

Eagle Pointe Shores

Exhibit A

Declaration of Covenants, Conditions & Restrictions

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Exhibit A

Deed of Subdivision of Eagle Pointe Shores, Phase 1

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made a part of the Deed of Subdivision of Eagle Pointe Shores, Phase 1, and may be incorporated by reference in other deeds of subdivision for additional phases of Eagle Pointe Shores Subdivision, for the purpose of protecting the value and desirability of, and shall run with the Eagle Pointe Shores Lots, Parcels, Roads and Residue and shall be binding on all parties having any right, title or interest in the Eagle Pointe Shores Subdivision or any part thereof, their respective successors and assigns, subject to the right of the Declarant or the Association to amend this Declaration from time to time in accordance with the provisions for amendment set forth herein.

ARTICLE 1

GENERAL PROVISIONS

Section 1.1. Definitions. Terms used herein without definition shall have the meanings specified for such terms in Section 13.1-803 of the Act. Capitalized terms used herein shall have the meaning specified for such terms below or in the text of this Declaration.

(A) "Act" means the Virginia Nonstock Corporation Act, Chapter 10 of Title 13.1 of the 1950 Code of Virginia, as amended, supplemented or replaced from time to time.

(B) "Architectural Character" means the scale, style, design, material, quality of construction and material, color and/or texture of a Structure.

(C) "Architectural Review Committee" (sometimes "ARC") means the committee that may be established pursuant to Article 9 to assure that all improvements to the Lots are constructed and maintained in a manner consistent with the purposes and intents of the Declaration.

(D) "Articles of Incorporation" means the Articles of Incorporation for Eagle Pointe Shores Homeowners Association filed with the Virginia State Corporation Commission as amended from time to time.

(E) "Assessment" means the sums levied against the Lots to pay Common Expenses as provided in Article 6. Assessments include Annual Assessments, Special Assessments, Additional Assessments and Individual Assessments.

(F) "Association" means Eagle Pointe Shores Homeowners Association, a Virginia non-stock corporation formed pursuant to the Virginia Property Owners Association Act, its successors and assigns.

(G) "Association Documents" means collectively, the Articles of Incorporation, this Declaration, deeds and plats of subdivision for all Phases of Eagle Pointe Shores Subdivision, Supplementary Declarations and the Bylaws, all as amended from time to time.

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

(H) "Board of Directors" or "Board" means the executive and administrative entity established by the Article 3 of the Articles of Incorporation as the governing body of the Association.

(I) "Builder" means any Person (other than the Declarant) who acquires more than five (5) Lots for the purpose of constructing improvements for resale.

(J) "Bylaws" means the Bylaws of the Association, as amended from time to time.

(K) "Common Area" means, at any given time, all real property (including the improvements thereto or facilities located thereon) owned by the Association and available to the Association for the common use and enjoyment of the Owners, and shall include the Roads, Recreational Facilities, and any easements granted to the Association for the benefit of the Owners at large. For purposes of Upkeep and assessment of Common Expenses only, "Common Area" shall include Common Driveways.

(L) "Common Driveway" means the area within the ingress and egress easements as shown on the Plats as shared and common driveways (also known as "joint use driveways") over and across Common Driveway Lots for access of the Owners, members of such Owner's household or their tenants, guests or agents, of Common Driveway Lots from and to the Roads.

(M) "Common Driveway Lot" means any Lot that uses a Common Driveway for access to such Lot from a Road or any Lot over which any Common Driveway runs.

(N) "Common Expenses" means all expenditures incurred by or on behalf of the Association, together with all funds determined by the Board of Directors to be reasonably necessary for the creation and maintenance of reserves pursuant to the provisions of the Association Documents. Except when the context clearly requires otherwise, any reference to Common Expenses include Limited Common Expenses and expenses attributable to Common Driveways.

(O) "County" means Pittsylvania County, Virginia, and/or, the proper governmental authorities of Pittsylvania County, Virginia, as the context may require.

(P) "Declarant" means Eagle Pointe Shores, LLC, a Virginia limited liability company, and its successors or assigns (i) to which Eagle Pointe Shores, LLC assigns any or all of its rights as Declarant pursuant to this Declaration by assignment recorded in the Land Records, or (ii) who is a purchaser at foreclosure of the Eagle Pointe Shores Property or a grantee in a deed in lieu of foreclosure from the Declarant. Such an assignment shall only operate as to the land which is owned by such successor or assign. If the Declarant consists of more than one (1) person or entity, the rights and obligations of the Declarant shall be several

and shall be based upon and apportioned in accordance with the number of Lots owned by each Declarant.

(Q) "Declarant Control Period" means the period beginning upon the recordation of this Declaration among the Land Records and ending on the earliest of: (i) the seventh anniversary of the date of recordation of this Declaration; (ii) the date 90% of the Lots have been conveyed by the Declarant to Owners, other than the Declarant or Builders; (iii) the date specified by the Declarant in a written notice to the Association that the Declarant Control Period is to terminate on that date; or (iv) the end of the Development Period.

(R) "Declaration" means this Declaration of Covenants, Conditions and Restrictions made by the Declarant and recorded among the Land Records. The term Declaration shall include all amendments thereto, and, except when the context clearly requires otherwise, all Supplementary Declarations.

(S) "Deeds of Subdivision" means the deed or deeds of subdivision for any land attached to a plat and recorded among the Land Records for the purpose of creating lots, roads, and parcels and submitting the same to this Declaration. Reference to a Deed of Subdivision means that Deed of Subdivision that created the Lot, Road or Parcel for which reference is made.

(T) "Design Guidelines" means the standards contained in this Declaration, any standards developed by the Architectural Review Committee and adopted by the Board of Directors pursuant to Article 9 hereof, and any standards established by the Declarant during the Development Period.

(U) "Development Period" means the period of time that the Declarant or Builders are engaged in development or sales or activities relating thereto, anywhere on the Property and the Declarant is entitled to exercise certain special Declarant rights under the Association Documents. When all the land described in Exhibit A of the Declaration has been conveyed to Owners other than the Declarant, all the Submitted Land has been conveyed to Owner other than the Declarant or a Builder and all bonds filed by the Declarant with respect to the Property have been released, then the Development Period shall end.

(V) "Dwelling Unit" means any improvement to a Lot intended for use and occupancy as a residence.

(W) "Eagle Pointe Shores Subdivision" means Eagle Pointe Shores, Phases 1 through 3, inclusive, The Cliffs at Eagle Pointe Shores, Eagle's View and all other land submitted to this Declaration as provided herein.

(X) "Land Records" means the land records of the Clerk of the Circuit Court of Pittsylvania County, Virginia, the jurisdiction wherein the Property is located.

(Y) "Limited Common Expenses" means all expenditures, except for expenses associated with Common Driveways, incurred by or on behalf of the Association and benefiting

one or more but less than all of the Owners and assessed against the Lots owned by the Owner benefited pursuant to Subsection 6.2(A)(2).

(Z) "Lot" means any plot of land created by and shown on a lawfully recorded subdivision plat for Eagle Pointe Shores Subdivision (but not including the land designated as Parcels or Roads conveyed to the Association, and not including Residue), together with any improvements appurtenant thereto now or hereafter existing.

(AA) "Majority Vote" means a simple majority (more than fifty percent) of the votes, based on one vote for each Lot, entitled to be cast by members present in person or by proxy at a duly held meeting of the members at which a quorum is present. Any vote of a specified percentage of members means that percentage with respect to the total number of votes actually cast by members present in person or by proxy at a duly held meeting at which a quorum is present. Any vote by a specified percentage of the Board of Directors (or committee) means that percentage with respect to votes entitled to be cast at a duly held meeting of the Board (or committee) at which a quorum is present. Any vote of or approval by a specified percentage of the Mortgagees means a vote or approval by the Mortgagees of Lots calculated based on one vote for each Lot on which a Mortgage is held by a Mortgagee.

(BB) "Mortgagee" means any lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such lender, holding a first mortgage or first deed of trust ("Mortgage") encumbering a Lot which has notified the Board of Directors of its status in writing pursuant to Section 13.2 hereof and has requested all rights under the Association Documents. Only for the purpose of the notice and inspection rights in Articles 13, 14 and 15 of the Declaration, the term "Mortgagee" shall also include the Federal Housing Administration (FHA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Associations (FNMA), the Department of Veterans Affairs (VA), the Government National Mortgage Association (GNMA) and any other public or private secondary mortgage market agency participating in purchasing, guaranteeing or insuring Mortgages which has notified the Board of Directors of such participation in writing ("Secondary Mortgage Agencies").

(CC) "Officer" means any Person holding officer pursuant to Article 6 of the Bylaws.

(DD) "Owner(s)" means one or more person who is the record owner of a Lot in fee simple, but does not mean any Person having an interest in a Lot solely by virtue of a contract or as security for an obligation. If more than one Person is the record owner of a Lot, the term "Owner" as used herein shall mean and refer to such owners collectively, so that there shall be only one Owner of each Lot.

(EE) "Person" means a natural person, corporation, limited liability company, partnership, association, trust or other entity capable of holding title or any combination thereof.

(FF) "Plat" means the plat or plats attached to any Deed of Subdivision.

(GG) "Property" means, at any given time, the Submitted Land, together with all improvements and appurtenances thereto now or hereafter existing, and further described on Exhibit A which is attached hereto and incorporated herein by this reference, and such additions thereto which, from time to time, may be brought within the jurisdiction of the Association. The Property may be expanded to include all or a portion of the property described on Exhibit B.

(HH) "Recreational Facilities" means the improvements, structures and facilities constructed by the Declarant, a Builder or the Association, and owned and/or operated by the Association for the common benefit of the Owners, including without limitation, boat ramps, storm water management facilities, pavilions, boat storage lots, trails, paths, fire protection facilities, common open space, park areas, tennis courts, club house, swimming pool, recreational and meeting facilities, entrance features and signs, as well as any other facilities which the Association owns and/or operates for the benefit of the Owners at large.

(II) "Roads" means the lands dedicated to private street purposes in a Deed of Subdivision and conveyed to and owned by the Association.

(JJ) "Rules and Regulations" means the rules and regulations governing the use, occupancy, operation and physical appearance of the Property adopted from time to time by the Board of Directors.

(KK) "Submitted Land" means the land designated as such on Exhibit A hereto and all land which is from time to time submitted to the Declaration, (including Lots, Roads and Common Area).

(LL) "Structure" means, but is not limited to, any building or portion thereof, wall, deck, play equipment, greenhouse, skylight, solar panel, weathervane, fence, pool, pavement, driveway or appurtenances to any of the aforementioned.

(MM) "Supplementary Declaration" means any declaration: (i) submitting land to the terms of the Declaration and subjecting such land to the jurisdiction of the Association, whether or not such Supplementary Declaration contains additional provisions reflecting the unique characteristics of the land being submitted; or (ii) submitting a portion of the Property to such supplementary covenants in accordance with Article 4 hereof. A Supplementary Declaration may be part of a Deed of Subdivision.

(NN) "Telecommunications Provider" shall mean any person or entity engaged by or in privity of contract with Declarant or the Association to provide Telecommunication Services to the Eagle Pointe Shores Property or any portion thereof pursuant to an easement encumbering the Eagle Pointe Shores Property or any portion thereof.

(OO) "Telecommunications Charges" shall mean any fee or Assessment charged by the Association or a Telecommunications Provider and/or its designee, for providing Telecommunication Services to the Owners, pursuant to this Declaration.

(PP) "Telecommunication Services" shall mean and include, without limitation

but by way of description, telephone, cable television, electronic security services, internet access, and/or any other telecommunication or electronic data service.

(QQ) "Upkeep" shall mean care, inspection, maintenance, preventive maintenance, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction of Structures, mowing and resowing the grass and caring for, spraying, trimming, protecting, planting and replanting trees, shrubs and other landscaping on the Common Area and removing all loose material, rubbish, filth and accumulation of debris from the Common Area; and doing any other thing necessary or desirable in the judgment of the Board of Directors to keep the Common Area in neat appearance and in good order.

(RR) "Virginia Property Owners' Association Act" means the Virginia Property Owners' Association Act, Chapter 26 of Title 55 of the 1950 Code of Virginia, as amended, supplemented or replaced from time to time.

Section 1.2. Construction of Association Documents.

(A) Severability. Each provision of an Association Document is severable from every other provision, and invalidity of any one or more provisions shall not change the meaning of or otherwise affect any other provision. To the extent that any provision of the Association Documents is found to be overly broad or unenforceable and a narrower or partially enforceable construction may be given to such provision, then the narrower or partially enforceable construction shall be applied and, to the extent practicable, the provision shall be enforced.

(B) Interpretation. If there is any conflict among the Association Documents, the Declaration and thereafter the applicable Supplementary Declaration shall control, except as to matters of compliance with the Act, in which case the Articles of Incorporation shall control. Particular provisions shall control over general provisions, except that a construction consistent with the Act shall in all cases control over any construction inconsistent therewith. The provisions of the Bylaws shall control over any conflicting provision of any rule, regulation or other resolution adopted pursuant to any of the Association Documents. The Association Documents shall be construed together and shall be deemed to incorporate one another in full. Any requirement as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others.

(C) Use of Defined Terms.

(1) Defined terms may be used in the singular or the plural. When used in the singular preceded by "a", "an", or "any", such term shall be taken to indicate one or more members of the relevant class. When used in the plural, such term shall be taken to indicate all members of the relevant class.

(2) All terms in this Declaration shall have the same defined meanings when used in any other Association Documents, unless the context shall require otherwise.

(3) All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and the plural shall include the singular.

(4) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Declaration shall refer to this Declaration as a whole and not to any particular provisions of this Declaration.

(5) Titles of Articles and Sections in this Declaration are for convenience only, do not constitute part of this Declaration, and neither limit nor amplify the provisions of this Declaration, and all references in this Declaration to Articles, Sections, Subsections and paragraphs shall refer to the corresponding Article, Section, Subsection or paragraph of this Declaration, unless specific reference is made to the articles, sections or other subdivisions or divisions of, or to schedules or exhibits to, another document or instrument.

(6) Each definition of a document in this Declaration shall include such document as amended, modified, supplemented or restated from time to time in accordance with the terms of this Declaration. References to this Declaration contained in any of the foregoing documents shall be deemed to include all amendments, modifications, supplements or restatements to or of this Declaration.

(7) Unless otherwise specifically stated, whenever the consent or approval is required to be given by the Board of Directors, the Declarant and/or the Architectural Review Committee, such consent or approval shall be interpreted to mean the reasonable consent or reasonable approval by the Board of Directors, the Declarant and/or the Architectural Review Committee, as the case may be, which consent or approval shall not be unreasonably withheld, conditioned or delayed.

(8) Unless otherwise specifically stated, whenever a document or other matter to be provided to the Board of Directors, Declarant or Architectural Review Committee must be satisfactory or acceptable, such requirement shall be interpreted to mean reasonably satisfactory or reasonably acceptable to Board of Directors, Declarant or Architectural Review Committee.

(9) The word "including" does not denote exclusive, and where exclusion is intended the word "comprising" is used. The word "or" shall be construed to mean "and/or" unless such a construction is clearly inconsistent with the context.

Section 1.3. The Association.

(A) Creation. The Association is a nonstock corporation organized and existing under the laws of the Commonwealth of Virginia, charged with the duties and vested with the powers and authority prescribed by law and set forth in the Association Documents.

(B) Membership. Members of the Association shall at all times be, and be

limited to, the Declarant (during the Development Period) and Persons who constitute Owners of the Lots. Ownership of a Lot shall be the sole qualification for membership. Membership shall be appurtenant to and may not be separated from ownership of the Lot. If more than one Person owns a Lot, then all of the Persons who own such Lot shall collectively constitute one Owner and be one member of the Association with one vote for each Lot which shall be exercised as determined by the owners among themselves. In no event shall more than one vote be cast for each Lot. Each Person who is an Owner is entitled to attend all meetings of the Association. Membership in the Association is mandatory and automatic with ownership of a Lot.

