be inconsistent with the provisions of this Declaration. The scope of such Rules and Regulations shall not be limited by any specific reference to the adoption of Rules and Regulations in this Declaration.

Section 4. Enforcement. Sanctions for violations of this Declaration, the Bylaws, or Rules and Regulations may include reasonable monetary charges and/or and suspension of the right to vote and/or the right to use the Common Area other than any portion of the Common Area required for access to a Lot. The Board also shall have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the Rules and Regulations or Bylaws.

Section 5. Implied Rights. The Association may exercise any right or privilege expressly granted by this Declaration or the Bylaws, 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 Association, including without limitation, the right to borrow funds.

Section 6. Security. The Association may, but is not obligated to, maintain or support activities within the Properties designed to increase safety within the Properties; provided, however, no such action shall result in any guarantee of safety by the Declarant or the Association and neither the Declarant nor the Association shall be held liable for any loss or damage for failure to provide adequate security or the ineffectiveness of security measures undertaken.

Section 7. Wildlife. Neither the Association nor the Declarant shall be obligated to provide any services regarding the control of wildlife or shall be liable to any Owner regarding any damage caused by wildlife, including wildlife that may live in or about the Common Area, the Lake or the Golf Club.

## ARTICLE X ASSESSMENTS

Section 1. Types of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board, to be commenced at the time and in the manner set forth in this Article. There shall be four types of assessments: (a) Base Assessments as described in Section 2 of this Article; (b) Special Assessments as described in Section 3 of this Article; (c) Specific Zone Assessments as described in Section 4 of this Article and (d) Initial Capital Assessments as described in Section 5 of this Article.

Section 2. Base Assessments. The Base Assessments levied by the Association shall be assessed against all Lots equally and shall be used for payment of Common Expenses to promote the recreation, health, safety, and welfare of the Owners and the establishment of reserves therefore; including by way of example, and without limitation or restriction:

- (a) Maintenance of the Common Area and other areas to be maintained by the Association;
- (b) Payment of amounts due to the Lake Association for maintenance of the Lake;
- (c) Payment of any real and personal property taxes and other charges assessed, respectively, against the Common Area, if any, and against equipment and other personal property which may be owned by the Association;
- (d) Payment of salaries and benefits of all employees, including maintenance and management personnel, agents and others employed or contracted in connection with carrying out the Association's duties, responsibilities and rights under this Declaration;
- (e) Maintenance of insurance by the Association as provided in this Declaration; and
- (f) Services to be provided by the Association.

All Lots, including Lots owned by the Declarant, shall be subject to assessment from the date of recordation of this Declaration.

Section 3. Special Assessments.

(a) Entire Membership. The Board may levy Special Assessments from time to time. Such Special Assessments shall be levied against the entire membership and shall apply to all Lots equally. Special Assessments pursuant to this paragraph shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines. The Board shall give notice of any special assessment to the members specifying the amount and reasons therefor. Such assessment shall be a lien as set forth in Article X, Section 7 of this Declaration.

(b) Levied Against One Member. The Board may levy a Special Assessment against any individual Member and such Member's Lot to reimburse the Association for costs incurred in bringing a Member and such Member's Lot into compliance with the provisions of this Declaration, any amendments thereto, the Articles of Incorporation, the Bylaws, or the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing has been provided.

Section 4. Specific Zone Assessment. In addition to the other assessments set forth herein, the Board may assess Lots in any Zone established pursuant to this Declaration for the cost of providing maintenance and services to Lots within such Zone which maintenance and services are not provided to all Members but are primarily for the benefit of the Lots within such Zone. A Specific Zone Assessment may be assessed prior to the commencement of the maintenance and services to be funded by the Specific Zone Assessment, as determined by the Board.

Section 5. Initial Capital Assessment. The initial Owner acquiring a Lot from the Declarant shall, upon the acquisition of record title to a Lot, contribute to the working capital of the Association an amount equal to one-sixth (1/6) of the then annual Base Assessment per Lot for that year. This amount shall be in addition to, not in lieu of, the annual Base Assessment levied on the Lot and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into the Association's general operating fund to be used by the Association for working capital.

Section 6. Liability for Assessments. Assessments shall be paid in such manner and on such dates as may be fixed by the Board and shall be due and payable in advance. All assessments, together with interest (at a rate equal to the lesser of twelve percent (12%) per annum, or the maximum legal rate permitted by law from time to time), as computed from the date of delinquency first occurs, late charges equal to five percent (5%) of all amounts which are not paid within thirty (30) days of the date assessed, costs of collection and reasonable attorneys' fees shall be the joint and several personal obligation of the Owner at the time the assessment is made and, in the event of a transfer of title, any successor Owner. The obligation to pay assessments is a separate and independent covenant on the part of each Owner, and no action or inaction of any Owner including, by way of illustration and not limitation, non-use of Common Areas or abandonment of a Lot shall exempt an Owner from the obligation for payment of assessments. No diminution or abatement of

assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority. Each Owner, by acceptance of a deed to any portion of the Properties, is deemed to covenant and agree to pay all assessments applicable to such Owner's property.

Section 7. Lien for Assessments.

(a) Establishment and Priority. Each Lot shall be subject to a lien to secure payment of all Base Assessments, Special Assessments and Specific Zone Assessments assessed against such Lot. Such lien shall be superior to all other liens, except (1) real estate taxes; (2) any other taxes, bonds, assessments, and other levies which by law would be superior thereto; and (3) the lien of any first priority Mortgage (meaning any Mortgage with first priority over other Mortgages) made in good faith and for value prior to the filing of a notice of lien pursuant to this Declaration, unless otherwise provided for by the Virginia Property Owners' Association Act.

(b) Perfection. The lien for payment of assessments shall be perfected by recording a memorandum of lien in the Clerk's Office with respect to each applicable Lot. Prior to recording a memorandum of lien, a written notice shall be sent to the Owner by certified mail, at the Owner's last known address, informing the Owner that a memorandum of lien will be recorded in the Clerk's Office. This notice shall be sent at least ten (10) days before the actual filing date of the memorandum of lien.

(c) Enforcement. The lien for payment of assessments may be enforced by suit, judgment, and/or judicial or non-judicial foreclosure in accordance with Virginia law. In connection with such enforcement, the Association shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid assessments, interest, late charges, costs, costs of collection and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Certificates Regarding Assessments. The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment to the Association of any assessments therein stated to have been paid. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

Section 9. Operating Budget; Computation of Base Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the applicable fiscal year including the cost of any services to be provided by the Association. The budget shall include a capital contribution to one or more reserve funds in accordance with a capital budget separately prepared, as provided in this Article. Base Assessments to be levied against each Lot for each fiscal year shall be set at a level which is reasonably expected to produce total income to the Association equal to the total budgeted Common Expenses, including reserves. In setting the amount of Base Assessments, the Board shall take into account other sources of funds available to the Association.

Section 10. Capital Budget and Contribution. The Board shall prepare and develop for each fiscal year a capital budget to fund reserves to meet the projected capital needs of the Association, taking into account the number and nature of replaceable assets, the expected life of each asset and the expected repair or replacement costs. The capital contribution required, if any, shall be fixed by the Board and included in the operating budget and the calculation of Base Assessments for the applicable fiscal year.

Section 11. Distribution of Budgets. The Board shall cause a copy of the operating and capital budgets and notice of the amount of the Base Assessment to be levied against each Lot for the applicable fiscal year to be delivered to each Owner prior to the beginning of the fiscal year. Such budgets and assessments shall become effective unless disapproved at a meeting of the Association by at least a majority of the total Class "A" vote in the Association, and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the membership as provided for special meetings in the Association's Bylaws, which petition must be presented to the Board within ten (10) days of delivery of the notice of assessments.

Section 12. Failure to Adopt Budget or Impose Assessments. In the event the Board 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 then current year. In the event the Board fails to determine a new Base Assessment or to deliver or mail each Owner an assessment notice, such failure shall not be deemed a waiver, modification or a release of any Owner from the obligation to pay Base Assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as for the last fiscal for which a Base Assessment was made until a new Base Assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

Section 13. Acceleration and Remedies. If payment of all assessments, or of any installment thereof, is not made on or before the date of default, the entire balance of assessments due on the account for the Lot for the remainder of the fiscal year may be accelerated and in such event shall be due in full. In the event of a default in payment of any assessments, the Association shall be entitled to exercise all remedies available at law or in equity, including enforcement of the lien securing payment of the assessments, all of which shall be cumulative. All costs and reasonable attorneys' fees actually incurred by the Association in connection with efforts to collect unpaid assessments, regardless of whether litigation has been initiated to enforce payment of the delinquent assessments, shall be due and payable by the Owner as part of the assessments.

Section 14. Exempt Property. Notwithstanding anything to the contrary herein, no assessments shall be imposed with respect to the Common Area or any land which is excluded from the Properties as a result of the dedication to any governmental authority or public utility, including without limitation, public schools, public streets or roads, and public parks.

