

AMENDED AND RESTATED
DECLARATION OF PROTECTIVE COVENANTS
AND RESTRICTIONS

STONEHOUSE OWNERS FOUNDATION

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AMENDED AND RESTATED

DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS

STONEHOUSE OWNERS FOUNDATION

THIS AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS ("this Declaration") is made this _____ day of _____, 2010 by **GS STONEHOUSE GREEN LAND SUB LLC**, a Delaware Limited Liability Company ("GS"); **GS STONEHOUSE GREEN LAND SUB 2 LLC**, a Delaware Limited Liability Company ("GS2"); and **STONEHOUSE OWNERS FOUNDATION**, a Virginia non-stock corporation ("Association") having an address of _____ . [Index each of the foregoing parties as both "grantor" and "grantee" for recording purposes.]

RECITALS

A. By instrument entitled, "Declaration of Protective Covenants and Restrictions," dated February 7, 2006 and recorded July 17, 2006 in the Clerk's Office of the Circuit Court of the City of Williamsburg and the County of James City, Virginia (the "Clerk's Office"), as Instrument No. 060017112 (the "Original Declaration"), Stonehouse at Williamsburg, LLC, a Virginia limited liability company ("SAW"), as "Declarant", subjected certain real property more particularly set forth and described in Exhibit A thereto to certain covenants, easements, liens, charges and restrictions set forth therein.

B. By Special Warranty Deed dated October 31, 2006, and recorded in the Clerk's Office as Instrument Number 060027006, certain affiliates of SAW conveyed to GS certain real property located in the County of James City, Virginia, as more particularly described in such Deed. A portion of such property lies within the boundaries of the land set forth and described in Exhibit B to the Original Declaration.

C. By Deeds dated November 18, 2009, and recorded in the Clerk's Office as Instrument Number 090030982 and 090030984, GS conveyed to GS Stonehouse Green Land, LLC certain real property located in the County of James City, Virginia as more particularly described in such Deed. By Deeds dated November 18, 2009, and recorded in the Clerk's Office as Instrument Numbers 090030983 and 090030985, GS Stonehouse Green Land, LLC conveyed to GS2 certain real property located in the County of James City, Virginia, as more particularly described in such Deed. The foregoing conveyances were confirmed by Deed of Confirmation dated November 18, 2009 and recorded in the Clerk's Office as Instrument Number 090030986. A portion of the property conveyed is located within the boundaries of the land set forth and described in Exhibit B to the Original Declaration.

D. By Assignment and Assumption Agreement dated _____, 2010 and recorded _____, 2010 in the Clerk's Office as Instrument Number _____

_____ (the "Assignment Agreement"), SAW assigned all its rights and privileges as "Declarant" as set forth and arising out of the Original Declaration, and SAW's rights and privileges as "Developer" under the Articles, Bylaws, Rules and Architectural Guidelines as more particularly set forth in the Assignment Agreement, to GS and GS2 (collectively, "Declarant").

E. By Assignment and Assumption Agreement of Landowner Rights dated _____, 2010 and recorded _____, 2010 in the Clerk's Office as Instrument Number _____ (the "Landowner Assignment"), SAW and various other "Landowners" (as defined in the Original Declaration) confirmed the succession of GS and GS2 to their respective rights as Landowner(s) under the Original Declaration, and each such Landowner assigned its respective right, designation, title and interest as "Landowner" under the Original Declaration, Articles, Bylaws, Rules and Architectural Guidelines, such assignment to be effective as of October 31, 2006.

F.. Declarant and the Association (by vote of its Members) have collectively determined that it is in the best interests of the Association to amend and restate the Original Declaration in its entirety and to adopt the amendments set forth in this Amended and Restated Declaration of Protective Covenants and Restrictions.

NOW, THEREFORE, the Original Declaration is amended and restated in its entirety as herein set forth. This Declaration may be executed in counterparts, all of which shall be read together as one document.

ARTICLE I DEFINITIONS

Section 1.1. "Additional Area" shall have the meaning set forth in Section 2.1 of this Declaration.

Section 1.2. "Annual Assessment" shall have the meaning set forth in Section 5.3 of this Declaration.

Section 1.3. "Architectural Review Board" shall have the meaning set forth in Section 6.1 of this Declaration.

Section 1.4. "Articles" means the Articles of Incorporation of Stonehouse Owners Foundation, as the same may be amended from time to time.

Section 1.5. "Association" means the Stonehouse Owners Foundation, a Virginia nonstock corporation, its successors and assigns.

Section 1.6. "Bylaws" means the Bylaws of Stonehouse Owners Foundation, as the same may be amended from time to time.

Section 1.7. "Clerk's Office" means the Clerk's Office of the Circuit Court of the City of Williamsburg and County of James City, Virginia.

Section 1.8. "Common Area" means (i) real estate and/or easements specifically designated as "Common Area" or "Common Area Easement" on recorded plats of the Properties, in any Supplemental Declaration or in any amendment to this Declaration or in any other instrument executed by Declarant and recorded in the Clerk's Office; (ii) the portions of the Properties, if any, designated for "open space," "buffer zones," "scenic easements," "natural open space area," "conservation areas," "landscape easement," "trail easement" and "BMP" or similar purposes on recorded plats of the Properties and conveyed (by deed, plat dedication or easement) to and accepted by the Association; and (iii) all other real property, easements, and improvements or facilities now or hereafter owned by the Association which are intended to be devoted to the common use and enjoyment of the Owners and such non-Owners, if any, who have been authorized to use such Common Area pursuant to Sections 4.2 and/or 4.6 hereof. The Common Area includes or may in the future include, without limitation, certain streets which are not dedicated to the public (including but not limited to any security gates and/or related features that may be installed in connection therewith), certain alleyways and access drives providing access to and from residential Lots and Parcels, entrance signs and entry features, landscaping easements, certain fencing, medians located within or adjacent to streets within the Properties, certain parks and open space areas, one or more storm water detention ponds or "BMP's", swimming pool and related facilities, community center, tennis courts, areas set aside for pedestrian and/or bicycle paths and sidewalks and other recreational facilities. Portions of the Common Area may be designated by the Declarant pursuant to Section 4.4 hereof as "Limited Common Areas" for the exclusive use of one or more but less than all of the Owners and such non-Owners, if any, who have been authorized to use such Limited Common Area pursuant to Sections 4.2 and/or 4.6 hereof. Also, certain Parcels and/or Neighborhoods may include open space areas, easements and facilities which are intended to be maintained privately either by private ownership or by separate associations and which will not be designated as Common Area, Limited Common Area or Neighborhood Common Area and will not be maintained by the Association. At Declarant's option, the Properties may be served by one or more area-wide BMP's which also serve other property in Stonehouse and which may or may not be designated as Common Area, Limited Common Area or Neighborhood Common Area of the Association; provided, however, that appropriate cross-easements and cost sharing agreements will be established in such instances.

Section 1.9. "Declarant" means collectively, GS Stonehouse Green Land Sub LLC, a Delaware Limited Liability Company, and GS Stonehouse Green Land Sub 2 LLC, a Delaware limited liability company, and its successors as "Declarant" of the Properties to whom Declarant has assigned its rights hereunder by instrument recorded in the Clerks' Office as provided in Section 9.11.

Section 1.10. "Declaration" means this Amended and Restated Declaration of Protective Covenants and Restrictions, as the same may from time to time be supplemented or amended.

Section 1.11. "General Assessments" shall have the meaning set forth in Section 5.3 of the Declaration.

Section 1.12. "Governing Documents" means the Articles, the Bylaws, this Declaration, and any Supplemental Declaration, as the same may be amended, restated or supplemented from time to time.

Section 1.13. "Improvement" shall have the meaning set forth in Section 6.2 of this Declaration.

Section 1.14. "Land" means real property together with any and all improvements thereon and appurtenances thereunto belonging.

Section 1.15. "Limited Common Area" means a portion of the Common Area or the Neighborhood Common Area designated by the Declarant pursuant to Section 4.4 hereof for the exclusive use of one or more but less than all of the Owners and such non-Owners, if any, who have been authorized to use such Limited Common Area pursuant to Sections 4.2 and/or 4.6 hereof.

Section 1.16 "Lot" means any lot which is shown on a recorded subdivision plat (or any subsequently recorded subdivision plat) of any portion of the Properties subject to the Declaration or, with respect to condominiums, a governmentally approved site plan, and on which is constructed or is to be constructed (i) a single family, detached residence; (ii) a townhouse; (iii) a zero lot line residence or other type of cluster house; or (iv) any condominium unit within a condominium created pursuant to the Condominium Act of Virginia, § 55-79.39 et. seq. of the Virginia Code, as the same may be amended from time to time. The term "Lot" shall not include any portion of the Properties which at the time in question is not included in a recorded subdivision plat of any portion of the Properties, or with respect to condominiums, a governmentally approved site plan, nor shall "Lot" include Common Areas, Neighborhood Common Areas, Limited Common Areas, public streets or property dedicated to and accepted by a public authority.

Section 1.17. "Member" means every Person who holds membership in the Association.

Section 1.18. "Neighborhood" means one (1) or more Lots which have been designated as a "Neighborhood" in the Supplemental Declaration(s) applicable to such Lot(s).

Section 1.19. "Neighborhood Assessment" shall have the meaning set forth in Section 5.3 of this Declaration.

Section 1.20 "Neighborhood Common Area" means the real property and any improvements thereon which is for the primary use and enjoyment of Owners residing in such Neighborhood and such non-Owners, if any, who have been authorized to use such Neighborhood Common Area pursuant to Sections 4.3 and/or 4.6 hereof, and which is designated as Neighborhood Common Area on the recorded plat of subdivision for the Neighborhood, or described as such in a Supplemental Declaration applicable to the Neighborhood or designated as such in an instrument executed by Declarant and recorded in the Clerk's Office. Portions of the Neighborhood Common Area may be designated by Declarant pursuant to Section 4.4 hereof as

"Limited Common Areas" for the exclusive use of one or more but less than all of the Owners in the Neighborhood and such non-Owners, if any, who have been authorized to use such Limited Common Area pursuant to Sections 4.2, 4.3 and/or 4.6 hereof.

Section 1.21. "Owner" means the record holder, whether one or more Persons, of fee simple title to any Lot or Parcel, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.22. "Parcel" means any portion of the Properties subdivided from the residue thereof for the purpose of either (i) resubdivision into Lots, (ii) the creation of a residential condominium and condominium units pursuant to the Condominium Act of Virginia, §55-75.39 et. seq. of the Virginia Code, as the same may be amended from time to time, or (iii) the construction of residential apartments thereon.

Section 1.23. "Parcel Developer" means any Person who obtains title to a Parcel for the purpose of development and sale of Lots (including, without limitation, condominium units) or development of residential apartments.

Section 1.24. "Person" means any natural person, corporation, limited liability company, joint venture, partnership, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other separate legal entity. "Person" shall also mean and include, without limitation, a property or condominium unit owners association.

Section 1.25. "Properties" means all property currently subjected to this Declaration, together with such other real property as may from time to time be subjected in whole or in part to this Declaration by Declarant pursuant to Article II hereof as and when such other real property is subjected.

Section 1.26. "Supplemental Declaration" shall have the meaning set forth in Section 2.2 hereof.

Section 1.27. "Virginia Code" shall mean the Code of Virginia (1950), as in effect on the first date of recordation of this Declaration and as amended from time to time thereafter. Except as otherwise expressly provided herein, if any sections of the Virginia Code referred to in this Declaration are hereafter repealed or recodified, each such reference shall be deemed to apply to the section of the Virginia Code that is the successor to the previous section referred to herein, or, if there is no successor section, such reference shall be interpreted as if the section had not been repealed.

Section 1.28. "Zoning Ordinance" means any ordinance, regulation or provision enacted by the applicable governing body of the County of James City, Virginia, regulating, restricting, permitting or prohibiting the use of land and the construction of Improvements thereon, and, for the purpose of this definition, shall include the conditions and provisions of any conditional use permit affecting any portion of the Property or any other government-controlled or directed process affecting any portion of the Property. Without limiting the generality of the foregoing,

"Zoning Ordinance" also includes any applicable proffers made by Declarant and/or any of the Landowners or their respective predecessor(s) in title to the extent applicable to the Properties and accepted by James City County, as the same may be amended, modified, supplemented or amended and restated from time to time.

ARTICLE II

ADDITIONS TO THE PROPERTIES

Section 2.1. Additional Area. The real estate which is subject to this Declaration as of the date of its recordation in the Clerk's Office is described in Exhibit A hereto. Declarant contemplates the extension of this Declaration to the real estate described in Exhibit B hereto or portions thereof and the possible extension of this Declaration to other real estate located within a two (2) mile radius of the real estate described in Exhibits A and B (collectively, the "Additional Area"). However, Declarant shall not be obligated to bring all or any part of the Additional Area within the scheme of development established by this Declaration, and no negative reciprocal easement shall arise out of this Declaration so as to benefit or bind any portion of the Properties or the Additional Area until such portion of the Additional Area is expressly subjected to the provisions of this Declaration in accordance with Section 2.2 below and then such portion of the Additional Area shall be subject to any additions, deletions and modifications as are made pursuant to Section 2.2 and Section 2.3.

Section 2.2. Right to Subject Additional Area to Declaration. Declarant reserves the right, at its discretion, at such time or times as it shall determine on or before January 1, 2030, to subject the Additional Area, or such portions thereof as Declarant shall determine, together with improvements thereon and easements, rights and appurtenances thereunto belonging or appertaining, to the provisions of this Declaration in whole or in part. Any portion of the Additional Area which is not, on or before January 1, 2030 subjected to the provisions of this Declaration in whole or in part pursuant to this Section 2.2 and thereby constituted a part of the "Properties," shall cease to be Additional Area. Each of the additions authorized pursuant to this Section 2.2 shall be made by Declarant's recordation in the Clerk's Office of a supplemental declaration ("Supplemental Declaration") describing the portion(s) of the Additional Area subjected to this Declaration. If record title to the portion of the Additional Area being subjected to the Declaration is held by any Person other than Declarant, then such Person shall join in and execute the Supplemental Declaration along with Declarant. Each Supplemental Declaration may contain such additions, deletions and modifications to the provisions of this Declaration as may be desired by Declarant. However, no negative reciprocal easement or covenant shall arise out of any additions, deletions or modifications to this Declaration made in the instruments which subject the Additional Area to this Declaration except as to the real estate expressly subject to such additions, deletions and modifications.

Section 2.3. Additional Provisions. In addition to subjecting the Additional Area to this Declaration as provided in Section 2.2, Declarant may, in its discretion, execute and record one or more Supplemental Declarations for the purpose of establishing certain additional or different covenants, easements and restrictions (including, without limitation, a different level of assessments) applicable to a specific Neighborhood or Neighborhoods or certain specified Lot(s)

and/or Parcel(s). However, no negative reciprocal easement or covenant shall arise out of any Supplemental Declaration so as to bind any real property not expressly subjected thereto.