(C) Classes of Members: Voting Rights. The Association shall have the classes of members with the voting rights set forth in Article 2 of the Articles of Incorporation as follows:

(1) The Class A members shall be the Owners, other than the Declarant during the Declarant Control Period. During the Declarant Control Period, a Class A member shall have one vote for each Lot owned upon the conveyance of the Lot to an Owner other than the Declarant or a Builder. After the Declarant Control Period, a Class A member shall have one vote for each Lot owned.

(2) The Class B member shall be the Declarant. During the Declarant Control Period, the Class B member shall have six votes for each Lot which it owns. If land that was not originally described in Exhibit B to the Declaration is subjected to the Declaration, then the number of votes of the Class B member described above shall be increased by three times the number of Lots located on such land if such land were fully developed under the applicable zoning and submitted to the Declaration.

(3) The Class B membership shall expire at the end of the Declarant Control Period and the Declarant shall become a Class A member, if the Declarant owns any Lots at that time.

(D) Board Authority to Act. Unless otherwise specifically provided in the Act or the Association Documents, all rights, powers, easements, obligations and duties of the Association may be performed by the Board of the Directors on behalf of the Association. Unless specifically and expressly prohibited or restricted in the Association Documents, the Association shall have power and authority to take all lawful actions, including actions:

(1) to create subsidiary corporations in accordance with Virginia law;

(2) to employ counsel and institute and prosecute such suits as the Association may deem necessary or advisable, and to defend suits brought against the Association;

(3) to retain as an independent contractor or employee a manager of the Association and such other employees or independent contractors as the Board deems necessary, and to prescribe the duties of employees and scope of services of independent contractors;

(4) to declare the office of a member of the Board of Directors vacant in

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the event such member shall be absent from three consecutive regular meetings of the Board of Directors.

ARTICLE 2

COMMON AREA

Section 2.1. Conveyance; Title. The Declarant shall convey Common Area in each subdivided section of the Property to the Association in fee simple, released from any encumbrance securing the repayment of monetary obligations incurred by the Declarant, but subject to all easements and other encumbrances then of record (including those created by this Declaration). The Common Area in each section of the Property shall be conveyed to the Association before the conveyance of any Lot in such section to an Owner other than the Declarant or a Builder. The Association shall accept title to any real estate or personal property offered to the Association by the Declarant.

Section 2.2. Boundary Adjustments. The Board of Directors has the power at any time or times, consistent with the then existing zoning or subdivision ordinances of the County, to transfer part of the Common Area to or at the direction of the Declarant, for the purpose of adjusting Lot lines, or for other purposes in connection the orderly subdivision and development of the Property; provided, however, that: (i) the appropriate governmental authorities have approved such Lot line adjustments; and (ii) the boundary line adjustment is approved by all Owners of Lots for which the boundaries are being adjusted.

Section 2.3. Regulation of Common Area. The Board of Directors shall have the right to regulate use of the Common Area. The Board of Directors may also mortgage, dedicate or convey Common Area owned in fee simple by the Association or grant easements over and through the Common Area subject to the restrictions in Section 14.4 hereof.

ARTICLE 3

EASEMENTS

Section 3.1. Utility and Development Easements.

(A) General Utility Easement. A non-exclusive blanket easement is hereby granted over and through the Property for the purpose of: (i) installing, constructing, operating, or providing Upkeep for equipment used to provide to any portion of the Property any utilities, including, without limitation, water, sewer, drainage, gas, electricity, television, cable television, telephone and all other telecommunications services, whether public or private; (ii) ingress and egress to install, construct, operate, maintain, repair and replace such equipment; and (iii) storm water management and storm water drainage. Such easement is hereby granted to such Person providing the aforesaid utilities or installing, constructing, maintaining, repairing or replacing equipment related thereto. Any pipes, conduits, lines, wires, transformers and any other apparatus necessary for the provisions of metering of any utility may be installed or relocated only where permitted by the Declarant, where contemplated on any site plan approved by the

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Declarant or where approved by resolution of the Board of Directors. Equipment used to provide or meter such utilities or services may be installed above ground during periods of construction if approved by the Declarant. The Person providing a service or installing a utility pursuant to this easement shall install, construct, maintain, repair or replace the equipment used to provide or meter the utility as promptly and expeditiously as possible, and shall restore the surface of the land and the surrounding vegetation to their original condition (to the extent practicable) as soon as possible. If the Person installing or providing a service requests a specific easement by separate recordable document then the Declarant or the Association shall have the power and authority to grant such easement pursuant to Subsection 3.1(B) below.

(B) Specific Development Easement Areas. The Declarant hereby reserves to itself and to its successors and assigns, and also grants to the Association, the right to grant and reserve easements, rights of way and licenses over and through: (i) the Common Area; and (ii) across any Lot for a period of five years after recordation of the Declaration (except that no easements may be granted which runs or will run under a dwelling except to serve such dwelling) for the purposes set forth in Subsection 3.1(A) hereof or for any other purpose necessary or desirable for the orderly development of the Property.

(C) Easements to Facilitate Development; Sales.

(1) The Declarant hereby reserves to itself and its successors and assigns and also grants to each Builder a nonexclusive blanket easement over and through the Property for all purposes reasonably related to the development and completion of improvements on the Property, including without limitation: (i) temporary slope and construction easements; (ii) easements for the temporary storage (in a sightly manner) of reasonable supplies of building materials and equipment necessary to complete improvements; and (iii) easements for the construction, installation and Upkeep of improvements (e.g., buildings, landscaping, street lights, signage, entrance gates, etc.) on the Property or reasonably necessary to serve the Property.

(2) The Declarant hereby reserves to itself, its successors and assigns and also grants to each Builder the right to: (i) use any Lots owned or leased by the Declarant or such Builder, any other Lot with written consent of the Owner thereof or any portion of the Common Area as models, management offices, sales offices, a visitor's center, construction offices, customer service offices or sales office parking areas; (ii) place and maintain in any location on the Common Area and each Lot within ten feet of any Lot boundary line abutting a Road street any directional signs, temporary promotional signs, plantings, street lights, entrance features, "theme area" signs, lighting, stone, wood or masonry walls or fences and other related signs and landscaping features or to grant easements for the maintenance of any of the foregoing; and (iii) relocate or remove all or any of the above from time to time at the Declarant's or Builder's, as appropriate, sole discretion. The Association shall have a perpetual easement for Upkeep of any permanent signage, landscaping or entrance features installed under number (ii) above.

(3) Any Builder rights hereunder are specifically limited to the portion of the Property being developed by such Builder. Such easement shall be subject to such rules as may be established by the Declarant to maintain reasonable standards of safety, cleanliness and general appearance of the Property. Each Builder shall be required, in connection with the

development of the portion of the Property which is owned by such Builder, to comply with the landscaping scheme for the Property. All landscaping, grading and improvements must be approved in advance by the Declarant.

(D) Release of Bonds. The Declarant hereby reserves to itself and its successors and assigns an easement and a right to grant and reserve easements or to vacate or terminate easements across all Lots and Common Area as may be required by any governmental agency or authority or public utility company in connection with the release of bonds.

(E) Easement to Correct Drainage. The Declarant reserves to itself and its successors and assigns, and also grants to the Association, an easement and right on, over and under the ground within each Lot and Common Area to maintain and to alter drainage of surface water in order to maintain reasonable standards of health, safety and appearance, including any necessary right of access. Such right expressly includes the right to cut any trees, bushes or shrubbery, to make any grading of the land, or to take any other similar action reasonably necessary, following which the Declarant or Association, as applicable, shall restore the affected property to its original condition as near as practicable.

(F) Dedications and Easements Required by Governmental Authority. The Declarant hereby reserves to itself and its successors and assigns, and grants to the Association, the right to make any dedications to, and to grant, vacate or terminate any easements, rights of way and licenses over and through all or any portion of the Roads and Common Area owned in fee simple by the Association, as may be required by any governmental authority.

(G) Further Assurances. Any and all conveyances made to the Association or any Owner shall be conclusively deemed to incorporate these reservations of rights and easements, whether or not set forth in such grants. Upon written request of the Declarant, the Association and each Owner shall from time to time sign, acknowledge and deliver to the Declarant such further assurances of these reservations of rights and easements as may be requested.

(H) Duration of Development Rights. The rights and easements reserved by or granted to the Declarant pursuant to this section shall continue throughout the Development Period, unless specifically stated otherwise.

Section 3.2. Association Powers and Rights. The Association is hereby also granted the rights, powers and easements reserved to the Declarant by Paragraphs 3.1(A), (B), (C)(2)(ii) and (E). These rights, powers and easements may be exercised by the Association, subject to Section 14.4; provided, however, that the limitations on duration applicable to the Declarant shall not apply to the Association. If the Declarant or any Owner requests the Association to exercise its powers under this section, the Association's cooperation shall not be unreasonably withheld, conditioned or delayed.

Section 3.3. Easement for Upkeep. The Association, the managing agent and any other Persons authorized by the Board of Directors is hereby granted the right of access over and through any portion of the Property (excluding any dwelling), in the exercise and discharge of

their respective powers and responsibilities, including without limitation to make inspections, correct any condition originating in a Lot or in the Common Area threatening another Lot or the Common Area, correct drainage, perform installations or Upkeep of utilities, landscaping or other improvements located on the Property for which the Association is responsible for Upkeep, or correct any condition which violates the Association Documents. The agents, contractors, Officers and Directors of the Association may also enter any portion of the Property (excluding any dwelling) in order to utilize or provide for the Upkeep of the areas subject to easements granted in this Article to the Association. Each Owner shall be liable to the Association for the cost of all Upkeep performed by the Association and rendered necessary by any act, neglect, carelessness or failure to comply with the Association Documents for which such Owner is responsible pursuant to Section 12.1 hereof, and the costs incurred by the Association shall be assessed against such Owner's Lot in accordance with Sections 6.2 and 12.1.

Section 3.4. Limitations on Exercise of Rights and Easements.

(A) Other Easements. These easements are subject to all other easements and encumbrances of record (including those created by this Declaration).

(B) Notice. The Declaration or the Association, as appropriate, when exercising the rights and easements granted by this Article 3, shall: (i) give reasonable prior notice to all affected Owners, unless an emergency exists which precludes such notice; (ii) minimize any economic or aesthetic injury to the affected Lots or the Common Area; and (iii) not unreasonably interfere with the affected Owner's use, enjoyment and benefit from such Owner's Lots or the Common Area.

(C) Relocation. If an easement is relocated, the cost of such relocation shall be paid by the party requesting the relocation.

(D) Damage. Any damage resulting from the exercise of the aforesaid rights and easements shall be promptly repaired and the site restored to the extent practicable by the Declarant or the Association, as appropriate, or at the option of the Declarant or the Association, the Person responsible for such damage. In either case, the cost of such repair and restoration shall be paid for by the grantee of the easement.

Section 3.5. Easement for Emergency Access. An easement is hereby granted to all police, fire, ambulance and other rescue personnel over and through all or any portion of the Property for the lawful performance of their functions.

Section 3.6. Easement for Use of Common Area.

(A) Use and Enjoyment. The Declarant, during the Development Period, and each Owner is hereby granted a nonexclusive right and easement of use and enjoyment in common with others of the Common Area. Each Owner and each Person lawfully occupying a Lot is also hereby granted a non-exclusive easement for ingress and egress over the Roads to the extent necessary to provide vehicle and pedestrian access to such Lot and/or the Common Area. The foregoing rights and easements of use and enjoyment and access, ingress and egress shall be

appurtenant to each Lot, whether or not mentioned in the deed thereto. Any purported conveyance or other transfer of such rights and easements apart from the Lot to which such rights and easements are appurtenant shall be void.

(B) Delegation. Subject to the Rules and Regulations and such other restrictions as may be adopted by the Association, any Person having the right to use and enjoy the Common Area may delegate such rights to such Person's household, tenants, guests, employees, agents and invitees and to such other Persons as may be permitted by the Association. Such Persons shall have no separate enforcement rights of easement under this Declaration and shall have no right to further delegate such rights.

(C) Limitations. The rights and easements of enjoyment created by this section shall be subject (in addition to any easements granted or reserved in this Declaration or pursuant to the other Association Documents) to all rights and powers of the Declarant and the Association when exercised in accordance with the other applicable provisions of the Association Documents, including without limitation, the Associations right (acting through its Board of Directors) to regulate the use of the Common Area and to establish reasonable charges for the use of some Recreational Facilities, such as the club house and swimming pool, to grant easements across Common Area, to dedicate portions of the Common Area owned in fee simple by the Association and to convey or mortgage all or part of the Common Area owned in fee simple by the Association subject to the requirements in Section 14.4.

Section 3.7. Land Submitted by Persons Other than the Declarant. As provided in the Deed of Subdivision of Eagle Pointe Shores, Phase 1, Robert P. Mathewson and Virginia L. Mathewson (the "Mathewsons") shall have the right to submit the Mathewson Property, including Parcel B, (as defined in the Deed of Subdivision of Eagle Pointe Shores, Phase 1) to this Declaration, pursuant to the rights granted to the Mathewsons, and subject to the restrictions, set forth in the Deed of Subdivision of Eagle Pointe Shores, Phase 1. Any Owner other than the Declarant submitting land to this Declaration hereby grants to the Declarant, the Association and to each other Owner all rights, easements and other interests with respect to such land granted or reserved in this Article and shall provide such further assurances as may be requested.

ARTICLE 4

EXPANSION OF THE PROPERTY

Section 4.1. Expansion by Declarant. The Declarant hereby reserves the unilateral right and privilege (but under no circumstances, the obligation), from time to time, during the seven (7) year period commencing with the date of recordation of this Declaration, to expand the Property from time to time by submitting all or any portion of such other Additional Property set forth in Exhibit B, attached hereto and incorporated herein by reference, to the provisions of this Declaration and the jurisdiction of the Association, whether or not such land is owned by the Declarant, without the consent of any Owner (except the owner of the Additional Property being submitted) or any Mortgagee (except the holder of a deed of trust on the Additional Property being submitted) by filing in the Land Records, a Supplementary Declaration annexing such real property; provided, however, that such Additional Property is immediately adjacent or

contiguous to the Property or across a public or private right of way from the Property. Such Supplementary Declaration shall not require the vote of Owners and shall be effective upon the filing for record of the Supplementary Declaration unless otherwise provided therein. Such Supplementary Declaration shall provide an adequate legal description of the land being submitted to the Declaration, any land being conveyed to the Association as Common Area, and any new Lots. Upon recording of the Supplementary Declaration, the provisions of the Declaration shall apply to the land thereby added as if such land were originally part of the Eagle Pointe Shores Property.

Section 4.2. Expansion by Association. With the written consent of the fee simple owner of such land (if not the Association), and upon approval from members entitled to cast sixty-seven percent of the total number of votes of each class of member and the written consent of the Declarant during the Development Period, the Association may submit any land located immediately adjacent to the Property or across a public right of way from the Property to the provisions of this Declaration and the jurisdiction of the Association, in accordance with the procedures set forth in Section 4.3 hereof.

Section 4.3. Procedure for Expansion. The Declarant or the Association, as appropriate, may, and upon the written request of the Mathewsons to submit the Mathewsons Property (including Parcel B) to the Declaration, and shall, record one or more amendments to the Declaration submitting the land described therein to the Declaration and to the jurisdiction of the Association ("Supplementary Declarations"): Each Supplementary Declaration shall include a legally sufficient description of the land added and shall designate such land with the "Phase" followed by an identifier so as to differentiate between each phase of the Eagle Pointe Shores Subdivision. Any Supplementary Declaration may contain such additions to the provisions in this Declaration as may be necessary to reflect the different character of the land described therein and as are not inconsistent with the overall scheme of this Declaration; provided, however, that such additions shall not apply to any Lot previously submitted to this Declaration without the consent of the Owner of the Lot subject to the additional provisions. Upon recording a Supplemental Declaration submitting land to the Declaration, the provisions of the Declaration shall apply to the land thereby added as if such land were originally part of the Submitted Land.