## ARTICLE XI ARCHITECTURAL STANDARDS

Section 1. General. No Structure shall be placed, erected or installed upon any portion of the Properties; no staking, clearing, excavation, grading or other site work shall be performed on any portion of the Properties; no alteration or modification of the exterior of any Structure previously approved shall be made; and no planting or removal of plants, trees, shrubs or other landscaping materials shall take place until the approvals required by this Declaration have been obtained in strict compliance with this Article.

Section 2. Architectural Review Board. Subject to the right of appeal provided in this Article, the Architectural Review Board shall have exclusive jurisdiction and authority regarding the review and approval of plans and specifications for all construction and site activities described in Section 1 of this Article. The Architectural Review Board shall consist of at least three (3) but not more than five (5) individuals and may include architects, engineers and others who are not Members of the Association. Until dwellings have been constructed on all Lots created within the Properties, the Declarant shall have the right to appoint all members of the Architectural Review Board, who shall serve at the discretion of the Declarant. At such time as dwellings have been completed on all Lots created within the Properties and certificates of completion have been issued by the Architectural Review Board, all rights of the Declarant regarding the appointment and removal of members of the Architectural Review Board shall automatically be transferred to the Board. In the discretion of the Declarant or the Board, as applicable, separate committees may be designated within the Architectural Review Board for the approval of new plans and specifications and modifications to previously approved plans and specifications and enforcement of rules and guidelines.

Section 3. Guidelines. The Architectural Review Board shall prepare and recommend Guidelines for approval by the Board to govern the review and approval of plans and specifications for all development, construction, landscaping and signage within the Properties and to regulate and control the exterior appearance of any portion of the Lot. The Guidelines shall include detailed standards applicable to all development, construction, landscaping and signage within the Properties including additions, alterations, modifications or changes to Lots or Structures previously approved by the Architectural Review Board. The Guidelines shall establish procedures for the submittal, review and approval of plans and specifications for such development, construction, landscaping and signage pursuant to this Declaration. The Architectural Review Board shall also review the Guidelines from time to time and prepare and recommend amendments to previously adopted Guidelines as the Architectural Review Board determines is necessary or as requested by the Board.

Section 4. Time for Approval or Denial of Approval of Plans. The procedures to be established by the Architectural Review Board shall be subject to the condition that if approval of

plans and specifications submitted to the Architectural Review Board in accordance with the requirements of the Guidelines and this Declaration is neither granted nor denied by the Architectural Review Board within forty-five (45) days following receipt by the Architectural Review Board of an application conforming to the requirements of the Guidelines, the party making the submission for approval may deliver written notice to the Architectural Review Board of its failure to act, and, if approval is not granted or denied within fifteen (15) days after delivery of such notice to the Architectural Review Board, the applicable plans and specifications shall be deemed to have been approved.

Section 5. No Approval for Certain Alterations. Nothing contained in this Declaration shall be construed to require approval for the remodeling of the interior of any approved Structure or for the color of paints on the interior of any approved Structure which are not visible from streets, other Lots, Common Areas or adjacent properties. Notwithstanding the foregoing, any modifications or alterations to the interior of screened porches, patios, and similar portions of a Structure visible from streets, other Lots, Common Areas or adjacent properties shall be subject to approval.

Section 6. No Waiver of Future Approvals. The approval of the Architectural Review Board of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Architectural Review Board shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent by any Owner.

Section 7. Variance. The Architectural Review Board may authorize a variance from compliance with the Guidelines where there are unique circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations which the Architectural Review Board determines justifies a variance. No variance shall (a) be effective unless approved in writing by the Architectural Review Board, (b) conflict with the restrictions set forth in the body of this Declaration, or (c) estop the Architectural Review Board from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 8. Compliance With Guidelines; Time for Completion. All Owners shall comply with the Guidelines and any failure to comply with the Guidelines shall constitute a violation of this Declaration. All Structures to be constructed or erected on a Lot must be completed within the period established by the Architectural Review Board pursuant to the Guidelines in connection with the review and approval of plans and no Structure may be occupied until the exterior thereof has been completed. All Owners shall require any contractor, subcontractor, agent or employee of an Owner performing work on a Lot to comply with the Guidelines and any contractor, subcontractor, agent or employee who fails to comply with the Guidelines may be excluded from the Properties by the Board or the Architectural Review Board without liability to any Person. If any work is performed on a Lot in violation of the Guidelines and the approved plans or an Owner fails to diligently pursue completion of any work or to complete any work within the time established by the Architectural Review Board, the Association may provide the Owner with a notice of violation and of the Association's intent to take action to correct any non-compliance and, if efforts satisfactory to

the Architectural Review Board are not commenced within ten (10) days after receipt of such notice and thereafter diligently pursued to completion, the Association may, at the Owner's expense, correct any deficiency and complete the work in accordance with the approved plans. The Owner shall be responsible for payment of all costs incurred by the Association in connection with the correction of any violation or completion of any work, together with an administrative fee equal to fifteen percent (15%) of the amount of any contract entered into by the Association for such work and interest at the rate provided for delinquent assessments from the date of payment until paid. All amounts due from an Owner pursuant to this Section shall constitute a Special Assessment against the Owner and the Owner's Lot secured by a lien against the Lot as provided in this Declaration.

Section 9. Completion Escrow.

(a) General Requirement. For any Structures to be constructed within the Properties other than by a contractor on the approved list maintained by the Architectural Review Board, or except as otherwise approved by the Architectural Review Board, approval of plans for any Structure shall be conditioned upon the deposit of a completion escrow with the Association to insure the prompt and proper completion of construction in accordance with the Guidelines. The amount of the escrow shall be determined by the Architectural Review Board but the presumptive minimum escrow for the initial construction of a dwelling by a contractor not on the Architectural Review Board's approved list shall be \$25,000.00. Deposit of the completion escrow shall be made by delivery of a cashier's or certified check payable to the Association or by wire transfer to the Association's account or by the delivery of a letter of credit in favor of the Association. The completion escrow must be deposited before commencement of construction or site activities on the Lot and completion escrow funds will be held by the Association in its account until the applicable construction or site activities are completed and approved by the Architectural Review Board. Interest, if any, earned on completion escrow funds shall be retained by the Association.

(b) Waiver or Reduction. No completion escrow shall be required for construction by contractors who are on the Architectural Review Board's list of approved contractors. The Architectural Review Board, in its discretion, may waive or allow a reduction of the completion escrow for other contractors based on the experience of the contractor performing the work.

(c) Use and Return of Escrow. The Association may use the completion escrow funds to (i) correct any deviation from the approved plans including the replacement of landscaping materials which are removed without approval, (ii) complete any work which is not performed within the time required by the Guidelines, (iii) pay any penalty which is assessed as a result of a violation of this Declaration, the Guidelines or the approved plans relating to the Lot for which the completion funds have been deposited and (iv) to pay any administrative fees payable to the association in connection with the work performed by the Association. Upon the completion of activities for which the completion escrow is deposited and the approval of the Architectural Review Board, the completion funds or any remainder thereof shall be returned to the Owner. Deposit of the completion escrow shall not release an Owner from the obligation to comply with all requirements of this Declaration, the Guidelines or the approved plans.

Section 10. No Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only, and the Architectural Review Board shall not bear any responsibility for ensuring the structural integrity or soundness of approval construction or modifications, nor for ensuring compliance with building codes and other ornamental requirements or any compliance with any Federal, State or local law or ordinance, including environmental laws, rules or regulations. Neither the Declarant, the Association, the Board, the Architectural Review Board or any member of any of the foregoing shall be liable for any injury, damages or loss arising out of approval of plans for construction on or modifications to any Lot.

Section 11. Application Fees. The Architectural Review Board shall have the authority to charge reasonable Application Fees to Owners participating in the architectural review, approval and appeal process established by this Declaration and the Guidelines.

Section 12. Entry No Trespass. Whenever the Association is permitted by the terms of this Declaration to correct, repair, enhance, improve, clean, preserve, clear, remove or take any action on any Lot in order to correct a violation by the Owner thereof of this Declaration, its entry onto the Lot and performance of such action shall not be deemed a trespass.

Section 13. Architectural Review Board Records. The records of the Architectural Review Board relating to approval of plans shall be maintained in individual Owner files. Any Owner may upon request inspect and copy the records of the Architectural Review Board maintained in the file for such Owner's Lot. No Owner shall have the right to inspect and copy the files applicable to any other Owner's Lot.

Section 14. Appeals. Any final decision of the Architectural Review Board denying approval of plans pursuant to this Declaration may be appealed to the Declarant or, at any time after the Declarant no longer owns any portion of the Properties, to the Board and the Declarant or the Board, as applicable, shall have the right to decide whether to hear any such appeal. If the Declarant or the Board, as applicable, elects to hear any such appeal, the Declarant or the Board, as applicable, shall have the right to override the decision of the Architectural Review Board.

