

Attached to this Certificate are the following exhibits:

- Exhibit 1** Declaration of Covenants and Restrictions of Kingsmill Community Services Association and Amendments thereto, to include any Supplemental Declarations as applicable (collectively, the "Declaration").
- Exhibit 2** Articles of Incorporation of the Association. ("Articles")
- Exhibit 3** Bylaws of the Association. ("Bylaws")
- Exhibit 4** KCSA Rules and Regulations, Covenant Enforcement and Due Process Policy and Procedures
- Exhibit 5** EPB Policies and Procedures
- Exhibit 6** Executive summary of reserve study
- Exhibit 7** Copy of current budget and statement of income and expenses for the last available audited fiscal year of the Association.
- Exhibit 8** Schedule of Insurance maintained by the Association.
- Exhibit 9** Copy, if applicable, of Notice to owner of the existence of an improvement or alteration to the Lot, or uses made of the Lot or common area assigned thereto, are in violation of the current Declaration, Articles of Incorporation of the Association, Bylaws of the Association, or any rules and regulations, or architectural guidelines that may have been adopted pursuant thereto.
- Exhibit 10** Copy of approved minutes of meetings of the Board of Directors and meetings of the Association for the past six months.
- Exhibit 11** Copy of a letter to Lot Owners regarding separate insurance coverage that would normally be secured by each individual Lot Owner.
- Exhibit 12** Miscellaneous Information: Solar Technology Limitations, Disclosure Package Request Form, Membership List Request Form, Roads in Kingsmill Memo, Rules Governing the Kingsmill Gate System, Gate System Bar Code Fee, KCSA Collection Policy
- Exhibit 13** Disclosure Regarding Camp Wallace (Formerly Used Defense Site)
- Exhibit 14** Charter for Parcel Advisory Committees (Applicable only to Multi-Family Lots.)

Exhibit 1

to

Disclosure Certificate

Kingsmill Community Services Association

KM Master Declarations of Covenants & Restrictions

Prepared by: Xanterra Kingsmill, LLC

Return to: Bankers Title

ASSIGNMENT AND ASSUMPTION 4804 Courthouse St.

OF DECLARANT RIGHTS

Ste 2B

Williamsburg, VA 23188

THIS ASSIGNMENT AND ASSUMPTION OF DECLARANT RIGHTS (this "Assignment") is dated as of June 13, 2013, by and between Busch Properties, Inc., a Delaware corporation ("BPI"), to be indexed as "grantor", whose address is One Busch Place, St. Louis, MO 63118 and Xanterra Kingsmill, LLC, a Delaware limited liability company ("Xanterra"), to be indexed as "grantee," whose address is 6312 S. Fiddlers Green Circle, Suite 600N, Greenwood Village, CO 80111.

Recitals

A. BPI is the declarant and "Developer" under that certain Declaration of Covenants and Restrictions dated September 18, 1973, which was recorded in the Clerk's Office of the Circuit Court for the County of James City and the City of Williamsburg, Virginia (the "Clerk's Office") in Deed Book 147, Page 642, as amended and/or supplemented by instruments of record in the Clerk's Office (collectively, the "Declaration"). Capitalized terms used herein that are not defined herein shall have the definition set forth in the Declaration.

B. The Kingsmill Community Services Association ("KCSA") was created pursuant to the Declaration and incorporated as a Virginia nonstock corporation by the filing of Articles of Incorporation dated October 3, 1973 (the "Articles") with the Virginia State Corporation Commission.

C. Xanterra has purchased real property and other improvements from BPI, such that Xanterra is the successor to BPI to all or substantially all of BPI's business of developing the Properties.

D. As a result of the acquisition described above, BPI desires to transfer all of BPI's rights, title, interests and obligations as the declarant and Developer as the same are set forth in the Governing Documents (defined herein) to Xanterra, excepting therefrom certain developer rights that will remain with BPI for certain real property owned by BPI as identified on Exhibit A attached hereto and incorporated herein by reference ("BPI Property").

E. Xanterra desires to accept and assume all of BPI's rights, title, interests and obligations as declarant and Developer under the Governing Documents except those specific rights retained by BPI in connection with the BPI Property.

Agreement

NOW, THEREFORE, in consideration of the above recitals which are incorporated herein by reference, the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. BPI hereby assigns to Xanterra all of its rights, title, interests, powers, duties and obligations, protections, benefits, and exemptions as declarant and Developer under the Declaration, the Articles and the Bylaws of KCSA, and all resolutions, rules and regulations and architectural guidelines related to each such document and governing board, and any other recorded document

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(collectively, the "Governing Documents"), such assignment to be effective as of the date hereof and to include, without limitation:

- (a) All of Developer's right, title and interest in and to any and all easements created for the benefit of, and/or reserved by, Developer under the Declaration;
- (b) All approval rights, and any other reserved rights, of Developer under the Governing Documents; and
- (c) The right of Developer to appoint members to the Board of Directors of KCSA and the right of Developer to appoint the Environmental Preservation Board ("EPB"), to make such other appointments as more particularly set forth and described in the Governing Documents, and to undertake all such other powers relating to KCSA and the EPB, in each case as set forth in the Governing Documents.

2. BPI hereby transfers, assigns and conveys to Xanterra all of BPI's rights in and to KCSA, including, without limitation, its Class C membership in KCSA, and all rights, powers, duties, obligations, protections, and benefits of the Class C membership under the Articles and the Bylaws of KCSA, as amended from time to time.

3. BPI retains all rights, powers, protections, benefits, exemptions, ownership rights, easements, rights of access and reservations of "Developer" under the Declaration specifically and exclusively with respect to the BPI Property identified on Exhibit A. Other than this specific reservation of rights related to the BPI Property, the assignment of declarant and Developer rights by BPI to Xanterra hereunder constitutes a full and complete assignment of all such rights by BPI.

4. Xanterra hereby (a) accepts the aforesaid assignment from BPI and agrees to the retention of specific developer rights as set forth in Paragraph 3 above; and (b) agrees to assume and to be bound as the successor declarant and Developer under the Declaration by all of the terms and conditions of the Governing Documents. BPI agrees and acknowledges that BPI retains no further declarant or "Developer" rights under the Governing Documents with respect to the development known as Kingsmill or Kingsmill on the James located in James City County, Virginia, excepting therefrom, the retention of specific developer rights set forth in Paragraph 3 above in connection with the BPI Property.

5. Xanterra agrees that it shall not modify the architectural guidelines governing the EPB with respect to the BPI Property except as agreed to by BPI.

6. BPI represents and warrants that BPI has full power and authority to enter into this Assignment and fulfill its obligations hereunder, and has been duly authorized to execute this Assignment and all documents required to consummate the transactions contemplated hereby. The person signing below on behalf of BPI has authority to sign this Assignment on behalf of BPI.

7. Xanterra represents and warrants that Xanterra has full power and authority to enter into this Assignment and fulfill its obligations hereunder, and has been duly authorized to execute this Assignment and all documents required to consummate the transactions contemplated hereby.

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The person signing below on behalf of Xanterra has authority to sign this Assignment on behalf of Xanterra.

8. This Assignment shall be governed by the laws of the Commonwealth of Virginia, and exclusive jurisdiction and venue shall be vested in the courts of James City County, Virginia.

9. The provisions of this Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10. This Assignment sets forth the entire agreement of the parties with respect to the subject matter hereof and supersedes all previous understandings, written or oral, in respect thereof.

11. The parties shall take such further steps and execute such further documents as are reasonably necessary to give full effect to this Assignment to fulfill their respective obligations as set forth in this Assignment.

12. Any modification or supplement to this Assignment shall be in writing, signed by the parties, and recorded in the Clerk's Office of the Circuit Court for James City County, Virginia.

[signature pages follow]

IN WITNESS WHEREOF, BPI and Xanterra have caused this Assignment to be executed as of the day and year first above written,

XANTERRA:

Xanterra Kingsmill, LLC,
a Delaware limited liability company

By: Andrew N. Todd
Name: ANDREW N. TODD
Title: PRESIDENT & CEO

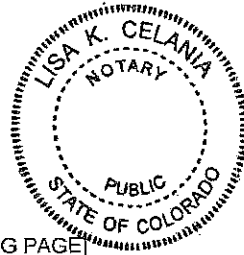
STATE OF COLORADO
CITY/COUNTY OF ARAPAHOE

The foregoing instrument was acknowledged before me this 1st day of JUNE, 2013, by ANDREW N. TODD, as President & CEO of Xanterra Kingsmill, LLC, on behalf of the company.

Lisa K. Celania

NOTARY PUBLIC

My Commission Expires: JUNE 1, 2015
Notary Registration No.: 20034013503



[SIGNATURES AND SEALS CONTINUE ON FOLLOWING PAGE]

WITNESS the following duly authorized signature and seal:

BUSCH PROPERTIES, INC.,
a Delaware corporation

By: [Signature] (SEAL)
Name: Michael R Taylor
Title: President

~~COMMONWEALTH OF VIRGINIA~~
State OF Missouri, to-wit:
County of St. Louis

The foregoing instrument was acknowledged before me, a Notary Public, this 11th day of June, 2013, by Michael R Taylor the President of BUSCH PROPERTIES, Inc., who is personally known to me, or has produced proper identification, on its behalf.

My Commission Expires: May 25, 2014

[Signature]
Notary Public
Name: Jerrie Plegge
Registration No.: 10977683



Exhibit A
BPI Parcels

<u>Tax Map Number</u>	<u>Address</u>	<u>Lot #</u>
<u>Spencer's Grant I</u>		
5131000001	109 ENSIGN JOHN UTIE	Lot 1, Spencer's Grant
5131000010	232 WILLIAM SPENCER	Lot 10, Spencer's Grant
5131000011	240 WILLIAM SPENCER	Lot 11, Spencer's Grant
5131000020	255 WILLIAM SPENCER	Lot 20, Spencer's Grant
5131000022	247 WILLIAM SPENCER	Lot 22, Spencer's Grant
5131000024	239 WILLIAM SPENCER	Lot 24, Spencer's Grant
5131000025	235 WILLIAM SPENCER	Lot 25, Spencer's Grant
5131000026	231 WILLIAM SPENCER	Lot 26, Spencer's Grant
5131000027	227 WILLIAM SPENCER	Lot 27, Spencer's Grant
5131000028	223 WILLIAM SPENCER	Lot 28, Spencer's Grant
5131000031	209 WILLIAM SPENCER	Lot 31, Spencer's Grant
5131000035	112 ENSIGN JOHN UTIE	Lot 35, Spencer's Grant
5131000038	124 ENSIGN JOHN UTIE	Lot 38, Spencer's Grant
<u>Spencer's Grant II</u>		
5131000039	128 ENSIGN JOHN UTIE	Lot 39, Spencer's Grant
5131000046	157 ENSIGN JOHN UTIE	Lot 46, Spencer's Grant
5131000047	153 ENSIGN JOHN UTIE	Lot 47, Spencer's Grant
5131000048	149 ENSIGN JOHN UTIE	Lot 48, Spencer's Grant
5131000050	141 ENSIGN JOHN UTIE	Lot 50, Spencer's Grant
<u>Spencer's Grant Common Area</u>		
5131000001A	WILLIAM SPENCER	Spencer's Grant Common Area
5131000001B	WILLIAM SPENCER	Spencer's Grant Common Area
<u>River's Edge IV</u>		
5042000004	407 RIVER'S EDGE	Lot 4, River's Edge
5042000005	409 RIVER'S EDGE	Lot 5, River's Edge
5042000007	413 RIVER'S EDGE	Lot 7, River's Edge
5042000009A	422 RIVER'S EDGE	Lot 9A, River's Edge
5042000009B	424 RIVER'S EDGE	Lot 9B, River's Edge
5042000010	420 RIVER'S EDGE	Lot 10, River's Edge
<u>River Bluffs</u>		
5820400001	132 THE BLUFFS	Lot 1, The Bluffs
5820400002	128 THE BLUFFS	Lot 2, The Bluffs
5131100008	104 THE BLUFFS	Lot 8, The Bluffs
5131100009	100 THE BLUFFS	Lot 9, The Bluffs
<u>Other</u>		
5130100003	7795 POCAHONTAS TRAIL	
5130100001	7801 POCAHONTAS TRAIL	
5020100077B	Busch Corporate Center Drive	

VIRGINIA: CITY OF WILLIAMSBURG & COUNTY OF JAMES CITY
 This document was admitted to record on 6-17-2013
 at 1:41 PM. The taxes imposed by Virginia Code
 Section 58.1-801, 58.1-802 & 58.1-814 have been paid.

STATE TAX LOCAL TAX ADDITIONAL TAX

\$ _____ \$ _____ \$ _____

TESTE: BETSY B. WOOLRIDGE, CLERK

BY: Betsy B. Woolridge Clerk

Amendment to Declaration
Covenants and Restrictions

BOOK 147 PAGE 642

7/12

B, 168 page 91
4-26-76

Amendment to Declaration
Covenants and Restrictions

Q/S 213 pg 132
dated 5-1-81

DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION, made this 18th day of September, 1973, by Busch Properties, a Delaware Corporation, hereinafter called Developer,

W I T N E S S E T H :

WHEREAS, Developer is presently or will be the owner of the real property in James City County, Virginia south of the Carter's Grove Country Road shown on the hereinafter referred to Land Use and Circulation Master Plan including "Residential Area A," "Residential Area B," and "Residential Area D" as described on "Land Use and Circulation Master Plan" dated April 11, 1972, by Sasaki, Dawson, DeMay Associates, Inc., recorded in the Clerk's Office of the Circuit Court of the City of Williamsburg and the County of James City, Virginia in Plat Book 30, pages 16 and 17, as revised by drawing dated April 14, 1973, recorded in the aforesaid Clerk's Office in Plat Book 30, page 57, and desires to create thereon a planned community to be known as Kingsmill on the James, (referred to herein as "Kingsmill") of high environmental quality, respecting existing natural amenities, ecologically sensitive areas and important historic elements and intends to develop the community in accordance with the Kingsmill Master Plan hereinafter defined; and

WHEREAS, Developer desires to provide for the preservation and enhancement of the property values, amenities and opportunities in said community and for the maintenance of the Properties and improvements thereon; and to this end, desires to subject a portion of the real property presently owned by it described on Exhibit A together with such additions as may hereafter be made thereto (as provided in Article II) to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of

Original mailed ~~xxxx~~ delivered to, John Patterson, McGuire, Woods & Battle Attorneys at Law, 1400 Ross Building, Richmond, Va.
Jubette C. Clothier, Clerk

which is, and are for the benefit of said property and the owners thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of owning, maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created and promoting the recreation, health, safety and welfare of the residents; and

WHEREAS, Developer has incorporated under the laws of the State of Virginia the Kingsmill Community Services Association as a non-profit corporation for the purpose of exercising the functions aforesaid;

NOW THEREFORE, the Developer declares that the real property described in Exhibit A attached hereto, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I
DEFINITIONS

Section 1. "Declaration" shall mean the covenants, conditions and restrictions and all other provisions herein set forth in this entire Document, as same may from time to time be amended.

Section 2. "Association" shall mean and refer to Kingsmill Community Services Association, its successors and assigns.

Section 3. "Developer" shall mean and refer to Busch Properties, Inc., and its assigns, together with any successor to all or substantially all of its business of developing the Properties.

Section 4. "Kingsmill Master Plan" shall mean and refer to the graphic and written statement of concepts and principles pursuant to which the community will be developed, said statement being comprised of the following (which are of record in the aforesaid Clerk's Office in Plat Book 30, pages 16 and 17, amendment thereto recorded in Plat Book 30, page 67):

- (i) a land use and circulation drawing
- (ii) an open space system drawing
- (iii) a summary narrative description of the drawings referenced (i) and (ii)
- (iv) the General Statement of Provisions to be included in disposition agreements (dated June 13, 1972),

as may be revised from time to time in accordance with the Supplemental Agreement between Anheuser-Busch, Inc. and The Colonial Williamsburg Foundation dated December 20, 1972.

Section 5. "The Properties" shall mean and refer to all real property described on Exhibit A attached hereto, together with such other real property as may from time to time be annexed thereto under the provisions of Article II hereof.

Section 6. "Common Area" shall mean and refer to those areas of land now or hereafter conveyed to the Association or shown on any recorded subdivision plat of the Properties and Improvements thereon, which are intended to be devoted to the common use and enjoyment of the Members.

Section 7. "Living Unit" shall mean and refer to any portion of a structure situated upon the Properties designed and intended for use and occupancy as a residence by a single family.

Section 8. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of Common Area as heretofore defined. The term shall include a condominium Living Unit where such may occur.

Section 9. "Multifamily Structure" shall mean and refer to a structure with two or more Living Units under one roof, except when such Living Unit is situated upon its own individual Lot as defined herein.

Section 10. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 11. "Occupant" shall mean and refer to the occupant of a Living Unit who shall be either the Owner or a lessee who holds a written lease having an initial term of at least twelve (12) months.

Section 12. "Parcel" shall mean and refer to all platted subdivisions of one or more Lots which are subject to the same Supplementary Declaration.

Section 13. "Supplementary Declaration" shall mean any declaration of covenants, conditions and restrictions which may be recorded by the Developer, which extends the provisions of this Declaration to a Parcel and contains such complementary provisions for such Parcel as are herein required by this Declaration.

Section 14. "Book of Resolutions" shall mean and refer to the document containing rules and regulations and policies adopted by the Board of Directors as same may be from time to time amended.

Section 15. "Board of Directors" shall mean the then duly constituted board of directors of the Association.

Section 16. "Member" shall mean any Owner and any lessee of a Living Unit constructed on any Lot who holds a written lease having an initial term of at least twelve months.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

ADDITIONS THERETO

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in James City County, Virginia, and is more particularly described in Exhibit A.

Section 2. Additions to Existing Property. Added properties may become subject to this Declaration in the following manner:

(a) Additions by the Developer. The real property described in Exhibit A attached hereto is the first phase of the planned community known as Kingsmill on the James, as contemplated by the Kingsmill Master Plan. The Developer, its successors and assigns shall have the right to bring within the scheme of this Declaration additional properties in future stages of development which are a portion of Kingsmill as illustrated in the Kingsmill Master Plan, as further set forth in the Agreement between Anheuser-Busch, Inc. and Colonial Williamsburg, Incorporated and Williamsburg Restoration, Incorporated dated December 5, 1969, as supplemented by Supplemental Agreement of December 20, 1972, between Anheuser-Busch, Inc. and Colonial Williamsburg Foundation. The properties thus added shall include but not be limited to areas and facilities (including streets, roads, trails, community and recreation areas and facilities and the like) which are devoted to the common use and enjoyment of all Members.

(b) Other Additions. Additional lands may be annexed to the Existing Property upon approval in writing of the Developer and of the Association, pursuant to a majority of votes of the Owners who are voting in person or by proxy at a regular meeting of the Association or at a meeting duly called for this purpose.

The additions authorized under subsections (a) and (b) shall be made by the recording of one or more duly executed and

acknowledged Supplementary Declarations of covenants and restrictions with respect to the additional property or, with respect to areas or facilities devoted to the common use and enjoyment of all Members, by deed of conveyance to the Association. The covenants for assessments set forth in Article IV of this Declaration shall be deemed to include the maintenance, operation and improvement of that portion of such additional properties devoted to common use and enjoyment of all Members from and after the time such properties are thus added.

(c) Mergers. No merger or consolidation shall affect any revocation, change or addition to the covenants established by this Declaration within the existing property and in such event, the surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Existing Property together with the covenants and restrictions established upon any other properties as one scheme.

ARTICLE III

COMMON AREA

Section 1. Obligations of the Association. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair.

Section 2. Owners' and Members' Rights of Enjoyment. Subject to the provisions hereof, every Owner shall have a right of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, and every Member shall have a right of enjoyment in the Common Area.

Section 3. Extent of Owners' and Members' Easements. The Owners' and Members' easements of enjoyment created hereby shall be subject to the following:

(a) the right of the Association to establish reasonable rules and to charge reasonable admission and other fees for the use of the Common Area by guests of Owners and Members.

(b) the right of the Association to suspend the right of an Owner to use any portion of its facilities for any period during which any assessment against his Lot remains unpaid for more than thirty (30) days after notice; the right of the Association to suspend the right of a Member or Owner to use any portions of its facilities for a period not to exceed sixty (60) days for any other infraction of this Declaration or the Books of Resolutions which remains uncorrected after the last day of a period established for correction by the Association, such period to be stated in a notice to the Member or Owner together with a statement of the infraction complained of and the manner of its correction.

(c) the right of the Association to mortgage any or all of the facilities constructed on the Common Area for the purposes of improvements or repair to Association land or facilities.

(d) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be desired by the Association.

Section 4. Delegation of Use. Any Member may delegate his right of enjoyment to the Common Area and facilities to the members of his family and to his guests subject to such general regulations as may be established from time to time by the Association, and included within the Books of Resolutions.

Section 5. Damage or Destruction of Common Area by Owner. In the event any Common Area is damaged or destroyed by an Owner or his tenants or any of their guests, licensees, agents or members of their families, the Owner does hereby authorize the Association to repair such damaged area. The Association shall repair said damaged area in a good workmanlike manner in conformance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association in the discretion of the Association. The costs of such repairs shall become a Special Assessment upon the Lot of such Owner.

Section 6. Title to Common Area. The Developer may retain the legal title to the Common Area or portion thereof until such time as it has completed improvements thereon, but notwithstanding any provision herein, the Developer hereby covenants that it shall convey the Common Area to the Association, free and clear of all

liens and financial encumbrances, not later than two years from the date such Common Area or portion thereof is subjected to this Declaration. Members and Owners shall have all the rights and obligations imposed by the Declaration with respect to portions of the Common Area from and after the time such portions of the Common Area are subjected to this Declaration, except that prior to such conveyance the Association shall be liable for payment of taxes, insurance and maintenance costs with respect thereto.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer hereby covenants, and each Owner of any Lot by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association the following: (1) annual general assessments or charges, (2) special assessments for capital improvements, (3) annual or special parcel assessments or charges, such assessments to be established and collected as hereinafter provided, and (4) special assessments provided for in Article IV Section 5 and Article VII Section 2 hereof.

All such assessments, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. No Owner may waive or otherwise avoid liability for the assessments provided herein by nonuse of the Common Area or abandonment of his Lot.

Section 2. General Assessment.

(a) Purpose of Assessment. The general assessment levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties, to enhance the environment, and, in particular for the improvement, maintenance and operation of the Common Area and facilities together with such Areas and facilities as may from time to time be designated as future Common Areas.

(b) Basis for Assessment.

(1) Lots. Each lot upon which there has been erected a living unit which is certified for occupancy by James City County shall be assessed at a uniform rate. All other lots which have been conveyed to an Owner other than the Developer shall be assessed at a uniform rate not to exceed one hundred (100) percent of the rate for lots upon which there are living units certified for occupancy.

(2) Developer-owned Property. The Developer shall not be obligated to pay an annual assessment on lots it owns upon which no living unit certified for occupancy has been erected.

(c) Maximum Annual Assessment.

(1) Until January 1, 1976 the maximum annual general assessment shall not exceed \$300.00 per lot on which there has been erected a living unit certified for occupancy.

(2) From and after January 1st of the third year immediately following the commencement of assessments, the Board of Directors may each year increase the maximum annual assessment rate, to become effective the first day of the next fiscal year.

(3) From and after January 1st of the third year immediately following the commencement of assessments, the assessment basis and/or the maximum annual general assessment may be changed by a vote of the Developer and two-thirds majority of the votes of the Owners who are voting in person or by proxy at a meeting duly called for this purpose.

(d) Method of Assessment. By a vote of a majority of the members of the Board of Directors, the amount of the annual assessments shall be fixed in the manner set forth above, which amount shall be sufficient to meet the obligations imposed by this Declaration and all other obligations created or assumed by the Association with respect to the Properties; provided, however, that such amount shall not exceed the maximum permissible assessment provided above. The Board of Directors shall set the date(s) such amounts shall become due.

Section 3. Parcel Assessments.

(a) Purpose of Assessment. Parcel assessments shall be used for such purposes as are authorized by the Supplementary Declaration for the given Parcel.

(b) Method of Assessment. The assessment shall be levied by the Association against Lots in a Parcel, using the basis set forth in the Supplementary Declaration for the given Parcel, and collected and disbursed by the Association. By a vote of two-thirds of the directors, the Board shall fix the annual parcel assessment for each Parcel, and date(s) such assessments become due.

Section 4. Special Assessment for Capital Improvement. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year and not more than the next five succeeding years for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including equipment, fixtures and personal property related thereto, provided that any such assessment shall have the assent of the Developer and of a majority of the votes of the Owners who are voting in person or by proxy at a special meeting duly called for that purpose.

Section 5. Special Parcel Assessment for Capital Improvement. In addition to the annual assessments authorized above, the Association may levy in any assessment year, for that year and not more than the next five succeeding years, a special assessment against the Lots of the Parcel for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Parcel for the use and benefit of the Owners of Lots in such Parcel, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of the Developer and a majority

of the votes of the Owners of Lots in the Parcel who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence with respect to any lot or living unit within a Parcel on the first day of the month following conveyance of the first Lot in the Parcel to an Owner who is not the Developer. The initial annual assessment on any Lot or Living Unit shall be adjusted according to the number of whole months remaining in the fiscal year.

Section 7. Effect of Nonpayment of Assessments; Remedies of Association. Any assessment not paid within thirty (30) days after the due date may upon resolution of the Board of Directors, bear interest from the due date at the maximum contract interest rate provided by law. The lien of the assessments provided for herein, whether or not notice has been placed of record as herein-after provided, may be foreclosed by a bill in equity in the same manner as provided for the foreclosure of mortgages, vendor's liens, and liens of similar nature. A statement from the Association showing the balance due on any assessment shall be prima facie proof of the current assessment balance and delinquency, if any, due on a particular Lot. The Association may 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 and costs of any such action (including reasonable attorney's fees) shall be added to the amount of such assessment.

Section 8. Lien for Payment of Assessments and Subordination of Lien to First and Second Mortgages. There shall be a continuing lien upon each of the individual Lots herein, in order to secure the payment of any of the assessments provided under this Declaration, but such lien shall be at all times subject and subordinate to any first or second mortgages or deeds of trust placed on the property at any time; except that, at such time as the Association places

to record a notice of delinquency as to any particular Lot at such place as instruments of conveyance and liens are recorded for such Lot on a form prescribed by the Board of Directors, then, from time of recordation of said notice the lien of such delinquent assessments in the amount stated in such notice shall from that time become a lien prior to any first or second mortgages or deeds of trust placed of record subsequent to the date of said notice in the same manner as the lien of a docketed judgment in the State of Virginia. Sale or transfer of any Lot shall not affect any lien provided for hereunder.

Section 9. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (1) all properties dedicated and accepted by a public authority and devoted to public use; (2) all Common Areas; (3) all properties exempted from taxation by state or local governments upon the terms and to the extent of such legal exemption.

Section 10. Annual Budget. The Board shall adopt an annual budget for the subsequent fiscal year, which shall provide for allocation of expenses in such a manner that the obligations imposed by the Declaration and all Supplementary Declarations will be met.

ARTICLE V
ARCHITECTURAL CONTROL

Section 1. The Environmental Preservation Board. An Environmental Preservation Board (hereinafter called "EPB") consisting of three or more persons shall be appointed by the Developer. At such time as the Developer's membership expires, the EPB shall be appointed by the Board of Directors.

Section 2. Purpose. In accordance with the provisions of the Kingsmill Master Plan, the EPB shall regulate the external design, appearance, use, location, and maintenance of the Properties and of improvements thereon in such a manner so as to preserve and enhance values, to maintain a harmonious relationship among structures and the natural vegetation and topography, and to conserve existing natural amenities, ecologically sensitive areas and important historic elements.

Section 3. Conditions. No improvements, alterations, repairs, change of paint colors, excavations, changes in grade or other work which in any way alters the exterior of any property or the improvements located thereon from its natural or improved state existing on the date such property was first conveyed in fee by the Developer to an Owner shall be made or done without the prior approval of the EPB, except as otherwise expressly provided in this Declaration. No building, fence, wall, residence, or other structure shall be commenced, erected, improved, altered, made, or done without the prior written approval of the EPB.

Section 4. Procedures. In the event the EPB fails to approve, modify or disapprove in writing an application within thirty (30) days after plans and specifications have been submitted in writing to it, in accordance with adopted procedures, approval will be deemed granted. The applicant may appeal an adverse EPB decision to the Board of Directors, who may reverse or modify such decision by a two-thirds (2/3) vote of the directors.

ARTICLE VI
USE OF PROPERTY

Section 1. Protective Covenants.

(a) General Restrictions. All lots within the Properties shall be developed and maintained in accordance with the Kingsmill Master Plan, which sets forth policies restricting construction on slopes greater than twenty (20) percent, cutting of trees and vegetation, construction within seventy-five (75) feet of the James River Bluffs, river, stream and marsh crossings, height of structures, siltation and erosion, and provides for regulation of same by the EPB.

(b) Other Restrictions. All Lots within the Properties shall be subject to the standards established by the EPB.

(1) regarding design, minimum side yard and set back, streets, parking and service areas, lighting, signs, special landscape treatment;

(2) to implement the purposes of the Kingsmill Master Plan and of Article V, Section 2 and Section 4 of this Article;

(3) to interpret the covenants in this section, including but not limited to rules to regulate animals, antennas, storage and use of recreational vehicles, storage and use of machinery, use of outdoor drying lines, trash containers, planting, maintenance and removal of vegetation.

Upon or before conveyance of the first Lot in any Parcel, the EPB shall adopt the general rules and standards appropriate to that Parcel. Such general rules may be amended by a two-thirds (2/3) vote of the EPB, following a public hearing, for which due notice has been provided, and pursuant to an affirmative vote of two-thirds (2/3) of the Board of Directors. All such general rules and any subsequent amendments thereto shall be placed in the Book of Resolutions.

(c) Residential Use. All property designated for residential use shall be used, improved and devoted exclusively to residential use. Nothing herein shall be deemed to prevent the owner from leasing a Living Unit to a single family, subject to all of the provisions of the Declaration. As used herein the term "single family" is defined to include only persons related by blood or lawful marriage.

(d) Restriction on Further Subdivision. No Lot shall be further subdivided or separated into smaller lots by any Owner other than the Developer without the written consent of Developer, and no portion less than all of any such Lot, shall be conveyed or transferred by an Owner other than the Developer provided, however, that this shall not prohibit deeds of correction, deeds to resolve boundary line disputes, and similar corrective instruments.

(e) Nuisances. No nuisance shall be permitted to exist or operate upon any property so as to be detrimental to any other property in the vicinity thereof or to its occupants.

(f) Exceptions. The EPB may issue temporary permits to except any prohibitions expressed or implied by this section, provided the Board acts in accordance with adopted guidelines and procedures and can show good cause.

Section 2. Maintenance of Property. Each Owner shall keep all Lots owned by him, and all improvements therein or thereon free of debris and in good order and repair, including, but not limited to the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management and so as not to detract from the overall beauty, of the Properties and health and safety of Kingsmill residents. In the event an Owner of any Lot shall fail to maintain the premises and the improvements situated thereon as provided herein, the Association, after notice to the Owner as provided in the Bylaws shall have the right to enter upon said

to correct any violation of this section stated in such notice. All costs related to such correction, repair or restoration may become a Special Assessment upon such Lot in the discretion of the Board of Directors, which shall notify the Owner of such Lot in writing in the event of the imposition of any such special assessment by the Board.

Section 3. Utility and Drainage Easements. The Developer reserves unto itself, its successors and assigns, a perpetual, alienable easement and right of way

(i) to construct, maintain, inspect, replace and repair electric and telephone poles, wires, cables, conduits, sewers, pipes, water mains, other suitable equipment and facilities for the conveyance of water, sewer, gas, telephone, electricity, television, cable, communications or other utilities or public conveniences on, over and under the rear ten (10) feet of each Lot and such other areas as may be designated for such purposes on appropriate recorded plats of subdivision, and

(ii) for storm and surface water drainage, including the right to construct, maintain, inspect, replace and repair pipes, ditches, culverts and other suitable facilities for the disposition of storm and surface water drainage, on, over and under the rear ten (10) feet of each Lot and five (5) feet along both sides of each Lot, and such other areas as may be designated for such purposes on appropriate recorded plats of subdivision. The easements provided in this Section 3(i) and (ii) shall include the right of ingress and egress thereto, and the right to cut any trees, brush and shrubbery, make any grading of soil, and take other similar action reasonably necessary to provide economical and safe utility installation and drainage facilities. The rights herein reserved may be exercised by any licensee of the Developer, but shall not be deemed to impose any obligation upon the Developer to provide or maintain any utility or drainage services.

Section 4. Landscape Protection Zones and Scenic Easements.

It is the intent of the Developer to establish Landscape Protection Zones to be designated on plats hereafter filed for record in the office of the Clerk of James City County. The EPB shall establish restrictions for use of areas so designated, and scenic easements in order to protect natural streams and water supplies, to maintain and enhance the conservation of natural and scenic resources, to promote the conservation of soils, wet lands, beaches, tidal marshlands, wildlife, game and migratory birds, enhance the value of abutting and neighboring forests, wildlife preserves, natural reservations or sanctuaries or other open areas and open spaces, and to afford and enhance recreation opportunities, preserve historical sites, and implement generally the Kingsmill Master Plan for development. The Developer hereby reserves the right of access upon such designated areas for the establishment and maintenance of improvements thereto.

Section 5. Historical Artifacts. The Developer hereby retains ownership rights to any historical artifacts discovered on or in any portion of the Properties. In the event such artifacts are discovered, before such artifacts shall be disturbed or removed notice shall be given to the Developer, and the Owner shall cooperate fully with the Developer to allow such artifacts to be removed.

ARTICLE VII
GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty-five (35) years from the date this Declaration is recorded.

Section 2. This Declaration may be amended at any time by an instrument of record after the written consent thereto by not less than seventy-five percent (75%) of the Owners and the Developer shall have been obtained.

Section 3. Enforcement. The Association, any Owner or the Developer shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration and of Supplementary Declarations. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. 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 5. Limitations. As long as the Developer is likewise an Owner, the Association may not use its resources nor take a public position in opposition to the Kingsmill Master Plan or to changes thereto proposed by the Developer without the written consent of Developer. Nothing in this section shall be construed to limit the rights of the members acting as individuals or in affiliation with other members or groups.

Section 6. Release of Negative Reciprocal Easements. All Owners acknowledge that the Developer owns real estate in James City County and York County, Virginia, which may in some areas be contiguous to the Properties and may be shown on the Master Plan. No real estate shall be included within the scheme of this

Declaration, however, except the Properties and any additional properties added pursuant to Article II, Section 2 hereof as and when such properties are added. Each Owner, by his acceptance of this Declaration or the deed to his Lot, waives any right and interest he may have (i) in and to real estate not covered by this Declaration and (ii) to the enforcement of all or any portion of this Declaration, any Supplemental Declaration, and the Book of Resolutions against any such real estate.

IN WITNESS WHEREOF, Busch Properties, Inc., has caused its name to be signed and its corporate seal to be affixed and attested by its duly authorized officers, all as of the day and year first above written.

BUSCH PROPERTIES, INC.

By Walter E. Diggs, Jr.
President



John T. Hayward
Secretary

STATE OF MISSOURI
CITY OF ST. LOUIS

I, Louis M. Schreiber a Notary Public, whose commission expires on the 17th day of Sept., 1974, do hereby certify that Walter E. Diggs, Jr. and John T. Hayward, whose names as President and Secretary of Busch Properties, Inc. are signed to the foregoing instrument dated the 18th day of September, 1973 have this day appeared before me in my jurisdiction aforesaid and acknowledged the same.

Given under my hand and notarial seal on this 18th day of September, 1973.



My Commission Expires September 17, 1974

Louis M. Schreiber
Notary Public

Appointed & Commissioned For County of
St. Louis, which adjoins City of
St. Louis, Mo.

EXHIBIT A

ALL those certain lots, pieces or parcels of land, with appurtenances thereunto belonging, lying and being in Roberts Magisterial District, James City County, Virginia, and more particularly described as follows:

Lots 1 through 34, inclusive, as shown on the plat of subdivision by Langley, McDonald & Overman dated September 15, 1973, entitled "Bray Wood - Subdivision of Property of Busch Properties, Inc., James City County, Virginia," recorded in the Clerk's Office of the Circuit Court of the City of Williamsburg and James City County, Virginia, simultaneously herewith.

Lots 1 through 48, inclusive, as shown on the plat of subdivision of Langley, McDonald & Overman dated September 15, 1973, entitled "Whittaker's Mill - Subdivision of Property of Busch Properties, Inc., James City County, Virginia," recorded in the aforesaid Clerk's Office simultaneously herewith.

BEING a part of the same real estate conveyed to Busch Properties, Inc., by deed from Anheuser-Busch, Incorporated, dated November 14, 1972, recorded in the aforesaid Clerk's Office in Deed Book 141, page 313, as amended by deed of correction between the same parties dated May 4, 1973, recorded in the aforesaid Clerk's Office in Deed Book 145, page 32.

PLAT RECORDED IN
P.B. NO. 31 PAGE 1920, 21
22 & 23

State of Virginia
City of Williamsburg and County of James City, to-wit:
In the office of the Clerk of the Court for the City and County
aforesaid, on the 2nd day of OCTOBER 1973, this Land Covenant &
was presented and with the certificate annexed, admitted to &
record at 3:24 P. M. Restrict-
ions

Teste:

Julius C. Christie

Clerk

SUPPLEMENTAL DECLARATION
OF COVENANTS AND RESTRICTIONS

THIS SUPPLEMENTAL DECLARATION, made this *24th* day of *September*, 1973, by BUSCH PROPERTIES, INC., a Delaware corporation, hereinafter called "Developer,"

W I T N E S S E T H :

WHEREAS, by Declaration of Covenants and Restrictions dated *September 18*, 1973 ("the Declaration"), Developer declared certain real property in James City County, Virginia as described on Exhibit A attached thereto, subject to certain covenants, restrictions, easements, charges and liens; and

WHEREAS, pursuant to the Declaration the Developer was empowered to establish Parcels (as therein defined) by Supplemental Declaration and to subject such Parcels to complementary covenants, restrictions, easements, charges and liens;

NOW, THEREFORE, Developer hereby declares that the real property described in Exhibit A attached hereto, herein referred to as "the Property" shall constitute a Parcel as contemplated by the Declaration, and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens set forth in the Declaration and to the following covenants, restrictions and easements:

ARTICLE IPROTECTIVE COVENANTS AND RESTRICTIONS

1. Single-Family Residences. No more than one detached private dwelling unit and attendant outbuildings shall be erected on any one lot. The use of such unit for dwelling purposes shall be limited to a single family. A "family" shall include only persons related by blood or lawful marriage.

2. Minimum Dwelling Size. The floor area of the enclosed portion of the main structure on any lot shall not be less than 1800 square feet for a one-story structure, or 2200 square feet for any structure of more than one story, without the prior written consent of the EPB. A dwelling shall be deemed to be a two-story or split foyer if the upper level has a floor area of not less than eighty percent of the lower level. "Enclosed portion" shall mean that portion of the structure heated or otherwise temperature-controlled by the occupant of the structure.

3. Completion of Structures. All structures must be substantially completed in accordance with the plans and specifications approved by the Environmental Preservation Board (EPB) within twelve (12) months after construction of the same shall have commenced, except that the EPB may grant extensions where such completion is made impossible because of matters beyond the control of the Owner or builder, such as strikes, casualty losses, national emergencies or acts of God.

4. Boat Docks. No private docks, piers, moorings, boat houses, slips or similar structures may be erected on or adjacent to any Lot, except by the Association or the Developer.

5. Lights. The plans and specifications for each structure shall not be approved unless Owner has provided for an automatically operated standard light approved by the EPB at a location designated by the EPB. Such light will be erected at Developer's cost and operated at Owner's cost.

6. Pets. Subject to limitations as may from time to time be set by the EPB, generally recognized house or yard pets, in reasonable numbers, may be kept and maintained at an occupant's residence, provided such pets are not kept or maintained for

commercial purposes. All pets must be kept under the control of their owner when they are outside the occupant's premises and must not become a nuisance to other residents, and if any such pets are declared a nuisance by the EPB they shall be removed from the Lot within thirty days after written request from the EPB.

7. Signs. No signs of any type shall be displayed to public view on any Lot or the Common Area without the prior written consent of the EPB, except customary name and address signs, and lawn signs of not more than four square feet in size advertising the Lot for sale or rent.

8. Mailboxes and Newspaper Tubes. Only mailboxes and newspaper tubes meeting the design standards of the EPB shall be permitted, except for mail depositories which are the property of the U. S. Post Office Department.

9. Trash Receptacles. All trash receptacles shall be concealed in a manner approved by the EPB.

10. Boats, Trailers, etc. Overnight parking or storage of boats, trailers and all vehicles other than licensed, operable private passenger vehicles shall be in garages or screened enclosures approved by the EPB, or in areas designated by the Association for such parking or storage. Except for emergency repairs, no Owner shall repair or restore or permit others to repair or restore any vehicle, boat or trailer upon any portion of the Parcel except in garages or screened enclosures approved by the EPB.

11. Antennae. Exterior television or other antennae, except those built according to standards established by the EPB or approved by EPB, are prohibited.

12. Power Boats. The use of gasoline powered motorboats is prohibited on lakes and ponds within Kingsmill; except that the Association or appropriate governmental authority may operate

a power boat to provide for public safety.

13. Clothes Drying Equipment. Clothes lines or other clothes drying apparatus shall be screened from public view in a manner approved by the EPB.

14. Trash Burning. Trash, leaves and other similar material shall not be burned without the written consent of the EPB and all appropriate governmental authorities.

15. Septic Systems. No septic system for the disposal of sewage shall be constructed on any Lot except with the consent of the entities at the time furnishing sewage disposal to the Properties.

16. Model House or Exhibits. No Owner except the Developer shall permit any structure on his Lot to be used as a model house or exhibit without the written consent of the EPB.

17. Golf Course Lots. The landscaping plan for any property fronting on a golf course fairway, green or tee shall be in general conformity with the overall landscaping pattern for the golf course area, and shall be submitted to and approved by the EPB. There shall be reserved to Busch Properties, Inc., its agents, successors or assigns, a "Golf Course Maintenance Easement Area" thirty (30) feet wide on all property adjacent to the fairways, tees and greens of the golf course as shown on the plat of subdivision referred to in Exhibit A for the purpose of maintaining and landscaping the adjoining golf course. Such maintenance and landscaping shall include regular removal of underbrush, stumps, trash or debris, planting of grass, watering, application of fertilizer, and mowing, including the right of ingress and egress to the easement area.

ARTICLE II

GENERAL

1. Definitions. All terms used in this Supplemental Declaration shall be as defined in the Declaration.

EXHIBIT A

ALL those certain lots, pieces or parcels of land, with appurtenances thereunto belonging, lying and being in Robert's Magisterial District, James City County, Virginia, and more particularly described as follows:

Lots 1 through 34, inclusive, as shown on the plat of subdivision by Langley, McDonald & Overman dated September 15, 1973, entitled "Bray Wood - Subdivision of Property of Busch Properties, Inc., James City County, Virginia," recorded in the Clerk's Office of the Circuit Court of the City of Williamsburg and James City County, Virginia, simultaneously herewith.