Section 4.4. Withdrawable Land. During the Development Period, the Declarant has the unilateral right without the consent of the Association, any Owner or Mortgagee, to sign and record an amendment to the Declaration withdrawing any portion of the Submitted Land, if such land is dedicated or is to be dedicated to public use. Any land dedicated for public street purposes is automatically withdrawn from the provisions of the Declaration. The Declarant may also unilaterally withdraw without the approval of the Association, any Owner or any Mortgagee, any land owned by the Declarant or a Builder.

Section 4.5. Expansion by Mathewsons. As provided in the Deed of Subdivision for Eagle Pointe Shores, Phase 1, and subject to the conditions and restrictions set forth therein, the Mathewsons shall have the right, at their sole option, to subject the Mathewson Property or any part thereof to this Declaration. Upon recordation of the appropriate Supplemental Declaration, all parcels of land included in the Mathewson Property and subjected to this Declaration on which a Dwelling Unit exists or may be permitted to be constructed shall be considered Lots,

such Lots shall be subject to Assessments on a par with all other Lots and the provisions of this Declaration shall apply to the land thereby added as if such land were originally part of the Submitted Land.

ARTICLE 5

SPECIAL DECLARANT RIGHTS; TRANSFER

Section 5.1. Special Declarant Rights. Special Declarant rights are those rights reserved for the benefit of the Declarant as provided for in the Association Documents, and shall include, without limitation, the following rights: (i) to grant, vacate, terminate or use easements over and through the Property for the purpose of making improvements within the Property as permitted in Article 3; (ii) to maintain models, management offices, construction offices, sales offices, customer service offices or offices for similar purposes and signs advertising the Property as permitted in Article 3; (iii) to exercise the rights and votes of the Class B member of the Association; (iv) to remove and replace any director elected by the Class B member; (v) to make unilateral amendments to the Association Documents as provided in Article 4 and Section 14.1; (vi) to add additional land pursuant to Section 4.1; and (vii) to withdraw Submitted Land pursuant to Section 4.3 and (viii) to exercise any other rights given to the Declarant. The Declarant may each exercise its special declarant rights unilaterally without the approval of the Association or any Owner or Mortgagee.

Section 5.2. Transfer of Special Declarant Rights. The Declarant may transfer special declarant rights created or reserved under the Association Documents to any Person acquiring Lots or Additional Land by an instrument evidencing the transfer recorded in the Land Records. The instrument is not effective unless executed by the transferor and transferee; provided, however, that a Person acquiring all the Lots owned at that time by the Declarant under a mortgage or deed of trust or by foreclosure or deed in lieu of foreclosure may unilaterally sign an instrument to acquire some or all of the special declarant rights with respect to the land acquired. A partial transfer or special declarant rights does not prevent the transferor declarant from continuing to exercise special declarant rights with respect to land retained by such declarant. The instrument providing for a partial transfer of special declarant rights shall allocate voting rights between the transferor and the transferee as such Persons shall agree among themselves. Each Person having declarant rights under the Association Documents has the right to transfer such rights unilaterally with respect to land owned by such Person. If at any time the Declarant ceases to exist and has not made an assignment of the special declarant rights, a successor may be named by an amendment to the Declaration.

ARTICLE 6

COMMON EXPENSES AND ASSESSMENTS

Section 6.1. Determination of Common Expenses and Budget.

(A) Fiscal Year. The fiscal year of the Association shall be as determined in accordance with Section 10.4 of the Bylaws.

(B) Preparation and Approval of Budget.

(1) At least thirty days before the beginning of each fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary for the ensuing fiscal year to pay the cost of management and Upkeep of the Common Area and Common Driveways, and the cost of other expenses that may be declared to be Common Expenses by the Association Documents or by a resolution of the Board of Directors, including services provided to the Owners, Lots, and Common Area.

(2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital (available cash for day-to-day expenses which is otherwise uncommitted), a general operating reserve (including an amount to cover operating losses due to insurance deductibles) and reserves for contingencies (potential costs or liabilities which have not been incurred but which should be planned for) and reserves for replacements. At least twenty-one days before the beginning of each fiscal year, the Board of Directors shall make available a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining the Assessment against each Lot.

(3) The budget shall also reflect the separate assessment of Limited Common Expenses, including certain expenses (and reserves) relating to or benefiting one or more but less than all of the Lots, whether categorized by location or type of expense. Such expenses shall be assessed only against the Lots benefited in accordance with Subsection 6.2(A)(2) and Article 16.

(C) Installment Payments and Due Dates. Any and all such Assessments and other charges (including late charges as determined by the Board of Directors) shall be a lien against each Owner's Lot as provided in Section 12.2. On or before the first day of each calendar quarter fiscal year, and the first day of each succeeding payment period in such fiscal year, each Owner shall pay to such Person at such place as the Board of Directors may direct that installment of the Annual Assessment which is due during such period. The Board of Directors shall establish one or more payment periods, due dates and late charges for each such payment in each fiscal year; provided, however, that payments shall not be due less than annually or more frequently than monthly unless specifically provided otherwise herein.

(D) Initial Assessment. The first installment of the Annual Assessment for Common Expenses shall be prorated based upon the number of days remaining after the date of conveyance in the payment period and shall be due on the date the Lot is first subject to assessment pursuant to Section 6.2 hereof. Any additional amounts due shall be divided by the number of full payment periods (if any) remaining in that fiscal year and paid in equal installments on the first day of each payment period remaining in that fiscal year. Neither Annual Assessments nor Special Assessments may be used for construction of capital improvements during the Development Period.

(E) Effect of Failure to Prepare or Adopt a Budget. For the first fiscal year of the Association following the first conveyance of any Lot to an Owner other than the Declarant

or a Builder, and for all fiscal years thereafter, the Board of Directors shall establish the Annual Assessment against each Lot or Common Expenses. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay the allocable share of the Common Expense as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Owner shall continue to pay Assessments at the rate established for the previous fiscal year until notified of the new payment which is due on the first day of the next payment period which begins more than ten days after such new annual or adjusted budget is adopted and the Owner receives such notice.

Section 6.2. Assessment.

(A) Purpose and Rate of Assessment.

(1) Subject to the provisions of paragraphs (2) and (3) of this Subsection and Section 6.3 hereof, and after determining the total amount of the estimated funds required; (i) for the management and Upkeep of the Property; (ii) for services to the Lots and Owners; (iii) to maintain adequate reserves; or (iv) to meet obligations of the Association established pursuant to this Declaration or other shared maintenance agreements, subdivision documents or easements, the Board of Directors shall establish an Annual Assessment rate for each Lot for Common Expenses, excluding Limited Common Element Expenses, against each Lot in the same amount against all Lots subject to assessment.

(2) Limited Common Expense Assessment. Limited Common Expenses shall be assessed only against the Lots benefited in proportion to their relative Common Expense liability interests or based on usage, as appropriate, but shall not include the expense attributable to Common Driveways. Limited Common Expenses shall be determined as follows:

(i) Any expenses designated in a Supplementary Declaration as Limited Common Expenses shall be paid by the Owners of the Lots subject thereto.

(ii) Any service or utilities to Lots which vary based on usage shall be assessed against the Lots served based on usage.

(iii) Any expenses proposed by the Board of Directors or a specific group of Owners as Limited Common Expenses against a specific group of Lots and agreed to by members entitled to cast a majority of the total number of votes with respect to such Lots, shall be assessed against such Lots as such Owners may agree or on the basis set forth in Subsection 6.2(A)(1) hereof.

(3) Limitation on Increases.

(i) Maximum Assessments. For the first fiscal year following recordation of this Declaration, the maximum Annual Assessment against Lots for Common Expenses, excluding Limited Common Expenses, shall be Nine Hundred Dollars (\$900.00).

(ii) Automatic Increases in Maximum Assessment.

(a) Each fiscal year thereafter, the maximum Annual Assessment set forth above or in a Supplementary Declaration shall increase the greater of:

1. ten percent; or
2. the increase in the U. S. Department of Labor Consumer Price Index – All Urban Consumers (1982-84=100) during the last twelve month period for which figures are available at the date when the Board adopts the budget; and the proportionate amount by which any real estate taxes, casualty and other insurance premiums and landfill fees or trash service fees payable by the Association have increased over amounts payable to the previous fiscal year. Wherever in the Association Documents the U. S. Department of Labor Consumer Price Index – All Urban Consumers (1982-84=100) is used, if such index ceases to incorporate a significant number of items now incorporated therein, ceases to reflect the increase in expenses of the Association, or if a substantial change is made in the method of establishing such index, then such other reliable governmental or other nonpartisan index designated by the Board of Directors shall be used.

(b) The Board of Directors may determine to set Annual Assessments at an amount less than the applicable maximum Annual Assessment for any fiscal year, if, after consideration of current expenses and future needs of the Association, it deems it advisable. The actual Assessment set by the Board of Directors shall not affect calculation of automatic increases in the maximum Annual Assessments.

(iii) Increases Approved by Member Vote. The Board of Directors may not levy an Annual Assessment or an Additional Assessment which in the aggregate will exceed the maximum Annual Assessment for such fiscal year unless an increase in the maximum Annual Assessment or the Additional Assessment is approved by either: (i) the members obligated to pay such Assessment by at least sixty-seven percent (67%) vote of each class of such members at a meeting where a sixty percent (60%) quorum is present and called for the purpose of approving such increase in the maximum Annual Assessment (if such quorum is not obtained at the meeting required by this subsection, a second meeting of the Association may be held within sixty days of the first meeting at which only a thirty percent (30%) quorum is required); or (ii) with the written approval of members entitled to cast more than sixty-seven percent (67%) of the total number of votes of each class of such members.

(B) Additional Assessment. The Board of Directors may levy Additional Assessments on the Lots subject to assessment pursuant to Subsection 6.2(A)(1) hereof; provided, however, that such Additional Assessment when added to the Annual Assessment shall not exceed the applicable maximum Annual Assessment unless approved by the members in accordance with Subsection 6.2(A)(3)(iii). The Board of Directors shall give notice of any Additional Assessment to the Owners specifying the amount and reasons therefor, and such Additional Assessment shall, unless otherwise specified in the notice, be payable in full with the next periodic installment which is due more than ten days after the date of such notice or as the Board may otherwise determine. Such Assessment shall be a lien as set forth in Section 12.2

hereof.

(C) Individual Assessments. The Board of Directors shall have the power to assess an Owner's Lot individually; (i) for the amount of any costs incurred by the Association in performing Upkeep that the Owner failed to perform as required by that section; (ii) for the amount of any charges imposed on that Owner pursuant to Subsection 12.1(H); and (iii) for any costs incurred by the Association because of any violation or negligence for which that Owner is responsible under Section 12.1. Each such Assessment shall be due ten days after notice thereof is given to the Owner unless the notice specifies a later date. Individual Assessments are not included in or subject to the applicable maximum Annual Assessment.

(D) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, contingencies and replacements. Such funds shall be a Common Expense of the Association. Reserves for items serving only certain Lots (if any) shall be accounted for and funded solely by the Owners of the Lots served (as Limited Common Expenses).

(E) Surplus and Deficit.

(1) Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board of Directors: (i) be placed in reserve accounts; (ii) be placed in a special account to be expended solely for the general welfare of the Owners; or (iii) be credited to the next periodic installment due.

(2) Unless the budgets for the next two succeeding fiscal years are adjusted to amortize the deficit during such fiscal year, any net shortage in expenses (including reserves) shall be assessed promptly against the Owners as an Additional Assessment in accordance with Section 6.2(B); provided, however, that if Lots owned by the Declarant are exempt from assessment in accordance with Section 6.3, then during the Declarant Control Period the Declarant shall make up any net shortage (expenses and reserves) in the Association's operating budgeted income over the Association's ordinary operating expenses as provided in Section 6.3, but the Declarant is not obligated to pay any expenses that the Association is unable to meet because of non-payment of any Owner's Assessment or unusual or extraordinary expenses.

(F) Lots Added During the Fiscal Year. Notwithstanding any other provisions of this Article, whenever any Lot is added, the Assessment against each Lot being added (other than Lots which are owned by the Declarant or a Builder and exempt from Assessment in accordance with Section 6.3) shall be calculated in the same manner and be due in the same number of installments as the Assessment for the remainder of the fiscal year against Lots already a part of the Property. In addition, the Owner of the Lot being added shall pay a prorated portion of any amount payable for the period between the date the Lot becomes subject to assessments and the due date of the next installment. Such prorating of the Assessment due for any Lot added shall be based upon the total Assessment due and a 365-day fiscal year. Payment of the prorated portion will be due no later than the due date of the first installment to be paid by the Owner of any Lot added.

Section 6.3. Lots Owned by Declarant and Builders: Exemptions. The Common Area and any areas dedicated to a public authority or exempt from taxation by a public authority shall be exempt from assessment and the lien created hereby. Lots owned by the Declarant or a Builder shall be exempt from assessment for Common Expenses under Section 6.1(A) for so long as the Declarant or Builder own such Lots; provided that, during the Declarant Control Period, the Declarant and any Builder must fund all operating budget deficits, including reasonable reserves as determined by the Board of Directors. The obligation of the Declarant and any Builder under this Section does not include any expenses that the Association is unable to meet because of nonpayment of any Owner's Assessment or because of unusual or extraordinary expenses. The obligations of the Declarant and Builder under this Section shall be a lien against the portion of the Property owned by the Declarant or such Builder, as appropriate. After such Lots are conveyed to an Owner other than the Declarant or a Builder, such Lots shall be assessed at the same rate for Lots not owned by the Declarant or Builder. Lots owned by the Declarant or a Builder shall become subject to assessment upon conveyance thereof to an Owner.

Section 6.4. Liability for Common Expenses.

(A) Declarant and Owner Liability. The Declarant, for each Lot owned by the Declarant, hereby covenants and agrees, and each Owner of a Lot by acceptance of a deed therefor, whether or not so expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association all Assessments and other charges assessed by the Board of Directors pursuant to the provisions of this Declaration. Each Owner shall be personally liable for all Assessments against such Owner's Lot at the time the Assessment full due. No Owner may be exempted from liability for Assessment by reason of a waiver of the use or enjoyment of any of the Common Area or by abandonment of the Lot or if the Common Area is not usable. No Owner shall be liable for the payment of any part of the Common Expense assessed against the Lot subsequent to the date of recordation of a conveyance by such Owner in fee of such Lot. Prior to or at the time of any such conveyance, all liens, unpaid charges and Assessments shall be paid in full and discharged and, unless so discharged, shall remain a charge on the land and a continuing lien against the Lot. The purchasing Owner of a Lot shall be jointly and severally liable with the selling Owner for the unpaid charges and Assessments, without prejudice to the purchasing Owner's right to recover from the selling Owner amounts paid by the purchasing Owner therefore; provided, however, that any purchasing Owner of such Lot may rely on a Statement of Common Expense obtained pursuant to Section 6.6.

(B) Mortgagee Liability. Each holder of a Mortgage who comes into possession of a Lot by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Lot free of any claims for unpaid Assessments or charges against such Lot which accrue prior to the time such comes into possession thereof, except as provided below and for claims for a *pro rata* share of such Assessments or charges resulting from a *pro rata* reallocation of such Assessments or charges to all Lots including the mortgaged Lot assessed after the holder of a Mortgage or purchaser takes title. The lien created by Section 12.2 hereof shall cease to exist with respect to Assessments and charges levied prior to the time title is transferred by foreclosure or by deed or assignment in lieu of foreclosure; provided, however, that if the proceeds of a foreclosure exceed the total amount due to the holder

of the Mortgage, the excess shall first be paid to the Association and applied to the satisfaction of the Association's lien.

Section 6.5. Collection of Annual Assessments. Any Assessment, or installment thereof, not paid within ten days after the due date shall be delinquent and may accrue a late charge in such amount as may be established from time to time by the Board of Directors. The Board of Directors, or the managing agent at the request of the Board of Directors, shall take prompt action to collect any Assessments due from any Owner which remains unpaid for more than thirty days after the due date for payment therefore.