## ARTICLE XII USE RESTRICTIONS – GENERAL

Section 1. General. The Properties shall be used only for (i) residential, recreational, and related purposes, (ii) business offices for the Association and any property manager retained by the Association, (iii) business or sales offices for the Declarant, (iv) maintenance facilities related to the development of the Properties by the Declarant or the maintenance of the Common Area by the Association and, with the approval of the Declarant in its sole and absolute discretion, any other use permitted in the zoning district applicable to the Properties.

Section 2. Signs. Other than (i) post mounted temporary lot identification signs as approved by the Architectural Review Board pursuant to the Guidelines, (ii) a security sign as approved by the Architectural Review Board pursuant to the Guidelines or (iii) such other signs as

may be approved in the discretion of the Declarant or the Architectural Review Board, no signs shall be permitted on the Properties.

Section 3. Parking and Storage; Prohibited Vehicles.

(a) Parking and Storage. Vehicles owned, leased or operated by an Owner or an Owner's family member, tenant, guest, or other invitee shall be parked only in an enclosed garage, in the driveway located on the Owner's Lot or in other areas located on the Owner's Lot which have been designated for parking by the Architectural Review Board and which have been paved in accordance with plans approved by the Architectural Review Board. Except as provided in this Declaration or as may be authorized by Rules and Regulations adopted by the Board, no vehicles designed or used for commercial purposes, including passenger vehicles with commercial writing on the exterior, vehicles which are not operable or which are covered by a tarpaulin or similar cover, vehicles which do not have current registrations and inspections, tractors, mobile homes, recreational vehicles, golf carts, go-karts, all-terrain vehicles, mini-bikes, motorized dirt bikes, campers, boats and other watercraft or trailers of any kind may be parked or stored on a Lot other than within an enclosed garage and, unless parked or stored within an enclosed garage shall not be permitted within the Properties.

(b) Temporary Parking Exceptions. Notwithstanding the provisions of Section 1(a) of this Article, (i) an Owner may park a recreational vehicle, trailer, boat or other watercraft in a driveway or designated parking area on a Lot for no more than twenty four (24) hours in any thirty (30) day period, (ii) an Owner shall have up to seventy-two (72) hours to remove any vehicles that become inoperable while on the Properties and (iii) service and delivery vehicles may be parked in a driveway or designated parking area during daylight hours for such period as is reasonably necessary to provide service or to deliver goods to an Owner.

(c) Prohibited Vehicles. Go-karts, all-terrain vehicles, mini-bikes, motorized dirt bikes or similar recreational vehicles may not be operated within the Properties. This restriction shall not be interpreted to prohibit the operation of licensed motorcycles on streets within the Properties.

Section 4. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Properties, except that an Owner may have dogs, cats, or other usual and common household pets, not to exceed a total of three (3) pets, on such Owner's Lot so long as the Owner is in compliance with all applicable legal requirements and any applicable Rules and Regulations and such pets (i) are controlled as required by this Declaration, (ii) are not the source of loud or repetitive noises, (iii) are not otherwise a nuisance to other Owners within the Properties or other owners of property adjacent to any portion of the Properties. No pets shall be kept, bred or maintained for any commercial purpose. All pets must be secured by a leash or lead and must be under the control of a responsible individual at all times when outside of an Owner's Lot and shall not be permitted, at any time, on the Golf Club, in the Lake, except as provided in the Lake Covenants, or on another Owner's Lot without the permission of the owner of such property. Except when secured by a leash or lead and under the control of a responsible individual, no pet shall be allowed to remain on a Lot outside of a dwelling unless such pet is restricted to the rear yard of the Lot by means of a functioning underground electric fence sufficient to restrain the pet to such

rear yard. Each Owner shall be responsible for any and all damage to person or property caused by any pet allowed or kept within the Properties by such Owner or by any of such Owner's family member, tenant, guest or other invitee, including damage or mess caused by the excretory functions of such pet. The Board may require the removal of any pet which is in violation of the requirements of this Section.

Section 5. Quiet Enjoyment. No noxious, illegal, or offensive activity shall be carried on upon any portion of the Properties, no portion of the Properties shall be used, in whole or in part, for the use or storage of any property or thing that will result in an unclean or untidy condition that will be obnoxious to the eye, no substance, thing, or material that will emit foul or obnoxious odors or no activity that will cause noise or other condition that might reasonably be expected to disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property shall be kept or allowed upon any portion of the Properties. No outside burning of wood, leaves, trash, garage or household waste shall be permitted within the Properties. No horn, whistle, bell or similar noisemaking devices, except alarm devices used exclusively for security purposes and which are properly maintained and operated, shall be installed or operated on any Lot. The use and discharge of firecrackers and other fireworks is prohibited within the Properties.

Section 6. Unightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent any unclean, unhealthy, unsightly, or unkempt condition of the Owner's Lot. Any activities which might tend to cause any such conditions, including, by way of example, the assembly and disassembly of motor vehicles and other mechanical devices, shall not be permitted on any part of the Properties. Notwithstanding the above, routine repair of an Owner's personal motor vehicles shall be permitted provided such activities are either conducted entirely within an enclosed garage or screened area not visible from adjacent properties, or if conducted outside are not conducted on a regular or frequent basis and are begun and completed within a period of twelve (12) consecutive hours.

Section 7. Antennas. Subject to the provisions of any applicable law which restricts the prohibition of communication devices, including the Federal Telecommunications Act of 1996 and the rules promulgated by the Federal Communications Commission pursuant thereto, no satellite dishes or antennas shall be allowed on any Lot. Any satellite dish or antenna which by law cannot be prohibited shall, to the extent possible without material, adverse impact on signal quality, be located on the rear of a dwelling or in the rear portion of a Lot and out of view of the Golf Club and the Lake. If such preferred locations preclude reasonable signal reception, the Architectural Review Board may require the Owner to install the equipment in the most innocuous location where reasonable signal reception can be achieved, to screen such equipment from view from any other Lot, any Common Area, the Lake, the Golf Club and any other property adjoining any the Properties and to paint such equipment to blend into the background against which they are mounted, subject to any limitations contained in applicable laws or regulations.

Section 8. Driveways. All driveways constructed within the Properties shall be paved in accordance with the Guidelines.

Section 9. Clotheslines, Insect Control Devices, Tanks, Etc. No clotheslines shall be erected or installed on any Lot, and no outdoor airing or drying of clothing, linens or other material shall be permitted on any Lot. No noise emitting insect control devices shall be permitted on any Lot and any

other insect control device shall be installed in an area screened from view from other Lots, any Common Area, the Lake, the Golf Club and any other property adjoining any the Properties. All garbage cans, mechanical equipment, woodpiles, yard equipment and other similar items on Lots shall be located adjacent to the dwelling located on the Lot and shall be screened in compliance with the Guidelines. No above-ground storage tanks shall be permitted. All rubbish, trash, garbage and waste shall be stored in appropriate covered containers approved by the Architectural Review Board which containers shall be serviced regularly to avoid accumulation of rubbish, trash, garbage or waste.

Section 10. Subdivision; Time Sharing. Except for any subdivision, resubdivision or boundary line adjustment of any portion of the Properties owned by the Declarant, no portion of the Properties shall be subdivided or resubdivided and no boundary lines of any portion of the Properties shall be adjusted except with the prior written approval of the Declarant or, after the Declarant no longer owns any portion of the Properties, the Board. Any approved subdivision, resubdivision or boundary line adjustment shall comply with all applicable subdivision and zoning regulations. No portion of the Properties may be made subject to any type of timesharing, fractional ownership or similar arrangement.

Section 11. Firearms and Other Weapons. The discharge of firearms, including but not limited to “BB” guns and pellet guns, bows and arrows and other weapons within the Properties is prohibited unless approved by the Board in connection with efforts to control wildlife population.

Section 12. Pools. No above ground pool may be erected, constructed or installed on any portion of the Properties. In ground pools, jacuzzis, whirlpools, hot tubs or spas may be installed subject to the prior written approval of the Architectural Review Board. Any approval of the Architectural Review Board shall be conditioned on the pool, jacuzzi, whirlpool, hot tub or spa being screened from view from other Lots, any Common Area, the Lake, the Golf Club and any other property adjoining any the Properties.

Section 13. Tennis Courts. Tennis courts and paddle tennis courts may be constructed or installed within the Properties subject to the prior written approval of the Architectural Review Board and compliance with any applicable Guidelines.

Section 14. Wells; Irrigation. No wells may be dug or drilled within the Properties and no sprinkler or irrigation system or other equipment of any type which draws upon water from wells, the Lake or from any other ground or surface waters within the Properties shall be installed, constructed or operated within the Properties except for any well or system which may be installed by the Declarant or the Association.

Section 15. Tents, Mobile Homes and Temporary Structures or Facilities. Except as may be permitted by the Declarant or the Architectural Review Board in connection with construction activities within the Properties, no shack, mobile home, or other improvement of a temporary nature shall be placed upon any portion of the Properties. This restriction shall not prohibit the construction or installation of a permanent utility or similar outbuilding to be permanently located on a Lot as may be approved by the Architectural Review Committee. Tents or other temporary facilities may be erected in connection with social events or back yard camping so long as they are located in the rear yard of a Lot and are removed promptly following conclusion of the event. Any other tents or

temporary facilities shall be permitted only in compliance with any applicable Rules and Regulations or with the approval of the Board.