Section 2.4. Power Not Exhausted by One Exercise, Etc. No exercise of the power granted Declarant hereunder as to any portion of the Additional Area shall be deemed to be an exhaustion of such power as to other portion(s) of the Additional Area not so subjected to the provisions hereof or to the provisions of a Supplemental Declaration. The discretionary right of Declarant to subject the Additional Area to the provisions of this Declaration or a Supplemental Declaration is not conditioned upon or subject to the approval of other Owners and therefore the requirements set forth in Section 9.2 for amendments to this Declaration shall be inapplicable to this Article II. The failure of Declarant to extend the provisions of this Declaration to the Additional Area or any portion(s) thereof shall not be deemed to prohibit the establishment of a separate scheme of development (including provisions substantially similar or identical to those contained herein) for such portion(s) of the Additional Area to which this Declaration is not extended.

Section 2.5. Development of Additional Area. The portion(s) of the Additional Area subjected to this Declaration may be developed with different housing styles, types, square footages and price ranges. Declarant makes no representation as to the housing styles, types and price ranges for current or future Parcels. The portion(s) of the Additional Area subjected to the provisions of this Declaration may contain additional Common Areas, Limited Common Areas, Neighborhood Common Areas and facilities to be owned and/or maintained by the Association. Also, the portion(s) of the Additional Area subjected to the provisions of this Declaration may be subjected to one or more declarations for separate associations, and, therefore, Owners of Lots and Parcels may also be members of such separate associations, as applicable, in addition to being members of the Association.

Section 2.6. Withdrawal. Declarant shall have the right, in its sole discretion, to remove from the Properties any portion thereof by recording in the Clerk's Office a Supplemental Declaration describing the portion(s) to be removed from the Properties; provided, however, if such portion is owned by any Person other than Declarant, then such withdrawal must be with the consent of such Person and Declarant.

Section 2.7. Master Plan. The existence of a master plan for the Properties as part of the Zoning Ordinance or as used by Declarant in developing and/or selling the Properties, and Lots and Parcels therein, shall not be deemed to constitute a representation by Declarant that the real estate shown thereon shall be developed as depicted on the master plan, and the master plan may be amended from time to time in the sole discretion of Declarant and with the consent (to the extent required) of the County of James City, Virginia.

Section 2.8. Additions by Association. After the Declarant's right to unilaterally extend the Declaration to portions of the Additional Area has expired, this Declaration may be extended to any portion of the Additional Area pursuant to the following procedures:

(a) Approval Required. The Association, by (i) the affirmative vote of two-thirds (2/3) or more of the directors serving on the Board of Directors of the Association and (ii)

the consent in writing of the Owners of a majority or more of the Lots within the Properties subject to this Declaration, may authorize the President of the Association to execute a Supplemental Declaration to extend this Declaration to all or portions of the Additional Area provided the Owner(s) of such Additional Area consent to such extension as evidenced by such Owner(s) joining in an instrument of record subjecting such real property to the covenants, liens, restrictions, easements, and other provisions of this Declaration. However, the Association shall not be obligated to bring all or any part of the Additional Area within the scheme of development established by this Declaration, and no negative reciprocal easement or covenant shall arise out of this Declaration so as to benefit or bind any portion of the Properties or the Additional Area until such portion of the Additional Area is expressly subjected to the provisions of this Declaration in accordance with subparagraph (b) below and then such portion of the Additional Area shall be subject to any additions, deletions and modifications as are made pursuant to subparagraph (b) below.

(b) Method of Adding Additional Area to Declaration. Each of the additions authorized pursuant to this Section 2.8 shall be made by Association's recordation in the Clerk's Office of a Supplemental Declaration describing the portion(s) of the Additional Area subjected to this Declaration. Each such instrument may contain such additions, deletions and modifications to the provisions of this Declaration as may be desired by the Association. However, no negative reciprocal easement or covenant shall arise out of any additions, deletions or modifications to this Declaration made in the instruments which subject the Additional Area to this Declaration except as to the real estate expressly subject to such additions, deletions and modifications.

(c) Supplemental Declarations. In addition to subjecting the Additional Area to this Declaration as provided in subparagraph (b) above, the Association may, in its discretion and in accordance with the procedures specified in subparagraph (a) above, execute and record one or more supplemental declarations (each a "Supplemental Declaration") for the purpose of establishing certain additional or different covenants, easements and restrictions (including without limitation a different level of assessments) applicable to a specific Neighborhood or Neighborhoods or certain specified Lot(s) and/or Parcel(s) within the portion(s) of Additional Area to be subjected pursuant to subparagraph (b) above. However, no negative reciprocal easement or covenant shall arise out of any Supplemental Declaration so as to bind any real property not expressly subjected thereto.

(d) Power Not Exhausted by One Exercise, Etc. No exercise of the power granted Association hereunder as to any portion of the Additional Area shall be deemed to be an exhaustion of such power as to other portion(s) of the Additional Area not so subjected to the provisions hereof or to the provisions of a Supplemental Declaration. The discretionary right of the Association to subject the Additional Area to the provisions of this Declaration or a Supplemental Declaration is conditioned upon and subject to the prior approval of the Board of Directors of the Association and the required written consent of the requisite amount of Owners as set forth in subparagraph (a) and therefore the requirements set forth in Section 9.2 for amendments to this Declaration shall not apply to this Section 2.8. The failure of the Association to extend the provisions of this Declaration to the Additional Area or any portion(s) thereof shall not be deemed to prohibit the establishment of a separate scheme of development

(including provisions substantially similar or identical to those contained herein) for such portion(s) of the Additional Area to which this Declaration is not extended.

(e) Development of Additional Area. The portion(s) of the Additional Area subjected to the provisions of this Declaration pursuant to this Section 2.8 may contain additional Common Areas, Limited Common Areas, Neighborhood Common Areas and facilities to be owned and/or maintained by the Association.

ARTICLE III

OWNERS ASSOCIATION

Section 3.1. Membership. Every Owner of a Lot, and every Owner of a Parcel, shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot and/or Parcel. Upon the recordation of a deed to a Lot or a Parcel, the membership of the selling Owner shall cease and the purchasing Owner shall become a member of the Association.

Section 3.2. Classes of Membership. The Association shall have two classes of voting membership:

Class A. All Owners of Lots and Parcels including Declarant shall be Class A members.

Class B. Declarant shall be the Class B member. The Class B membership shall terminate on the earlier of (i) the date on which Declarant ceases to own twenty-five percent (25%) or more of the land (including but not limited to undeveloped Lots and Parcels) lying within the Properties and the Additional Area, (ii) the date on which Declarant executes and records in the Clerk's Office an amendment to this Declaration terminating the Class B membership, or (iii) on January 1, 2030

Section 3.3. Voting Rights.

(a) Each Class A member other than Declarant shall be entitled to cast one vote for each Lot and Parcel owned. Declarant shall be entitled to cast three (3) Class A votes per Lot owned. For the limited purpose of calculating the Class A votes of Declarant, the term "Lot" shall be deemed to include residential lots and/or units which have either (i) been created by recordation of the appropriate subdivision plat(s) and/or condominium instruments, or (ii) if no such plats or instruments have been recorded, the number of developable lots/units attributed to the portions of the Properties and Additional Area owned by Declarant.

(b) Declarant as the Class B member shall be entitled to cast the Class B vote.

(c) Notwithstanding subsection (a) above, if a Parcel is developed for residential apartment use, the Owner thereof shall be entitled to cast the product of three (3) Class A votes per acre multiplied by the acreage of the Parcel. If such product is other than a whole number, the product shall be adjusted upward to the nearest whole number.

Section 3.4. Suspension of Voting Rights. The Board of Directors of the Association may suspend the voting rights of any Member subject to assessment under this Declaration during the period when any such assessment shall be delinquent, but upon payment of such assessment the voting rights of such Member shall automatically be restored. The Board of Directors, after appropriate due process, may also suspend the voting rights of any Member who is in violation of the Governing Documents or the rules or architectural guidelines promulgated by the Association and/or who allows a violation to exist of his Lot if such violation remains uncorrected after the last day of a period established by the Association.

Section 3.5. Articles and Bylaws to Govern; Property Owners' Association Act. Except to the extent expressly provided in this Declaration and any applicable Supplemental Declaration, all the rights, powers and duties of the Association and the Members, including the Members' voting rights, shall be governed by the Articles and the Bylaws. The Articles provide, among other things, that the Class B member shall appoint the members of the Board of Directors until the Class B membership terminates. However, in the event of any conflict or inconsistency between the provisions of this Declaration or any Supplemental Declaration and the provisions of the Articles or Bylaws, this Declaration and all Supplemental Declarations (to the extent applicable) shall control. In addition to all of the rights, powers and duties of the Association provided in this Declaration, the Association shall have all of the rights, powers and duties provided in the Property Owners' Association Act, § 55-508 et. seq. of the Virginia Code, as the same may be amended from time to time.

Section 3.6. Neighborhoods. The Lots within a particular Neighborhood may be subject to additional covenants other than as set forth in this Declaration (including any Supplemental Declaration), and the Owner of a Lot may be a member of another owners association in addition to the Association. In addition, the Bylaws and each Supplemental Declaration may provide for the establishment of a Neighborhood Advisory Committee for each Neighborhood to advise the Board of Directors of the Association with regard to matters affecting such Neighborhood, including, without limitation, making recommendations regarding the proposed annual budget with regard to any Neighborhood Assessments payable by Owners within such Neighborhood. In order to serve on such a committee an Owner and such Owner's Lot must not be in default of any obligations under the Governing Documents, including but not limited to timely payment of all assessments, and the Board of Directors shall have the authority to remove any Member who is in default, or whose Lot is in violation or in default, from service on such a committee.

ARTICLE IV

COMMON AREA

Section 4.1. Obligations of the Association. The Association, subject to the rights of the Members set forth in this Declaration and subject to the rights of non-Owners, but only to the extent non-Owners are granted rights pursuant to the provisions of this Declaration, shall be responsible for the maintenance, management, operation and control of the Common Area, the Limited Common Area and the Neighborhood Common Area and all improvements thereon (including fixtures, personal property and equipment related thereto). The Association shall keep

the Common Areas, the Neighborhood Common Areas and the Limited Common Areas, and all improvements thereon and thereunto belonging in good, clean and attractive condition, order and repair and in accordance with this Declaration, the Governing Documents and the Zoning Ordinance.

The Association shall be responsible for the management, control and maintenance of all street intersection signs (to the extent not maintained by the County of James City and/or the Virginia Department of Transportation); direction signs; plantings; street lights; entrance features; lighting; fencing; wood, stone or masonry wall features and/or related landscaping; and sidewalks and bicycle/pedestrian paths erected, installed or planted in the Common Areas, Limited Common Areas and Neighborhood Common Areas by the Declarant, a Parcel Developer or the Association; provided such items are not maintained by the applicable municipality or the Virginia Department of Transportation at its/their expense and are located within Common Areas, Limited Common Areas, Neighborhood Common Areas and/or within landscaped areas of public right-of-ways for which the Association has assumed maintenance.

In addition to the Association's responsibilities regarding the Common Areas, Limited Common Areas and Neighborhood Common Areas, the Association shall have the express right and authority to enter into cost sharing, shared use and cross access arrangements with any Person, including, without limitation, any other property owners association providing services and/or shared facilities in the vicinity of the Property.

The Association's performance of its obligations under this Section 4.1 shall be for the benefit of its Members and such non-Owners, if any, who have been authorized to use the Common Areas, Neighborhood Common Areas, and Limited Common Areas pursuant to Sections 4.2, 4.3, 4.4 and 4.6 hereof, provided, however, that the rights of such Members and non-Owners, if any, shall be subject to the provisions of this Declaration, any applicable Supplemental Declaration, the Articles, the Bylaws and such rules and regulations as may be adopted from time to time by the Association's Board of Directors.

Section 4.2. Owners' Rights of Enjoyment and Use of Common Areas. Subject to the provisions of this Declaration, any applicable Supplemental Declaration, the Articles, the Bylaws and such rules and regulations as may be adopted from time to time by the Association's Board of Directors, and except to the extent limited by the designation of "Limited Common Area", every Owner shall have a right of enjoyment in and to the Common Areas which right of enjoyment shall be appurtenant to and shall pass with the title to every Lot and Parcel. The Common Areas (including without limitation the Limited Common Areas) shall be used by Owners only for the purpose or purposes for which the Common Areas may have been improved by Declarant, the Parcel Developer or the Association and subject to any applicable restrictions in the Zoning Ordinance. Any Common Area which has not been improved for a particular use is intended to remain in its natural condition until so improved, and any use thereof by an Owner shall not damage or disturb such natural condition or the enjoyment thereof by other Owners. Without limiting the generality of the foregoing, the Declarant reserves, for itself for so long as the Class B membership exists, and for the Association upon the expiration or earlier termination of the Class B membership, the right to grant to any Person or Persons a license and/or similar right to make exclusive use of portions of the Common Areas or Limited Common Areas;

provided that any such grant is evidenced (i) in a writing executed by Declarant if granted by Declarant or (ii) by duly adopted resolution of the Board of Directors of the Association if granted by the Association.

Section 4.3. Owners' Rights of Enjoyment and Use of Neighborhood Common Areas. Subject to the provisions of this Declaration, any applicable Supplemental Declaration, the Articles, the Bylaws and such rules and regulations as may be adopted from time to time by the Association's Board of Directors, and except to the extent limited by the designation of "Limited Common Area", the Owners of Lots within a particular Neighborhood shall have the primary right of enjoyment in and to the Neighborhood Common Areas located within such Neighborhood which right of enjoyment shall be appurtenant to and shall pass with the title to every Lot within such Neighborhood. The Neighborhood Common Areas shall be used by Owners of Lots within such Neighborhood only for the purpose or purposes for which the Neighborhood Common Areas may have been improved by Declarant, the Parcel Developer or the Association and subject to any applicable restrictions in the Zoning Ordinance. Any Neighborhood Common Area which has not been improved for a particular use is intended to remain in its natural condition until so improved, and any use thereof by an Owner of a Lot within such Neighborhood shall not damage or disturb such natural condition or the enjoyment thereof by other Owners of Lots within such Neighborhood. Without limiting the generality of the foregoing, the Declarant reserves, for itself for so long as the Class B membership exists, and for the Association upon the expiration or earlier termination of the Class B membership, the right to grant to any Person or Persons a license and/or similar right to make exclusive use of portions of the Neighborhood Common Areas; provided that any such grant is evidenced (i) in a writing executed by Declarant if granted by Declarant or (ii) by duly adopted resolution of the Board of Directors of the Association if granted by the Association.

