

**DECLARATION OF RIGHTS, RESTRICTIONS,
AFFIRMATIVE OBLIGATIONS AND CONDITIONS
APPLICABLE TO ALL PROPERTY IN FOREST LAKES**

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Amendment I

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THIS DECLARATION, made this 4th day of October, 1988, by FOREST LAKES ASSOCIATES, a Virginia Partnership hereinafter called "Company".

WITNESSETH:

WHEREAS, the Company is the owner of certain lands located within a community known as "Forest Lakes" in Albemarle County, Virginia.

WHEREAS, the Company wishes to declare certain restrictive covenants affecting certain lands in Forest Lakes.

NOW, THEREFORE, the Company hereby declares that the covenants contained herein shall be covenants running with the land and shall apply to the lands in Forest Lakes and described in Exhibit "A" attached hereto (the "Properties"), and such additions thereto as may hereinafter be made pursuant to paragraph (9) of Article V hereof. The Company reserves in each instance the right to add additional restrictive covenants in respect to lands to be conveyed in the future within the Properties, or to limit therein the application of this Declaration.

**ARTICLE I
DEFINITIONS**

The following words and terms when used in this Declaration or any Supplemental Declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

(a) "Association" shall mean and refer to Forest Lakes Community Association, Inc., a Virginia nonstock corporation, its successors and assigns.

(b) "Company" or "the Company" shall mean and refer to Forest Lakes Associates, a Virginia Partnership, its successors and assigns, and any agent or agents appointed by Forest Lakes Associates, its successors and assigns, to act on its behalf for the purpose of administering or enforcing, in whole or in part, the rights reserved unto the Company in this Declaration.

(c) "Forest Lakes" shall mean and refer to the lands in Albemarle County, Virginia, which are shown as a part of Forest Lakes on the Company's Master Plan as revised from time to time.

(d) "Master Plan" shall mean and refer to the drawings which represent the conceptual plan for the future development of Forest Lakes. Since the concept of the future development of Forest Lakes is subject to continuing revision and change by the Company, present and future references to the "Master Plan" shall be references to the latest revision thereof.

(e) "Owner", "Owner of Property", and "Property Owner" shall mean, and refer to all owners of an interest in real property in Forest Lakes which has been subjected to the provisions of this Declaration, including, but not limited to, owners of property or tracts of land and owners of Condominium units, whether such property, tracts or units are used or intended to be used for residential, commercial or recreational purposes.

(f) "Property" and "Properties" shall mean and refer to any tract of land or subdivision thereof in Forest Lakes which has been subject to the provisions of this Declaration or any Supplemental Declaration under the provisions of paragraph (9) of Article V hereof, as may be referenced in deeds issued by the Company or any third party with the consent of the Company, including, without limitation, all that tract or parcel of land, situated, lying and being in Albemarle County, Virginia, which is more particularly described in Exhibit "A" attached hereto and by specific reference made a part hereof.

ARTICLE II COVENANTS, RESTRICTIONS AND AFFIRMATIVE OBLIGATIONS APPLICABLE TO ALL PROPERTIES IN FOREST LAKES

The covenants and restrictions herein will be referred to as the General Property Covenants and will be recorded in the Clerk's Office of the Circuit Court of Albemarle County, Virginia.

The primary purpose of these covenants and restrictions and the foremost consideration in the origin of same has been the creation of a community that is aesthetically pleasing and functionally convenient. The establishment of certain objective standards relating to design, size and location of dwellings and other structures makes it impossible to take full advantage of the individual characteristics of each parcel of Property and of technological advances and environmental values. In order to implement the purposes of these General Property Covenants, the Company may establish and amend from time to time objective standards and guidelines, including, but not limited to, Architectural Guidelines, Uniform Sign Regulations, Uniform Mailbox Regulations and Landscape Guidelines as defined hereinafter, which shall be binding on Property Owners within Forest Lakes.

1. No building, fence, or other structure shall be erected, placed, or altered, nor shall a building permit for such improvement be applied for on any Property in Forest Lakes until the proposed building plans, specifications, exterior color or finish, plot plan (showing the proposed location of such building or structure, drives, and parking areas), the land management plan, described in paragraph 1 of Article III, and, construction schedule shall have been approved in writing by the Company. In addition, the Company may, at its election, require prior written approval of a landscape plan. The Company further reserves the right to promulgate and amend from time to time architectural guidelines (hereinafter referred to as the "Architectural Guidelines") for specific neighborhoods and areas or for all Properties within Forest Lakes, and such Architectural Guidelines shall establish, define, and expressly limit those standards and specifications that will be approved in said neighborhoods and areas or within the Properties, including, but not limited to, architectural style, exterior color or finish, roofing material, siding material, driveway material, landscape design, and construction technique. Refusal or approval of plans, location, exterior color or finish, or specifications by the Company may be based upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company shall seem sufficient. No alteration in the exterior appearance of any building, fence or other structure, including exterior color or finish, shall be made without like prior written approval by the Company. One (1) copy of all plans and related data shall be furnished the Company for its records. In the event approval of such plans is neither granted nor denied within thirty (30) days following receipt by the Company of written demand for approval, approval shall be deemed to have been granted.