Lots 1 through 48, inclusive, as shown on the plat of subdivision of Langley, McDonald & Overman dated September 15, 1973, entitled "Whittaker's Mill - Subdivision of Property of Busch Properties, Inc., James City County, Virginia," recorded in the aforesaid Clerk's Office simultaneously herewith.

BEING a part of the same real estate conveyed to Busch Properties, Inc., by deed from Anheuser-Busch, Incorporated, dated November 14, 1972, recorded in the aforesaid Clerk's Office in Deed Book 141, page 313, as amended by deed of correction between the same parties dated May 4, 1973, recorded in the aforesaid Clerk's Office in Deed Book 145, page 32.

2. Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty-five (35) years from the date this Declaration is recorded.

3. Amendment. This Declaration may be amended at any time by an instrument of record after the written consent thereto by not less than seventy-five percent (75%) of the Owners and the Developer shall have been obtained.

4. 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.

IN WITNESS WHEREOF, Busch Properties, Inc., has caused its name to be signed and its corporate seal to be affixed and attested by its duly authorized officers, all as of the day and year first above written.

BUSCH PROPERTIES, INC.

BY Walter E. Duggan
President

ATTEST:

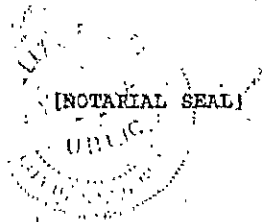
[Signature]
Asst Sec
STATE OF _____
CITY/COUNTY OF _____

The foregoing instrument was acknowledged before me this 24th day of September, 1973, by Walter E. Duggan, Jr., as President of Busch Properties, Inc., a Delaware corporation, on behalf of the corporation.

My commission expires:

Blanche Harbit
Notary Public

My Commission Expires August 9, 1974



State of Virginia
City of Williamsburg and County of James City, to-wit:
In the office of the Clerk of the Court for the City and County
afore said, on the 2nd day of October, 1973, this 3033 Supp
was presented and with the certificate annexed, admitted to
record at 3:25 P. M.

PLAT RECORDED IN
P.B. NO. 31 PAGES 19, 20, 21,
22 & 23

Teste: [Signature]

BOOK 148 PAGE 672

AMENDMENT TO DECLARATION OF
COVENANTS AND RESTRICTIONS

THIS AMENDMENT dated the 20th day of November, 1973,
by the undersigned.

W I T N E S S E T H :

WHEREAS, by Declaration dated September 18, 1973 (the
"Declaration"), as recorded in Deed Book 147, Page 642 in the
Office of the Clerk of the Circuit Court of Williamsburg and the
County of James City, Busch Properties, Inc., a Delaware Corpora-
tion, subjected certain real property in James City County, Vir-
ginia, as described in Exhibit A of the Declaration, to the
covenants, restrictions, easements charges and liens set forth
therein;

WHEREAS, under Section 2 of Article VII of the Declaration,
the Declaration may be amended at any time by an instrument of
record after the written consent thereto by not less than
seventy-five percent (75%) of the Owners and the Developer shall
have been obtained;

WHEREAS, there are no "Owners" as defined in Section 10
of Article I of the Declaration as of the date of this Amendment;

WHEREAS, the undersigned is the "Developer" according
to Section 3 of Article I of the Declaration; and

WHEREAS, the undersigned desires to amend the Declaration.

NOW, THEREFORE, the Declaration is hereby amended as
hereinafter provided:

1. There shall be added to Article I (Definitions) a
Section 17 which shall provide:

"Limited Common Area" shall mean and refer to
those areas of land now or hereafter conveyed to
the Association or shown on any recorded subdivision
plat of the Properties and improvements thereon,
which are intended to be devoted to the common use
and enjoyment of those Members with respect to Living
Units located within the Parcel to which the use of
said Limited Common Area is restricted, in accordance
with the terms of the Supplementary Declaration appli-
cable to that Parcel.

Original mailed and delivered to McQuinn, Woods & Dattle, Attorneys

at Lee Ross Building, Richmond, Virginia, 12/10/73
Juliette C. Clotfelter, Clerk

The term Limited Common Area shall refer both to areas which are restricted to all Members located within a single Parcel, and to areas restricted to the use of less than all of the Members located within a single Parcel.

2. There shall be added to Article III (Common Area)

Sections 7 through 13, which shall provide:

Section 7. Obligations of the Association.
The Association, subject to the rights of the Owners set forth in the Declaration as it may be amended from time to time, any Supplementary Declaration which may be applicable, or any deed, shall be responsible for the exclusive management and control of the Limited Common Areas and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair.

Section 8. Owners' and Members' Rights of Enjoyment. Subject to the provisions hereof, every Owner who is entitled to the use of a Limited Common Area shall have a right of enjoyment in and to the Limited Common Area which shall be appurtenant to and shall pass with the title to every Lot, and every Member who is entitled to the use of a Limited Common Area shall have a right of enjoyment in the Limited Common Area.

Section 9. Extent of Owners' and Members' Easements. The Owners' and Members' easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to establish reasonable rules and to charge reasonable admission and other fees for the use of the Limited Common Area by guests of Owners and Members.

(b) The right of the Association to suspend the right of an Owner to use any portion of its facilities for any period during which any assessment against his Lot remains unpaid for more than thirty (30) days after notice; the right of the Association to suspend the right of a Member or Owner to use any portions of its facilities for a period not to exceed sixty (60) days for any other infraction of this Declaration or the Books of Resolutions which remains uncorrected after the last day of a period established for correction by the Association, such period to be stated in a notice to the Member or Owner together with a statement of the infraction complained of and the manner of its correction.

(c) The right of the Association to mortgage any or all of the facilities constructed on the Limited Common Area for the purposes of improvements or repair to Association land or facilities.

(d) The right of the Association to dedicate or transfer all or any part of the Limited Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be desired by the Association.

Section 10. Delegation of Use. Any Member may delegate his right of enjoyment to the Limited Common Area and facilities to the members of his family and to his guests subject to such general regulations as may be established from time to time by the Association, and included within the Books of Resolutions.

Section 11. Damage or Destruction of Limited Common Area by Owner. In the event any Limited Common Area is damaged or destroyed by an Owner or his tenants or any of their guests, licensees, agents or members of their families, the Owner does hereby authorize the Association to repair such damaged area. The Association shall repair said damaged area in a good workmanlike manner in conformance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association in the discretion of the Association. The costs of such repairs shall become a Special Assessment upon the Lot of such Owner.

Section 12. Title to Limited Common Area. The Developer may retain the legal title to the Limited Common Area or portion thereof until such time as it has completed improvements thereon, but notwithstanding any provision herein, the Developer hereby covenants that it shall convey the Limited Common Area to the Association, free and clear of all liens and financial encumbrances, but subject to any licenses for use which may have been reserved, not later than two years from the date such Limited Common Area or portion thereof is subjected to this Declaration. Members and Owners shall have all the rights and obligations imposed by the Declaration with respect to portions of the Limited Common Area from and after the time such portions of the Limited Common Area are subjected to this Declaration, except that prior to such conveyance the Association shall be liable for payment of taxes, insurance and maintenance costs with respect thereto.

Section 13. Assessments with respect to Limited Common Areas. Each Owner of any Lot, by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association such assessments as shall be levied with respect to Limited Common Areas applicable to the Parcel wherein such Owner's Lot is located.

Such assessments shall be those established in accordance with Sections 3 and 5 of Article IV hereof, and Section 2 of Article VII hereof.

Assessments with respect to Limited Common Areas shall be limited to those Owners located within the Parcel to which such Limited Common Areas are applicable, in accordance with the terms of the Supplementary Declaration applicable to that Parcel.

3. The last sentence of Section 1 of Article IV is hereby amended to read:

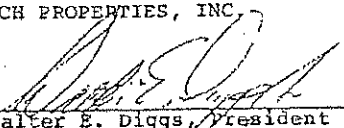
No Owner may waive or otherwise avoid liability for the assessments provided herein by nonuse of the Limited Common Area or Common Area, or abandonment of this Lot.

4. Section 9 of Article IV is hereby amended to read:

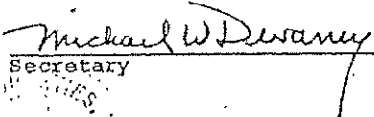
Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (1) all properties dedicated and accepted by a public authority and devoted to public use; (2) all Common Areas; (3) all Limited Common Areas; (4) all properties exempted from taxation by state or local governments upon the terms and to the extent of such legal exemption.

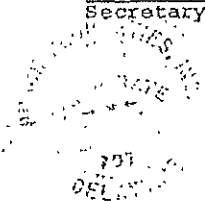
IN WITNESS WHEREOF, Busch Properties, Inc., has caused its name to be signed and its corporate seal to be affixed and attested by its duly authorized officers, all as of the day and year first above written.

BUSCH PROPERTIES, INC

BY 
Walter E. Diggs, President

ATTEST:


Secretary



STATE OF MISSOURI
CITY OF ST. LOUIS

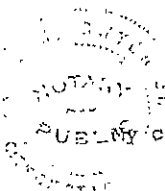
I, JAMES T. DWYER, JR., a Notary Public, whose
commission expires on the 4TH day of FEBRUARY, 1977,
do hereby certify that Walter E. Diggs, Jr. and MEMUEL W. DEVONEY,
whose names as President and Secretary of Busch Properties, Inc.
are signed to the foregoing instrument dated the 30th day of
NOVEMBER, 1973 have this day appeared before me in my
jurisdiction aforesaid and acknowledged the same.

Given under my hand and notarial seal on this 20TH day
of NOVEMBER, 1973.

James T. Dwyer, Jr.
Notary Public

NOTARY PUBLIC, STATE OF MISSOURI

My commission expires: MY COMMISSION EXPIRES FEB. 4, 1977



State of Virginia
City of Williamsburg and County of James City, to-wit:
- the office of the Clerk of the Court for the City and County
aforesaid, on Nov 28th, 1973 this deed transmitted to REC
was presented and with the certificate annexed, admitted to
record at 9:24 P. M.

Teste: Quibelle C. Closter
Clerk

AMENDMENT TO DECLARATION OF
COVENANTS AND RESTRICTIONS

THIS AMENDMENT, dated the 1st day of April, 1976,
by the undersigned.

W I T N E S S E T H :

WHEREAS, by Declaration dated September 18, 1973 (the
"Declaration"), as recorded in Deed Book 147, page 642 in the
Office of the Clerk of the Circuit Court of Williamsburg and the
County of James City, Busch Properties, Inc., a Delaware corpora-
tion, subjected certain real property in James City County, Vir-
ginia, as described in Exhibit A of the Declaration, to the
covenants, restrictions, easements, changes and liens set forth
therein;

WHEREAS, pursuant to the Declarations, the Developer was
empowered to establish parcels (as therein defined) by supple-
mental Declaration and to subject such parcels to complementary
covenants, restrictions, easements, changes, and liens;

WHEREAS, under Section 2 of Article VII of the Declaration,
the Declaration may be amended at any time by an instrument of
record after the written consent thereto by not less than
seventy-five percent (75%) of the Owners and the Developer shall
have been obtained;

WHEREAS, seventy-five percent (75%) of the Owners have
given their consent to the hereinafter amendment;

WHEREAS, the undersigned is the "Developer" according
to Section 3 of Article I of the Declaration; and

WHEREAS, the undersigned desires to amend the Declaration.

NOW, THEREFORE, the Declaration is hereby amended as
hereinafter provided:

1. Article IV is hereby amended by adding a new Section
3 and renumbering present Sections 3 through 10 to reflect the
addition of a new Section 3.

2. New Section 3 shall read as follows:

Section 3. Special Pre-closing Assessment.

Original made or delivered to Otey & Powell Attorneys at Law

P. O. Box 192 Williamsburg, Va. 5/6/76

Juliette C. Clothier, Clerk

- A) The Board of Directors may by a majority vote establish a Special Pre-closing Assessment to be collected at settlement from each purchaser of a Lot from the developer.
- B) This Special Pre-closing Assessment established pursuant to this Section 3 shall be in addition to, and not in lieu of, any other assessment established pursuant to the other sections of Article IV.

IN WITNESS WHEREOF, Busch Properties, Inc., has caused its name to be signed and its corporate seal to be affixed and attested by its duly authorized officers, all as of the day and year first above written.

BUSCH PROPERTIES, INC.

By [Signature]
Walter E. Diggs, Jr., President

ATTEST
[Signature]
Secretary

STATE OF MISSOURI
CITY OF ST. LOUIS, to-wit:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Walter E. Diggs, Jr. and John L. Hayward whose names as President and Secretary, respectively, of Busch Properties, Incorporated, are signed to the foregoing Amendment to Declaration of Covenants and Restrictions dated as of April 1st, 1976 and each have acknowledged the same before me in my jurisdiction aforesaid,

Given under my hand and seal this 1st day of April, 1976.

My commission expires: February 28, 1977.

[Signature]
Notary Public

BOOK 213 PAGE 132

AMENDMENT TO DECLARATION OF
COVENANTS AND RESTRICTIONS

THIS AMENDMENT, dated the 1st day of May, 1981, by the undersigned.

W I T N E S S E I H :

WHEREAS, by Declaration dated September 18, 1973 (the "Declaration"), as recorded in Deed Book 147, page 64Z, in the Office of the Clerk of the Circuit Court of Williamsburg and the County of James City, Busch Properties, Inc., a Delaware corporation, subjected certain real property in James City County, Virginia, as described in Exhibit A of the Declaration, to the covenants, restrictions, easements, changes and liens set forth therein;

WHEREAS, Article IV of the Declaration of Covenants and Restrictions was amended by instrument dated April 1, 1976, and recorded in Deed Book 168, page 91, in the Office of the Clerk of the Circuit Court of Williamsburg and the County of James City;

WHEREAS, pursuant to the Declarations, the Developer was empowered to establish parcels (as therein defined) by supplemental Declaration and to subject such parcels to complementary covenants, restrictions, easements, changes, and liens;

WHEREAS, under Section 2 of Article VII of the Declaration, the Declaration may be amended at any time by an instrument of record after the written consent thereto by not less than seventy-five percent (75%) of the Owners and the Developer shall have been obtained;

WHEREAS, seventy-five percent (75%) of the Owners have given their written consent to the hereinafter amendment;

WHEREAS, the undersigned is the "Developer" according to Section 3 of Article I of the Declaration; and

WHEREAS, the undersigned desires to amend the Declaration.

NOW; THEREFORE, the Declaration is hereby amended as hereinafter provided:

I. Article IV, Section 3, is amended to read as follows:

Section 3. Special Pre-closing Assessment.

- A) The Board of Directors may by a majority vote establish a Special Pre-closing Assessment to be collected at settlement from each purchaser of a Lot from the developer or an owner.
- B) This Special Pre-closing Assessment established pursuant to this Section 3 shall be in addition to, and not in lieu of, any other assessment established pursuant to the other sections of Article IV.

IN WITNESS WHEREOF, Busch Properties, Inc., has caused its name to be signed and its corporate seal to be affixed and attested by its duly authorized officers, all as of the day and year first above written.

BOSCH PROPERTIES, INC.

By: Harry D. Knight
Harry D. Knight, Vice President

Attest:

James R. Geiger
Assistant Secretary

STATE OF VIRGINIA

COUNTY OF JAMES CITY, to-wit:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Harry D. Knight and James R. Geiger whose names as Vice President and Assistant Secretary, respectively, of Busch Properties, Inc., are signed to the foregoing Amendment to Declaration of Covenants and Restrictions dated as of May 1, 1981, and each have acknowledged the same before me in my jurisdiction aforesaid.

Given under my hand and seal this 1 day of MAY, 1981.

My Commission expires: 7/26/83

David W. O'Neil
Notary Public

VIRGINIA: City of Williamsburg and County of James City to-wit:

In the Clerk's Office of the Clerk of the City of Williamsburg and County of James City on 1st day of May 1981, I have personally presented with the original instrument and related to Restrictive Covenants record at Libe o'clock P.M.

Teste: Fred M. Finnary, Clerk

By: Fred M. Finnary
Deputy Clerk

KCSA

040 027856

AMENDMENT TO
DECLARATION OF COVENANTS AND RESTRICTIONS

THIS AMENDMENT to DECLARATION OF COVENANTS AND RESTRICTIONS (this "Amendment") is made this 28th day of October, 2004 by KINGSMILL COMMUNITY SERVICES ASSOCIATION, a Virginia nonstock corporation (the "Association"), and BUSCH PROPERTIES, INC., a Delaware corporation (the "Developer"), both Association and Developer to be indexed as "Grantor" and "Grantee."

WITNESSETH:

WHEREAS, by Declaration of Covenants and Restrictions (the "Declaration") dated September 18, 1973, recorded in Deed Book 147, Page 642 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"), Developer declared certain real property in James City County, Virginia, as described in Exhibit A to the Declaration subject to the covenants, restrictions, easements, charges and liens set forth therein; and

WHEREAS, the Declaration, as amended by amendments of record in the Clerk's Office, shall hereinafter be collectively referred to as the "Declaration"; and

WHEREAS, under Section 2 of Article VII of the Declaration, the Declaration may be amended at any time by an instrument of record after the written consent thereto by not less than seventy-five percent (75%) of the Owners and the consent of the Developer shall have been obtained; and

WHEREAS, the Association and the Developer have determined it is in the best interests of the Association to adopt the hereinafter set forth amendments, and seventy-five percent (75%) or more of the Owners have given their consent to the hereinafter set forth amendments; and

WHEREAS, pursuant to Section 55-515.1.F of the Code of Virginia, 1950, as amended, this Amendment shall become effective when the Amendment is duly recorded in the Clerk's Office.

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. Section 1 of Article VII of the Declaration is hereby amended by adding the following as the last sentence thereto:

Prepared By and
Upon Recording Return to:
Kaufman & Canoles
4801 Courthouse Street, Suite 300
Williamsburg, Virginia 23188

After the initial term of thirty-five (35) years, the covenants and restrictions of this Declaration shall thereafter be automatically extended for successive periods of twenty-five (25) years each unless this Declaration is sooner terminated by a recorded amendment to this Declaration adopted pursuant to the amendment provisions of this Declaration.

2. Section 2 of Article VII of the Declaration is hereby amended by deleting such Section and substituting the following in lieu thereof:

This Declaration may be amended at any time by an instrument of record after the written consent thereto by not less than two-thirds (2/3) of the Owners and the Developer shall have been obtained.

IN WITNESS WHEREOF, the Developer and the Association have caused this Amendment to be signed by their respective authorized representatives as of the date first written above.

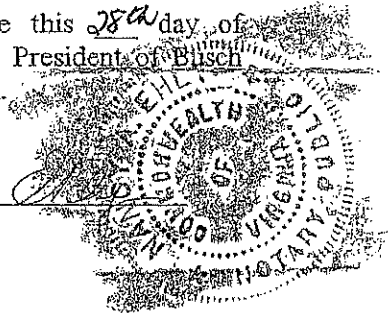
BUSCH PROPERTIES, INC., a Delaware corporation

By: William B. Voliva, Jr. (SEAL)
William B. Voliva, Jr., Executive Vice President

COMMONWEALTH OF VIRGINIA
COUNTY OF JAMES CITY, to wit:

The foregoing instrument was acknowledged before me this 28th day of Oct., 2004 by William B. Voliva, Jr., Executive Vice President of Busch Properties, Inc., a Delaware corporation, on behalf of the corporation.

Nancy A. [Signature]
Notary Public



My Commission Expires: 1-31-08

[ADDITIONAL SIGNATURES APPEAR ON FOLLOWING PAGE.]

KINGSMILL COMMUNITY
SERVICES ASSOCIATION, a Virginia
nonstock corporation

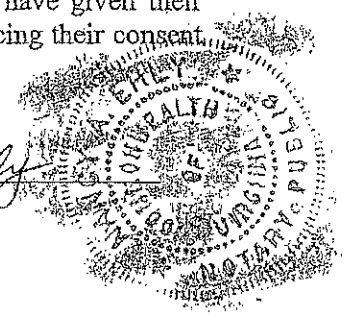
By: William B. Voliva, Jr. (SEAL)
William B. Voliva, Jr., President

CERTIFICATION PURSUANT TO VIRGINIA CODE SECTION 55-515.1.F

COMMONWEALTH OF VIRGINIA
COUNTY OF JAMES CITY, to wit:

The foregoing instrument was acknowledged before me this 20th day of Oct., 2004 by William B. Voliva, Jr., President of Kingsmill Community Services Association, a Virginia nonstock corporation, on behalf of the corporation, who did state and certify that the requisite percentage of Owners of Lots have given their consent to and ratified such Amendment by signing a document evidencing their consent to such Amendment.

Nancy A. Gley
Notary Public



My Commission Expires: 1-31-08

#50041362 v3 - kingsmill/declaration amendment/term extension

VIRGINIA: CITY OF WILLIAMSBURG & COUNTY OF JAMES CITY
This document was admitted to record on 1 Nov 04
at 3:55 AM/PM. The taxes imposed by Virginia Code
Section 58.1-801, 58.1-802 & 58.1-814 have been paid.

STATE TAX	LOCAL TAX	ADDITIONAL TAX
\$ _____	\$ _____	\$ _____

TESTE: BETSY B. WOOLRIDGE, CLERK

BY: Betsy B. Woolridge Clerk

090013496

AMENDMENT TO
DECLARATION OF COVENANTS AND RESTRICTIONS

THIS AMENDMENT to DECLARATION OF COVENANTS AND RESTRICTIONS (this "Amendment") is made this 15th day of MAY 2009 by KINGSMILL COMMUNITY SERVICES ASSOCIATION, a Virginia nonstock corporation (the "Association"), and BUSCH PROPERTIES, INC., a Delaware corporation (the "Developer"), both Association and Developer to be indexed as "Grantor" and "Grantee."

WITNESSETH:

WHEREAS, by Declaration of Covenants and Restrictions dated September 18, 1973, recorded in Deed Book 147, Page 642 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 amended and/or supplemented by instruments of record in the Clerk's Office (collectively, the "Declaration"), Developer declared certain real property in James City County, Virginia, as described in the Declaration subject to the covenants, restrictions, easements, charges, and liens set forth therein; and

WHEREAS, under Section 2 of Article VII of the Declaration, the Declaration may be amended at any time by an instrument of record after the written consent thereto by not less than two-thirds (2/3) of the Owners and the Developer shall have been obtained; and

WHEREAS, the Association and the Developer have determined it is in the best interests of the Association to adopt the hereinafter set forth amendment, and two-thirds (2/3) or more of the Owners and the Developer have given their written consent to the hereinafter set forth amendment; and

WHEREAS, pursuant to Section 55-515.1.F of the Code of Virginia, 1950, as amended, this Amendment shall become effective when the Amendment is duly recorded in the Clerk's Office.

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. Section 1 of Article VI of the Declaration is hereby amended by adding a new subsection (g) thereto:

(g) No Lot or Living Unit, or any portion thereof, shall be used or occupied by non-Owners for transient or hotel purposes or in any event leased for an initial term of less than twelve (12) months. All leases must be for the entire Lot and Living Unit. No more than one lease may be entered into for the same Lot/Living Unit for the same term. Subleasing and/or assignment of leases is/are not permitted. No Lot or Living Unit, or portion thereof, shall be

Prepared By and Upon Recording Return to:
LeClair Ryan
5388 Discovery Park Blvd., Third Floor
Williamsburg, Virginia 23188

subjected to or used for any timesharing, cooperative, licensing or similar arrangement that would entail daily, weekly, monthly or any other type of revolving or periodic occupancy by multiple Owners, occupants, cooperators, licensees, or timesharing participants. Every Owner shall cause the occupants of his or her Lot and Living Unit to comply with this Declaration, the Bylaws, the EPB Policies and Procedures and any rules and regulations of the Association. No Owner shall lease a Lot/Living Unit other than on a written form of Lease: (1) requiring the lessee to comply with the Declaration and the other rules and governing documents of the Association; (2) providing that the failure to comply with such documents shall constitute a material default under the lease; (3) providing for an initial, good faith, obligatory term of twelve (12) months or more; and (4) providing that subleases and/or assignments shall be prohibited.

The Association's Board of Directors shall have the right to adopt reasonable rules and regulations to facilitate the administration and enforcement of the provisions of this sub-paragraph, including but not limited to, requiring Owners who lease their Lots/Living Units to provide to the Association a completed tenant information form containing, without limitation, tenant name(s), tenant contact information and the term of lease, within five (5) days of entering into a lease of their Lot/Living Unit.

The foregoing restrictions shall not apply to those Living Units comprising condominium units located within the condominium regimes of Padgett's Ordinary Condominium, Pelham's Ordinary Condominium, and Conference Center Condominium; provided, however, that such Living Units shall continue to be subject to any use restrictions set forth in the respective condominium declarations and/or Supplemental Declarations applicable to such Living Units.

- 2) Except as modified by this Amendment, the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the Developer and the Association have caused this Amendment to be signed by their respective authorized representatives as of the date first written above.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

BUSCH PROPERTIES, INC.,
a Delaware corporation

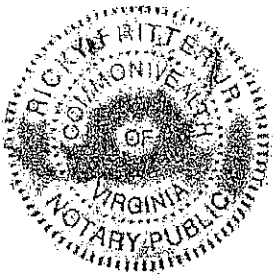
By: Robin D. Carson (SEAL)
Name: Robin D. Carson
Title: Executive Vice President

COMMONWEALTH OF VIRGINIA
AT LARGE, to-wit:

The foregoing instrument was acknowledged before me in
Williamsburg, Virginia, this 15 day of May
2009 by Robin D. Carson who is either personally known to me or who produced
as identification, as Executive Vice President of Busch
Properties, Inc., a Delaware corporation, on its behalf.

Dickie F. Furr
Notary Public

My Commission Expires: 12.31.2012
Registration No.: 348603



KINGSMILL COMMUNITY SERVICES ASSOCIATION, a Virginia nonstock corporation

By: [Signature] (SEAL)
Name: Robin D. Carson
Title: President

CERTIFICATION PURSUANT TO VIRGINIA CODE SECTION 55-515.1.F

In my capacity as President of Kingsmill Community Services Association, I hereby certify that the requisite majority of Owners of Lots have approved this Amendment as evidenced by their signed written consents to, and ratifications of, this Amendment, which consents are on file with the Association.

By: [Signature] (SEAL)
Name: Robin D. Carson
Title: President

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF James City, to-wit:

The foregoing instrument was acknowledged before me in Williamsburg, Virginia, this 15 day of Nov, 2009 by Robin D. Carson who is either personally known to me or who produced _____ as identification, as President of Kingsmill Community Services Association, a Virginia nonstock corporation, on its behalf.

[Signature]
Notary Public V

My Commission Expires: 12.31.2012
Registration No.: 348603

#4532700v6



VIRGINIA: CITY OF WILLIAMSBURG & COUNTY OF JAMES CITY
This document was admitted to record on 5-15-2009
at 2:20 PM. The taxes imposed by Virginia Code
Section 58.1-801, 58.1-802 & 58.1-814 have been paid.
STATE TAX LOCAL TAX ADDITIONAL TAX

\$ _____ \$ _____ \$ _____
TESTE: BETSY B. WOOLRIDGE, CLERK
By: [Signature] Clerk

100015196

Final/Execution

**SECURITY SERVICES AND
COST SHARING AGREEMENT**

THIS SECURITY SERVICES AND COST SHARING AGREEMENT (this "Agreement") is made this 28th day of July, 2010, by and between **BUSCH PROPERTIES, INC.**, a Delaware corporation ("BPI"), and **KINGSMILL COMMUNITY SERVICES ASSOCIATION**, a Virginia non-stock corporation (the "Association"). BPI and the Association shall be collectively referred to herein as the "Parties," and each a "Party." Note to Clerk: for recording purposes, please index each party as both "grantor" and "grantee".

Recitals

A. BPI is the owner of the Kingsmill Resort and Spa located partly in James City County and partly in York County, Virginia, more particularly described in Exhibit A attached hereto and made a part hereof (the "Resort").

B. The Association is the master homeowners association for the residential portion of the gated planned development known as "Kingsmill on the James," located in James City County, Virginia adjacent to the Resort and more particularly described in Exhibit B attached hereto and made a part hereof (the "Community").

C. Due to their proximity to each other, the Association and the Resort currently share certain services for the benefit of the Resort and the Community, such as security services provided by the Association through the Kingsmill Police Department.

D. BPI and the Association desire to enter into this Agreement to reflect the existing agreement of the Parties regarding the provision of security services to the Community and the Resort and the current cost sharing arrangement between the Parties for such services.

Agreement

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

1. Provision of Security Services.

(a) The Association shall continue to provide the primary security services for the Community and the Resort. The Association, either directly or through its third-party

1 of 14

Prepared by and return to:
Elizabeth L. White, Esq.
LeClairRyan
5388 Discovery Boulevard, Third Floor
Williamsburg, VA 23188

manager ("Manager"), may engage the Kingsmill Police Department ("KMPD"), or another security service provider to provide such services. Whether such security personnel are required to be Virginia Special Conservators of the Peace and/or licensed police officers is in the sole discretion of the Association. The initial security services to be provided for the benefit of the Resort and the Community are described in Exhibit C attached hereto (the "Security Services"), but may vary from time to time. Any variation in Security Services which impacts the Resort shall be upon mutual agreement of the Parties and in accordance with all terms of this Agreement.

(b) If BPI desires additional services over and above the services comprising the Security Services provided through the Association hereunder, BPI may either enter into separate agreement with the Association to provide such additional services relating to the Resort at a cost and on terms and conditions mutually satisfactory to both parties or BPI may obtain such additional services from another party at BPI's sole cost and expense. Any such additional services must be coordinated with the Security Services and the personnel providing the same and/or associated therewith and such additional services must not negatively impact the Security Services being provided by the Association.

2. Cost Sharing. All costs and expenses of providing the Security Services (the "Security Costs") shall be shared between the Association and BPI with the Association responsible for eighty-two percent (82%) of the Security Costs and BPI responsible for the remaining eighteen percent (18%), which ratio may be changed from time to time upon the written agreement of the Parties. The Security Costs shall include all actual operational costs incurred by the Association in connection with operation of the Security Services, such as salaries, insurance, rent payable to third party landlord(s) for KMPD/security leased office space and utilities for same, and maintenance of the guardhouses; provided, however, that such costs shall not include any capital costs, such as vehicles, access control systems, equipment, utilities and leased office space (other than the KMPD leased office space and utilities for same); provided further that the Security Costs shall not include any costs and/or expenses incurred by BPI in connection with the provision of any additional security services procured by BPI in connection with its Resort operations as more particularly addressed in subparagraph 1 (b) above. The Association shall present BPI with monthly invoices for BPI's share of the Security Costs. BPI shall pay each such invoice within thirty (30) days from receipt of the invoice, which payment shall be subject to the terms and conditions of this Agreement between the Parties.

3. Gate Access.

(a) The Parties hereby agree and acknowledge that one of the primary Security Services to be provided shall be the screening of vehicles at gates and/or guardhouses installed on those private roads owned by BPI known as Kingsmill Road and Mounts Bay Road (the "Resort Roads") for purposes of controlling access to the Community. The gates and guardhouses are operated pursuant to policies and procedures which include, but are not limited to, certain protocols utilized by guardhouse personnel with respect to entry and passage into the

community and policies and procedures relating to the operation of the gates (collectively, such policies, procedures and protocols are hereinafter referred to as the "Community Access Rules").

(b) The Resort Roads, while providing access to the Community, are also the primary access routes to and from the Resort and are integral to providing unfettered access to BPI, its employees, contractors, agents, invitees and guests and ensuring continued and successful Resort operations. Accordingly, the Association agrees and acknowledges that no Community Access Rules shall be instituted, without BPI's prior written approval, that would act to unreasonably prevent, restrict, alter or impede commercial access to and from the Resort by BPI, its employees, contractors, agents, invitees and guests on and over the Resort Roads or any and all legal use of such roads. The Association shall work cooperatively with BPI to ensure that such commercial access is preserved and that any Community Access Rules are employed in a reasonable manner consistent with the good faith interests of the respective parties.

4. Insurance and Indemnity. The Association shall maintain, or shall cause its Manager, if any, and KPMD or other security service provider to maintain, (i) a policy of commercial general liability insurance with a combined single limit of not less than \$2,000,000.00, per occurrence, insuring against liability for death, bodily injury and property damage arising from provision of the Security Services; (ii) automobile liability insurance for all vehicles used in the provision of the Security Services in an amount not less than \$1,000,000.00 for property damage and \$1,000,000.00 for bodily injury, per occurrence; (iii) worker's compensation insurance in an amount not less than the statutory limits under the laws of the Commonwealth of Virginia; and (iv) employer's liability insurance in an amount not less than \$1,000,000.00. Such policies (other than the worker's compensation policy) shall name BPI as an additional insured by endorsement reasonably acceptable to BPI.

5. Term of the Agreement.

(a) Subject to the termination rights of Association and BPI in subparagraphs (b) and (c) respectively, the term of this Agreement shall be perpetual.

(b) Association's right to terminate. The Association shall have the right to terminate this agreement at any time by providing written notice delivered to BPI at least sixty (60) days prior to the date of termination.

(c) BPI's right to terminate. BPI shall have the right to terminate this Agreement upon the occurrence of all of the following conditions:

(i) More than one Events of Default (as defined in paragraph 6 below) occur in any single calendar year or more than three Events of Default occur in any five year period; and

(ii) BPI obtains a court order from a court of competent jurisdiction which decrees that the Association has acted in bad faith and has repeatedly breached its duties under this Agreement and engaged in a course of dealing such that BPI has been substantially hindered in its Resort Operations and that the continuance of this Agreement would further injure BPI.

6. Breach, Default, and Remedies. If either Party fails to duly and promptly perform, comply with or observe any of the terms of this Agreement and such failure remains unremedied for 10 days after written notice thereof, such failure shall constitute an "Event of Default." Upon an Event of Default, the non-defaulting Party shall be entitled to all damages, rights and remedies available under the law (including interest, attorneys' fees, court costs, collections, service fees and other costs) incurred in connection with enforcing its rights under this Agreement. In addition, the non-defaulting Party shall have the right, but not the obligation to cure such default of the defaulting Party and in such event, the faulting Party shall reimburse the non-defaulting Party for the cost of such cure with interest at a rate equal to 2% above the prime rate as published in the Wall Street Journal "Money Rate" section on the business day closest in time to the date such costs were first incurred (or if such rate ceases to be published, then another comparable rate) within thirty (30) days of receipt of written notice of the cost to the breaching Party of such cure together with documentation of such expenditures by the non-defaulting party. In no event shall either Party be liable to the other for any punitive, consequential or special damages.

7. Assignment. BPI's rights and obligations under this Agreement shall be deemed to be automatically assigned to any successor owner of BPI's fee interest in the Resort. The Association shall have no right to assign this Agreement except with BPI's written consent, which may be given or withheld in BPI's sole and absolute discretion. To be effective, any assignment must be accompanied by a written notice to the Association that this Agreement has been assigned and shall contain the name and contact information for billing and notice purposes of the assignee of such rights and obligations.

8. Successors and Assigns. The covenants, agreements, conditions and all other terms of this Agreement shall be binding upon and inure to the benefit of each of the Parties and their respective successors and permitted assigns and successors in title to the property set forth and described on Exhibit A, and the terms of this Agreement shall run with, and constitute covenants that run with, the land.

9. Notice. Any notice required or permitted to be given by or to either Party under this Agreement shall be in writing, except as otherwise provided in this Agreement, and addressed as follows:

To BPI:

Kingsmill Resort and Spa
1010 Kingsmill Road
Williamsburg, Virginia 23185
Attention: General Manager

With a copy of all written notices to:

Busch Properties, Inc.
One Busch Place
St. Louis, Missouri 63118
Attn: President

and

Anheuser-Busch Companies, Inc.
One Busch Place
St. Louis, Missouri 63118
Attention: Vice President and General Counsel

To the Association:

Kingsmill Community Services Association
300 McLaws Circle, Suite 105
Williamsburg, VA 23187
Attn: President

With a copy of all written notices to:

LeClairRyan
5388 Discovery Park Boulevard
Third Floor
Williamsburg, VA 23188
Attn: Elizabeth L. White, Esq., as Registered Agent

Such notices shall be deemed to have been given three (3) days after having been deposited in the United States mail, certified or registered, return receipt requested; upon receipt when hand delivered; or the next day when sent guaranteed overnight delivery by Federal Express or another national overnight delivery service. Either Party may, at any time, change its address for notice purposes by providing a notice in accordance herewith stating the change and setting forth the new address.

10. Facilitation. Each Party agrees to perform such further acts, and to execute and deliver such further documents, as may be reasonably necessary to carry out the provisions of this Agreement, provided same are consistent herewith.

11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but which together shall constitute one original.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

13. Changes in Law. Neither party shall be liable for any failure to perform made impossible due to changes in any applicable law, rule or regulations or directive of any governmental authority made or issued after the date of this Agreement.

14. Amendment. This Agreement shall not be modified, amended, waived, discharged or terminated in whole or in part without the written agreement of the Parties, which agreement shall be effective upon recordation in the clerk's office of the Circuit Court of Williamsburg and James City County, Virginia (the "Clerk's Office").

Signature Pages to Follow.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above and by executing this Agreement, each party represents and warrants unto the other that he/she/it has all necessary corporate authority and has taken all necessary action to authorize each of their execution and delivery of this Agreement

BPI:

BUSCH PROPERTIES, INC.,
a Delaware corporation

By: [Signature]
Name: Michael R. Taylor
Its: President

Commonwealth
STATE OF Virginia

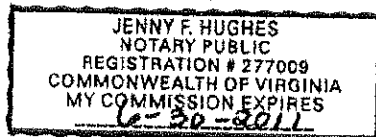
CITY/COUNTY OF James City

The foregoing instrument was acknowledged before me this 28th day of July, 2010, by Michael R. Taylor, as President of Busch Properties, Inc., a Delaware corporation, on behalf of the corporation.

My commission expires: 6-30-2011

[Signature]
Notary Public
Printed Name: Jenny F. Hughes
Notary Registration No.: 277009

[SEAL]



THE ASSOCIATION:

KINGSMILL COMMUNITY SERVICES
ASSOCIATION, a Virginia non-stock corporation

By: E.L. Brown
Name: E.L. Brown
Its: VICE PRESIDENT

Commonwealth
STATE OF Virginia

CITY/COUNTY OF James City

The foregoing instrument was acknowledged before me this 20th day of July,
2010, by E.L. Brown, as Vice President of
Kingsmill Community Services Association, a Virginia non-stock corporation, on behalf of the
corporation.

My commission expires: 6-30-2011

Jenny F. Hughes
Notary Public

Printed Name: Jenny F. Hughes
Notary Registration No.: 277009

[SEAL]

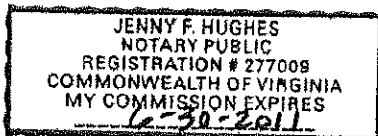


Exhibit A

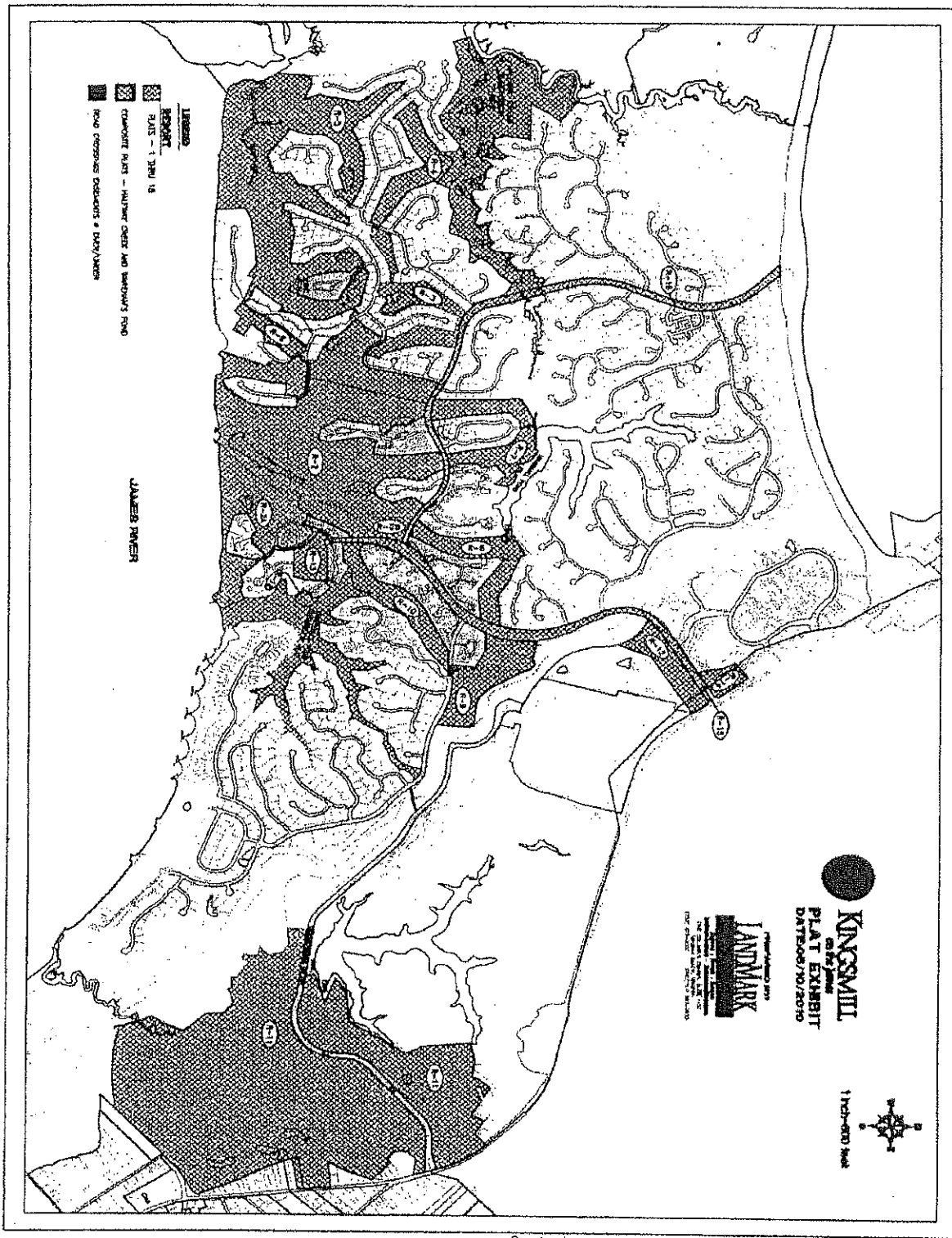
Description of the Resort

Being all that certain real property located partly in York County and partly in James City County identified by reference to the Plat Exhibit dated May 10, 2010, prepared by LandMark Design Group, a copy of which is attached to this Exhibit and incorporated herein by reference, and which Plat Exhibit identifies by reference the separate plats prepared by LandMark Design Group for the respective tax parcels.