Section 4.4. Limited Common Areas. The Declarant shall have the power, for so long as the Declarant has the right to add Additional Area under Section 2.2 hereof, to restrict portions of the Common Area and/or the Neighborhood Common Area for the primary use of the Owners of one or more specific Lots (and such non-Owners, if any, who have been authorized to use such areas pursuant to Section 4.6 hereof) by designating such portions of Common Area and/or Neighborhood Common Area, as applicable, as "Limited Common Area".

Declarant may either: (i) indicate the locations of the Limited Common Area appertaining to one or more Lots by depicting such Limited Common Area and the Lots to which it is appurtenant on a plat attached to or recorded with a Supplemental Declaration; (ii) label a portion of the Common Area or Neighborhood Common Area, as applicable, as "Common Area that may be assigned as Limited Common Area" or "Neighborhood Common Area that may be assigned as Limited Common Area" on a plat attached as an exhibit to the applicable Supplemental Declaration and thereafter assign such Limited Common Area to one or more specific Lots by unilaterally amending the Supplemental Declaration to indicate the assignment depicting the Limited Common Area being assigned and the Lots to which it is appurtenant; or (iii) indicating that such Common Area or Neighborhood Common Area, as applicable, is Limited Common Area by a description in an applicable Supplemental Declaration.

Subject to the provisions of this Declaration, any applicable Supplemental Declaration, the Articles, the Bylaws, and such rules and regulations as may be adopted from time to time by the Association's Board of Directors, the Owners of Lot(s) to which Limited Common Area has been assigned and such non-Owners, if any, who have been authorized to use such Limited Common Area pursuant to Section 4.6 hereof shall have the exclusive right of enjoyment in and to the Limited Common Area assigned which right of enjoyment shall be appurtenant to and shall pass with the title to every Lot to which such Limited Common Area is appurtenant. The Limited Common Areas shall be used by Owners of Lots to which such Limited Common Areas have been assigned and such non-Owners, if any, who have been authorized to use such Limited Common Area pursuant to Section 4.6 hereof only for the purpose or purposes for which the Limited Common Areas may have been improved by the Declarant, the Parcel Developer or the Association and subject to any applicable restrictions in the Zoning Ordinance. Any Limited Common Area which has not been improved for a particular use is intended to remain in its natural condition until so improved, and any use thereof by an Owner of a Lot to which such Limited Common Area is appurtenant shall not damage or disturb such natural condition or the enjoyment thereof by other Owners of Lots to which such Limited Common Area is appurtenant. Without limiting the generality of the foregoing, the Declarant reserves, for itself for so long as the Class B membership exists, and for the Association upon the expiration or earlier termination of the Class B membership, the right to grant to any Person or Persons a license and/or similar right to make exclusive use of portions of the Limited Common Areas; provided that any such grant is evidenced (i) in a writing executed by Declarant if granted by Declarant or (ii) by duly adopted resolution of the Board of Directors of the Association if granted by the Association.

Section 4.5. General Limitations on Owners' Rights. The Owners' rights of enjoyment in the Common Areas, the Limited Common Areas and the Neighborhood Common Areas shall be subject to the following:

(i) the right of the Association's Board of Directors to establish reasonable rules and regulations and to charge reasonable admission and other fees for the use of the Common Areas, the Limited Common Areas and the Neighborhood Common Areas;

(ii) the right of the Declarant for so long as the Class B membership exists, and the right of the Association upon the expiration or earlier termination of the Class B Membership, to grant to any Person or Persons licenses and/or similar rights to make exclusive use of such areas as more particularly set forth and described in Sections 4.2, 4.3, and 4.4 hereof;

(iii) the right of the Association's Board of Directors to suspend the right of an Owner to use or benefit from any of the Common Areas, the Limited Common Areas or the Neighborhood Common Areas for the period during which any assessment against his Lot or Parcel is delinquent as may be limited by the last sentence of § 55-514C of the Virginia Code as in effect on the date hereof;

(iv) the right of the Association's Board of Directors to suspend the right of an Owner to use or benefit from any of the Common Areas, Limited Common Areas or Neighborhood Common Areas for any period during which any other violation by the Owner of this Declaration, a Supplemental Declaration or the rules and regulations promulgated by the

Association's Board of Directors pursuant to this Declaration remains uncorrected after the last day of a period established for correction by the Association's Board of Directors (such period to be stated in a notice to the Owner together with a statement of the violation complained of and the manner of its correction) and for not more than sixty (60) days after such correction;

(v) the right of the Association's Board of Directors to mortgage any or all of the Common Areas, the Limited Common Areas or the Neighborhood Common Areas as further addressed in the Bylaws;

(vi) the right of Declarant or the Association's Board of Directors to grant or assign utility easements across the Common Areas, the Limited Common Areas and the Neighborhood Common Areas as provided in Article VIII;

(vii) the right of the Association's Board of Directors to dedicate or transfer all or any part of the Common Areas, the Limited Common Areas or the Neighborhood Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be desired;

(viii) all of the other easements, covenants and restrictions provided for in this Declaration and any Supplemental Declaration(s) applicable to the Lots and/or the Common Areas, the Limited Common Areas and/or the Neighborhood Common Areas;

(ix) the Declarant's designation of certain Common Areas and Neighborhood Common Areas as "Limited Common Areas" for the exclusive use and benefit of the Owners of one or more specified Lots (and such non-Owners, if any, who have been authorized to use such areas pursuant to Section 4.6 hereof);

(x) the right of the Association's Board of Directors to permit use of any facilities situated on Common Area or Neighborhood Common Area by use of Persons other than Owners, their families, lessees and guests upon payment of use fees or other consideration established by the Board of Directors;

(xi) the right of the Association's Board of Directors to determine, in its sole and absolute discretion, whether to remove any improvements, equipment or other facilities located on any Common Area, Neighborhood Common Area and/or Limited Common Area due to obsolescence, age, non-use, and/or if the cost of repairing, operating and/or maintaining the same becomes unreasonable in light of the then benefit, if any, to the affected owners; and

(xii) the right of the Declarant in the Declarant's sole and absolute discretion and without charge to make use (including, without limitation, exclusive use) of any of the Common Area, Neighborhood Common Area and/or Limited Common Area at any time and from time to time for the purpose of promoting the community and/or facilitating sales of property within the community.

Section 4.6. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Area, the Limited Common Area and to the Neighborhood Common Area to members of his family living on his Lot and to his guests, and he may transfer such right to his tenants, subject to such rules and regulations and fees as may be established from time to time by the Association's Board of Directors. Declarant may delegate its right of enjoyment to the Common Area, the Limited Common Area and to the Neighborhood Common Area to its employees, agents and licensees.

Section 4.7. Damage or Destruction of Common Area, Limited Common Area or Neighborhood Common Area by Owner. In the event any Common Area, Limited Common Area, Neighborhood Common Area or improvement thereon is damaged or destroyed by an Owner, his tenants, guests, licensees, agents or members of his family, the Association may repair such damage at the Owner's expense. If the Association undertakes to repair such damage, the Association shall repair such damage in a good and workmanlike manner in conformance with the original plans and specifications of the area or improvement involved, or as the Common Area, Limited Common Area, Neighborhood Common Area or improvement may have been theretofore modified or altered by the Association, in the discretion of the Association's Board of Directors. The cost of such repairs shall become a special assessment on the Lot of such Owner and shall constitute a lien on such Owner's Lot and be collectible in the same manner as other assessments set forth herein.

Section 4.8. Rights in Common Areas, Limited Common Areas and Neighborhood Common Areas Reserved by Declarant and/or a Parcel Developer. Until such time as the Declarant or a Parcel Developer conveys a parcel of real estate constituting Common Area, Limited Common Area or Neighborhood Common Area, as the case may be, to the Association, Declarant or the Parcel Developer, as the case may be, shall have the right as to that Parcel, but not the obligation, (i) subject to the provisions of Article VI hereof, to construct such improvements thereon as it deems appropriate, and (ii) to use the Common Area, Limited Common Area or Neighborhood Common Area for other purposes not inconsistent with the provisions of this Declaration (including, without limitation, for a marketing or sales office, construction control center or hospitality center).

Section 4.9. Title to Common Area, Limited Common Area and Neighborhood Common Area. Declarant or a Parcel Developer may retain legal title to the Common Areas, Limited Common Areas or Neighborhood Common Areas, as the case may be, or portions thereof, but notwithstanding any provision herein to the contrary, the Declarant and/or the applicable Parcel Developer shall convey each Common Area, Limited Common Area or Neighborhood Common Area to the Association, in a good and workmanlike condition reasonably acceptable to the Association, free and clear of all liens but subject to this Declaration and all other easements, conditions and restrictions of record at such time as such improvements are completed and in a condition acceptable to the Association. The foregoing notwithstanding, a Parcel Developer shall not convey any property to the Association unless the Declarant is a party to the instrument of conveyance. Regardless of whether the Common Areas, Limited Common Areas or Neighborhood Common Areas actually have been conveyed by the Declarant or the applicable Parcel Developer, as the case may be, Owners and the Association shall have all the rights and obligations imposed by this Declaration, any Supplemental Declaration, the Articles and Bylaws

with respect to the Common Areas, the Limited Common Areas and the Neighborhood Common Areas from and after the date such Common Areas, Limited Common Areas or Neighborhood Common Areas are designated as such by recordation of an appropriate instrument in the Clerk's Office. The Association shall be liable from the date such Common Areas, Limited Common Areas and Neighborhood Common Areas are so designated for payment of insurance and maintenance costs with respect thereto.

Section 4.10. Reservation of Rights Regarding Common Area, Limited Common Area and Neighborhood Common Area. Certain of the open space, conservation areas, and historic resources may be better suited for ownership by a private, nonprofit organization among whose purposes is the conservation of open space land and/or natural or historic resources. Notwithstanding anything in this Declaration to the contrary, and regardless of whether such areas have previously been designated as Common Areas, Limited Common Areas or Neighborhood Common Areas, Declarant reserves for itself, and its respective successors and assigns, the right, for so long as Declarant has the right to add Additional Area to the Properties pursuant to Section 2.2 hereof, to transfer and convey in fee simple or by easement such open space, conservation areas, and historic resources as Declarant deems in the best interests of such areas to one or more private, nonprofit organizations, or governmental agencies. Any transfer and conveyance shall comply with the specific criteria set forth in the Zoning Ordinance.

ARTICLE V

ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation for Assessments. Declarant, for each Lot and Parcel within the Properties hereby covenants (subject to Sections 5.5, 5.8 and 5.9), and each Owner of any Lot or Parcel by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant to pay to the Association assessments as set forth in this Declaration, any Supplemental Declaration and in the Bylaws; provided, however that Declarant and any Parcel Developer shall be exempt from payment of assessments for Lots and Parcels owned by Declarant and any Parcel Developer. The assessments, together with interest thereon, late charges and costs of collection including attorneys' fees, shall be a continuing lien upon the Lot or Parcel against which each such assessment is made in order to secure payment thereof and shall also be the personal obligation of the party who was the Owner of the Lot or Parcel at the time the assessment fell due. No Owner may waive or otherwise avoid liability for the assessments provided herein by nonuse of the Common Areas, the Limited Common Areas, the Neighborhood Common Areas or abandonment of his Lot or Parcel. Each assessment that is not paid when due shall bear interest at the rate established by the Association, which rate shall not exceed the maximum rate permitted by applicable law. Each assessment that is not paid within ten (10) days of its due date shall, at the option of the Association, incur a late charge and administrative fee as may be established from time to time by resolution duly adopted by the Board of Directors of the Association.

Section 5.2. Purpose of Assessments. The assessments levied by the Association shall be used for the management, maintenance, improvement, care, operation, renovation, repair and

replacement of the Common Areas, Limited Common Areas and Neighborhood Common Areas and improvements thereon and other property owned or acquired by the Association of any whatsoever nature; for the discharge of all taxes and other levies and assessments against the Common Areas, Limited Common Areas and Neighborhood Common Areas and improvements thereon and other property owned or acquired by the Association; for the procurement of insurance by the Association in accordance with the Bylaws; for the establishment of reserves with respect to the Association's obligations; for the discharge of the Association's contractual and legal obligations; for funding and/or providing educational and training activities for directors and officers of the Association and to Association volunteers and Owners; for the provision of services by the Association, its contractors, employees, and agents, as authorized in this Declaration, any applicable Supplemental Declaration and/or in the Articles or Bylaws; for the discharge of such other obligations as may be imposed upon or assumed by the Association pursuant to its Articles or Bylaws or this Declaration or any Supplemental Declaration; and for such other purposes as may be authorized by or pursuant to the Articles or Bylaws.

Section 5.3. Annual Assessments. "Annual Assessments" shall mean "General Assessments," "Neighborhood Assessments" and "Limited Common Expense Assessments."

(a) General Assessments.

1. Purpose. "General Assessments" shall mean those assessments used for the general purposes set forth in Section 5.2 above except that the General Assessments shall not be used for those purposes for which Neighborhood Assessments and Limited Common Expense Assessments shall be used.

2. Basis. The General Assessments shall be established upon the basis of an annual budget adopted by the Board of Directors of the Association and increased or decreased from time to time by the Board of Directors of the Association pursuant to the Bylaws.

(b) Neighborhood Assessments.

1. Purpose. "Neighborhood Assessments" shall mean those assessments used for such purposes as are authorized by the Supplemental Declaration for a given Neighborhood.

2. Basis. The Supplemental Declaration for a given Neighborhood shall set forth the basis by which all Lots within a Neighborhood shall be assessed for Neighborhood Assessments.

(c) Limited Common Expense Assessments.

1. Purpose. "Limited Common Expenses" are those expenses attributable to managing, maintaining, improving, caring, operating, renovating, repairing, establishing appropriate reserves for, insuring and replacing Limited Common Areas, as well as the cost of providing certain services to individual Lots. The purpose of the "Limited Common Expense Assessment" is to provide a means whereby the Owners of Lots which directly benefit

from specific Limited Common Area and/or certain services applicable to individual Lots pay their proportionate share of the Limited Common Expenses attributable to such Limited Common Area and/or services.

2. Basis. Limited Common Expenses may be assessed by the Association only against the Lots benefited in proportion to their relative General Assessment liability, inter se or based on usage, as appropriate. Such Limited Common Expenses shall be determined as follows:

(i) Any expenses designated in a Supplemental Declaration as Limited Common Expenses to be paid by the Owners of designated Lots subject to such Supplemental Declaration;

(ii) 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, assessed against such Lots as such Owners may agree or in proportion to their relative General Assessment liability, inter se;

(iii) Any expenses incurred in the upkeep of or the maintenance of, and reserves for the upkeep and replacement of, common "private" alleys, drives, and/or parking areas serving a limited number of Lots and labeled "private" on the applicable recorded plat and/or described as "private" in the applicable Supplemental Declaration shall be assessed only against the Lots served by such private alley, drive and/or parking area;

(iv) Any expenses incurred in the upkeep of, or the maintenance of reserves for the upkeep of, Limited Common Area may be assessed only against the Lots served by such Limited Common Area; and

(v) Any service to individual Lots based on usage.