2. In order to assure that buildings and other structures will be located and staggered so that the maximum view, privacy, sunlight, and breeze will be available to each building or structure within the confines of each Property, and to assure that structures will be located with regard to the topography of each Property, taking into consideration the location of large trees and other aesthetic and environmental considerations, the Company reserves the right to control absolutely and to decide solely (subject to the provisions of the Zoning Ordinance of the County of Albemarle) the precise site and location (including density of buildings) of any building or structure on any Property in Forest Lakes for reasons which may in the sole and uncontrolled discretion and judgment of the Company seem sufficient. Such location shall be determined only after reasonable opportunity is afforded the Property Owner to recommend a specific site. The provisions of this paragraph shall in no way be construed as a guarantee that the view, privacy, sunlight, or breeze available to a building or structure on a given Property shall not be affected by the location of a building or structure on an adjacent Property.

3. Each Property Owner shall provide space for the parking of automobiles off public streets prior to occupancy of any building, or structure constructed on said property in accordance with reasonable standards established by the Company.

4. Except as may be required by legal proceedings, no sign shall be erected or maintained on any Property by anyone including, but not limited to, a Property Owner, a tenant, a realtor, a contractor, or a subcontractor, until the proposed sign size, color, content, number of signs, and location of sign(s) shall have been approved in writing by the Company. Refusal or approval of size, color, content, number of signs, or location of sign(s) may be based by the Company upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company seems sufficient. The Company further reserves the right to promulgate and amend from time to time uniform sign regulations (the "Uniform Sign Regulations") which shall establish standard design criteria for all signs, including, but not limited to, real estate sales signs, erected upon any Property in Forest Lakes.

The Company and its agent shall have the right, whenever there shall have been placed or constructed on any Property in Forest Lakes any sign which is in violation of these restrictions, to enter immediately upon such Property where such violation exists and summarily remove the same at the expense of the Property Owner.

5. It shall be the responsibility of each Property Owner, tenant, contractor, or subcontractor to prevent the development of any unclean, unsightly, unkempt, unhealthy or unsafe conditions of buildings or grounds on any Property which shall tend to substantially decrease the beauty or safety of Forest Lakes, the neighborhood as a whole, or the specific area. The Company and its agents shall have the right to enter upon any Property for the purpose of correcting such conditions, including, but not limited to, the removal of trash which has collected on the Property, and the cost of such corrective action shall be paid by the Property Owner. Such entry shall not be made until thirty (30) days after the Owner of the Property has been notified in writing of the need to take corrective action and unless such Owner fails to perform the corrective action within said thirty (30) day period; provided, however, that should such condition pose a health or safety hazard, such entry shall not be made until the Owner has been notified in writing of the need to take immediate corrective action and unless such Owner fails to perform the corrective action immediately. The provisions of this paragraph shall not create any obligation on the part of the Company to take any such corrective action.

6. No mailbox shall be erected or maintained on any Property until the proposed mailbox design, color and location have been approved in writing by the Company. Refusal or approval of design, color; or location may be based by the Company upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company seems sufficient. No alteration in the exterior appearance of any mailbox shall be made without like prior written approval by the Company. The Company further reserves the right to establish uniform mailbox regulations (the "Uniform Mailbox Regulations") which shall define standard design criteria for all mailboxes erected upon any Property in Forest Lakes.

7. Prior to the occupancy of a building or structure on any Property, proper and suitable provisions shall be made for the disposal of sewage by connection with the sewer mains of the Albemarle County Service Authority which is the only system presently approved by Albemarle County for use in Forest Lakes, or other means of sewage disposal if other means are approved by Albemarle County for use in Forest Lakes.

8. Prior to the occupancy of a building or structure on any Property, proper and suitable provisions for water shall be made by connection with the water lines of the Albemarle County Service Authority water system which is the only system presently approved by Albemarle County for use in Forest Lakes, or other water system if other water system is approved by Albemarle County for use in Forest Lakes.

9. The Company reserves unto itself, its successors and assigns, and its agent, a perpetual, alienable, and releasable easement and right, on, over and under the Properties to erect, maintain, and use electric, community antenna television, cable television and telephone poles, wires, cables, conduits, drainage ways, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, drainage, or other public conveniences or utilities on, in, or over those portions of such Property as may be reasonably required for utility line purposes; provided, however, that no such utility easement shall be applicable to any portion of such Property as may (a) have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to these covenants by the Company, or (b) be designated as the site for a building on a plot plan for erection of a building which .has been filed with the Company and which has been approved in writing by said Company. These easements and rights, expressly include the right to cut any trees, bushes, or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety, and

appearance. The Company further reserves the right to locate wells, pumping stations, siltation basins, and tanks within Forest Lakes in any open space or on any Property designated for such use on the applicable plat of said Property, or to locate same upon any Property with the permission of the Owner of such Property. Such rights may be exercised by any licensee of the Company, but this reservation shall not create any obligation on the part of the Company to provide or maintain any such utility or service.

**ARTICLE III
ADDITIONAL RESTRICTIONS TO IMPLEMENT
EFFECTIVE ENVIRONMENTAL AND
LAND MANAGEMENT CONTROLS**

In order to protect the natural beauty of the vegetation, topography, and other natural features of all Properties within Forest Lakes, the following environmental and land management controls are hereby established:

1. Topographic and vegetation characteristics of Properties within Forest Lakes shall not be altered by excavation, grading, removal, reduction, addition, clearing, cutting, pruning, seeding, planting, transplanting, or any other means without the prior written approval of the Company. In addition, the Company may, at its election, require prior written approval of a landscape plan. Refusal or approval of plans or any alteration of topographic or vegetation characteristic(s) by the Company may be based upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company seems sufficient. Written approval will be granted for the minimum amount of earth movement and vegetation reduction required in plans and specifications approved pursuant to the provisions of paragraph 1 of Article II of these covenants. Should written notice be served by the Company upon any Property Owner requiring corrective alteration of topographic and vegetation characteristics pursuant to paragraphs 3 and 4 of this Article III, such notice shall be deemed to constitute written approval by the Company for such corrective alteration under the provisions of this paragraph 1.