Section 16. Drainage and Septic Systems. Unless approved by the Declarant or the Architectural Review Board, no storm drain, storm sewer, drainage basin, drainage swale or other drainage facility shall be used, altered or redirected in any manner which affects the flow of water in or out of such facilities or otherwise affects the proper functioning of such facilities. No grass clippings, leaves or other debris, petroleum products, fertilizers or other potentially hazardous or toxic substances shall be deposited in or allowed to flow into in any drainage facility within the Properties including the Lake. Unless maintenance is to be performed by the Association, all drainage facilities located on a Lot shall be maintained by the Owner of such Lot in good condition, free of obstruction. Unless approved by the Declarant or the Architectural Review Board, no septic tanks or drain fields shall be constructed or installed within the Properties.

Section 17. Tree Removal and Replacement. Except for dead trees which have fallen, no trees may be removed from any Lot without the prior written approval of the Architectural Review Board. Approval for the removal of any trees may be conditioned upon the installation of additional landscaping as may be necessary to provide screening in accordance with this Declaration or the Guidelines. If any trees are removed from a Lot without the approval of the Architectural Review Board, the Architectural Review Board may require the Owner of such Lot to replace all removed trees with trees of such size and in such locations as the Architectural Review Board may determine necessary, in its sole discretion, to mitigate the damage and the Owner may be required to pay a fee to the Association of up to One Thousand Dollars (\$1,000.00) for each tree removed, as determined by the Board. Any fee imposed by the Board pursuant to this Section shall constitute a Special Assessment against the Owner and the Owner's Lot secured by a lien against the Lot as provided in this Declaration.

Section 18. Sight Distance; Entrance Features. No fence, wall, trees, shrubs or other plants or materials shall be placed or permitted to remain in any location which would result in insufficient sight distance at any intersection or driveway within the Properties as determined by the Architectural Review Board. No columns, walls, gates or similar entrance features shall be permitted at any driveway or other entrances to a Lot.

Section 19. Lighting. Except for traditional holiday decorative lights which are tastefully displayed for reasonable periods of time, no exterior lights shall be permitted within the Properties except with the approval of the Architectural Review Board. The Association may, by the adoption of Rules and Regulations, impose restrictions on the time, place and manner of display of holiday lighting.

Section 20. Exterior Displays and Decorations. Except for traditional holiday decorations which are tastefully displayed for reasonable periods of time, and traditional wreaths and similar decorations, no exterior displays, sculptures, decorations, and similar items shall be permitted within the Properties except with the approval of the Architectural Review Board for permanent displays and the Board for temporary displays. The Association may, by the adoption of Rules and Regulations, impose restrictions on the time, place and manner of display of holiday decorations.

Section 21. Flags, Flagpoles and Supporting Structures. No free-standing pole or other device for the display of flags may be installed within the Properties and no other pole or device for the display of flags may be installed within the Properties except in accordance with the Guidelines or as otherwise approved by the Architectural Review Board. Flags of the United States, the Commonwealth of Virginia, any active branch of the armed forces of the United States or any military valor or service award of the United States and other flags which comply with all applicable Rules and Regulations may be displayed from any non free-standing pole or device which have been approved by the Architectural Review Board.

Section 22. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot unless it is an integral and harmonious part of the architectural design of a Structure, as determined and approved in the sole discretion of the Architectural Review Board. No windmills, wind generators or other apparatus of generating power from the wind shall be erected or installed on any Lot.

Section 23. Playground and Recreational Equipment. Playground, sports and other recreational equipment may be erected or installed on the Properties only in accordance with the Guidelines or as otherwise approved by the Architectural Review Board.

Section 24. Garage Sales; Business Use. No garage sale, moving sale, rummage sale or similar activity may be conducted within the Properties unless authorized by the Board. No business or commercial activities may be conducted on any Lot, except that an Owner may maintain a home office so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve regular visits by clients, customers, suppliers or other business invitees or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, all as determined and approved in the sole discretion of the Board.

Section 25. Fuel Storage. No storage of fuels, including gasoline, kerosene or oil shall be permitted within the Properties except that each Owner may store up to five (5) gallons of fuel, or such other volume as may be approved by the Board, for emergency purposes and for operation of lawn mowers, tools and other equipment, and the Association and the Lake Association shall be permitted to store reasonable quantities of fuel for operation of maintenance vehicles, generators and similar equipment. Propane tanks may be allowed, if approved by the Architectural Review Board in accordance with the Guidelines.

Section 26. Leasing. Except for temporary leases in connection with the temporary business relocation of an Owner subject to the conditions set forth in this Section, or as may be approved by the Board, no Owner may lease a Lot or any Structure. For purposes of this Declaration, "lease" shall mean authorizing occupancy of a Lot or a Structure by any Person other than the Owner or relatives of the Owner for which the Owner receives any payment or valuable consideration. Lots may be rented only in their entirety. All leases shall be in writing and shall be

for an initial term of not less than six (6) months, except with the prior written consent of the Board. All leases shall also be subject to any Rules and Regulations which may be adopted by the Board. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Owner within ten (10) days of execution of the lease. The Owner shall provide the tenant with copies of this Declaration, the Bylaws and all Rules and Regulations, the tenant shall be subject to all provisions thereof and the Owner shall be jointly and severally responsible with the tenant for any violations thereof by the tenant.

Section 27. Laws and Ordinances. All Owners and their family members, tenants, guests, or other invitees, shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments applicable to the Properties and any violation thereof may be considered a violation of this Declaration; provided, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.

Section 28. Single Family Occupancy. No Lot shall be occupied by more than one family. For purposes of this restriction, a “family” shall be defined as one or more persons related by blood, adoption (including foster children) or marriage, any household employees and not more than one (1) additional person who is not so related, living together as a single household unit.

Section 29. Doors and Windows. No “burglar bars,” steel or wrought iron bars, or similar fixtures, whether designed for decorative, security or other purposes, shall be installed on the exterior of any windows or doors of any dwelling. No signs, numerals or other writing shall be written on or placed on the doors or windows of any dwelling, either temporary or permanently. All windows of a dwelling on a Lot which are visible from streets, other Lots, Common Areas or adjacent properties which have draperies, curtains, blinds or other interior window treatments, shall have a white or off-white background unless otherwise approved in writing by the Board. Sheets or similar temporary window treatments may be used for a short time after taking occupancy of a dwelling, provided they are removed and replaced with permanent window treatments within a reasonable time after taking occupancy of the dwelling, as determined in the sole discretion of the Board.

Section 30. Utility Lines. All utility lines and facilities constructed or installed within the Properties must be located underground, unless express written permission is granted by the Declarant or the Board.

Section 31. No Water Withdrawal From Lake. No Owner may withdraw any water from the Lake for any purpose without the express written consent of the Declarant.

Section 32. Waste Pickup Services. Pickup services for trash, garbage and other waste shall be obtained only by service providers approved by the Declarant or the Board. If the Association elects to provide pick up services, all Owners whose Base Assessment includes pickup services must use the approved Association vendor and shall comply with any requirements established by the Board.

Section 33. Rules and Regulations. The Properties shall be subject to additional requirements as set forth in Rules and Regulations adopted by the Board from time to time.

ARTICLE XIII  
EASEMENTS - GENERAL

Section 1. Easements for Utilities. Declarant hereby establishes and reserves for the benefit of the Declarant, the Association and the successors and assigns of each (which may include, without limitation, any governmental entity and any public or private utility company), perpetual, non-exclusive, easements for the installation, operation, maintenance, repair and replacement of utility lines, facilities and systems including, but not limited to, water, sewer, surface and underground storm drainage, water quality, electricity, natural gas, telephone and cable television in the following locations: (i) fifteen (15) feet along the front yard of every Lot and (ii) at such other locations as may be specified on a subdivision plat for any portion of the Properties, together with the right of ingress and egress over other portions of the Properties required for the reasonable access to such easements. The party performing work within any such easement shall be responsible for the restoration of any areas disturbed in connection with such work to substantially the same condition existing prior to such maintenance subject to any modifications necessary for the safe and proper operation of the applicable lines, facilities or systems; provided, however, neither the Declarant nor the Association shall be responsible for restoration of any damages other than those caused by the Declarant or the Association, as applicable.

Section 2. Easements for Signs and Landscaping. Declarant hereby establishes and reserves for the benefit of the Declarant, the Association and the successors and assigns of each, perpetual, non-exclusive, easements for the installation, maintenance, repair and replacement of signs, trees, plants, shrubs and landscaping features and materials upon (i) all portions of the Common Area, (ii) upon the portion of the Properties which are located within twenty five (25) feet of the Golf Property and (iii) at such other locations as may be specified on a subdivision plat for any portion of the Properties, together with the right of ingress and egress over other portions of the Properties required for the reasonable access to such easements. Declarant shall have the right to transfer and assign the landscaping easement located within twenty five (25) feet of the Golf Property to the owner of the Golf Club for the benefit of the Golf Property; provided, however, no such assignment shall affect the provisions of this Agreement regarding the requirement for approval of the Architectural Review Board.