Section 6.6. Statement for Common Expenses. The Board of Directors or managing agent shall provide any Owner, contract purchaser or Mortgagee, within fourteen days after a written request therefore, with a written statement of all unpaid Assessments due or violations with respect to a specific Lot (or a statement that the amount of unpaid Assessments is zero and there are no violations) as part of the "Association Disclosure Packet" or as a separate statement. No contract purchaser, Mortgagee or purchaser from a Mortgagee requesting such a statement shall be jointly or individually liable for, nor shall the Lot conveyed to such Person relying on such statement be subject to a lien for, any unpaid Assessments due prior to the date of such statement in excess of the amount set forth on such statement, nor shall such Person be liable for the cost of correction of any violation not noted on the statement for common expenses; provided, however, that this section shall not be interpreted to release any Person from personal liability for such Assessments levied or violations noticed while such Person owned the Lot. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation.

Section 6.7. Exceptions. As provided in the Deed of Subdivision for Eagle Pointe Shores, Phase 1, Brenda R. Witt, Owner of Lot 52, and Chester D. Witt, Owner of Lot 53, shall be exempt from the obligation to pay Assessments. This exemption shall terminate upon conveyance or change of ownership of Lot 52, by Brenda R. Witt, or of Lot 53, by Chester D. Witt, whereupon each and every subsequent Owner of Lot 52 or Lot 53 shall be required to pay Assessments and other obligations on a par with all other Owners.

ARTICLE 7

OPERATION OF THE PROPERTY

Section 7.1. Upkeep by Association.

(A) General. The Association shall be responsible for the management and Upkeep of all of the Common Area. The cost of the management and Upkeep of the Common Area shall be charged to the Owners as a Common Expense or Limited Common Expense, as appropriate. The Association shall not have any responsibility for the Upkeep of any Lot except for those responsibilities and duties specifically enumerated within the Association Documents, the subdivision documents or separate easement agreements. Notwithstanding the general provisions for maintenance of the Common Area set forth in this Section, other specific maintenance responsibilities and allocations of maintenance costs shall be determined by any

provisions therefor and indicated in a Supplementary Declaration or as part of a deed of subdivision for a portion of the Property. If the Board of Directors determines that certain Upkeep was necessitated by the negligence, misuse or misconduct of an Owner or for which an Owner is responsible, the cost of such Upkeep shall be assessed against such Owner's Lot pursuant to Subsections 6.2(C) and 12.1(H). The Board of Directors shall establish the standard for Upkeep of the Common Area in its sole discretion.

(B) Storm Water Management. The Board of Directors shall provide Upkeep of the storm management and drainage facilities as a Common Expense of the Association. The Owner of any Lot on which there is located an easement for storm water drainage or control shall be responsible for the following items of maintenance, where applicable: grass mowing with reasonable frequency and the removal of debris and other matter to the best of the Lot Owner's ability where such debris or matter has impeded or threatens to impede the free flow of storm water through drainage areas. Such Owner's responsibility shall include notification of the Association of (i) any defects in the structure or design of the drainage area; (ii) any debris or other matter which is beyond the Owner's ability to remove; and (iii) any excessive erosion within or near the area of the easement. The Declarant and the Association shall have easements to enter upon any Lot to the extent necessary for Upkeep of such facilities.

(C) Roads and Entrance Features. The Board of Directors shall also provide for Upkeep of the Roads, center islands and road frontage of all Roads, such Upkeep to include entrance features, sidewalks, paths, trails, project signage, landscaping, associated lighting systems and similar community features.

Section 7.2. Upkeep of Lots. Each Owner shall keep such Owner's Lot and all improvements located on the Lot or associated with the Lot in good order, condition and repair and in a clean and sanitary condition, including all necessary grounds maintenance. Each Owner shall keep all improvements on the Lot or associated with the Lot in compliance with all governmental regulations and the applicable Leesville Lake Shoreline Management Plan. Each Owner shall perform this responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. If any Owner shall fail to maintain such Owner's Lot and the improvement thereon and appurtenant thereto as required by this Section and consistent with the Rules and Regulation as the Board of Directors may promulgate, then the Board of Directors, or managing agent on behalf of the Board of Directors, may give notice to that Owner of the noncompliant condition, specifying generally the action to be taken to rectify that condition. If the Owner fails to take the actions specified or to otherwise rectify the condition within thirty days after the date the notice is given, or such other period as may be specified in the notice if the circumstances warrant a different period, such Owner shall have the right, pursuant to Article 3 and Subsection 12.1(F) hereof and any resolutions adopted by the Board of Directors to rectify that condition by taking such action (or by causing such action to be taken) as was specified in the notice. The costs incurred in rectifying the condition shall be assessed against such Owner's Lot in accordance with Subsection 6.2(C) and Section 12.1. The Owner shall reimburse the Association within thirty days after receipt of a statement for such expenses from the Board.

Section 7.3. Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first class quality,

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but may be made with contemporary materials. The method of approving payment voucher for all repairs and replacements made by the Association shall be determined by the Board of Directors.

Section 7.4. Additions, Alterations or Improvements by Association. Whenever in the judgment of the Board of Directors the Common Area shall require capital additions, alterations or improvements (other than for Upkeep) costing in excess of twenty percent in the aggregate of the total Annual Assessment for Common Expenses for that fiscal year during any period of twelve consecutive months, the make of such additions, alterations or improvements requires a Majority Vote of the members, and the Board of Directors shall assess all Owners for the cost thereof as a Common Expense. Any capital additions, alterations or improvements or replacements costing in the aggregate twenty percent or less of the total Annual Assessment for Common Expenses for that fiscal year during any period of twelve consecutive months may be made by the Board of Directors without approval of the members and the cost thereof shall constitute a Common Expense or a Limited Common Expense depending on the nature of the improvements. Any Assessment resulting from expenditures authorized under this Section must also comply with Subsection 6.2(A)(3) which imposes limitations on increases in Assessments above a specified maximum. If member approval is required to increase the applicable maximum Annual Assessment, such approval shall be obtained simultaneously with the vote required by this Section. All additions, alterations or improvements made pursuant to this Section shall comply with all of the applicable Design Guidelines.

Section 7.5. Additions, Alterations or Improvements by Owners.

(A) Approval.

(1) No Person shall make any improvement, addition, alteration, or change of grade in or to any portion of the Property (other than for normal Upkeep and not including areas within a building visible from the exterior only because of the transparency of glass doors, walls or windows), without the prior written consent of the Architectural Review Committee. No Person shall paint, affix a sign not permitted by the Rules and Regulations, or construct or alter the exterior of any improvement, including the doors and windows, without the prior written consent of the Architectural Review Committee. Approval by the Architectural Review Committee shall not relieve an Owner from any obligation to obtain required governmental permits. The Owner shall deliver all approvals and permits required by law to the Architectural Review Committee, if requested. If any application to any governmental authority for a permit to make any such improvement, addition or alteration to any Lot requires signature by the Association, and provided consent has been given by the Architectural Review Committee, then the application shall be signed on behalf of the Association by an Officer, without incurring any liability on the part of the Officer, Architectural Review Committee, Board of Directors, the Association or any of them to any contractor, subcontractor or materialman on account of such improvement, addition or alteration, or to any Person having a claim for personal injury or property damage arising therefrom. Any improvement, addition or alteration upon any Lot in violation of the Association Documents shall be removed or altered to conform to the Association Documents (including the Design Guidelines) within thirty days after notice of the violation.

(2) The provisions of this Section shall not apply to Lots owned by the Declarant or to improvements on any Lot if such improvements have been approved by the Declarant. The Declarant or a Builder, if approved by the Declarant, shall have the right to construct improvements or make alterations without the consent of the Architectural Review Committee and an authorized Officer shall sign any such application required.

(B) Limitations.

(1) Any Person obtaining approval of the Architectural Review Committee shall substantially complete any construction or alteration in accordance with approved plans and specifications within the time period as specified in the approval. If any such Person does not complete the work approved within the time period specified, then approval shall lapse.

(2) Any Person obtaining approval of the Architectural Review Committee shall not deviate materially from the plans and specifications approved without the prior written consent of the ARC. Approval of any particular plans and specifications or design does not waive the right of the ARC to disapprove such plans and specifications, or any elements or features thereof, if similar plans and specifications are subsequently submitted for use in any other instance by any other Person.

Section 7.6. Restriction on Further Subdivision. No Lot shall be further subdivided or separated into smaller Lots by any Owner, except with the approval of the Declarant during the Development Period or the Board of Directors, thereafter. This provision shall not require the approval of the Declarant or the Board of Directors to deeds of correction, deeds to resolve boundary line disputes or similar corrective instruments. No portion of any such Lot, nor any easement or other interest therein, except easements for utilities, storm water drainage and management, shall be conveyed or transferred by an Owner, except with the approval of the Declarant, during the Development Period.

Section 7.7. Consolidation of Lots. If a Person owns two or more adjacent Lots, then, with the consent of the Board of Director, which shall not be unreasonably withheld, conditioned or delayed, such Person may record in the Land Records a deed of consolidation or a reconfiguration plat combining and consolidation two or more adjacent Lots into one Lot. For the fiscal year in which any such consolidation is recorded in the Land Records, the Owner shall continue to pay the Assessment for each Lot consolidated. Beginning with the fiscal year following any such consolidation, the consolidated Lots shall be assessed as one Lot, and the books of the Association shall be adjusted to reflect the adjusted number of Lots.

Section 7.8. Discretionary Powers of Association Relating to the Property. The Board of Directors, on behalf of the Association, shall have all powers for the conduct of the affairs of the Association which are enabled by law and not specifically reserved to Owners or the Declarant, including but not limited to the following powers and duties, which may be exercised in its discretion:

(1) to provide such light as the Association may deem advisable on the Common Area;

(2) to build and operate additional Recreational Facilities upon the Common Area;

(3) to use the Common Area, subject to the general rules and regulations established and prescribed by the Association and subject to the establishment of charges for their use;

(4) to exercise all rights, responsibilities and control over any easements which the Association may from time to time acquire;

(5) to create, grant and convey easements and licenses upon, across, over and under all Common Area, including but not limited to easements for the installation, replacement, repair and maintenance of utility lines serving the Property;

(6) to install and maintain Telecommunications Facilities within the Common Area, and to enter into agreements with Telecommunications Provider(s) and to impose Telecommunication Charges as part of its Annual Services Assessments. If installed, the Association shall have the right, to the extent permitted by law, to require connection to such facilities by each Member, and to impose and collect assessments for such facilities.

ARTICLE 8

USE OF LOTS AND COMMON AREA: RESTRICTIONS

Section 8.1. Permitted Uses. Each Lot and the Common Area shall be used as follows:

The Lots shall be used and occupied for residential and recreational purposes. No Structure shall be erected, altered, placed or permitted to remain on any Lot other than one Dwelling Unit and appurtenant Structures, approved by the Architectural Review Committee and appropriate governmental authorities, for use solely by the occupant of the Dwelling Unit. No Lot shall be used for commercial purposes, except as otherwise provided in the Association Documents. Notwithstanding the foregoing, nothing in the Association Documents shall be construed to prohibit the Declarant or its designees from using any Lot owned by the Declarant (or any other Lot with the permission of the Owner thereof) or any portion of the Common Area for promotional, marketing, display or customer service purposes (such as a visitors' center). Further, the Declarant specifically reserves the right to operate a construction office or a rental, brokerage and management office at any time on Lots owned or leased by the Declarant (or any other Lot with the permission of the Owner thereof) and on any portion of the Common Area, to the extent permitted by law. The Declarant may assign its rights under this Subsection to or share such rights with one or more other Persons, exclusively, simultaneously or consecutively with respect to the Common Area and Lots owned or leased by the Declarant or such Persons.

Section 8.2. Restrictions on Use.

(A) Structure. No building or Structure shall be erected, altered, placed or permitted to remain on any Lot other than one dwelling unit and appurtenant structures, approved by the Architectural Review Committee and appropriate governmental authorities, for use solely by the occupant of the Dwelling Unit.

(B) No Waste. Nothing shall be done or kept on the Property which will increase the rate of insurance for the Common Area or any part thereof applicable for permitted uses without the prior written consent of the Board of Directors; including any activities which are unsafe or hazardous with respect to any person or property. No Person shall permit anything to be done or kept on the Property which will result in the cancellation of any insurance on the Common Area or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste will be committed on the Property.

(C) Compliance with Laws. No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be met and observed, by and at the sole expense of the Owner, the Declarant or the Association, whichever shall have the obligation for the Upkeep of such portion of the Property, and, if the Association, then the cost of such compliance shall be a Common Expense or Limited Common Expense, as appropriate.

(D) Harmful Discharge. There shall be no emissions of dust, sweeping, dirt, cinders, odors, gases or other substances into the atmosphere (other than normal Common Area fire pit, residential chimney or outdoor grill emissions), no production, storage or discharge of hazardous wastes on the Property or discharges of liquid, solid wastes or other harmful matter into the ground (other than properly designed, permitted, installed, operated and maintained septic systems) or any body of water, in such emission, production, storage or discharge may adversely affect the use or intended use of any portion of the Property or may adversely affect the health, safety or comfort of the occupants of the Lots.

(E) Obstructions. No Person shall obstruct any of the Common Area or otherwise impede the rightful access of any other Person on any portion of the Property upon which such Person has a right to be. No Person shall place or cause or permit anything to be placed on or in any portion of the Common Area without the approval of the Board of Directors, except that the Owners of Waterfront Lots (as defined in the Deed of Subdivision) may construct properly permitted facilities within the Waterfront Easement (as defined in the Deed of Subdivision) as permitted by the applicable Leesville Lake Shoreline Management Plan. Except for facilities constructed by Waterfront Lot Owners within the Waterfront Easement as aforesaid, nothing shall be altered or constructed in or removed from the Common Area without the prior written approval of the Board of Directors.

(F) Association Property. The Common Area shall be used only for the furnishing of the services and facilities for which the same is reasonably suited and which are

incident to the use and occupancy of the Lots. The improvements located on the Common Area shall be used only for their intended purposes. Except as otherwise expressly provided in the Association Documents, no Owner shall make any private, exclusive or proprietary use of any of the Common Area without the prior written approval of the Board of Directors, and then only in strict compliance with the terms of any such approval. No Person shall engage or direct any employee of the Association on any private business of the Owner or otherwise direct, supervise or in any manner attempt to assert control over such employee during the hours such employee is employed by the Association.

(G) Mining. No Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth except with the prior written authority of the Board of Directors.

(H) Fences. No fence or enclosure shall be erected or built on any Lot until first approved in writing by the ARC as to location, height, material, color and design. Approval is not required for the replacement of an existing fence, provided that the replacement fence is in the same color, style and location as the original fence being replaced. Fences are prohibited in front yards, and no fence shall extend beyond the front plane of any dwelling unit (not including the garage). Any fence or wall built on any Lot shall be maintained in a proper manner so as not to detract from the value and desirability of surrounding property. No chain link fence shall be permitted on the Property; provided, however, that the Declarant or its designees may erect a chain link fence for the temporary storage of building materials for the protection of building sites or storm water management ponds or for other construction or safety purposes.

(I) Signs. Except for such signs as may be posted by the Declarant or a Builder (as permitted by the Declarant) for promotional or marketing purposes or by the Association, no signs of any character shall be erected, posted or displayed in a location that is visible from the Common Area or any other Lot that does not comply with the Design Guidelines without the prior written approval of the Architectural Review Committee.

(J) Temporary Structure. No structure of a temporary character, and no trailer, mobile home, tent, shack, barn, pen, kennel, run, stable, shed or other temporary accessory building shall be erected, used or maintained on any Lot except in connection with construction activities or as approved in writing by the Board of Directors.

(K) Modification. No modification or alteration of any Lot, Structure, or any portion thereof, shall be made, installed, constructed, erected, placed, altered and/or externally improved on any Lot or Structure until an Application has been properly filed with, and approved by, the ARC, and appropriate governmental authorities, for use solely by the occupant of the Dwelling Unit.

(1) Approval of the ARC is not required for repainting or re-staining a Structure or an element of a Structure to match its original color. However, prior written approval by the ARC is required for color changes to any Structure or portion thereof. Only colors which are either the original Structure color or noted on the list of original builder-approved colors maintained by the ARC are permitted.