2. Notwithstanding anything in the foregoing to the contrary, the Company reserves the right to promulgate and amend from time to time landscape guidelines (referred to hereinafter as the "Landscape Guidelines") which shall establish approved standards, methods, and procedures for landscape management on specific Properties in Forest Lakes, and such authorized standards, methods, and procedures may be utilized by the Owners of such specified Properties without prior written approval by the Company; provided, however, no trees measuring six (6) inches or more in diameter at a point two (2) feet above ground level may be removed without the prior written approval of the Company. Approval for the removal of trees located within ten (10) feet of the main dwelling or accessory building or within ten (10) feet of the approved site for such building will be granted unless such removal will substantially decrease the beauty of the Property. The provisions of this paragraph 2 shall in no way constitute a waiver of the requirement to receive prior written approval for any alteration of topographic or vegetation characteristics, pursuant to the provisions of paragraph 1 of Article II, other than for those alterations specifically authorized in said Landscape Guidelines.

3. In order to implement effective and adequate erosion control the Company and its agents shall have the right to enter upon any Property before or after a building or structure has been constructed thereon for the purpose of performing any grading or landscaping work or constructing and maintaining erosion prevention devices. Provided, however, that prior to exercising its right to enter upon the Properties for the purpose of performing any grading or landscaping work or constructing or maintaining erosion prevention devices, the Company shall give the Owner of the Property the opportunity to take any corrective action required by giving the Owner of the Property written notice indicating what type of corrective action is required and specifying in that notice that immediate corrective action must be taken by the Owner. If the Owner of the Property fails to take the corrective action specified immediately, the Company or its agent may then exercise its right to enter upon the Property in order to take the necessary corrective action. The cost of such erosion prevention measures, when performed by the Company or its agent, shall be kept as low as reasonably possible. The cost of such work, when performed by the Company or its agent on Property, shall be paid by the Owner thereof.

4. In order to implement effective insect, reptile, rodent, and woods fire control, the Company and its agents have the right to enter upon any Property for the purpose of moving, removing, clearing, cutting, or pruning underbrush, weeds, or other unsightly growth which in the opinion of the Company detracts from the overall beauty, setting, and safety of Forest Lakes. The cost of this vegetation control shall be kept as low as reasonably possible and shall be paid by the Owner of the Property. Such entry shall not be made until thirty (30) days after the Owner of the Property has been notified in writing of the need of such work and unless such Owner fails to perform the work within said thirty (30) day period. The provisions in this paragraph shall not create any obligation on the part of the Company to mow, clear, cut or prune any Property.

5. In addition, the Company reserves unto itself, its successors and assigns, and its agent, a perpetual, alienable, and releasable easement and right on, over, and under any Property to dispense pesticides and take other actions which in the opinion of the Company are necessary or desirable to control insects and vermin, and to cut fire breaks and take other actions which in the opinion of the Company are necessary or desirable to control fires on any Property or any improvements thereon, and for purposes of erosion control allowed in paragraph 3 above.

The rights reserved unto the Company, its successors and assigns, and its agents, in paragraphs 3, 4 and 5 above shall not be unreasonably employed and shall be used only where necessary to effect the stated intents and purposes of said paragraphs.

ARTICLE IV ADDITIONAL RESTRICTIONS AFFECTING RESIDENTIAL PROPERTIES

1. "Residential Properties" as used in this Article IV shall mean and refer to all those parcels or tracts of land within the Properties defined as "Single Family Lots", "Villa Home Sites", and "Multiple Family Tracts" in paragraphs 2, 3 and 4 of this Article IV.

2. "Single Family Lots" or "Lots" as used herein shall mean and refer to all those parcels or tracts of land within the Properties intended for subdivision or subdivided into Properties or lots intended for the construction of detached dwelling units.

3. "Villa Home Sites" or "Sites" as used herein or in any subsequent declaration shall mean and refer to all those parcels or tracts of land within the Properties intended for subdivision or subdivided into Properties or lots intended for construction of detached dwelling units and on which a Patio Wall may be required to be erected.

4. "Multiple Family Tract" or "Tracts" as used herein shall mean and refer to all those parcels or tracts of land within the Properties, intended, for development of or developed as attached dwelling units including Townhouse Lots, Condominiums as defined by the Code of Virginia and Apartments.

5. a. All Residential Properties shall be used for residential purposes, recreational purposes incidental thereto, and for customary accessory uses. The use of a portion of a dwelling unit on a Residential Property as an office by the Owner or tenant thereof shall be considered a residential use if such use does not create undue customer or client traffic, as determined by the Company in its sole and uncontrolled discretion, to and from the unit or the Property.

b. No structure, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on a Single Family Lot or Villa Home Site other than one (1) detached single family dwelling and one (1) small one-story accessory building which may include a detached private garage, provided the use of such accessory building does not overcrowd the Property, as determined by the Company in its sole and uncontrolled discretion, and provided, further, that such building is not used for any activity normally conducted as a business. Such accessory building may not be constructed prior to the construction of the main building.

c. A guest suite or like facility without a kitchen may be included as part of the main dwelling or accessory building on any Single Family Lot or Villa Home Site, but such suite may not be rented or leased except as part of the entire premises including the main dwelling, and provided, however, that such suite would not result in overcrowding the Property, as determined by the Company in its sole and uncontrolled discretion.

d. The provisions of this paragraph five (5) shall not prohibit the Company or its agent and assigns from using any house, other dwelling units, or accessory buildings as a model or sales office.