James City County (JCC) and York County (YC)

Tax Parcel Number	Boundary Plat Reference^{^^}	Approximate Acreage
5040100001; 5030100001	R-2	206.25
5030100001	R-15 (Kingsmill Road)	24.85
5030100001	R-16 (Mounts Bay Road)	22.82
5030100001	R-3	24.34
5030100001	R-4	17.67
5030100001	R-5	131.41
5030100001	R-6	24.34
5030100001	R-7	23.93
5040100001	R-8	21.23
5040100001	R-9	24.74
5040100001	R-10	18.48
5040100001	R-13	8.15
5040100001	Wareham's Pond	48.45
5230100110	R-11	269.03
5230100111	R-11	72.33
5110100001 (JCC); G12B- 4361-2670 (YC)	R-14	6.00
5020100078 (JCC); 15-00- 00-001K (YC)	R-12	12.36
5030100001	Halfway Creek (West)	83.75
5040100001	R-18 (Padgett's Corporate Homes)	1.37
Total Acreage		1041.5

^{^^} Boundary Plats prepared by LandMark Design Group
One Columbus Center, Suite 1100, Virginia Beach, Virginia 23462



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Exhibit B

The Community

All real property which is now, or hereafter may be, subject to that certain Declaration of Covenants and Restrictions dated September 18, 1973, and recorded in the Clerk's Office of the Circuit Court of the City of Williamsburg and James City County, Virginia, in Deed Book 147, at page 642, as the same may be amended, restated, modified or supplemented from time to time.

Exhibit C

Security Services

KMPD or Other Security Provider Duties and Responsibilities

- 1) **Gates/screening of guests and visitors to Kingsmill -**
 - a) verification of authorization to enter Kingsmill property at gates
 - b) notification of Resort bell staff of incoming Resort guests
 - c) screening for individuals not allowed on/banned from property
 - d) providing directions to Community and Resort locations
 - e) notification of unannounced visitors to residences
 - f) monitoring the resident lane for possible violators
 - g) recording all vehicle license plates that enter property

- 2) **Calls for Service -**
 - a) including but not limited to responding to alarm activations (fire, burglar, etc.),
 - b) responding to emergency medical situations (first responder)
 - c) providing escorts (bank escorts, civil process servers, unannounced guests to residential locations, occasional escorts to the Resort)
 - d) employee/guest injury reports (includes documentation of incident, photographs of scene, etc.)
 - e) specialized calls for service (domestics, missing property, vandalism, resident assists, civil disputes, vehicle accidents etc.)
 - f) automobile jumpstarts for Community residents and Resort guests' vehicles
 - g) Upon request, house checks for unoccupied homes and welfare checks

- 3) **Patrol Duties -**
 - a) enforcement of local and state criminal and traffic laws throughout the property
 - b) maintaining physical security of all Community and Resort properties (patrolling residential neighborhoods, checking/securing/opening Community and Resort buildings, boat storage facilities, corporate homes, Resort lock-ups/checks, Woods Course/Laundry buildings, recreation centers, 300 McLaws offices (KISI, HR, Resort Accounting, Kingsmill warehouses), all Resort buildings
 - c) reporting of safety and roadway defects to proper departments for repair purposes (street lights, potholes, sink-holes, etc.)
 - d) continual patrol/observation of neighborhoods during the 24 hour shift.

- 4) **Investigations -**
 - a) basic crime scene investigations at calls for service
 - b) in-depth investigation/interview experience for larceny/embezzlement calls for service
 - c) traffic investigations at crash scenes on Community or Resort property
 - d) assistance to State Police and James City County Police Department ("JCCPD") at traffic

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12 of 14

investigations on Route 199 and Route 60.

5) **Kingsmill Dispatch -**

- a) monitoring of all Kingsmill emergency lines (JCCPD ring down phone, JCCPD and JCCFD radio channels, Kingsmill 3911 emergency lines)
- b) recording incoming guests of Community residents and entry of information into computer system for access from both gate locations
- c) maintenance of dispatch log (record all KMPD activities, calls for service, emergency announcements/information, etc.)
- d) point of Contact for all JCCPD and James City County Fire Department ("JCCFD) communications on emergency calls for service (10-27, 10-28 information)
- e) point of Contact for Resort dispatch and all emergency situations
- f) point of Contact for all Community residents in emergency situations (trained 911 dispatchers)
- g) gather and provide accurate, up to date information for officers responding to emergency situations to include JCCPD, JCCFD, and specialized agencies (U.S. Secret Service, FBI, U.S. Capitol Police)

6) **Specialized duties -**

- a) maintenance of KMPD vehicle fleet (scheduling regular maintenance services, cleaning/washing of vehicles, etc.)
- b) traffic enforcement (stationary and moving radar, care and service of department radar trailer, regular calibration of KMPD vehicle fleet, tuning forks, radar units to maintain DCJS and VA. State requirements)
- c) specialized functions: KMPD may be required to provide additional security to functions such as golf tournaments, marathons, parades, and VIP groups requiring specialized security.
- d) conduct CPR training for all KMPD and appropriate Resort employees
- e) conduct firearms certifications (bi-annual day and night qualifications to maintain DCJS and VA. State requirements)
- f) DCJS required In-Service and specialized training for appropriate KMPD officers, Conservator of the Peace training/certification
- g) Coordination with JJCPD Community Services Unit to provide specialized services/training (RAD, gated communities meetings, etc.)
- h) support personnel special situations (drunk/drugged employees, escorting terminated employees off property, etc.)
- i) Enforce Association covenants and community standards.

7) **Safety/Administration -**

- a) maintenance records of all employee and guest accidents and injuries -Regular safety inspection of all Kingsmill property and facilities

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13 of 14

- b) maintain/manage stock of emergency supplies (first aid kits, AED's, MSDS sheets, etc.) and daily supplies (pens, vehicle log sheets, etc.)/ distribute these items as needed
- c) coordination with Kingsmill Information Technology department on all computer-related issues and tasks (installation and maintenance of gate access system, proper use of computer equipment by KMPD employees, assist w/repair of computer- related issues, etc.)
- d) provide safety precautions for specialized Resort events (fireworks displays)
- e) provide safety inspections of facilities to ensure resident, Member, employee and guest safety on Community and Resort property
- f) management/maintenance of Kingsmill vehicle barcode records, issue barcodes to appropriate residents, Kingsmill employees, Kingsmill Members and contractors
- g) management/maintenance of KMPD financial records, billings, payroll
- h) scheduling of KMPD officers work assignments for all shifts

VIRGINIA: CITY OF WILLIAMSBURG & COUNTY OF JAMES CITY
 This document was admitted to record on 7-28-2010
 at 2:28 ~~PM~~ ^{AM}. The taxes imposed by Virginia Code
 Section 58.1-801, 58.1-802 & 58.1-814 have been paid.

STATE TAX	LOCAL TAX	ADDITIONAL TAX
\$ _____	\$ _____	\$ _____

TESTE: BETSY B. WOOLRIDGE, CLERK
 BY: Betsy B. Woolridge Clerk

A COPY TESTE:
 BETSY B. WOOLRIDGE, CLERK
 City of Williamsburg and County
 of James City, VA
 BY: Lee Ann Hallman
 Deputy Clerk

LR#6008151v2

13
 14 of 14

100015195

LICENSE AGREEMENT FOR USE OF PROPERTY

THIS LICENSE AGREEMENT FOR USE OF PROPERTY (this "Agreement") is made as of the 28th day of July, 2010 by and between **BUSCH PROPERTIES, INC.** a Missouri corporation ("Licensor"), having a mailing address of One Busch Place, St. Louis, Missouri 63118-1895, Attn: Michael R. Taylor, and **KINGSMILL COMMUNITY SERVICES ASSOCIATION**, a Virginia Nonstock corporation (the "Licensee"). Note to clerk for recording purposes: please index each party as both "grantor" and "grantee".

RECITALS:

A. Licensor owns certain property which it is willing to license to Licensee as follows:

(i) the Plantation Site, Pavilion Site, and Soccer Field depicted on Exhibit A attached hereto and made a part hereof, but expressly excluding therefrom any and all portion of such area which comprises land leased to one or more cellular telephone companies for the construction of cellular communication facilities thereon (collectively, the "Exhibit A Premises");

(ii) the Boat and RV Storage Area as depicted on Exhibit B attached hereto and made a part hereof; and

(iii) the Boat and RV Storage Area as depicted on Exhibit C attached hereto and made a part hereof;

such three areas together being known as the "Premises." The Premises includes both improved and unimproved property, but expressly excludes any historical artifacts and historical remains located on or within the Premises.

B. Licensee has requested from Licensor, and Licensor desires to grant to Licensee, a license (the "License") for:

(i) the right to use the portion of the Premises comprising the Exhibit A Premises for picnics, community meetings, soccer games, other athletic events and other recreational and/or social purposes (the "Pavilion Uses"); and

(ii) the right to use the portion of the Premises designated on Exhibit B and Exhibit C for the storage and parking of boats and recreational vehicles and supplies and other miscellaneous equipment used in connection with boat and recreational vehicle storage (the "Boat and RV Storage Uses");

1 of 13

Prepared by and return to:
Elizabeth L. White, Esq.
LeClairRyan
5388 Discovery Boulevard, Third Floor
Williamsburg, VA 23188

such uses together being known as the "License Uses," and subject to the following terms and conditions.

AGREEMENTS:

1. Grant of License. For and in consideration of the terms and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Licensor, Licensor hereby grants to Licensee:

(a) an exclusive license to use those portions of the Premises designated on Exhibit B and Exhibit C for the Boat and RV Storage Uses; and

(b) a non-exclusive license to use the portion of the Premises designated on Exhibit A for the Pavillion Uses; which uses shall be shared with Licensor and other licensees of Licensor on the terms and conditions hereinafter provided.

In connection with the foregoing License described in items (a) and (b) above, Licensee shall have the right of access (ingress and egress) to and from the Premises over roads and drives owned by Licensor in connection with Licensee's use of the Premises. Licensee shall not store any of its materials or equipment on any roads or drives owned by Licensor and shall cooperate with Licensor to allow unrestricted access over such roads and drives owned by Licensor. All use of the Premises shall comply with applicable laws, pre-existing easements of record, and the terms and conditions of this Agreement.

2. Term. This Agreement shall have an initial term commencing on the date of this Agreement and: (i) with respect to the areas designated for Boat and RV Storage Uses, shall end on the date which is three (3) years after the date of this Agreement; (ii) and with respect to the areas designated for Pavilion Uses, shall end on the date which is ten (10) years after the date of this Agreement (individually a "Term" and collectively the "Terms"). Upon their respective expirations, the Terms shall automatically renew for successive 12 month periods provided neither party notifies the other in writing of its intent to not renew this Agreement within sixty (60) days before the date of expiration of the applicable Term. Further, any termination right may be exercised by either party to terminate this Agreement as to all three (3) areas comprising the Premises or as to one or more but not all of the three (3) areas comprising the Premises. In the event of a partial termination of this Agreement as to one or more of the three (3) areas comprising the Premises, this Agreement shall remain in full force and effect in accordance with the terms and conditions hereof as to any and all of the remainder of the three (3) areas comprising the Premises.

3. Condition Upon Termination. Licensee agrees that upon expiration or termination of this Agreement, any and all boats, recreational vehicles and other equipment stored on the Premises, shall be removed and the Premises returned to Licensor in good order and condition, subject to reasonable wear and tear, and in compliance with applicable law.

4. Management, License Fee(s) and Scheduling. Notwithstanding Licensor's ownership of the Premises, the parties acknowledge that Licensee has historically managed, operated, scheduled use for and collected fees in connection with the use of the Premises. As of January 1, 2011, the parties hereby agree and acknowledge that Licensor shall be wholly responsible for managing, operating, maintaining, scheduling the use for and collecting fees (collectively, the "Management Functions") in connection with the use of the Premises and that Licensee

shall no longer be responsible for such Management Functions. Beginning on January 1, 2011, Licensor shall have the right to charge a fee to those individuals who use the RV and Boat Storage Areas pursuant to rental agreements to be provided by Licensor and at rates set in Licensor's sole discretion. Beginning on January 1, 2011, Licensor shall create and control a schedule used to record reserved uses of that portion of the Premises shown on Exhibit A. At the beginning of each calendar year, Licensee shall provide Licensor with dates which Licensee desires to reserve the Exhibit A Premises for Pavilion Uses for the upcoming year (hereinafter referred to as "Association Sponsored Events"), which dates Licensor shall use its best efforts to prioritize and reserve for use by Licensee. Licensee's use of the Exhibit A Premises for Association Sponsored Events shall be free of charge. For events other than Association Sponsored Events, Licensor shall have the right to charge a fee to those individuals who use the Pavilion pursuant to rental agreements to be provided by Licensor and at rates set in Licensor's sole discretion. Licensor agrees to cooperate in good faith, and to coordinate with Licensee, in the scheduling of any and all other uses of the Exhibit A Premises, providing reasonable notice to Licensee and recognizing any prior reservations by Licensee.

5. Indemnification. Licensee agrees to indemnify, protect, defend and hold harmless Licensor, its parent, subsidiary and affiliated corporations, and their respective directors, officers, employees and agents, from and against any and all claims, liabilities, losses, damages, injuries, demands, actions, causes of action, suits, proceedings, judgments and expenses, including, without limitation, reasonable attorneys' fees, court costs and other legal expenses, including those incurred at the trial and appellate levels and in any bankruptcy, reorganization, insolvency or other similar proceedings (together "Claims"), arising out of, or directly connected with, the use of the Premises (and any appurtenant property owned by Licensor to which Licensee has a right of use under this Agreement) by Licensee, its employees, agents, contractors, invitees or members. Licensor shall give Licensee prompt notice of any Claims coming within the purview of Licensee's indemnity. Licensor agrees to indemnify, protect, defend and hold harmless Licensee, its respective directors, officers, employees and agents, from and against any and all Claims arising out of, or directly connected with, the use of that portion of the Premises designated for Pavilion Uses by Licensor, its employees, agents, contractors, invitees or members, but only to the extent such Claim does not arise out of Licensee's use of such area. Licensee shall give Licensor prompt notice of any such Claims coming within the purview of Licensor's indemnity. Expiration or termination of this Agreement shall not affect the respective continuing obligations of Licensee and Licensor as indemnitors hereunder with respect to claims arising and/or incurred during the Term hereof.

6. Insurance. Licensee agrees to provide Licensor with evidence that it carries Commercial General Liability insurance coverage, written on an occurrence basis, in the amount of not less than \$2,000,000.00, including automobile coverage, for any one occurrence with contractual liability coverage related to the use of the Premises and the foregoing indemnity set forth in paragraph 5 above. Licensee further agrees to provide Licensor with evidence that its contractors, if any, that will be performing work on the Premises carry Commercial General Liability insurance coverage, written on an occurrence basis, in the amount of not less than \$1,000,000.00, including automobile coverage, for any one occurrence with contractual liability coverage for the foregoing indemnity set forth in paragraph 5 above. The insurance company(ies) shall be reasonably acceptable to Licensor. Licensor shall be named as an additional insured on this policy with respect to claims arising out of Licensee's use of the Premises by Licensee pursuant to this Agreement and such coverage shall be primary with respect to such usage, and any insurance maintained by Licensor shall be excess with regard to Licensee's uses and not contributing with Licensee's insurance. Licensor shall

receive at least thirty (30) days' notice of any modification, cancellation or other changes in such policy. Failure to provide such evidence of insurance to Licensor (and to keep such evidence current) shall constitute a default hereunder.

7. Premises Licensed As Is. The use of the Premises is allowed "as-is". Licensor makes no representations or warranties about its condition or use for the purposes allowed. Licensor shall have no obligation to repair any existing conditions, and shall have no obligation to maintain or repair the Premises in any way except as expressly provided otherwise herein. Except in connection with the performance of Licensee's obligations or the exercise of Licensee's rights under this Agreement, Licensee shall have no right to alter the Premises without the prior written consent of Licensor, which may be withheld in Licensor's sole discretion.

8. Maintenance of Premises.

(a) Interim Responsibilities. Until January 1, 2011 (upon which date Licensor shall assume the Management Functions), Licensee agrees to continue to manage the Premises and keep the Premises in clean and neat condition, reasonable wear and tear excepted, including, without limitation:

(i) With respect to the Exhibit A Premises, removing trash and debris associated with the Association Sponsored Events, but expressly excluding any and all maintenance and/or landscaping or other obligations relating to or arising out of the cellular communication tower(s) and/or lease(s) affecting any portion of the Premises. Any damage to the Exhibit A Premises resulting from or arising out of Licensee's use of the Premises shall be repaired to as good a condition as previously existed by Licensee within a reasonable time after such damage occurs; and

(ii) With respect to the Boat and RV Storage Areas shown on Exhibit B and Exhibit C, removing weeds and removing trash and debris. Any damage to the surface of the Premises or any surrounding fence resulting from or arising out of Licensee's use of the Premises shall be repaired to as good a condition as previously existed by Licensee within a reasonable time after such damage occurs.

The foregoing notwithstanding, Licensee shall not be responsible for any maintenance and/or repairs resulting from acts or omissions of Licensor, its guests, contractors, employees or invitees, nor shall Licensee be obligated to make any repairs and/or replacements of a structural nature to the Pavilion facility located within that portion of the Exhibit A Premises unless the need for such repairs and/or replacements results from or arises out of Licensee's use of the Premises (in which case Licensee shall be responsible for same).

(b) Commencing January 1, 2011. Beginning January 1, 2011 (upon which date Licensor shall assume the Management Functions), the parties shall have the following maintenance responsibilities:

(i) With respect to the Exhibit A Premises, Licensee shall remove trash and debris associated with the Association Sponsored Events (but expressly excluding any and all maintenance and/or landscaping or other obligations relating to or arising out of the cellular communications tower(s) and/or lease(s) affecting any portion of the Premises). Any damage to the Exhibit A Premises resulting from or arising out of the Association

Sponsored Events shall be repaired to as good a condition as previously existed by Licensee within a reasonable time after such damage occurs; and

(ii) Licensor shall be responsible for maintaining, repairing and replacing the Boat and RV Storage Areas shown on Exhibit B and Exhibit C in accordance with the rental agreements between Licensor and those individuals who use the RV and Boat Storage Areas.

The foregoing notwithstanding, Licensee shall not be responsible for any maintenance and/or repairs resulting from acts or omissions of Licensor, its guests, contractors, employees or invitees, nor shall Licensee be obligated to make any repairs and/or replacements of a structural nature to the Pavilion facility located within that portion of the Exhibit A Premises unless the need for such repairs and/or replacements results from or arises out of Licensee's use of the Premises (in which case Licensee shall be responsible for same).

9. Chemicals. Prior to January 1, 2011, Licensee shall be permitted to store and use only on those areas of the Premises shown on Exhibit B and Exhibit C only those chemicals (including without limitation fertilizers, herbicides, pesticides and fungicides) approved in advance in writing by Licensor and used in the ordinary course of maintenance of the Premises. Following January 1, 2011, allowed chemical use on the Premises shall be governed by those individual rental agreements contemplated to be entered into by Licensor and members of Licensee. Licensee shall defend, indemnify and hold Licensor harmless from and against any release of any chemicals on or in the Premises as a result of Licensee's use or occupation of such Premises.

10. Utilities. If not paid directly by Licensee, Licensee shall be obligated to reimburse Licensor for Licensee's use of water, sewer, and electricity at the Premises, and to promptly reimburse Licensor or third parties (as applicable based upon the presentation of reasonable evidence by Licensor of the payment of such charges) for Licensee's use of such utility services.

11. Authority. The individual executing this Agreement on behalf of Licensee represents to Licensor that this Agreement has been duly authorized and approved. Licensor represents that the individual executing this Agreement on behalf of Licensor has been duly authorized and approved by Licensor to do so.

12. Notices. Any notice required or permitted to be given by or to either party under this Agreement shall be in writing, except as otherwise provided in this Agreement, and addressed as follows:

To Licensor:

Kingsmill Resort and Spa
1010 Kingsmill Road
Williamsburg, Virginia 23185
Attention: General Manager

With a copy of all written notices to:

Busch Properties, Inc.
One Busch Place

St. Louis, Missouri 63118
Attn: President

and

Anheuser-Busch Companies, Inc.
One Busch Place
St. Louis, Missouri 63118
Attention: Vice President and General Counsel

To Licensee:

Kingsmill Community Services Association
300 McLaws Circle, Suite 105
Williamsburg, VA 23187
Attn: President

With a copy of all written notices to:

LeClairRyan
5388 Discovery Park Boulevard
Third Floor
Williamsburg, VA 23188
Attn: Elizabeth L. White, Esq., as Registered Agent

Such notices shall be deemed to have been given three (3) days after having been deposited in the United States mail, certified or registered, return receipt requested; upon receipt when hand delivered; or the next day when sent guaranteed overnight delivery by Federal Express or another national overnight delivery service. Either party may, at any time, change its address for notice purposes by providing a notice in accordance herewith stating the change and setting forth the new address.

13. Defaults. In the event either party defaults in any of its obligations hereunder, the defaulting party shall have thirty (30) days after receipt of written notice of such default to cure any such default and after the expiration of such period, the non-defaulting party shall have all rights and remedies at law or in equity.

14. Miscellaneous.

(a) Waiver. If a party fails to insist on the strict observance by the other party of any of the provisions of this Agreement, such party shall not be precluded from subsequently enforcing this Agreement or be held to have waived any such provision.

(b) Compliance with Applicable Law. During the term of this Agreement, each party hereto shall comply at its cost and expense with all lawful requirements of local, county, state and national authorities applicable to its use of and responsibilities concerning the Premises and to any construction, use, maintenance, repair, replacement, inspection, removal and operation of the Premises.

(c) Relationship of the Parties. Nothing in this Agreement shall be deemed or construed by the parties hereto or by any third person to create the relationship of principal and agent, partnership, joint venture, landlord and tenant or any other association between the parties other than the relationship described herein.

(d) Entire Agreement. This Agreement, including all exhibits hereto (which are hereby incorporated herein by reference for all purposes) contains the full and final agreement of every kind and nature whatsoever between the parties hereto concerning the subject matter set forth herein and all preliminary negotiation and agreements of any kind are merged herein. This Agreement may not be changed, amended or modified in any manner other than by a written amendment or modification executed between the parties, or their respective successors and/or assigns.

(e) Partial Invalidity. If any provision of this Agreement or the application thereof shall be deemed invalid or unenforceable, the remainder of this Agreement in its application shall not be affected by such partial invalidity but shall be enforced to the fullest extent permitted by law as if such invalid or unenforceable provision was never a part hereof.

(f) Applicable Law. This Agreement shall be construed in accordance with the laws of the state of Virginia and the parties agree that jurisdiction for all actions hereunder shall lie in the state of Virginia.

(g) Assignment, Successors and Assigns. This Agreement shall be binding and enforceable against the parties hereto and their respective successors and assigns. Licensor shall have the right to assign its rights and obligations under this Agreement to any successor owner of Licensor's fee interest in the Premises or any portion thereof. Licensee shall have no right to assign this Agreement (other than the right to allow others to use the Premises in accordance with this Agreement and the right to collect fees for such usage up to January 1, 2011), except with Licensor's written consent, which may be given or withheld in Licensor's sole and absolute discretion. All rights, obligations and liabilities herein given to or imposed upon any party hereto shall extend to the permitted successors and assigns of any such party and, with respect to Licensor, to any successor owner of Licensor's fee interest in the Premise or any portion thereof.

(h) Counterparts. This Agreement may be executed in one or more identical counterparts and all such counterparts together shall constitute a single instrument for the purpose of the effectiveness of this Agreement.

(i) Recordation. Upon execution and delivery of this Agreement by Licensor, the parties each agree that Licensee shall cause this Agreement to be recorded in the Clerk's Office of the Circuit Court for the City of Williamsburg and James City County ("Clerk's Office"), and the cost of such recordation (including Clerk's fees and recording taxes, if any) shall be shared equally between the parties.

(j) No Third Party Beneficiaries. Any and all rights, obligations, privileges and liabilities conferred by this Agreement are solely for the benefit of the parties hereto and their permitted successors and assigns, and this Agreement shall not be interpreted to confer upon any other person or party any of the rights, obligations, privileges or liabilities which may exist between the parties hereto by virtue of this Agreement.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above and by executing this Agreement, each party represents and warrants unto the other that he/she/it has all necessary corporate authority and has taken all necessary action to authorize each of their execution and delivery of this Agreement

Licensors:

BUSCH PROPERTIES, INC.,
a Delaware corporation

By: *Michael R. Taylor*
Name: Michael R. Taylor
Its: President

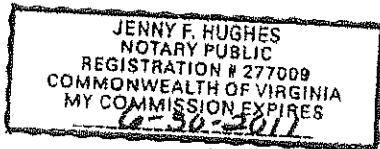
Commonwealth
STATE OF Virginia
CITY/COUNTY OF James City

The foregoing instrument was acknowledged before me this 28th day of July, 2010, by Michael R. Taylor, as President of Busch Properties, Inc., a Delaware corporation, on behalf of the corporation.

My commission expires: 6-30-2011

Jenny F. Hughes
Notary Public
Printed Name: Jenny F. Hughes
Notary Registration No.: 277009

[SEAL]



Licensee:

KINGSMILL COMMUNITY SERVICES
ASSOCIATION, a Virginia non-stock corporation

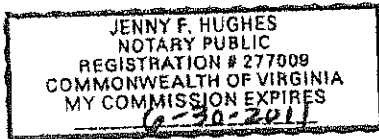
By: E. L. Brown
Name: E. L. BROWN
Its: VICE PRESIDENT

Commonwealth
STATE OF Virginia
CITY/COUNTY OF James City

The foregoing instrument was acknowledged before me this 28th day of July,
2010, by E. L. Brown, as Vice President of
Kingsmill Community Services Association, a Virginia non-stock corporation, on behalf of the
corporation.

My commission expires: 6-30-2011

Jenny F. Hughes
Notary Public
Printed Name: Jenny F. Hughes
Notary Registration No.: 277069



VIRGINIA: CITY OF WILLIAMSBURG & COUNTY OF JAMES CITY
This document was admitted to record on 7-28-2010
at 2:27 PM. The taxes imposed by Virginia Code
Section 58.1-801, 58.1-802 & 58.1-814 have been paid.

STATE TAX LOCAL TAX ADDITIONAL TAX

\$ _____ \$ _____ \$ _____
TESTE: BETSY B. WOOLRIDGE, CLERK

BY: Betsy B. Woolridge Clerk

A COPY TESTE:
BETSY B. WOOLRIDGE, CLERK
City of Williamsburg and County
of James City, VA

BY: Becky Hallman
Deputy Clerk

FLAT ATTACHED

EXHIBIT A

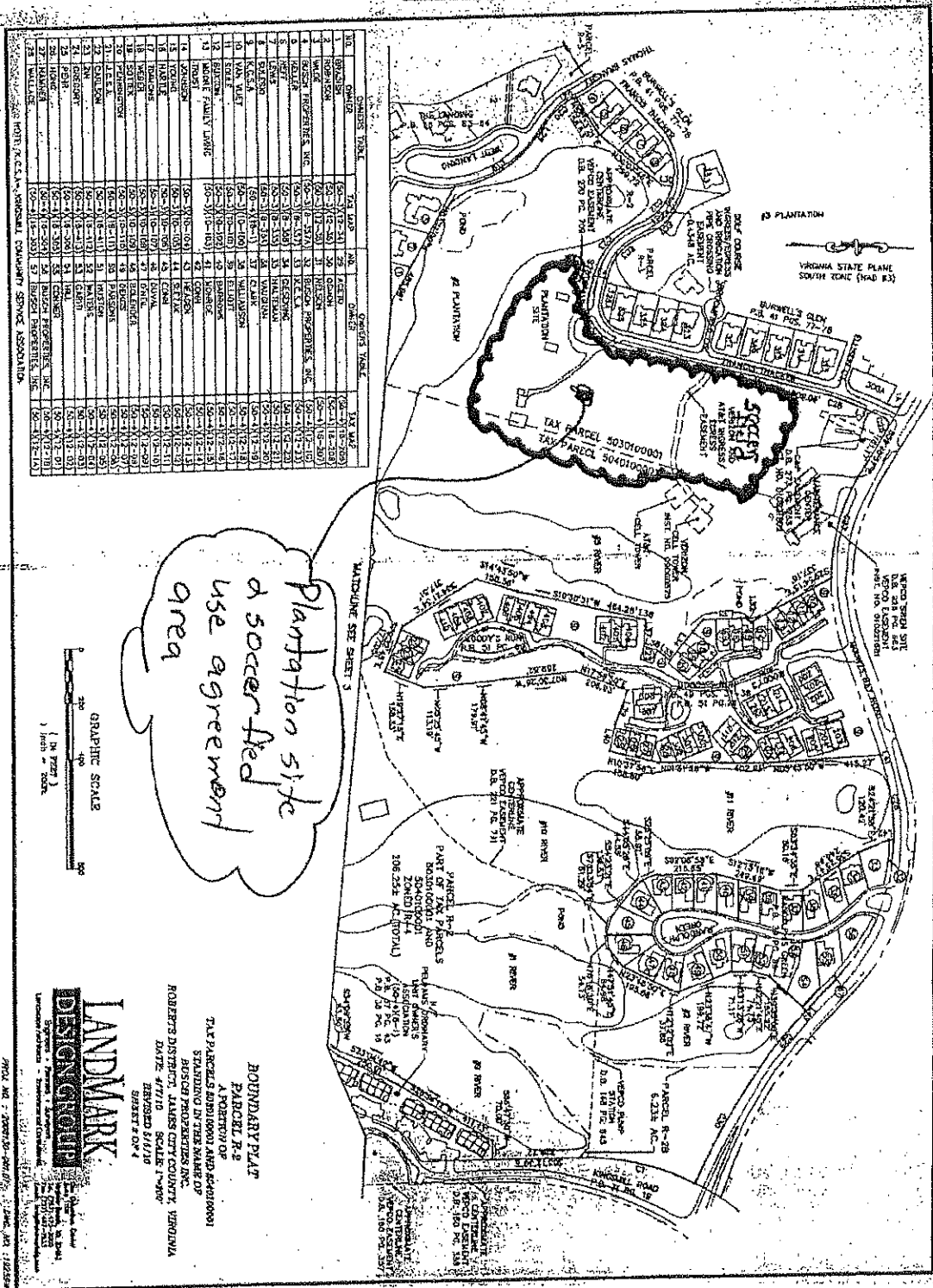
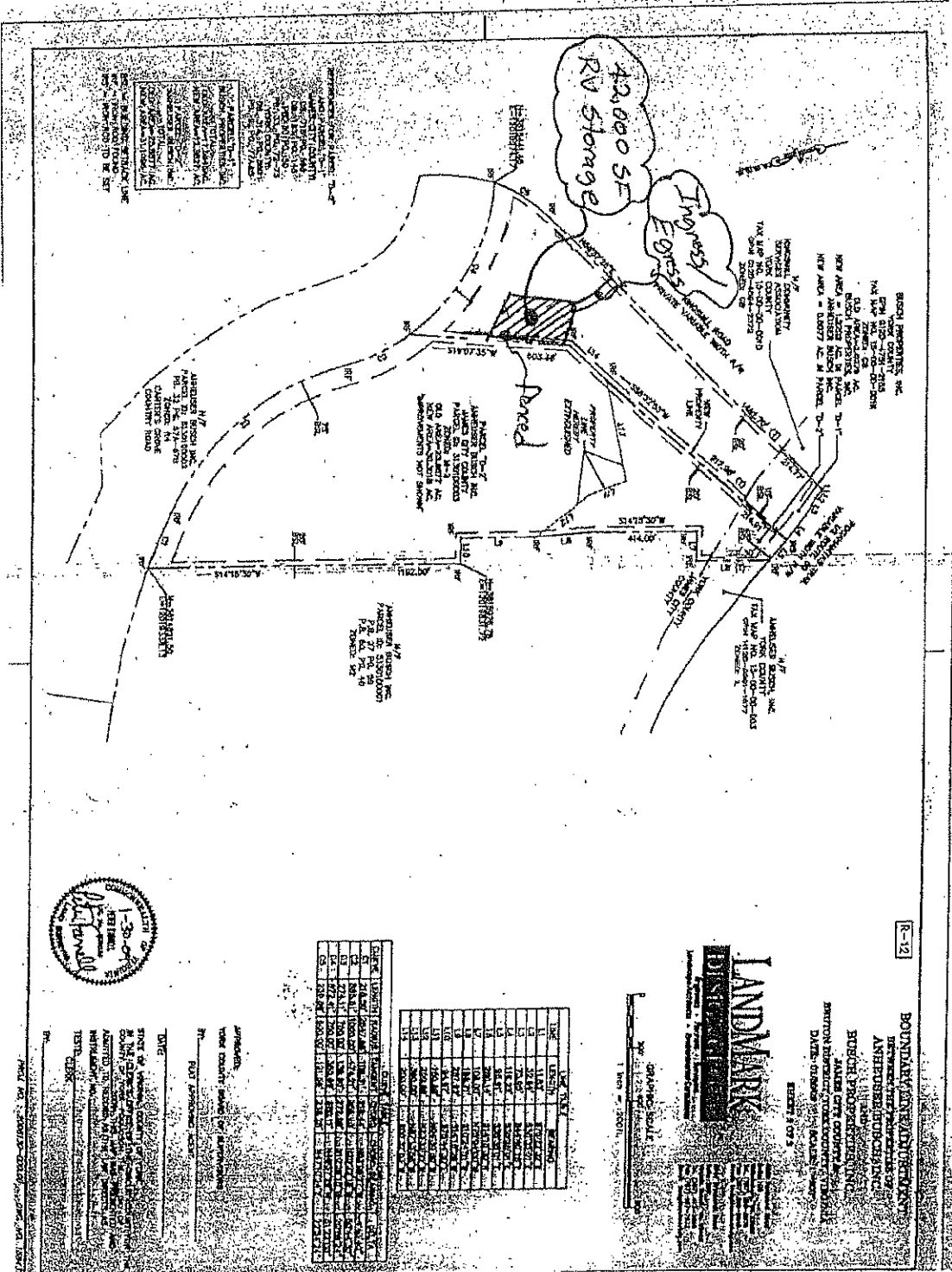


EXHIBIT C



AMERICAN BROWN INC. 1/2 AC. PARCEL 10-1-100-00-000
 JAMES CITY COUNTY 1/2 AC. PARCEL 10-1-100-00-000
 AMERICAN BROWN INC. 1/2 AC. PARCEL 10-1-100-00-000
 JAMES CITY COUNTY 1/2 AC. PARCEL 10-1-100-00-000

LINE	LENGTH	BEARING	AREA
1	11.17	N 89° 58' 12" W	125.12
2	11.17	S 89° 58' 12" W	125.12
3	11.17	S 0° 0' 0" W	125.12
4	11.17	N 0° 0' 0" W	125.12
5	11.17	N 89° 58' 12" W	125.12
6	11.17	N 89° 58' 12" W	125.12
7	11.17	N 89° 58' 12" W	125.12
8	11.17	N 89° 58' 12" W	125.12
9	11.17	N 89° 58' 12" W	125.12
10	11.17	N 89° 58' 12" W	125.12
11	11.17	N 89° 58' 12" W	125.12
12	11.17	N 89° 58' 12" W	125.12
13	11.17	N 89° 58' 12" W	125.12
14	11.17	N 89° 58' 12" W	125.12
15	11.17	N 89° 58' 12" W	125.12
16	11.17	N 89° 58' 12" W	125.12
17	11.17	N 89° 58' 12" W	125.12
18	11.17	N 89° 58' 12" W	125.12
19	11.17	N 89° 58' 12" W	125.12
20	11.17	N 89° 58' 12" W	125.12
21	11.17	N 89° 58' 12" W	125.12
22	11.17	N 89° 58' 12" W	125.12
23	11.17	N 89° 58' 12" W	125.12
24	11.17	N 89° 58' 12" W	125.12
25	11.17	N 89° 58' 12" W	125.12
26	11.17	N 89° 58' 12" W	125.12
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29	11.17	N 89° 58' 12" W	125.12
30	11.17	N 89° 58' 12" W	125.12
31	11.17	N 89° 58' 12" W	125.12
32	11.17	N 89° 58' 12" W	125.12
33	11.17	N 89° 58' 12" W	125.12
34	11.17	N 89° 58' 12" W	125.12
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37	11.17	N 89° 58' 12" W	125.12
38	11.17	N 89° 58' 12" W	125.12
39	11.17	N 89° 58' 12" W	125.12
40	11.17	N 89° 58' 12" W	125.12
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49	11.17	N 89° 58' 12" W	125.12
50	11.17	N 89° 58' 12" W	125.12

LANDMARK
 DISTRICT OF COLUMBIA
 BOUNDARY SURVEY
 BETWEEN THE PARCELS OF
 AMHERSTER TRADING CO.
 AND
 JAMES CITY COUNTY
 SURVEYED BY
 BRITTON DEWITT
 DATE: 01-08-2014
 SHEET 1073



Exhibit 10

to

Disclosure Certificate

Kingsmill Community Services Association

Copy of Approved Minutes of Meetings of Board of Directors and

Meetings of the Association

KCSA BOARD MEETING SCHEDULE

2014

DATE	TYPE OF MEETING	DAY OF WEEK
January 23, 2014	Board Meeting	Thursday
February 27, 2014	Board Meeting	Thursday - 7:00 p.m.
March 27, 2014	Board Meeting	Thursday
April 24, 2014	Board Meeting	Thursday
May 22, 2014	Board Meeting	Thursday - 7:00 p.m.
June 26, 2014	Board Meeting	Thursday
July	Board Recess	Board Recess
August 28, 2014	Board Meeting	Thursday
September 08, 2014	Annual Meeting	Monday - 7:00 p.m.
September 25, 2014	Board Meeting	Thursday
October 23, 2014	Board Meeting	Thursday
November 12, 2014	Budget Presentation	Wednesday - 7:00 p.m.
November	Board Recess	Board Recess
December 4, 2014	Board Meeting	Thursday
<p>Please mark these dates on your calendar.</p> <p>All board meetings are open to the membership.</p> <p>The regular Board meetings begin at 3:00 p.m. unless otherwise noted and are held at the Mounts Bay Recreation Center.</p> <p>The Board is in recess during July and November. Meetings may still be called if necessary.</p>		

**KCSA Board of Directors
Meeting Minutes
May 23, 2013**

Present: Marisa Botta
Tom Cucuel
Frank Dooley
Charlotte Jones
Kevin Kolda
Christine Rose
Michael Shannon

Also present: Tim O'Connor, Executive Director
Dave Orr, Senior Vice President Wentworth

Not Present: Jim Zinn
Michael Taylor

Mr. Frank Dooley presided. The KCSA Board of Directors' meeting was called to order at approximately 7:00 p.m.

Board Minutes

Upon motion duly made and seconded, the minutes of the May 10, 2013 Work Session of the Board of Directors' Meeting Minutes were approved.

Upon motion duly made and seconded, the minutes of the May 10, 2013 Executive Session of the Board of Directors' Meeting Minutes were approved.

Upon motion duly made and seconded, the minutes of the May 16, 2013 Executive Session of a Committee of the Board of Directors' Due Process Meeting were approved.

Consent Agenda

The following items were presented for Board approval:

- a. Archer's Mead – Smith's Tree Care – 2013 Tree removal on LCA - \$10,260.00
- b. Littletown Quarter - Smith's Tree Care – 2013 Tree removal on LCA - \$8,915.00
- c. Wareham's Point – Keel Painting - 2013 Pressure washing (55 units) - \$11,900.00

Upon motion duly made and seconded, the Board approved the foregoing consent items.

Financial Statement

Upon motion duly made and seconded, the April 2013 financial statements were accepted.

Staff report

Tim O'Connor presented the staff report. Jim West presented the report for KMPD. The reports were accepted.

Old Business –

- a. Upon motion duly made and seconded, the Board approved the request by the Owner of 401 River's Edge to sod to the tree line behind his lot in LCA. Charlotte Jones abstained from the vote.

New Business

- a. Upon motion duly made and seconded, the Board approved the revised Pool Rules and Regulations.

President's Report

- Reminder – The summer kick-off picnic is this weekend.
- Thank you to everyone who came out on this rainy night.
- Have a safe holiday weekend.

Committee Reports

Budget and Finance

- We have received the final bound audit copies.
- Collections are continuing to roll in.

Buildings and Grounds

- We are working on the 2014 landscape contracts.
- Flag poles will be installed at Mounts Bay and Southall rec centers next week.
- Bid requests are out for the Quarterpath Trace sidewalks. Both brick pavers and gravel materials will be considered. Contracts will be awarded in August.
- The reimbursement check from James City County for the rain garden is on the way.

Communications and 40th Anniversary

- Committee members are still interviewing staff for Bulletin articles. They have been positively received.
- Three pilots of website education were presented at the Wareham's Point, Littletown Quarter, and Quarterpath Trace meetings.
- They are starting to work on the 40th Anniversary Journal.
- The 40th Anniversary Committee met today. The picnic and parade will take place on September 7.

Public Works

- WEG is helping the Committee select contractors.
- Work is continuing on the Sandy's Fort roadway.

Recreation Committee

- Mounts Bay and Southall pools are opening this weekend.
- The Committee has approved a new group. Heather Cardasco will offer a class similar to Yoga for those suffering from arthritis.

Community Standards

- The EPB Policies & Procedures and KCSA Rules & Regulations are almost ready. The committee will have recommendations at the June Board Meeting.

Quarterpath Trace

- The semi-annual meeting on May 8 was very well attended.

Homeowner Forum

Upon motion duly made and approved the meeting was adjourned at 7:35 p.m.

Respectfully submitted,

Mona King
Recording Secretary

KCSA Board of Directors
Meeting Minutes
June 27, 2013

Present: Tom Cucuel
Frank Dooley
Charlotte Jones
Shane Harvey
Kevin Kolda
Tom Mernin
Christine Rose
Michael Shannon
James Zinn

Also present: Tim O'Connor, Executive Director
Steve Doran, Vice President – Compliance, FirstService Residential
Gordon Taylor, Vice President, Parks South, Xanterra

Mr. Frank Dooley presided. The KCSA Board of Directors' meeting was called to order at approximately 3:00 p.m. and was opened with the President's Report.

- Wished everyone a happy and safe Fourth of July
- Announced that Kevin Kolda would chair the Candidate Search Committee. Christine Rose is running for re-election, however, Tom Cucuel is not.
- The transaction between BPI and Xanterra closed. Xanterra is now the Kingsmill Declarant/ Developer and plans to add 400 more homes in ten years.
- Introduced Gordon Taylor and Steve Doran
- Also introduced two newly appointed Board members, Xanterra employees Shane Harvey and Tom Mernin. Michael Taylor and Marisa Botta no longer serve on the Board. Mr. Dooley thanked them for their service.
- The Board will be in recess in July, therefore there will be no monthly meeting. There will be a work session to review the Policies and Procedures and Rules and Regulations.

Tim O'Connor read the Appointment of the Board of Directors of KCSA removing all Directors appointed by BPI and appointing Shane Harvey, Charlotte Jones, Kevin Kolda, Tom Mernin, and Michael Shannon. The Assignment and Assumption of Declarant Rights which were recorded with the sale were also summarized.

Board Minutes

Upon motion duly made and seconded, the minutes of the May 23, 2013 Board meeting minutes were approved.

Upon motion duly made and seconded, the minutes of the June 18, 2013 Executive Session of a Committee of the Board of Directors' Due Process Meeting were approved.

Consent Agenda

The following item was presented for Board approval:

- a. Archer's Mead – Smith's Tree Care – 2013 Tree removal on LCA - \$2,350

Upon motion duly made and seconded, the Board approved the foregoing consent item.