Section 3. Easements for Maintenance of Common Area. Declarant hereby establishes and reserves for the benefit of the Declarant and the Association, perpetual, non-exclusive easements to enter upon any portion of the Properties in connection with the improvement, operation or maintenance of the Common Area.

Section 4. Easements for Maintenance of the Lake and Other Bodies of Water. Declarant hereby establishes and reserves for the benefit of the Declarant, the Association, Kinloch Lake, the Lake Association and the successors and assigns of each, perpetual, non-exclusive easements (i) to enter upon any portion of the Properties in connection with the improvement, operation or maintenance of the Lake and any streams, drainage areas or other bodies of water within the Properties, including the staging and operation of equipment; provided, however, other than ingress and egress, such activities, wherever reasonably practicable, shall be limited to the area located within twenty five (25) feet of the Lake, stream, drainage area or other body of water, (ii) to

landscape and maintain the slopes and banks of the Lake and any streams, drainage areas or other bodies of water within the Properties and (iii) to temporarily flood all areas located within fifty (50) feet of the Lake and any streams, drainage areas or other body of water within the Properties not occupied by a Structure which has been approved by the Architectural Review Board. The party performing work within any such easement shall be responsible for the restoration of any areas disturbed in connection with such work to substantially the same condition existing prior to such maintenance subject to any modifications necessary for the safe and proper operation of the Lake; provided, however, neither the Declarant nor the Association shall be responsible for restoration of any damages other than those caused by the Declarant or the Association, as applicable.

Section 5. Easements for Exercise or Performance of Declarant or Association Rights and Responsibilities. Declarant hereby establishes and reserves for the benefit of the Declarant, the Association and the successors and assigns of each, blanket, perpetual easements over the Properties as necessary to enable the Declarant and the Association to exercise all rights and perform all responsibilities each may have under this Declaration. Such easements shall not extend to a right of entry into any Structure located on an Owner's Lot other than in connection with the completion of construction of any such Structure as provided in this Declaration.

Section 6. Easements to Serve Additional Property. Declarant hereby establishes and reserves for the benefit of the Declarant and its successors and assigns the right to use any of the utility easements established pursuant to this Declaration for the purpose of providing utility services to any such property.

#### ARTICLE XIV GOLF CLUB RESTRICTIONS AND EASEMENT

Section 1. Restrictions for Benefit of Golf Property. The areas located adjacent to the Golf Property which are a part of both the Properties and the Neighboring Property shall be subject to the following restrictions for the benefit of the Golf Property, as a third party beneficiary of this Declaration, subject, however, to the conditions and limitations set forth in this Article:

(a) Impact of Golf Club. By acceptance of a deed to any portion of the Neighboring Property, each owner of the Neighboring Property acknowledges that owning and occupying property adjacent to the Golf Property has positive benefits as well as potential negative consequences including (i) the risk of damage to property or injury to persons or animals from errant golf balls, (ii) overspray in connection with the watering of the roughs, fairways and greens on the Golf Property; (iii) noise from maintenance activities and equipment used in connection with such maintenance, including without limitation, compressors, fans, blowers, mulchers, tractors, utility vehicles and pumps, all of which may be operated during both day time and night time hours and some of which may be operated continuously; (iv) odors arising from irrigation and fertilization of grass and plants on the Golf Property; (v) the existence of water hazards on the Golf Property and (vi) adverse impacts associated with the use of pesticides, herbicides, fertilizers and chemicals which may be applied to the Golf Property or reclaimed water, treated waste water or other sources of non-potable water which may be used for irrigation of the Golf Property.

(b) Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Neighboring Property, except for dogs, cats, or other usual and common household pets, not to exceed a total of three (3) pets for any individual household. No pets shall be kept, bred or maintained for any commercial purpose on the Neighboring Property and no pets shall be allowed from the Neighboring Property onto the Golf Property at any time. Each owner of any portion of the Neighboring Property shall be responsible to control all pets, including noise generated by such owner's pets, so that no such pet interrupts or interferes with activities on the Golf Property. Except when secured by a leash or lead and under the control of a responsible individual, no pet shall be allowed to remain outside of a dwelling on the Neighboring Property unless such pet is restricted to the owner's property by means of a functioning underground electric fence sufficient to restrain the pet to such property. Each owner shall be responsible for any and all damage to person or property caused by any pet allowed or kept within the Neighboring Property by such owner or by any of such owner's family member, tenant, guest or other invitee, including damage or mess caused by the excretory functions of such pet. Kinloch Golf may require the removal of any pet whose owner is in violation of the requirements of this paragraph if such violation is not corrected after notice from Kinloch Golf.

(c) Firearms and Other Weapons. The discharge of firearms, including but not limited to "BB" guns and pellet guns, bows and arrows and other weapons, within the Neighboring Property is prohibited.

(d) Quiet Enjoyment. During such periods as golf is being played on the Golf Property, each owner of any portion of the Neighboring Property shall refrain from activities which due to noise, odor or similar negative characteristics, would reasonably be expected to interfere with the play of golf; provided, however, construction activities conducted in a responsible manner shall not be deemed to be a violation of this restriction. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted at any time and no horn, whistle, bell or other similar noisemaking devices, except alarms used exclusively for security purposes and which are properly maintained and operated, shall be installed or operated on any portion of the Neighboring Property. The use and discharge of firecrackers and other fireworks is prohibited within the Neighboring Property.

(e) Swimming Pools. No pools designed for swimming activities shall be erected, constructed or installed on any portion of the Neighboring Property. This restriction shall not prohibit the erection, construction, installation or use of jacuzzis, whirlpools, hot tubs or spas adjacent to a dwelling which are screened from view from the Golf Property or any pool designed as a visual amenity or landscaping feature.

(f) Tennis; Playground Equipment. No tennis courts or paddle tennis courts shall be erected, constructed or installed on any portion of the Neighboring Property.

Section 2. Over-Spray Easement. Kinloch Lake and the Declarant hereby establish and reserve for the benefit of the Golf Property, a perpetual, non-exclusive easement twenty-five (25) feet wide along the portions of the Lake Property and the Properties which are adjacent to the Golf Property for over-spray of water from the irrigation system serving the Golf Property.

Section 3. Landscaping Easement. As provided in Article XIII, Section 2, Declarant has established and reserved an easement for the installation, maintenance, repair and replacement of signs, trees, plants, shrubs and landscaping features and materials upon the portion of the Properties which are located within twenty five (25) feet of the Golf Property and has reserved the right to transfer and assign such easement to the owner of the Golf Property.

Section 4. Enforcement. The owner of the Golf Property shall have the right to enforce a violation of this Article XIV through proceedings at law or in equity against the person, firm or other entity violating or attempting to violate any covenant or covenants herein, either to restrain the violation thereof or to recover damages, together with reasonable attorneys' fees and court costs.

Section 5. No Other Rights. Neither the Golf Club or the owner of the Golf Property shall have any rights under this Declaration except as provided in this Article XIV.

## ARTICLE XV GENERAL PROVISIONS

Section 1. Term. The covenants and restrictions contained in this Declaration shall run with and bind the Properties and shall inure to the benefit of and shall be enforceable, subject to the provisions of Section 2 of this Article, by the Declarant, the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for an initial term of fifty (50) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated at the end of the initial or any extended term by a vote of not less than seventy five percent (75%) of all Members. Notwithstanding anything to the contrary contained in this Declaration, any easements granted or reserved hereunder are and shall be perpetual in nature and shall run with the Properties and Lots, except to the extent, if any, otherwise provided in this Declaration.

Section 2. Enforcement. Any violation of this Declaration, whether in whole or in part, is hereby declared to be a nuisance and, without limitation, any party empowered to enforce this Declaration may avail itself of all remedies available under applicable law for the abatement of a nuisance in addition to all other rights and remedies set forth hereunder or otherwise available at law. This Declaration may be enforced by the Association, Declarant, and their respective successors and assigns, by proceedings at law or in equity against the person, firm or other entity violating or attempting to violate any covenant or covenants herein, either to restrain the violation thereof or to recover damages together with reasonable attorneys' fees and court costs. Additionally, if neither the Association nor Declarant takes reasonable action to enforce a violation of the terms of this Declaration within thirty (30) days after such parties are notified in writing of the existence of the violation, the terms of this Declaration may be enforced by any Owner by proceedings at law or in equity against the person, firm or other entity violating or attempting to violate any covenant or covenants herein, either to restrain the violation thereof or to recover damages together with reasonable attorneys' fees and court costs. In addition to the remedy of enforcement as provided above, the Association shall have the right, through its agents and employees, to enter upon the relevant portion of the Properties and summarily abate, remove and extinguish any thing or condition that may exist thereon contrary to the provisions hereof, and the Association shall not thereby be

deemed to have trespassed upon such property and shall be subject to no liability to the Owner or occupant of such property for such entry, abatement or removal. The cost incurred by the Association in connection with the abatement or removal of violations authorized under this Declaration, including allowances for overhead, shall be a binding, personal obligation of the Owner of the Lot or portion of the Properties upon which such violation has occurred and all such amounts shall constitute a Special Assessment against the Owner and the Owner's Lot secured by a lien against the Lot as provided in this Declaration.