6. a. The exterior of each house, dwelling unit, phase or group of Multiple Family dwelling units, and all other structures must be completed (i) within one (1) year after the construction of same shall have commenced on all Single Family Lots and Villa Home Sites, and (ii) within two (2) years after the construction of same shall have commenced on all Multiple Family Tracts, except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergency or natural calamities. Houses and other dwelling structures may not be temporarily or permanently occupied until the exteriors thereof have been completed. During the continuance of construction, the Owner of the Lot, Site, or Tract shall require the contractor to maintain the

Property in a reasonably clean and uncluttered condition, pursuant to the provisions of paragraph 5 of Article II of these covenants.

b. The failure to complete the exterior of any house, dwelling unit, phase or group of Multiple Family dwelling units, or any other structure within the time limit set forth in paragraph 6(a) above shall constitute a violation and breach of these covenants. The Company hereby reserves unto itself, its successors and assigns, a right on, over, and under all Residential Properties for the purpose of taking any action necessary to effect compliance with paragraph 7(a) above, including, but not limited to the right to enter upon any Property for the purpose of completing the exterior of such house dwelling unit, phase, or group of Multiple Family dwelling units, or any other structure which is in violation of paragraph 6(a). Such entry shall not be made until thirty (30) days after the Owner of the Property has been notified in writing of the violation of these covenants, and unless such Owner has failed to complete said exterior within said thirty (30) day period. The cost of such corrective action, when performed by the Company or its agents, shall be paid by the Owner of the Property on which the corrective action is performed. The provisions of this paragraph shall not create any obligation on the part of the Company to take any action to effect compliance with paragraph 6(a).

7. a. Each Property Owner of Residential Properties shall provide a screened area to serve as a service yard and an area in which garbage receptacles, fuel tanks or similar storage receptacles, electric and gas meters, air conditioning equipment, and other unsightly objects must be placed or stored in order to conceal them from view from the road and adjacent Properties. Pursuant to the provisions of paragraph 1 of Article II, plans for such screened area delineating the size, design, specifications, exterior color or finish, and location must be approved by the Company prior to construction. No alteration in the exterior appearance of any screened area shall be made without like prior written approval by the Company. Garbage receptacles and fuel tanks may be located outside of screened area only if located underground, and such underground garbage receptacles and fuel tanks and their location must likewise be approved by the Company prior to construction.

b. Garbage pickup shall take place, at such locations as are approved or designated by the Company. If curbside pickup occurs, no Owner shall place the receptacles at the curb earlier than six (6) hours before pickup and shall remove within six (6) hours after pickup.

c. No mobile homes, trailers, campers, recreational vehicles, dune buggies, boats, trailers or any trucks other than standard size pickup trucks, not in excess of 1500 pounds, shall be parked on any Residential Property or adjacent street or common area. However, when and if there is an area or lot in Forest Lakes designated for recreational vehicle parking and storage, the vehicles listed in the preceding sentence may be parked within the confines of the designated area or lot. Use of the parking and storage lot shall be subject to such rules, regulations and fees as set by the Company, its successors and assigns.

d. No clothing, laundry or, wash shall be aired or dried on the exterior portion of any Residential Property.

e. All toys, bicycles, tricycles, motorcycles, mopeds, and such other similar items located on Residential Property or adjacent streets shall be removed each evening to an area not exposed to view from any other property or street. No animals, livestock or poultry of any kind shall be raised, bred or kept on any of the property, except that dogs, cats or other household pets may be kept subject to rules and regulations adopted by the Company, its successors or assigns. All pets not on the property of the owner shall be under leash or totally controlled in a similar manner at all times by the owner.

8. No mobile home, trailer, tent, barn or other similar out building or structure shall be placed on any Residential Property at any time, either temporarily or permanently.

9. No structure of a temporary character shall be placed upon any Residential Property at any time, provided, however, that this prohibition shall not apply to trailers, shelters or temporary structures used by the contractor during the construction of the main dwelling unit, or phase or group of Multiple Family dwelling units, it being clearly understood that these latter temporary shelters may not, at any time, be used as residences or permitted to remain on the Property after completion of construction. The design, location and color of structures temporarily placed on a Residential Property by a contractor must be approved in advance in writing by the Company.

10. No television antenna, satellite dish, radio receiver, radio sender, or other similar device shall be attached to or installed on any Residential Property or on the exterior portion of any building or structure on any Residential Property except as follows:

a. The provisions of this paragraph shall not prohibit the Company from installing or approving the installation of equipment necessary for a master antenna system, Community Antenna Television (C.A.T.V.), mobile radio systems, or other similar systems within the Properties; and

b. Should C.A.T.V. services or cable service be unavailable and good television reception not be otherwise available, the Owner or tenant of a dwelling unit, or the Owner of a Multiple Family Tract, may make written application to the Company for permission to install a television antenna, which may be approved or denied in the sole and uncontrolled discretion of the Company.

11. The utility and drainage easements reserved by the Company in paragraph nine (9) of Article II of these covenants shall be located along the boundary lines of each Single Family Lot, Townhouse Lot or Villa Home Site unless otherwise shown on a subdivision plat.