Financial Statement

Upon motion duly made and seconded, the May 2013 financial statements were accepted.

Staff report

Tim O'Connor presented the staff report. Jim West presented the report for KMPD. The reports were accepted.

Old Business –

None

New Business

- a. Upon motion duly made and seconded, Moody's Run request to transfer \$1,975 for streetlight/lamppost replacement from OE to MM&R was approved.
- b. Upon motion duly made and seconded, a contract with Kenny Heath not to exceed \$35,000 in 2013 to repair drainage areas throughout the common areas was approved.
- c. Upon motion duly made and seconded, a contract with Kenny Heath in the amount of \$5,869 for Winster Fax ravine repair (behind Unit 9) was approved. (Cost will be shared between Xanterra, Winster Fax and KCSA contingent upon Xanterra viewing the ravine.)
- d. Upon motion duly made and seconded, a River's Edge contract with Valley Crest in the amount of \$8,800 to clean up trees downed in Limited Common Area during the June 13 storm was approved.
- e. Upon motion duly made and seconded, the year-end audit parcel surplus allocations were approved.
- f. Upon motion duly made and seconded, the revised parcel budgets reflecting the year-end audit results were approved.
- g. Upon motion duly made and seconded, Archer's Mead request to replace entrance lamps using MM&R funds not to exceed \$5,570 was approved.
- h. Upon motion duly made and seconded, Christine Rose was elected Vice-President.
- i. Upon motion duly made and seconded, Moody's Run request to repaint the entrance signs using \$2200.00 from OER was approved.

- j. Upon motion duly made and seconded, the Owner of 405 Littleton Quarter's request to install at his expense, a drainage pipe under Limited Common Area was approved. The Parcel will be responsible for subsequent maintenance.

Committee Reports

Budget and Finance

- The Board, Budget & Finance Committee members, Committee Chairs and budget representatives will meet in a working session to discuss the 2014 budgets on July 11. Templates will be distributed following that meeting.
- Budget & Finance members will meet with PACs and committee members. Carolyn Davis will lead this process.
- PAC Chairs and budget representatives and Susan Sickal will meet in late July.

Buildings and Grounds

- We are working on the 2014 landscape contracts. Will review with the Board during the July 11 work session.
- Flag poles have been installed at Mounts Bay and Southall rec centers.
- Quarterpath Trace sidewalk contracts are ready.

Communications and 40th Anniversary

- Bulletin staff articles will finish in September.
- Working on a re-branding article
- They are starting to work on the 40th Anniversary Journal.
- The 40th Anniversary Committee is meeting today. Picnic plans are well underway. Resident invitations will go out in late July.

Public Safety

- Working on Community Emergency Response Team (CERT) articles.
- The Safety staff member will be a member of the Committee.

Public Works

- The Sandys' Fort sink hole is fixed.
- RFPs for road paving will be reviewed in July.
- Meeting with three contractors regarding Kingsmill Pond dam spillway remediation.

Recreation Committee

- Kicking off the Lifestyle program. Lynn Schlesinger will manage it.
- The cookout was a success.
- The first round of swim lessons wrapped up. The classes were full.

Community Standards

- No report

Homeowner Forum

EPB Appeal

The Board upheld the EPB's decision.

Upon motion duly made and approved the meeting was adjourned at 4:36 p.m.

Respectfully submitted,

Mona King
Recording Secretary

Approved at the August 22, 2013 Board meeting

**KCSA Board of Directors
Meeting Minutes
August 22, 2013**

Present: Tom Cucuel
Frank Dooley
Charlotte Jones
Shane Harvey
Kevin Kolda
Tom Mernin
Christine Rose
Michael Shannon
James Zinn

Also present: Tim O'Connor, Executive Director

Mr. Frank Dooley presided. The KCSA Board of Directors' meeting was called to order at approximately 3:00 p.m. and was opened with the Homeowner forum.

Board Minutes

Upon motion duly made and seconded, the minutes of the June 27, 2013 Board meeting minutes were approved.

Upon motion duly made and seconded, the minutes of the July 11 2013 Executive Session of the Board of Directors' Meeting Minutes were approved.

Upon motion duly made and seconded, the minutes of the July 25, 2013 Work Session of the Board of Directors' Meeting Minutes were approved.

Upon motion duly made and seconded, the minutes of the July 25, 2013 Executive Session of a Committee of the Board of Directors' Due Process Meeting were approved.

Consent Agenda

The following items were presented for Board approval:

- a. Archer's Mead – Jesse Fisher Builder – 2013 Garage Repairs - \$4973.00
- b. 2013 Road Paving, Wareham's Pond Road East and West, Burwell's Landing, Sandys' Fort, Blair Court – ECS LLC – Quality Control Services - \$9500.00
- c. Mounts Bay and Southall Rec Centers – Mark's Pest Control – Monthly Service, and One-time Yard Spray - \$1115.00

Upon motion duly made and seconded, the Board approved the foregoing consent items.

Financial Statement

Upon motion duly made and seconded, the June and July 2013 financial statements were accepted.

Staff report

Tim O'Connor presented the staff report. Jim West presented the report for KMPD. The reports were accepted.

Old Business –

None

New Business

- a. The Moody's Run Parcel Chair was directed to get bids to clean out the swale behind unit 210.
- b. Upon motion duly made and seconded, Marilyn Mead's appointment to Winster Fax PAC to replace a departing member was approved.
- c. Upon motion duly made and seconded, William Sember's appointment to the Recreation Committee was approved.
- d. Upon motion duly made and seconded, the Board approved combining the Landscape and Public Works committees to jointly work together to create a cohesive plan for lights and street signs..
- e. Upon motion duly made and seconded, the re-issued 2012 audit was approved.
- f. Upon motion duly made and seconded, the installation of paver sidewalks in Quarterpath Trace using Eric Bailey was approved.
- g. Upon motion duly made and seconded, the change to Harrop's Glen PAC from five to nine members was approved.
- h. Upon motion duly made and seconded, the 2014-2016 landscape maintenance contract was approved pending working with staff on changes.

President's Report

- Thanked everyone for attending.
- Encouraged participation in the Resort meetings September 12, 13, and 14.
- Looking forward to seeing the residents at the September 7 celebration.

Committee Reports

Budget and Finance

- The 2014 budget process is underway.

Communications and 40th Anniversary

- Next Tuesday will be the final meeting for last details for the 40th anniversary celebration.
- Recommending the creation of a volunteer service award
- The anniversary journal is on track for publication at the end of the year.

- The committee is working on the 2014 budget and a theme for the 2014 Bulletin.

Public Works

- The road paving contract for Wareham's Pond Road East and West, Burwell's Landing, Sandys' Fort, and Blair Court is in place with Branscome.
- River's Edge will be repaved as is in September.
- Secured three additional bidders for the Kingsmill Pond dam spillway remediation.

Recreation Committee

- The new ID process is underway.
- Working on the anniversary celebration parade.

Burwell's Green

- The painting process has begun.

Moody's Run

- They are trying to paint, but the weather has not cooperated.
- The Secretary position is currently open.

River's Edge

- The Parcel Chair sought clarification on who the developer is for the remaining River's Edge lots. It is still BPI.

Upon motion duly made and approved the meeting was adjourned at 5:55 p.m.

Respectfully submitted,

Mona King
Recording Secretary

Minutes were approved during the September 26, 2013 Board meeting.

KCSA Board of Directors
Meeting Minutes
September 26, 2013

Present: Frank Dooley
Charlotte Jones
Shane Harvey (via telephone)
Kevin Kolda
Ron Lynde
Tom Mernin
Michael Shannon
James Zinn

Also present: Tim O'Connor, Executive Director
Not present: Christine Rose

Mr. Frank Dooley presided. The KCSA Board of Directors' meeting was called to order at approximately 3:02 p.m.

Board Minutes

Upon motion duly made and seconded, the minutes of the August 20, 2013 Executive Session Due Process Board of Directors' Meeting were approved.

Upon motion duly made and seconded, the minutes of the August 22, 2013 Board Meeting were approved.

Upon motion duly made and seconded, the minutes of the September 9, 2013 KCSA General Membership Annual Meeting were approved.

Upon motion duly made and seconded, the minutes of the September 17, 2013 Executive Session Due Process Board of Directors' Meeting were approved.

Consent Agenda

The following items were presented for Board approval:

- a. Wareham's Point – 2013 Exterior touch up work contract – Keel Painting Contractors, Inc.- \$12,000.00
- b. Harrop's Glen – 2014-2019 Termite warranty and inspection contract – Five years at \$2,325.00 per year
- c. Quarterpath Trace – 2014-2016 Landscape maintenance contract – Brickman Landscaping Company – Three years at \$35,412.00 per year
- d. Winster Fax – 2014 Exterior staining contract – Keel Painting Contractors, Inc. – Units 21-39 (19 units) - \$42,275.00

- e. Renewal of Hunting Liability and Umbrella Policies – 10/2013 – 10/2014
Scottsdale Insurance Company - \$4396.76
- f. KMPD Entry Gates - Pest control contract 9/30/2013 – PESTOUT - \$240.00 per year
- g. KCSA Common Area guard rail on Elizabeth Meriwether – Replace seven sections of guardrails – Kem Colbert - \$5250.00
- h. KCSA Common Area – Timber curb removal and replacement of 2013 repaved roads – Kem Colbert – Not to exceed \$8,000.00

Upon motion duly made and seconded, the Board approved the foregoing consent items.

Financial Statement

Upon motion duly made and seconded, the August 2013 financial statements were accepted.

Staff report

Tim O'Connor presented the staff report. Jim West presented the report for KMPD. The reports were accepted.

Old Business –

None

New Business

- a. Upon motion duly made and seconded, the Board approved the Moody's Run \$1200.00 painting cost overrun.
- b. Upon motion duly made and seconded, Nora Morse was approved as a new member of the Communications Committee.
- c. Upon motion duly made and seconded, the revisions to KCSA Bulletin guidelines were approved.
- d. Upon motion duly made and seconded, the Board approved the adoption of the Resolution regarding 2013 excess operating funds.
- e. Upon motion duly made and seconded, the Kingsmill Public Works Committee storm drainage consulting policy was approved.
- f. Upon motion duly made and seconded, the dissolution of the Community Expansion Committee was approved.
- g. Upon motion duly made and seconded, the creation of the Planned Development Committee was approved. (This was listed as the Committee for Community Development on the agenda.)
- h. Upon motion duly made and seconded, the Board approved Jim Zinn, Kevin Kolda, and Susan Sickal as members of the Planned Development Committee.
- i. Upon motion duly made and seconded, the Board approved the following slate of officers:

President – Frank Dooley

Vice-President - Christine Rose
Secretary - Kevin Kolda
Treasurer - Ron Lynde

- j. Upon motion duly made and seconded, the Board approved Archer's Mead's \$4700.00 painting cost overrun.

President's Report

- Rules and Regulations were distributed in 2008. Thank you to Charlotte and her committee for their hard work on the new revisions. There will be a public comment period, then the Board will approve in January.
- Winding Road, the Developer for Xanterra, will present the amendment to the Master Plan next week. Encourage you to attend one of two sessions which will be offered.

Committee Reports

Budget and Finance

- Carolyn Davis has spearheaded the 2014 budget process. A group meeting between the Budget & Finance Committee and the Board is being scheduled for October 17, 2013.
- There are three contracts out for bid: grounds maintenance, insurance, and trash collection.
- The meeting with residents to review the 2014 draft budget is November 13, 2013.

Buildings & Grounds

- Five contractors are bidding on the grounds maintenance contract.
- The rain garden has been rehabilitated.
- Quarterpath Trace sidewalk replacement project has started.

Communications and 40th Anniversary

- The draft anniversary journal deadline is today. There will be two more editing sessions prior to February publication.
- More than 1400 people showed up for the anniversary celebration. Exceptionally positive feedback has poured in.

Public Safety

- CERT Chair Jeff Lovejoy is stepping down.

Public Works

- Road paving begins October 7.

Recreation Committee

- The committee approved a new group. The Kingsmill Cancer Awareness and Support group will meet the third Friday of every month.
- Preparing for the Halloween event.

Upon motion duly made and approved the meeting was adjourned at 4:30 p.m.

Respectfully submitted,

Mona King
Recording Secretary

Approved at the October 24, 2013 Board meeting

KCSA Board of Directors
Meeting Minutes
October 24, 2013

Present: Frank Dooley
Charlotte Jones
Shane Harvey (via telephone)
Kevin Kolda
Ron Lynde
Tom Mernin
Christine Rose
Michael Shannon
James Zinn

Also present: Tim O'Connor, Executive Director

Mr. Frank Dooley presided. The KCSA Board of Directors' meeting was called to order at approximately 7:02 p.m.

Board Minutes

Upon motion duly made and seconded, the minutes of the September 20, 2013 Executive Session Board of Directors' Meeting were approved.

Upon motion duly made and seconded, the minutes of the September 26, 2013 Board Meeting were approved.

Financial Statement

Due to the 2014 budget planning process, the September financials have not been reviewed by the Budget & Finance committee. September and October financials will be presented at the December Board meeting.

Staff report

Tim O'Connor presented the staff report. Jim West presented the report for KMPD. The reports were accepted.

Old Business –

None

New Business

- Upon motion duly made and seconded, the Board approved the numbers of members for 2014 PAC Committees as submitted with LTO increasing to a total of eight members.

- Upon motion duly made and seconded, the Board approved the request for additional funds for the Volunteer Recognition Event.
- Upon motion duly made and seconded, the Board approved the Burwell's Green request to transfer \$1400.00 from OER to Landscape Maintenance for tree removal by Smith Tree Care.
- Upon motion duly made and seconded, the Board approved the Recreation Committee's request to change the Children's Holiday Party fee.
- Upon motion duly made and seconded, the Board approved the Dissolution of the Recreation Committee, approved the Lifestyle and revised Buildings and Grounds Committee Charters.
- Upon motion duly made and seconded, the Board approved the recommendation of the appointment of Suzanne Hoffman to the EPB.
- Upon motion duly made and seconded, the Board approved the Planned Development Committee's request to approve the amendments to the Charter.
- Upon motion duly made and seconded, the Board approved the Planned Development Committee's request to accept Ron Lynde's replacement of Kevin Kolda. Kevin will remain in a support role.

President's Report

- No report this month.

Committee Reports

Budget and Finance

- The September operating results continue the same income expense patterns we have seen throughout 2013. KCSA operating departments continued the trend of under-spending budgeted amounts an average of 4 to 6%. As stated, complete September and October financial statements and B&F Committee comments will be presented at the next BOD meeting December 5th.
- B&F Committee started on the 2014 budget process in August and has been working on it fulltime in October.
- The KCSA overall budget really consists of the five KCSA operating departments' budgets and the Major Maintenance and Repair (MM&R) budget.
- B&F Committee also worked closely with budget representatives of all 12 parcels and Susan Sickal to coordinate their respective budget builds.
- The Budget Committee effort this year was headed by Carolyn Davis who invested much time and patience into building a 2014 financial roadmap plus four out-years for KCSA.
- Carolyn and the Committee began by developing budget guidance in early August then meeting with each department to help shape and translate department manpower requirements and operating needs into financial numbers. All this preparation led up to the Committee's first working session

with the Board last week where the general scope and size of each department's budget was laid into the proposed general KCSA budget.

- This year's budget build is different because three operating contracts (landscaping, trash removal, and insurance) are being re-competed for a three year period of performance. Now that all the bids have been received, the three new operating contracts along with two Buildings and Grounds projects and two proposed capital expenditures will be presented to the Board for approval in a second Board working session. The results of this second working session will determine the final 2014 income requirements for KCSA. The working session will be prior to presentation of the 2014 budget to the KCSA Community on November 13th.
- Finally, during this year's budget building process the need for a capital projects section of the budget became apparent. As most of you know, we currently have three sections in the KCSA budget: a current operating section, an operating reserve, and a Major Maintenance and Repair section. This budget configuration does not allow for preparing for future funding of new capital projects such as an RV/Boat storage lot. Board approval for a capital projects section in the budget will more closely match KCSA's funding requirements for multi-year capital projects in a more focused and transparent format.

Buildings & Grounds

- Quarterpath Trace sidewalk replacement project is 97% complete..

Communications and 40th Anniversary

- The committee is working on a theme for the 2014 Bulletin cover. There are two new associates who will be interviewed for the January Bulletin.
- 2014 Bulletin ad rates will remain the same.
- The Journal will be mailed in February.
- Christine Rose thanked everyone who worked on the 40th Anniversary events especially Tim O'Connor, Lynn Schlesinger, Barry Tait, and Jim Kirkland.

Community Standards

- The Rules & Regulations and Policies & Procedures are in final review. The documents should be ready for Board approval in December.

Public Works

- Branscome is doing a great job on the paving projects. There seems to be a better interface between the roads and driveways.

Recreation Committee

- The Halloween event is October 31 from 7:00 p.m. to 9:00 p.m. at the Plantation Pavilion.
- The Holiday kids' party is December 5.
- We will coordinate the house decorating contest again this year.

- Heather Cordasco will begin offering Thursday Zumba classes at 6:00 p.m. beginning November 14 in the Mounts Bay recreation center. There will be a fee of \$10.00 per class. Contact Lynn Schlesinger at 208-0964 for details.

Burwell's Green

- The Parcel is in the middle of a five-year paint project. The contractor is doing an excellent job.

Harrop's Glen

- The PAC is working on a landscape contract.

Quarterpath Trace

- The annual meeting was held, and residents are very pleased with the pavers and the contractor. The Parcel thanks KCSA and Jim Kirkland in particular.

Homeowner Forum

Upon motion duly made and approved the meeting was adjourned at 8:45 p.m.

Respectfully submitted,

Mona King
Recording Secretary

Approved during December 5, 2013 Board meeting

KCSA Board of Directors
Meeting Minutes
December 5, 2013

Present: Frank Dooley
Charlotte Jones
Shane Harvey (via telephone)
Kevin Kolda
Ron Lynde
Tom Mernin
Christine Rose
Michael Shannon
James Zinn

Also present: Tim O'Connor, Executive Director, Steve Doran, Joe Harrow, Steve Rice

Mr. Frank Dooley presided. The KCSA Board of Directors' meeting was called to order at approximately 3:00 p.m.

Board Minutes

Upon motion duly made and seconded, the minutes of the October 17, 2013 Work Session Board of Directors' Meeting were approved.

Upon motion duly made and seconded, the minutes of the October 24, 2013 Board Meeting were approved.

Upon motion duly made and seconded, the minutes of the November 6, 2013 Work Session Board of Directors' Meeting were approved.

Upon motion duly made and seconded, the minutes of the November 19, 2013 Executive Session Board of Directors' Due Process Meeting were approved.

Consent Agenda

The following budgeted, recurring items were presented for Board approval:

- a. Armistead Point – 2014 (1 Year) Landscaping & Grounds Maintenance Contract
Crisp Cuts, Inc. – \$1980.00
- b. Archer's Mead – 2014 (1 Year) Landscaping & Grounds Maintenance Contract
Brickman Landscaping \$94,992.00
- c. Archer's Mead – 2014 (1 Year) Unit Painting (21) Units Prophet Painting LLC –
2014 – \$65,950.00
- d. Archer's Mead – 2014 (1 Year) Unit Inspection (21) Units Triangle Home Improvement,
LLC – 2014 – \$2,310.00

- e. Littletown Quarter – 2014 (1 Year) unit inspection (29 units) Contract - Keel Painting Contractors, Inc. - \$3,450.00.
- f. Littletown Quarter – 2014 (1 Year) Painting Contract – Keel Painting Contractors, Inc. - \$74,750.00
- g. Littletown Quarter – 2014 (1 Year) Landscaping and Grounds maintenance Contract – Brickman Landscaping - \$83,800.00
- h. Moody’s Run – 2014 – 2018 (5 Year) Painting Contract Keel Painting Contractors, Inc.
 2014 – \$47,488.00
 2015 – \$32,067.00
 2016 – No Units Scheduled for Painting.
 2017 – \$40,480.00
 2018– \$55,875.00
- i. River’s Edge – 2014 – 2016 (3 Year) Landscaping & Grounds Maintenance Contract Valley Crest
 2014 – \$58,825.00
 2015 – \$60,589.00
 2016– \$61,800.00
- j. Wareham’s Point – 2014-2018 (5 Year) Termite Warranty and Inspection contract– National Exterminating Company, Inc. \$6,765.00
- k. Winster Fax – 2014 (1 Year) Unit Inspection (24 units) Contract Keel Painting Contractors, Inc. – \$3,325.00
- l. Winster Fax – 2014 - 2018 (5 Year) Termite Warranty and Inspection – Colonial Exterminating Company, Inc. – \$6,955.00
- m. Harrop’s Glen – 2014 (1 Year) Landscape Contract with James River Grounds Management – \$13,717.00
- n. KCSA General Contract – Repair drainage structures in Common Area along Southall Road – \$26,883.00

Upon motion duly made and seconded, the Board approved the foregoing consent items.

Financial Statement

As available on the Connect web site and provided in your materials today, WPM has completed our September and October financial statements. Our YTD statements show a surplus of \$367K. Driving our 10-month surplus is modestly higher revenues and lower costs, primarily in personnel and grounds maintenance.

Operating expenses through October were \$4M which is about \$259K or 6% below seasonally adjusted budget. Areas contributing include lower payroll in all areas including Administration (\$32K) and KMPD (\$34K) and Community Centers (\$8K).

YTD contributions to the General Association’s Operating Expense and Major Maintenance & Repair Reserves were on budget at \$11K and \$802K, respectively, bringing the balances in these funds to \$311K and \$2.6M, respectively. MM&R spending through October has been

moderate with YTD spending of about \$209K mostly on drainage and preliminary roadwork. Road repairs have recently been completed.

As frequently discussed, we will likely see some moderate write offs at the end of the fourth quarter for properties going to foreclosure and/or bankruptcy, including our largest single receivable. At October 31, total assessments due from residents to the Association/Parcels are approximately \$213,000, with \$130,000 past due 90 days or more; which continues to come down, but with all of Mona's determination and perseverance it is still a painfully slow process. However, we need to keep the aged accounts receivable in perspective the average HOA accounts receivable is 5 to 10% and ours is 3 to 4%.

These statements have been reviewed and the B&F Committee recommends acceptance.

September and October financial statements were accepted by the Board.

Staff report

Tim O'Connor presented the staff report. The report was accepted.

Old Business –

None

New Business

- a. Upon motion duly made and seconded, the Board approved the 2014 Parcel Advisory Committee Positions as submitted.
- b. Upon motion duly made and seconded, the four disinterested Board members approved the RV Storage License Amendment. Xanterra appointed Board members recused themselves from discussion or voting.
- c. Upon motion duly made and seconded, the Board approved the 2014 insurance contract at \$263,000 with Selective Insurance for property coverage.
- d. Upon motion duly made and seconded, the four disinterested Board members approved the 2014-2016 (3 Year) KCSA Landscape Contract with Xanterra Kingsmill, LLC. Xanterra appointed Board members recused themselves from discussion or voting.
- e. Upon motion duly made and seconded, the Board approved the 2014-2016 (3 Year) trash contract with County Waste.
- f. Upon motion duly made and seconded, the Board approved the 2014-2016 (3 Year) Condo recycling contract with Tidewater Fiber Recycling.
- g. Upon motion duly made and seconded, the Board approved the Prophet Painting contract not to exceed \$10,000.00 to paint Wareham's Pond recreation center.
- h. Upon motion duly made and seconded, the Board approved the Storm Water Inventory Contract with Williamsburg Environmental Group (WEG) for \$41,050.00.

- i. Upon motion duly made and seconded, the Board approved Wareham's Point request for reallocation of \$2100.00 from Building Maintenance and Paint Repair to Landscape Maintenance General.
- j. Upon motion duly made and seconded, the Board approved Archer's Mead new aluminum pool fence contract with Rosenbaum Fence Company for \$9200.00.
- k. Upon motion duly made and seconded, the Board approved the Public Works Committee request to spend \$9497.00 on LED lighting fixtures as a test for cost savings.
- l. Upon motion duly made and seconded, the Board approved the Kingsmill Women's Social Club request for a House and Garden Tour April 23, 2014.
- m. Upon motion duly made and seconded, the Board approved the 2014 Board of Directors' Meeting Schedule.
- n. Upon motion duly made and seconded, the four disinterested Board members approved the Burwell's Green 2014-2016 (3 Year) Landscaping & Grounds maintenance contract with Xanterra Kingsmill, LLC Residential Landscaping. Xanterra appointed Board members recused themselves from discussion or voting.
 - 2014 - \$33,218.00
 - 2015 - \$33,716.00
 - 2016 - \$34,559.00
- o. Upon motion duly made and seconded, the four disinterested Board members approved the Wareham's Point 2014 (1 Year) Landscape maintenance contract with Xanterra Kingsmill, LLC for \$85,245.00. Xanterra appointed Board members recused themselves from discussion or voting.
- p. Upon motion duly made and seconded, the four disinterested Board members approved the River's Edge 2014 (1 Year) Irrigation Limited Common Area Contract with Xanterra Kingsmill, LLC. Xanterra appointed Board members recused themselves from discussion or voting.
 - Charges based upon:
 - 1. Onetime fee of \$300.00 payable after the startup completed.
 - 2. Onetime fee of \$600.00 payable after the shutdown completed.
 - 3. Sprinkler head replacements will be billed at \$35.00 per each fixed head and at \$50.00 per each rotation head.
 - 4. Other repairs will be charged at \$30.00 per hour plus material cost
- q. Upon motion duly made and seconded, the Board approved the 2014 KCSA budget.
- r. Upon motion duly made and seconded, the Board approved the 2014 Parcel budgets.
- s. Upon motion duly made and seconded, the Board approved the dissolution of the Community Standards Ad Hoc Committee.
- t. Upon motion duly made and seconded, the Board approved upholding the EPB denial of the first case. Mr. Zinn and Mr. Shannon abstained from the vote.
- u. Upon motion duly made and seconded, the Board unanimously approved upholding the EPB denial of the second case.

President's Report

- Mr. Dooley asked the volunteers present to stand to be recognized and thanked them for their service.
- The 125 KCSA volunteers and their hours worked represent six or seven full time employees.
- He wished the Community happy holidays.

Committee Reports

Budget and Finance

- See financial statement section.

Buildings & Grounds

- Quarterpath Trace sidewalk replacement project is complete.
- Mounts Bay Road islands are being replanted for a more uniform appearance.
- Invasive Trees of Heaven are being removed.
- Still working on managed forest floor through removal and replanting.
- Specimen trees along trails and walkways are being identified, and committee members will install ID plaques.

Communications and 40th Anniversary

- December post office delivery is slow, so Bulletins may arrive late. It is available on line. The theme for the 2014 Bulletin cover will be recognition of the various clubs and committees.
- The committee is reviewing the web site.
- Christine Rose resigned as Chair effective December 16. Caroline Laur is the new Chair.
- The 40th Anniversary Committee will be finished next month following completion of the Journal. It will be published in February.

Community Standards

- Adding trash rules & regulations, then Policies & Procedures and Rules & Regulations revisions will be complete and ready for review. Motion is made for dissolution of committee.

Lifestyle

- Christine Rose will lead this new committee. An organizational meeting is scheduled for December 10.
- One of the new programs is "kids' night out". Details will be published in the Bulletin.
- The holiday house decoration judging will take place December 16 and 17.

Public Works

- Paving is complete. Everyone is happy with Branscome's performance.

- PW will work with the Buildings and Grounds Committee during the Storm Water Inventory project.

Planned Development Committee

- The committee held a few meetings in November and had telephone discussions with Xanterra.
- Working on access to marina area for bike, pedestrian or disabled non-members.
- Exploring a second beach modification potential.
- There are also discussions regarding a modified Master Plan.

Archer's Mead

- The Parcel in December will purchase materials for a new pool fence.
- Bids were received for three problem drainage areas.

Littletown Quarter

- Thank you for approving the Parcel budget.
- The holiday party is December 20.

Quarterpath Trace

- The luminary lighting will be December 13 and 14.

River's Edge

- The holiday party is tonight at 5:00.

Homeowner Forum

EPB Appeals

- Following a ten minute recess, the Board heard two EPB appeals.

Upon motion duly made and approved the meeting was adjourned at 5:40 p.m.

Respectfully submitted,

Mona King
Recording Secretary

Approved during the January 23, 2014 Board meeting.

Exhibit 11

to

Disclosure Certificate

Kingsmill Community Service Association

Copy of a letter to Lot Owners Regard separate insurance coverage that would normally be secured by each individual Lot Owner.



January 21, 2010

Kingsmill Community Services Association

Post Office Box 348
Williamsburg, VA 23187

5360 Discovery Park Boulevard
Suite 101A
Williamsburg, VA 23188
P. 757-229-0841
F. 757-229-5479

16702 General Puller Hwy.
PO Box 6
Deltaville, VA 23045
P. 804-776-6082
F. 804-776-9708

3053 George Washington
Memorial Hwy.
Hayes, VA 23072
PO Box 629
Gloucester Point, VA 23062
P. 804-642-2890
F. 804-642-7564

FINANCIAL SERVICES

5360 Discovery Park Boulevard
Suite 101A
Williamsburg, VA 23188
P. 757-229-0841
F. 757-229-5479

Multi-Family and Condominium Insurance Coverage for KCSA

From: Joseph D. Harrow
President
Middle Peninsula Insurance and Financial Services

Middle Peninsula Insurance and Financial Services is very happy to be providing insurance for the KCSA through Selective Insurance. This document is used to address what insurance is provided by our policies and what additional insurance residents should purchase.

KCSA provides insurance coverage by a master insurance policy from Selective Insurance through the Middle Peninsula Insurance and Financial Services Agency. Middle Peninsula is a locally owned and operated insurance agency in Williamsburg. KCSA's policies provide property coverage for multi-family and condominium structures and liability coverage for third party actions against all KCSA members, committee officers, Directors of the Board, employees, or agents arising from their actions on behalf of the Association or from loss or damage occurring on KCSA common or limited common property.

Single family dwellings and personally owned automobiles are not covered. Personal property of individual unit owners are not covered. Third party liability claims for occurrences inside individual units and homes, or on the individual's property are the responsibility of the homeowner. Each unit and individual home owner should have a Homeowners Insurance policy with liability coverage to protect themselves against those risks.

The KCSA multi-family parcel unit policies cover parcel units with a limit of insurance applying to each building available to cover any one loss. Coverage for structures in multi-family parcels includes River's Edge, Wareham's Point, Harrop's Glenn, Littleton Quarter, Winstar Fax, Archer's Mead, Moody's Run, and Burwell's Green. As defined in each parcels covenants the policy covers to "reconstruct or repair to "reconstruct or repair....according to substantially the same plans, specifications, design and total cubic area pursuant to which such house was originally constructed and including any approved additions or alterations thereto. Each unit owner shall be required to notify the Association of all improvements of \$1,000 or more made by the owner to thier parcel. Property not covered by the Association is the responsibility of the individual owner.

Coverage is on a Special Form basis and includes backup of water and sewer (limited to \$100,000 per location, per loss), replacement cost value, and a \$5,000 deductible per loss. The policy is endorsed to be primary and non-contributing with the insurance available to individual unit owners.

The definition of building is very broad and includes the following:

The building or structure including completed additions, glass, fixtures outside of individual units, including outdoor fixtures; permanently installed machinery and equipment; fire extinguishing equipment; outdoor furniture; floor coverings; and any of the following types of property contained within a unit, fixtures, improvements and alterations that are part of the building or structure; appliances, such as those for refrigerating, ventilating, cooking, dishwashing, laundering, security, wall to wall carpeting and other permanently installed floor coverings.

The intent of the master policies is to cover the entire structure and permanently attached appliances and fixtures as noted above. These policies do not cover property that Kingsmill does not own, or is not responsible for insuring as defined by your communities bylaws. All single family home owners should have an HO 00 03 Homeowners Insurance Policy to provide coverage for their home, personal property and personal liability. Multi-family/Condominium owners should insure their personal property and personal liability on an HO 00 06 Homeowners Insurance policy or equivalent. We recommend including a nominal limit for Coverage A – Dwelling for any part of the structure that Kingsmill is not responsible for insuring on the master policy, as well as coverage for your personal belongings (Coverage C) and coverage for loss of use

(Coverage D). Additional coverage enhancements which you should consider, include endorsements HO 17 32- Open perils (All Risk) and Loss Assessment Coverage HO 04 35. Separate endorsements are required to cover personal property and liability in rental units.

In the event that you have a claim that you need to report please contact Susan Sickal at the KCSA office.

If you have any questions or concerns about coverage provided through the above mentioned policies please contact Middle Peninsula at the contact information below.

Joe Harrow	757-229-0840
Matt Slye	757-903-4032

Exhibit 12

to

Disclosure Certificate

Kingsmill Community Service Association

Miscellaneous Information:

Solar Technology Limitations

Disclosure Package Request Form

Membership List Request Form

Roads in Kingsmill Memo

Gate System Bar Code Fee

Association Complaint Policy and Procedures

("the Complaint Policy")

Solar Technology Limitations

Exterior solar technology will only be permitted on the rear or non-street facing roof elevations.

Solar panels should match the color of the roof and be as close to the roof line as structurally possible. As solar technology proliferates, solar panels should match the roof in color and texture, and be completely aligned with roof line.

Solar panel shingles should match the color and texture of the roof, and be integrated into the roof scheme. Solar panel shingles should only be applied to the rear or non-street facing roof elevations.

Reflective solar paint is not recommended for homes in Kingsmill.

The Environmental Preservation Board (EPB) may limit amount of roofed area in which solar panel technology may be installed based upon overall visual impact.

Solar panel installation must adhere to the "Good Neighbor Policy." See EPB Policies & Procedures section for more information on the Good Neighbor Policy.

Solar panels may not be installed in locations other than on the home roof structure.

KINGSMILL COMMUNITY SERVICES ASSOCIATION

Post Office Box 348
300 McLaws Circle, Suite 106
Williamsburg, VA 23187
Phone (757) 253-3914
Fax (757) 253-8235

DISCLOSURE PACKAGE REQUEST FORM

Date: _____
Requested By : _____
Company Name: _____
Company Address: _____

Phone Number: _____
Seller: _____
Buyer: _____
Settlement Date: _____
Selling Price: _____
Property Address: _____

FEES		
KCSA ORIGINAL *DISCLOSURE PACKAGE - Hardcopy	\$150.00	
KCSA ORIGINAL *DISCLOSURE PACKAGE - Electronic	\$125.00	
A) **Update	\$50.00	
b) ***Rush Fee	\$50.00	
Payable at closing	Total	

*The KCSA office has (14) fourteen days after receipt of this request to provide the Disclosure Package.
** Update fee applicable if original disclosure package request was made more than 90 days ago.
*** Rush fees for package delivery within (5) business days of the request

KINGSMILL COMMUNITY SERVICES ASSOCIATION MEMBERSHIP LIST REQUEST FORM

For all Membership lists, the cost is .10 per page plus labor (\$15/hr)

DATE: _____ ORDER REC'D BY: _____
 Name: _____ Check #: _____
 Address: _____ Cash Receipt: _____

Lot #: _____

Phone: _____

Type	Quantity	Fee	Total Due
* KCSA General Covenants		labor \$7.50+ \$7.50	\$15.00
* Multi-Family Parcel Covenants		labor \$7.50+ copies	
Parcel Name: _____			
* Single Family Covenants		labor \$7.50+ copies	
Subdivision: _____			
* General and Parcel Covenants		labor \$15.00+ copies	

* Architectural House plans- per page		\$5.00	
* KCSA General Master List		labor \$30.00+5.20	
* Multi-Family Parcel List		labor \$7.50+ copies	
Parcel: _____			
* Single Family List		labor \$7.50+ copies	
Subdivision: _____			
* Approved Kingsmill on the James		labor \$7.50+ 6.80	\$14.30
Environmental Preservations Board (EPB)			
Policies and Procedurers			
Amount Due:			

I agree to pay the above referenced fees BEFORE I receive the list. In addition, in Compliance with the Code of Virginia, I guarantee that the membership list I receive WILL NOT BE USED FOR ANY PECUNIARY GAIN OR COMMERCIAL SOLICITATION.

The KCSA office has (5) five business days after receipt of this request to provide the list or copies

Signed: _____ DATE: _____

Kingsmill Community Services Association

POST OFFICE BOX 348
WILLIAMSBURG, VIRGINIA 23187

January 01, 2007

TO: Whom It May Concern

RE: Roads in Kingsmill

All of the roads in Kingsmill are privately owned. There are two separate types of roads, KCSA General Common Roads and Limited Common Roads, Driveways, and Parking Areas.

There is no formal road maintenance agreement. The KCSA General Common roads are maintained by the KCSA General using funds budgeted through the monthly general assessment. The Limited Common Roads, Driveways, and Parking Areas are maintained by the respective parcel using funds budgeted through the monthly parcel assessments.

Maintenance of the KCSA General Roads and Limited Common Roads, Driveways, and Parking Areas is outlined in the KCSA General Declaration of Covenants and the respective Supplemental Declaration of Covenants for the parcels.

Kingsmill Community Services Association

POST OFFICE BOX 348

WILLIAMSBURG, VIRGINIA 23187

BAR CODE.....\$25.00

For each vehicle registered with the Kingsmill Police Department (KMPD), a bar code may be purchased for \$25.00 and will allow you to access the right hand lane (Access Lane) when entering into Kingsmill. The gated arm is activated by the barcode on your driver side window.

Kingsmill Community Services Association (the "Association")
Association Complaint Policy and Procedures (the "Complaint Policy")

1. Introduction.

- a. This Complaint Policy is adopted by the Board of Directors (the "Board") of the Association pursuant to the requirements of Virginia Code Section 55-530 and the related regulations promulgated by the Virginia Common Interest Community Board ("CICB"), specifically, 18 VAC 48-70 *et seq.*
- b. This Complaint Policy is designed to address complaints by both members of the Association as well as other citizens of the Commonwealth of Virginia.

2. Certification.

- a. The Association shall certify with each annual report submitted to the CICB that this Complaint Policy has been adopted and is in effect.

3. Complaints.

a. Who May Submit A Complaint.

Any member of the Association (as such term is defined in the Association's governing documents) and/or any citizen of the Commonwealth of Virginia may submit a complaint (the "Complaint") to the Association in accordance with the following requirements and procedures.

b. Complaints Limited to Violations of Applicable Laws and Regulations.

The Complaint may only concern a matter regarding an action, inaction, or decision by (i) the Board, (ii) the community manager (if applicable), or (iii) the Association, that is inconsistent with applicable laws and regulations of the Commonwealth of Virginia. A Complaint may not relate to general matters about the Association's business and affairs, separate and apart from a violation of a law or regulation of the Commonwealth of Virginia.

c. Form of Complaint.

- i. The Complaint must be in writing.
- ii. The Complaint must be on the form maintained by the Association for that purpose, and such form shall be provided to the complaining person upon his or her request. Such form is attached hereto as Exhibit A, and incorporated herein by reference.

- iii. The Complaint must state the complaining person's mailing address.
- iv. The Complaint must be delivered to the Association via certified mail, return receipt requested, delivery service (i.e., Fed Ex, UPS), or by hand during the hours between 8:00 AM and 5:00 PM, Monday through Friday, addressed accordingly:

Timothy O'Connor (Association Manager)
300 McLaws Circle, Suite 106
P.O. Box 348
Williamsburg, VA 23187

with a copy to:

Elizabeth L. White, Esq.
LeClairRyan
5388 Discovery Park Blvd., Third Floor
Williamsburg, Virginia 23188

- v. The Complaint must include all supporting documentation that the complaining person believes supports the Complaint. By way of illustration, and not limitation, the Complaint must include copies of any contracts, meeting minutes, records, and pictures that the complaining person may have in support of the Complaint.
 - vi. To the extent that the complaining person has knowledge of the law(s) or regulation(s) applicable to the Complaint, the Complaint must also reference the specific law(s), regulation(s), or provision(s) of the Association's governing documents relating to the Complaint.
 - vii. The Complaint must also state a request for action by the Association, or a proposed resolution by the Association, and an explanation for why such an action or resolution is appropriate and warranted.
- d. Association's Response to the Complaint.
- i. Acknowledgment. Within 7 days of the Association's receipt of a Complaint, the Association will provide written acknowledgement of receipt of the Complaint to the complaining person. Such acknowledgement will be hand delivered, or mailed by certified mail, return receipt requested, to the complaining person, at the address provided by the complaining person on the complaint. Written acknowledgement of the Complaint does not constitute a representation by the Association that the Complaint is complete, nor that it complies with this Complaint Policy.

- ii. Compliance Review. The Association will review the Complaint to ensure that it fully complies with all of the terms and conditions of this Complaint Policy and Virginia law. The Association shall have twenty-one (21) days to conduct such a review, and in the event that the Complaint fails to fully comply with the terms and conditions of this Complaint Policy, the Association shall send a notice to the complaining person via certified mail, return receipt requested that such Complaint is deficient. [NOTE: this twenty-one (21)-day period runs concurrently with, and is not in addition to, the twenty-one (21)-day review period described in 3(d)(iii) below].
- iii. Review and Assessment. After the Association receives a Complaint that fully complies with the terms of this Complaint Policy and Virginia law, it shall have twenty-one (21) days to review and assess the Complaint, and during that time it shall be entitled to issue written request(s) to the complaining person for any additional information from the complaining person that the Association reasonably believes that it needs in order to evaluate and assess the Complaint. The Association shall issue such request(s) via certified mail, return receipt requested, and the complaining person shall have twenty-one (21) days to respond to such request(s) from the date that such request(s) are mailed by the Association. The Association shall then have an additional twenty-one (21) days to review and assess the additional information. In the event the complaining person fails to respond to the Association within that time period, the Complaint will be disposed of, and the Association will have no further obligation whatsoever related to the Complaint.
- iv. Notice of Consideration.
 1. In the event that the Association does not issue any written request(s) to the complaining person, the Association will, within ten (10) days of the end of the twenty-one (21) day period, deliver via hand delivery or certified mail, return receipt requested, to the complaining person, a statement that will contain notice of the date, time, and location that the Complaint will be considered by the Association's Board of Directors.
 2. In the event that the Association issues any written request(s) to the complaining person, the Association will, within ten (10) days of the end of the additional twenty-one (21) day period for assessing the additional information, deliver via hand delivery or certified mail, return receipt requested, to the complaining person, a statement that will contain notice of the date, time, and location that the Complaint will be considered by the Association's Board of Directors.

- v. Consideration. The Association's Board of Directors shall convene in executive session with its legal counsel for the purpose of considering the Complaint. As such proceeding will be conducted in executive session, the complaining person will not have any right to attend, observe, and/or record such proceeding in executive session.
- vi. Final Determination. After a final determination is made about the Complaint by the Association's Board of Directors, in consultation with its legal counsel, the Association shall, within seven (7) days, send a written notice of final determination (the "Final Determination") to the complaining person by either hand delivery or certified mail, return receipt requested.
- vii. Requirements of Final Determination.
 - 1. The Final Determination shall be dated as of the date of issuance, and, to the extent reasonably possible, will include specific citations to applicable governing documents of the Association, and/or laws and regulations. The Final Determination will also include the registration number of the Association, and, if applicable, the name and license number of its common interest community manager.
 - 2. The Final Determination will also include a notice that the complaining person has a right to file a "Notice of Final Adverse Decision with the CICB via the Common Interest Community Ombudsman," and will provide the applicable contact information.
- viii. No Appeal. A complaining person does not have the option to appeal the Final Determination to the Association; any appeal must be made to the Common Interest Community Ombudsman.