Section 5.4. Special Assessments. In addition to the General, Neighborhood Assessments and Limited Common Expense Assessments, the Board of Directors of the Association may levy a periodic special assessment if the purpose in doing so is found by the Board of Directors to be in the best interest of the Association and the proceeds of such assessment are used for (1) the maintenance and upkeep, including capital expenditures, of the Common Area (or of (i) the Neighborhood Common Area, provided the special assessment is levied against only those Lots within such Neighborhood or (ii) the Limited Common Area, provided the special assessment is levied against only those Lots served by such Limited Common Area); and (2) the discharge of taxes, the procurement of insurance, the establishment of reserves, payment of costs and expenses incurred by the Association in the course of its operations, and the discharge of such services and other obligations as may be assumed by the Association pursuant to its Articles, Bylaws, the Declaration or and Supplemental Declaration or any cost sharing, use or cross easement arrangements entered into with any other Person, and for such other purposes as authorized by or pursuant to the Articles or Bylaws.

Section 5.5. Date of Commencement of Annual Assessments. Subject to Section 5.9, the Annual Assessments provided for herein shall commence as to each Lot or Parcel on the first day of the month following the recordation of the deed to such Lot or Parcel to an Owner, other than the Declarant, who purchases the same. The first Annual Assessment on a Lot or Parcel shall be adjusted according to the number of months remaining in the calendar year. Unless the Board of Directors of the Association amends the Bylaws to provide otherwise, the Annual Assessments shall be paid as provided in the Bylaws.

Section 5.6. Effect of Nonpayment of Assessments; Remedies of Association. The lien of the assessments provided for in this Declaration may be perfected and enforced in the manner provided in § 55-516 of the Virginia Code. A statement from the Association showing the balance due on any assessment shall be prima facie proof of the current assessment balance and the delinquency, if any, due on a particular Lot or Parcel. The Association may also bring an action at law against any Owner personally obligated to pay the same, either in the first instance or for deficiency following foreclosure, and interest, late charges and costs of collection including attorney's fees shall be added to the amount of such assessment and secured by the assessment lien. In addition, if any installment of any Annual Assessment or Special Assessment is not paid within thirty (30) days after the due date, the Board of Directors shall have the right upon notice to the Owner to accelerate the installments owed and declare the entire balance of any Annual Assessment or Special Assessment due and payable in full.

Section 5.7. Subordination of Lien to Mortgages. The lien upon each of the Lots and Parcels securing the payment of the assessments shall have the priority set forth in § 55-516A of the Virginia Code.

Section 5.8. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments and liens created herein: (i) any property used as a sales or leasing center, model, maintenance center or management facility by Declarant or for similar purposes; (ii) all properties dedicated and accepted by a public authority; (iii) all Common Areas, Limited Common Areas and Neighborhood Common Areas; (iv) all properties wholly exempt from real estate taxation by state or local governments upon the terms and to the extent of such legal exemption; and (v) all Lots and Parcels owned by the Declarant and/or any Parcel Developer.

Section 5.9. Annual Budget. The Board of Directors shall adopt an annual budget for each fiscal year, which budget shall provide for the annual level of assessments (including provision for reserves and physical damage insurance deductibles) and an allocation of expenses. There shall be no responsibility for the payment of assessments until after the Board of Directors adopts its initial annual budget. The Board of Directors may amend and/or modify any previously adopted annual budget at any time and from time to time during the Association's fiscal year, and shall have the right to amend and/or modify the annual level of assessments payable pursuant to such amended and/or modified annual budget.

Section 5.10. Upon the acquisition of record title to a Lot by a person (other than Declarant, the Parcel Developer or an owner who purchases solely for the purpose of constructing a dwelling thereon for resale), a mandatory capital contribution shall be made by or

on behalf of such person to the Association in the initial amount of \$250 which amount may be increased from time to time by resolution of the Board of Directors. This amount shall be deposited in the purchase and sales escrow at settlement and shall be disbursed therefrom to the Association for its capital reserve fund(s), or if there is no settlement, shall otherwise be paid directly to the Association upon such person obtaining title. Amounts payable under this Section 5.10 are in addition to any assessments and any fees associated with the Association's preparation and delivery of the Disclosure Packet pursuant to the Virginia Property Owners' Association Act (§ 55-509 *et. seq.*, of the Code of Virginia, as amended). The amount of any unpaid Capital Contribution shall constitute a lien on such Owner's Lot or Parcel and shall be deemed a special assessment upon such Lot or Parcel and such shall be regarded as any other assessment with respect to lien rights of the Association and remedies provided herein for non-payment. Persons who acquire title to a Lot or Parcel are obligated to pay such contribution to the Association regardless of whether such Person acquired title to such Lot or Parcel by purchase (with or without consideration), gift or devise.

Section 5.11. Loans by Declarant. The Declarant shall have the option, but not the obligation, to loan money to the Association at any time or from time to time on such terms and at such rates as are commercially reasonable to enable the Association to comply with its obligations under this Declaration. Such loan or loans may be in lieu of, or in addition to, loans obtained by the Association from other parties. Any such loan shall be represented and secured by one or more promissory notes of the Association and shall be listed and disclosed as "Loans from Declarant" on all annual budgets and year-end financial statements of the Association.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 6.1. Architectural Review Board. There is hereby established a board (the "Architectural Review Board") for the purpose of reviewing and, as appropriate, approving or disapproving all Plans (hereinafter defined) submitted by Owners in accordance with this Article VI. The Architectural Review Board shall be composed of one to three persons, who need not be Members of the Association, from time to time appointed by Declarant until 100% of the Properties and the Additional Area have been developed and conveyed to Owners other than builders, or by the Board of Directors of the Association from and after the date on which Declarant delegates this responsibility to the Association by written instrument in recordable form executed by Declarant. The Declarant or the Board of Directors, as the case may be, may appoint one alternate member to the Architectural Review Board, which alternate member may vote only in the absence of a regular member. The members of the Architectural Review Board shall serve for such terms as may be determined by Declarant or the Board of Directors of the Association, as the case may be. The Declarant reserves the right (which may be exercised at any time or from time to time) to delegate certain, but less than all Architectural Review Board responsibilities to the Association, and if Declarant exercises this right the Board of Directors may appoint its own review board which satisfies the same criteria as set forth herein for the Architectural Review Board. For example, by way of illustration and not limitation, the Declarant may delegate to the Association the authority for reviewing and, as appropriate, approving or disapproving Plans submitted for modifications, alterations or additions made on or

to existing structures on Lots, in which case the Board of Directors shall appoint its own architectural review board for the purpose of exercising such delegated authority. The Declarant appointed Architectural Review Board and authorized architectural review board appointed by the Board of Directors shall be collectively referred to herein for ease of reference as the "Architectural Review Board." References herein to Architectural Review Board shall apply to either or both boards, as applicable.

Section 6.2. Plans to be Submitted. Before commencing the construction, erection or installation of any building, addition, patio, deck, pool, fence, wall, animal pen or shelter, exterior lighting, sign, mailbox or mailbox support, improvement or other structure (each of the foregoing being hereinafter referred to as an "Improvement") on any Lot or Parcel, including any site work in preparation therefor, and before commencing any alteration, enlargement, demolition or removal of an Improvement or any portion thereof in a manner that alters the exterior appearance (including but not limited to paint color) of the Improvement or of the Lot or the Parcel on which it is situated, each Owner shall submit to the Architectural Review Board a completed application on the form provided by the Architectural Review Board (the "Application"), a proposed construction schedule and at least three sets of plans and specifications of the proposed construction, erection, installation, alteration, enlargement, demolition or removal, which plans and specifications shall include (unless waived by the Architectural Review Board): (i) a site plan showing the size, location and configuration of all Improvements, including driveways and landscaped areas, and all setback lines, buffer areas and other features required under the Zoning Ordinance or the guidelines adopted by the Architectural Review Board, (ii) as to Improvements initially constructed on a Lot or a Parcel, landscaping plans showing the trees to be removed and to be retained and shrubs, plants and ground cover to be installed, (iii) architectural plans of the Improvements showing exterior elevations, construction materials, exterior colors, driveway material, (iv) a sediment and erosion control plan, and (v) a tree protection plan and such other information as the Architectural Review Board in its discretion shall require (collectively, the "Plans"). The Architectural Review Board may, in its sole discretion, waive the requirement that any or all of the required Plans be submitted in a particular case where it determines such Plans are not necessary to properly evaluate the Application. The Architectural Review Board shall not be required to review any Plans unless and until the Application has been submitted in completed form with the proposed construction schedule and the Plans contain all of the required items. The Application, Plans and the proposed construction schedule must be submitted to the Architectural Review Board at the address of Declarant in the same manner as notices are to be sent to Declarant pursuant to Article XI, for so long as all members of the Architectural Review Board are appointed by Declarant, and thereafter the Application, Plans and the proposed construction schedule may be submitted to the Architectural Review Board at the address of the Association in the same manner as notices are to be sent to the Association pursuant to Article XI. The Architectural Review Board may grant blanket plan approval to Parcel Developers and/or to builders who purchase more than one Lot at a time, subject to such additional conditions (such as receipt of a site plan for a specific Lot) as the Architectural Board may establish.

Section 6.3. Consultation with Architects, etc.; Administrative Fee. In connection with the discharge of its responsibilities, the Architectural Review Board may engage or consult with architects, engineers, planners, surveyors, attorneys and others. Any person seeking the approval

of the Architectural Review Board agrees to pay all fees thus incurred by the Architectural Review Board and further agrees to pay an administrative fee to the Architectural Review Board in such amount as the Architectural Review Board may from time to time reasonably establish. The payment of all such fees is a condition to the approval or disapproval by the Architectural Review Board of any Plans, and the commencement of review of any Plans may be conditioned upon the payment of the Architectural Review Board's estimate of such fees.

Section 6.4. Approval of Plans. The Architectural Review Board shall not approve the Plans for any Improvement that would violate any of the provisions of this Declaration or of any Supplemental Declaration applicable thereto. In all other respects, the Architectural Review Board may exercise its sole discretion in determining whether to approve or disapprove any Plans, including, without limitation, the location of any Improvement on a Lot or Parcel. An Owner whose application has been disapproved by the Architectural Review Board may appeal such decision to the Board of Directors if such Owner notes his/her appeal in writing to the Association and such notice of appeal is received by the Association on or before the date that is five (5) days after the date of the Architectural Review Board's decision.

Section 6.5. No Structures to be Constructed, etc. Without Approval. No Improvement shall be constructed, erected, installed or maintained on any Lot or Parcel, nor shall any Improvement be altered, enlarged, demolished or removed in a manner that alters the exterior appearance (including paint color) of the Improvement or of the Lot or the Parcel on which it is situated, unless the Application, Plans and construction schedule therefor have been approved by the Architectural Review Board. After the Application, Plans and construction schedule therefor have been approved, all Improvements shall be constructed, erected, installed, maintained, altered, enlarged, demolished or removed strictly in accordance with the approved Plans. Upon commencing the construction, erection, installation, alteration, enlargement, demolition or removal of an Improvement, all of the work related thereto shall be carried on with reasonable diligence and dispatch and in accordance with the construction schedule approved by the Architectural Review Board.

Section 6.6. Guidelines May Be Established. The Architectural Review Board may, subject to the approval of the Board of Directors, in its discretion, establish guidelines and standards (collectively, "Architectural Guidelines") to be used in considering whether to approve or disapprove Plans. Such guidelines may vary by Parcel and/or Neighborhood and may include, without limitation, uniform standards for signage and mailboxes and mailbox supports. However, nothing contained in this Declaration shall require the Architectural Review Board to approve the Plans for Improvements on a Lot or a Parcel on the grounds that the layout, design and other aspects of such Improvements are the same or substantially the same as the layout, design and other aspects of Improvements approved by the Architectural Review Board for another Lot or Parcel.

Section 6.7. Limitation of Liability. The approval by the Architectural Review Board of any Plans, and any requirement by the Architectural Review Board that the Plans be modified, shall not constitute a warranty or representation by the Architectural Review Board of the adequacy, technical sufficiency or safety of the Improvements described in such Plans, as the same may be modified, and the Architectural Review Board shall have no liability whatsoever

for the failure of the Plans or the Improvements to comply with applicable building codes, laws and ordinances or to comply with sound engineering, architectural or construction practices. In addition, in no event shall the Architectural Review Board have any liability whatsoever to an Owner, a contractor or any other party for any costs or damages (consequential or otherwise) that may be incurred or suffered on account of the Architectural Review Board's approval, disapproval or conditional approval of any Plans. The Architectural Review Board shall have no liability whatsoever to any Owner due to the fact that the housing style, type, square footage, and/or price range associated with any approved Plans and/or Improvements differ from those of Improvements approved by the Architectural Review Board for another Lot or Parcel.

Section 6.8. Other Responsibilities of Architectural Review Board. In addition to the responsibilities and authority provided in this Article VI, the Architectural Review Board shall have such other rights, authority and responsibilities as may be provided elsewhere in this Declaration, in any Supplemental Declaration and in the Bylaws.

ARTICLE VII

USE OF PROPERTY

Section 7.1. Protective Covenants.

(a) Nuisances. No nuisance shall be permitted to exist on any Lot or Parcel. Noxious, destructive, or offensive activity, or any activity constituting an unreasonable source of noise (such as barking dogs) and/or annoyance, shall not be conducted on any Lot or Parcel or on the Common Area, Limited Common Area, Neighborhood Common Area, or any part thereof, and the Association shall have standing to initiate legal proceedings to abate such activity. Each Owner shall refrain from any act or use of his or her Lot or Parcel which could reasonably cause embarrassment, discomfort, or annoyance to other Owners, and the Board of Directors shall have the power to make and to enforce reasonable rules in furtherance of this provision.

(b) Restriction on Further Subdivision. No Lot shall be further subdivided or separated into smaller Lots by any Owner (other than Declarant and a Parcel Developer), and no portion less than all of any such Lot, nor any easement or other interest herein, shall be conveyed or transferred by an Owner, provided that this shall not prohibit the vacating of boundaries between adjacent Lots to create a bigger Lot, deeds of correction, deeds to resolve boundary line disputes and similar corrective instruments and provided that this shall not prohibit the division or combination of condominium units in accordance with law, or the creation of condominiums. The vacating of boundaries between adjacent Lots shall create one Lot for assessment purposes provided that any such vacation of Lot boundaries require the prior written consent of Declarant which consent Declarant may grant, withhold or condition in its sole and absolute discretion. Any Owner who vacates a boundary between two Lots will be thereafter obligated to pay assessments on one Lot upon the recordation of the appropriate instruments in the Clerk's Office.