12. No Single Family Lot, Villa Home Site, or Townhouse Lot (following the subdivision of a Multiple Family Tract into individual lots on which Townhouses are intended to be constructed) shall be subdivided or its boundary lines changed, nor shall application for same be made to Albemarle County, except with the prior written consent of the Company. However, the Company hereby expressly reserves unto itself, its successors and assigns, and its agent, the right to replat any Single Family Lot(s), Villa Home Site(s), or Townhouse Lot(s), all hereinafter referred to as "Lot(s)", owned by it and shown on the plat of any subdivision within the Properties in order to create a modified building lot or lots; and to take such other steps as are reasonably necessary to make such replatted Lot(s) suitable and fit as a building site including, but not limited to, the relocation of easements, walkways, rights of way, private roads, bike trails, bridges, parks, recreational and community facilities, and other amenities to conform to the new boundaries of said replatted Lot(s). The provisions of this paragraph shall not prohibit the combining of two (2) or more contiguous lots into one (1) larger lot. Following the combining of two (2) or more lots into one (1) larger lot only the exterior boundary lines of the resulting larger lot shall be considered in the interpretation of these covenants.

13. In addition to the foregoing, the following restrictions shall apply to all Multiple Family Tracts:

a. Owners of Multiple Family Tracts within Forest Lakes shall, prior to leasing apartment units to tenants for a period of Less than six (6) months, obtain the Company's written approval.

b. No apartment building, buildings, or any portion of an apartment building shall be converted to a condominium or cooperative form of ownership within the Properties without the prior written consent of the Company. The Company's decision in determining whether to grant consent for such conversion may be based on any ground which in its sole and uncontrolled discretion shall seem sufficient. Should such consent be granted, the resulting condominium or cooperative shall continue to be subject to these Multiple Family Covenants.

ARTICLE V ADDITIONS, LIMITATIONS; DURATION AND VIOLATION OF COVENANTS TOGETHER WITH AFTERWORD

1. a. All covenants, restrictions, and affirmative obligations set forth in this Declaration and any amendments thereto shall run with the land and shall be binding on all parties and persons claiming under them specifically including, but not limited to, the successors and assigns, if any, of the Company for a period of thirty (30) years from the execution date of this Declaration. Upon the expiration of said thirty (30) year period all said covenants shall be automatically extended for successive periods of ten (10) years. The number of ten (10) year extension periods hereunder shall be unlimited, and this Declaration shall be automatically extended upon the expiration of the initial thirty (30) year period and each ten (10) year extension period for an additional ten (10) year period; provided, however, that there shall be no extension of this Declaration if during the last year of the initial thirty (30) year period, or during the last year of any subsequent ten (10) year extension period, fifty-one percent (51%) of more of the total votes (as determined in subparagraph (1)(c) hereinafter) entitled to be cast by all Owners of all Properties subject to the provisions of this Declaration vote in favor of terminating this Declaration at the end of its then current term at a duly called meeting of the Owners of the Properties. The presence at said meeting of Owners ballots entitled to cast sixty percent (60%) of the total vote of all the Owners of all the Properties shall constitute a quorum. In the event that the Owners of the Properties vote to terminate this Declaration, the President shall execute certificate which shall set

forth the Resolution of Termination when such Resolution was adopted, the date that notice of such meeting was given, the total number of votes of all Owners of all the Properties, the number of votes required to constitute a quorum at said meeting, the total number of votes present at said meeting, the total number of votes necessary to adopt a Resolution terminating this Declaration and the total number of votes cast in favor and against such Resolution. Such certificate shall be recorded in the Clerk's Office of the Circuit Court of Albemarle County, Virginia.

b. A "duly called meeting" shall mean and refer to any open meeting of the Owners of the Properties (or a portion of said Owners) called by the Company, its successors and assigns, or its agent for said purpose, subject to the giving of proper notice and the quorum requirements established in subparagraph (1(a)) and in paragraph (2) herein. "Proper notice" shall be deemed to be given when delivered personally or sent by mail to each such Owner not less than thirty (30) days in advance of said meeting. There shall be sent with such notice a statement of certain motions to be introduced for vote of the Owners and a ballot on which each Owner may vote for or against each motion. Each ballot which is presented at such meeting shall be counted in calculating the quorum requirements for said meeting; provided, however, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the ballot.

c. The votes to which each Owner of Property subject to this Declaration shall be entitled shall be determined as follows:

i. The Owner of any Property which is also subject to the provisions of the Declaration of Covenants and Restrictions of Forest Lakes (referred to hereinafter in this subparagraph (c) as "said covenant") shall be entitled to as many votes as equals the total number of votes to which he is entitled as a Member of the Association as defined and determined in said covenants.

ii. The Owner of any Property which is also subject to said covenants and which is classified as an "Exempt Property" pursuant to said covenants shall be entitled to as many votes as equals the total number of votes to which he would be entitled as a Member of the Association had his Property not been exempted from assessment.