4. Distribution.

- a. The Association will make a copy of this Complaint Policy available upon the request of any member of the Association and a citizen of the Commonwealth of Virginia.
- b. This Complaint Policy will be included as an attachment to the Association's disclosure packet.

5. Maintenance of Complaints.

- a. All Complaints filed with the Association pursuant to this Complaint Policy shall be maintained by the Association for at least five (5) years.

Exhibit A

Complaint Form
Kingsmill Community Services Association

Return this form to:
Timothy O'Connor (Association Manager)
300 McLaws Circle, Suite 106
P.O. Box 348
Williamsburg, VA 23187

with a copy to:

Elizabeth L. White, Esq.
LeClairRyan
5388 Discovery Park Blvd., Third Floor
Williamsburg, Virginia 23188

Pursuant to Chapter 29 of Title 55 of the Code of Virginia, the Board of Directors (the "Board") of Kingsmill Community Services Association (the "Association") has established this complaint form (this "Complaint Form") for use by persons who wish to file a written complaint with the Association regarding an action, inaction or decision by the governing board, managing agent or Association, which such person believes to be inconsistent with applicable laws and regulations.

Legibly describe the complaint in the area provided below, as well as the requested action or resolution of the issues described in the complaint. Please include references to the specific facts and circumstances at issue and the provisions of Virginia laws and regulations that support the complaint. If there is insufficient space, please attach a separate sheet of paper to this complaint form. Also, attach any supporting documents, correspondence and other materials related to the complaint.

Print, sign, and date this Complaint Form on the lines as indicated below. Please include your mailing address where indicated and submit this completed form to the Association to the Association Manager at the address listed above.

Printed Name	Signature	Date
--------------	-----------	------

Mailing Address

Contact Preference	Phone	Lot/Unit/Address	E-mail	Other

E-mail Address _____ Phone Number _____

If, after the Board's consideration and review of the complaint, the Board issues a final decision adverse to your position as set forth in the complaint, you have the right to file a notice of final adverse decision with the Common Interest Community Board (the "CICB") in accordance with the regulations promulgated by the CICB. The notice shall be filed within 30 days of the date of the final adverse decision, shall be in writing on forms provided by the Office of the Common Interest Community Ombudsman (the "Ombudsman"), shall include copies of any supporting documents, correspondence, and other materials related to the decision, and shall be accompanied by a \$25 filing fee. The Ombudsman may be contacted at:

Office of the Common Interest Community Ombudsman
Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400
Richmond, VA 23233
804/367-2941
CICOmbudsman@dpor.virginia.gov

Exhibit 13

to

Disclosure Certificate

Kingsmill Community Service Association

Disclosure to all potential purchaser and owners regarding camp Wallace

(Formerly used defense site)

Kingsmill Community Services Association

POST OFFICE BOX 348

WILLIAMSBURG, VIRGINIA 23187

DISCLOSURE TO ALL POTENTIAL PURCHASERS AND OWNERS REGARDING CAMP WALLACE (FORMERLY USED DEFENSE SITE)

The Kingsmill Community Services Association ("KCSA") hereby discloses that portions of the Kingsmill residential community lie within the geographical boundaries of a "Formerly Used Defense Site" ("FUDS") known as "Camp Wallace." Per the U.S. Army Corps of Engineers ("USACE"), Camp Wallace was owned by the Federal Government and operated as a U.S. Army training installation intermittently between 1918-1971. Based on the drawing prepared by the USACE entitled "Current Site Development Map for the Former Camp Wallace, Virginia," the residential Lots within Kingsmill that fall within the boundaries of the 191.3 acres of the former Camp Wallace are located within the subdivisions (Parcels) of River Bluffs, Sandy's Fort, Browning's Grant, Spencer's Grant, and Jefferson's Hundred. Because it is not possible to define the exact geographical boundaries of every area where munitions may have been used and/or misplaced, all prospective purchasers and Owners should be alert to the possible presence of military munitions within the surrounding area of the former Camp Wallace and within the vicinity of Kingsmill, generally.

Per the USACE, investigations have confirmed that the munitions used at Camp Wallace were related to practice and/or training and do not include high-explosive munitions. Should you encounter any munitions on your property or anywhere within Kingsmill, proper safety procedures should be employed. The USACE advises that persons who encounter munitions follow the protocol of "Recognize, Retreat, and Report," i.e., recognize the munitions, retreat immediately from the area without touching the munitions (marking the path so the munitions can be found later), and immediately report the location of the munitions to the police. Owners should additionally advise contractors working on their property, family members, and invitees of the possible presence of munitions.

The USACE is currently performing an Environmental Assessment and Response in the area of the former Camp Wallace. For additional information, please contact the USACE, Real Estate Division at (410)-962-3000.

Exhibit 3

to

Disclosure Certificate

Kingsmill Community Services Association

Bylaws of the Association

KINGSMILL COMMUNITY SERVICES ASSOCIATION, INC.

BYLAWS

ARTICLE I
LOCATION OF PRINCIPAL OFFICE

The principal office of the Association shall be located at 300 McLaws Circle, Williamsburg, Virginia 23185, or at such other place or places as the Board of Directors may from time to time designate by amendments hereto.

ARTICLE II
SEAL

The corporate seal of the Association shall be in circular form and shall be as imprinted hereunder.

ARTICLE III
DEFINITIONS

Section 1. "Articles of Incorporation" shall mean that document establishing the Kingsmill Community Services Association as a corporation under the provisional code of the State of Virginia and dated October 3, 1973.

Section 2. "Association" shall mean and refer to Kingsmill Community Services Association, its successors and assigns.

Section 3. "Board of Directors" shall mean the then duly constituted board of directors of the Association.

Section 4. "Book of Resolutions" shall mean and refer to the document containing rules and regulations and policies adopted by the Board of Directors as same may be from time to time amended.

Section 5. "Charter for Parcel Advisory Committees" shall mean the document prepared and adopted by the Board of Directors providing for the organizational guidance of the Parcel Advisory Committees as same may be from time to time amended.

Section 6. "Common Area" shall mean and refer to those areas of land now or hereafter conveyed to the Association or shown on any recorded subdivision plat of the Properties and improvements thereon, which are intended to be devoted to the common use and enjoyment of the Members.

Section 7. "Declaration" shall mean the covenants, conditions and restrictions and all other provisions as set forth in the Declaration of Covenants and Restrictions for Kingsmill, as the same may from time to time be amended, dated September 18, 1973, recorded in the Clerk's

Office of the Circuit Court of the City of Williamsburg and the County of James City in Deed Book 147, Page 642. All words and terms capitalized in these Bylaws shall have the same meaning as they have in the Declaration, and to the extent these Bylaws conflict with the Declaration, the Declaration shall control.

Section 8. "Developer" shall mean and refer to the Busch Properties, Inc., or any successors to all or substantially all of its business of developing the Properties.

Section 9. "Limited Common Area" shall mean and refer to those areas of land now or hereafter conveyed to the Association or shown on any recorded subdivided plat of the Properties and improvements thereon, which are intended to be devoted to the common use and enjoyment of those Members with respect to Living Units located within the Parcel to which the use of said Limited Common Area is restricted, in accordance with the terms of the Supplementary Declaration applicable to that Parcel.

The term Limited Common Area shall refer both to areas which are restricted to all Members located within a single Parcel, and to areas restricted to the use of less than all of the Members located within a single Parcel.

Section 10. "Living Unit" shall mean and refer to any portion of a structure situated upon the Properties designated and intended for use and occupancy as a residence by a single family.

Section 11. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of Common Area and Limited Common Area as heretofore defined. The term shall include a condominium Living Unit where such may occur.

Section 12. "Member" shall mean any Owner and any lessee of a Living Unit constructed on any Lot who holds a written lease having an initial term of at least twelve months and provides notification of tenancy to the Association in writing.

Section 13. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 14. "Occupant" shall mean and refer to the occupant of a Living Unit who shall be either the Owner or a lessee who holds a written lease having an initial term of at least twelve (12) months.

Section 15. "Operating Procedures for Advisory Committees" shall mean and refer to the document prepared and adopted by the Board of Directors providing for the organizational guidance and procedures for all Kingsmill Community Services Association Advisory Committees as the same may be amended from time to time.

Section 16. "Parcel" shall mean and refer to all platted subdivisions of one or more Lots which are subject to the same Supplementary Declarations.

Section 17. "Supplementary Declaration" shall mean any declaration of covenants, conditions and restrictions which may be recorded by the Developer, which extends the provisions of the Declaration to a Parcel and contains such complementary provisions for such Parcel as are required by the Declaration.

Section 18. "The Properties" shall mean and refer to all real property which becomes subject to the Declaration, together with such other real property as may from time to time be annexed thereto under the provisions of Article II of the Declaration.

ARTICLE IV MEETINGS OF MEMBERS

Section 1. All meetings of the Members of the Association shall be held at the principal office, or at such other place as shall be stated in a written notice thereof.

Section 2. An annual meeting of the Members of the Association shall be held on the second Monday in September of each year.

Section 3. At each annual meeting, there shall be selected, in the manner provided in these Bylaws, a Board of Directors to serve until the next annual meeting.

Section 4. Written notice of the annual meeting shall be served upon or mailed to each Member entitled to vote thereat at least ten days prior to the meeting. At least ten days before the annual meeting of the Association, a complete list of the Members entitled to vote thereat as specified in the Articles of Incorporation, arranged in alphabetical order and by class, shall be prepared by the Secretary. A copy of such list shall be produced and kept at the place of meeting during the whole time thereof, and subject to the inspection of any Member.

Section 5. Special meetings of the Members of the Association, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of one-tenth (1/10) of the Members. Such request shall state the purpose or purposes of the proposed meeting. Written notice of a special meeting of Members, stating the time, place and object of such meeting and the specific action to be taken thereat, shall be given to each Member entitled to vote thereat at least ten days before such meeting. Business transacted at all special meetings shall be confined to the objects and actions to be taken as stated in the notice.

ARTICLE V QUORUM, NOTICE AND VOTING

Section 1. Quorum.

A quorum for meetings where action by Owners is required by the Declaration shall be the presence of Owners in person or by proxy who are entitled to cast sixty percent (60%) of the votes of the Owners and the presence of the Class C member. If the required quorum is not forthcoming at the meeting, the meeting may be adjourned to another time no sooner than one

week nor later than one month from that date. Should a quorum not be present at any such reconvening of any adjourned meeting, the quorum requirement shall be reduced by half for each subsequent adjourned meeting.

The quorum for all other meetings of Members shall be the presence at meetings of Members in person or proxy who are entitled to cast one-tenth (1/10) of the votes of the Members then outstanding.

Section 2. Notice.

Any notice required to be given to Owners or Members by the Declaration, the Articles of Incorporation or these Bylaws shall be in writing and a copy of such notice shall be mailed, first class postage prepaid, to each Member or Owner at the address last appearing on the books of the Association, or supplied by such Member for the purpose of notice.

Notice for meetings where action by Owners is required by the Declaration shall be given to Owners at least twenty-five (25) days and no more than fifty (50) days prior to such meeting. Notice of all other meetings of Members shall be provided to Members at least ten days before such meeting.

Notice of meetings shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 3. Necessary Vote.

When a quorum is present at any meeting of Owners or Members, the vote of a majority of Owners or Members present, in person or represented by proxy, shall decide any question brought before such meeting unless the question is one upon which, by express provision of the Declaration, the Articles of Incorporation or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 4. Voting Rights.

The Association shall have three classes of full voting membership:

Class A. Class A members shall be all Owners of Lots, excluding the Developer, who shall be entitled to one vote for each Lot owned;

Class B. Class B members shall be all Members and shall be entitled to one vote for the Living Unit they occupy;

Class C. Class C members shall be the Developer, Busch Properties, Inc., or any successor to all or substantially all of its business of developing the Properties which shall have one vote.

When more than one person holds interest or interests in any Lot or Living Unit, the vote for such Lot or Living Unit shall be exercised as they shall among themselves determine; but the

Association shall be entitled to rely on the vote of those present at any meeting of Members as being duly authorized to vote, unless written notice to the contrary is received by the Association proper to any such meeting.

Section 5. Voting In Person Or By Proxy.

At all meetings of the Members or Owners, each Member or Owner, as the case may be, having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing signed by such Member or Owner, such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof and shall be filed with the Secretary prior to such meeting, provided, however, that unless otherwise stated therein, any such proxy shall automatically become void eleven (11) months from the date of same.

Section 6. Suspension Of Voting Rights.

The voting rights of any Member subject to assessments under the Declaration may be suspended by action of the Board of Directors during the period when any such assessment validly levied against such Member shall remain unpaid; but upon payment of any such assessment, the voting rights and privileges of such Member or Owner shall automatically be restored.

**ARTICLE VI
BOARD OF DIRECTORS**

The number of Directors, their terms of office, the apportionment of the Board between appointed and elected Directors, the method of their nominations and election, provisions regarding resignation and removal, the filling of vacancies occurring from time to time and compensation shall be as stated in the Articles of Incorporation.

**ARTICLE VII
MEETING OF DIRECTORS**

Section 1. Regular Meetings.

Regular meeting of the Board of Directors shall be held without notice, at such place and hour and as often as may be fixed from time to time by resolution of the Board of Directors.

Section 2. Special Meetings.

Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice delivered in person or by telephone or fax to each Director.

Section 3. Quorum and Necessary Vote.

(a) A majority of the number of Board of Directors shall constitute a quorum for the transaction of business.

(b) The vote of a majority of the Board of Directors present shall decide any questions brought before such meeting unless the question is one upon which, by express provision of the Declaration, Articles of Incorporation, or these Bylaws, a different vote is required as an expression of the entire membership of the Board of Directors.

Section 4. Executive Sessions.

All meetings of the Board of Directors shall be open to observers, except the President may call the Board of Directors into executive session on matters of personnel or for hearings on infractions of published rules and regulations or for such other matters as authorized per Section 55-510.1 of the Virginia Property Owners Association Act. Any action taken by the Board of Directors in executive session shall be recorded in the minutes of the Association.

Section 5. Action Taken Without A Meeting.

The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

**ARTICLE VIII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Powers.

The Board of Directors shall have the power to:

(a) exercise for the Association all powers, duties and authority vested in or delegated to this Association by law, the Declaration, or any Supplementary Declaration and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(b) employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties;

(c) suspend the right to use the Common/Limited Common Areas, including recreational facilities of an Owner or Member during any period in which such Owner or Member shall be in default for more than 30 days after notice in the payment of any assessments levied by the Association. Such right may also be suspended for Owners or Members, after notice and hearing, for a period not to exceed 60 days for infraction of the Declaration or the Book of Resolutions;

(d) designate depositories for Association funds, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Association, and cause such persons to be bonded, as it may deem appropriate;

(e) shall have a right to cause the lien against any property for which assessments are not paid within thirty (30) days after due date to be foreclosed or cause an action at law to be brought against the Owner personally obligated to pay the same;

(f) enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Articles.

Section 2. Duties.

It shall be the duty of the Board of Directors to:

(a) cause the Common/Limited Common Areas to be maintained in good, clean, attractive and sanitary condition, order and repair;

(b) adopt and publish rules and regulations including fees, if any, governing the use of the Common/Limited Common Areas and facilities, and the personal conduct of the Members and Owners and their guests thereon and on the Lots, and to include these in the Book of Resolutions;

(c) cause to be kept a complete record of all of its corporate affairs including the Book of Resolutions and make such records available for inspection by any Member or his agent;

(d) supervise all officers, agents and employees of the Association and see that their duties are properly preformed;

(e) issue upon demand by any Member, a certificate setting forth whether or not any assessment upon his property has been paid and giving evidence thereof for which a reasonable charge may be made;

(f) hold a public hearing on the proposed general annual budget;

(g) approve the annual general and Parcel budgets by a majority vote of the Board of Directors;

(h) by a two-thirds vote of the Board of Directors, fix annual general and Parcel assessments at an amount sufficient to meet the obligation imposed by the Declaration and all Supplementary Declarations;

(i) annually set the date(s) assessments are due and decide what, if any, interest rate is to be applied to assessments which remain unpaid thirty (30) days after they become due;

(j) send written notice of each assessment to every Owner or Member subject thereto at least thirty (30) days in advance of the due date of the annual assessment or first installment thereof;

(k) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(l) appoint such committees as are prescribed in Article X;

(m) exercise their powers and duties in good faith, with a view to the interests of the Association and to this end adopt appropriate guidelines for action on matters where a potential conflict of interest may exist.

ARTICLE IX OFFICERS

Section 1. Enumeration Of Officers.

The officers of this Association shall be a President who shall at all times be a Member of the Board of Directors, one or more Vice-Presidents, a Secretary, and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

Section 2. Election of Officers.

The election of officers shall take place at the first meeting of the Board of Directors after the filing of the Articles of Incorporation and thereafter at the annual meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term.

The officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors and shall hold office (unless sooner removed) until the next annual meeting of the Board of Directors or until their replacements are elected.

Section 4. Resignation and Removal.

Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies.

A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. Multiple Offices.

Each office must be held by a different person.

Section 7. Duties.

The duties of the officers are as follows:

PRESIDENT

(a) the President shall preside at all meetings of the Board of Directors and of the Association; shall see that order and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall sign along with the Treasurer all promissory notes and contracts as the Board of Directors may approve from time to time.

VICE PRESIDENT

(b) the Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such duties as may be required of him by the Board of Directors.

SECRETARY

(c) the Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; maintain the Book of Resolutions; keep the corporate seal of the Association and affix it on all papers requiring said seal; send notices to Members and Owners as provided in Article V; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board of Directors.

TREASURER

(d) the Treasurer shall cause all moneys of the Association to be deposited in appropriate accounts and distributed therefrom as directed by resolution of the Board of Directors; shall sign along with the President all promissory notes and contracts; keep proper books of accounts; cause an annual audit of the Association books to be made by a certified public accountant at the completion of each full fiscal year; and shall be the chief officer responsible for the preparation of an annual budget and a statement of income and expenditures to be presented to the Board of Directors and to the membership at its regular annual meeting.

**ARTICLE X
COMMITTEES**

The Board of Directors may create one or more committees and may appoint Members of the Board of Directors, officers of the Association, or Members to such committees. Committees shall perform such tasks and serve for such periods as may be designated by resolution adopted by the Board of Directors. Each committee shall operate in accordance with all procedures adopted by the Board of Directors and the terms of the resolution of the Board of Directors designating such committee. The provisions of these Bylaws which govern meetings, action

without meetings, notice, and waiver of notice, quorum and voting requirements of the Board of Directors shall apply to committees as well.

Section 1. Parcel Advisory Committees.

The Board of Directors shall appoint Parcel Advisory Committees from time to time. The composition of such Parcel Advisory Committees may vary depending on interest, but shall have no fewer than three (3) and no more than nine (9) members. Parcel Advisory Committees shall consist of, at a minimum, a Chair, Vice-Chair and Recording Secretary. Each Parcel Advisory Committee shall be governed by the Charter for Parcel Advisory Committees.

Section 2. Other Committees.

The Board of Directors shall appoint such other standing and ad hoc committees it deems appropriate to carrying out its purposes.

**ARTICLE XI
FISCAL YEAR**

The fiscal year of the Association shall begin on the first day of January of each year, except that the first fiscal year shall begin on the date of incorporation.

**ARTICLE XII
ENVIRONMENTAL PRESERVATION BOARD**

Section 1. Composition.

An Environmental Preservation Board (EPB) is hereby created which shall be comprised of three (3) or more persons appointed by the Developer. At such time as the Developer's membership expires, the EPB shall be appointed by the Board of Directors. The Chairman shall be appointed by the Board of Directors. A quorum for Board of Directors action shall be a majority of it's Members. EPB members shall serve not more than two (2) consecutive three (3) year terms. Terms may be extended with the Board of Directors approval.

Section 2. Purpose.

The EPB has been established to implement and regulate the architectural control and use of property protective covenants in accordance with the direction and guidelines set forth in Article V and Article VI of the Declaration.

Section 3. Procedures.

The EPB shall formulate general guidelines and procedures and submit them for confirmation of the Board of Directors. Such guidelines and procedures shall be approved by a majority vote of the Board of Directors. The adopted guidelines and procedures shall be incorporated in the Book of Resolutions and the Parcels shall act in accordance with such guidelines and procedures.

Any applicant shall have the right to appeal any decision of the EPB rendered pursuant to Article V and VI of the Declaration to the Board of Directors provided written notice of such appeal is filed with the Secretary by such Owner or Member within ten (10) days of the dated letter of the EPB's decision. Upon filing of any such appeal, the Board of Directors shall schedule a hearing after at least ten (10) days written notice to the Member or Owner stating the time and place of such hearing. At any such hearing, the Board of Directors may, by a vote of two-thirds (2/3) of the membership of the entire Board of Directors, overrule the EPB.

ARTICLE XIII AMENDMENTS

Section 1.

These Bylaws may be amended:

(a) at any meeting or special meeting of the Board of Directors duly called for that purpose, by a vote of two-thirds (2/3) of the Board of Directors, provided notice of the meeting and the proposed amendments has been delivered to the Board of Directors and to the Members at least fifteen (15) days prior to the meeting; or

(b) at the annual meeting of the Members, by a vote of a majority of the votes of the Members who are voting in person or by proxy and with the consent of the Class C member, while the Class C membership exists.

Should the Federal Housing Administration or the Veterans Administration have any legal interest, either shall have the right to veto amendments while there is a Class C membership.

Section 2.

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Exhibit 4

to

Disclosure Certificate

Kingsmill Community Services Association

Rules and Regulations

Enforcement and Due Process Policy and Procedures

Rules for Recording Meetings of the Association

Rules Governing the Kingsmill Gate System

Collections Policy

KINGSMILL COMMUNITY SERVICES ASSOCIATION

RULES AND REGULATIONS

ADOPTED: September 25, 2008

EFFECTIVE DATE: October 15, 2008

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Introduction

A. Purpose

All Owners of residential Lots and residents of Kingsmill (herein also referred to as the "Properties") are legally bound to abide by the Kingsmill Declaration of Covenants and Restrictions as amended (the "Declaration"), Supplemental Declarations as amended for individual Parcels, (each a "Supplemental Declaration"), (collectively the Declaration and the Supplemental Declarations for all Parcels are hereinafter referred to collectively as the "Covenants"), the Articles of Incorporation, the Kingsmill Community Services Association ("KCSA") Bylaws, the Environmental Preservation Board ("EPB") Policies and Procedures and other applicable legal documents. As used herein, the term "Governing Documents" means collectively the Covenants, the Articles of Incorporation, the KCSA Bylaws ("Bylaws"), the EPB Policies and Procedures and the Rules and Regulations ("Rules"). These Rules and Regulations were adopted to govern the use of the Lots, the Common Areas and the Limited Common Areas within Kingsmill. (Properties owned by Busch Properties, Inc. and its related entities, as well as property located within the Corporate Center, the Resort, the Spa and the Theme Parks, are not subject to the Governing Documents or to these Rules and Regulations.) To the extent not otherwise defined herein, capitalized terms shall have the meaning set forth in the Covenants.

B. Authority

The Declaration authorizes and empowers the KCSA Board of Directors and the EPB to establish rules regulating the use of Lots, the Common Areas, and the Limited Common Areas within KCSA. See Declaration Article III, Section 3 and Article IV, Section 1, subparagraph b; Bylaws Article VIII, Section 2, subparagraph b; and Section 55-513 of the Virginia Property Owners' Association Act. Accordingly, by resolution, the Board of Directors and the EPB established the following Rules and Regulations to govern the use of Lots, the Common Areas and the Limited Common Areas in Kingsmill.

C. Governing Documents

These Rules and Regulations should be considered with the covenants, and the other Governing Documents. If any provisions of these Rules and Regulations conflict with the terms or provisions of any Governing Documents, the terms and provisions of the applicable Governing Documents shall control. Please note that, while rules and regulations typically govern *conduct*, there are many instances in which the lines of conduct and exterior alterations or improvements overlap, and therefore there are cross references throughout these Rules and Regulations to the EPB Policies and Procedures.

We sincerely hope that you take the time to read these Rules and Regulations carefully and will file them away for safe keeping and future reference. Additionally, non-resident

Owners are responsible for making sure their tenants follow these Rules and Regulations and the other Governing Documents.

Use of Property

1. **Animals.** In accordance with the James City County Code, guide animals and orderly dogs, cats and other usual and common household pets are welcome within Kingsmill, so long as the number per household does not exceed a reasonable number, the animals are not kept for commercial purposes, are well maintained, are kept under the control of the owner at all times and are not considered a nuisance. See, also, the Supplemental Declaration for your subdivision/Parcel for additional rules. Dogs shall be kept on a leash while on the streets, right of ways and walking trails and shall be kept under the control of the Owner whenever outside of a dwelling. Owners are responsible for picking up and disposing of all pet waste. Pets shall be registered, licensed, and inoculated as required by law.
2. **Antennas, Satellite Dishes and Similar Devices.** See EPB Policies and Procedures Section 7.27.
3. **Association Property.** The Common Area and Limited 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 and the Limited Common Area shall be used only for the intended purposes. Except as otherwise expressly provided in the Governing Documents, no Owner shall make any private, exclusive or proprietary use of any of the Common Area or Limited Common Area without the written approval of the Board of Directors and then only on a temporary basis. In the event the Common Area or the Limited Common Area or any improvements thereon is damaged or destroyed by an Owner, his/her tenants, guests, licensees, agents or members of his/her family, KCSA may repair such damage at the Owner's expense. The costs of such repairs shall become a special assessment against the Owner's Lot and shall constitute a lien on such Owner's Lot and be collectible in the same manner as other assessments under the Declaration. Please also refer to the KCSA website at www.mykingsmill.com for additional rules regarding the Association community centers, pools, tennis and basketball courts and playgrounds in addition to information regarding Long Field and the Plantation Pavilion. Copies may also be obtained at the KCSA office.
4. **Association Trails and Paths.** The trails and paths within Kingsmill are intended to be used and enjoyed by all Owners, residents and guests. Non-pedestrian users of the trails should remember to yield to pedestrians. Due to safety concerns, running and walking on the main roads is discouraged, however, it is recommended that pedestrians who utilize the main roads to access the trails walk facing oncoming traffic. The following rules are intended to

be minimum rules to ensure the safety and enjoyment of those who utilize these trails.

- a. The trails are intended for use by pedestrians, bicyclers, scooters, skateboards and motorized scooters (including Segways).
 - b. Larger motorized vehicles such as golf carts, mopeds, and gas or electric powered motorcycles are not permitted.
 - c. All bike riders are recommended to wear helmets; it is required of all cyclists age 16 and under in accordance with state law.
 - d. The Association recommends that all manufacturer safety precautions be followed including the use of helmets and other safety gear such wrist guards, elbow pad and knee pads for scooters, skateboards, etc.
 - e. Because sight lines may be limited, users of the paths must stop at all crosswalks and yield to vehicular traffic for personal safety.
5. **Awnings.** Must be applied for and approved by the EPB prior to installation. See EPB Policies and Procedures Section 7.3.
6. **Casualty.** Damage to property by fire, casualty, vandalism, accident or other cause must be promptly reported to the Association by any person having knowledge thereof. If a building or other improvement located upon a Lot is damaged or destroyed, the Owner thereof shall restore the site either (i) by repairing or reconstructing such building or improvement, or (ii) by clearing away the debris and restoring the site to an acceptable condition compatible with the remainder of the Properties. Such work must be commenced promptly after the date of casualty and substantially completed by no later than six (6) months after the date of the casualty; provided, however, that any unsafe structure must be immediately secured and fenced. An extension may be granted by the Board of Directors, in its sole and absolute discretion.
7. **Clothes Drying Equipment.** Clothes lines or other clothes drying apparatus shall be screened from public view in a manner approved by the EPB.
8. **Commercial Use.** Except for those activities conducted as part of the marketing and development program of the Developer or Builders, or Owners within the community conducting home occupations in accordance within the Supplemental Declaration's application to individual neighborhoods, no Lot shall be used for any business, commercial, manufacturing, mercantile, storing, vending or other non-residential purposes.
9. **Emissions.** There shall be no emission of dust, sweeping, dirt, cinders, odors, gases or other substances into the atmosphere (except for the normal residential chimney or BBQ grill emissions) or discharges of liquid, solid wastes or other environmental contaminants into the ground or any body of water. (See also Rule 18 Hazardous Use; Waste).

10. **Fences.** Must be applied for and approved by the EPB prior to installation. Temporary or deer fencing is not permitted. See EPB Policies and Procedures Sections 7.11 and 7.12.
11. **Firewood.** Because of the threat of pest problems, firewood must be stored a minimum six (6) inches off the ground. Firewood must be neatly stacked at a location at the rear of the unit, at least two (2) feet from any wall and shall not be stored so that it blocks access to any door or throughway, or any Common Area or Limited Common Area. Firewood shall not be stacked in excess of four (4) feet in height. Owners must clean and sweep Common Areas and Limited Common Areas that have been littered due to delivery of firewood. If covered, firewood covers should comply with the EPB Policies and Procedures Section 7.13.
12. **Flags.** See EPB Policies and Procedures 7.14.
13. **Garage Doors.** To enhance the aesthetics of the neighborhood, garage doors shall be kept closed when the garage is not in use.
14. **Golf Carts.** Resort-owned golf carts are permitted on golf course property only and may only be operated by golf players during golf play. The golf courses are not part of the Association. Privately owned golf carts shall not be operated on the Common Areas, Limited Common Areas or Lots or upon the streets and right-of-ways of Kingsmill.
15. **Grills.** Except as provided in Supplemental Declarations, use of portable barbecue grills or other outdoor cooking equipment is permitted on the Lots. When in use, outdoor cooking equipment must be placed behind the dwelling positioned so that smoke will not disturb neighboring properties. Fires must be extinguished promptly after cooking. Permanent grills must be applied for and approved by the EPB prior to installation. See also EPB Policies and Procedures Section 7.23.1(g). Non-operational grills must be stored on a patio, deck or inside a privacy fence, shed, garage, or other outdoor enclosure approved by the EPB. Due to fire department regulations, disconnected propane tanks must be stored in an open outdoor area and must be shielded from the view of neighboring properties to the maximum extent possible.
16. **Group Outdoor Recreational Activities.** In Common Areas and Limited Common Areas, group outdoor recreational activity may be permitted from sunrise to sunset in designated areas if approved by the Association's Board of Directors.
17. **Guests.** Guests must adhere to all Kingsmill Rules and Regulations while on Properties. Owners must notify KMPD at 757-253-3911 of arriving guests. Frequent guests may be placed on Owner's "Approved Guest List" at the KCSA

front office and may be eligible for an entry bar code. Contact the KMPD Receptionist for additional information.

18. **Hazardous Materials Use.** Nothing shall be done or kept on the properties which will increase the rate of insurance applicable for permitted uses for other Lots, the Common Area, the Limited 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 any other Lot, the Common Area, the Limited 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 charge 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 the 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, Common Area, Limited 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 disposed of on the Common Area or Limited Common Area.
19. **Holiday/Seasonal Decorations.** "Holiday/Seasonal Decoration" 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 EPB approval for up to seven (7) days before and seven (7) days after such holiday, except Christmas, Hanukkah and Kwanzaa decorations which may be displayed from Thanksgiving through January 7 of each year. Owners desiring to display Holiday/Seasonal Decorations for longer periods should apply to the EPB 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.
20. **Hoses.** Except when in use, hoses shall be concealed from view and stored in a neat and orderly fashion.
21. **Irrigation Systems.** Must be applied for and approved by the EPB prior to installation. See EPB Policies and Procedures Section 7.20.6.

22. Lights. Exterior and landscape lighting must be applied for and approved by the EPB prior to installation. See EPB Policies and Procedures 7.21.

23. Lakes and Ponds.

- a. No gasoline powered boats or equipment are allowed on any of the lakes or ponds.
- b. Fishing is permitted in both Kingsmill Pond and Wareham's Pond with a valid Virginia fishing license. (Persons under the age of 16 or over the age of 65 are exempt from this requirement).

24. Landscaping; Sight Lines. See EPB Policies and Procedures Sections 4.2 and 4.3.

25. Lawful Use. No improper, offensive or unlawful use shall be made of the Properties or any part thereof, and all laws, zoning ordinances and regulations of all governmental agencies having jurisdiction shall be observed and complied with by, and at the sole expense of the Owner, the Association, the Developer or any owners association or condominium unit owners association, whichever shall have the obligation for the upkeep of such portion of the Properties.

26. Leaf Collection/Yard Debris. The burning of leaves and other yard debris within Kingsmill is strictly prohibited. At no time shall leaves be piled in streets for collection. Bags of leaves shall be placed by the curb for bulk pick-up only and shall not be evident prior to 5 p.m. the night before scheduled pick up. An Owner shall not rake or blow leaves into a Common Area or Limited Common Area, into a LPZ or other drainage area, or outside the boundaries of the Owner's lot. Those owners who choose to employ the services of an outside contractor should contract for the removal of yard debris by that contractor.

27. Leasing. No Lot or Living Unit, or any portion thereof, shall be used or occupied by non-Owners for transient or hotel purposes or in any event leased for an initial term of less than twelve (12) months. All leases must be for the entire Lot and Living Unit. No more than one lease may be entered into for the same Lot/Living Unit for the same term. Subleasing and/or assignment of leases is/are not permitted. No Lot or Living Unit, or portion thereof, shall be subjected to or used for any timesharing, cooperative, licensing or similar arrangement that would entail daily, weekly, monthly or any other type of revolving or periodic occupancy by multiple Owners, occupants, cooperators, licensees, or timesharing participants. Every Owner shall cause the occupants of his or her Lot and Living Unit to comply with this Declaration, the Bylaws, the EPB Policies and Procedures and any rules and regulations of the Association. No Owner shall lease a Lot/Living Unit other than on a written form of Lease: (1) requiring the lessee to comply with the Declaration and the other rules and governing documents of the Association; (2) providing that the failure to comply with such

documents shall constitute a material default under the lease; (3) providing for an initial, good faith, obligatory term of twelve (12) months or more; and (4) providing that subleases and/or assignments shall be prohibited. Owners who lease their Lot/Living Unit must complete and submit a tenant information form which can be obtained at the KCSA office. The foregoing shall not apply to those Lots/Living Units owned by the Developer and/or the owner of the Kingsmill Resort, or comprising condominium units located within the condominium regimes of Padgett's Ordinary Condominium, Pelham's Ordinary Condominium, and Conference Center Condominium; provided, however, that such Lots/Living Units shall continue to be subject to any use restrictions set forth in the respective condominium declarations and/or Supplemental Declarations applicable to such Lots/Living Units.

28. **Mailboxes and Newspaper Tubes.** Only mailboxes and newspaper tubes approved by the EPB shall be permitted. Mailbox posts must be well maintained, to include staining, repair and replacement as needed. Contact the KCSA Receptionist for additional information.

29. **Maintenance.** Each Owner shall keep all Lots owned and all improvements therein or thereon free of debris and in good order and repair, including, but not limited to the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate eternal care) of all buildings and consistent with good property management and so as not to detract from the overall beauty, of the Properties and health and safety of Kingsmill residents. Criteria for unsightly conditions are based on the following:

- a. Lawns should be kept neat and shall not exceed six inches in height.
- b. Trash and litter must be kept under control at all times. Trashcans, boxes and bags should not be evident prior to 5 p.m. the night before scheduled pick up. Empty trashcans must be removed and stored by 8 a.m. on the day after trash collection.
- c. Clothes, blankets, towels, rugs, and appliances, must be stored out of sight of the road and adjacent property.
- d. Driveways and walkways are to be arranged and maintained in such a way that parking areas, lawns, and landscaped areas are clearly defined and easily recognizable; and corresponding to the site plan on file. Driveways which are determined to be in disrepair or impact drainage will require replacement or repair.
- e. Landscaped areas or mulched areas must be kept free of weeds. Fallen limbs, branches, and piles of leaves must be removed promptly.

- f. Roofs and gutters should be free from visible leaves, limbs, branches and debris. Missing shingles, broken gutters, broken downspouts, and rotten wood on steps, stoops, siding, or windows are to be repaired in a timely manner. Roofs must be maintained so that shingles are predominantly free from streaks to include tree sap, algae or other staining substances.
- g. Paint and stain that have faded, discolored, peeled, chipped or cracked must be corrected. Mold, mildew and other signs of damage or neglect are not permitted. Roof repairs must not appear to be patched.
- h. Windows and sliding glass doors that use multiple panes of glass must be replaced if vapor barrier is breached.
- i. Owners of lots with houses are responsible to maintain their road shoulder. Multi-family parcels are responsible to maintain the road shoulder in their parcels. Road shoulder maintenance includes the mowing of the road shoulder and keeping the driveway culvert pipe clean of debris. The KCSA is responsible for the mowing of road shoulders of unimproved lots. Formal and informal drainage structures may not be impeded.
- j. Vacant lots must be kept clean of debris, fallen branches, limbs, trees etc.

30. Maintenance During Construction or Renovation. All Lots must be maintained free of debris during the course of construction or renovation. Adjoining streets must be kept cleaned of debris and mud. Any Lots purchased where construction or renovation is not to begin immediately must be kept free of debris, must have sufficient erosion protection in place, and must be maintained on a regular basis so that existing grass and weeds do not exceed a height of 6 inches. Building sites that maintain a portable toilet for the use of subcontractors working on the site should be located, where possible, near the side of the property and out of view of the street and must be cleaned on a regular basis.

31. Construction Restrictions. All builders and contractors must comply with the rules set forth in this document and the EPB Policies and Procedures, Article 5. Specifically, in addition to those items previously addressed herein, each builder, and his/her subcontractors shall observe the following:

- a. Each contractor shall maintain the exterior grounds and premises in a neat and clean condition, free of all trash and debris.
- b. Unless prior approval is obtained from the EPB, no materials, except those that will be incorporated into the project during a maximum of thirty (30) days following delivery will be allowed on the exterior of the site. Those materials stored on site will be maintained in a neat order.

- c. In order to respect the rights of existing residents, construction activity should be limited to the hours of 7 a.m. to 7 p.m., Monday through Friday, and 8:30 a.m. to 5:00 p.m. on Saturday. No radios may be played at levels that cause an unreasonable annoyance to adjoining Lots.

- 32. **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.
- 33. **Multi-Unit Dwellings.** The Kingsmill Board of Directors may adopt Parcel specific rules such as rules for storage of garbage and trash, storage and usage of grills, and storage of firewood in individual Multi-Family Parcels provided such rules do not conflict with or contradict the Governing Documents.
- 34. **Noise.** All persons present on the Properties shall comply with the applicable local noise ordinance and shall not permit or engage in any activity, practice or behavior that makes or causes to be made any excessive, unreasonably loud noise or any noise that causes unreasonable annoyance, discomfort or disturbance to any other person(s) lawfully present on any portion of the Properties.
- 35. **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 annoyance, shall not be conducted on any Lot, Parcel, Common Area, Limited 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/her or her Lot or Parcel that could reasonably cause embarrassment, discomfort, or annoyance to other Owners or residents.
- 36. **Obstructions.** No person shall obstruct any of the Common Area, Limited Common Area, or otherwise impede the rightful access of any other person to 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 Areas or Limited Common Areas without the approval of the Board of Directors. Nothing shall be altered or constructed in or removed from the Common Areas or Limited Common Areas except with the proper written approval of the Board of Directors.
- 37. **Open Houses.** Realtor Open Houses are allowed provided the Owner registers the Open House with KMPD a minimum of 5 business days before the scheduled Open House. Open Houses for Kingsmill residents are allowed and may be advertised in the Bulletin. Please notify KMPD when a house is to be shown.

38. Parking and Vehicular Restrictions. (See also Rule 4 Association Trails and Paths.)

- a. Parking within Kingsmill shall be restricted to private vehicles within the driveways and areas designed and/or designated for parking. All vehicles must be parked so as not to impede traffic or mailbox access, or damage vegetation. No parking on lawns shall be permitted. No overnight parking on streets or road shoulders shall be permitted.
- b. No junk or derelict vehicles or other vehicle not displaying current registration and inspection plates shall be kept on any portion of the Properties, nor shall any major repairs of any motor vehicle which shall cause the vehicle to remain inoperable at the end of one day be conducted upon any portion of the Properties. Privately owned vehicles may be repaired and stored within enclosed structures.
- c. No vehicles parked within the Common Areas or Limited Common areas may display a "for sale" sign.
- d. Except as otherwise expressly authorized by this Rule, no commercial vehicles, construction vehicles, or trailers of any type, shall be parked or stored within the Properties, except in garages. "Commercial Vehicle" means every motor vehicle, vehicle or combination of vehicles used to transport passengers or property which either: (i) has a gross vehicle weight rating of 26,001 or more pounds; or (ii) has a gross combination weight rating of 26,001 or more pounds inclusive of a towed vehicle with a gross vehicle weight rating of more than 10,000 pounds; or (iii) is designed to transport 16 or more passengers including the driver; or (iv) is of any size and is used in the transportation of hazardous materials. Every such motor vehicle or combination of vehicles shall be considered a commercial motor vehicle whether or not it is used in a commercial or profit-making activity. The absence of commercial lettering or graphics on a vehicle shall not be determinative of whether it is a commercial vehicle. Concurrently, lettering on a vehicle advertising a business is indicative of a commercial vehicle; provided, however, that lettering located on a vehicle driver's or any door of a vehicle that would otherwise be considered a non-commercial vehicle shall not alone make such vehicle a commercial vehicle, if there are no other features which cause the vehicle to be considered commercial.
- e. Recreational vehicles such as motor homes may be parked in driveways of single-family homes for no more than three consecutive days during any thirty day time frame upon notification of KMPD. Boats, jet-skis, their associated trailers and utility trailers may be parked in driveways of single-family homes for no more than three consecutive days during any seven day period. Any such vehicles belonging to visitors and guests of

residents must be registered with KMPD. KMPD shall have the discretion to extend any applicable timeframes provided that, in no event, shall any such vehicles be parked in excess of ten days during any sixty day time frame.

- f. The foregoing restrictions regarding commercial vehicles shall not apply to temporary parking of commercial vehicles in connection with construction use or providing pick-up and delivery and other commercial services nor shall any such restrictions apply to any vehicles of the Developer, the Association or the Kingsmill Resort and Spa. Service vehicles for repairs and/or construction may park on the Properties between the hours of 7 a.m. and 7 p.m., Monday – Friday, and 8 a.m. to 5:30 p.m. on Saturday, except in the case of emergencies. Please notify KMPD in the event of an emergency.
 - g. Except for those vehicles used by the Association or Developer to carry out its day-to-day operations and motorized wheelchairs or other devices to assist disabled persons, motorized vehicles, including but not limited to golf carts, are prohibited on the Association roads, Trails and Paths, or the Common Area or Limited Common Area. This prohibition shall not apply to the use of motorized scooters, skateboards or “Segways” traveling at 18 mph or below; nor shall this prohibition apply to normal licensed vehicular use on designated streets and lanes. (See also Rule 4. Association Trails and Paths).
 - h. Subject to applicable laws and ordinances, any vehicle, recreational vehicle, boat or trailer hereinafter (“Vehicle”), parked in violation of these or other restrictions set forth in the Governing Documents may be towed by the Association at the sole expense of the owner of the vehicle as follows: (i) if the Vehicle is parked in a NO PARKING ZONE or fire lane, double parked or otherwise blocking throughways, mailbox access or causing an emergency situation, it will be subject to towing without notice; and (ii) the Vehicle is not parked as provided in (iii), then it may be towed by the Association if it remains in violation for 24 hours after a notice of violation is placed on the Vehicle. The Association shall not be liable to the owner of the towed Vehicle for trespass, damage, or otherwise, nor shall the Association be guilty of any criminal act, by reason of the towing. In cases of towing in which notice is required, once notice is posted, neither its removal, nor failure of the owner to receive it for any reason, shall be grounds for relief of any kind. An affidavit of the person posting such notice stating that the notice was properly posted shall be conclusive evidence of proper posting.
39. Play Equipment, Strollers, Etc. All bicycles, tricycles, scooters, skateboards, and other play equipment, children’s wading pools, baby strollers, and similar items shall be stored so as not to be visible from the streets or neighboring

properties when not in use. When not in use, children's wading pools should be emptied to prevent mosquito breeding and drainage problems on the Lot or on neighboring properties.