(c) Rules. From time to time the Board of Directors may adopt general rules, including but not limited to rules to regulate potential problems relating to the use of Properties and the well-being of Members, such as the definition of nuisances, keeping of animals, storage

and use of all vehicles, storage and use of machinery, parking of vehicles, assignment of parking spaces, use of outdoor drying lines, antennas, satellite dishes, signs, trash and trash containers, restrictions on sprinkler and irrigation systems, private irrigation wells and uses of lakes, water bodies and wetlands, maintenance and removal of vegetation on the Properties and the type and manner of application of fertilizers or other chemical treatments to the Properties in accord with non-point source pollution control standards (collectively, the "Rules"). All such Rules and any subsequent amendments thereto shall be binding on all Members and occupants of the Properties, including their tenants, guests and invitees, except where expressly provided otherwise in such Rule. Such Rules as adopted from time to time are herein incorporated by reference and shall be as binding as if set forth herein in full; provided, however, that in the event of a conflict between any provision(s) in the Rules and the Governing Documents, the provision(s) set forth in the Governing Documents shall control. Without limiting the generality of the foregoing, the Association shall be responsible for enforcing any Water Conservation Standards approved for all or a portion of the Properties by the James City Service Authority.

(d) Exceptions. In certain special circumstances, the Declarant and/or Board of Directors may issue variances exempting a particular Lot or Parcel from any of the provisions of this Article VII.

(e) Irrigation. Subject to the rights retained by Declarant in Section 8.7, no sprinkler or irrigation system of any type which draws upon water from creeks, streams, rivers, lakes, ponds, wetlands, canals or other ground or surface waters within the Properties shall be installed, constructed or operated within the Properties without the written approval of Declarant, except that the Association shall have the right to draw upon water from such water bodies for irrigation of the Common Area, the Limited Common Area and/or the Neighborhood Common Area. All sprinkler and irrigation systems shall be subject to approval in accordance with Section 6.5 of this Declaration. Provided, however, this paragraph shall not apply to the Declarant, and may not be amended without Declarant's written consent so long as Declarant has the right to add property in accordance with Article II. Further, the Association shall have the right to utilize reclaimed water for irrigation purposes.

(f) Lakes and Water Bodies. The Association shall not be responsible for any loss, damage or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, streams or other water bodies within the Properties.

(g) Permitted Uses. Except as otherwise provided in the Governing Documents (including without limitation any applicable Supplemental Declaration), no Lot shall be used for other than residential purposes except as designated by the Declarant or as set forth below. Nothing in the Governing Documents shall be construed to prohibit the Declarant, a Parcel Developer, or their respective designees from using any Lot owned by the Declarant or any Parcel Developer (or any other Lot with the permission of the Owner thereof) or any portion of the Common Area, Limited Common Area or Neighborhood Common Area for promotional, marketing, display or customer service purposes (such as a visitors' center) or for the settlement of sales of Lots. 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 and/or a Parcel Developer (or any other Lot with the permission of the Owner thereof)

and on any portion of the Common Area, Limited Common Area or the Neighborhood Common Area, to the extent permitted by law. The Declarant and a Parcel Developer may assign their respective rights under this section to, or share such rights with, one or more other Persons, exclusively, simultaneously or consecutively with respect to the Common Area, Limited Common Area or the Neighborhood Common Area and Lots owned or leased by the Declarant, the Parcel Developer or such Persons.

(h) Hazardous Uses; Waste. Nothing shall be done or kept on the Properties which will increase the rate of insurance applicable for permitted uses for the Common Area, Limited Common Area, the Neighborhood Common Area or any part thereof without the prior written consent of the Board of Directors, including, without limitation, 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 Properties which will result in the cancellation of any insurance on the Common Area, Limited Common Area, the Neighborhood Common Area or any part thereof or which would be in violation of any law, regulation or administrative ruling. No vehicle of any size which transports inflammatory or explosive cargo may be kept or driven on the Properties at any time. Each Owner shall comply with all federal, state and local statutes, regulations, ordinances, or other rules intended to protect the public health and welfare as related to land, water, groundwater, air or other aspects of the natural environment (the "Environmental Laws"). Environmental Laws shall include, but are not limited to, those laws regulating the use, generation, storage or disposal of hazardous substances, toxic wastes and other environmental contaminants (collectively, the "Hazardous Materials"). No Owner shall knowingly use, generate, manufacture, store, release, dispose of or knowingly permit to exist in, on, under or about such Owner's Lot, the Common Area, the Limited Common Area, the Neighborhood Common Area, or any portion of the Properties, or transport to or from any portion of the Properties any Hazardous Materials except in compliance with the Environmental Laws. No waste shall be committed on the Common Area, Limited Common Area or the Neighborhood Common Area.

(i) Lawful Use. No improper, offensive or unlawful use shall be made of the Properties 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 Properties shall be complied with, by and at the sole expense of the Owner, the Association, the Declarant or any owners association or condominium unit owners association, whichever shall have the obligation for the upkeep of such portion of the Properties, and, if the Association, then the cost of such compliance shall be included in the General Assessment, Neighborhood Assessment or Limited Common Expense Assessment, as appropriate.

(j) Emissions. There shall be no emissions of dust, sweepings, dirt, cinders, odors, gases or other substances into the atmosphere except for normal residential chimney emissions, no production, storage or discharge of Hazardous Materials on the Properties or discharges of liquid, solid wastes or other environmental contaminants into the ground or any body of water, if such emission, production, storage or discharge may adversely affect the use or intended use of any portion of the Properties or may adversely affect the health, safety or comfort of any person. The foregoing sentence shall not apply to dust, mud, dirt and

construction debris emitted by or in connection with the construction of Improvements by Declarant or a Parcel Developer.

(k) Noise. No person shall cause any unreasonably loud noise (except for security devices) anywhere on the Properties, nor shall any person permit or engage or allow such persons, dogs or other pets to engage in any activity, practice or behavior which causes unreasonable annoyance, discomfort or disturbance to any person lawfully present on any portion of the Properties. The foregoing sentence shall not apply to the noise emitted by or in connection with the construction of Improvements by Declarant or a Parcel Developer.

(l) Obstructions. No person shall obstruct any of the Common Area, Limited Common Area, Neighborhood Common Area, or otherwise impede the rightful access of any other person on any portion of the Properties upon which such person has the right to enter. No person shall place or cause or permit anything to be placed on or in any of the Common Area, Limited Common Area or Neighborhood Common Area without the approval of the Board of Directors of the Association. Nothing shall be altered or constructed in or removed from the Common Area, Limited Common Area or Neighborhood Common Area except with the prior written approval of the Board of Directors. No vehicles may be parked in any public or private street or right-of-way within the Properties and vehicles may not be parked overnight in any parking areas located within the Common Area, Neighborhood Common Area and Limited Common Area.

(m) Association Property. The Common Area, Limited Common Area and Neighborhood 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, Limited Common Area and Neighborhood Common Area shall be used only for their intended purposes. Except as otherwise expressly authorized pursuant to Sections 4.2, 4.3 and 4.4 hereof or otherwise provided in the Governing Documents, no Owner shall make any private, exclusive or proprietary use of any of the Common Area, Limited Common Area or Neighborhood Common Area without the prior written approval of the Board of Directors and then only on a temporary basis.

(n) 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 approval of the Board of Directors.

(o) Signs. Except for such signs as may be posted 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, Limited Common Area, Neighborhood Common Area or any other Lot or street, except as otherwise expressly permitted in the Rules and/or the guidelines adopted from time to time by the Architectural Review Board.

(p) Trash. Except in connection with construction activities, no burning of any trash and no accumulation or storage of litter, refuse, bulk materials, building materials,

garbage, or trash of any other kind shall be permitted on any Lot. Trash containers shall not be permitted to remain in public view from the Common Area, Neighborhood Common Area, or another Lot except on days of trash collection and as provided in the Rules. Trash, leaves and other materials shall not be burned in violation of local ordinances. No incinerator shall be kept or maintained upon the Properties without the prior written approval of the Board of Directors. All trash collection and removal shall be in accordance with the Rules.

(q) Landscaping; Sight-lines. No tree, hedge or other landscape feature shall be planted or maintained in a location which obstructs sight-lines for vehicular traffic on public streets. Pavement, plantings and other landscape materials shall not be placed or permitted to remain upon any Lot: (i) if such items 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; (iv) if such items block view corridors as determined by the Architectural Review board; (v) if such items may unreasonably change, obstruct or retard direction or flow of any drainage channels. No water pipe, sewer pipe, gas pipe, drainage pipe, television cable, electrical wire, or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground except as otherwise expressly permitted as provided in subparagraph (gg) below.

(r) Vegetation. No live trees with a diameter in excess of five (5) inches, measured three (3) feet above ground, nor trees in excess of three (3) inches in diameter, similarly measured, which are generally known as flowering trees (such as dogwood or redbud) or as broad leaf evergreens (such as holly, laurel, or rhododendron), no live vegetation on slopes of greater than 25 percent (25%) gradient or marked "no cut" areas on approved site plans may be cut without prior approval of the Architectural Review Board. The Board of Directors may set rules for cutting of trees to allow for selective clearing or cutting, and the Board of Directors shall have the absolute discretion to determine whether to remove trees within the Common Area, Neighborhood Common Area and Limited Common Area.

(s) Temporary Structures. No structure of a temporary character, such as, by way of illustration and not limitation, trailers, tents, shacks, barns, pens, kennels, runs, stables, sheds not anchored on foundations or other temporary accessory buildings shall be erected, used or maintained on any Lot except in connection with construction activities or otherwise specifically permitted in the Rules. The guidelines adopted by the Architectural Review Board, from time to time, may contain further limitations with respect to permanent accessory structures which may be erected, used or maintained on any Lot. The foregoing restriction shall not apply to Declarant.

(t) Fences. Except for any fence installed by the Declarant or the Association, no fence shall be installed except in conformance with standards established therefore and with the prior written approval of the Architectural Review Board. No chain link fencing will be permitted on the Properties; 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, around tennis courts or such other areas as required by applicable law, building code and/or governmental regulation.

(u) Vehicles. Except in connection with construction activities, no trucks (except for private passenger trucks), trailers, commercial vehicles, construction trucks, campers, recreational vehicles, all terrain vehicles, personal watercraft, jet skis, boats or other large vehicles, including grounds maintenance equipment, may be parked on any portion of the Common Area, Limited Common Area, the Neighborhood Common Area, or any portion of a Lot visible from the Common Area, Limited Common Area, the Neighborhood Common Area or any other Lot or on any public right-of-way within or adjacent to the Properties, or any grass area, unless expressly permitted by the Board of Directors and only in such parking areas or for such time periods (if any) as may be designated for such purpose. Parking of all such vehicles and related equipment, other than on a temporary and non-recurring basis, shall be in garages or screened enclosures approved by the Architectural Review Board or in areas, if any, designated in the Rules. All vehicles must be parked so as not to impede traffic or damage vegetation. No junk or derelict vehicle or other vehicle on which current registration plates and current county and state inspection permits are not displayed shall be kept upon any portion of the Common Area, Limited Common Area, Neighborhood Common Area, or any portion of a Lot visible from the Common Area, Limited Common Area, Neighborhood Common Area, or another Lot, or any public or private right-of-way. Vehicle repairs and storage of vehicles are not permitted, except in accordance with the Rules; provided, however, that noncommercial repair of vehicles is permitted within enclosed structures. All motor vehicles including, but not limited to, trail bikes, motorcycles, dune buggies, and snowmobiles shall be driven only upon paved streets and parking areas. No motor vehicles, motorized scooters, "segways" or similar motorized equipment shall be driven on community trails, pathways or unpaved portions of the Common Area, Limited Common Area or Neighborhood Common Area, except (i) such vehicles as are authorized by the Board of Directors as needed to maintain, repair, or improve the Common Area, Limited Common Area or Neighborhood Common Area, and (ii) motorized wheelchairs or other devices to assist disabled persons. This prohibition shall not apply to normal vehicular use of designated streets, and alleys constructed on the Common Area, Limited Common Area or Neighborhood Common Area.

(v) Timeshares. No Lot or Parcel shall be subjected to or used for any timesharing, cooperative, licensing or other arrangement that would entail daily, weekly, monthly, or any other type of revolving or periodic occupancy by multiple Owners, cooperators, licensees, or timesharing participants. The foregoing shall not be interpreted to limit the leasing of apartment units located within any Parcel which is developed for residential apartments

(w) Professional Offices. No Lot containing a dwelling unit shall be used for any business, commercial, manufacturing, mercantile, storing, vending or other non-residential purpose; provided, however, that an Owner may maintain a home occupation as permitted by the County of James City, Virginia and may maintain an office in the dwelling constructed on such Owner's Lot if (i) such occupation or office 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 Properties outside of an approved enclosure, and (iii) such Owner has obtained approvals for such use as may be required by the County of James City, Virginia. As a condition to 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.

(x) Animals. The maintenance, keeping, boarding or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited on any Lot or upon the Common Area, Limited Common Area or Neighborhood Common Area, except that the keeping of guide animals and orderly domestic pets (e.g., dogs, cats or caged birds) without the approval of the Board of Directors, is permitted, subject to the Rules; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding and that any such pet causing or creating a nuisance or unreasonable disturbance or noise may be permanently removed from the Properties upon ten (10) days written notice from the Board of Directors. Pets shall not be permitted upon the Common Area, Limited Common Area or Neighborhood Common Area unless accompanied by someone who can control the pet and unless carried or leashed. Pet droppings shall be removed by the Owner of the pet. Any Owner who keeps or maintains any pet upon any portion of the Properties agrees to indemnify and 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 Properties. All pets shall be registered and inoculated as required by law.

(y) Clothes Drying Equipment. Only such clotheslines or other clothes drying apparatus expressly permitted under, and meeting the criteria set forth in, the Rules and/or any Architectural Guidelines, shall be permitted outside of an enclosed structure on any Lot.

(z) Mailboxes and Newspaper Tubes. Only mailboxes and newspaper tubes approved by the Architectural Review Board shall be permitted. The Architectural Review Board may adopt specific criteria applicable to mailboxes and newspaper tubes, and such criteria may vary by Neighborhood.

(aa) Lighting. No exterior lighting shall be directed outside the boundaries of any Lot. All exterior lighting requires pre-approval by the Architectural Review Board prior to installation.

(bb) Pools. No above-ground swimming pool shall be erected or maintained on any Lot. No inground swimming pool shall be erected or maintained on any Lot unless approved by the Architectural Review Board and enclosed by a fence which has been approved by the Architectural Review Board.

(cc) Construction Activities. This section shall not be construed as forbidding any work involved in the construction or maintenance of any portion of the Properties so long as such work is undertaken and carried out (i) with the minimum practical disturbance to persons occupying other portions of the Properties; (ii) in such a way as does not violate the rights of any Person under other provisions of this Declaration; and (iii) in accordance with all applicable restrictions in the Rules, any architectural guidelines, the resolutions of the Board of Directors and the other provisions of this Declaration. The Architectural Review Board may approve temporary structures for construction purposes which may otherwise be in violation of the Governing Documents, the Rules or any Architectural Guidelines.