2. All proposed amendments to this Declaration shall be submitted to a vote of the Owners of Properties substantially affected by a change in covenants at a duly called meeting of said Owners. Notice shall be given each Member at least, fourteen (14) days prior to the date of the meeting. Unless the contrary shall be determined by a court of equity jurisdiction, "substantially affected" shall mean those Properties shown on (a) the plats showing the Properties to be modified in permitted use by the change, and (b) the plats which subdivided the Property immediately abutting the Property shown on plats identified in the records in the Clerk's Office of the Circuit Court of Albemarle County, Virginia. Any such amendment shall be deemed approved if two-thirds (2/3) of the votes (as determined in subparagraph 1(c) hereinabove) cast at such meeting vote in favor of such amendment. The presence at said meeting of Owners or ballots entitled to cast thirty percent (30%) of the total vote of all the Owners of Property substantially affected by a change in covenants shall constitute a quorum. If the required quorum is not present at said meeting, the Company may, in its sole and uncontrolled discretion, call another meeting or meetings subject to the giving of proper notice, and the required quorum at such subsequent meeting or meetings shall be one-half (1/2) of the required quorum at the preceding meeting. If any proposed amendment to this Declaration is approved by the Owners as set forth above, the President and Secretary of the Company shall execute an Addendum to this Declaration which shall set forth the amendment, the effective date of the amendment (which in no event shall be less than fifteen (15) days after the date of the meeting of the Owners at which such amendment was adopted), the date of the meeting of the Owners at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes of Owners of Properties substantially affected by such amendment, the total number of votes required to constitute a quorum at meeting of said Owners, the total number of votes of said Owners present at said meeting, the total number of votes necessary to adopt such amendment, the total number of votes cast in favor of such amendment, and the total number of votes cast against such amendment. Such Addendum shall be recorded in the Clerk's Office of the Circuit Court of Albemarle County, Virginia.

3. So long as the Company is a Type "E" Member under the Declaration of Covenants and Restrictions of Forest Lakes no amendment to this Declaration shall be made without the written consent of the Company.

4. The Company reserves unto itself, its successors and assigns, the rights to add additional restrictive covenants in respect to lands within the Properties to be conveyed in the future by the Company to the Association or to any other third party, or to limit therein the application of these covenants. The right to add additional restrictions or to limit the application of these covenants shall be reasonably exercised.

5. In the event of a violation or breach of any of the restrictions contained herein by any Property Owner, tenant of such Owner, or agent of such Owner, the Owners of Properties in Forest Lakes, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel a compliance to the terms hereof. In addition to the foregoing, the Company and/or the Association shall have the right to proceed at law or in equity to compel a compliance to the terms hereof.

In addition to the foregoing, the Company or its agent shall have the right, whenever there, shall have been placed or constructed on any Property in Forest Lakes any building, structure, chemical, substance, object, material, or condition which is in violation of these covenants and restrictions, to enter upon such Property where such violation exists and summarily abate or remove the same at the expense of the Owner, if after thirty (30) days written notice of such violation it shall not have been corrected by the Owner, tenant, or agent of the Owner; provided, however, that whenever stated in these covenants that the Company may serve notice requiring immediate corrective action, and such action is not performed immediately by the Owner, tenant, or agent of the Owner, the Company or its agent shall have the right to enter immediately and summarily abate or remove such violation at the expense of the Owner. Any such entry and abatement or removal shall not be deemed trespass.

In addition to the foregoing, the Company or its agent shall have the right, whenever permitted by any restriction contained in Article III of this Declaration, to enter immediately (unless otherwise specifically stated in said Article III) any Property in Forest Lakes to implement environmental controls, to take corrective action, or to take any action necessary. Whenever specifically stated in said Article III, the cost of such action, when performed by the Company or its agent shall be paid by the Owner of the Property on which the work is performed. Entrance upon any Property pursuant to the provisions of said Article III shall not be deemed a trespass.

6. Whenever the Company or its agent is permitted by this Declaration to correct, repair, enhance, improve, clean, preserve, clear out, remove, or take any action on any Property or on the easement areas adjacent thereto, entering the Property and taking such action shall not be deemed a trespass.

7. The failure to enforce any rights, reservations, restrictions or condition contained in this declaration, regardless of how long such failure shall continue, shall not constitute a waiver of or a bar to such right to enforce.

8. Whenever the Company or its agent is permitted by this Declaration to correct, repair, enhance, improve, clean, preserve, clear out, remove, or take any action on any Property or on the easement areas adjacent thereto, and whenever it is stated in this Declaration that the cost of such action (hereinafter called the Cost of Corrective Action) shall be paid by the Owner of the Property on which such corrective action is performed, the Cost of Corrective Action, together with such interest thereon at the maximum annual rate permitted by law from the due date and costs of collection therefore including a reasonable attorney fee as hereinafter provided, shall be a charge and continuing lien on the real Property and improvements thereon, against which the Cost of Corrective Action is charged, in the hands of the then Owner, his heirs, devisees, personal representatives, tenants, and assigns, and in addition shall also be the personal obligation of the Owner of such real Property at the time when such Cost of Corrective Action becomes due and payable. The Cost of Corrective Action shall be billed at the completion of such corrective action, and all bills shall be due and payable thirty (30) days from the date of mailing of same.

If the Cost of Corrective Action is not paid within thirty (30) days after the due date, the Company or its agent may bring an action at law against the Property Owner personally and there shall be added to the amount of such Cost of Corrective Action the costs of preparing the filing of the complaint in such action and a reasonable attorney's fee, and in the event a judgment is obtained, such judgment shall include interest on the Cost of Corrective Action as above provided and a reasonable attorney's fee together with the costs of the action.

The lien of the Cost of Corrective Action provided for herein shall be subordinate to the lien of any first or second deed of trust now or hereafter placed upon any Property subject to these covenants. In the event a creditor (other than the Company or the creditor of the Company) acquires title to any Property pursuant to foreclosure or any other proceeding or deed in lieu of foreclosure, said creditor shall be subject to any lien of the Cost of Corrective Action placed upon such Property during the time in which the creditor holds title to such Property.