Section 3. Parties Bound. All obligations set forth in this Declaration governing the conduct of Owners shall apply to such Owner's family members, tenants, guests and invitees, every Owner shall cause all such parties to comply with all such requirements and all such parties shall be jointly and severally responsible for any violations of this Declaration or damages to the Common Areas caused by such parties. Each grantee, lessee or other person in interest or occupancy accepting a conveyance, leasehold interest or other demise of any interest in any portion of the Properties, whether or not the same incorporates or refers to this Declaration, covenants to observe and perform and be bound by this Declaration.

Section 4. Amendment. The Declarant shall have the right to amend this Declaration by Supplemental Declaration to annex additional property, to impose additional restrictions or to otherwise modify this Declaration as provided in this Declaration. Otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing sixty-six and two-thirds percent (66 2/3%) of the total Class "A" votes in the Association and, for so long as the Declarant is the owner of any portion of the Properties, the written consent of the Declarant; provided, however, if a greater percentage of votes is specified in this Declaration for an amendment of a particular clause, such greater percentage shall apply. No amendment shall be effective until it is recorded in the Clerk's Office. If an Owner consents to any amendment to this Declaration, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or any contract with such Owner will affect the validity of such amendment. No amendment may remove, revoke or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right of privilege. Any procedural challenge to any amendment to this Declaration must be filed in the Goochland County Circuit Court no later than one year from the date such amendment was recorded amongst the land records of Goochland County, Virginia.

Section 5. Assignable Rights. Except as otherwise expressly provided herein, any and all rights, powers and reservations of Declarant herein contained may be assigned to any person, corporation or association which will assume the duties of Declarant pertaining to the particular rights, powers and reservations assigned, and upon any such person, corporation or association's evidencing its consent in writing to accept such assignment and assume such duties, he or it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. The term "Declarant", as used herein, includes all relevant assignees and their heirs, successors and assigns. If at any time Declarant ceases to exist and has not made any such assignment, all rights and obligations of Declarant shall automatically pass to the Association except for Declarant's rights to approve the withdrawal of water from the Lake which shall terminate and shall not pass to the Association. Any assignment or appointment made under this Section 5 shall be in recordable form and shall be

recorded in the appropriate land record offices for the jurisdiction in which the Properties are located.

Section 6. Indemnification. The Association shall indemnify every officer, director and committee member against any and all expenses, including counsel 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 Board) 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 misconduct. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association (except through assessments to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director 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.

Section 7. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 8. Notice of Sale or Transfer of Title. In the event of the sale or transfer of title to any Lot, the Owner shall promptly notify the Board of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. Until such written notice is received by the Board, the transferor shall continue to be jointly and severally responsible for all obligations of regarding the Lot, including payment of assessments, notwithstanding the transfer of title to the Lot.

Section 9. Use of Kinloch Name. Except when used to describe the Properties or any portion thereof, no Owner shall use the words “Kinloch”, “Kinloch Property Owners Association, Inc.” or any derivative thereof in any written material without the prior written consent of the Declarant or the Board.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Declaration pursuant to due authority.

DECLARANT:

KINLOCH DEVELOPMENT CORPORATION,  
a Virginia stock corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

KINLOCH LAKE, L.C., a Virginia liability  
corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF \_\_\_\_\_, to-wit:

I, \_\_\_\_\_, a Notary Public in and for the jurisdiction aforesaid, certify that the foregoing Declaration of Covenants, Conditions and Restrictions was executed and acknowledged before me this \_\_\_\_\_ day of April, 2003, by \_\_\_\_\_ who is \_\_\_\_\_ of Kinloch Development Corporation, a Virginia corporation, on behalf of the corporation.

My Commission expires:

\_\_\_\_\_  
Notary Public

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF \_\_\_\_\_, to-wit:

I, \_\_\_\_\_, a Notary Public in and for the jurisdiction aforesaid, certify that the foregoing Declaration of Covenants, Conditions and Restrictions was executed and acknowledged before me this \_\_\_\_\_ day of April, 2003, by \_\_\_\_\_ who is \_\_\_\_\_ of Kinloch Lake, L.C., a Virginia liability company, on behalf of the company.

My Commission expires:

\_\_\_\_\_  
Notary Public

EXHIBIT A

DESCRIPTION OF THE PROPERTIES

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND, WITH IMPROVEMENTS THEREON AND APPURTENANCES THERETO BELONGING, LYING AND BEING IN DOVER DISTRICT, GOOCHLAND COUNTY, VIRGINIA, CONTAINING 54.533 ACRES, SHOWN AS "PHASE 1" ON THE PLAT MADE BY BALZER AND ASSOCIATES, INC., DATED MARCH 27, 2003, ENTITLED "PLAT SHOWING A PROPOSED 50' INGRESS AND EGRESS EASEMENT ACROSS THE LANDS OF C.B. ROBERTSON, III, DOVER DISTRICT, GOOCHLAND COUNTY, VIRGINIA," A COPY OF WHICH PLAT IS ATTACHED TO AND RECORDED WITH THE BELOW-MENTIONED DEED, AND REFERENCE TO WHICH PLAT IS HEREBY MADE FOR A MORE PARTICULAR DESCRIPTION.

BEING THE SAME REAL ESTATE CONVEYED TO KINLOCH DEVELOPMENT CORPORATION, A VIRGINIA CORPORATION, BY DEED FROM C.B. ROBERTSON, III, MARTHA L. ROBERTSON, C. BROOCKS ROBERTSON, IV, ANNE PRESTON ROBERTSON FARMER, AND MARTHA GREGORY ROBERTSON BOWDEN DATED MARCH 31, 2003, RECORDED APRIL 4, 2003, IN THE CLERK'S OFFICE, CIRCUIT COURT, COUNTY OF GOOCHLAND, VIRGINIA AS INSTRUMENT NO. 30001953.

EXHIBIT B

DESCRIPTION OF THE GOLF PROPERTY

BEGINNING AT A POINT ALONG THE WESTERN RIGHT-OF-WAY LINE OF HOCKETT ROAD (STATE ROUTE 623) APPROXIMATELY 2.6 MILES FROM THE NORTHERN RIGHT-OF-WAY LINE OF PATTERSON AVENUE; THENCE CONTINUING ALONG THE WESTERN RIGHT-OF-WAY LINE OF HOCKETT ROAD SOUTH 08°25'20" WEST A DISTANCE OF 302.23 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 2909.79 FEET, AN ARC LENGTH OF 369.04 FEET, A CHORD OF SOUTH 04°47'20" WEST A DISTANCE OF 368.79 FEET TO A POINT; THENCE SOUTH 01°09'20" WEST A DISTANCE OF 649.74 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 773.51 FEET, AN ARC LENGTH OF 979.67 FEET, A CHORD OF SOUTH 37°26'20" WEST AND A DISTANCE OF 915.49 FEET TO A POINT; THENCE SOUTH 73°43'20" WEST A DISTANCE OF 726.78 FEET TO A POINT; THENCE DEPARTING THE WESTERN RIGHT-OF-WAY LINE OF HOCKETT ROAD NORTH 43°35'20" EAST A DISTANCE OF 222.4 FEET MORE OR LESS TO THE CENTERLINE OF A CREEK; THENCE CONTINUING ALONG SAID CENTERLINE IN A NORTHWEST DIRECTION 563 FEET MORE OR LESS TO A POINT; THENCE DEPARTING SAID CENTERLINE NORTH 28°28'00" WEST A DISTANCE OF 64.7 FEET MORE OR LESS TO A POINT; THENCE SOUTH 82°52'30" WEST A DISTANCE OF 400.00 FEET TO A POINT; THENCE SOUTH 08°53'00" WEST A DISTANCE OF 86.83 FEET TO A POINT; THENCE SOUTH 33°15'00" WEST A DISTANCE OF 829.78 FEET TO A POINT; THENCE SOUTH 30°55'10" WEST A DISTANCE OF 149.50 FEET TO A POINT; THENCE SOUTH 33°26'00" WEST A DISTANCE OF 675.38 FEET TO A POINT; THENCE SOUTH 31°35'20" WEST A DISTANCE OF 200.00 FEET TO A POINT; THENCE SOUTH 34°31'40" WEST A DISTANCE OF 184.03 FEET TO A POINT; THENCE SOUTH 33°17'40" WEST A DISTANCE OF 256.95 FEET TO A POINT; THENCE SOUTH 32°21'10" WEST A DISTANCE OF 326.13 FEET TO A POINT; THENCE NORTH 63°34'50" WEST A DISTANCE OF 1050.80 FEET TO A POINT; THENCE NORTH 64°44'50" WEST A DISTANCE OF 441.12 FEET TO A POINT; THENCE NORTH 61°27'40" WEST A DISTANCE OF 434.11 FEET TO A POINT; THENCE NORTH 25°17'20" WEST A DISTANCE OF 293.88 FEET TO A POINT; THENCE NORTH 04°08'30" WEST A DISTANCE OF 1287.08 FEET TO A POINT; THENCE NORTH 03°03'57" WEST A DISTANCE OF 158.64 FEET TO A POINT; THENCE NORTH 86°56'03" EAST A DISTANCE OF 725.96 FEET TO A POINT; THENCE SOUTH 74°18'48" EAST A DISTANCE OF 572.18 FEET TO A POINT; THENCE SOUTH 50°49'12" EAST A DISTANCE OF 870 FEET MORE OR LESS TO A POINT ALONG THE

