

## ARTICLE 2 - COMMON PROPERTY

Section 2.1. Conveyance; Title Lake Holiday LLC or the Landowner may convey and the Association will accept additional Common Property in each subdivided section of the Submitted Land in fee simple released from any encumbrance securing the repayment of monetary obligations incurred by Lake Holiday LLC or the Landowner, but subject to all easements and other encumbrances then of record (including those created by this Declaration).

Section 2.2. Regulation of Common Area The Association shall manage the Common Property for the benefit of the Owners. The Board of Directors shall have the right to regulate use of the Common Area pursuant to the Association Documents and to charge fees for the use of Common Area; provided, however, that Owners of Lots subject to assessment shall not be required to pay a fee for non-exclusive use of the facilities during regular operating hours. The Board may also allow nonmembers to use portions of the Common Area on a fee basis. The Board of Directors may not mortgage, dedicate, sell, transfer, lease or convey Common Area, except with the approval by a Super Majority Vote of the Eligible Members in a Membership Vote.

Section 2.3. Boundary Adjustments The Board of Directors has the power at any time or times, consistent with the then-existing zoning or subdivision ordinances of the applicable governmental authority, and pursuant to a recorded subdivision, resubdivision plat or boundary line adjustment plat, to transfer part of the Common Property, for the purpose of adjusting Lot lines or otherwise in connection with the orderly subdivision and development of the Submitted Land; provided, however, that: (i) such transfer shall not reduce the portion of the Submitted Land designated as “open space” below the minimum level of “open space” required in the subdivisions comprising the Submitted Land at the time of the transfer; (ii) if the transfer is requested by Lake Holiday LLC or the Landowner and the transfer results in a material reduction (more than an acre) in the amount of Common Property, then Lake Holiday LLC or the Landowner shall transfer or cause to be transferred to the Association such unplatted real estate of equal value and utility as may be necessary to maintain the total acreage designated as “Common Property” at that level existing at the time of the transfer; (iii) the appropriate governmental authorities approve such Lot line adjustments; (iv) documents showing each such Lot line adjustment are submitted to VA if VA is guarantying a Mortgage on a Lot directly affected by the adjustment, or FHA if FHA is insuring a Mortgage on a Lot directly affected by the adjustment; and (v) the boundary line adjustment is approved by all Owners of Lots for which the boundaries are being adjusted.

## ARTICLE 3 - EASEMENTS

Section 3.1. Development Easements

(1) Easements Reserved to Lake Holiday LLC

- (a) Easement to Facilitate Development. The Association shall have a nonexclusive and assignable easement over and through the Submitted Land for all purposes reasonably related to the development and completion of improvements on the Submitted Land,

and Lake Holiday LLC and its designees shall have a nonexclusive blanket easement over and through the Submitted Land for all purposes reasonably related to the development and completion of improvements on Sections 5B, 5C, 7, 9, 10, 11 and 12 of the Submitted Land, including without limitation: (i) temporary slope and construction easements; (ii) drainage, erosion control and storm and sanitary sewer easements (including the right to cut or remove trees, bushes or shrubbery, to regrade the soil and to take any similar actions reasonably necessary; provided, however, that thereafter Lake Holiday LLC shall restore the affected area as near as practicable to its original condition); (iii) easements for the storage (in a sightly manner) of reasonable supplies of building materials and equipment necessary to complete the improvements; (iv) easements for the construction, installation and Upkeep of improvements (e.g., buildings, landscaping, street lights, signage, etc.) on Sections 5B, 5C, 7, 9, 10, 11 and 12 of the Submitted Land or reasonably necessary to serve Sections 5B, 5C, 7, 9, 10, 11 and 12 of the Submitted Land; and (v) easements for ingress and egress as necessary to perform the foregoing; provided, however, that such easements shall expire when all Lots located in Sections 5B, 5C, 7, 9, 10, 11 and 12 of the Submitted Land are owned by Owners other than the Lake Holiday LLC or the Landowner (or a lender holding special development rights) and all bonds held by a governmental agency with respect to Sections 5B, 5C, 7, 9, 10, 11 and 12 of the Submitted Land have been released.

(2) Easement for Utilities and Related Services

- (a) General Utility Easement. The Association reserves the right to grant non-exclusive perpetual blanket easements over and through the Submitted Land for ingress, egress, installation and Upkeep of the equipment for providing to any portion of the Submitted Land or adjacent real estate any utilities, including without limitation water (both potable and for irrigation from wells or other sources), sewer, drainage, gas, electricity, telephone, television or other telecommunications service, whether public or private. Any pipes, conduits, lines, wires, transformers and any other apparatus necessary for the provision or metering of any utility may be installed, maintained or relocated; provided, however, that no utility line shall run beneath a dwelling other than the utility lines serving such dwelling and no utility line serving more than one lot shall be installed beyond the 10 foot easement areas without the consent of the owner of that Lot, which consent shall not be unreasonably withheld, conditioned or delayed.
- (b) Easement for Provider of Sanitary Sewer and Water Service. The Association and each Lot owner grant a non-exclusive perpetual easement to the provider of the sanitary sewer and water service over and through the Submitted Land for ingress and egress related to the inspection, installation, Upkeep, repair, replacement, and relocation of the equipment for the provision of such service; provided, however, that when such installations occur, they must occur within the 10 foot easement areas, except when the lines serve the Lot in question or with the consent of the Lot owner. Under no circumstance can a sewer or water line be installed beneath an existent dwelling (or where a dwelling may be constructed) except for the lines that serve (or will serve) the dwelling.