(dd) Leasing. No dwelling unit located on a Lot or any portion thereof shall be used or occupied for transient or hotel purposes or in any event leased for an initial period of less than twelve (12) months; provided, however if a Parcel is developed for residential apartment use or an assisted or special care use, wherein the Owner's Parcel is not subdivided into Lots, such use may be for a period of less than twelve (12) months. No portion of any dwelling unit (other than the entire dwelling unit) shall be leased for any period. No Owner shall lease a Lot other than on a written form of lease: (1) requiring the lessee to comply with the Governing Documents and the Rules; and (2) providing that failure to comply with such documents constitutes a default under the lease.

(ee) Garage Sales and the Like. Except with respect to any community-wide “garage sale” held pursuant to a resolution of the Board of Directors, no Owner shall use his Lot, nor permit his Lot to be used, for the conducting of a “garage sale”, “yard sale”, “tag sale”, “flea market” or other similar purpose. The Rules of the Association may contain additional restrictions with respect to the use of Lots in connection with community-wide garage sales.

(ff) Septic Tanks. No septic tank shall be installed, used, or maintained on any Lot.

(gg) Antennas and Similar Devices. Only those antennas expressly permitted under the Federal Communications Commission’s Over-the-Air Reception Devices (OTARD) Rule implementing Section 706 of the Telecommunications Act of 1996, as amended from time to time, are allowed. All others are expressly prohibited. As of the date of the recording of this instrument, the following are permitted under OTARD: (a) direct broadcast satellite (DBS) antenna one (1) meter or less in diameter or diagonal measurement; (b) antennas designed to receive Multipoint Distribution Services (MDS) that are 39.37 inches (one (1) meter) or less in diameter, (c) antennas designed to receive television broadcast signals of any size; (d) transmission-only antennas if they are necessary for the use of a covered reception antenna and are one (1) meter or less in diameter; and (e) masts used in conjunction with any of these antennas (collectively, the foregoing are referred to as “Covered Antennas”). The foregoing list is subject to change pursuant to changes in OTARD and/or any other applicable laws. Covered Antennas shall be located in accordance with architectural guidelines adopted by the Architectural Review Board, to the extent such restrictions are not prohibited by the OTARD Rule, and an application for Architectural Review Board approval must be submitted for any device deviating from the following:

- (i) Television broadcast Covered Antennas must be installed inside a dwelling unit whenever possible.
- (ii) No roof antenna shall extend more than ten (10) feet above the highest point on the roof.
- (iii) Satellite dish antenna if eighteen inches or less, shall be located on the rear of the house either just below the roof ridge or the fascia board below the roof eaves, or if larger than eighteen inches, be located behind the rear foundation of the house.

(iv) Any cable associated with a satellite dish or other antenna shall be buried or shall not be visible on the structure to which it is attached or extended. If the satellite dish is mounted on a pole affixed to the ground, the pole and the cable associated with such satellite dish should be screened such that the pole and cable are not visible from the street(s) adjoining the Lot.

(hh) Holiday/Seasonal Decorations. "Holiday/Seasonal Decorations" as used herein means those temporary decorations and lighting associated with a particular national, state, local, or religious holiday. Holiday/Seasonal Decorations may be displayed without approval as follows:

- (i) For those holidays which occur in the month of December (including, but not limited to, Christmas, Hanukah, and Kwanza) from December 1st until the following January 10th.
- (ii) For all other holidays, for up to seven (7) days before and seven (7) days after such holiday, except as otherwise allowed for in the rules and regulations promulgated by the Association's Board of Directors. Owners desiring to display Holiday/Seasonal Decorations for longer periods should apply to the Board of Directors for permission.

Owners are urged to take care and exhibit consideration for their neighbors when displaying Holiday/Seasonal Decorations so as not to cause an unreasonable source of annoyance to occupants of neighboring properties.

(ii) Flags. Flags may be displayed on Lots in strict accordance with the following and with any additional Architectural Guidelines of the Association:

(i) One Flag of the United States which is bracket-mounted to the front side of the residence which flag must be flown and maintained in accordance with the standards specified in the United States Flag Code; and

(ii) Up to one other decorative flag not to exceed 6 ft by 4 ft which may be displayed on a temporary basis for a special occasion and shall be taken down on the same day. Example: Flag in support of a particular sports team on the day of a game. Such additional flag, if any, shall be bracket mounted to the residence.

(iii) Freestanding flags and/or freestanding flag poles of any kind are not permitted on any Lot.

Section 7.2. Maintenance of Property.

(a) Owner Obligation. To the extent that exterior maintenance is not provided for in this Declaration or in a Supplemental Declaration, each Owner shall keep all Lots and Parcels owned by him, and all Improvements therein or thereon, in good order and repair, free of

debris, all in a manner and with such frequency as is acceptable to the Association and consistent with a first-quality development, any Rules adopted by the Association, and the Architectural Guidelines adopted by the Association.

(b) Reconstruction and Repair. If a building or other major Improvement located upon a Lot or Parcel 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 Properties. Unless the Architectural Review Board permits a longer time period, such work must be commenced within sixty (60) days after the date of the casualty and substantially completed within twelve (12) months after the date of the casualty.

(c) Failure to Maintain. In the event an Owner shall fail to maintain his Lot or Parcel and the Improvements situated thereon as provided herein, the Association, after notice to the Owner and approval of the Board of Directors shall have the right, but not the obligation, to enter upon such Lot or Parcel to correct such failure. All costs related to such correction shall become a special assessment upon such Lot or Parcel and as such shall be regarded as any other assessment with respect to lien rights of the Association and remedies provided herein for non-payment.

Section 7.3. Administrative Fee Upon Transfer of Title. Upon the acquisition of record title to a Lot from either (i) a Parcel Developer or (ii) an Owner other than Declarant or a Parcel Developer, an administrative fee in an amount set from time to time by the Board of Directors, which amount shall initially be \$100.00, shall be paid to the Association by or on behalf of the Person who acquires title to the Lot. Such administrative fee shall be deposited in the purchase and sales escrow at settlement and shall be disbursed therefrom to the Association (or if there is not settlement, such Person shall pay such amount directly to the Association upon such Person obtaining title).

Section 7.4. Security. Neither the Association nor Declarant shall be held liable for any loss or damage by reason of failure to provide security or ineffectiveness of security measures undertaken. All Owners, tenants, guests, and invitees of any Owner, as applicable, acknowledge that the Association, Declarant and committees established by any of the foregoing entities, are not insurers and that each Owner, tenant, guest, and invitee assumes all risk or loss or damage to persons, to structures or other improvements situated on Lots and Parcels, and to the contents of any Improvements situated on Lots and parcels and further acknowledge that Declarant has made no representations or warranties, nor has any Owner, tenant, guest, or invitee relied upon any representations or warranties, expressed or implied, including any warranty or merchantability or fitness for any particular purpose relative to any security measures recommended or undertaken.

ARTICLE VIII

EASEMENTS

Section 8.1. Utility Easements. Declarant reserves perpetual easements, rights and privileges to install, maintain, repair, replace and remove poles, wires, cables, conduits, pipes,

mains, pumping stations, siltation basins, tanks and other facilities, systems and equipment for the conveyance and use of electricity, telephone service, sanitary and storm sewer, water, gas, cable television, drainage and other public conveniences or utilities, upon, in or over those portions of the Properties (including Lots, Parcels, Common Areas, Limited Common Areas and Neighborhood Common Areas) as Declarant, the Landowners and their respective successors or assigns may consider to be reasonably necessary (the "Utility Easements"). However, after Declarant ceases to be the Owner of a Lot or Parcel, no Utility Easements shall be placed on the portion of such Lot or Parcel on which is already located a building which was either constructed by Declarant or approved by the Architectural Review Board or on which a building is to be located pursuant to Plans approved by the Architectural Review Board or on any portion of a Lot which is not described or shown as an easement area on a recorded subdivision plat or Supplemental Declaration applicable to such Lot or Parcel. The Utility Easements shall include the right to cut trees, bushes or shrubbery and such other rights as Declarant or the applicable governmental authority or utility company providing the utilities may require. The utility lines installed pursuant to the Utility Easements may be installed above or below ground, except as otherwise provided in any Supplemental Declaration. Declarant shall have the right to convey Utility Easements to other Owners, to Parcel Developers, to governmental authorities or utility companies, to the Association and to any other party or parties.

Section 8.2. Erosion Control. Declarant reserves a perpetual easement, right and privilege to enter upon any Lot, Parcel, Common Area, Limited Common Area or Neighborhood Common Area, and the Association is granted a perpetual easement, right and privilege to enter upon any Lot or Parcel, either before or after a building has been constructed thereon or during such construction, for the purpose of taking such erosion control measures as Declarant or the Association deems necessary to prevent or correct soil erosion or siltation thereon; provided, however, that Declarant or the Association shall not exercise such right unless it has given the Owner of the Lot or Parcel or the Association (as to the Common Area, Limited Common Area and the Neighborhood Common Area) at least ten days' prior notice thereof and the Owner or the Association, as the case may be, has failed to take appropriate action to correct or prevent the erosion or siltation problem. The cost incurred by the Association or by Declarant in undertaking such erosion control measures on any Lot or Parcel shall become a special assessment on such Lot or Parcel and shall constitute a lien against such Lot or Parcel and shall be collectible in the manner provided herein for the payment of assessments. This Section shall not apply to Lots or Parcels owned by Declarant.

Section 8.3. Maintenance of Lots and Parcels. Declarant reserves the perpetual easement, right and privilege, and the Association is granted the perpetual easement, right and privilege, to enter on any Lot or Parcel, after at least five days' notice to the Owner thereof, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, dispensing pesticides, herbicides and fertilizer and grass seed, removing trash and taking such other action as the Declarant or the Association may consider necessary to correct any condition which detracts from the overall beauty of the Properties or which may constitute a hazard or nuisance. The cost incurred by the Association in taking such action (including any overhead costs associated therewith) shall constitute a special assessment on the Lot or Parcel and shall be collectible in the manner provided herein for the payment of assessments. This Section shall not apply to Lots or Parcels owned by Declarant.

Section 8.4. Construction Easements and Rights. Notwithstanding any provision of this Declaration or of any Supplemental Declaration, so long as Declarant is engaged in developing or improving any portion of the Properties or the Additional Area, Declarant shall have an easement of ingress, egress and use over any lands not conveyed to an Owner for (i) movement and storage of building materials and equipment, (ii) erection and maintenance of directional and promotional signs and (iii) conduct of sales activities, including maintenance of model residences.

Section 8.5. Right of Entry for Governmental Personnel. A right of entry on any Common Area, Limited Common Area and Neighborhood Common Area is hereby granted to personnel of the County of James City in the lawful performance of their official duties, including but not limited to: law enforcement officers and fire and rescue personnel as needed to lawfully carry out their duties, including but not limited to enforcement of cleared emergency vehicle access; public utility and public works vehicles in the performance of their installation, maintenance and repair duties; and inspections personnel for the purpose of reviewing the Association's proper maintenance of the Common Area, Limited Common Area and Neighborhood Common Area.

Section 8.6. Easement for Landscaping, Signs and Related Purposes. There shall be and is hereby reserved to Declarant for so long as it retains its rights as Declarant, and to the Association, a non-exclusive easement over all Lots, Parcels, Common Area, Limited Common Area and Neighborhood Common Area for a distance of twenty (20) feet behind any Lot or Parcel line which parallels, and is adjacent to, a street (whether public or private) for the purpose of erecting and maintaining street intersection signs, directional signs, temporary promotional signs, plantings, street lights, entrance features and/or "theme areas," lighting, stone, wood, or masonry wall features and/or related landscaping. Exercise of this easement shall be with the consent of the Owner of the affected Lot or Parcel, or the Architectural Review Board if such Owner does not consent.

Section 8.7. Easement for Use of Water Bodies and Irrigation. There is hereby reserved by the Declarant a perpetual easement and right to use all lakes, ponds, creeks or water bodies lying within the Common Area, Limited Common Area or Neighborhood Common Area for the purposes of irrigation of other parcels now, or in the future, owned by Declarant or third parties. The levels of water in any such lakes, ponds, creeks or water bodies may fluctuate and no representation or guarantee is made with respect to the continued existence of any water level, nor shall the Declarant or the Association have any liability or obligation to any Owner, regarding the water level or the appearance of any water body due to the fluctuation of such water level.

If Declarant develops a commercial park, with commercial, office, industrial or retail sites, or any combination thereof, Declarant may irrigate all or portions of these parcels with water drawn from the lakes, ponds, creeks and other water bodies lying within the Common Area, Limited Common Area and Neighborhood Common Area. Declarant further retains: (i) the right to lay, install, construct and maintain an irrigation system, including underground irrigation lines, over all Common Areas, Limited Common Areas and Neighborhood Common

Areas or landscaping easement areas granted to the Association for the purpose of providing irrigation to other parcels which may or may not be a part of the Properties, and (ii) the right to enter onto the Common Area, Limited Common Area and Neighborhood Common Area and to maintain the lakes, ponds, creeks or water bodies as may be necessary to insure that all such water bodies continue to provide a sufficient source of water to satisfy the irrigation needs described in this section. Nothing described in this section shall impose any obligation on Declarant to maintain the lakes, ponds, creeks or water bodies, such obligation being the obligation of the Association.

Pursuant to Section 9.11, Declarant shall have the right to transfer all or a portion of the rights retained by Declarant under this section to third parties, including (i) the owners and their successors-in-interest of any lots within any commercial office park; or (ii) one or more commercial office park owners association(s), developed on parcels contiguous to the Properties.

Section 8.8. Easement for Encroachment. Each Lot, each Parcel, the Common Areas, the Limited Common Areas and the Neighborhood Common Areas are hereby declared to have an easement of up to one foot in width over all adjoining Lots, all adjoining Parcels, the Common Areas, the Limited Common Areas and any Neighborhood Common Areas for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of a building, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful act or acts with full knowledge of said Owner or Owners. In the event a structure on any Lot or Parcel is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot or Parcel agree that minor unintentional encroachments over adjoining Lots shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

Section 8.9. Easements to Serve Additional Area. The Declarant hereby reserves for itself and its respective duly authorized agents, representatives, employees, successors, assigns, licensees, and mortgagees, an easement over the Common Area and Neighborhood Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit B, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area, Neighborhood Common Area and Limited Common Area for construction of roads and for connecting and installing utilities on such property. Declarant agrees that it and its respective successors and assigns shall be responsible for any damage caused to the Common Area, Neighborhood Common Area and Limited Common Area as a result of vehicular traffic connected with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Declaration, the Declarant and its respective successors and assigns shall enter into a reasonable easement agreement with the Association to share the cost of maintenance of any access roadway serving such property.