40. Recreational/Athletic Equipment – Basketball Goals, Play Gyms, Swing Sets, Play Houses, Trampolines, Pools, Hot Tubs, Tennis Courts, Putting Greens, Gazebos, Pergolas, Decks, Patios, Piers, Dependency Sheds. Must be applied for and approved by the EPB prior to installation. (See EPB Policies and Procedures Article 7). A reasonable noise and light level may emit from these features between the hours of sunrise to sunset.
41. Resident Contacts. For health and safety purposes, all Owners are encouraged to provide KMPD with the name, address and phone number(s) of persons to be notified in emergencies.
42. Sediment and Erosion Control. Must be in accordance with all applicable laws. See EPB Policies and Procedures Sections 4.4 and 5.6.
43. Sale of Lots. Virginia Law requires sellers of residential property to make certain disclosures to their purchasers both in the contract of sale and in the form of a disclosure package obtained from the Association. The Association charges a fee for providing the disclosure packet. Upon request by an Owner or an Owner's agent and receipt of payment of the fee, the Association will provide a disclosure package as required by the Virginia Property Owners' Association Act.
44. Setbacks. Must be determined by the EPB. See EPB Policies and Procedures Sections 5.4.4 and 6.1.1.
45. Signs. No sign of any kind may be displayed to the public view on any Lot except "For Sale" signs meeting the sign criteria of Kingsmill and approved "Builder Signs." Contact the KCSA Receptionist for additional information. No signs may be placed on the golf course.
46. Solicitation/Pamphleteering. Commercial, non-commercial, and political soliciting and pamphleteering is prohibited within the entire community of Kingsmill except as expressly provided below. Official publications of the Association and Parcel Advisory Committees are exempt from this rule.
 - a. Political Solicitation.
No political candidate and no one representing any political candidate or political organization, resident or not, will be allowed to door-to-door canvass or campaign in Kingsmill.
 - b. Charitable Solicitation.
 1. Only Kingsmill residents can solicit for charity within Kingsmill.

2. KCSA members wishing to solicit for a charitable cause only within their Neighborhood/Parcel, may do so without prior authorization.
 3. Any resident wishing to solicit for a Charitable cause throughout Kingsmill needs to submit, in writing, a written request the KCSA office at least three (3) weeks in advance of the proposed solicitation. The request must include the proposed time frame of the solicitation, the names of the proposed solicitors and a detailed explanation of what is being solicited for.
 4. If approved, an authorization letter will be executed from the KCSA office. Solicitors will be limited to working from 9 a.m. to 7 p.m.
 5. A copy of the authorization letter granted by the KCSA office must accompany each solicitor and be presented to each household solicited.
 6. If appropriate, the applicant will write a brief article for the KCSA Bulletin outlining the solicitation program.
47. **Temporary Structures.** No structure of a temporary character, and no shack, barn, pen, kennel, run, stable, prefabricated structures or other temporary accessory buildings shall be erected, used or maintained on any Lot or Parcel except as approved by the EPB in connection with construction or moving activities. (See EPB Policies and Procedures 5.9)
48. **Tents.** See EPB Policies and Procedures 5.9.
49. **Trash & Bulk Items.** All garbage and bulk items stored on the Properties shall be kept in covered containers, inside a privacy fence, shed, garage or other concealed or screened area. Trash containers shall not be kept in front yards, and if kept in side yards, they should not encroach on the building setback lines or be visible from the street. Accumulation or storage of litter, refuse, bulk materials, building materials, garbage, trash, and dilapidated, discarded, or poorly maintained yard items of any kind shall not be permitted on any Lot. Trash and Bulk Item Pick-Up dates are posted in the KCSA Bulletin and on the KCSA website: www.mykingsmill.com. Trash and yard debris must be placed at the edge of the driveway no earlier than 5 p.m. the night before the scheduled pick-up and must be on the curb by 7 a.m. on your trash day. Empty trashcans must be removed and stored by 8 a.m. on the day after trash collection. If there is a particularly large amount of garbage or items for bulk pick-up, please contact the KCSA Receptionist in order to arrange appropriate transport.
- a. Owners are responsible for the removal of some bulk items, to include but not limited to tree sections, trunks and stumps. Yard debris may not

exceed four inches in diameter and four feet in length and must be bundled and tied. All yard debris must be placed on the curb for pick up.

- b. Limit to seven bags or bundles of trash each day; 14 per week; each bag cannot exceed 50 pounds.
- c. The following items will not be accepted for trash pick up: Remodeling material or demolition material, debris from tree removals or land clearing, tires, batteries (excluding household batteries), motor oil, paint cans, gas cans, lawn and mower engines/parts, all propane tanks and bottles, items containing fuel or Freon (including refrigerators and freezers), hazardous waste, household chemicals, drums and tanks, asbestos materials and medical waste.
- d. New Residents: One Time Box Pick Up information and recycling information is included in the Welcome Package.

50. **Underground Utilities.** No water, sewer, gas, or drainage pipe, television cable, electrical wire, or other similar transmission or utility line shall be installed or maintained upon any Lot or Parcel above the surface of the ground. Contact the KCSA Receptionist if work is to be done below ground to locate association street lighting. Homeowner or contractor must contact Miss Utility in accordance with state law.

51. **Utility & Utility Areas Screening.** All utilities and screening must be applied for and approved by the EPB prior to installation. See EPB Policies and Procedures 7.19.

52. **Vegetation and/or Landscaping.** Must be applied for and approved by the EPB prior to installation. See EPB Policies and Procedures 7.20.

53. **Window Treatments.** All curtains, draperies, window shades, window blinds and window hangings shall present a neutral palette when viewed from the outside of the building. Paper of any kind, bed sheets and foils are not permitted for use on windows. Window appliques are not permitted. (See EPB Policies and Procedures Section 7.36.5).

54. **Yard/Garage Sales.** Yard sales or garage sales are prohibited within single-family or multi-family residential neighborhoods, subdivisions, or parcels, and may only be permitted on Common Area with the permission of the KCSA Board of Directors, subject to applicable rules and regulations as the Board of Directors may adopt.

ENFORCEMENT AND DUE PROCESS POLICY AND PROCEDURES

I. Introduction

1. **Authority.** Section 55-513 of the Property Owners' Association Act provides that "the board of directors of the association shall have the power to establish, adopt, and enforce rules and regulations with respect to use of the common areas and with respect to such other areas of responsibility assigned to the association by the declaration. . ." The Declaration of Covenants and Restrictions of the Kingsmill Community Services Association ("KCSA") dated September 18, 1973 (the "Declaration"), in addition to setting forth certain covenants, provides for the establishment of the Environmental Preservation Board and incorporates by reference the Environmental Preservation Policies and Procedures. The authority to enact the Enforcement and Due Process Policy and Procedures is derived from the above-referenced documents and statute.

2. **Governing Documents.** The Enforcement and Due Process Policy and Procedures shall be considered with the enforcement provisions of the Declaration, the Articles of Incorporation of KCSA, the By-laws of KCSA and the guidelines, resolutions, rules, regulations or policies of KCSA including, but not limited to, the Environmental Preservation Board Policies and Procedures and the Charter for Parcel Advisory Committees for KCSA (the foregoing documents are herein collectively, the "Governing Documents".)

3. **Definitions.** Unless otherwise indicated, defined terms used herein shall have the meaning set forth in the Governing Documents.

II. Enforcement and Due Process Procedures

1. Procedures for Violations of the Governing Documents

- a. Noncompliance with the Governing Documents may be noted by any resident, Owner, employee of KCSA, member of the Kingsmill Police Department, or by a city/county employee acting in an official capacity by initially submitting a written notice to the KCSA Staff. The notice shall specify the time, date, place, and nature of the violation. Forms for reporting alleged violations are available at the KCSA office.
- b. Upon receipt of such notice, a KCSA Staff member shall investigate the alleged violation. If a violation is substantiated, the Staff member shall attempt to secure compliance by sending a written first notice to the Owner stating the time, date, place and nature of violation. The notice will provide a time period for compliance, will enclose a copy of this policy, and will enclose copies of applicable sections(s) of the Governing Documents which govern such violation. If the violation is not corrected within the time period given, the KCSA Staff member will send a written second notice of violation again stating the date and place the violation was noted and that such violation may result in imposition of sanctions, charges and/or legal action after notice and a hearing by the Board if the violation is not rectified within the a second

the Circuit Court for Williamsburg James City County, the lien shall be perfected and shall have the priority specified in Section 55-516 of the Code of Virginia. In connection with the filing of the memorandum of lien, KCSA may notify any mortgage company or lender who holds a mortgage or deed of trust secured by the Owner's Lot of the filing of such lien. Owners are cautioned that the filing of such lien may trigger a default under any mortgage or deed of trust secured by such Lot.

3. No Election of Remedies. The assessment of charges and/or the filing of a memorandum of lien shall not constitute an election of remedies by KCSA. Such charges and lien shall be in addition to any other remedy available to KCSA in law or in equity or contractually pursuant to the Governing Documents.

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stated time period. A record of this action and a copy of all notices sent by the Board or KCSA Staff member and any correspondence relating thereto shall be kept in the Association files, and may be sent to the Association's legal counsel.

- c. If an Owner fails to comply with the first and second notice, the Staff member shall send to the Owner by registered mail, a notice of hearing before the Board of Directors. Before any disciplinary action is taken against any such resident or Owner, the resident or Owner shall have the opportunity to be heard and represented by counsel before the Board. Notice of a hearing shall be hand delivered or mailed by certified mail, return receipt requested, to the Owner and, if applicable to the resident, at the address(es) of record with KCSA at least fourteen (14) days prior to the hearing. The notice shall specify the date, time, and location of the hearing. The notice shall additionally identify the specific provisions of the Governing Documents which the Owner or resident is alleged to have violated or to be in violation of, shall contain allegations of fact sufficient to support a finding of such violations, and shall, to the extent possible, specify the times, dates, places and persons involved and shall submit in writing the information listed above along with a description of the attempts already utilized to resolve the violation.
- d. If, after the hearing, the Board determines that a violation of the Governing Documents has occurred, the Board shall have the power to assess charges against any Owner for any violation for which the Owner or the Owner's family members, tenants, guests, or other invitees are responsible.

2. Violation Charges

- a. The amount of any charges assessed by the Board shall be up to Fifty Dollars (\$50.00) for a single offense or Ten Dollars (\$10.00) per day for any offense of a continuing nature.
- b. If the Board finds that the same violation is recurring within a six (6) month time period but is not present on a daily basis, the violation(s) will be deemed to be an offense of a continuing nature and will accrue charges of Ten Dollars (\$10.00) per day for each day the violation is noted on the property during a specified period of time (e.g. 6 months).
- c. The amount of any charges so assessed shall not be limited to the expense or damage to KCSA caused by the violation, nor shall the amount of such charges be deemed to reimburse KCSA either in whole or in part for any damages or costs incurred by KCSA as a result of such violation or any enforcement action taken by or on behalf of KCSA.
- d. Any charges so assessed shall be treated as a special assessment against the Owner's Lot, and, as such, shall entitle KCSA to file a memorandum of lien against the title to the Owner's Lot. Once recorded in the Clerk's Office of

Kingsmill Community Services Association (the "Association")
Rules for Recording Meetings of the Association

1. The following rules shall apply to all open meetings provided for under the Bylaws of the Association, including, but not limited to, all meetings of the Board of Directors and its committees, and membership meetings (collectively the "Meetings").
2. Due to the heightened risk of the unlawful and unauthorized use of individuals' images and/or likeness, video-recording and/or any other type of recording media which captures an individual's physical likeness, and the taking of photographs, shall not be permitted at any Meetings. Only audio-recording which complies with the Association's rules is allowed.
3. Audio-recording by members of the Association ("Members") will be permitted at Meetings, provided all of the following requirements are satisfied:
 - a. Members who desire to conduct such audio recording must notify the Association's Director of Operations in writing at least three (3) business days in advance of the Meeting to ensure that the Meeting facility is set up to accommodate such audio recording.
 - b. Members who desire to conduct such audio recording must announce at the start of the Meeting (prior to the initiation of such recording) and to all participants of the Meeting, that such recording will occur, which announcement shall be noted in the minutes of such Meeting.
 - c. Members who record all or part of a Meeting shall, no later than one business day after the meeting, provide to the Association's Director of Operations a complete, unedited, and decipherable copy of the recording capable of replay ("Recording"), which copy shall become the property of the Association. The copy of the Recording shall be provided in one of the following formats:
 - i. If the Recording was made in a digital electronic format, the copy must be provided in (i) a playable-audio format on a compact disc or a DVD, or (ii) in .mp3 format on a compact disc, DVD, or USB storage device.
 - ii. If the Recording was made on a cassette recorder, whether standard or reduced size (e.g., Mini Cassette, Microcassette), the copy must be provided (i) in any of the formats provided for in 3(c)(i) above, or (ii) on a standard-sized cassette tape.

Any compact discs, DVDs, USB storage devices, or cassette tapes (collectively, "Storage Mediums") provided to the Association in

Kingsmill Community Services Association

POST OFFICE BOX 348
WILLIAMSBURG, VIRGINIA 23187

19 October, 2007

To Whom It May Concern:

Kingsmill on the James is a private gated community in Williamsburg, Virginia incorporated as Kingsmill Community Services Association.

Access to Kingsmill is controlled via 2 gated entrances that are manned 24 hours a day by the Kingsmill Police Department. Residents are allowed automated entry and non-residents including visitors, guests and contractors are required to present themselves at the gates before entry is permitted. Residents must notify gates of visitors or the guard will contact homeowner.

Additionally, the Kingsmill Police Department which is a state certified law enforcement agency patrols the neighborhood providing greater security and protection of our residences.

RULES GOVERNING THE KINGSMILL GATE SYSTEM

1. Background

The purpose of the gate access system is to provide for a more efficient and convenient means of monitoring and controlling access to the Kingsmill community. The following rules will govern the use of the Kingsmill gate system.

2. Gate Access System and Procedure

The system consists of software, bar code readers, and gate arms that will enable the Kingsmill Police Department to control access to the property. Vehicles with bar codes may utilize the gated right-hand lane. Those utilizing this means of access must approach the gate and slow to 2 mph or less. When the bar code passes by the scanner, the scanner will read the bar code. Once the scanner determines that the bar code is valid, the gate arm will raise. When the gate arm is raised, the vehicle may continue through the gate.* If the gate arm does not rise, the gate officer will advise the driver to execute a U-turn at the next turn, after he raises the gate arm, and return to the security gate house for verification of eligibility. If the vehicle has a bar code, the officer will check the computer system to determine the validity of the bar code and determine the reason the gate arm did not rise. The driver will be advised accordingly.

*It is important to note that only one vehicle will be able to go through the raised arm at a time. Once the vehicle clears the arm, it instantly drops back into place. Trying to "piggyback" through the raised arm will break the arm and render the violators responsible for damages.

3. Required Bar Code Holders

Kingsmill residents, nonresident owners, and renters may apply for a bar code. Additionally, bar codes are available for drivers who frequent Kingsmill to include Resort and Sports Club Members, Employees, and Contractors. Vehicles without a valid bar code must enter the left-hand lane and obtain a pass.

4. Exception for Automobile Dealers

Full-time residents who work in automobile dealerships and as a requirement of their employment operate different vehicles for short periods of time may apply for a hand held bar code.

5. Bar Code Applications

Bar Code applicants must submit the appropriate form and follow the applicable procedures when requesting a bar code. There are separate application forms for property Owners, Residents, Resort/Club Members, Employees, and Contractors.

6. Application Fees

New Bar Codes	\$25.00
Replacement (normal wear and tear)	No charge
Replacement (sold vehicle, etc)	\$25.00
Frequent visitors (family and friends)	\$25.00 (renewable annual fee)
Frequent Contractors	\$25.00 (renewable annual fee)
Members (Resort/Sports Clubs)	\$25.00

7. Bar Code Procedures (Residents and Owners)

Bar codes are available to Residents and Owners at the Kingsmill Police Department during regular business hours Tuesday through Friday. Residents and owners must submit the appropriate form when requesting a bar code. Resident/Owner bar codes allow access to the property 24 hours a day, 7 days a week.

8. Bar Code Procedures (Resort and Sports Club Members)

Resort and Sports Club Members may obtain a bar code from the Membership Office during regular business hours Tuesday through Friday. Resort and Sports Club Members must submit the appropriate form when requesting a bar code. Resort and Sports Club Member bar codes allow access to the property 24 hours a day, 7 days a week.

9. Bar Code Procedures (Contractors)

Contractors wishing to obtain bar codes may stop by the Kingsmill Police Department during regular business hours Tuesday through Friday. Contractor bar codes allow access to the property from 6:00 a.m. to 6:00 p.m. Monday through Saturday. No work is permitted inside Kingsmill on Sundays. Contractors responding to calls for service outside of designated hours must go through the left-hand lane for approval. The gate arms will not open outside of the designated time periods. Contractors must renew their bar code annually by paying an annual renewal fee.

10. Procedure for Affixing Bar Code

Bar codes shall be affixed to the outside of the vehicle on the driver's side. The bar code must be applied by an authorized Kingsmill Police Department or other approved agent. Under no circumstances will a bar code be issued without the contemporaneous application to the assigned vehicle.

11. Damage to the Gate

When a gate arm is damaged due to a vehicular incident, the reason will be determined by or on behalf of KCSA. Pursuant to Article III, Section 5 of the Declaration, if the vehicle operator is found to be at fault, the vehicle owner will be held responsible for the repair and/or replacement of the gate arm, parts, labor, and other associated administrative costs. A

determination will also be made as to whether the gate can be repaired and reattached, or must be replaced. The cost for replacement of a gate differs from that of repairing and reattaching a gate.

A break-down of estimated gate replacement costs and charges are as follows:

Gate Arm	\$175.00
Transportation	\$25.00
<u>Labor</u>	<u>\$100.00</u>
Total	\$300.00

A break-down of estimated gate repair and reattachment costs and charges are as follows:

Labor	<u>\$100</u>
Total	\$100

12. Failure to Pay

When a bar code holder causes damage to a gate arm, a letter will be sent to the holder containing a breakdown of repair and/or replacement charges. The bar code holder shall have thirty (30) days to remit payment. In addition to all other remedies, to the extent applicable; all repair and replacement charges shall be treated as an assessment and all remedies of KCSA for unpaid assessments shall apply.

13. Suspension of Privileges

Pursuant to § 55-513 of the Property Owners' Association Act, the Board of Directors of the Association has the power to suspend a member's right to use facilities or service after a due process hearing to include use of the right-hand convenience gates. Bar code holders who fail to remit payment after sixty (60) days and a due process hearing finding that payment is due may lose the privilege of utilizing the gate access system.

14. Replacement Bar Codes

Bar codes may be replaced using the same procedures by which they are obtained. On average, bar codes should last for many years. If a bar code is damaged through normal wear and tear and no longer functions, it will be replaced at no charge to the bar code holder.

If a vehicle with a bar code is sold, stolen, or will no longer be used to access the property, the Kingsmill Police Department should be notified immediately so that the bar code can be deactivated.

Adopted: February 1, 2013

Collections Policy
Kingsmill Community Services Association

A. Assessments. Pursuant to Article IV of the Declaration of Covenants and Restrictions, as amended (the "Declaration"), the Board of Directors may assess against Lots within Kingsmill such assessments, charges, Annual General Assessments, Parcel Assessments, Special Parcel Assessments, Special Assessments, Assessments with respect to Limited Common Areas, and/or Special Pre-Closing Assessments (hereinafter collectively referred to as "Assessments") as are authorized by the Association's governing documents.

B. Power and Authority of Board of Directors to Collect Delinquent Assessments. Pursuant to Articles IV and VII of the Declaration, and Article VIII of the Kingsmill Community Services Association Bylaws, as amended (the "Bylaws"), the Board of Directors has the power and authority to collect any Assessments that are delinquent, file a memorandum of lien upon the appropriate Lot, bring civil proceedings against any Owner personally obligated to pay the Assessment, institute foreclosure proceedings, suspend an Owner's right to Common/Limited Common areas, and/or pursue such other remedies available to collect delinquent Assessments.

C. Annual Assessments; Privilege To Pay Assessments Pursuant to a Monthly Schedule. With the exception of the Special Pre-Closing Assessment which is due at settlement from each purchaser of a Lot from the Developer or an Owner, the other Assessments are due and payable at the date and time established by the Board of Directors. Except for the Special Pre-Closing Assessments, the other Assessments, while annually assessed and due at the time of Assessment, may be paid in installments pursuant to a monthly schedule as may be established

annually by the Board of Directors. If such monthly installment schedule is not established, then the Assessments, except for the Special Pre-Closing Assessments, are due and payable at the time established by the Board of Directors.

D. Interest, Costs, Attorneys' Fees, etc. Deemed Part of the Assessment. Pursuant to Article IV of the Declaration and the Bylaws, interest shall accrue on all delinquent Assessments at the rate of 1.0% per month. An Assessment is delinquent if it is not paid within thirty (30) days of the date it is due. Pursuant to Article IV, Section 7 of the Declaration, interest shall begin to be added to the delinquent Assessments when it is delinquent (30 days overdue), but such interest shall be calculated from the due date. The interest as well as all costs included in the collection of the delinquent Assessments and all attorneys' fees, shall be deemed a part of the Assessment due and owing by the Owner.

E. Returned Check Fees and Bank Charges. For each check to the Association that is returned by a bank for any reason, the Owner who issued the check shall be liable to the Association for a returned check fee in the amount of \$45, or such other fee as may be established from time to time by resolution of the Board of Directors, and any related bank charges that the Association incurs because of the returned check. These charges and fees shall be deemed part of the Assessment.

F. Notice For Collection of Assessments Paid Annually. The Association shall send written notice ("First Notice - Annual") to any Owner who is more than 30 days delinquent in the payment of an Assessment and/or any other fees due and owing to the Association as follows:

1. The First Notice – Annual shall require payment of the past due Assessments and other fees within thirty (30) days of the date of the Notice.
2. If the Assessments remain unpaid for thirty (30) days from the date on the First Notice – Annual, the Association shall send a second and final written notice via certified mail / return receipt requested and first class U.S. mail to the Owner stating that the account will be turned over to an attorney for collection if the Assessments are not paid within ten (10) days of the date on such notice (the “Final Notice – Annual”). The Final Notice – Annual shall also state that the Owner, in addition to any Assessments due and owing, will be liable for the payment of any and all attorneys’ fees, costs, recordation/release fees, and any and all other charges applicable to the collection of past due Assessments. The Final Notice – Annual shall also state that a memorandum of lien pursuant to § 55-516 of the Code of Virginia, as amended, will be filed in the Clerk’s Office for the Circuit Court of the City of Williamsburg and the County of James City.

G. Notice For Collection of Assessments Paid Monthly. If the Board of Directors has established a schedule for the payment of the Assessments on a monthly installment basis, the following procedures shall apply:

1. The Association shall begin to apply interest at the rate of 1.0% per month when an Assessment is overdue for 30 days (which interest shall be calculated from the due date), at which time a statement (to include the

requisite Fair Debt Collection Practices Act notice) will be sent to the delinquent Owner.

2. The Association shall send a written notice to any Owner who is more than 60 days delinquent in payment of the monthly installment of Assessments. The written notice shall require payment of the past due monthly installment of Assessments within 30 days of the date of the written notice (the "First Notice – Monthly").
3. If the monthly installments of the Assessments remain unpaid, the Association shall send a second and final written notice via certified mail / return receipt requested and first class U.S. mail to the Owner stating that the account will be turned over to an attorney for collection ("Final Notice – Monthly"). The Final Notice – Monthly shall also state that the Owner, in addition to any Assessments due and owing, will be liable for the payment of any and all attorneys' fees, costs, recordation/release fees, and any and all other charges applicable to the collection of the past due Assessments. The Final Notice – Monthly shall also state that a memorandum of lien pursuant to § 55-516 of the Code of Virginia, as amended, will be filed in the Clerk's Office for the Circuit Court of the City of Williamsburg and the County of James City.

H. Referral to Association's Attorney; Acceleration of Assessments. Any account which remains unpaid after ten (10) days from the date on the Final Notice – Annual or the Final Notice – Monthly (collectively, the "Final Notice") may be referred to the Association's attorney for collection. For any account referred to the Association's attorney, the Association shall also

execute and include an affidavit (in a form prepared by the attorney) certifying to the truth and accuracy of the amount(s) and breakdown of the delinquent account.

I. Memorandum of Lien. With respect to any Assessment account which remains unpaid after ten (10) days from the date of Final Notice and which is referred to the Association's attorney for collection, the Association's attorney may file a lien pursuant to § 55-516 of the Code of Virginia, as amended, in order to preserve the Association's rights and remedies. The fees collected by the Clerk's Office for the Circuit Court for the City of Williamsburg and the County of James City for the recordation and release of a lien filed pursuant to § 55-516 of the Code of Virginia, as amended, shall also be deemed a part of the Assessment due.

J. Additional Collection Techniques. In addition to filing a memorandum of lien, the Association's attorney may pursue any and all other collection methods as provided for pursuant to the Declaration, the Bylaws, and Virginia law, and undertake all actions related thereto, including, but not limited to, the following: filing suit against the delinquent Owner, negotiating a payment plan, garnishing the delinquent Owner's wages, banks accounts, and other sources of payment, and pursuing the foreclosure remedy provided for in § 55-516 of the Code of Virginia.

January 16, 2013

**THIS IS AN ATTEMPT TO COLLECT A DEBT.
ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.**

VIA U.S. Mail

Mr. & Mrs.
Address
Williamsburg, VA 23185

**Re: Kingsmill Community Services Association
Notice of Delinquent Assessments - Address
Our Account # - KC**

Dear Mr. & Mrs. :

As the record owner of the above-referenced property, you are a member of the Kingsmill Community Services Association (the "Association") and have an obligation to pay the assessments assessed by the Association for the preservation and maintenance of the Kingsmill community as a whole.

According to the Association's records, you are not current in your assessments and are delinquent in the amount of \$_____. This amount includes the outstanding balance of \$_____, plus \$_____ for interest.

This letter constitutes a demand for payment of \$_____, and notice that you have thirty (30) days from the date of this letter to deliver payment to the Association. Failure to make payment may result in the restriction of certain privileges as provided for in the Code of Virginia, including, but not limited to, the suspension of certain of your rights to use facilities (for example, your right to use the barcode access "Resident Lanes" at the entrance Gate House, or the Recreation Facilities).

Please make your check payable to "Kingsmill Community Services Association" and mail your payment to:

P.O. Box 348 Williamsburg, VA 23187

If you have sent payment, please disregard this notice.

Sincerely,

Timothy O'Connor
Executive Director

Enclosure

NOTICE

Federal law requires that we provide you with the following information:

**THIS IS AN ATTEMPT TO COLLECT A DEBT.
ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.**

If this is the initial communication you have received from us concerning this debt, the following applies:

The letter with which this notice is enclosed contains written notice to you of the amount of the debt and the name of the creditor to whom the debt is owed.

If you do not dispute the validity of this debt or any portion thereof within 30 days after your receipt of this notice, we will assume the debt is valid.

If you notify us in writing within the 30-day period that the debt or any portion thereof is disputed, we will obtain verification of the debt or a copy of the judgment against you, and provide you via mail with verification of the debt or a copy of the judgment against you.

Upon your written request within the 30-day period, we will provide you with the name and address of the original creditor, if different from the current creditor.

Nothing in this notice should be construed to mean that we will refrain from or delay pursuing the creditor's legal remedies during the 30-day period mentioned above unless and until we receive written notification from you.

This is a communication from a debt collector.

**KINGSMILL COMMUNITY SERVICES ASSOCIATION
POST OFFICE BOX 348
WILLIAMSBURG, VA 23187
(757) 645-3454 FAX (757) 603-6005**

IMPORTANT NOTICE

**THIS IS AN ATTEMPT TO COLLECT A DEBT.
ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.**

**VIA Certified Mail /
Return Receipt Requested
And U.S. Mail**

January 17, 2013

Mr. & Mrs.
Address
Williamsburg, VA 23185

**Re: Kingsmill Community Services Association
Final Notice of Delinquent Assessments on: Address
Our Account No: KC**

Dear Mr. & Mrs.:

According to the Kingsmill Community Services Association's (the "Association") records, you are delinquent in assessments in the amount of \$ _____. This amount includes the outstanding balance plus \$ _____ for interest.

This letter constitutes a second and final demand for payment of \$ _____.

You can satisfy your account today by calling our office and paying your account in full with your Visa, Mastercard, or Electronic Check, or simply by dropping off a check or money order payable to "Kingsmill Community Services Association" at our KCSA office.

Kingsmill Community Service Association
Attn: Accounting Department
300 McLaws Circle, Suite 106
Williamsburg, VA 23185

As the record owner of the above-referenced property, you are a member of the Association and have an obligation to pay the assessments assessed by the Association for the preservation and maintenance of the Kingsmill community as a whole. Failure to make payment may result in the restriction of certain Association privileges as authorized under the Virginia Code and additional costs as outlined in this letter.

You have ten (10) days from the date of this letter to deliver payment to the Association, or contact our office to arrange for payment in full. Failure to do so may result in the Association forwarding your account to its attorney for collection. In addition to such charges referenced above, you would also be responsible for any and all attorney's fees, costs, recordation/release fees, and any and all other charges applicable to the collection of your delinquent assessments.

Furthermore, if you fail to make payment in full or contact our office to arrange for payment in full within ten (10) days from the date of this letter, the Association may initiate the process required by § 55-513 of the Code of Virginia in order to suspend certain of your rights to use facilities (for example, your right to use the recreational facilities and the "Resident Lanes" at the Gate Houses, which would result in the deactivation of all gate access decals associated with the above property, and which would require you to use the "Guest Lanes"). Your assessments may be accelerated and become immediately due and payable, and the Association's attorney may initiate proceedings to collect the assessments due for the balance of the year.

In addition to instituting any other available means for the collection of the delinquent assessments, a Memorandum of Lien pursuant to Section 55-516 of the Code of Virginia, as amended, may be filed in the Clerk's Office of the Circuit Court for the City of Williamsburg and the County of James City.

Be advised that if the Association files a Memorandum of Lien against your property, the delinquent assessment will increase to include: future interest, and additional attorney's fees for preparing, filing and releasing the Memorandum of Lien. The Association reserves the right to take any other action necessary to collect this amount, including filing an action at law against you in a court of competent jurisdiction. Please find included with this letter a notice that may apply to you.

Sincerely,

Timothy O'Connor
Executive Director

Enclosure

NOTICE

Federal law requires that we provide you with the following information:

**THIS IS AN ATTEMPT TO COLLECT A DEBT.
ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.**

If this is the initial communication you have received from us concerning this debt, the following applies:

The letter with which this notice is enclosed contains written notice to you of the amount of the debt and the name of the creditor to whom the debt is owed.

If you do not dispute the validity of this debt or any portion thereof within 30 days after your receipt of this notice, we will assume the debt is valid.

If you notify us in writing within the 30-day period that the debt or any portion thereof is disputed, we will obtain verification of the debt or a copy of the judgment against you, and provide you via mail with verification of the debt or a copy of the judgment against you.

Upon your written request within the 10-day period, we will provide you with the name and address of the original creditor, if different from the current creditor.

Nothing in this notice should be construed to mean that we will refrain from or delay pursuing the creditor's legal remedies during the 30-day period mentioned above unless and until we receive written notification from you.

This is a communication from a debt collector.

Parcel ID: _____

VIRGINIA: IN THE CIRCUIT COURT FOR THE CITY OF WILLIAMSBURG AND THE
COUNTY OF JAMES CITY

**MEMORANDUM OF LIEN BY KINGSMILL COMMUNITY SERVICES
ASSOCIATION FOR UNPAID ASSESSMENTS**

1. Name of Development: Kingsmill on the James
2. Description of Lot: [Legal Desc.]
James City County, Virginia
3. Address of Property:
Williamsburg, Virginia
4. Owner(s) of Lot:
5. Total Amount of Unpaid Assessment: \$ plus accrued interest, costs, and
attorney's fees
6. Due Date for Assessment: (break down for each
assessment)
7. Date of this Memorandum:
8. Name of Association: KINGSMILL COMMUNITY SERVICES
ASSOCIATION
9. Name and Address of Person To Contact to Arrange for Payment
Or Release of Lien: Elizabeth L. White
LeClairRyan
5388 Discovery Park Blvd., Third Floor
Williamsburg, VA 23188
(757) 941-2805

Prepared by and after recording return to:
LeClairRyan
5388 Discovery Park Blvd., Third Floor
Williamsburg, VA 23188

Kingsmill Community Services Association is hereby obtaining a lien in accordance with the provisions of the Virginia Property Owners Association Act as set forth in Chapter 26 (§55-508, et seq.) of Title 55 of the Code of Virginia.

Kingsmill Community Services Association

By: _____

Printed: _____

Title: _____

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

The foregoing instrument was subscribed and sworn to before me in _____, Virginia this _____ day of _____, 20__ by _____ of Kingsmill Community Services Association, a Virginia non-stock corporation, who verified under oath that according to the records of the Kingsmill Community Services Association, the above property owner(s) are indebted to Kingsmill Community Services Association for the amounts set forth herein.

Notary Public

My commission expires: _____

Notary Registration Number: _____

Exhibit 5

to

Disclosure Certificate

Kingsmill Community Services Association

Environmental Preservation Board

Policies and Procedures

KINGSMILL COMMUNITY SERVICES ASSOCIATION

**ENVIRONMENTAL PRESERVATION BOARD
POLICIES AND PROCEDURES**

ADOPTED: September 25, 2008

EFFECTIVE DATE: October 15, 2008

October 15, 2008

Dear Kingsmill Homeowner,

Welcome to Kingsmill on the James. Kingsmill Community Services Association ("KCSA"), the governing body of the Kingsmill residential community is dedicated to creating and preserving a residential community of the highest environmental quality, a community that blends harmoniously with nature. This requires a compatibility of architecture, landscaping and planning which can be achieved only through careful control.

We sincerely hope that you will take the time to read these Policies and Procedures carefully and will file them away for safekeeping and future reference. Additionally, non-resident Owners are responsible for making sure their tenants follow these documents. These documents contain many provisions regarding Covenants and architectural control.

As you prepare to build or make changes to the exterior of your property within Kingsmill, you will have the opportunity to meet with the Environmental Preservation Board ("EPB"). To assist you and ensure compliance, the EPB has implemented review procedures that encourage design excellence, with the goal of preserving and enhancing property values and fostering owner pride and satisfaction.

To aid you in the construction and review process, the following policies and procedures have been established in accordance with the Kingsmill Covenants.

If you have any questions you may contact the EPB Office at (757) 253-3955 or (757) 253-3914.

Sincerely,

The Environmental Preservation Board

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ARTICLE 1: INTRODUCTION

1.1 Purpose

All Kingsmill property Owners and residents are legally bound to abide by the Kingsmill Declaration of Covenants and Restrictions as amended (the "Declaration"), Supplemental Declarations as amended for individual Parcels, (each a "Supplemental Declaration"), (collectively the Declaration and the Supplemental Declaration for all Parcels are hereinafter referred to collectively as the "Covenants"), the Articles of Incorporation, the KCSA Bylaws, these Policies and Procedures and other applicable legal documents. As used herein, the term "Governing Documents" means collectively the Covenants, the Articles of Incorporation, the KCSA Bylaws ("Bylaws"), the EPB Policies and Procedures, and the Rules and Regulations ("Rules"). These Policies and Procedures were adopted to facilitate the Environmental Preservation Board's ("EPB") review of applications for architectural improvements.

This guide, in accordance with the Covenants, is the basis in which the EPB maintains the high standards of Kingsmill from initial home design and construction, and continues with home additions and maintenance. Through systematic, uniform review procedures, the goal is to encourage design excellence, preserve and enhance property values, and foster owner pride and satisfaction. The intent of these Policies and Procedures is to protect overall appearance, maintain the values of the community, and retain a good neighbor relationship.

Properties owned by Busch Properties, Inc. and its related entities, as well as property located within the Corporate Center, the Resort, the Spa and the Theme Parks, are not subject to the Governing Documents or to these Policies and Procedures.

1.2 Authority

Article V, Section 1 of the Declaration provides that no improvements, alterations, repairs, change of paint colors, excavations, changes in grade or other work which in any way alters the exterior of any property or the improvements located thereon from its natural or improved state existing on the date such property was first conveyed in fee by the Developer to an Owner shall be made or done without the prior approval of the EPB, except as otherwise expressly provided in the Declaration. Accordingly, by resolution, the Board of Directors and EPB adopted the following Policies and Procedures to facilitate the EPB's review of applications. Owners are cautioned that the Environmental Preservation Board Policies and Procedures are guidelines only, and, subject to the terms and provisions of the Declaration. The EPB may exercise its sole discretion in determining whether to approve or disapprove any applications.

1.3 Governing Documents

These Policies and Procedures should be considered together with the Covenants, and the other Governing Documents. If any provisions of these Policies and Procedures conflict with the terms or provisions of any Governing Documents, the terms and provisions of the applicable Governing Documents shall control. Owners contemplating the submission of an application to the EPB are urged to take special notice of Article V ("Architectural Control") of the Declaration and the Supplemental Declaration for each Parcel.

1.4 Previously Approved Improvements

If an Owner has previously obtained EPB approval for improvements on such Owner's Lot, which improvements would be rendered non-conforming under these Policies and Procedures, such prior EPB approval will continue in full force and effect as to those improvements previously approved to the full extent of such previous approval; provided, however, that the requirements of these Policies and Procedures must be met at the time, if any, that such non-conforming improvements are replaced unless the Owner of such Lot obtains a variance pursuant to Section 3.7 of these Policies and Procedures.

1.5 Parcel Specific Guidelines

Each Lot within Kingsmill is located within a Parcel (as defined in the Declaration). Each Parcel is subject to a Supplemental Declaration which contains Parcel specific covenants and restrictions. In many instances, particularly in the Multi-family Parcels, the EPB and the KCSA Board of Directors have developed EPB guidelines that are specific to such Parcel. Owners who are contemplating submitting an application to the EPB should review and comply with these general Policies and Procedures together with any Parcel guidelines specific to the Parcel in which their Lot is located. Parcel specific information is addressed in Article 9 of these Policies and Procedures.

ARTICLE 2: ENVIRONMENTAL PRESERVATION BOARD (EPB)

2.1 Legal Framework

Article V of the Covenants establishes the EPB. The EPB is responsible for regulating the external design, appearance, use, location, and maintenance of the properties within Kingsmill. The EPB is composed of KCSA representatives and several property Owners. The KCSA Community Standards Coordinator is responsible for monitoring covenant enforcement for KCSA in accordance with the covenant enforcement policies and procedures adopted by the Board of Directors from time to time.

No improvements, additions, alterations, repairs, change of paint colors, excavations, changes in grade, landscaping, fences or other work/enhancements which in any way alters the exterior of any property or the improvements located thereon from its natural or improved state shall be made without the prior written approval of the EPB.

Therefore, the EPB has the absolute and exclusive right to reject any site, building or landscaping plans and/or specifications, which are not desirable in its opinion for any reason, including purely aesthetic reasons. In keeping with its authority, the EPB will act only in a manner designed to preserve the quality and harmony of external design of proposed new structures, renovation or re-design, as they relate to the surrounding neighborhood. Visual impact of the structures from adjacent or neighboring properties will be evaluated, as well as basic curbside appeal from the standpoint of street traffic.

ARTICLE 3: EPB DESIGN REVIEW PROCEDURES

3.1 Owner Responsibility

Each property Owner and resident within Kingsmill is responsible for compliance with the Governing Documents of this community. Any proposed improvements/changes/enhancements to be made to the property require the Owner to receive written EPB approval prior to making the improvements. The Owner is responsible for all work done to his/her or her property, whether the Owner or Owner's contractor (or subcontractor) is performing the work.

3.2 Owner Responsibility - Compliance with Other Applicable Laws

In addition to EPB approval, each property owner is responsible for obtaining all applicable approvals and permits as required, including but not limited to James City County Building permits, approval from James City County Environmental Division, etc., and for constructing any changes to the property in a manner that complies with all applicable regulations.

3.3 EPB Meetings and Deadline Information

The EPB meets approximately twice monthly on Tuesdays at 2 p.m. in the KCSA Conference Room. During these meetings, the EPB reviews applications submitted on the appropriate forms, supporting drawings, and required information. EPB applications may be picked up at the KCSA office during business hours from the EPB Coordinator or the KCSA receptionist. For an application to be placed on the agenda, it must be complete, including all required additional information and submitted to the KCSA office by 4 PM the Friday prior to the scheduled EPB meeting (or earlier if the application is subject to the "Good Neighbor Policy" as explained in Section 3.4 and 4.1 below). Meeting dates are posted in the Kingsmill Bulletin. The EPB reserves the right to cancel meetings if necessary, without notice.

3.4 Preparation of Submittals

The property Owner is required to submit an EPB application and obtain approval for **ALL** exterior changes prior to the commencement of work on the property.

Depending on the type of request, the application may be subject to the "Good Neighbor Policy," as defined in section 4.1. In this case, the completed application must be submitted a minimum of 14 days prior to the desired EPB meeting date to provide time for the mailing of a "Good Neighbor Policy Letter". Such items requiring notification include, but are not limited to, expansion of the existing footprint or roofed area, a new house, additions, fences, dependencies, landscape changes, hardscape changes, and play gyms.

If you or your builder are not familiar with Kingsmill procedures and design standards, a conference with the EPB Coordinator or Chairman is highly recommended. This can prevent misunderstandings and costly delays. A conference may be arranged by contacting the EPB Coordinator at the KCSA Office, 757-253-3955.

3.5 EPB Review Basis

The EPB reviews each application based on:

- (a) Its interpretation of the Covenants
- (b) These policies and procedures

(c) Aesthetics

(d) The impact to the Kingsmill Community.

The EPB reserves the right to require modifications to proposed designs including deletion, addition, or relocation of design elements in order to achieve compliance with these policies.

The applicant or his/her representative is encouraged to attend the meeting during which the application is reviewed by the EPB to answer any questions that may arise, however, applicants are not required to be present.