WATERS EDGE OF KINLOCH LAKE NORMAL POOL ELEVATION 185.00 FEET THENCE CONTINUING ALONG SAID WATERS EDGE A DISTANCE OF 4483 FEET MORE OR LESS TO A POINT; THENCE DEPARTING SAID WATERS EDGE SOUTH 60°29'28" EAST A DISTANCE OF 168.8 FEET MORE OR LESS TO A POINT; THENCE NORTH 29°30'32" EAST A DISTANCE OF 318.81 FEET TO A POINT; THENCE NORTH 32°19'59" EAST A DISTANCE OF 59.55 FEET TO A POINT; THENCE SOUTH 74°02'54" EAST A DISTANCE OF 58.23 FEET TO A POINT; THENCE NORTH 17°30'09" EAST A DISTANCE OF 64.45 FEET TO A POINT; THENCE NORTH 74°02'54" WEST A DISTANCE OF 85.78 FEET TO A POINT; THENCE NORTH 15°57'06" EAST A DISTANCE OF 234.32 FEET TO A POINT; THENCE NORTH 39°03'07" EAST A DISTANCE OF 228.12 FEET TO A POINT; THENCE NORTH 07°45'30" EAST A DISTANCE OF 97.82 FEET TO A POINT; THENCE NORTH 60°41'16" WEST A DISTANCE OF 194.1 FEET MORE OR LESS TO A POINT ALONG THE WATERS EDGE OF KINLOCH LAKE NORMAL POOL ELEVATION 185.00 FEET THENCE CONTINUING ALONG SAID WATERS EDGE 356 FEET MORE OR LESS TO A POINT; THENCE DEPARTING SAID WATERS EDGE NORTH 64°22'26" WEST A DISTANCE OF 142 FEET MORE OR LESS TO A POINT ALONG THE WATERS EDGE OF KINLOCH LAKE NORMAL POOL ELEVATION 185.00 FEET THENCE CONTINUING ALONG SAID WATERS EDGE 818 FEET MORE OR LESS TO A POINT; THENCE DEPARTING SAID WATERS EDGE NORTH 04°57'56" WEST A DISTANCE OF 203.3 FEET MORE OR LESS; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 975.00 FEET, AN ARC LENGTH OF 121.87 FEET, A CHORD OF NORTH 01°23'05" WEST A DISTANCE OF 121.80 FEET TO A POINT; THENCE NORTH 02°11'47" EAST A DISTANCE OF 245.04 FEET TO A POINT; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 489.48 FEET, AN ARC LENGTH OF 86.00 FEET, A CHORD OF NORTH 12°58'09" WEST A DISTANCE OF 85.89 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 324.45 FEET, AN ARC LENGTH OF 41.93 FEET, A CHORD OF NORTH 11°38'19" WEST A DISTANCE OF 41.90 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 244.13 FEET, AN ARC LENGTH OF 53.72 FEET, A CHORD OF NORTH 21°38'44" WEST A DISTANCE OF 53.62 FEET TO A POINT; THENCE NORTH 27°57'00" WEST A DISTANCE OF 11.84 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 554.22 FEET, AN ARC LENGTH OF 32.69 FEET, A CHORD OF NORTH 26°15'36" WEST A DISTANCE OF 32.69 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 113.00 FEET, AN ARC LENGTH OF 35.36 FEET, A CHORD OF NORTH 33°32'08" WEST A DISTANCE OF 35.22 FEET TO A POINT; THENCE NORTH 42°30'03" WEST A DISTANCE

OF 27.54 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 30.19 FEET, AN ARC LENGTH OF 11.22 FEET, A CHORD OF NORTH 53°08'35" WEST A DISTANCE OF 11.15 FEET TO A POINT; THENCE ALONG A NON-TANGENT CURVE CONCAVE TO THE RIGHT HAVING A RADIUS OF 70.00 FEET, AN ARC LENGTH OF 123.36 FEET, A CHORD OF NORTH 17°46'30" EAST A DISTANCE OF 108.01 FEET TO A POINT; THENCE NORTH 49°58'34" EAST A DISTANCE OF 209.30 FEET TO A POINT; THENCE NORTH 03°56'10" WEST A DISTANCE OF 443.76 FEET TO A POINT; THENCE NORTH 15°33'55" EAST A DISTANCE OF 752.62 FEET TO A POINT; THENCE NORTH 28°15'41" EAST A DISTANCE OF 142.86 FEET TO A POINT; THENCE NORTH 46°49'03" EAST A DISTANCE OF 293.18 FEET TO A POINT ALONG THE SOUTHERN RIGHT-OF-WAY LINE OF TUCKAHOE CREEK PARKWAY (PROPOSED 80.00 FOOT RIGHT-OF-WAY); THENCE CONTINUING ALONG SAID RIGHT-OF-WAY SOUTH 43°10'57" EAST A DISTANCE OF 46.92 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 631.04 FEET, AN ARC LENGTH OF 390.49 FEET, A CHORD OF SOUTH 60°54'35" EAST A DISTANCE OF 384.29 FEET TO A POINT; THENCE SOUTH 78°38'14" EAST A DISTANCE OF 53.92 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1264.74 FEET, AN ARC LENGTH OF 338.17 FEET, A CHORD OF NORTH 70°58'38" WEST A DISTANCE OF 337.17 FEET TO A POINT; THENCE SOUTH 63°19'02" EAST A DISTANCE OF 23.02 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 563.89 FEET, AN ARC LENGTH OF 340.81 FEET, A CHORD OF SOUTH 80°37'55" EAST A DISTANCE OF 335.65 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 487.80 FEET, AN ARC LENGTH OF 331.30 FEET, A CHORD OF SOUTH 78°29'23" EAST A DISTANCE OF 324.97 FEET TO A POINT; THENCE SOUTH 59°01'58" EAST A DISTANCE OF 8.97 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 745.00 FEET, AN ARC LENGTH OF 216.54 FEET, A CHORD OF SOUTH 50°42'22" EAST A DISTANCE OF 215.78 FEET TO A POINT; THENCE SOUTH 42°22'46" EAST A DISTANCE OF 215.81 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 575.02 FEET, AN ARC LENGTH OF 325.17 FEET, A CHORD OF SOUTH 26°10'45" EAST A DISTANCE OF 320.86 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 550.00 FEET, AN ARC LENGTH OF 366.76 FEET, A CHORD OF SOUTH 29°04'55" EAST A DISTANCE OF 360.00 FEET TO A POINT; THENCE SOUTH 48°11'06" EAST A DISTANCE OF 54.86 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 408.36 FEET, AN ARC LENGTH OF 163.16 FEET, A CHORD OF SOUTH 59°37'52" EAST A DISTANCE OF 162.07 FEET TO

A POINT; THENCE DEPARTING SAID RIGHT-OF-WAY LINE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET, AN ARC LENGTH OF 34.69 FEET, A CHORD OF SOUTH 31°19'39" WEST A DISTANCE OF 31.97 FEET TO THE PLACE AND POINT OF BEGINNING CONTAINING 271.52 ACRES MORE OR LESS.

BEING (I) A PORTION OF THE PROPERTY CONVEYED TO KINLOCH GOLF CLUB, L.L.C. FROM C.B. ROBERTSON, III, ET ALS. BY DEED DATED JUNE 30, 1999, RECORDED JULY 9, 1999 IN THE CLERK'S OFFICE, CIRCUIT COURT, GOOCHLAND COUNTY, VIRGINIA IN DEED BOOK 413, PAGE 728, (II) THE SAME PROPERTY CONVEYED TO KINLOCH GOLF CLUB, L.L.C. FROM C.B. ROBERTSON, III, ET ALS. BY DEED DATED MAY 11, 2001, RECORDED SEPTEMBER 26, 2001 IN THE CLERK'S OFFICE, CIRCUIT COURT, GOOCHLAND COUNTY, VIRGINIA AS INSTRUMENT NO. 100003982 AND (III) THE SAME PROPERTY CONVEYED TO KINLOCH GOLF CLUB, L.L.C. FROM C.B. ROBERTSON, III, ET ALS. BY DEED DATED OCTOBER 10, 2002, RECORDED OCTOBER 18, 2002 IN THE CLERK'S OFFICE, CIRCUIT COURT, GOOCHLAND COUNTY, VIRGINIA AS INSTRUMENT NO. 020005257.