(2) Approval of the ARC is not required for the replacement of gutters and down spouts of a Structure, provided that the replacements are of the same Architectural Character as the original Structure element(s). Any and all alterations or changes of the Architectural Character of any such original elements require prior written approval by the ARC.

(3) Conversions of garages into dens, living rooms, guest house or anything which results in additional living space without the prior written approval of the ARC are prohibited.

(D) Utility Lines. Pavement, plantings and other landscape materials shall not be placed or permitted to remain upon any Lot: (i) if such materials may damage or interfere with any easement for the installation or maintenance of utilities; (ii) in violation of the requirements of such easements; (iii) unless in conformity with public utility standards; or (iv) if such materials may unreasonably change, obstruct or retard direction or flow of any drainage channels. Otherwise, the installation of such materials within utility easements shall be permitted. Except for hoses and the like which are reasonably necessary in connection with construction activities or normal landscape maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, television or telephone cable, electric line or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground. Utility equipment normally installed above ground may be installed above ground.

(E) Maintenance. Each Owner shall, at all times, maintain each Lot owned by such Owner and all Structures appurtenant thereto in good repair and in a state of neat appearance and in accordance with the following minimum standards:

(1) The exteriors of all Structures shall be kept in good maintenance and repair. No Structure shall be permitted to stand with its exterior in an unfinished condition for longer than six (6) months after the commencement of construction. In the event of fire, windstorm or other damage, the exterior of a Structure shall not be permitted to remain in a damaged condition for longer than three (3) months, unless expressly allowed by the Board of Directors in writing.

(2) All grassy areas of a lawn shall be kept mowed and shall not be permitted to grow beyond a reasonable height.

(3) No fence, wall, tree, hedge or shrub shall be maintained in such a manner as to obstruct sight lines for vehicular traffic or lake views from other lots.

(4) Except as required for proper sight lines, no healthy and live tree of a diameter of more than six inches (6") measured two feet (3') above ground level shall be removed without the approval of the ARC. No vegetation on slopes of greater than twenty percent (20%) gradient or "no cut" areas on approved site plans may be cut without the prior approval of the ARC unless necessary to construct improvements based on plans previously approved by the ARC. The Board of Directors shall have authority to revise and or set rules for cutting of vegetation and trees.

(5) Vegetable gardens must be located in a fully-fenced yard and located between the rear line of the Dwelling Unit and the rear property line of the Lot and shall not exceed Two Hundred Fifty (250) square feet in size.

(6) Decorative objects in excess of twelve inches (12") are prohibited from the front yard area of all Lots.

(7) Prior written approval by the ARC must be obtained prior to installation for landscaping feature that include:

(i) Any plantings intended to form a hedge or natural fence on or near a property line of a Lot and which will attain a height in excess of twenty-four inches (24");

(ii) Railroad ties, garden timbers, stone or similar structures;
and

(iii) Any improvement which is inconsistent with the existing Architectural Character of its dwelling unit or appurtenant structure, any adjacent Dwelling Units and the surrounding area, including, but not limited to, substantial or total removal and replacement of turf with another material such as mulch or gravel.

(F) Nuisance. No noxious or offensive activity shall be carried on upon the Property, nor shall anything be done or placed thereon which is or may become an annoyance or nuisance to the neighborhood. Each Lot Owner shall observe the following minimum standards:

(1) Animals. The maintenance, keeping, boarding and/or raising of animals, livestock, birds and reptiles of any kind, regardless of number, is prohibited on each Lot, on the Common Area, and within each Dwelling Unit, except that the keeping of guide animals and a reasonable number of orderly domestic pets (e.g., dogs, cats, or caged birds) is permitted, subject to any rules and regulations adopted by the Board of Directors; provided, however, that (i) such pets are not kept or maintained for commercial purposes or for breeding; (ii) such pets are registered, licensed, inoculated, confined and leashed as required by applicable law; (iii) such pets are not a source of danger, annoyance or nuisance to any Lot Owner; and (iv) any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon ten days written notice from the Board of Directors. No horses may be kept or boarded on any of the Lots or Common Area. Pets shall not be permitted upon the Common Area unless accompanied by someone who can control the pet and unless carried or leashed. Pet droppings shall be cleaned up by the Owner responsible for the pet being on the Property. Any Owner who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, each Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Property. The appropriate governmental authorities shall have an easement across the Property to enforce local animal control laws and ordinance.

(2) Lighting. No exterior lighting on a Lot or its Structures shall be directed outside the boundaries of the Lot. Exterior lighting which is original to a Lot and/or Structure may not be altered without the prior written approval of the ARC. All proposed replacement or additional fixtures must be compatible with the Architectural Character of the existing Lot and/or Structure. Exterior lighting which results in an adverse visual impact to adjacent Lots, whether by location, wattage or other features, is prohibited. Approval of the ARB is not required for the installation of festive or holiday lighting and decorations; however, all such displays are deemed temporary in nature and, therefore, are only permitted for a maximum of eight (8) weeks, after which time they shall be removed. Displays which create traffic or parking nuisances due to excessive attention from viewers are prohibited.

(3) Laundry. No clothing, laundry or wash shall be aired or dried exteriorly, and no clothes lines or similar apparatus for the exterior drying of clothes shall be permitted, on any portion of the Property.

(4) Trash. Trash shall be collected and stored in trash receptacles with fixed lids only, and not solely in plastic bags. Trash and garbage receptacles shall not be permitted to remain in public view, including from the Roads, Recreation Areas and neighboring Lots, except on days of trash collection if the Board of Directors has contracted with a trash collection service, and except those receptacles designed for trash accumulation located in the Common Area. Uncollected trash or trash not stored in proper receptacles must be removed from the curb by the end of the day. No accumulation or storage of litter, new or used building materials, or trash of any kind shall be permitted on the exterior of any Dwelling Unit.

(5) Vehicles. Except in connection with construction activities, no commercial or industrial vehicle, including moving vans, trucks, tractors, trailers, vans, wreckers, tow trucks, hearses and buses, shall be regularly or habitually parked or parked overnight on the Property, except upon the prior written approval of the ARC. No trailer, camper, recreational vehicle, boats, personal watercraft or other large vehicles, including grounds maintenance equipment, ATV's, lawn mowers, lawn tractors, dune buggies, motorcycles or trail bikes may be parked or used on any portion of the Common Area or any portion of a Lot visible from the Common Area or another Lot, unless expressly permitted by the ARC and only in such parking areas or for such time periods (if any) as may be determined by the ARC for such purposes. Parking of all such vehicles and related equipment, other than on a temporary (seven days or less) and non-recurring basis, shall be in garages or in areas designated by the ARC, if any. No inoperable, junk, derelict, unregistered, unlicensed or uninspected vehicle shall be kept on the Property, except in an enclosed garage. No portion of the Property shall be used for the repair of a vehicle, provided, however, that noncommercial repair of vehicles is permitted within enclosed garages. No motor vehicles shall be driven on trails or unpaved portions of the Common Area, except such vehicles as are authorized by the Board of Directors as needed to maintain, repair or improve the Common Area. This prohibition shall not apply to normal vehicular use of designated Roads constructed or under construction on the Common Area. The Board of Directors shall have the right to tow any vehicle parked or kept in violation of the covenants contained within this Article, upon twenty-four (24) hours' notice and

at the vehicle owner's sole expense.

(6) Noise. No Person shall cause any unreasonably loud noise anywhere on the Property, nor shall any Person permit or engage in any activity, practice or behavior for the purpose of causing annoyance, discomfort or disturbance to any Person lawfully present on any portion of the Property.

(7) Timeshares. No Lot shall be subjected to or used for any timesharing, cooperative, licensing or other arrangement that would entail weekly, monthly or any other type of revolving or periodic occupancy by multiple owners, cooperators, tenants, licensees or timesharing participants.

(8) Professional Offices. No Lot shall be used for any business, commercial, manufacturing, mercantile, storing, vending or other non-residential purpose; provided, however, that an Owner may maintain an office or home business in the Dwelling Unit constructed on such Owner's Lot if: (i) such office or business generates no significant number of visits (as determined by the Board of Directors) by clients, customers or other persons related to the business; (ii) no equipment or other items related to the business are stored, parked or otherwise kept on such Owner's Lot or the Property outside of an approved enclosure; and (iii) such Owner has obtained approvals for such use as may be required by the appropriate local governmental agency. As a condition of such use, the Board of Directors may require the Owner to pay any increase in the rate of insurance or other costs for the Association which may result from such use.

(9) Construction Activities. This Section shall not be construed to forbid any work involved in the construction or Upkeep of any portion of the Property so long as such work is undertaken and carried out: (i) with the minimum practical disturbance to Persons occupying other portions of the Property; (ii) in such a way as does not violate the rights of any Person under other provisions of this Declaration; (iii) in accordance with all applicable restrictions in the Rules and Regulations, the resolutions of the Board of Directors and the other provisions of this Declaration. The Board of Directors may approve temporary structures for construction purposes which may otherwise be in violation of the Association Documents or the Rules and Regulations.

Section 8.3. Rules and Regulations. The Board of Directors shall have the power and authority to adopt, amend and repeal Rules and Regulations restricting and regulating the use and enjoyment of the Property or any portion thereof and the actions of the Owners and occupants which affect the Property, which may supplement, but may not be inconsistent with the provisions of the Association Documents. For the purpose of interpretation and enforcement of the Rules and Regulations, the term Property shall be deemed to include the land immediately adjacent to the Lot, within the Roads, or otherwise to the extent an Owner or occupant's actions affect the appearance and use of the Property. Rules and Regulations governing the actions of Owners or occupants on land adjacent to a Lot shall be consistent with and reasonably necessary to the maintenance of a uniform quality of appearance for the Property. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Owner. Changes to the Rules

and Regulations shall be published prior to the time when the same shall become effective and copies thereof shall be provided to each Owner. The Rules and Regulations shall not unreasonably interfere with the use or enjoyment of the Lots or Common Area. Also, the Board of Directors, for good cause shown, may issue temporary exceptions to any prohibitions expressed or implied by the Declaration. The Board of Directors shall have authority to establish a reasonable admission fee and other fees for the use of the clubhouse and the swimming pool, and to reasonably limit the number of guests of an Owner using the Common Area.

Section 8.4. Exclusion for Declarant and Designees of Declarant. Notwithstanding any other provision of the Association Documents, neither the restrictions in this Article nor the Rules and Regulations of the Association shall apply to any otherwise lawful acts or omissions of the Declarant or of any Builder during the Development Period. This exception for Builders shall be subject to such rules as may be established by the Declarant for safety or to maintain the appearance of the Property.

Section 8.5. Leasing and Resale of Lots.

(A) Leasing. No Lot or any portion thereof shall be used or occupied for revolving use, transient or hotel purposes or in any event leased for an initial period of less than thirty (30) days. No portion of any Lot (other than the entire Lot together with all Structures thereon, if any) shall be leased for any period; provided, however, that a reasonable number of roommates is permitted. No Owner shall lease a Lot other than on a written form of lease: (i) requiring the tenant to comply with the Association Documents; and (ii) providing that failure to comply constitutes a default under the lease. The Board of Directors may suggest or require a standard form language for use by Owners. The Board of Directors may require each Owner to forward a conformed copy of any such lease to the Board of Directors. The foregoing provisions of this Subsection, except the restriction against use or occupancy for hotel or transient or revolving use purposes, shall not apply to Lots owned by the Declarant, or by a Mortgagee in possession of a Lot as a result of foreclosure, judicial sale or a proceeding in lieu of foreclosure.

(B) Resale.

(1) Reference to Declaration. The deed or instrument transferring title to any Lot shall contain a provision incorporating by reference provisions of this Declaration, as well as any applicable Supplementary Declaration. Notwithstanding failure to include a reference to this Declaration in a deed or instrument transferring title to a Lot, the covenants, conditions, restrictions, easements, charges, obligations, and liens, as well as the rights and privileges, set forth herein shall run with the land, and shall encumber the Lot as though reference thereof was set forth in such deed or instrument.

(2) Notification. The contract seller of the Lot shall notify the Board of Directors of the contract purchaser and the scheduled date and place conveyance will be accomplished.

(3) Association Disclosure Packet. The Board of Directors shall, upon written request from a contract seller of a Lot, and upon payment of the applicable fee, furnish an

Association Disclosure Packet as required by applicable Virginia law and a Statement of Common Expense in accordance with Section 6.6 hereof.

Section 8.6. Exceptions. Notwithstanding any other provision of this Declaration, the improvements on any Lot existing at the time of recordation of the Deed of Subdivision creating such Lot shall not be required to meet the Design Guidelines. All proposed replacements, alterations and modifications shall be required to meet all of the Design Guidelines.

ARTICLE 9

ARCHITECTURAL REVIEW; DESIGN GUIDELINES

Section 9.1. Architectural Review Committee.

(A) Purpose. The Board of Directors may establish an Architectural Review Committee, consisting of at least three Persons appointed by the Board of Directors, each to serve for a term of from one to three years as may be determined by the Board of Directors, in order to assure that the Property shall always be maintained in a manner: (i) providing for visual harmony and soundness of repair; (ii) avoiding activities deleterious to the aesthetic or property values of the Property; and (iii) promoting the general welfare and safety of the Owners, such Owners' tenants and such Owners' (or tenants') households, guests, employees, agents and invitees. If the Board of Directors fails to appoint an Architectural Review Committee, then the Board of Directors shall perform the duties of the Architectural Review Committee and all referenced in the Association Documents to "Architectural Review Committee" and/or "ARC" shall be interpreted as references to the Board of Directors.

(B) Powers.

(1) The Architectural Review Committee shall regulate the external design, signage, appearance, use and maintenance of the Property; provided, however, that the ARC shall not have the power or authority to regulate the activities of the Declarant on the Common Area or any Lot owned by the Declarant or construction on any Lot which has been approved by the Declarant or activities of the Board of Directors on the Common Area.

(2) The Architectural Review Committee may from time to time establish requirements regarding the form and content of plans and specification to be submitted for approval, the "Design Guidelines." The initial Design Guidelines are set forth in Section 9.3. The Architectural Review Committee shall have the power and authority to impose reasonable application fees as well as the cost of reports, analyses or consultations required in connection with improvements or changes proposed by an Owner. The initial ARC review fee is established at \$250.00. Such fees shall be assessed against the Lot owned by the Owner making the application.

(3) Subject to the review of the Board of Directors, the ARC shall from time to time provide interpretations of Association Documents and Design Guidelines pursuant to the intents, provisions and qualifications thereof when requested to do so by an Owner or the

Board of Directors. The ARC may publish and record such interpretations in order to establish precedents for application of the Association Documents or the Design Guidelines or other matters relative to architectural control and protection of the aesthetic or property values of the Property.

(4) The Architectural Review Committee may propose changes in the Design Guidelines for approval by the Board of Directors from time to time. Changes to the Design Guidelines approved and adopted by the Board of Directors are hereby incorporated by this reference and shall be enforceable as if set forth herein in full.

(5) A Majority Vote of the Architectural Review Committee shall be required in order to take any action. The Architectural Review Committee shall keep written records of all its actions. Any action, ruling or decision of the Architectural Review Committee may be appealed to the Board of Directors by any party who appeared at a hearing with respect to such action, ruling or decision or who submitted a writing in protest or support prior to the action, decision or ruling and the Board of Directors may modify or reverse any such action, decision or ruling.

(C) Authority. The Architectural Review Committee shall have additional duties, powers and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the ARC of any of its duties, powers and authority either generally or on a case-by-case basis. The ARC shall carry out its duties and exercise its powers and authority in accordance with Subsections 12.1(H) and (I) hereof and in the manner provided for in the Rules and Regulations adopted by the Board of Directors or by resolution of the Board of Directors. The ARC and the Board of Directors shall have no authority to regulate construction by the Declarant or approved by the Declarant.