ARTICLE IX

GENERAL PROVISIONS

Section 9.1. Duration. The covenants and restrictions of this Declaration shall run with and bind the Properties for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty-five (25) years, subject to termination by amendment as provided in Section 9.2 below.. Notwithstanding the foregoing, the provisions of Section 4.2, Article VIII and Section 8.5 shall be perpetual except to the extent a shorter period is specified herein.

Section 9.2. Amendments. Except as otherwise set forth in this Declaration and subject to Section 10.4 of the Bylaws, this Declaration may be amended either (i) by Declarant without the consent of any other Owners in order to correct typographical errors, inconsistent references, scrivener's errors, grammatical mistakes, and incorrect or ambiguous punctuation, for so long as Declarant's Class B membership continues or (ii) by a vote of two-thirds of the sum of: (A) the Class A votes (including Declarant as to Class A votes held by Declarant), plus (B) the Class B votes (if any). Notwithstanding the foregoing, the provisions of Articles II and VIII and Sections 3.2, 4.7, 5.8, and this Section 9.2 may not be amended in any event without the written consent of Declarant regardless of whether the Class B membership has terminated; the provisions of Section 8.5 may not be amended without the consent of the Board of Supervisors of the County of James City, Virginia; and no amendment to terminate this Declaration shall be effective without the consent of the Board of Supervisors of the County of James City, Virginia. In addition, Declarant shall have the right without the consent of any other Owners to amend this Declaration in any respect as may be necessary or appropriate in order for this Declaration or the Properties to comply with applicable laws now or hereafter enacted or to satisfy the requirements of any Federal Mortgage Agency, including, without limitation, the Veterans Administration, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or the U.S. Development of Housing and Urban Development, as the same may be amended from time to time, with respect to their purchase or guaranty of mortgage loans secured by Lots.

Section 9.3. Enforcement. Declarant, the Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, easements, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any Supplemental Declaration. Without limiting the generality of the foregoing, if any Owner fails to comply with any of the provisions of this Declaration or any Supplemental Declaration and such failure continues for at least five (5) days after notice thereof is given to the Owner, then either Declarant or the Association may, but without any obligation to do so, take such action as either of them considers necessary or appropriate (including, without limitation, entering the Owner's Lot or Parcel) to correct the noncompliance; provided, however, that judicial proceedings are instituted before any Improvements are subsequently altered or demolished. The cost incurred in taking such action shall constitute a special assessment upon the Owner's Lot(s) and/or Parcel(s) and shall be collectible in the manner provided herein for the payment of assessments. Failure by the Declarant, the Association or any Owner to enforce any provision of this Declaration or any Supplemental Declaration shall in no event be deemed a waiver of the right to do so thereafter.

Section 9.4. Limitations. As long as the Declarant has an interest in developing the Properties, any commercial property adjacent to the Properties and/or the Additional Area, the Association may not use its financial resources to defray any costs of opposing the development activities so long as they remain consistent with the general intent of this Declaration. Nothing in this Section shall be construed to limit the rights of Members to act as individuals or in affiliation with other Members or groups.

Section 9.5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 9.6. Conflict. In the event of conflict among the Governing Documents, this Declaration shall control, then applicable Supplemental Declarations, then the Articles, then the Bylaws except that in all cases where the Governing Documents may be found to be in conflict with statute, the statute shall control.

Section 9.7. Interpretation. Unless the context otherwise requires, the use of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the term "including" shall mean "including, without limitation." The headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing the substantive provisions hereof.

Section 9.8. Use of the Words "Stonehouse Owners Foundation." No person or entity shall use the words "Stonehouse Owners Foundation" or any derivative thereof in any printed or promotional material without the prior written consent of Declarant.

Section 9.9. [RESERVED].

Section 9.10. Approvals and Consents. All approvals and consents required or permitted by this Declaration (other than approvals or consents given by Members in a vote conducted in accordance with the Bylaws) shall be in writing, shall be signed by the party from whom the consent or approval is sought and, unless otherwise provided herein, may be withheld by such party in its sole discretion.

Section 9.11. Assignment of Declarant's Rights. Any and all rights, powers, easements and reservations of Declarant set forth herein may be assigned in whole or in part, at any time or from time to time, to the Association, to another Owner, to a Parcel Developer or to any other party in Declarant's sole discretion. Each such assignment shall be evidenced by an instrument which shall be signed by Declarant and its assignee and recorded in the Clerk's Office.

Section 9.12. Successors and Assigns. The provisions hereof shall be binding upon and shall inure to the benefit of Declarant, the Association and (subject to Article II hereof) the Owners and their respective heirs, legal representatives, successors and assigns.

Section 9.13. Compliance with Property Owners' Association Act. The Association shall be subject to and comply with the Virginia Property Owners' Association Act as set out in §55-509 et. seq., in the Code of Virginia, as amended.

ARTICLE X

DISSOLUTION OF THE ASSOCIATION

The Zoning Ordinance and proffers applicable to the Properties and the Additional Land require that all residential Lots be subject to a residential owners association. Accordingly, the future dissolution of the Association would be conditioned on the prior consent of the Board of Supervisors of James City County, Virginia. In addition, dissolution of the Association would require the vote of more than two-thirds (2/3) of the votes, in person or by proxy, of the Class A Members and the vote of the Class B Member at a duly held meeting at which a quorum is present. Prior to dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be offered for dedication to the locality in which they are situated. In the event that such dedication is refused acceptance upon dissolution, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes

ARTICLE XI

NOTICES

All notices, demands, requests and other communications required or permitted hereunder shall be in writing and shall either be delivered in person or sent by overnight express courier or by U.S. first class mail, postage prepaid. Notices to the Declarant shall be sent to _____ Attention _____; with a copy to Elizabeth L. White, Esq., LeClairRyan, 5388 Discovery Park Boulevard, Third Floor, Williamsburg, Virginia 23188; or to such other address as the Declarant shall specify by executing and recording an amendment to this Declaration, which amendment shall not require the approval of any other parties as provided in Section 9.2. Notices to the Association or to Owners (other than Declarant) may be sent to the address which the Bylaws provide shall be used for them. All such notices, demands, requests and other communications shall be deemed to have been given when sent to the appropriate address specified above. Rejection or other refusal to accept shall not invalidate the effectiveness of any notice, demand, request or other communication. Notwithstanding the foregoing, any notice of the filing of a memorandum of assessment lien shall be sent in the manner required by § 55-516C of the Virginia Code.

WITNESS the following signatures and seals as of the date first above written.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.
SIGNATURES CONTINUE ON FOLLOWING PAGES.]

STONEHOUSE OWNERS FOUNDATION,
a Virginia non-stock corporation

BY: _____
Title: President

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me, a Notary Public, this ____ day of _____ 2010, by _____, who is either: personally known to me or who produced _____ as identification, as _____ of Stonehouse Owners Foundation, a Virginia non-stock corporation, on its behalf.

My Commission Expires: _____
_____ Notary Public

Notary # _____

AFFIX NOTORIAL SEAL HERE:

CERTIFICATION PURSUANT TO VIRGINIA CODE SECTION 55-515.1F

BY: _____
Title: President

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2010, by _____, President of Stonehouse Owners Foundation, a Virginia nonstock corporation, on behalf of the corporation, who did state and certify that the requisite percentage of Owners of Lots have voted to approve and have given their consent to and ratified such Amended and Restated Declaration of Protective Covenants and Restrictions Stonehouse Owners Foundation by signing a document evidencing their consent to such Amended and Restated Declaration of Protective Covenants and Restrictions Stonehouse Owners Foundation.

[SEAL] _____
Notary Public

My commission expires: _____
Registration No: _____

GS STONEHOUSE GREEN LAND SUB LLC,
a Delaware limited liability company

By: _____

Printed: _____

Its: _____

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me, a Notary Public, this ____ day of _____ 2010, by _____, who is either: personally known to me or who produced _____ as identification, as _____ of GS STONEHOUSE GREEN LAND SUB LLC., a Delaware limited liability company, on its behalf.

My Commission Expires: _____

Notary Public

Notary # _____

AFFIX NOTORIAL SEAL HERE:

GS STONEHOUSE GREEN LAND SUB 2 LLC,
a Delaware limited liability company

By: _____

Printed: _____

Its: _____

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me, a Notary Public, this ____ day of _____ 2010, by _____, who is either: personally known to me or who produced _____ as identification, as _____ of GS STONEHOUSE GREEN LAND SUB 2 LLC., a Delaware limited liability company, on its behalf.

My Commission Expires: _____

Notary Public

Notary # _____

AFFIX NOTORIAL SEAL HERE:

Pursuant to Proffer 1 of the Amended and Restated Stonehouse Proffers dated November 27, 2007, this Amended and Restated Declaration of Protective Covenants and Restrictions Stonehouse Owners Foundation has been approved by the County Attorney's Office.

Leo P. Rogers, County Attorney

COMMONWEALTH OF VIRGINIA
AT LARGE, to-wit:

The foregoing instrument was acknowledged before me in James City County, Virginia, this ____ day of _____, 2010, by Leo P. Rogers, County Attorney, for James City County on its behalf.

NOTARY PUBLIC

My Commission Expires: _____
Notary Registration No. : _____

EXHIBIT A

Legal Description

All those certain lots, pieces and parcels of land lying in the County of James City, Virginia, being known, numbered and designated as Lots 1 through 76 inclusive together with "AREA 1 NATURAL OPEN SPACE" "COMMON OPEN SPACE PARK A," "COMMON OPEN SPACE PARK B," "BMP #1," "BMP #2" AND "BMP #3," shown as "STONEHOUSE GLEN, SECTION 1" on that plat entitled "SUBDIVISION PLAT SHOWING STONEHOUSE GLEN, SECTIONS 1 & 2 AND RIGHT OF WAY OF FIELDSTONE PARKWAY BEING A SUBDIVISION OF THE PROPERTY OF FIELDSTONE INVESTMENT, LLC AND STONEHOUSE GLEN, LLC, Stonehouse District, James City County, Virginia," made by Landmark Design Group, dated May 31, 2006, and recorded in the Clerk's Office of the City of Williamsburg and County of James City as Instrument No. 060016179.

All those certain lots, pieces and parcels of land lying in the County of James City, Virginia, being known, numbered and designated as Lots 1 through 61 inclusive, together with "AREA 2 NATURAL OPEN SPACE," "BMP #4" and "BMP #5," shown as "STONEHOUSE GLEN, SECTION 2" on that plat entitled "SUBDIVISION PLAT SHOWING STONEHOUSE GLEN, SECTIONS 1 & 2 AND RIGHT OF WAY OF FIELDSTONE PARKWAY BEING A SUBDIVISION OF THE PROPERTY OF FIELDSTONE INVESTMENT, LLC AND STONEHOUSE GLEN, LLC, Stonehouse District, James City County, Virginia," made by Landmark Design Group, dated May 31, 2006, and recorded in the Clerk's Office of the City of Williamsburg and County of James City as Instrument No. 060016179.

EXHIBIT B

Description of Additional Area

Parcel A

Those certain parcels of land located in James City County, Virginia and described as follows:

Tract I

"Hicks" Tract, containing 131.03 acres by survey, being more particularly shown and described on survey by V. D. McManus, Jr., dated February 1947, recorded in Plat Book 10, Page 42. Being the same property conveyed to the Chesapeake Corporation of Virginia, by Vincent D. McManus, Jr., widower, by deed dated February 5, 1973, recorded in Deed Book 142, Page 229.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 15 in said Deed.

Tract II

"LaGrange" Tract, containing 203.29 acres, more or less, being Parcels A, B and D on a plat of survey made by John B. Vance, Jr., C.L.S., dated February 5, 1972, recorded in Plat Book 29, Page 40. Being the same land conveyed to the Chesapeake Corporation of Virginia by Littleberry James Haley, Jr., et als., by deed dated March 30, 1981, recorded in Deed Book 212, Page 411.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 18 in said Deed.

For information, the name of the Chesapeake Corporation was changed to The Chesapeake Corporation of Virginia by document filed with the Virginia State Corporation Commission on October 23, 1941. The name of The Chesapeake Corporation of Virginia was changed to Chesapeake Corporation by stockholder approval on April 25, 1984, and filed with the Virginia State Corporation Commission on April 27, 1984.

Parcel B

Those certain parcels of land located in James City County, Virginia and described as follows:

Tract I

100.9465 acres, shown as Parcel B on a "Boundary Line Adjustment Plat of Property Owned by Stonehouse, Inc. and Golf Trust of America, L.P." made by Langley and McDonald, P.C., dated 5/5/97, recorded in Plat Book 66, Pages 89-93. Less and except: Parcel B-1 containing 8.9547 acres and Parcel B-2 containing 12.3998 acres, both depicted on "Subdivision Plat of Stonehouse Development Area One, Phase 1, Section I-B, Section II-A, Section III-C, Being a Subdivision of Properties Owned by Stonehouse Limited Liability Company and Stonehouse, Inc.", made by Langley and McDonald, Inc., dated November 19, 1999, last revised December 9, 1999, recorded in Plat Book 75, Pages 93-97, and being the same Parcels conveyed to Stonehouse Development Company, LLC by deed dated December 27, 1999, from Stonehouse Inc., recorded as Document No. 99-26874. Subject to the rights of others to use, and together with the right to use, the "Area To Be Reserved For Future 120' VDOT Right Of Way" depicted on the aforementioned plat, the terms of which are set out in the last mentioned deed and which easement was reserved by the Grantor by instrument recorded as Document No. 960003568.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 26 in said Deed.

Tract II

12.5757 acres, shown as Parcel C on a "Boundary Line Adjustment Plat of Property Owned by Stonehouse Inc. and Golf Trust of America, L.P." made by Langley and McDonald, P.C., dated 5/5/97, recorded in Plat Book 66, Pages 89-93. Less and except 5.2428 acres shown as Parcel C-1 on "Subdivision Plat of Stonehouse Development Area One, Phase 1, Section I-B, Section II-A, Section III-C, Being a Subdivision of Properties Owned by Stonehouse Limited Liability Company and Stonehouse, Inc.", made by Langley and McDonald, Inc., dated November 19, 1999, last revised December 9, 1999, recorded in Plat Book 75, Pages 93-

97, and being the same 5.2428 acres conveyed to Stonehouse Development Company, LLC by deed dated December 27, 1999 from Stonehouse, Inc. recorded as Document No. 99-26875. Subject to and together with an easement depicted as "Area To Be Dedicated As A Temporary Easement For Grounds Maintenance" on the aforesaid November 19, 1999 plat, the terms of which are set out in the last mentioned deed.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 27 in said Deed.

Tract III

5.0538 acres shown as Parcel D on a "Boundary Line Adjustment Plat of Property Owned by Stonehouse Inc. and Golf Trust of America, L.P." made by Langley and McDonald, P.C., dated 5/5/97, recorded in Plat Book 66, Pages 89-93.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 28 in said Deed.