3.6 Approvals

An application is approved when notice is given to the applicant in writing by the EPB. Following the EPB review meeting a letter/form will be sent to the applicant with one of the following decisions:

(a) **Approved as submitted.**

(b) **Approved with changes.** These applications are approved only if stated contingencies/conditions in the approval letter/form are met.

(c) **Disapproved:** Reasons for disapproval will be given in writing. The EPB may also provide suggestions for revisions but does not provide design solutions. A disapproved action requires the application be resubmitted before any approval may be granted.

3.7 Variances

The EPB shall have the authority to grant variances from the strict application of the Policies and Procedures in circumstances where (a) the strict application of the Policies and Procedures would create a hardship with respect to an Owner's use of his/her Lot and (b) the structure or other proposed architectural feature would comply with the spirit and intent of these Policies and Procedures and would not violate the provisions of the Covenants. Requests for variances will be reviewed on a case-by-case basis and each case will stand on its own facts, regardless of whether similar variances have been previously approved for others under similar facts. Owners are advised that the EPB supports the application and enforcement of the Policies and Procedures, and, therefore, variances will not be routinely granted.

3.8 Appeal Process

Should an application be disapproved and the applicant feels that the submittal was misinterpreted they should contact the EPB Coordinator to discuss the application. If the Coordinator agrees that a second review is in order, the application will be placed on the agenda for the next meeting.

If an applicant does not agree with the EPB's decision, the applicant can appeal to the KCSA Board of Directors provided the Owner files written notice of such appeal with the

Secretary within ten (10) days of the dated letter of the EPB's decision. Upon the filing of any such appeal, the Board shall schedule a hearing after at least ten (10) days written notice to the Owner stating the time and place of such hearing. At any such meeting, the Board may reverse or modify such decision by a two-thirds (2/3) vote of the Directors.

3.9 EPB Review Fees and Bonds

(a) NEW CONSTRUCTION REVIEW FEE

KCSA charges a fee for the EPB to review an application for new home construction, payable at the time of the initial submittal of such application. This fee, (hereinafter the "New Construction Review Fee"), shall be applied to the clerical administration, architectural and engineering fees as applicable.

(b) NEW CONSTRUCTION CONFORMANCE BOND

KCSA collects a Conformance Bond at the time of the initial submittal of an application for new home construction as a deposit and partial assurance that the homeowner/builder will comply with the requirements of the Covenants and Environmental Preservation Board Policies and Procedures during new home construction. Specifically, this bond, (hereinafter the "New Construction Conformance Bond"), will serve as partial assurance the erosion and sediment controls are installed and maintained, the Lot is kept clean of trash and debris, and drainage ditches and other improvements are operable, maintained and restored to their proper conditions after construction is complete. Further, this bond serves as partial assurance that all rules stated in Article V ("Architectural Control") of the Declaration and the EPB Policies and Procedures are adhered to during construction. At the end of construction and upon application for a refund of the New Construction Conformance Bond, the EPB shall inspect the homesite and if the construction conforms to the documents approved by the EPB and the homesite is considered satisfactory, the bond will be promptly refunded.

(c) MAJOR IMPROVEMENT REVIEW FEE

KCSA charges a fee for the EPB to review an application for "Major Improvements" (as hereinafter defined) to a Lot on which is situated an existing home. This fee is payable by check and is due at the time of the initial submittal of such application for Major Improvements. "Major Improvements" are those improvements to a Lot or an existing structure on a Lot which satisfy one or more of the following criteria: (i) consist of a room addition, construction of accessory building(s), gazebos or other major site improvements such as swimming pools; (ii) cost in excess of \$10,000 to construct; or (iii) those improvements for which the EPB believes, in its discretion, the need to engage an architect to assist the EPB with its review of the application. This fee, (hereinafter the "Major Improvement Review Fee"), shall be applied to the clerical administration, architectural and engineering fees as applicable.

(d) MAJOR IMPROVEMENT CONFORMANCE BOND

KCSA collects a bond at the time of the initial submittal of the application for a Major Improvement as a deposit and partial assurance that the homeowner/builder will comply with the requirements of the Governing

Documents during improvements to existing construction. Specifically, this bond, (hereinafter the "Major Improvement Conformance Bond"), will serve as partial assurance, that all rules stated in Article V ("Architectural Control") and the EPB Policies and Procedures are adhered to during construction. At the end of construction and upon application for a refund of the Major Improvement Conformance Bond, the EPB shall inspect the homesite and if the improvement conform(s) to the application as approved by the EPB and is considered satisfactory to the EPB, the bond will be promptly refunded.

Schedule of Fees and Bonds

The KCSA Board of Directors established the following Fees and Bonds effective October 16, 2008 TYPE OF FEE / BOND	AMOUNT DUE
New Construction Review Fee	\$1,000
New Construction Conformance Bond	\$2,000
Major Improvement Review Fee	\$ 500
Major Improvement Conformance Bond	\$1,000

All Review Fees and Bonds must be paid by check (payable to the KCSA) at the time the application is submitted and prior to the mailing of the "Good Neighbor Policy Letter" (if applicable). Review Fees are non-refundable and become the property of KCSA upon submittal. Checks for Bonds will be deposited in a KCSA account, may be co-mingled with other funds of KCSA, and will be refunded to the Owner in accordance with the procedures established in the Section 3.9 provided the improvements comply with the approved application and any conditions imposed by the EPB in approving the application. In the event an Owner fails to satisfy the conditions imposed by these Policies and Procedures or by the EPB in approving the application, KCSA may retain such Bond which will become the property of KCSA if the Owner has failed to satisfy such conditions within 10 days after the date KCSA notifies the Owner in writing that such Bond will be forfeited.

(e) MINOR IMPROVEMENT

Applications for "Minor Improvements" (as hereinafter defined) do not require the payment of a review fee or the submission of a bond; however, Owners must still submit an application to the EPB and receive EPB approval prior to any work commencing on the Lot. "Minor Improvements" means those improvements to a Lot or an existing structure which do not qualify as "Major Improvements" as defined on Section 3.9.1(c) above. Examples of Minor Improvements include, but are not limited to, change in paint color or the addition of steps to an existing deck.

ARTICLE 4: GENERAL POLICIES

4.1 Good Neighbor Policy

(a) Single Family Home Parcels

When any new house or exterior modification is requested which increases the footprint or extends toward an adjacent property, the EPB will notify those Owners of Lots which the EPB believes will be substantially impacted by such improvements if the application is approved. Such Owners will be provided with a minimum of 10 days from the date of the notice letter to review the application and provide comments to the EPB. These Owners have the right to submit written comments about the application. The EPB will consider any comments submitted in writing when making its decisions. In determining which of the neighboring Lots will be impacted by the proposed improvements, the EPB will take into account the surrounding Lots and other facts that the EPB deems relevant on its sole and absolute discretion. Owners who desire to be notified of applications by email may make a written request to KCSA to be notified by email and such request shall include the Lot Owner(s) name(s), address, zip code and a specified email address to be used for notification purposes.

(b) Multi-family Parcels

When any exterior modification or addition (including a prototype) is requested for a Multi-family Parcel, the EPB shall provide a copy of the application to the Parcel Advisory Committee for the Parcel in which the Lot is located. The Parcel Advisory Committee may provide comments and recommendations on such applications. The EPB may reject or accept recommendations from the Parcel Advisory Committee regarding applications submitted to the EPB.

4.2 Landscape Protection Zones

Landscape Protection Zones ("LPZs") are areas specifically designated on the subdivision plat(s) of the Parcel as land areas to preserve green space. Structures, hardscapes, and tree removal are highly restricted in these areas.

4.3 Miscellaneous Easements/Restrictions

Owners are responsible for ensuring that any improvements to their Lots comply with all easements and restrictive covenants affecting the chain of title for such Lot, including, without limitation, scenic easements and utility easements. For example, some Lots in Kingsmill are subject to a scenic easement benefiting the National Park Service. Owners of affected Lots should carefully review the terms of such easements to determine the location of the easement area and the scope of any limitations imposed.

4.4 Chesapeake Bay Preservation Act

In addition to obtaining EPB approval, Owners must ensure that any work to be performed within a Resource Protection Area ("RPA") (as hereinafter defined) is approved by the James City County Environmental Division prior to commencing any work whatsoever within any RPA on their Lot. James City County Environmental Division regulates and enforces all restrictions pertaining to the Chesapeake Bay Preservation Act. Specifically, the James City County Chesapeake Bay Preservation Ordinance (Ord. No. 183, 8-6-90) (the "Ordinance") can be found at Chapter 23 of the James City County Code.

4.4.1 Resource Protection Areas ("RPAs")

Resource Protection Areas are designated areas maintained in such a way as to preserve the natural environment of the Chesapeake Bay region, including water filtration and sediment control. Section 23-3 of the Ordinance defines a "Resource Protection Area" as "that component of Chesapeake Bay Protected Area comprised of land adjacent to water bodies with perennial flow that have intrinsic water quality value due to the ecological and biological processes they perform or are sensitive to impacts which may result in significant degradation to the quality of state waters." RPAs include 1) tidal wetlands; 2) nontidal wetlands connected by surface flow and contiguous to tidal wetlands or water bodies with perennial flow; 3) tidal shores; 4) a buffer area not less than 100 feet in width located adjacent to and landward of the components listed in subdivisions 1 through 3, and along both sides of any water body with perennial flow. In addition to EPB approval, any work requested in a RPA must also be approved by James City County Environmental Division prior to any work being done.

4.4.2 Violations and Penalties

Pursuant to Section 23-18 of the Ordinance, "any person who violates any provision of [the Ordinance] or who violates, fails, neglects, or refuses to obey any variance or permit condition authorized under [the Ordinance] shall, upon such finding by the circuit court, be assessed a civil penalty not to exceed \$5,000.00 for each day of violation. Further, "with the consent of any person who has violated any provision of [the Ordinance], or who has violated, failed, neglected, or refused to obey any variance or permit condition authorized under this chapter, the county may provide for the issuance of an order against such person for the one-time payment of civil charges for each violation in specific sums, not to exceed \$10,000 for each violation. In addition to, and not in lieu of, the penalties described above, the County may apply to the circuit court for an injunction against the continuing violation of any provision of [the Ordinance] and may seek any other remedy authorized by law.

ARTICLE 5: BUILDING POLICIES

5.1 Owner Construction Responsibility

During construction, additions or improvements, the Lot Owner is responsible for the work of his/her builder/contractor. It is the responsibility of the Lot Owner to insure that any damage to the road shoulders, drainage or adjoining Lots caused by his/her contractors is promptly repaired. If an Owner wishes to make any changes to the initially approved plans, such changes must be submitted to the EPB for approval prior to any work being initiated on the proposed changes. Changes started or completed at the construction site without the prior written consent of the EPB could result in the work being removed and/or replaced at the Owner's expense. All buildings, drives, walks, landscaping, and other work originally submitted to and approved by the EPB must be completed within 12 months from EPB approval or clearing. The Owner shall inform the EPB when clearing starts. Per the Covenants, extensions may be granted by the EPB. Any approved changes to the original plans will be completed within the same timeframe, unless an extension has been granted in writing by the EPB.

5.2 James City County Compliance

There is the possibility of expansive soils in Kingsmill and particularly in the vicinity of the James River. All James City County requirements regarding expansive soils shall be complied with. All work must be in compliance with the James City County Building Codes and all necessary permits must be obtained in compliance with such Codes. Information regarding water or sewer line availability, grinder pumps, depths, etc. must be obtained from James City County.

5.3 Permitted Hours of Construction

Exterior construction work may only occur Monday through Friday 7:00AM - 7:00PM and Saturday 8:30AM – 5:00PM. No exterior construction work may be performed on Sundays. Interior work on Sundays must be completely performed on the interior of an enclosed structure. Noise transmitted to neighboring properties on Sundays is prohibited.

5.4 Home Foundation Standards

5.4.1 Foundations may not be placed on slopes greater than 20%. On uniquely shaped Lots the EPB may grant an exception. Cantilevered portions of buildings, post supports of decks, terraces, and patios may be allowed.

5.4.2 Owner is not permitted to build more than one home or dwelling unit per Lot. Private docks and/or boathouses are prohibited on waterfront lake Lots (Kingsmill Pond and Wareham's Pond). Other waterways (tidal and/or navigable) are controlled by the state, county and/or the Army Corps of Engineers, and therefore Owners shall obtain all applicable permits prior to submitting an application to the EPB.

5.4.3 Without prior approval, structures erected on residential Lots shall not be more than two full stories above the normal ground surface.

5.4.4 Variances. The EPB is not required to grant setback variances. The purpose of a variance is for a minor building setback adjustment to accommodate a new home. They are not for additions. Some Parcels have Parcel specific setback lines, and in these cases the Supplemental Declaration for the Parcel and/or the subdivision plat(s) for the Parcel will typically specify such setbacks. Where the Covenants and/or the subdivision plat(s) for the Parcel are silent on setbacks the following will be used: Front – 40 feet, Rear – 30 feet, Side – setbacks must total a minimum of 40 feet (example: 15 feet on the right side and 25 feet on the left side.) At no time will an item other than a fence or driveway be permitted within 10 feet of any property line. (Note: Per the Declaration, the term "Parcel" is defined to "mean and refer to all platted subdivisions of one or more Lots which are subject to the same Supplementary Declaration," and, therefore, the term Parcel includes all subdivisions within Kingsmill and is not limited to the Multi-family Parcels.)

5.5 Clearing Requirements

5.5.1 Clearing must be in accordance with the approved site plan. No trees over 6 inches in diameter measured at 2 feet above ground may be removed without EPB approval.

5.5.2 A rock base is to be put down in the driveway entrance immediately after clearing and the builder is responsible for keeping mud off the streets.

5.5.3 Debris log piles may not be left on the Lot. They are to be removed or sawn into lengths not to exceed 2 feet and neatly stacked behind the house, prior to completion. Firewood may be kept neatly on the property only if the house has a wood-burning fireplace, otherwise, all wood must be removed.

5.6 Erosion and Drainage Control

5.6.1 Erosion control, such as silt fences, straw bales, straw, matting, seeding or sod must be used to prevent the washing of earth into drainage ways, lakes and ravines, during and after construction.

5.6.2 If slopes resulting from site drainage are not at such an angle as to permit quality maintenance, they must be stabilized with appropriate ground cover or the slope adjusted by use of a retaining wall. **No site shall be graded or altered in any manner that would cause water to be diverted or collected and directed into or across a contiguous parcel of land including grass drainage flow along the front line.** Natural drainage patterns shall be respected and not interfered with so as to impede the normal flow of surface water.

5.6.3 Design and implementation of site work must provide for necessary drainage pipes and drainage ways, to insure stabilization and prevent future erosion. Provisions must be made for existing drainage courses and structures. No existing drainage structures may be tapped or altered without prior approval of the EPB.

5.7 Road, Vehicle and Materials Storage Requirements

5.7.1 Construction material may not be placed or stored on the road right of way.

5.7.2 During construction, the EPB reserves the right to prescribe the ingress and egress routes utilized by construction vehicles, including those delivering materials, equipment and supplies. This also applies to the vehicles operated by construction personnel.

5.7.3 Construction vehicles shall not be parked in any area other than on the building site or on the Lot road shoulder. Vehicles will not be permitted to obstruct the traffic flow on any street within Kingsmill.

5.7.4 Haphazard storage, parking and location of other equipment will not be allowed. The building site must be kept clear of paper and other debris and maintained, during the entire period of construction, in a manner that is not unattractive from the street, adjoining Lots, common areas, or golf course.

5.8 Building Signs: No signs will be permitted on building sites except one sign in standard format approved by the EPB, which identifies the builder, and James City County building permit.

5.9 Temporary Storage Units, Tents and Portable Lavatories: No structure of a temporary character, and no trailer, shack, barn, pen, kennel, run, stable, prefabricated structures, or other temporary or movable accessory buildings (including, but not limited to, PODs and similar storage equipment), or any other structure not approved by the EPB shall be erected or placed on the Lot, contiguous property or the right-of-way. This provision shall not apply to the overnight use of camping tents in the back yard of a Lot and/or the erection of tents of a temporary nature for special events, provided that camping tents be disassembled and stored after use and shall not remain up for any consecutive period in excess of 7 days or for more than 14 days in any 12 month period, and that tents used for special events shall not remain up for more than 5 consecutive days or for more than 10 days in any 12 month period. (See Section 48 of the Rules). During the construction period a portable lavatory should be installed on the Lot in compliance with these and other governing laws and regulations. (See Section 30 of the Rules).

ARTICLE 6: NEW HOUSE

As a minimum one copy of each of the following drawings or samples shall be submitted with the application.

6.1 New House Submittals required:

6.1.1 Site Plan -- (preferably 1 foot by 10 inches)

- (a) All proposed structures and improvements, utility yards and driveway shown.
- (b) Dimensions, property and set back lines, easements, LPZs, etc. shown.
- (c) Topography, at 1 foot or 2 foot contours.
- (d) All trees over 6 inches in diameter at breast height shown, with those to be removed marked with an "X".
- (e) If a sewer grinder pump is desired, the location of the grinder pump and grinder pump facilities must be labeled. Grinder pumps require a variance from the EPB. (See Section 6.1.5 below.)

6.1.2 Elevations

- (a) Building Plans and Elevations of a conceptual nature submitted as part of a preliminary consultation with the EPB need not be stamped by an architect or engineer. The EPB has the option to accept plans from designers, if in the EPB's opinion such plans are of sufficient quality. Final elevations and building plans must be stamped by an architect or engineer.
- (b) Front, side and rear elevations of all structures to be completed on the site, must have their finished floor elevations shown so that they relate, in scale, to the new finished grades at the building perimeters.

(c) Front, side and rear elevations shall be shown, to scale, in full detail, including the proposed fenestration with the trim and brick moldings. Window grilles must be shown. The proper number of exterior stair risers shall reflect the proposed finished floor line to grade. Elevations shall be ¼ of an inch = 1 foot, 0 inches on standard sized paper used by architects and engineers (which is a minimum of 24 inches x 36 inches or 30 inches x 42 inches, respectively.)

(d) All text must be legible and readable. Reversed copies are not acceptable.

6.1.3 Samples Samples of actual siding, brick and shingles, with color charts/chips must be provided with the application for EPB review.

6.1.4 Staking of Lot Field stakeout of Lot, showing corners of house, driveway entrance and corners, parking areas, all trees to be cleared, as well as drainage or erosion control measures (where applicable) must be performed.

The intent of the above request for information is to provide the EPB with enough information to determine the appearance, proportion and aesthetics of the proposed construction. The EPB may require additional information if, in its opinion, the data submitted does not sufficiently portray the intent.

6.1.5 Grinder Pumps Grinder pumps shall be installed in accordance with James City Service Authority ("JCSA") and not interfere with easements.

ARTICLE 7: DESIGN STANDARDS

7.1 Architectural Style

7.1.1 Mixtures of architectural styles in one building will not normally be approved.

7.1.2 To maintain diversity of architecture within single-family neighborhoods, (excluding patio homes) essentially complete duplications of exterior architectural design will not normally be permitted when both structures are either visually within range of each other or when they are both within the same Kingsmill neighborhoods.

7.1.3 Second floor cantilevers will only be accepted, if in the opinion of the EPB they are architecturally compatible.

7.2 Environmental and Energy Efficiency Considerations

7.2.1 The EPB is committed to safeguarding the environment and fostering opportunities for the construction of "green" buildings throughout Kingsmill. To that end, consideration will be given to applications and proposals that include environmentally friendly and/or energy efficient designs. As with all applications and proposals, the EPB shall make the determination as to the approval of these applications.

7.2.2 "Green" buildings and components thereof may include but are not limited to: EnergyStar qualified energy-efficient homes, qualified energy efficient windows, qualified solar panels, qualified metal roofs, qualified skylights and qualified heating and cooling equipment.

7.3 Awnings

7.3.1 Awnings are generally not recommended on front elevation.

7.3.2 Awnings must be a neutral earth tone solid color fabric material to blend with the colors of the house. Linear valances must be used where prototypes exist requiring a linear valance to blend with the lines of the house.

7.4 Basketball Goals: Permanent and Temporary

7.4.1 Both sides of the backboard are to be painted a subdued, neutral color that would complement the house, such as beige, gray, medium brown, etc. (not white).

7.4.2 Clear acrylic backboards and glass backboards do not require painting and are allowed.

7.4.3 The pole is to be painted black or dark brown and kept in good condition.

7.4.4 Goals are generally to be centered opposite garage doors, unless a different location is approved by the EPB.

7.5 Bollards

7.5.1 KCSA may place bollards on severe curves or main road intersections where vehicles often drive off the road. KCSA may install 6x6 timbers at intersections in lieu of bollards. This cost will be from the KCSA general fund.

7.5.2 Owners may request other locations. These bollards will be installed and maintained at the Owner's expense and must conform to the placement policy below

7.5.3 Placement Policy: Bollards shall be placed between 16 inches and 30 inches from the road, as measured from the closest bollard edge to the road and approximately 20 feet apart on severe curves or intersections and 30 feet apart on other locations.

7.5.4 Installation and Replacement Policy: Currently installed locust posts not on severe curves or intersections may remain, but must conform to the above placement policy. No other items are permitted on the right-of-way. Only the KCSA approved brown/white reflective, 4 feet by 4 feet, bollard is authorized for use or replacement. Mixing of old locust post and bollards at the same location is prohibited. Specifications may be obtained at the KCSA/EPB Office.

7.5.5 Lollipop reflectors are prohibited.

7.6 Decks

7.6.1 All fascia boards, trim, railings, and lattice are to be painted/stained the color approved by the EPB or, if approved by the EPB, may be left natural.

7.6.2 If a deck is allowed to encroach into a setback, at no time will any roofed structure be constructed on this deck within the encroachment.

7.6.3 Deck posts must be either brick columns or solid 6 inch by 6 inch posts, generally screened with lattice of a minimum ½ inch slat thickness (1 inch total). Lattice shall be framed with a corresponding matching material.

7.6.4 Areas under decks used for storage must be screened with wood lattice, with a minimum ½ inch slat thickness (1 inch total). Lattice shall be framed with a corresponding matching material.

7.6.5 Composite deck materials may be approved for use as alternative decking and railing materials, as long as they correspond with the architectural style of the home.

7.7 Dependencies

7.7.1 Must be built to grade and will be single story. Height will be reviewed on a case-by-case basis as to how the structure relates to the home and surrounding structures.

7.7.2 Doors should be six panels and their opening not visible from any street or the golf course. Alternate doors on dependencies may be approved on a case-by-case basis.

7.7.3 May be built on a brick foundation, a concrete slab, 6 inch by 6 inch post, or 12 inch by 12 inch column. Dependencies on skids or concrete blocks will not be allowed.

7.7.4 If structure is built on posts, reveal should not be greater than 18 inches. Landscaping or lattice may be required for adequate screening.

7.7.5 Location of windows will be approved on an individual basis. Windows will generally not face the street and may be limited with regard to neighboring property.

7.7.6 Depending on location and architecture, the dependency generally will not exceed 12 feet by 16 feet.

7.7.7 Prefabricated enclosures conforming to the architecture and design of the Living Unit on the Lot will be considered on a case by case basis.

7.7.8 Dependencies may require screening, as determined by the EPB.

7.8 Driveways

7.8.1 Driveways, dual or single entrance, shall be exposed brown or gray aggregate, pavers, stamped concrete (such as Bomanite). Broomed or troweled concrete

drives are unacceptable. Asphalt driveways are not allowed for use in Single Family subdivisions. Repairs to a previously approved asphalt driveway may utilize asphalt. All replacement driveways must comply with this Section. Gravel driveways previously approved under prior policies and procedures predating the adoption of these policies and procedures must be maintained in good condition.

7.8.2 Exposed aggregate concrete must be brown or gray.

7.8.3 Pavers or stamped concrete may be used at the discretion of the EPB provided the color of the materials coincides with the color scheme of the house.

7.8.4 The width at the property line shall not exceed 14 feet.

7.8.5 No Lot shall have more than two driveway entrances.

7.8.6 At the street, a concrete swale or pipe must be used so as not to impede drainage along the road shoulder, regardless of the type of driveway used. No site shall be graded or altered in any manner that would cause water to be diverted or collect and directed into or across a contiguous parcel of land including grass drainage flow along the front Lot line.

7.8.7 The driveway apron of a driveway at the street must have an arc with a minimum of a fifteen feet radius and be constructed of approved concrete material.

7.8.8 Driveway designs must be done with minimal disruption of natural grades. Brick or masonry walls at the ends of culvert pipes on driveway entrances are not normally allowed.

7.9 Dual Entrance Driveways

7.9.1 Must meet requirements in paragraph in 7.8.

7.9.2 All requests must be accompanied by an adequate landscape plan.

7.9.3 Dual entrance driveways will be considered on cul-de-sacs only when the proposed driveway will be located on a property that borders adjacent properties which are not buildable, such as an LPZ or other restricted area.

7.9.4 Driveways not on cul-de-sacs, shall receive approval for dual entrance driveways only on Lots that have a road frontage equal or greater than 150 feet.

7.9.5 The combined width of the two entrances (at the property line) shall be no greater than 28 feet.

7.9.6 The curved edge closest to the house of a dual entrance driveway as it passes the front door of the house shall be greater than the front building setback for the Lot. In no case shall the inside edge (farthest from house) dimension be less than 26 feet as measured from the property line. This is to avoid large expanses of

concrete that can be seen from the road. Mitigating factors such as additional landscaping will be taken into consideration.

7.9.7 No dual entrance drives will be approved on Lots fronting on a severe curve.

7.9.8 No dual entrance driveway may come any closer than 15 feet from an existing driveway on an adjacent Lot or any closer than 10 feet from the property line of any adjacent unimproved Lot. The intent of this is to prevent driveways of adjacent Lots being too close together creating the effect of a large expanse of concrete, and to allow plenty of room for landscape screening between the driveways of adjacent Lots.

7.10 Exterior Surfaces

7.10.1 Bright colors on exterior surfaces will generally not be permitted. This includes exotic door colors, super graphics, and any surface material that tends to reflect light. Mirrors and artificial ornamental devices that are deemed by the EPB to be incompatible with the architecture will not be allowed on exterior surfaces, in the windows, or in the yard.

7.10.2 Exterior colors and materials must be in harmony and in earth color tones. Bright colors and colors such as baby blue, pink or exotic hues are not within the acceptable color range. In very rare cases these colors may be approved by the EPB.

7.10.3 Exterior materials with shiny plastic or metallic surfaces will not normally be approved or allowed on structures or in yards.

7.11 Fences

7.11.1 Fencing is generally to be equal/less than 4 feet in height. Fences are to be behind the front building setback line. In some, very rare, cases a higher fence may be approved by the EPB.

7.11.2 Fences will only be allowed for a specific reason, such as a dog, children, etc. The intent in Kingsmill is to maintain open vistas. Fences may not be allowed, or placement restricted, on some Lots.

7.11.3 Privacy fences will not be allowed on property lines. Placement of privacy fences near property lines will be at the discretion of the EPB. This prohibition does not apply to those fences or walls constructed on Lots in the Multi-family Parcels as part of the overall design features applicable to such Parcels.

7.11.4 Landscaping may be required to screen any fence.

7.11.5 Coated black or dark green square mesh may be approved with a split rail fence if placed inside the fence and no higher than the top horizontal rail.

7.11.6 Electrified, chicken wire, chain link, lattice, plywood, vinyl/plastic material, or concrete block fences are not allowed. Alternate fencing materials will be reviewed on a case-by-case basis as new materials become available.

7.11.7 Fences will not be allowed in LPZs or golf course LPZs.

7.11.8 When fences are allowed, generally a single uniform style of fencing must be used. Mixing of different types of fencing is prohibited (i.e. split rail fence with picket fence).

7.11.9 Fences must be placed inside property lines to allow for maintenance.

7.11.10 Free standing fences will not be permitted.

7.12 Fences: Temporary/Deer Fencing

7.12.1 Deer fencing, barriers and netting (temporary or permanent) are not permitted.

7.13 Firewood

7.13.1 Firewood must be stored in accordance with Section 11 of the Rules.

7.13.2 If covered, firewood must be covered by a non-reflective earth-tone material in accordance with Section 11 of the Rules.

7.14 Flag Display

7.14.1 Unless specifically prohibited or restricted by these Policies and Procedures, the displaying of the flag of 1) the United States, 2) the Commonwealth, 3) any active branch of the armed forces of the United States, or 4) any military valor or service award of the United States, will not require community standards approval other than as outlined herein. Flags of a festive nature (birthdays, college, the arrival of the new baby, the holidays) which are of a temporary nature, will also not require prior approval as long as they are removed on a timely basis and displayed according to these standards set forth. The display of other flags, banners, and bunting, including flags of other nations will require prior approval by the EPB.

7.14.2 The flag of the United States shall be displayed in accordance with the U.S. Flag Code of 1942 as amended and the Freedom to Display the American Flag Act of 2005. All flags, regardless of type, shall be kept clean, bright, and shall not be tattered or torn.

7.14.3 Staffs: Flags must be displayed from staffs or poles specifically designed for that purpose. Flag size shall not exceed 4 feet by 6 feet and shall be in proportion to the staff or pole on which it is displayed. Staffs must be temporary, permitting easy removal and storage in the event of inclement weather. Staffs must be constructed of non-ferrous materials to avoid rust and corrosion. Polyvinyl Chloride, Plumbing pipe, ("PVC"), is not acceptable.

7.14.4 Location and Attachment: Staffs shall be attached only to private dwellings, not higher than 6 feet from ground level and within property lines. Brackets supporting

staffs shall be attached in a secure manner (through the siding on frame houses into the studs, and masonry anchors on brick structures). If Owners are uncertain about attachment, they should seek professional assistance due to the potential dangers associated with the incorrect mounting of staffs. Staffs shall not be attached to trees, or street lighting and mailboxes unless approved by the EPB. Flags shall not be displayed in limited common areas without EPB approval as appropriate.

7.14.5 Improper Display: The displaying of flags in a manner that would discredit the flag of the United States or in a manner inconsistent with any provision of Chapter 1 of Title 4 of the United States Code, or any rule or custom pertaining to the proper display or use of the flag is prohibited. Parties displaying flags or banners that may cause conflict with a neighbor or others within the community due to the subject matter depicted by the flag or banner shall be required to remove it immediately.

7.15 Garages

7.15.1 Generally garages should be visually played down in architecture. Where site conditions permit, garages **must** be entered from the side or back of the house. On some sites it may be necessary to enter a garage from the front (generally only cul-de-sac Lots). The garage must be properly detailed and landscaped with the intention of screening parked cars and the garage doors as much possible.

7.15.2 Some colonial style homes were originally constructed (pre 1985) without garages. In these cases, the EPB may allow a detached front-loading garage. Garage is to be placed behind the front building line no closer than 10 ft. from the property line. Landscape plantings may be required to provide screening as determined by the EPB.

7.15.3 Windows on any garage doors require EPB approval. Transom windows over garage doors may be permitted where the architectural concept and aesthetics complement the style of the structure. Where transom windows are permitted, no garage door hardware or interior ceiling storage shall be visible from the exterior.

7.15.4 To enhance the aesthetics of the neighborhood, garage doors shall be kept closed when the garage is not in use.

7.15.5 No Lot or house will be permitted to have garages housing more than four (4) vehicles combined.

7.16 Gas Heating and Gas Fireplace Systems

7.16.1 Venting systems (combustion air, exhaust vents, etc.) projecting through roofs must comply with items in section 7.26 Roofing).

7.16.2. Wall vents on exterior walls should extend through walls at an elevation below the bottoms of the first floor joists when finished grades and system configuration allow. It is preferable that vents extend through walls no higher than 3 feet above finished grade. Vents through walls must be limited to side and rear elevations only. Vents over garage doors are not permitted.

7.16.3. Gas lines must be concealed and not attached to the exterior of the house.

7.16.4. Exterior gas furnaces and meters must be screened.

7.17 Golf Course LPZs

7.17.1 No fences, play-gyms, or structures of any kind are allowed.

7.17.2 No removal of trees, except those determined to be diseased or dying.

7.17.3 No planting will be permitted that will reduce neighboring property golf course views.

7.17.4 Owners of golf course Lots must take particular care to maintain their property and use it in a way that does not detract from the beauty or enjoyable use of the golf course.

7.18 Gutters and Downspouts

7.18.1 Gutters and downspouts may be approved on a case-by-case basis.

7.18.2 Gutters must compliment the colors of the home, and must adhere to the property maintenance standards.

7.18.3 Storm water may not be diverted to any neighboring property.

7.19 HVAC, Generator, Utilities and Utility Areas

7.19.1 All heat pumps, air conditioners, generators, trash and utility areas must be screened at all times either by fencing or dense shrubbery.

7.19.2 Trash receptacles, clothes drying apparatus and similar equipment must be kept in garages or screened enclosures as approved by the EPB.

7.19.3 The heat pump and utility area is to be to the side/rear of the house and screened prior to occupancy, with either wood fencing or substantial shrubs at least 3 feet in height. Meters are to be painted to match house.

7.19.4 Window air conditioners may only be installed with EPB approval.

7.19.5 All telephone, electric and other utility lines and connections between main utility lines, and any and all structures on the Lot must be located underground.

7.19.6 Generally, no more than a combination of three Heating, Ventilating and Air Conditioning ("HVAC") units and Generator unit will be allowed along one elevation. All HVAC/Generator utility areas must be screened in the same manner.

7.19.7 HVAC, Generator and Utility Screen Fencing: Wood lattice boards with a minimum ½ inch slat thickness (1 inch total). Lattice shall be framed with a corresponding matching material.

7.20 Landscape and Hardscape

7.20.1 Artificial flowers are not appropriate landscaping elements, are not in keeping with the ambiance of Kingsmill, and will not be permitted.

7.20.2 Excessive or inappropriate hardscape items, i.e. bird feeders, statues, benches, fence panels, etc. will not be allowed. Examples include but are not limited to pink flamingos, gazing balls, twirling flowers, or similar items.

7.20.3 Excessive use, in the opinion of the EPB, of wire mesh to protect individual plants will not be allowed.

7.20.4 "Major Changes or Additions" (as hereinafter defined) to landscaping require EPB approval and are subject to the Good Neighbor Policy. As used herein, "Major Changes or Additions," means and includes: any changes to the size of an existing flower bed or the installation of additional flower bed(s); any changes to existing structures; the erection of new retaining walls and/or other structural improvements; landscaping to be installed as part of a screening requirement of these EPB Policies and Procedures or a condition of an EPB approval; any changes or alternations which change the character and nature of the flower bed and the type of plantings within such bed (for example, changing a flower bed from azaleas to cactus); and any other changes, alterations, or additions which, in the sole discretion of the EPB change the character of the previously approved landscaping plan for such Lot.

7.20.5 Landscape plant materials should be of native varieties. They look best and they will have the best chance of survival.

7.20.6 All sprinkler systems must be approved by the EPB and installed as to not create drainage problems for neighboring property or road rights of way. Any damage to sprinkler systems located within the road right of way is the responsibility of the Owner.

7.21 Lighting: Exterior Home Lighting and Landscape Lighting

7.21.1 All exterior lighting plans must be approved by the EPB.

7.21.2 Generally, exterior lights must have concealed sources, be of low wattage and not shine on neighboring property.

7.22 Mailboxes

7.22.1 Only the standard EPB approved mailbox/post will be allowed. EPB office has mailbox specifications.

7.22.2 Must be maintained with no rust, dents, mildew, etc.

7.22.3 Any landscaping around the mailbox post must not hinder drainage or obstruct the house number.

7.22.4 Located within 8 feet of the driveway apron.

7.22.5 Only standard brown post, white routed numbers, and black EPB approved mailbox units may be installed.

7.22.6 Attachments to mailboxes such as flagpoles require EPB approval.

7.22.7 The standard EPB-approved mailbox is required for each single family home. Its location is subject to EPB approval.

7.22.8 Only one newspaper box is permitted, and, if installed, it shall be at the same level or below the mailbox. Specification for mounting are available from the KCSA office.

7.23 Miscellaneous Items

7.23.1 The following structures and objects may be erected and maintained in a single-family residential Lot only if they are, in the opinion of the EPB, architecturally compatible or adequately screened and approved; (see also Section 7.7 – Dependencies)

- (a) Dog runs and houses for pets. Dog runs will be closely scrutinized relative to appearance and screening.
- (b) Storage of equipment and materials
- (c) Detached outbuildings
- (d) Clothes lines
- (e) Exterior air conditioning equipment, or other mechanical equipment
- (f) Carports
- (g) Barbecue sets/grills
- (h) Sand boxes
- (i) Playhouses or other recreational equipment
- (j) Trash containers, and any other structures,
- (k) Utilitarian equipment
- (l) Objects determined by the EPB to be unsightly in nature and appearance.

7.24 Play-Gym Sets

7.24.1 Structural members are to be natural timber.

7.24.2 Slides, canopies, attachments, etc. are to be a solid color brown, tan, or dark green. No bright colors.

7.24.3 Play-gym is to be placed behind the rear building line and located in an area that can be properly screened, such as centered between the two rear corners of the house. Depending on Lot slope EPB may approve another location.

7.24.4 Play-gym should not be visible from the road and screening may be required.

7.25 Retaining Walls

Retaining walls are both expensive and often difficult to construct - thus other alternatives are usually preferable.

7.25.1 Retaining walls will be permitted if they are well designed and constructed properly of approved materials, with an elevation exposure not to exceed 6 feet.

7.25.2 Approvable materials for constructing retaining walls include but are not limited to stone, brick, pressure treated lumber and cement block designed for the construction of retaining walls.

7.25.3 Cinder block or poured concrete without brick or stone façade are not acceptable.

7.26 Roofing

7.26.1 All plumbing vents, fan exhausts and other necessary roof equipment should be on the rear slope of the roof or otherwise screened from view from the street. All vents, exhausts, and other necessary roof equipment must be painted a color to match the roofing materials with a flat non-reflecting paint, generally, black or brown.

7.26.2 Flat rubber membrane roofs must be designed in such a manner and at such an elevation that the roof surface will not be visible from the street.

7.26.3 Standing seam tin or other metal roofs shall be painted and detailed as approved by the EPB. Copper roofs will be permitted on a case-by-case basis, however, they must be treated so as to make them non-reflective.

7.26.4 Roofing materials exposed to view or on slopes shall be of a permanent quality, such as wood shingles or shakes, slate, cement-asbestos, asphalt shingles of approved color and grade, or other suitable roof material.

7.26.5 Chimneys must be appropriate in size, scale, material and design to the style of roof and architecture. If exterior to the house they must be built to the ground.

7.26.6 Direct vented fireplaces through the wall shall be reviewed on an individual basis. Generally, they may not be readily viewed from the street, and if a corner Lot the secondary street.

7.26.7 Mixing of different styles and colors of shingles is prohibited.

7.26.8 If any portion of roof requires repair/replacement, the same style, quality and color of shingles must be used. If shingles are no longer manufactured or new shingles will not match in color, it may be necessary to replace the entire roof.

7.27 Satellite Dishes

7.27.1 Only dishes with diameters one meter or less will be allowed. While a formal application is not required, KCSA asks all Owners to fill out a Satellite Notification form available at the KCSA office.

7.27.2 The preferred location is ground mounted in the rear yard (see item a. below). However, the EPB will consider other locations in the order listed below. If an acceptable quality signal cannot be attained from the rear yard, work your way down the list. If other than item a. is selected, the EPB will require reasons and signal strength for the previous locations (i.e., if item d. is selected, reasons for not selecting items a., b., and c.). In an attempt to maintain the high aesthetics of Kingsmill we request that all locations be screened from view as much as possible using suggestions in items 7.27.3 through 7.27.6.

- (a) Ground mounted -rear yard/deck
- (b) Ground mounted - side yard/deck
- (c) Roof/chimney mounted - rear
- (d) Roof/chimney mounted - side
- (e) Behind a window or skylight
- (f) Ground mounted along front foundation
- (g) Other locations on a case-by-case basis

7.27.3 Using vegetation/plantings dishes shall be screened from view as much as possible from any street and golf course. Dish total height (including mounting) should not exceed 51 inches.

7.27.4 They may be mounted in the home interior in a window, dormer, or skylight location if the satellite dish is not visible from any exterior location.

7.27.5 Screening of dishes can be provided in a form compatible with the existing home architecture. Landscaping in conjunction with other screening materials (lattice, picket fence, HVAC enclosure, walls, railings, etc.) is a consideration.

7.27.6 Dishes should be painted an appropriate neutral color (flat paint) that will blend in with the natural surroundings.

7.28 Siding and Trim Materials

7.28.1 Wood, composite wood materials such as Hardi-board, stucco, stone and brick are approvable for use as siding materials. Cellular PVC and solid PVC materials can be used on trim and accent areas. Plywood siding is not acceptable.

7.28.2 Hardi-board, or similar materials, may be approved for entire elevations of a surface. Individual EPB approval is required. Hardi-board may not be applied to repair a single board or group of boards.

7.29 Signs and Plaques

7.29.1 No signs or plaques of any kind shall be erected or displayed to the public view on or from any property, including the golf course, or the Common Areas with the exception of signs used by the Association for Association purposes.

7.29.2 During new home construction one builder sign which identifies the builder and James City County building permit. Specific sign specifications may be obtained through the EPB Office.

7.29.3 One "For Sale" or "For Rent" sign is allowed. Specific sign specifications may be obtained through the EPB Office. Sold signs, under contract, etc., are not allowed.

7.29.4 In the single family subdivisions, the mailbox post displays the address number. Cornerstone inlaid house address numbers may be approved by the EPB. Other types of address numbers may be approved by the EPB but must be attached to the structure around the front door. Only one set of house numbers attached to the structure will be allowed.

7.29.5 A decorative hospitality sign or plaque (not exceeding 256 square inches) may be attached in the immediate vicinity of the front entrance door way. This sign should be of neutral color and tasteful in content.

7.30 Skylights

7.30.1 Skylights generally will not be allowed on front facing roofs if the house is traditional in style or if the eave falls within 40 feet of the property line.

7.30.2 Side facing roofs when seen straight-on due to curving street or corner Lot shall be treated as front facing roofs.

7.30.3 Exceptions may be made where mitigating factors are present; i.e. trees obscuring skylights or significant distance from road.

7.30.4 In cases where skylights are found to be warranted on front facing roofs of any house, every effort should be made to make them an acceptable architectural element of the house. They shall be centered on other roof or architectural feature or in relationship to other fenestration.

7.30.5 When approved, skylights must not contain reflective glass.

7.31 Sun Tubes

7.31.1 Sun Tubes will not be allowed on front-facing roofs.

7.31.2 Side facing roofs, when seen straight-on due to curving street or corner Lot, shall be treated as front facing roofs.

7.31.3 Generally, no more than two sun tubes shall be allowed per house. Placement should be as inconspicuous as possible.

7.31.4 Sun tube domes shall be of low profile design.

7.31.5 Sun tubes may be prohibited on homes in which the architectural style is incompatible.

7.31.6 Exceptions may be made where mitigating factors are present; i.e., trees obscuring sun tubes or significant distance from the road.

7.32 Solar Technology

7.32.1 Exterior solar technology will only be permitted on the rear or non-street facing roof elevations.

7.32.2 Solar panels should match the color of the roof and be as close to the roof line as structurally possible. As solar technology proliferates, solar panels should match the roof in color and texture; and be completely aligned with roof line.

7.32.3 Solar panel shingles should match the color and texture of the roof, and be integrated into the roof scheme. Solar panel shingles should only be applied to the rear or non street facing roof elevations.