(D) Time for Response; Variances. Notwithstanding the foregoing, the Architectural Review Committee shall act on all matters properly before it within forty-five days after submission of a complete application in the form prescribed by the ARC; failure to do so within the stipulated time shall constitute approval by the ARC of the proposed structure, addition, alteration or improvement if in conformance with the Design Guidelines. Notwithstanding the foregoing, neither the Board of Directors nor the ARC has the right or power, either by action or failure to act, to waive enforcement or grant variances from the written Design Guidelines without a specific finding stating the variance and the reasons therefor in a written instrument which shall be part of the records of the Association. Upon such written approval of any specific variance or exception from the requirements of the Design Guidelines, such development conforming to such variance or exception shall be deemed to comply.

Section 9.2. Compensation of Architectural Review Committee. Members of the Architectural Review Committee may not be compensated by the Association for their service on the ARC.

Section 9.3. Design Guidelines. The Design Guidelines, as may be amended from time to time as provided herein, shall be as follows:

(A) Structures. No Structure or addition to a Structure shall be erected, placed, altered or externally improved on any Lot until an application has been properly filed with, and approved by, the ARC, and proper permits, including construction permits, have been granted by appropriate governmental authorities

(B) Porches. Screened porches are Structures and require prior written approval by the ARC prior to construction. All screened porches must be compatible with the Architectural Character of its Dwelling Unit and shall not exceed one story in height. T-1-11 plywood is prohibited as an exterior finishing material. All construction materials must be of pressure treated lumber or materials similar in grade and quality to those of the Dwelling Unit. Porch roofs must have gutters and downspouts, must match, and be constructed of the same material as the Dwelling Unit's roof, and must be pitched in hip or gable style. However, if the roof of a porch located on the rear side of a Dwelling Unit must be constructed in a shed roof style due to window locations, then said shed style roof shall be of no less than three feet (3') in twelve feet (12') in slope. Flat roofs are prohibited. Roofs with standing seam metal roofing, cedar shake shingles or architectural grade shingles are approved.

(C) Greenhouses. Greenhouses, free-standing and/or attached to Dwelling Units, are Structures and require prior written approval by the ARC prior to construction. All such greenhouses must be located in the rear yard and on the rear side of its Dwelling Unit. All greenhouses must be compatible with the Architectural Character of its Dwelling Unit and appurtenant Structures, as well as adjacent Lots and Dwelling Units, and shall not create a negative, visual impact on any such adjacent Lot or Dwelling Unit.

(D) Decks. All decks must be approved in writing by the ARC prior to construction. Decks are prohibited from the front and side yards of all Lots and are only permitted in the rear yard of all Lots. The profile of any deck, including steps or stairs, shall not extend beyond the side plane of its Dwelling Unit. All decks, particularly elevated decks, must be compatible with the Architectural Character of its Dwelling Unit, other adjacent Dwelling Units, and its environmental surroundings. Decks shall be constructed of wood and shall be sealed, stained, or painted to match the trim of its Dwelling Unit. Permitted styles and detailing of deck railings can be obtained from the ARC. Privacy screens for decks shall be constructed of wood and must be compatible with the Architectural Character of its Dwelling Unit. Privacy screens shall not exceed six feet (6') in height from the deck floor. Lattice screening materials are prohibited. At the discretion of the ARC, decorative screening of or landscaping around the area underneath elevated decks may required to minimize any possible negative visual impact to surrounding Lots, Structures or public view. Owners shall be responsible for obtaining all necessary permits and governmental approval for any deck prior to construction.

(E) Driveways. All driveways, including Common Driveways, must be finished with a material other than dirt. A finished driveway serving the Lot must be completed no later than twelve months after construction of a Dwelling Unit on the Lot is started. At least the first fifty feet of the driveway from the Road shall be finished in concrete, asphalt, pavers or other material approved in writing by the Architectural Review Committee. Each driveway must comply with all requirements of the Virginia Department of Transportation (VDOT) for driveways abutting a road maintained by VDOT.

(F) Chimneys. Chimneys shall be of masonry construction or encased in the same finish material as the exterior of it Dwelling Unit. Metal chimneys, metal flues and/or wood stoves are not permitted on the exterior of any Dwelling Unit.

(G) Skylights. Skylights are permitted with the written approval of the ARC prior to installation. Skylights are only permitted on the rear slope of the roof of a Dwelling Unit and must not be visible to public view from the front of a Dwelling Unit.

(H) Attic Ventilators. Attic ventilators are permitted; however, they must be mounted on the slope of a Dwelling Unit's roof which is least visible to public view so as to minimize their visibility. All attic ventilators added after initial construction of a Dwelling Unit by Declarant or a Builder is completed must be approved in writing by the ARC prior to installation.

(I) Awnings. Awnings are permitted with the written approval of the ARC prior to installation; however, awnings are only permitted on the rear exterior of a Dwelling Unit. Awnings must be of plain design, without decorative features or fringes. Their color must be compatible with the exterior color of the Dwelling Unit so as to present a uniform and monochromatic appearance. Their size must be consistent with the Architectural Character of their Dwelling Unit. All awnings must be retractable.

(J) HVAC. Air-conditioning or heat pump units installed in windows or extending through exterior walls are prohibited.

(K) Storm and Screen Doors. Storm and/or screen doors must be of the "full view" design, without grilles, mullions or divided glass arrangements, and must be painted the same color as the entry door trim.

(L) Security Bars. Exterior security-bars or grates on windows are prohibited, except upon written approval by the ARC prior to installation.

(M) Window Treatments. Window treatments or coverings including, but not limited to, aluminum foil, brown craft paper or bedding draped on windows, is prohibited.

(N) Pools. All pools must be in-ground and must be approved in writing by the ARC prior to construction. All pools must be located within a fully-fenced yard. All equipment and structures related to the pool, including but not limited to, water filtration systems, must be within the fully-fenced yard. Any alteration of established drainage patterns which may be caused by the construction of any pool must be considered and remedied prior to approval. Applications for the construction of pools must include plans for addressing any such drainage pattern alteration.

(O) Hot Tubs. Exterior hot tubs and/or spas must be approved in writing by the ARC prior to installation and spas must be located in the rear yard of a Lot and adjacent to its Dwelling Unit. Hot tubs and/or spas must, if elevated, blend with the exterior finish of the Dwelling Unit, deck or patio to which it is attached or whatever Structure is closest in proximity thereto. The incorporation of hot tubs and spas as architectural elements of decks or patios is

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encouraged.

(P) Patios. All patios must be approved in writing by the ARC prior to construction. The scale, material and style of all patios must be compatible with the Dwelling Unit, other adjacent Dwelling Units, and its environmental surroundings. Any alteration of established drainage patterns which may be caused by the construction of a patio must be considered and remedied prior to approval Applications for the construction of patios must include plans for addressing any such drainage pattern alteration.

(Q) Sidewalks and Pathways. Additional sidewalks and pathways must be approved in writing by the ARC prior to installation and must be constructed of stone, brick, concrete or landscaping-grade material and must be compatible with the Architectural Character of the Lot, Structures and their surroundings. Replacement of existing sidewalks and pathways may be made without the approval of the ARC, provided that the replacement is in the same style, material, size and location as the original sidewalk and/or pathway.

(R) Storage Sheds. All storage sheds must be located in a fully-fenced yard or located under a deck adjacent to a Dwelling Unit. Metal sheds are prohibited. Sheds must be painted or stained to match the existing exterior of the Dwelling Unit and shall be no larger than eight feet by ten feet (8' x 10') in length or width and eight feet (8') in height.

(S) Dog Houses. Dog houses and animal pens are permitted; however, they must be compatible in color and material with the Architectural Character of its Dwelling Unit, must be located within the rear yard and fully-enclosed by fencing of a suitable height to contain the pet(s) enclosed therein. Dog runs, including, but not limited to wire and pulley tethers, and stationary tethers are prohibited.

(T) Play Equipment. Permanent recreation or play equipment which constitutes a Structure, including, but not limited to sand boxes, playhouses and swing-sets, must be approved by the ARC prior to installation. Any such equipment must be located in the rear yard area of a Lot and must be compatible with the scale of a Lot. The scale and style of such equipment must not create a negative visual impact to neighboring Lots or from public view. Equipment must be designed and constructed to blend with the natural environment. Earth-tones are preferred; bright and/or primary colors must be minimized. Permanent basketball backboards are prohibited from the front and side exteriors and yards of all Dwelling Units. However, installation of permanent basketball backboards may be permitted with the prior written approval of the ARC in the rear yard of a Lot provided that there is no adverse impact on any neighboring Lot. Portable play equipment must be stored in a location where it is not visible from public view when not in use.

(U) Outdoor Grills and Fireplaces. All permanent grills, outdoor fireplaces and/or barbecue structures must be approved by the ARC prior to construction. Any and all such structures must be located in the rear yard of a Lot and as far as practical from adjacent property lines.

(V) Firewood. Firewood must be kept neatly stacked in piles not to exceed ten feet (10') in length and four feet (4') in height. Firewood must be located to the rear or side of a

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Dwelling Unit and in such a manner which does not create a negative visual impact for adjacent Lots. In certain cases, screening of firewood may be required by the ARC.

(W) Antennae and Satellite Dishes. Standard TV antennas and other over-the-air reception devices (including satellite dishes) of less than one meter (39 inches) in diameter shall be permitted, subject to reasonable standards regarding placement, screening, maintenance and indemnity obligations, which may be adopted by the ARC from time to time, such standards to be in conformity with F.C.C. Regulations (47 CFR 1.4000), as amended; provided, however, that all such rules relating to antennae and satellite dishes shall not unreasonably delay installation, interfere with reception or increase the cost. Should any such rules and regulations adopted herein or by the ARC conflict with federal law, such rules as do not conflict with federal law shall remain in full force and effect.

(X) Signs. Signs or any other form of advertising of any nature are prohibited, except for real estate, building and construction signs. There shall be no more than one (1) sign permitted per lot, and no sign shall exceed three feet (3') in any dimension.

(Y) Mailbox units which deviate from the standard mailbox and post design must obtain the written approval of the ARC prior to installation.

(Z) Free-standing flagpoles are prohibited; however, flag staffs which are attached to the wall or pillar of a Structure and not exceeding six feet (6') in length are permitted. Only one (1) flag staff per Lot is permitted.

Section 9.4. Construction Damage Deposit. Prior to the approval of an application for improvements on a Lot, the Architectural Review Committee shall require the Lot Owner to post a construction damage repair deposit in the amount of \$2,000 to be used by the Association for repairs to the Common Area if caused by the Owner, such Owner's household, guests, employees, agents, invitees, contractors and subcontractors in connection with improvements made or being made to the Lot. Upon completion of construction, including finishing the driveway serving the Lot, and upon inspection by the ARC of the Common Area and a finding by the ARC that no damage to the Common area is attributable to the construction on the Lot, the construction damage deposit shall be returned to the Lot Owner. Any costs incurred by the Association for repairs of damage attributable to construction on the Lot, may be paid from the construction damage deposit, or assessed against the Lot as an Individual Assessment as determined by the Board of Directors.

ARTICLE 10

INSURANCE

Section 10.1. Physical Damage and Liability Insurance. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area. This insurance shall cover loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, and shall be in amounts sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board of Directors shall obtain a public

liability policy applicable to the Common Area covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents arising from the operation, maintenance or use of the Common Area. The public liability policy shall have a combined single limit of at least One Million Dollars (\$1,000,000.00). If reasonably available, the Board of Directors shall obtain directors' and other officers' liability insurance. Premiums for all insurance shall be a Common Expense.

Such insurance shall be governed by the provisions hereinafter set forth:

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

(B) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants of Lots or their Mortgagees, and insurance carried by the Association shall be primary.

(C) All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available.

(D) The Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(1) a waiver of subrogation by the insurer as to any claims against the Board of Directors, any Owner, or any Owner's household;

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

(3) that no policy may be canceled, invalidated or suspended due to the conduct of any Owner, or such Owner's tenant or such Owner's (or tenant's) household, guests, employees, agents and invitees, or of any member, Officer or employee of the Board of Directors or the managing agent without a prior demand in writing that the Board of Directors or the managing agent cure the defect and neither shall have so cured such defect within thirty days after such demand;

(4) that no policy may be canceled (including for failure to pay the premium) or substantially modified without at least ten days prior written notice to the Board of Directors; and

(5) that the Declarant, so long as the Declarant shall own any Lot, shall be protected by all such policies as a Member, if available.

Section 10.2. Fidelity Bonds. In addition to other insurance required by this Article, the

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Board of Directors shall obtain a fidelity bond or bonds on directors, Officers, employees, agents and other persons handling or responsible for the Association's funds naming the Association as the obligee. The premium for any fidelity bond obtained by the Association shall be a Common Expense. The amount of fidelity coverage shall be in an amount equal to the maximum funds that will be in the custody of the Association at any time, but not less than an amount equal to the sum of twenty-five percent (25%) of the annual general Assessment and the Association's reserve funds, unless the Board of Directors determines in the exercise of its business judgment that such amount is unwarranted and that a lower amount is appropriate. The fidelity bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least ten days prior written notice to the Association.

Section 10.3. Other Insurance. To the extent necessary to satisfy the requirements of the Secondary Mortgage Market Agencies, the Board of Directors shall also obtain any other insurance coverage. The Association may purchase any other insurance as determined to be necessary or desirable by the Board of Directors.

ARTICLE 11

RECONSTRUCTION AND REPAIR

Section 11.1. Common Area. Except as otherwise provided herein and if all or any part of any improvement located on the Common Area is damaged or destroyed by fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration thereof (including any furniture, fixtures and equipment). If destruction of the improvements located on the Common Area is insubstantial, the Board of Directors may elect not to repair such insubstantial damage. Otherwise, any decision not to repair or restore improvements on the Common Area shall be made in accordance with Section 14.4 hereof. If damaged improvements are not repaired, then the Board of Directors shall remove all remnants of the damaged improvements and restore the site thereof to an acceptable condition compatible with the remainder of the Common Area and the balance of any insurance proceeds received on account such damage shall be placed in the Association's general account. The Association shall not use the proceeds of casualty insurance received as a result of damage or destruction of improvements located on the Common Area for purposes other than the repair, replacement or reconstruction of such improvements except in accordance with this Section and Section 14.4 hereof.

Section 11.2. Lots. If a building or other major improvement located upon a Lot is damaged or destroyed, the Owner thereof shall restore the site either: (i) by repairing or reconstructing such building or other major improvement; or (ii) by clearing away the debris and restoring the site to an acceptable condition compatible with the remainder of the Property. Unless the Architectural Review Committee permits a longer time period, such work must be commenced within three months after the casualty and substantially completed within six months after the casualty.

ARTICLE 12

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COMPLIANCE AND DEFAULT

Section 12.1. Enforcement Provisions. Each Owner shall be governed by, and shall comply with, all of the terms of the Association Documents and Rules and Regulations, as amended from time to time. A default by an Owner complying with or enforcing the Association Documents or the Rules and Regulations shall entitle the Association, acting through its Board of Directors or through the managing agent, to the following relief:

(A) Additional Liability. Each Owner shall be liable to the Association or to any affected Owner for any costs incurred by the Association and the expense of all Upkeep rendered necessary by such Owner's act or omission, regardless of neglect or culpability, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Association. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation. Any costs, including legal fees, incurred as a result of a failure to comply with the Association Documents and Rules and Regulations by any Owner may be assessed against such Owner's Lot.

(B) New Owner Address. If a new owner does not give the Secretary or managing agent written notice of such Owner's name and the number or address of the Lot within thirty days after acquiring title to such Lot then reasonable record keeping costs incurred by the Association, as determined by the Board of Directors, may be assessed against such Owner's Lot. The Board of Directors may set or change the amount of such Assessment from time to time. The Board of Directors may set a charge for processing and recording a change of ownership of a Lot in the records of the Association. Such Assessments shall be a lien against such Owner's Lot as provided in Section 12.2 hereof.

(C) Costs and Fees. In any proceeding arising out of any alleged default by an Owner or any suit brought by an Owner against the Association or any director or Officer, the prevailing party shall be entitled to recover the costs, including attorneys' fees, of such proceeding.

(D) No Waiver of Rights. The failure of the Association, the Board of Directors or an Owner to enforce any right, provision, covenant or condition which may be granted by the Association Documents shall not constitute a waiver of the Association, the Board of Directors or any Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors or any Owner pursuant to any term, provision, covenant or condition of the Association Documents shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the Person exercising the same from exercising such other privileges as may be granted to such Person by the Association Documents, the Act or at law or in equity.