9. The Company reserves unto itself, its successors and assigns and Frank A. Kessler the right to bring within the plan and operation of this Declaration additional property. Such property may be subject to this Declaration as one parcel or as several smaller parcels at different times. The additions authorized herein shall be made by recording a Supplementary Declaration of Rights, Restrictions, Affirmative Obligations and Conditions with respect to the additional property which shall extend the operation and effect of the Rights, Restrictions, Affirmative Obligations

and Conditions of this Declaration to such additional property. The Supplementary Declaration may contain such complementary additions and/or modifications of the Rights, Restrictions, Affirmative Obligations and Conditions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Company or Frank A. Kessler, to reflect the different character, if any, of the added properties as are not inconsistent with the plan of this Declaration, but such modifications shall have no effect upon the Property described in Exhibit "A" or upon any other additions to the Properties.

10. The Company reserves unto itself, its successors and assigns, the right to assign in whole or in part to the Association its rights reserved in these covenants to grant approvals (or disapprovals), to establish rules and regulations, to administer and enforce the provisions of this Declaration, and all other rights reserved herein by the Company including, but not limited to the right to approve (or disapprove) plans, specifications, color, finish, plot plan, land management plan, and construction schedules for any or all buildings or structures to be erected in any or all of the Properties. The assignment of such rights shall be subject to any conditions, limitations, or restrictions which the Company, in its sole and uncontrolled discretion, may elect to impose at the time of assignment. Following the assignment of such rights, the Association shall assume all of the Company's obligations which are incident thereto (if any), and the Company shall have no further obligation or liability with respect thereto. The assignment of such right or rights by the Company to the Association shall be made by written instrument which shall be recorded in the Clerk's Office of the Circuit Court of Albemarle County, Virginia.

Notwithstanding anything in the foregoing to the contrary, so long as the Company, its successors and assigns, is the Owner of Property subject to the provisions of this Declaration, the Company shall retain all rights of easement reserved unto it in this Declaration, and shall, furthermore, retain all rights of entry granted in this Declaration for the purposes of correcting, repairing, enhancing, improving, cleaning, preserving, clearing out, removing, or taking any action to prevent a violation of these Covenants, and the retention of said rights of easement and entry by the Company shall in no way create any obligation on the part of the Company to perform any affirmative action.

11. The Company reserves unto itself, its successors and assigns, the right to appoint the Association its agent for the purpose of administering and enforcing, in whole or in part, the rights reserved unto the Company in this Declaration. Such appointment may be temporary or permanent, and shall be subject to any conditions, limitations, or restrictions which the Company, in its sole and uncontrolled discretion, may elect to impose. Upon any such appointment of the Association as agent by the Company, the Association shall assume any obligations which are incident thereto.

12. Forest Lakes Associates has established and published certain covenants and land use restrictions (the "Declaration of Covenants and Restrictions of Forest Lakes") affecting certain Properties in Forest Lakes. Said covenants are recorded herewith in the Clerk's Office of the Circuit Court of Albemarle County, Virginia. Properties described in Exhibit "A" and the Owners of such Properties shall also be subject to the provisions of the said covenants established by Forest Lakes. Additional Properties brought within the plan and operation of this Declaration pursuant to paragraph (9) hereinabove, and Owners of such additional. Properties may become subject to the provisions of said covenants established by Forest Lakes Associates. In the event of any conflict between this Declaration and the said covenants, this Declaration shall prevail.

13. The Company or its agent shall not be liable to any Property Owner or to any other person on account of any claim, liability, damage, or expense suffered, incurred by, or threatened against any Property Owner or such other person arising out of or in any way relating to the subject matter of any reviews, acceptances, inspections, permissions, consents, or required approvals which must be obtained from the Company or from the County of Albemarle, Virginia, whether given, granted or withheld.

14. Should any covenants or restrictions herein contained, or any article, section, subsection, sentence, clause, phrase, or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby to, be severable and which shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed in its behalf.

STATE OF VIRGINIA
CITY/COUNTY OF Albemarle, to wit:

The foregoing instrument was acknowledged before me this 5th day of October, 1988, by Frank A. Kessler as Partner of Forest Lakes Associates.

My commission expires: December 29, 1990

STATE OF VIRGINIA
CITY/COUNTY OF RICHMOND, to wit:

The foregoing instrument was acknowledged before me this 4th day of October, 1988, by George F. Moore, III, as Vice President of Investors Real Estate Investment Company, Partner of Forest Lake Associates.

My commission expires: March 12, 1991

EXHIBIT A

All that certain tract or parcel of land located in Albemarle County, Virginia and shown as 302.0309 acres on the attached plat of Roudabush, Gale & Assoc., Inc. dated August 5, 1987, revised August 11, 1987 and also shown in larger scale on the subsequent four (4) sheets attached to the plat.

PLATS INCLUDED IN SIGNED HARDCOPY

**AMENDMENT TO DECLARATION OF RIGHTS, RESTRICTIONS,
AFFIRMATIVE OBLIGATIONS AND CONDITIONS APPLICABLE
TO ALL PROPERTY IN FOREST LAKES**

Pursuant to Article V. paragraph 2 Of the Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable to all Property in Forest Lakes, of record in the Clerk's Office of the Circuit Court of Albemarle County, Virginia in Deed Book 1018, beginning at page 373, the owners have decided to release from the aforesaid Declaration a portion of the real estate described in Exhibit A attached to the Declaration. Attached hereto as an exhibit is the information required regarding the meeting of the association at which the following amendment was adopted. Forest Lakes Associates, the Company, as evidenced by its signature hereto, consents to this amendment to the Declaration.