Tract IV

13.1105 acres shown as Parcel E on a "Boundary Line Adjustment Plat of Property Owned by Stonehouse Inc. and Golf Trust of America, L.P." made by Langley and McDonald, P.C., dated 5/5/97, recorded in Plat Book 66, Pages 89-93.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 29 in said Deed.

Tract V

Section I-B containing 19.1500 acres, Section II-A containing 5.8844 acres and Section III-C containing 16.0620 acres, all as

shown on "Subdivision Plat of Stonehouse Development Area One, Phase 1, Section I-B, Section II-A, Section III-C, Being a Subdivision of Properties Owned by Stonehouse Limited Liability Company and Stonehouse Inc.", made by Langley and McDonald, Inc., dated November 19, 1999, last revised December 9, 1999, recorded in Plat Book 75, Pages 93-97. Together with an easement of right of way 120 feet in width across property of Stonehouse Development Company, LLC along the extension of Fieldstone Parkway to construct and provide access and utilities to the additional property owned by Stonehouse Inc., which easement was reserved by the Grantor by instrument recorded as Document No. 960003568. The three sections were conveyed to Stonehouse Inc. by deed dated December 27, 1999 from Stonehouse Development Company, LLC, recorded as Document No. 99-26876.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 30 in said Deed.

Tracts I, II, III, and IV are conveyed subject to, and modified by: (i) that Deed of Boundary Adjustment and Easement dated June 6, 1997 between Stonehouse Inc. and Golf Trust of America, L.P., recorded as Document No. 97-9627.

Tracts I, II, III and IV were conveyed to Stonehouse Inc. by the following deeds: (1) from Chesapeake Corporation dated December 22, 1988, recorded in Deed Book 420, Page 712; (2) from Frank L. Fernandez dated June 1, 1994, Deed Book 696, Page 731; and (3) from Rodgers Enterprises, Inc., dated April 13, 1990, recorded in Deed Book 471, Page 96.

Track VI

48.21 acres, more or less, and being the residue of the "Tankard" Tract, known among the tax records for said county as Tax Map 13-1 (1-19). Reference is made to that plat of survey recorded in the Clerk's Office, Circuit Court, James City County, Virginia in Plat Book 50, Page 14, that Deed recorded in Deed Book 420, Page 712, that plat recorded in Plat Book 88, Pages 43 and 44 and that Deed recorded as Instrument Number 020027159.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation, to Fieldstone Investment, LLC, a Virginia limited liability company, by Deed dated March 30, 2004 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on April 8, 2004 as Instrument No. 040009870 and more particularly described as "Tract 1" in said Deed.

Tract VII

"35.0 acres, +/-", on a certain plat entitled "Survey of 35 Acres, +/- for Conveyance to: Jack L., Gary M. & Steven L. Massie from: Leon Carr Avery & Maxie G. Avery" made by AES, a professional corporation, dated March 11, 1982, which plat is recorded in the Clerk's Office of Circuit Court for James City County, Virginia in Plat Book 37, Page 24.

"7.31 acres" on a plat entitled "Boundary Survey of 7.31 Acres Located on the North Line of Route 30" made by AES, a professional corporation, dated December 17, 1984, recorded in the Clerk's Office aforesaid in Deed Book 262, Page 457.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation, to Fieldstone Investment, LLC, a Virginia limited liability company, by Deed dated March 30, 2004 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on April 8, 2004 as Instrument No. 040009870 and more particularly described as "Tract 2" in said Deed.

Parcel C

Those certain parcels of land located in James City County, Virginia and described as follows:

Tract I

"Ashlock #1" Tract No. 33-2201, containing 152 acres by survey, being more particularly shown and described on a plat of survey by R.H. Highland, C.L.S., dated April 13, 1951, a copy of which is recorded in Plat Book 50, Page 7, and 43 acres, more or less, bounded on the south by land now or formerly belonging to B.F. Garrett, on the east by the Stonehouse Tract, on the North and west by a swamp. Being the same property conveyed to The Chesapeake Corporation by Mattie B. Lewis, widow, by deed dated June 4, 1941, recorded in Deed Book 33, Page 386.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 1 in said Deed.

Tract II

"Ashlock #2" Tract No. 33-2002, containing 14 acres by survey, being more particularly shown and described on a plat of survey by R.H. Highland, C.L.S., dated April 13, 1951, revised December 16, 1988, a copy of which is attached in Plat Book 50, Page 8. The property is depicted on the aforesaid plat as part of a 24.42 acre tract. The 14 acres being the same property conveyed to The Chesapeake Corporation of Virginia by John G. Warburton and wife by deed dated May 5, 1947, recorded in Deed Book 39, Page 25.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 2 in said Deed.

Tract III

"Ashlock #3 Tract No. 33-2020, containing 10 acres by survey, being more particularly shown and described on a plat of survey by R.H. Highland, C.L.S., dated April 13, 1951, revised December 16, 1988, a copy of which is recorded in Plat Book 50, Page 8. The property is depicted on the aforesaid plat as part of a 24.42 acre tract. The 10 acre tract is the same property conveyed to The Chesapeake Corporation of Virginia by Andrew B. Brookes and wife by deed dated August 1, 1957, recorded in Deed Book 62, Page 93.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 3 in said Deed.

Tract IV

"Bateman-Tyler" Tract No. 33-2013, containing 49.98 acres as depicted on a plat of survey dated April 6, 1951, revised, stamped and signed by Charles J. Kerns, Jr., L.S., which is recorded in Plat Book 50, Page 8, less and except 1.11 acres conveyed to the Commonwealth of Virginia by deed dated January 3, 1955. The 49.98 acre tract being the same property conveyed to The Chesapeake Corporation of Virginia by the following:

[a] Deed from Margaret Tyler, dated June 3, 1949, recorded in Deed Book 42, page 539; and

[b] Deed from Evoid Tyler, et als., dated June 3, 1949, recorded in Deed Book 42, page 536.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 6 in said Deed.

Tract V

"Henley" Tract No. 33-2014, containing 26 acres, more or less, as depicted on a plat of survey made by R.H. Highland, C.L.S., dated May 29, 1951, recorded in Plat Book 12, Page 37. Being the same property conveyed to The Chesapeake Corporation of Virginia by J. Turner Henley, et al., by deed dated June 7, 1951, recorded in Deed Book 45, page 162.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 7 in said Deed.

Tract VI

"Banks" Tract, containing 17 acres, more or less, and being made up of two tracts containing 8 ½ acres each, of which John Ashlock died seised, less and except 2 ½ acres conveyed to Solomon Ashlock by deed recorded in Deed Book 23, Page 6, one acre conveyed to Rebecca Walker by deed recorded in Deed Book 22, Page 382, and such of the property as may lie within the bounds of Route 600. Being the same property conveyed to The Chesapeake Corporation of Virginia by Elizabeth H. Banks, et als., by deed dated October 10, 1974, recorded in Deed Book 156, Page 584.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 11 in said Deed.

Tract VII

"Bowman" Tract, containing 2 ½ acres, more or less, as depicted on that plat of survey dated September 21, 1923 made by R.N. Crawford. Being the same property conveyed to The Chesapeake Corporation of Virginia by A.H. Bowman and wife by deed dated January 10, 1974, recorded in Deed Book 149, Page 724.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 12 in said Deed.

Tract VIII

"Slater" Tract, containing 158 acres, more or less, as depicted on a plat thereof dated May 4, 1914, made by Sidney Smith, Surveyor, recorded in Plat Book 2, Page 50, including the church lot and the James Taylor Lot shown on the plat. Less and except that portion of the property conveyed to the Commonwealth of Virginia for Route 600 recorded in Deed Book 53, Page 186. Being the same property conveyed to The Chesapeake Corporation of Virginia by A.D. Slater and wife by deed dated December 13, 1972, recorded in Deed Book 143, Page 425.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 16 in said Deed.

Tract IX

"Ware Ashlock #2" Tract, containing 1 ½ acres, more or less. Being the same property conveyed to The Chesapeake Corporation of Virginia by D.W. Ware and wife by deed dated September 4, 1980, recorded in Deed Book 206, Page 621, and Solomon Ashlock

by deed dated December 17, 1973, recorded in Deed Book 149, Page 202.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 20 in said Deed.

Tract X

"Filichko" Tract, containing 10.238 acres, being more particularly shown and described on a plat of survey by B.C. Littlepage, C.L.S., dated November 5, 1971, recorded in Plat Book 29, Page 6, being the same property conveyed to Chesapeake Corporation by John R. Filichko and wife by deed dated April 11, 1988, recorded in Deed Book 387, Page 143.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 21 in said Deed.

Tract XI

"Stinnette" Tract, containing 4 1/6 acres, and being bounded and described as follows: Commencing at the southeasterly fork between State Secondary Road 600 and State Secondary Road 606; proceeding thence in an easterly direction along the southerly side of Route 600 to the point where the line between the property here conveyed and the property now or formerly of Chesapeake Corporation strikes the said road; proceeding thence in a southeasterly direction along the line of Chesapeake Corporation 800 to 900 feet, more or less, along the bottom of a ravine; thence along the bottom of the ravine in a southwesterly direction, the line of Chesapeake Corporation, to the easterly side of Route 606; thence with Route 606 to the southeasterly fork of Route 606 and Route 600, the point of beginning. Being the same land conveyed to Chesapeake Corporation by deed dated February 19, 1999, from Brake & Associates, Inc., recorded as Document #99-4844. The boundaries of the property are more particularly shown on that plat

of survey dated 11/15/85 made by Buchart-Horn, Inc. recorded in Plat Book 50 at Page 8.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 24 in said Deed.

Parcel D

Those certain parcels of land located in James City County, Virginia and described as follows:

Tract I

"Cedar Point" Tract No. 33-2023, containing 96.58 acres by survey, being more particularly shown and described on plat of survey by O.M. Chandler, C.L.S., dated October 1917, recorded in Plat Book 25, Page 22 and Plat Book 6, Page 5. Less and except that portion of the property conveyed to the Commonwealth of Virginia for Route 600 recorded in Deed Book 53, Page 186. Being the same property conveyed to the party of the first part by A.D. Slater and wife by deed dated November 14, 1967, recorded in Deed Book 114, Page 193.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 10 in said Deed.

Tract II

"Ware Ashlock #1" Tract, containing 22 acres, more or less, in the aggregate and consisting of two tracts containing 7 ½ acres, 4 ½ acres and two tracts of unstated acreage. Being the same property conveyed to The Chesapeake Corporation of Virginia by D.W. Ware and wife by deed dated September 4, 1980, recorded in Deed Book 206, Page 621 and by William Arthur Ashlock, et als., by deed dated March 1, 1973, recorded in Deed Book 146, Page 281.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11,

2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 19 in said Deed.

Tract III

That portion of "Richardson's Mill Pond" Tract, containing 41 acres, more or less, which lies in James City County, and is the James City part of the 58.99 acres depicted on that plat of survey by R.H. Highland, C.L.S., dated November 8, 1951, recorded in Plat Book 9, page 18. Being a portion of the property conveyed to Chesapeake Corporation by deed from David Nelson, Jr., Executor, et als., dated July 3, 1987, recorded in Deed Book 395, Page 59. Subject, however, to rights of others in and to the use and enjoyment of the millpond and rights of others to withdraw water from the millpond.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 22 in said Deed.

Tract IV

"Farinholt" Tract, containing 146 acres, more or less, being more particularly shown and described on plat of survey by G.L. Evans, C.L.S., dated January 19, 1934, which plat is recorded in Plat Book 50, Page 9, less and except 1.59 acres, more or less, conveyed to the Commonwealth of Virginia by deed dated January 3, 1955. Being the residue of the tract conveyed to The Chesapeake Corporation by T.H. Geddy, Jr., Special Commissioner, by deed dated August 1, 1929, recorded in Deed Book 25, Page 239.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 23 in said Deed.

Parcel E

Those certain parcels of land located in James City County, Virginia and described as follows:

Tract I

"Garretts" Tract No. 33-2004, containing 534.24 acres, more or less, being the same property conveyed to The Chesapeake Corporation by C. L. Woodward and wife by deed dated March 18, 1925, recorded in Deed Book 22, Page 5. The tract is comprised of five tracts containing 25 acres, 86 acres, 50 acres, 213.41 acres and 159.83 acres, all as described on the aforementioned deed.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 4 in said Deed.

Tract II

All right, title and interest of the party of the first part in and to the "Miles Braxton" Tract, containing 16 acres, more or less, as depicted on that plat of survey dated April 15, 1974, made by R. B. Cartwright, C.L.S., recorded in Deed Book 152, Page 163. Being the same property conveyed to The Chesapeake Corporation of Virginia by the following:

A. Deed from James Clarke and wife, et als., dated April 18, 1974, recorded in Deed Book 152, Page 159;

B. Deed from Carry Lee Clarke dated May 13, 1974, recorded in Deed Book 152, Page 344; and,

C. Deed from Ida Mae Braxton dated May 24, 1974, recorded in Deed Book 152, Page 581.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 13 in said Deed.

Tract III

"Woodward" Tract No. 33-2022, containing 9.75 acres by survey, being more particularly shown and described on plat of survey by R. H. Highland, C.L.S., recorded in Plat Book 22, Page 35. Being the same property conveyed to the party of the first part by C. L. Woodward, et al., by deed dated December 6, 1963, recorded in Deed Book 93, Page 564.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 9 in said Deed.

Tract IV

All of the right, title and interest of the party of the first part in and to the "James Taylor #2" Tract, containing 9 ³/₄ acres, more or less. The tract is bounded on the north and east by the Garretts Tract (Tract I above), on the south by the Woodward Tract (Parcel 12 in the deed recorded on December 11, 2002 referenced below) and on the west by Route 606. Being the same property conveyed to The Chesapeake Corporation of Virginia by the following:

(a) Deed from James Wallace and wife dated May 12, 1976, recorded in Deed Book 172, Page 617;

(b) Deed from Horace Taylor, et als., dated March 15, 1976, recorded in Deed Book 172, Page 619;

(c) Deed from Wilbert Wallace, et als., dated March 15, 1976, recorded in Deed Book 172, Page 622;

(d) Deed from Forest Ashby, et als., dated March 15, 1976, recorded in Deed Book 172, Page 626;

(e) Deed from Calvin Taylor, et als., dated March 1, 1976, recorded in Deed Book 172, Page 629;

(f) Deed from Richard Roberts, et als., dated February 13, 1976, recorded in Deed Book 166, Page 483.

Being a portion of the property conveyed from Stonehouse, Inc., a Virginia corporation to Stonehouse at Williamsburg, LLC, a Virginia limited liability company, by Deed dated December 11, 2002 and recorded in the Office of the Clerk of the Circuit Court for the City of Williamsburg and County of James City, Virginia, on December 13, 2002 as Instrument No. 020030024 and more particularly described as Parcel 17 in said Deed.