(E) Interest. If a default by an Owner in paying any sum assessed against such Owner's Lot continues for a period in excess of thirty days, interest from the due date at a rate

not to exceed the lesser of the maximum permissible interest rate which may be charged by a Mortgagee under a Mortgage at such time or eighteen percent per annum may be imposed in the discretion of the Board of Directors on the principal amount unpaid from the due date until paid. The imposition of interest shall not preclude collection of a late charge and any late charge shall not be considered interest subject to the limitations of this Section.

(F) Abating and Enjoining Violations. The violation of any of the Rules and Regulations adopted by the Board of Directors or the breach of any provision of the Association Documents shall give the Board of Directors the right, in addition to any other rights set forth in the Association Documents: (i) to enter the portion of the Property (excluding any occupied dwelling) pursuant to Section 3.3 hereof on which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Association Documents or the Rules and Regulations, and Board of Directors shall not thereby be deemed guilty in any manner of trespass; (ii) to use self-help to remove or cure any violation of the Association Documents or the Rules and Regulations on the Property (including the towing of vehicles); or (iii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; provided, however, that before any construction may be altered or demolished (except in emergencies) judicial proceedings shall be instituted. The Board of Directors shall follow the due process procedures set forth in Subsections 12.1(H) and (I) hereof.

(G) Legal Proceedings. Failure to comply with any of the terms of the Association Documents or Rules and Regulations shall be grounds for relief, including an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all Assessments, any other relief provided for the Association Documents and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, the managing agent or, if appropriate, by any aggrieved Owner and shall not constitute an election of remedies.

(H) Charges and Suspension of Rights. The Board of Directors has the power and authority to impose charges and the suspend the right to vote in the Association or other rights in the case of an Owner found to be responsible for a violation of the Association Documents or Rules and Regulations. Charges may not exceed Fifty Dollars (\$50.00) for each violation or Ten Dollars (\$10.00) per day for each violation of a continuing nature or such greater amount as may be permitted by law. No charge may be imposed for failure to pay an Assessment except for a Late Charge or as otherwise provided in this Declaration. Charges are Individual Assessments and shall be collectible as such and shall also constitute a lien against a Lot in accordance with Section 12.2 hereof. The Board of Directors may also suspend the right of an Owner or other occupant, and the right of such Person's household, tenants, guests, employees or invitees to use the Recreational Facilities located on the Common Area during the duration of the violation and for a reasonable period, not to exceed sixty days, for any violation of any provision of any of the Association Documents or the Rules and Regulations or for any period during which any Assessment against an Owner's Lot remains unpaid. No charge shall be imposed and no construction altered or demolished until the Person charged with such violation has been given notice and an opportunity for a hearing as set forth in Subsection 12.1(I) below.

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In addition, voting rights and the right to use the Recreational Facilities may not be suspended until the Person charged with the violation has been given notice and opportunity for a hearing pursuant to Subsection 12.1(I) below, unless such rights are suspended due to non-payment of Assessments, in which case the Person charged with the violation is not entitled to notice and an opportunity for a hearing. The Board of Directors may determine to take other actions, including performing maintenance on a Lot pursuant to Sections 6.2 and 7.2 hereof without providing a hearing. The Board of Directors may deliberate privately, but shall either announce its decision in the presence of the respondent or give the respondent notice and a written summary thereof.

(I) Due Process. The Board of Directors, before imposing any charge (except a Late Charge) or before taking any action affecting one or more specific Persons shall afford such Person the following basic due process rights:

(1) Notice. The respondent shall be afforded prior written notice of any action (except when an emergency requires immediate action) and, if notice is of default or violation, an opportunity to cure which is reasonable under the circumstances, prior to the imposition of any sanction. The notice shall also state that the respondent is entitled to a hearing, if a hearing is required pursuant to Subsection 12.1(H) above. Notice of any hearing shall be sent by registered or certified United States mail, return receipt requested, to the Owner at such Owner's address of record with the Association at least fourteen days prior to such hearing.

(2) Hearing. If the respondent is entitled to a hearing pursuant to Subsection 12.1(H) above and requests in writing a hearing before any charge is imposed or action taken, then the imposition of the charge or the taking of the action shall be suspended until the respondent has an opportunity to be heard at a hearing at which the Board of Directors discusses such charges or action. Each Person so appearing shall have the right to be represented by such Person's counsel, at such Person's own expense.

Section 12.2. Lien for Assessments.

(A) Lien. The total Annual Assessment of each Owner for Common Expenses, any Additional Assessment, and Individual Assessment or any other sum duly levied (including Late Charges, charges, interest, contractual charges, etc.), made pursuant to the Association Documents, is hereby declared to be a lien levied against any Lot owned by such Owner in accordance with this Declaration. Until fully paid and satisfied, the lien shall apply to and encumber all of the Lots that were owned, as of the date when payment was due, by the Owner from whom payment was due, and shall also apply to and encumber any and all Lots thereafter acquired by that Owner from the time such Owner becomes the Owner thereof. With respect to Annual Assessments, the lien is effective on the first day of each fiscal year of the Association and, as to Additional Assessments, Individual Assessments and other sums duly levied, the lien is effective ten days after the date of notice to the Owner of Lot against which such Assessment or levy is made. The Board of Directors or the managing agent may file or record such other or further notice of any such lien, or such other or further document, as may be required to confirm the establishment and priority of such lien by §55-516 of the Property Owners' Association Act. The lien created by this Section shall be prior to all liens and encumbrances hereafter recorded except real estate taxes, Mortgages, and other charges levied by governmental authority and

made superior by law. The personal obligation of the Owner to pay such Assessment shall, in addition, remain such Owner's personal obligation and a suit to recover a money judgment for non-payment of any Assessment or installment thereof, levied pursuant hereto, may be maintained without foreclosing or waiving the lien herein created to secure the same.

(B) Acceleration. In any case where an Assessment against an Owner is payable in installments, upon a default by such Owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such Assessment may be accelerated, at the option of the Board of Directors, and the entire balance of the Assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner.

(C) Enforcement. The lien for Assessments may be enforced and foreclosed in any manner permitted by the laws of Virginia for foreclosure of mortgages or deeds of trust containing a power of sale or by an action in the name of the Board of Directors, or the managing agent, acting on behalf of the Association. The Association shall have the power to bid on the Lot at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with such Lot.

(D) Remedies Cumulative. A suit to recover a money judgment for unpaid Assessments may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

Section 12.3. Subordination and Mortgagee Protection. Notwithstanding any other provision to the contrary, the lien of any Assessment levied pursuant to the Association Documents upon any Lot (and any charges, interest, late charges or the like) shall be subordinate to, and shall in no way affect the rights of the holder of a Mortgage made in good faith for value received; provided, however, that such subordination shall apply only to Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to foreclosure or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the holder of a Mortgage or the purchaser of the Lot at such sale from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment, which lien shall have the same effect and be enforced in the same manner as provided herein.

ARTICLE 13

MORTGAGES

Section 13.1. Notice to Board of Directors. Upon request, an Owner who mortgages such Owner's Lot shall notify the Board of Directors of the name and address of the mortgagee. No mortgagee shall be entitled to any Mortgagee rights under the Association Documents unless such Mortgagee has notified the Board of its address as required by Section 13.2 below and has requested all rights under the Association Documents.

Section 13.2. Notice to Mortgagees. Any Mortgagee who desires notice from the

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Association shall notify the Secretary of the Association to that effect by certified or registered United States mail, postage prepaid. Any such notice shall contain the name and address, including post office address of such Mortgagee and the name of the person to who notices from the Association should be directed. The Board of Directors shall notify Mortgagees of the following:

(A) Any default by an Owner of a Lot, upon which the Mortgagee has a Mortgage, in paying Assessments (which remains uncured for one hundred twenty days) or any other default simultaneously with the notice to the defaulting Owner;

(B) Any event giving rise to a claim under an insurance policy arising from damage to improvements located on the Common Area in excess of thirty percent of the then current replacement cost of such improvements;

(C) Any termination, lapse or material modification in an insurance policy held by the Association;

(D) Any taking in condemnation or by eminent domain of the Common Area and the actions of the Association in connection thereto;

(E) Any proposal to terminate the Declaration, at least sixty days before any action is taken to terminate in accordance with Article 15; and

(F) Any proposal to amend materially the Articles of Incorporation, this Declaration or the Bylaws, at least ten days before any action is taken pursuant to Section 14.4.

ARTICLE 14

AMENDMENT; EXTRAORDINARY ACTIONS

Section 14.1. Amendment by Declarant. During the Development Period, the Declarant may unilaterally without the approval of the Association, any Owner, Mortgagee or Secondary Mortgage Agency amend any provision of this Declaration or any Supplementary Declaration to: (i) make non-material or corrective changes; (ii) satisfy the requirements of any government, governmental agency, Secondary Mortgage Agency or Mortgagee; (iii) reflect the relocation of boundary lines between the Common Area and any Lots or among any Lots; provided, however, that such relocation is reflected in an approved resubdivision; (iv) add all or any portion of the additional land in accordance with Article 4; and (v) withdraw Submitted Land in accordance with Section 4.4.

Section 14.2. Amendment by Association.

(A) Member Approval. Subject to Sections 14.3 and 14.4, the Association may amend this Declaration with the written approval of members entitled to cast at least seventy-five percent (75%) of the total number of votes or upon a seventy-five percent vote by the members at a meeting called for such purpose.

(B) Certification. An amendment by the Association shall not be effective until certified by the President as to compliance with the procedures set forth in this Article, signed and acknowledged by the President and Secretary of the Association, and recorded among the Land Records. Any procedural challenge to an amendment must be made within one year after recordation.

(C) Supplementary Declarations. Amendment of a Supplementary Declaration is governed by the provisions for amendment contained therein and the requirements of Section 14.4. A Supplementary Declaration may not be amended to reduce the maximum annual Limited Common Expense assessment set forth therein. A Supplementary Declaration may not include provisions in conflict with the Declaration. Although this Declaration and Supplementary Declaration should be construed to give effect to both, in the case of conflicting provisions, this Declaration shall control.

Section 14.3. Prerequisites. Written notice of any proposed amendment by the Association shall be sent to every Owner at least fifteen days before any action is taken. No amendment shall increase the financial obligations of an Owner in a discriminatory manner or further restrict development on existing Lots in a discriminatory manner. No amendment to the Declaration shall diminish or impair the rights of the Declarant during the Development Period under this Declaration without the prior written consent of the Declarant. No amendment to the Declaration shall diminish or impair the rights of Mortgagees under this Declaration without the prior written approval of at least fifty-one percent of the Mortgagees. No amendment may modify this Article or the rights of any Person hereunder. Except as specifically provided in the Declaration, no provision of the Declaration shall be construed to grant to any Owner or to any other Person any priority over any rights of Mortgagees.

Section 14.4. Extraordinary Actions of Association. The provisions of this Section shall not be construed to reduce the vote that must be obtained from members where a greater vote is required by the Act or other provisions of the Association Documents nor shall it be construed to lessen the unilateral rights given to the Declarant to amend the Declaration or a Supplementary Declaration without the consent of the Association, any Owner or Mortgagee. To the extent this Section applies to amendments to a Supplementary Declaration, the approval of the members of Mortgagees required shall be deemed to refer only to the members owning Lots or Mortgagees holding Mortgages on Lots subject to such Supplementary Declaration.

Section 14.5. Mortgagee and Owner Approval. Without the approval of at least fifty-one percent of the Mortgagees and members entitled to cast a least sixty-seven percent of the total number of votes of each class, the Association shall not, by act or omission: (i) seek to abandon, partition, subdivide, encumber, dedicate, sell or transfer the Common Area owned in fee simple by the Association (except for making dedications required by governmental authorities, granting easements for utilities or other purposes to benefit the Property or the adjoining land consistent with the intended use of such Common Area or making transfers pursuant to Section 2.2); (ii) add to (except in a Supplementary Declaration) or change the method of determining the obligations, Assessments or other charges which may be levied against an Owner or voting rights of any members (except to reduce the Declarant voting rights

with the consent of the Declarant); (iii) add (except in a Supplementary Declaration), change, waive or abandon any scheme or regulation or enforcement thereof, pertaining to architectural design or exterior appearance or Upkeep of the Lots or Common Area; (iv) fail to maintain fire and extended coverage on insurable Common Area on a current replacement cost basis in an amount at least 100 percent of the insurable value (based on current replacement cost), in accordance with Article 10; (v) use hazard insurance proceeds for losses to the Common Area for any purpose other than repair, replacement or restoration of such Common Area substantially in accordance with the Association Documents and the original plans and specifications, except as provided in Article 11; (vi) terminate the Declaration or dissolve the Association or merge or consolidate with another association; or (vii) add (except in Supplementary Declarations) or amend any material provisions of the Association Documents which establish, provide for, govern or regulate any of the following: (1) voting (except to reduce the Declarant's voting rights with the consent of the Declarant); (2) Assessment liens or the priority of such liens; (3) reserves for maintenance, repair and reconstruction of the Common Area; (4) insurance or fidelity bonds; (5) rights to use of the Common Area; (6) maintenance responsibility; (7) leasing of Lots; (8) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey such Owner's Lot; (9) expansion or contraction of the Property or the addition, annexation or withdrawal of land to or from the Property; or (10) any provision which is for the express benefit of Mortgagees.

Section 14.6. Nonmaterial Amendments. Any amendment to the Association Documents shall not be considered material if made only for the purpose of correcting technical errors or for clarification.

Section 14.7. Presumptive Approval. Any Mortgagee who is notified of amendments or actions of the Association by certified or registered United States mail, return receipt requested and who does not deliver a negative response to the Secretary of the Association within thirty days shall be deemed to have approved such amendment or action.

Section 14.8. VA or FHA Consent. When a VA guarantee is in effect on a Mortgage, without the consent of VA, or when FHA insurance is in effect on a Mortgage, without the consent of FHA, the Association may not submit any land other than the Property or take any action described in Section 14.5 during the Declarant Control Period. The foregoing shall only apply for so long as a Lot within the Property is encumbered by a loan guaranteed by VA or insured by FHA. In addition, during the Declarant Control Period, VA or FHA must be informed of all amendments to the Association Documents if the Association Documents have been previously approved by such agency.

ARTICLE 15

TERMINATION

Section 15.1. Duration: Termination by the Association. The covenants, conditions, restrictions and easements of this Declaration shall run with the land and bind the Property. The duration of these covenants, conditions, restrictions and easements shall be for a period of twenty years and shall automatically be extended for successive twenty year periods unless terminated

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by a vote of at least a sixty-seven percent of the total number of votes of each class of members, or in accordance with Title 13.1, Chapter 10, Article 13 of the Code of Virginia or, following a vote at a meeting held in conformity with the requirements of Section 13.1-842 of the Code of Virginia, 1950, as amended. The termination shall not be effective until certified by the President as to compliance with the procedures set forth in this Article, signed and acknowledged by the President and Secretary of the Association and recorded among the Land Records.

Section 15.2. Prerequisites. Written notice of the proposed termination shall be sent to every Owner and Mortgagee at least sixty days before any action is taken. The Declaration may not be terminated during the Development Period without the prior written consent of the Declarant. Such termination shall not affect any permanent easements or other permanent rights or interests relating to the Common Area created by or pursuant to the Association Documents. To the extent necessary, the termination agreement shall provide for the transfer or assignment of the easements, rights or interests granted to the Association herein to a successor entity which is assuming the Association's maintenance and regulatory responsibilities. Any lien which has arisen pursuant to the provisions of this Declaration shall remain in full force and effect despite termination of this Declaration until the amounts secured thereby are paid in full.

Section 15.3. Conveyance of Common Areas upon Dissolution. Upon dissolution of the Association, the assets of the Association must be conveyed to another nonprofit entity, governmental entity or public agency formed for the purposes similar to the purposes for which the Association was formed.