W I T N E S S E T H:

Pursuant to a duly called meeting as setforth on the attached exhibit, the following described real estate situated in Albemarle County, Virginia is released in full from the Declaration of Rights, Restrictions, Affirmative

Obligations and Conditions Applicable to all Property in Forest Lakes of record in the aforesaid Clerk's Office in Deed Book 1018, page 373:

The northern portion of Tract I, designated as "9.148 acres zoned H.C." and Out Parcel No. 1 as shown on a plat consisting of two sheets of Roudabush, Gayle & Assoc., Inc. dated April 19, 1989, last revised August 29, 1989, entitled "Subdivision Plat of Tracts I through VII and Out Parcels 1 through 3 Forest Lakes — North Area Near Intersection U.S. Route 29 and St. Route 649 Rivanna District, Albemarle County, Virginia" recorded in the Clerk's Office of the Circuit Court of Albemarle County in Deed Book 1071, beginning at page 494.

Except as to the property released herein, the Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable to all Property in Forest Lakes remains in full force and effect.

The name of Frank A. Kessler, General Partner of Forest Lakes Associates, has been signed hereto by Stephen N. Runkle, as attorney in fact under Power of Attorney dated December 18, 1989, recorded in the aforesaid Clerk's Office in Deed Book 1082, page 560.

WITNESS the following signatures and seals this 1st day of February, 1990.

STATE OF VIRGINIA
~~CITY/COUNTY OF~~ Albemarle, to wit:

The foregoing instrument was acknowledged before me this 19th day of February, 1988, by Stephen N. Runkle, as Attorney-in-Fact for Forest Lakes Associates.

My commission expires: October 30, 1992

STATE OF VIRGINIA
~~CITY/COUNTY OF~~ RICHMOND, to wit:

The foregoing instrument was acknowledged before me this 20th day of February, 1988, by George F. Moore, III as Sr. Vice President of Investors Real Estate Investment Company, Partner of Forest Lake Associates.

My commission expires: March 12, 1991

STATE OF VIRGINIA
~~CITY/COUNTY OF~~ Albemarle, to wit:

The foregoing instrument was acknowledged before me this 21st day of February, 1989, by _____ (original signed) _____, as President of Forest Lakes Community Association.

My commission expires: November 6, 1992

**EXHIBIT A
FOR ADDENDUM TO DECLARATION OF RIGHTS,
RESTRICTIONS, AFFIRMATIVE OBLIGATIONS,
AND CONDITIONS APPLICABLE TO ALL PROPERTY
IN FOREST LAKES**

Date of Meeting of owners: January 26, 1989

Date Notice of Meeting Given to Owners: January 6, 1989

Total Number of Votes of Owners of Property Substantially Affected by Such Amendment: 345

Total Number of Votes Required to Constitute a Quorum at Meeting of Owners: 104

Total Number of Votes of Owners Present at Said Meeting: 265

Total Number of Votes Necessary to Adopt Such Amendment: 177

Total Number of Votes Cast in Favor of Such Amendment: 177

Total Number of Votes Cast Against Such Amendment: 0

This statement is certified as true and correct this 26 day of January, 1989.

**ADDENDUM TO DECLARATION OF RIGHTS,
RESTRICTIONS, AFFIRMATIVE OBLIGATIONS AND
CONDITIONS APPLICABLE TO ALL PROPERTY IN FOREST LAKES**

Pursuant to Article V, paragraph 2 of the Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable To All Property In Forest Lakes, of record in the Clerk's Office of the Circuit Court of Albemarle County, Virginia, in Deed Book 1018, beginning at page 373, the owners have decided to amend the aforesaid document. Attached hereto as Exhibit A is the information required regarding the meeting of the Association at which the following covenant was adopted as an amendment and supplement to the Declaration recorded in the aforesaid Clerk's Office in Deed Book 1018, page 373. Forest Lakes Associates, the Company, as evidenced by its signature hereto, consents to the amendment and supplement to this Declaration.

W I T N E S S E T H :

Pursuant to a duly called meeting as set forth on Exhibit A, there is added to Paragraph 7b of Article IV of the Declaration of Rights, Restrictions, Affirmative Obligations and Conditions of record in the aforesaid Clerk's Office in Deed Book 1018, beginning at page 373 the following:

"Garbage and trash pickup shall be only through such company, companies or individuals as are designated and approved in writing in advance by the Association. The Association, in its sole

discretion, may designate from time to time one or more companies and/or individuals for this purpose."

Therefore, effective February 15, 1989 Paragraph 7b of Article IV reads as follows:

"Garbage pickup shall take place at such locations as are approved or designated by the company. If curbside pickup earlier than six (6) hours before pickup and shall remove it within six (6) hours after pickup. Garbage and trash pickup shall be only by such company, companies or individuals as are designated and approved in advance by the Association. The Association, in its sole discretion, may designate from time to time one or more companies and/or individuals for this purpose."

WITNESS, the following signatures and seals this 26th day of January 1989.

STATE OF VIRGINIA
~~CITY~~/COUNTY OF Albemarle, to Wit:

The foregoing instrument was acknowledged before me this 26th day of January _____, 1989, by Frank A. Kessler as Partner of Forest Lakes Associates.

My commission expires: October 10, 1992