EXHIBIT C

DESCRIPTION OF THE LAKE PROPERTY

COMMENCING AT A POINT ALONG THE EASTERN RIGHT-OF-WAY LINE OF HERMITAGE ROAD (STATE ROUTE 676) 0.85± MILE NORTH OF STATE ROUTE 621; THENCE DEPARTING THE EASTERN RIGHT-OF-WAY LINE OF HERMITAGE ROAD SOUTH 03°26'55" EAST A DISTANCE OF 1169.81 FEET TO A POINT; THENCE SOUTH 84°59'37" EAST A DISTANCE OF 838.88 FEET TO A POINT; THENCE SOUTH 03°03'57" EAST A DISTANCE OF 192.88 FEET TO A POINT; THENCE NORTH 85°56'03" EAST A DISTANCE OF 725.96 FEET TO A POINT; THENCE SOUTH 74°18'48" EAST A DISTANCE OF 572.18 FEET TO A POINT; THENCE SOUTH 50°49'12" EAST A DISTANCE OF 870± FEET TO A POINT ALONG THE WATERS EDGE OF KINLOCH LAKE BEING THE PLACE AND POINT OF BEGINNING; THENCE CONTINUING ALONG THE WATERS EDGE (NORMAL POOL ELEVATION 185.0 FEET) IN A NORTHWEST DIRECTION THROUGH THE LANDS OF C.B. ROBERTSON 13,492± FEET TO A POINT; THENCE CONTINUING ALONG SAID WATERS EDGE IN A NORTHEAST DIRECTION THROUGH THE LANDS OF KINLOCH GOLF CLUB, L.L.C., 818± FEET TO A POINT; THENCE SOUTH 64°22'26" EAST A DISTANCE OF 142± FEET TO A POINT; THENCE CONTINUING ALONG SAID WATERS EDGE IN A SOUTHERN DIRECTION 356± FEET TO A POINT; THENCE DEPARTING SAID WATERS EDGE SOUTH 60°41'16" EAST A DISTANCE OF 194.1± FEET TO A POINT; THENCE SOUTH 07°45'30" WEST A DISTANCE OF 97.82 FEET TO A POINT; THENCE SOUTH 39°03'07" WEST A DISTANCE OF 228.12 FEET TO A POINT; THENCE SOUTH 15°57'06" WEST A DISTANCE OF 234.32 FEET TO A POINT; THENCE SOUTH 74°02'54" EAST A DISTANCE OF 85.78 FEET TO A POINT; THENCE SOUTH 17°30'09" EAST A DISTANCE OF 64.45 FEET TO A POINT; THENCE NORTH 74°02'54" WEST A DISTANCE OF 58.23 FEET TO A POINT; THENCE SOUTH 32°19'59" WEST A DISTANCE OF 59.55 FEET TO A POINT; THENCE SOUTH 29°30'32" WEST A DISTANCE OF 318.81 FEET TO A POINT; THENCE NORTH 60°29'28" WEST A DISTANCE OF 168.8± FEET TO A POINT ALONG THE WATERS EDGE (NORMAL POOL ELEVATION 185.0 FEET) IN A WESTWARDLY DIRECTION ALONG THE LANDS OF KINLOCH GOLF CLUB, L.L.C., 4483± FEET TO THE PLACE AND POINT OF BEGINNING, CONTAINING 73.25± ACRES OF LAND.

BEING THE SAME REAL ESTATE CONVEYED TO KINLOCH LAKE, L.L.C., A VIRGINIA LIMITED LIABILITY COMPANY, BY DEED FROM C.B. ROBERTSON, III, MARTHA L. ROBERTSON, C.

BROOCKS ROBERTSON, IV, ANNE PRESTON ROBERTSON FARMER, AND MARTHA GREGORY ROBERTSON BOWDEN TO KINLOCH LAKE, L.L.C., DATED AUGUST 18, 1999, RECORDED SEPTEMBER 9, 1999 IN THE CLERK'S OFFICE, CIRCUIT COURT, GOOCHLAND COUNTY, VIRGINIA IN DEED BOOK 418, PAGE 19.

EXHIBIT D

DESCRIPTION OF THE NEIGHBORING PROPERTY

COMMENCING AT A POINT ALONG THE WESTERN RIGHT-OF-WAY LINE OF HOCKETT ROAD (STATE ROUTE 623) 2.6± MILES NORTH OF PATTERSON AVENUE; THENCE DEPARTING THE WESTERN RIGHT-OF-WAY LINE OF HOCKETT ROAD ALONG THE SOUTHERN RIGHT-OF-WAY OF (PROPOSED) TUCKAHOE CREEK PARKWAY ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 25.00 FEET, AN ARC LENGTH OF 34.69 FEET, A CHORD OF NORTH 31°19'39" WEST 31.97 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 408.36 FEET, AN ARC LENGTH OF 163.16 FEET, A CHORD OF NORTH 59°37'52" WEST 162.07 FEET TO A POINT; THENCE NORTH 48°11'06" WEST A DISTANCE OF 54.86 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 550.00 FEET, AN ARC LENGTH OF 366.76, A CHORD OF NORTH 29°04'55" WEST 360.00 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 575.02 FEET, AN ARC LENGTH OF 325.17 FEET, A CHORD OF NORTH 26°10'45" WEST 320.86 FEET TO A POINT; THENCE NORTH 42°22'45" WEST A DISTANCE OF 215.81 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 745.00 FEET, AN ARC LENGTH OF 216.54 FEET, A CHORD OF NORTH 50°42'22" WEST 215.78 FEET TO A POINT; THENCE NORTH 59°01'58" WEST A DISTANCE OF 8.97 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 487.80 FEET, AN ARC LENGTH OF 33130 FEET, A CHORD OF NORTH 78°29'23" WEST 324.97 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 563.89 FEET, AN ARC LENGTH OF 340.81 FEET, A CHORD OF NORTH 80°37'55" WEST 335.65 FEET TO A POINT; THENCE NORTH 63°19'02" WEST A DISTANCE OF 23.02 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1264.74 FEET, AN ARC LENGTH OF 338.17 FEET, A CHORD OF NORTH 70°58'38" WEST 337.17 FEET TO A POINT; THENCE NORTH 78°38'14" WEST A DISTANCE OF 53.92 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 631.04 FEET, AN ARC LENGTH OF 390.49 FEET, A CHORD OF NORTH 60°54'35" WEST 384.29 FEET TO A POINT; THENCE NORTH 43°10'57" WEST A DISTANCE OF 46.92 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING THE SOUTHERN RIGHT-OF-WAY LINE OF (PROPOSED) TUCKAHOE CREEK PARKWAY SOUTH 46°49'03" WEST A DISTANCE OF 293.18 FEET TO A POINT; THENCE SOUTH 28°15'41" WEST A DISTANCE OF 142.86 FEET TO

A POINT; THENCE SOUTH 15°33'55" WEST A DISTANCE OF 752.62 FEET TO A POINT; THENCE SOUTH 03°56'10" EAST A DISTANCE OF 443.76 FEET TO A POINT; THENCE SOUTH 49°58'34" WEST A DISTANCE OF 209.30 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 70.00 FEET, AN ARC LENGTH OF 45.92 FEET, A CHORD OF NORTH 51°30'12" WEST 45.10 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET, AN ARC LENGTH OF 20.69 FEET, A CHORD OF NORTH 46°35'02" WEST 20.11 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 395.00 FEET, AN ARC LENGTH OF 134.03 FEET, A CHORD OF NORTH 13°09'09" WEST 133.39 FEET TO A POINT; THENCE NORTH 03°25'53" EAST A DISTANCE OF 91.17 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 225.00 FEET, AN ARC LENGTH OF 140.62 FEET, A CHORD OF NORTH 21°20'11" WEST 138.35 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET, AN ARC LENGTH OF 34.29 FEET, A CHORD OF NORTH 00°03'01" EAST 31.66 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 225.00 FEET, AN ARC LENGTH OF 93.35 FEET, A CHORD OF NORTH 27°27'23" EAST 92.68 FEET TO A POINT; THENCE NORTH 15°34'14" EAST A DISTANCE OF 878.56 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 525.00 FEET, AN ARC LENGTH OF 286.36 FEET, A CHORD OF NORTH 31°11'48" EAST 282.83 FEET TO A POINT; THENCE NORTH 46°49'22" EAST A DISTANCE OF 209.95 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 50.00 FEET, AN ARC LENGTH OF 78.54 FEET, A CHORD OF NORTH 88°10'47" WEST 70.71 FEET TO A POINT; THENCE SOUTH 43°10'57" EAST A DISTANCE OF 151.59 FEET TO THE PLACE AND POINT OF BEGINNING, CONTAINING 8.753 ACRES OF LAND.

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