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EXHIBIT A

Submitted Land

Lots 1 through 16, inclusive, Lots 18 through 20, inclusive, Lots 23 through 64, inclusive, Lots 68 through 75, inclusive, Parcels A through C, inclusive, the Roads (as defined in the Deed of Subdivision), and the Residue (as defined in the Deed of Subdivision), Eagle Pointe Shores, Phase 1, all in accordance with the Plat attached to the Deed of Subdivision, with the remainder of the Property (the "Residue") reserved to EPS for use in future phases the subdivision.

NOTE: Lots 17, 21, 22, 65; 66 and 67, Eagle Pointe Shores, Phase 1; are not created by the Deed of Subdivision and do not exist.

EXHIBIT B
Additional Property

Any real property adjacent to any of the property described in Exhibit A or adjacent to such other properties which may, from time to time, be subject to the declaration for EAGLE POINTE SHORES HOMEOWNERS ASSOCIATION. As used herein, the term "adjacent" shall include, without limitation, real property which may be separated only by a public or private street.

With the exception of any portion that is included as Submitted Land, the Additional Property shall include the following parcels owned by Eagle Pointe Shores, LLC:

Parcel 1:

23.644 acres

Tax ID 16-8-4 (01600-08-00-0004-0)

All that certain tract of land as shown on the plat of survey as being TRACT 4, containing 23.644 acres and recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia, in Map Book 43, Page 204F.

TOGETHER WITH 21.396 acres, more or less, with 0.618 acres, more or less, above the 620 foot contour and 20.778 acres, more or less, below the 620 foot contour, as set forth in the Boundary Line Adjustment and Easement Agreement recorded as Instrument #06-0001053 and the plat attached thereto recorded in Map Book 44, Page 13G, all in the aforesaid Clerk's Office.

TOGETHER WITH all of the land below the 620 foot contour of the Leesville Lake abutting the property herein conveyed.

LESS AND EXCEPT 2.308 acres conveyed to Robert P. Mathewson and Virginia L. Mathewson as set forth in the Boundary Line Adjustment and Easement Agreement recorded as Instrument #06-0001053 and the plat attached thereto recorded in Map Book 44, Page 13G, all in the aforesaid Clerk's Office.

Parcel 2:

171.866 acres

Tax ID 16-A-1B (01600-0A-00-0001-B)

All of that certain tract or parcel of land situated in Callands-Gretna Magisterial District, Pittsylvania County, Virginia, more particularly described on the plat entitled "Division of the Property of Edward N. Plymale," dated August 4, 1995, made by Hervey T. Terrell, Jr., C.L.S. of Hurt & Proffitt, Inc. (the "Plat"), a copy of which Plat is recorded in Map Book 43, Page 146K in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia.

SUBJECT TO the rights of others for ingress and egress over the proposed 50 foot ingress and egress easements from State Route 609 as more particularly shown on the Plat.

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LESS AND EXCEPT THEREFROM the conveyance of Lot 2, containing 6.52 acres, as shown on the Plat to Chester D. Witt and Brenda R. Witt, husband and wife, by deed dated September 27, 1995, recorded in Deed Book 1034, Page 405 in the aforesaid Clerk's Office, together with all rights of ingress and egress included therein, reference thereto being expressly made for a more particular description thereof.

AND FURTHER LESS AND EXCEPT THEREFROM the conveyance of Lot 1, containing 9.09 acres, as shown on the Plat to Edward Noel Plymale and Barbara L. Plymale, husband and wife, by deed dated March 5, 1997, recorded in Deed Book 1070, Page 505 in the aforesaid Clerk's Office, together with all rights of ingress and egress included therein, reference thereto being expressly made for a more particular description thereof.

TOGETHER WITH all that certain tract or parcel of land situated, lying and being in Gretna District, Pittsylvania County, Virginia, designated as Parcel "A" containing 2.913 acres as shown on a plat of survey by Thomas C. Brooks, Jr., L.S., Acres of Virginia, Inc., dated April 5, 2004, surveyed for Edward N. Plymale entitled "Reconfiguration Plat Showing—Part of Property of Ethel P. Jones—Edward N. Plymale—Clarence A., Jr. and Sandra A. Crider" a copy of which plat is recorded in Map Book 43, Page 375G in the aforesaid Clerk's Office. Said Parcel "A" was conveyed to Edward N. Plymale by Ethel P. Jones by deed dated May 24, 2004, recorded in Deed Book 1455, Page 187 in the aforesaid Clerk's Office.

TOGETHER WITH all that certain tract or parcel of land situated, lying and being in Gretna District, Pittsylvania County, Virginia, designated as Parcel "B" containing 0.148 acres as shown on a plat of survey by Thomas C. Brooks, Jr., L.S., Acres of Virginia, Inc., dated April 5, 2004, surveyed for Edward N. Plymale entitled "Reconfiguration Plat Showing—Part of Property of Ethel P. Jones—Edward N. Plymale—Clarence A., Jr. and Sandra A. Crider" a copy of which plat is recorded in Map Book 43, Page 375G in the aforesaid Clerk's Office. Said Parcel "B" part of the 22.618 acre parcel conveyed to Edward N. Plymale from Walter Q. Sain and Carolyn P. Sain by Deed of Partition dated January 21, 1998, recorded in Deed Book 1107, Page 897 in the aforesaid Clerk's Office, leaving a residue of 22.472 acres, more or less, as noted on the aforesaid Reconfiguration Plat.

TOGETHER WITH all that certain tract or parcel of land situated, lying and being in Gretna District, Pittsylvania County, Virginia, designated as Parcel "C" containing 1.124 acres as shown on a plat of survey by Thomas C. Brooks, Jr., L.S., Acres of Virginia, Inc., dated April 5, 2004, surveyed for Edward N. Plymale entitled "Reconfiguration Plat Showing—Part of Property of Ethel P. Jones—Edward N. Plymale—Clarence A., Jr. and Sandra A. Crider" a copy of which plat is recorded in Map Book 43, Page 375G in the aforesaid Clerk's

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Office. Said Parcel "C" was conveyed to Edward N. Plymale by Clarence A. Crider, Jr. and Sandra A. Crider by deed dated May 24, 2004, recorded in Deed Book 1455, Page 185 in the aforesaid Clerk's Office.

The aforesaid Parcels "A", "B" and "C" (4.185 acres total) were to be added together and then added to Tax Map Parcel 16-A-1A (159.46 acres, more or less) and become an integral part thereof, with the total combined area for Tax Map 16-A-1A containing 163.645 acres, more or less, as set forth in NOTE 14 of the aforesaid Reconfiguration Plat.

Being the same property shown as 171.866 acres on the Plat of Survey made by Acres of Virginia, Inc., Brian W. Hammack, L.S., dated June 9, 2005, entitled "Plat Showing Resurvey - Property of: Edward Noel Plymale."

Parcel 3:

22.62 acres

Tax ID 16-8-3A (01600-08-00-0003-A)

All of that certain tract of land shown and designated as "Tract 3" and containing 22.618 acres on the plat entitled "Plat of Lands for Walter & Carolyn Sain—Showing the Division Lines for the Division of 75.371 Acre Parcel", dated October 10, 1997, recorded in Map Book 43, Page 204F, in the aforesaid Clerk's Office (the "Sain Division Plat").

LESS AND EXCEPT THEREFROM all that certain tract or parcel of land situated, lying and being in Gretna District, Pittsylvania County, Virginia, designated as Parcel "B" containing 0.148 acres as shown on a plat of survey by Thomas C. Brooks, Jr., L.S., Acres of Virginia, Inc., dated April 5, 2004, surveyed for Edward N. Plymale entitled "Reconfiguration Plat Showing—Part of Property of Ethel P. Jones—Edward N. Plymale—Clarence A., Jr. and Sandra A. Crider" a copy of which plat is recorded in Map Book 43, Page 375G in the aforesaid Clerk's Office.

TOGETHER WITH an easement of right-of-way 50 feet in width over the existing lot described as 5.72 acres from the end of State Route 609 "Brights Road" over and into said Tract 3 as shown on the Sain Division Plat.

SUBJECT TO a 50 foot road or right-of-way for ingress and egress as shown on the Sain Division Plat over Tract 3 to and from the 5.712 acre Tract for the benefit of Tract 4.

TOGETHER WITH all of the land below the 620 foot contour of the Leesville Lake abutting Tax Map Number 16-8-3.

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Parcel 4:

94.987 acres

Tax ID 16-A-2 (01600-0A-00-0002)

Description:

All of that certain tract or parcel of land situated in Callands-Gretna Magisterial District, Pittsylvania County, Virginia, designated as Parcel A, containing 69.90 acres as shown on plat of survey by E. L. Wilmarth, C.L.S., surveyed June 7, 1988, a copy of which plat is recorded in Map Book 41, Page 132 in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia, reference thereto being expressly made for a more particular description thereof.

TOGETHER WITH AND SUBJECT TO a perpetual easement together with others who may have a like or similar right for ingress and egress from State Road 609 over and across the 20 foot access roads abutting and going through the cemetery to the property herein conveyed as shown on said plat which easement shall be deemed a covenant running with the land.

TOGETHER WITH all land below the 620 foot contour of the Leesville Lake abutting the property herein conveyed except the line shall lie in the center of the cove abutted by Parcels A and B so Parcel A and B will each own one-half of the cove between the parcels.

SUBJECT TO to that certain easement granted by deed recorded in Deed Book 629, Page 765 to Jannie Mae Franklin Howell, et als., reference thereto being made.

Less and except 2.913 acres conveyed to Edward N. Plymale by Deed recorded in Deed Book 1455, Page 187.

Being the same property shown as 94.987 acres on the Plat of Survey made by Acres of Virginia, Inc., Brian W. Hammack, L.S., dated June 7, 2005, entitled "Plat Showing Resurvey - Property of: Ethel P. Jones" attached to the Deed from Ethel P. Jones to Eagle Pointe Shores, LLC dated October 25, 2005, and recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia.

Parcel 5:

12.893 acres

Tax ID 16-8-2B (01600-08-00-0002-B)

Description:

TRACT 1:

All that certain tract or parcel of land containing 5.724 acres, as shown on a Plat of Survey dated September 17, 1991, by Wilmarth Surveying, Paul D. Julian, C.L.S., recorded in Map Book 43, Page 43G in the Office of the Clerk of the Circuit Court of Pittsylvania County, Virginia.

There is expressly excepted and reserved herefrom a perpetual easement 50 feet in width from the end of State Route 609 westerly along the northerly boundary of the property hereby conveyed and the cemetery as a means of ingress and egress to and from the remaining property now or formerly owned by Edward N. Plymale and Carolyn P. Brumfield, and Walter Quilman Sain and Carolyn Faye Plymale Sain, with the right to convey a like or similar easement to any future owners of any part of the remaining properties. Said easement is designated as 30 feet on the aforesaid plat. It is the intent that the said 50 feet easement be such that State Route 609 will abut the same and provide a continuous means of ingress and egress 50 feet in width.

LESS AND EXCEPT 1.124 acres conveyed to Edward N. Plymale by Deed dated May 24, 2004, and recorded in Deed Book 1455, Page 185, and as shown on the Plat recorded in Map Book 43, Page 375G.

TRACT 2:

All that certain tract of land shown as Tract 2 containing 8.330 acres on the plat of survey recorded in Map Book 43, Page 204F in the Office of the Clerk of the Circuit Court of Pittsylvania County, Virginia.

Parcel 5 consists of Tract 1 and Tract 2 which are together the same property shown as 12.893 acres on the Plat of Survey made by Acres of Virginia, Inc., Brian W. Hammack, L.S., dated July 6, 2005, entitled "Plat Showing Resurvey – Property of: Clarence A. & Sandra A. Crider" attached to the Deed from Clarence A. Crider and Sandra A. Crider to Eagle Pointe Shores, LLC dated October 26, 2005, and recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia.

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Parcel 6:

47.411 acres

Tax ID 16-1-2A (01600-01-00-0002-A)

Description:

All of that tract of land containing 47.078 acres as shown on a "Resurvey of 47.078 acres property of Davie H. & Geneva T. Shelton" dated January 6, 1993, signed June 25, 2003, by B. R. Shrader, L.S., a copy of which resurvey recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia, in Map Book 43, Page 344M, and specific reference to which said resurvey is hereby made for a further and more particular description.

SUBJECT TO all easements and rights of way of record or in place and affecting said land; and specifically subject to the right-of-way granted to Jannie Mae Franklin Howell, *et al.*, by deed dated January 4, 1977, from David H. Shelton, et als., recorded in said Clerk's Office in Deed Book 629, Page 765, and reference to said deed is hereby made.

BEING the same property shown as 47.411 acres on plat of survey made by Brian W. Hammack, L.S., dated October 10, 2005, entitled the "Plat Showing Resurvey of Property of: Jerry C. & Nancy P. Parsons " recorded in recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia, in Map Book 43, Page 344M, and attached to the Deed of Boundary Line Adjustment recorded the aforesaid Clerk's Office in Deed Book 1520, Page 822, and specific reference is hereby made said Deed of Boundary Line Adjustment and said survey for a further and more particular description.

Parcel 7

All of Tract A containing 0.04 of an acre, more or less, as shown on plat of two tracts of land, surveyed for Landon G. Atkins, by Ralph P. Hines, C.L.S., dated January 10, 1967, said survey being recorded in Map Book 4, Page 93, in the Clerk's Office of Pittsylvania County, Virginia, and

Parcel 8

All of Tract B containing 87 acres, more or less, as shown on plat of two tracts of land, surveyed for Landon G. Atkins, by Ralph P. Hines, C.L.S., dated January 10, 1967, said survey being recorded in Map Book 4, Page 93, in the Clerk's Office of Pittsylvania County, Virginia, and

Parcel 9

All of Lot or Tract B containing 5.1 acres, more or less, as shown on plat of two tracts of land, surveyed for Basil T. Atkins, by Ralph P. Hines, C.L.S., dated December 22, 1966, said survey being recorded in Map Book 4, Page 89, in the Clerk's Office of Pittsylvania County, Virginia; and

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Parcel 10

All of Tract C containing 5.6 acres, more or less, as shown on plat of survey for Landon G. Atkins, by Ralph P. Hines, C.L.S., dated January 14, 1967, revised January 17, 1967, said survey being recorded in Deed Book 478, at Page 501; and

Parcel 11

All of Tract A containing 140 acres, more or less, as shown on plat of two tracts of land, surveyed for Basil T. Atkins, by Ralph P. Hines, C.L.S., dated December 22, 1966, said survey being recorded in Map Book 4, Page 89, in the Clerk's Office of Pittsylvania County, Virginia.

The above Parcels 7, 8, 9, 10 and 11 are those certain lots or parcels of land known as Parcels "A" and "B" as shown in Map Book 4, Page 90, and Parcels "A", "B" and "C" as shown in Deed Book 478, Page 501, containing, in the aggregate, a total of 281.057 acres, more or less (209.979 acres above the 620 foot contour and 71.078 acres below the 620 foot contour of Leesville Lake) as more particularly shown on "Plat Showing Resurvey Property of: Thomas E. Walton, Jr. (deceased) & Helen G. Walton" dated March 17, 2006, prepared by Thomas C. Brooks, Jr., Land Surveyor, a copy of which is attached to the Deed from Helen G. Walton to Eagle Pointe Shores, LLC and recorded prior hereto in the Clerk's Office of Pittsylvania County, Virginia.

With the exception of any portion that is included as Submitted Land, the Additional Property shall include the following parcels owned by Edward Noel Plymale and Barbara L. Plymale:

Lot 1, containing 9.09 acres, as shown on the Plat to Edward Noel Plymale and Barbara L. Plymale, husband and wife, by deed dated March 5, 1997, recorded in Deed Book 1070, Page 505 in the aforesaid Clerk's Office, together with all rights of ingress and egress included therein, reference thereto being expressly made for a more particular description thereof.

INSTRUMENT #040008585
RECORDED IN THE CLERK'S OFFICE OF
PITTSYLVANIA COUNTY ON
NOVEMBER 8, 2006 AT 04:30PM
H. F. HAYMORE, CLERK

RECORDED BY: LPK