7.32.4 Reflective solar paint is not recommended for homes in Kingsmill.

7.32.5 The EPB may limit amount of roofed area in which solar panel technology may be installed based upon overall visual impact.

7.32.6 Solar panel installation must adhere to the "Good Neighbor Policy."

7.32.7 Solar panels may not be installed in locations other than on the home roof structure.

7.33 Swimming Pools

7.33.1 Swimming pools should be of moderate size and must be sited with minimal disruption of natural grades.

7.33.2 Only screened in-ground pools are allowed and must have fencing compliant with the James City County Code.

7.33.3 Smooth or broomed concrete is not allowed, except for swimming pool decks or stoop deck provided it is inlaid surrounded by brick and cannot be seen from the street.

7.34 Tree Removal

7.34.1 No trees in excess of 6 inches in diameter measured at 2 feet above ground may be cut without approval of the EPB and possibly James City County Environmental Division. Tree removal will be reviewed on a case-by-case basis.

7.34.2 Generally tree removal may be limited on slopes greater than 20%. This restriction is designed to prevent erosion and preserve substantial trees, not to prevent selective clearings or to cause undue hardship.

7.34.3 Tree removal is prohibited within golf course LPZs unless the tree is certified to be diseased or dying. Tree removal in LPZs and RPAs is heavily restricted and approved on a very limited basis.

7.34.4 Tree stumps must be removed or cut/ground below grade.

7.34.5 All wood must be removed from the property or cut to firewood length if the house has a wood burning fireplace. See section 7.13 Firewood.

7.35 Tree and Debris Removal: Storm Related

Tree "debris" is defined as and includes: root balls, stumps, trunks and limbs.

7.35.1 All debris on slopes of less than 20 percent must conform to the following guidelines:

- (a)** Any storm debris must be removed off property or retained for firewood
- (b)** Debris log piles may not be left on the Lot. They are to be removed or sawn into lengths not to exceed two feet, split and neatly stacked behind the house and, only then, if the home has a wood-burning fireplace (see Section 11 of the Rules.)
- (c)** Root ball/stump must be removed and hole filled in or up-righted in existing hole and cut to grade or ground down to grade

- (d) Disturbed area must be seeded and/or restored to original status

7.35.2 All debris on slopes of greater than 20 percent must conform to the following guidelines

All trees and root balls on stumps 16 inches in diameter or smaller measured 2 feet from the base of the tree:

- (a) All debris must be removed off property or retained for firewood.
- (b) Debris log piles may not be left on the Lot. They are to be removed or sawn into lengths not to exceed two feet, split and neatly stacked behind the house and only if the home has a wood burning fireplace (see Section 11 of the Rules.)
- (c) Root ball/stump must be removed and hole filled or up-righted in existing hole and cut to grade.
- (d) Disturbed area must be seeded and/or restored to original status.

Trees and root balls on stumps greater than 16 inches in diameter measured 2 feet from the base of the tree:

- (a) All limbs or portions thereof 8 inches and smaller must be removed off property.
- (b) Limbs larger than 8 inches in diameter must be severed from the trunk and placed next to and parallel to the tree trunk.
- (c) Tree trunks must be cut at the base of the tree and root balls covered/concealed with decorative foliage/ivy.

7.35.3 Additional Guidelines

Debris may not be disposed of in ravines, ponds or LPZs.

- (a) Debris, when allowed to remain, must not impede drainage.
- (b) Owners of properties are responsible to follow all applicable James City County Environmental Division requirements. Members of the James City County Environmental Division may be reached at 757-253-6670.
- (c) Exceptions shall be determined at the sole discretion of the Kingsmill Environmental Preservation Board (EPB).

7.36 Windows

7.36.1 Artificial applications to windows should not detract from the integrity of good design and should not be colored or reflective.

7.36.2 Aluminum and vinyl clad window and sliding glass doorframe trim may be approved if appearance is identical to original window being replaced. Changes in window design with clad frames will be reviewed on a case-by-case basis.

7.36.3 Windows should be true to the architectural style of the home. Limit the architectural style of windows to one type when possible. Avoid, for example, using contemporary sliding glass doors with Colonial windows. Sliding doors designed to blend with the colonial windows will be reviewed on an individual basis. In any case, sliding colonial doors must be provided with grilles (divided lights).

7.36.4 All curtains, draperies, window shades, window blinds and window hangings shall present a neutral palette when viewed from the outside of the home.

7.36.5 Window openings and heights should relate to other design features of the house. Avoid the unplanned look of smaller bathroom or kitchen windows in visual conflict with windows of major scale. Pre-constructed aluminum, vinyl or wood, "box bay greenhouse" windows will not be permitted. Conventional construction of "greenhouse" windows will be reviewed on an individual basis, but in no case permitted on front elevations.

7.36.6 Windows approved with grilles/muntins must continue to display with grilles. Grilles removed for repair, painting, window cleaning or any other reason must be reinstalled.

7.36.7 Glass block when used in a compatible architectural style, in any structure either new construction or remodeling, shall install only factory assembled glass block windows and panels.

7.36.8 Bay windows should be built on foundations. On a case-by-case basis the EPB may allow cantilever bay windows on other elevations except the front.

ARTICLE 8: GENERAL PROTOTYPES

Information regarding Single Family prototypes may be retrieved at the KCSA office.

- Basketball Goals
- Bollards
- Gutters
- Lightning Rods
- Mailbox and Mailbox Post
- Play Gym Sets
- Signage – Builder, For Rent, For Sale
- Sun Tubes
- Tree Debris Removal

ARTICLE 9: PARCEL SPECIFIC INFORMATION

9.1 Landscaping Policy

Any change to landscaping, requires approval by the EPB. These additions require EPB approval. The EPB, and Board of Directors have, in certain instances, approved specific guidelines for individual Parcels.

9.2 Prototypes

Over the years standard exterior modifications called prototypes have been established for multi-family and single-family houses within individual Parcels. These prototypes are available for implementation by any member. However, EPB administrative approval is still required (i.e., fill out the appropriate form and submit to EPB). In addition, when a prototype is requested for a Multi-family Parcel, the EPB is authorized to submit the complete EPB package to the Parcel Advisory Committee for the Parcel Advisory Committee's review and recommendation. Information or specifications on the prototypes can be obtained from the EPB Office. Owners, prior to any construction, should determine that approved Parcel prototypes still conform to all current governing codes.

9.3 Policies and Prototypes

The Supplemental Declarations of Covenants and Restrictions for each Parcel are hereby 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 these Policies and Procedures, Rules and the Governing Documents, the provision(s) set forth in the Governing Documents shall control.

Archer's Mead

- Bench Policy
- Converted Sunroom /Screened Porch
- Deck Replacement
- Exterior Lighting
- Exterior Wood Repairs for Garage Units
- Front Entrance Motion Sensor Lighting
- Natural Gas
- All Window Replacement
- Roof Replacement
- Storm Door (multi family)
- Trash Enclosure Repairs

Burwell's Glen

- Courtyard Gate
- Roof Replacement

Burwell's Green

- Awning
- Courtyard Entry Gate
- Decking
- Mailbox Replacement

Sunroom Retrofit
Storm Door, (multi family)
Roof – Elk Prestique II High Definition 50 year Weatherwood only

Burwell's Landing

Piers/Dock
Specific Landscaping guidelines in Declaration

Harrop's Glenn

Deck Color
Exterior Paint Stain
Exterior Wood Repairs
Gutters and Downspouts
Mailbox Replacement
Roof – Timberline 40yr. Shadow Accent
Storm Door
Skylight

Littletown Quarter

Addition
Exterior Paint Stain
Fascia and Trim Board Replacement
Natural Gas Addendum
Roof Replacement
Storm Door (multi family)
Trellis Replacement
Trash Enclosure

Moody's Run

"C" Unit Window Addition
Courtyard Entry Gate
Exterior Paint Stain
Garage Door Replacement
Gutters and Downspouts
Interior Courtyard Siding Replacement
Motion Sensor Lights
Roof Replacement
Sunroom Retrofit
Street Lights
Storm Door (multi family)
Trim Replacement

Quarterpath Trace

Crawl Space Cover--Only Plexiglass
Exterior Lighting -- Only colonial lanterns
Foundation Vent Covers
Gas Piping for Gas Logs
Lighting

Motion Detector
Natural Gas Line Installation
Rear/Side Screen Doors
Roof Replacement
Storm Door / Louver Screen Door

River's Edge

Awning
Deck Gate
Dormer over Garage
Driveway Sealers
Exterior Paint Stain
Gutters and Downspouts
Lightning Protection – General Prototype
Storm Door
Roof Replacement

Wareham's Point

Awning
Chimney Caps
Courtyard Entry Gate (4 types)
Exterior Paint Stain
Front Entry Windows Addition
Gable Vent Replacement "D" Unit
Grinder Pump and Screening
Gutters and Downspouts
Hot Tub
Landscape
Rear Deck Gate
Roof Replacement
Skylight ("D" Unit only)
Sliding Doors and Windows Replacement
Storm Door, (multi-family)
Street Lighting
Sunroom Retrofit / Screen Porch Enclosure
Tree Replacement

Winster Fax

Awning
Deck Material
Garage Door Replacement
Garbage/ Storage Door Replacement
Exterior Lighting – Decorative & Floodlight
Exterior Paint Stain
Hot Tub
Landscape
Natural Gas Addendum
Roof Replacement
Siding and Trim Replacement

Sliding Doors and Windows Replacement
Storm Door (2 options)
Utility Screening

#4561379v1

Exhibit 6

to

Disclosure Certificate

Kingsmill Community Services Association

Executive Summary of Reserve Study

EXECUTIVE SUMMARY

The Kingsmill Master Association Replacement Reserve Inventory identifies 345 Projected Replacements for funding from Replacement Reserves, with an estimated one-time replacement cost of \$14,914,655.

The Replacement Reserve Analysis calculates recommended funding of Replacement Reserves by the two generally accepted methods, the Cash Flow Method and the Component Method. The Analysis also evaluates current funding of Replacement Reserves, as reported by the Association. The calculations and evaluation are summarized below:

 **\$1,023,268 CASH FLOW METHOD MINIMUM ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2011.**

The Cash Flow Method (CFM) calculates Minimum Annual Funding of Replacement Reserves that will fund Projected Replacements identified in the Replacement Reserve Inventory from a common pool of Replacement Reserves and prevent Replacement Reserves from dropping below a Minimum Recommended Balance. CFM - Minimum Annual Funding remains the same between peaks in cumulative expenditures called Peak Years. The first Peak Year occurs in 2023 and the CFM - Minimum Annual Funding of Replacement Reserves in 2024 declines to \$1,016,919, after the completion of \$13,744,518 of replacements in 2011 to 2023. After 2023 the CFM - Minimum Annual Funding remains constant for the remainder of the Study Period.

 **\$2,312,166 COMPONENT METHOD RECOMMENDED ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2011.**

The Component Method is a time tested and very conservative funding model developed by HUD in the early 1980's. The Component Method treats each projected replacement in the Replacement Reserve Inventory as a separate account. Deposits are made to each individual account, where funds are held for exclusive use by that item. Based on this funding model, the Association has a Current Funding Objective of \$6,269,945. The Association reports having \$1,187,764 on deposit, which is 18.9% funded.

 **\$852,154 CURRENT ANNUAL FUNDING OF REPLACEMENT RESERVES (as reported by the Association).**

The evaluation of Current Funding, as reported by the Association, has calculated that if the Association continues to fund Replacement Reserves at the current level, there will NOT be adequate funds for Projected Replacements in 21 years of the 30-year Study Period, and a maximum shortfall of \$-3,884,087 occurs in 2039.

Pages A2 and A3 explain the Study Year, Study Period, Adjustments (interest & inflation), Beginning Balance, and Projected Replacements. Pages A4 to A9 explain in more detail the calculations associated with the Cash Flow Method, Component Method, and Current Funding.

REPLACEMENT RESERVE STATUS AND FUNDING PLAN

Current funding of Replacement Reserves is inadequate to fund Projected Replacements.

We recommend the Association adopt a Replacement Reserve Funding Plan based on the Cash Flow Method or the Component Method, to ensure that adequate funding is available throughout the 30-Year Study Period for the \$30,581,164 of Projected Replacements listed in the Kingsmill Master Association Replacement Reserve Inventory. The Funding Plan should be professionally evaluated every three to five years or after completion of each major replacement project. The Board of Directors has a fiduciary responsibility to review the Funding Plan annually and should consider annual increases in Replacement Reserve funding at least equal to the Consumer Price Index.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

The Kingsmill Master Association Replacement Reserve Analysis calculations of recommended funding of Replacement Reserves by the Cash Flow Method and the Component Method, and the evaluation of the Current Funding, are based upon the same General Information; including the Study Year, Study Period, Adjustments (for interest, inflation, and/or a constant increase in annual funding), Beginning Balance, and Projected Replacements:

STUDY YEAR

The Association reports that their accounting year begins on January 1, and the Study Year, the first year evaluated by the Replacement Reserve Analysis, begins on January 1, 2011.

STUDY PERIOD

The Replacement Reserve Analysis evaluates the funding of Replacement Reserves over a 30-year Study Period that begins on January 1, 2011.

ADJUSTMENTS

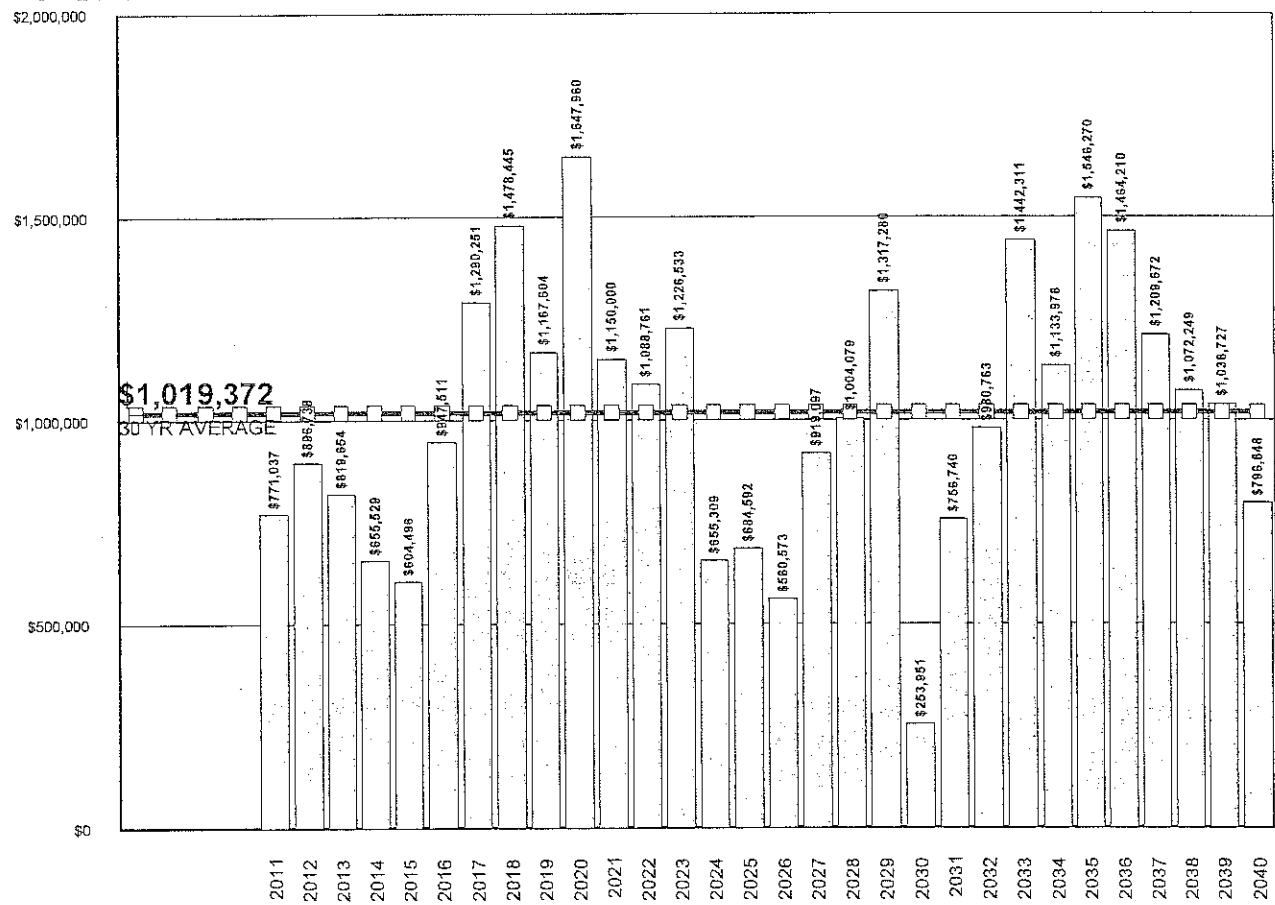
The calculations in this Replacement Reserve Analysis do not account for interest earned on Replacement Reserves, the effects of inflation on the costs of Projected Replacements, or a constant annual increase in Annual Funding of Replacement Reserves. If requested, we will provide a Replacement Reserve Analysis with adjustments for inflation, interest, and/or a constant annual increase in funding, using values provided by the Association.

BEGINNING BALANCE

The Association reports Replacement Reserves on Deposit totaling \$1,187,764 at the start of the Study Year.

Graph #1. Annual Expenditures for Projected Replacements

This bar graph summarizes annual expenditures for the \$30,581,164 of Projected Replacements identified in the Replacement Reserve Inventory over the 30-year Study Period. The red line shows the average annual expenditure of \$1,019,372.



PROJECTED REPLACEMENTS

The Kingsmill Master Association Replacement Reserve Inventory (Section B) identifies 345 Projected Replacements with a one-time Replacement Cost of \$14,914,655 and replacements totaling \$30,581,164 over the 30-year Study Period. Projected Replacements are the replacement of commonly-owned items that:

- require periodic replacement and
- whose replacement is to be funded from Replacement Reserves.

The Replacement Reserve Inventory also identifies 41 Excluded Items. Expenditures for the replacement of these items are NOT scheduled for funding from Replacement Reserves. The accuracy of the calculations made in the Replacement Reserve Analysis is dependent on expenditures NOT being made for Excluded Items. The rationale behind these exclusions is discussed in detail on Page B1.

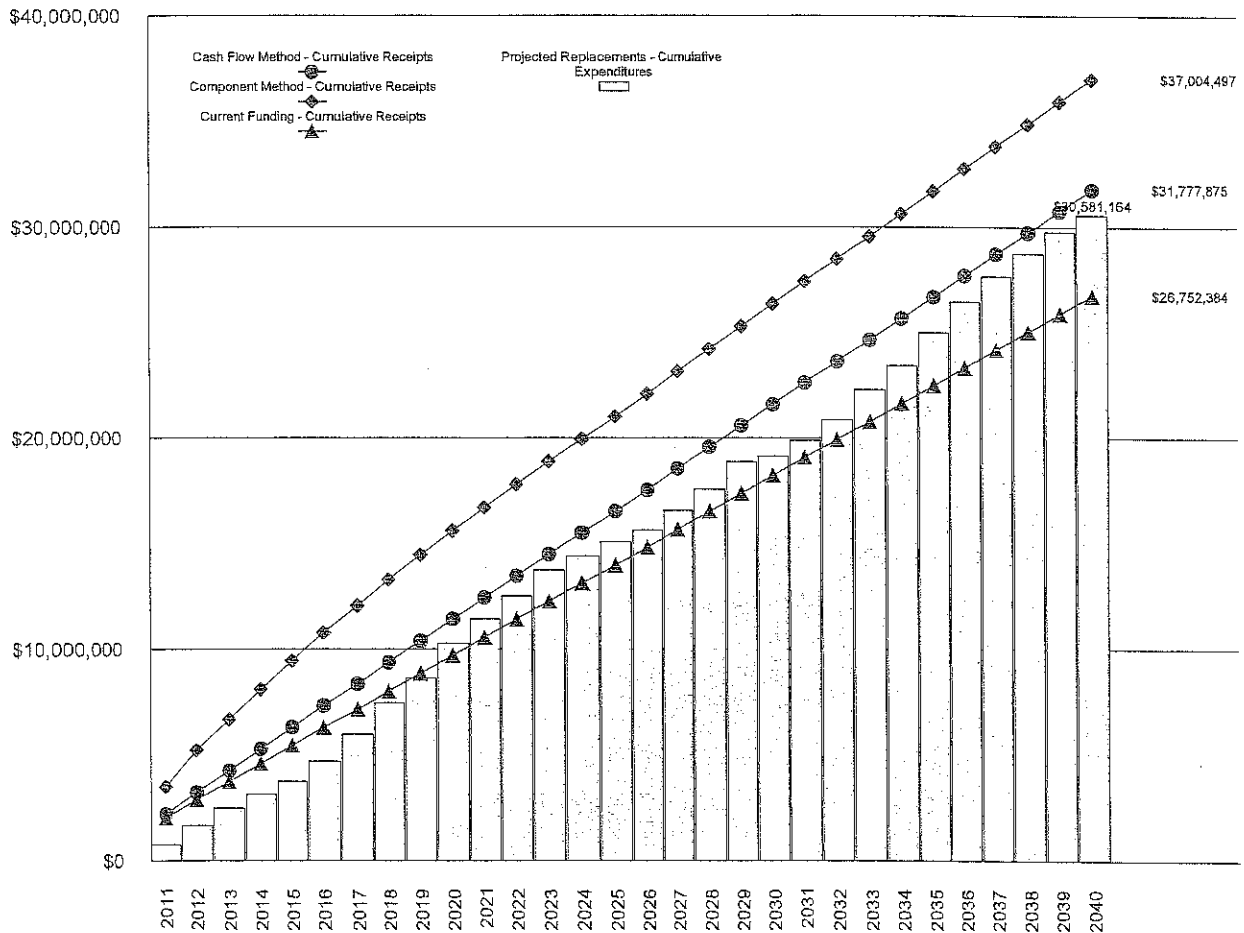
Expenditures from Replacements Reserves should be made only after consultation with an accounting professional.

The Section B - Replacement Reserve Inventory, contains Tables that list each Projected Replacement (and any Excluded Items) broken down into 27 major categories (Pages B3 to B29). Tables are also included that list each Projected Replacement by year for each of the 30 years of the Study Period beginning on Page C1.

The accuracy of this Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made only for the Projected Replacements specifically listed in the Replacement Reserve Inventory.

Graph #2. Comparison of Cumulative Replacement Reserve Funding and Expenditures

The line graph shows Replacement Reserves - Cumulative Receipts over the 30-year Study Period by the Cash Flow Method (red circles), Component Method (purple diamonds), and the Current Funding Plan as reported by the Association (blue triangles). The bar graph shows the Cumulative Expenditures necessary to fund the Project Replacements listed in the Replacement Reserve Inventory (Section B) and summarized in Graph #1.

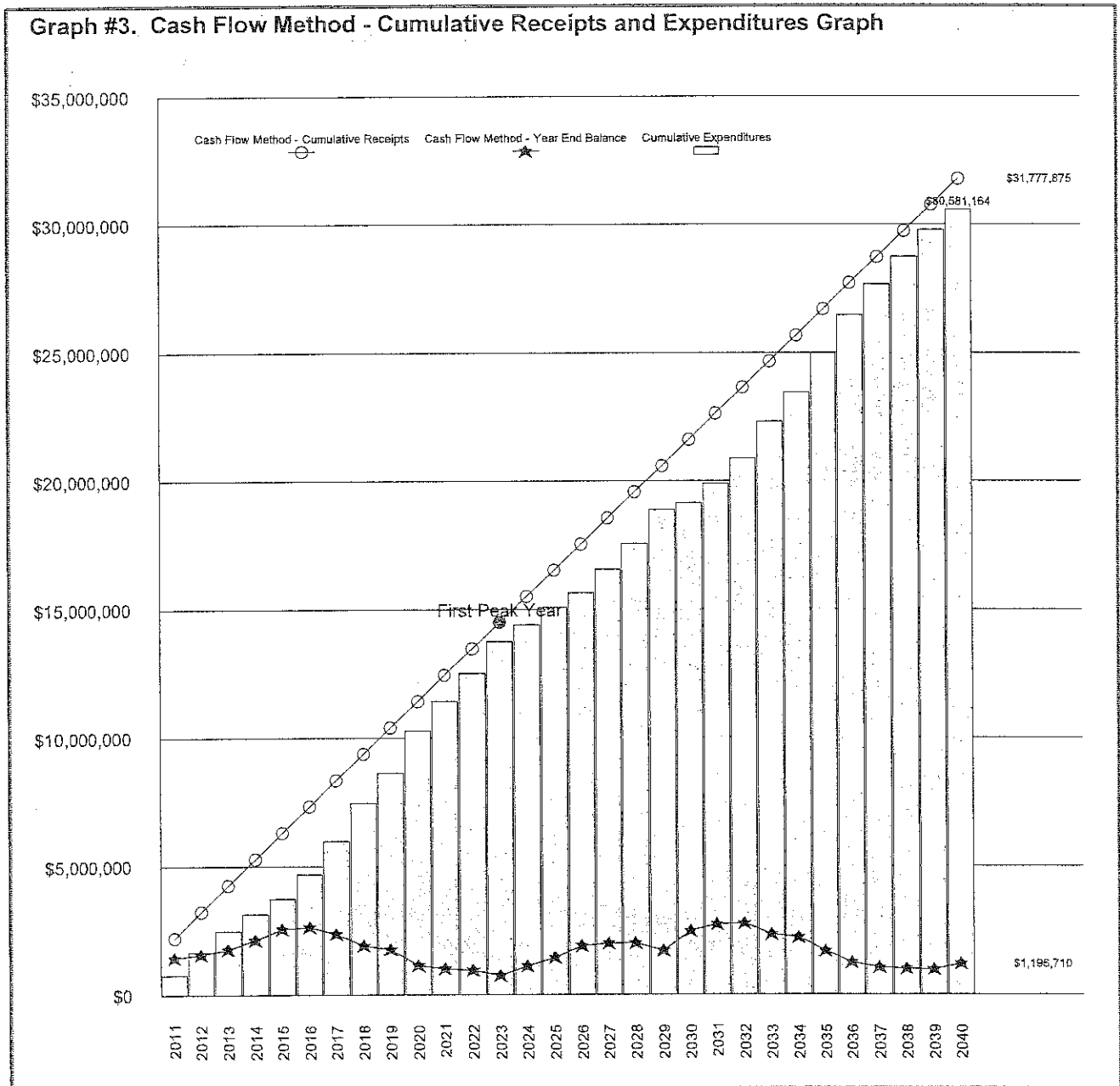


CASH FLOW METHOD

● \$1,023,268 CASH FLOW METHOD MINIMUM ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2011.

General. The Cash Flow Method is founded on the concept that the Replacement Reserve Account is solvent if cumulative receipts always exceed cumulative expenses. The Cash Flow Method calculates a MINIMUM annual deposit to Replacement Reserves that will:

- Fund all Projected Replacements listed in the Replacement Reserve Inventory (see Section B)
- Prevent Replacement Reserves from dropping below the Minimum Recommended Balance (see Page A-5)
- Allow a constant annual funding level between peaks in cumulative expenditures



CASH FLOW METHOD (cont'd)

- Replacement Reserves - Minimum Recommended Balance. The Minimum Recommended Balance is \$745,733, which is 5.0 percent of the one-time replacement cost of the Projected Replacements listed in the Replacement Reserve Inventory. Unless otherwise noted in the Comments on Page A-9, the Minimum Recommended Balance has been established by the Analyst based upon an evaluation of the types of items included in the Replacement Reserve Inventory.
- Peak Years. The Cash Flow Method calculates a constant annual funding of Replacement Reserves between peaks in cumulative expenditures called Peak Years. In Peak Years, Replacement Reserves on Deposit decline to the Replacement Reserves - Minimum Recommended Balance discussed in the paragraph above.
First Peak Year. The First Peak Year occurs in 2023, after the completion of \$13,744,518 of replacements in 2011 to 2023. The Cash Flow Method - Minimum Annual Funding of Replacement Reserves declines from \$1,023,268 in 2023 to \$1,016,919 in 2024.
Subsequent Peak Years. There are no subsequent Peak Years and after the first Peak Year in 2023, the Cash Flow Method - Minimum Annual Funding remains constant for the remainder of the Study Period.
- Study Period. The Cash Flow Method calculates the recommended contributions to Replacement Reserves over the 30-year Study Period. These calculations are based upon a 40-year projection of expenditures for Projected Replacements to avoid the Replacement Reserve balance dropping to the Minimum Recommended Balance in the final year of the Study Period.
- Failure to Fund. The Cash Flow Method calculates a MINIMUM annual funding of Replacement Reserves. Failure to fund Replacement Reserves at the minimum level calculated by the Cash Flow Method will result in Replacement Reserves not being available for the Projected Replacements listed in the Replacement Reserve Inventory and/or Replacement Reserves dropping below the Minimum Recommended Balance.
- Adjustment to the Cash Flow Method for interest and inflation. The calculations in this Replacement Reserve Analysis do not account for interest earned on Replacement Reserves, the effects of inflation of the cost of Projected Replacements, or a constant annual increase in Annual Funding of Replacement Reserves.
- Comparison of Cash Flow Funding and Average Annual Expenditure. The Average Annual Expenditure for Projected Replacements listed in the Reserve Inventory over the 30-year Study Period is \$1,019,372 (see Graph #1). The Cash Flow Method - Minimum Annual Funding of Replacement Reserves in the Study Year is \$1,023,268. This is 100.4 percent of the Average Annual Expenditure, indicating that the Association is building Replacement Reserves in advance of the first Peak Year in 2023.

Table #1. Cash Flow Method Data - Years 1 through 30

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning balance	\$1,187,764									
Minimum annual funding	\$1,023,268	\$1,023,268	\$1,023,268	\$1,023,268	\$1,023,268	\$1,023,268	\$1,023,268	\$1,023,268	\$1,023,268	\$1,023,268
Expenditures	\$771,037	\$896,738	\$819,654	\$655,529	\$604,496	\$947,511	\$1,290,251	\$1,478,445	\$1,167,604	\$1,647,960
Year end balance	\$1,439,995	\$1,566,525	\$1,770,140	\$2,137,879	\$2,556,651	\$2,632,408	\$2,365,425	\$1,910,249	\$1,765,913	\$1,141,222
Minimum recommended balance	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733
Cumulative expenditures	\$771,037	\$1,667,775	\$2,487,429	\$3,142,958	\$3,747,454	\$4,694,965	\$5,985,216	\$7,463,661	\$8,631,254	\$10,279,224
Cumulative receipts	\$2,211,032	\$3,234,300	\$4,257,569	\$5,280,837	\$6,304,105	\$7,327,373	\$8,350,641	\$9,373,910	\$10,397,178	\$11,420,446
Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Minimum annual funding	\$1,023,268	\$1,023,268	\$1,023,268	\$1,016,919	\$1,016,919	\$1,016,919	\$1,016,919	\$1,016,919	\$1,016,919	\$1,016,919
Expenditures	\$1,150,000	\$1,088,761	\$1,226,533	\$655,309	\$684,592	\$560,573	\$919,097	\$1,004,079	\$1,317,280	\$253,951
Year end balance	\$1,014,490	\$948,997	\$745,733	\$1,107,343	\$1,439,670	\$1,896,016	\$1,993,838	\$2,005,679	\$1,706,318	\$2,469,286
Minimum recommended balance	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733
Cumulative expenditures	\$11,428,224	\$12,517,985	\$13,744,518	\$14,399,827	\$15,084,419	\$15,644,992	\$16,564,089	\$17,568,167	\$18,885,447	\$19,139,396
Cumulative receipts	\$12,443,714	\$13,466,982	\$14,490,250	\$15,507,170	\$16,524,089	\$17,541,008	\$18,557,927	\$19,574,846	\$20,591,765	\$21,608,684
First Peak Year										
Year	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Minimum annual funding	\$1,016,919	\$1,016,919	\$1,016,919	\$1,016,919	\$1,016,919	\$1,016,919	\$1,016,919	\$1,016,919	\$1,016,919	\$1,016,919
Expenditures	\$756,740	\$980,763	\$1,442,311	\$1,133,978	\$1,546,270	\$1,464,210	\$1,209,672	\$1,072,249	\$1,038,727	\$796,648
Year end balance	\$2,729,465	\$2,765,621	\$2,340,229	\$2,223,171	\$1,693,820	\$1,246,529	\$1,053,776	\$996,446	\$976,639	\$1,196,710
Minimum recommended balance	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733	\$745,733
Cumulative expenditures	\$19,896,138	\$20,876,901	\$22,319,212	\$23,453,190	\$24,999,460	\$26,463,670	\$27,673,342	\$28,745,590	\$29,784,317	\$30,581,164
Cumulative receipts	\$22,625,603	\$23,642,522	\$24,659,441	\$25,676,360	\$26,693,279	\$27,710,198	\$28,727,118	\$29,744,037	\$30,760,956	\$31,777,875

COMPONENT METHOD

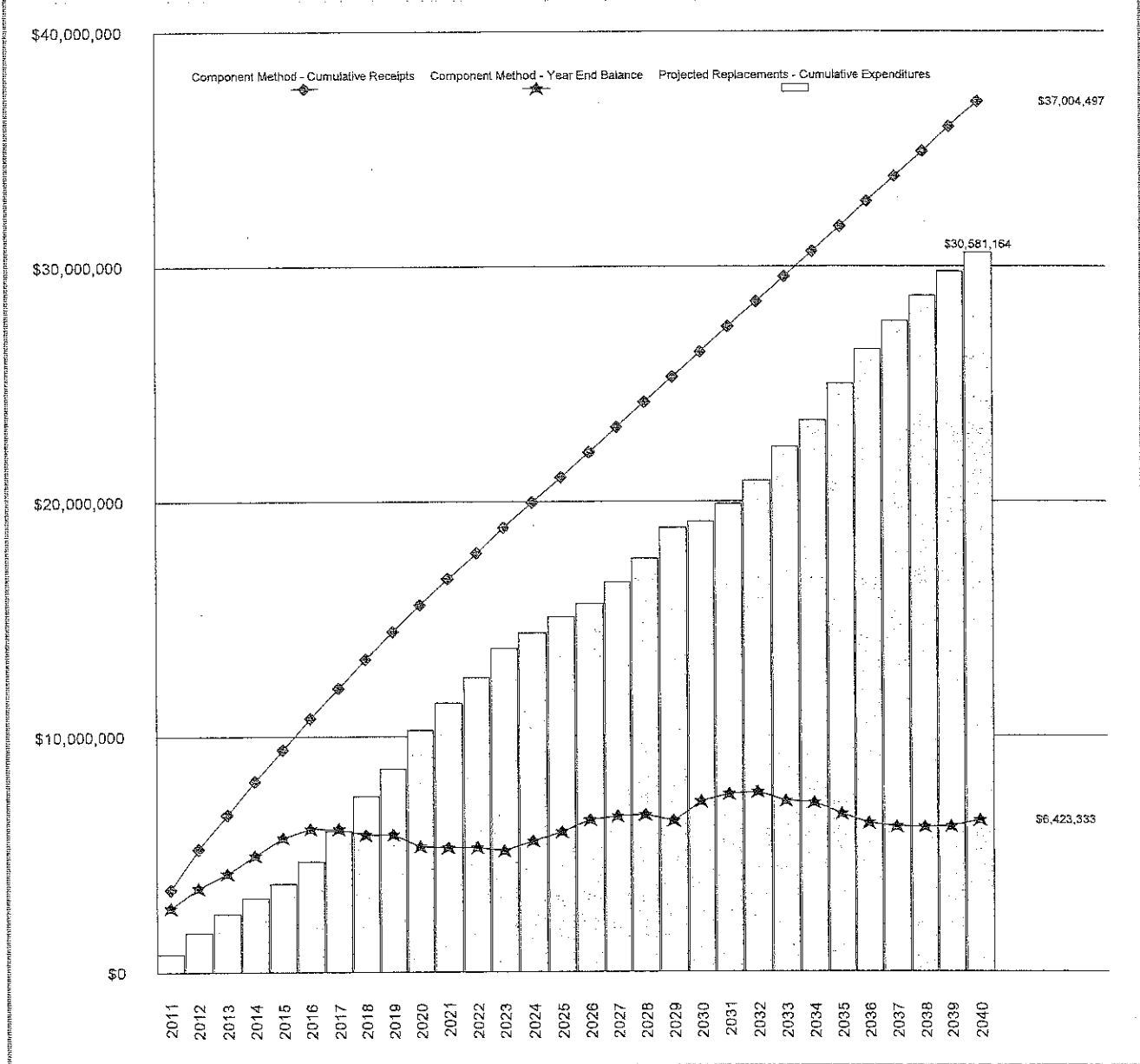


\$2,312,166

COMPONENT METHOD RECOMMENDED ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2011.

General. The Component Method is a time tested and very conservative mathematical model developed by HUD in the early 1980s. Each of the 345 Projected Replacements listed in the Replacement Reserve Inventory is treated as a separate account. The Beginning Balance is allocated to each of these individual accounts, as is all subsequent funding of Replacement Reserves. These funds are "locked" in these individual accounts and are not available to fund other Projected Replacements. The calculation of the Recommended Annual Funding of Replacement Reserves is a multi-step process outlined in more detail on Page A7.

Graph #4. Component Method - Cumulative Receipts and Expenditures Graph



COMPONENT METHOD (cont'd)

- Current Funding Objective. A Current Funding Objective is calculated for each of the Projected Replacements listed in the Replacement Reserve Inventory. Replacement Cost is divided by the Normal Economic Life to determine the nominal annual contribution. The Remaining Economic Life is then subtracted from the Normal Economic Life to calculate the number of years that the nominal annual contribution should have been made. The two values are then multiplied to determine the Current Funding Objective. This is repeated for each of the 345 Projected Replacements. The total, \$6,269,945, is the Current Funding Objective.

For an example, consider a very simple Replacement Reserve Inventory with one Projected Replacement, a fence with a \$1,000 Replacement Cost, a Normal Economic Life of 10 years, and a Remaining Economic Life of 2 years. A contribution to Replacement Reserves of \$100 (\$1,000 ÷ 10 years) should have been made in each of the previous 8 years (10 years - 2 years). The result is a Current Funding Objective of \$800 (8 years x \$100 per year).

- Funding Percentage. The Funding Percentage is calculated by dividing the Beginning Balance (\$1,187,764) by the Current Funding Objective (\$6,269,945). At Kingsmill Master Association the Funding Percentage is 18.9%
- Allocation of the Beginning Balance. The Beginning Balance is divided among the 345 Projected Replacements in the Replacement Reserve Inventory. The Current Funding Objective for each Projected Replacement is multiplied by the Funding Percentage and these funds are then "locked" into the account of each item.

If we relate this calculation back to our fence example, it means that the Association has not accumulated \$800 in Reserves (the Funding Objective), but rather at 18.9 percent funded, there is \$152 in the account for the fence.

- Annual Funding. The Recommended Annual Funding of Replacement Reserves is then calculated for each Projected Replacement. The funds allocated to the account of the Projected Replacement are subtracted from the Replacement Cost. The result is then divided by the number of years until replacement, and the result is the annual funding for each of the Projected Replacements. The sum of these is \$2,312,166, the Component Method Recommended Annual Funding of Replacement Reserves in the Study Year (2011).

In our fence example, the \$152 in the account is subtracted from the \$1,000 Total Replacement Cost and divided by the 2 years that remain before replacement, resulting in an annual deposit of \$424. Next year, the deposit remains \$424, but in the third year, the fence is replaced and the annual funding adjusts to \$100.

- Adjustment to the Component Method for interest and inflation. The calculations in the Replacement Reserve Analysis do not account for interest earned on Replacement Reserves, the effects of inflation of the cost of Projected Replacements, or a constant annual increase in Annual Funding of Replacement Reserves.

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning balance	\$1,187,764									
Recommended annual funding	\$2,312,166	\$1,731,079	\$1,446,941	\$1,412,692	\$1,360,494	\$1,323,971	\$1,279,324	\$1,232,638	\$1,174,062	\$1,142,732
Expenditures	\$771,037	\$896,738	\$819,654	\$655,629	\$604,496	\$947,511	\$1,290,251	\$1,478,445	\$1,167,604	\$1,647,960
Year end balance	\$2,728,893	\$3,563,233	\$4,190,520	\$4,947,583	\$5,703,581	\$6,080,041	\$6,069,114	\$5,823,307	\$5,829,765	\$5,324,537
Cumulative Expenditures	\$771,037	\$1,667,775	\$2,487,429	\$3,142,958	\$3,747,454	\$4,694,965	\$5,985,216	\$7,463,661	\$8,631,264	\$10,279,224
Cumulative Receipts	\$3,499,930	\$5,231,008	\$6,677,849	\$8,090,541	\$9,451,035	\$10,775,006	\$12,054,330	\$13,286,968	\$14,461,030	\$15,603,761
Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Recommended annual funding	\$1,109,199	\$1,091,565	\$1,080,126	\$1,071,107	\$1,069,700	\$1,068,456	\$1,068,411	\$1,067,224	\$1,067,224	\$1,066,925
Expenditures	\$1,150,000	\$1,088,761	\$1,226,533	\$655,309	\$684,592	\$560,573	\$919,097	\$1,004,079	\$1,317,280	\$253,951
Year end balance	\$5,262,736	\$5,285,540	\$5,139,133	\$5,554,931	\$5,940,039	\$6,447,522	\$6,697,236	\$6,660,382	\$6,410,326	\$7,223,300
Cumulative Expenditures	\$11,429,224	\$12,517,985	\$13,744,518	\$14,399,827	\$15,084,419	\$15,644,992	\$16,564,089	\$17,568,157	\$18,885,447	\$19,139,398
Cumulative Receipts	\$16,711,960	\$17,803,525	\$18,883,651	\$19,954,758	\$21,024,458	\$22,092,914	\$23,161,325	\$24,228,549	\$25,295,773	\$26,362,698
Year	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Recommended annual funding	\$1,066,925	\$1,066,800	\$1,066,800	\$1,066,816	\$1,066,537	\$1,066,537	\$1,066,715	\$1,066,512	\$1,066,183	\$1,060,172
Expenditures	\$756,740	\$980,763	\$1,442,311	\$1,133,978	\$1,546,270	\$1,464,210	\$1,209,672	\$1,072,249	\$1,036,727	\$796,848
Year end balance	\$7,533,485	\$7,619,522	\$7,244,012	\$7,176,650	\$6,696,918	\$6,299,245	\$6,150,289	\$6,138,551	\$6,160,008	\$6,423,333
Cumulative Expenditures	\$19,896,136	\$20,876,901	\$22,319,212	\$23,453,190	\$24,999,460	\$26,463,670	\$27,673,342	\$28,745,590	\$29,784,317	\$30,581,164
Cumulative Receipts	\$27,429,623	\$28,496,423	\$29,563,223	\$30,629,840	\$31,696,377	\$32,762,915	\$33,829,630	\$34,896,142	\$35,962,625	\$37,029,187

CURRENT FUNDING



\$852,154 CURRENT ANNUAL FUNDING OF REPLACEMENT RESERVES
(as reported by the Association).

General. Our evaluation of the Current Association Funding assumes that the Association will continue to fund Replacement Reserves at the current level of \$852,154 per year in each of the 30 years of the Study Period.

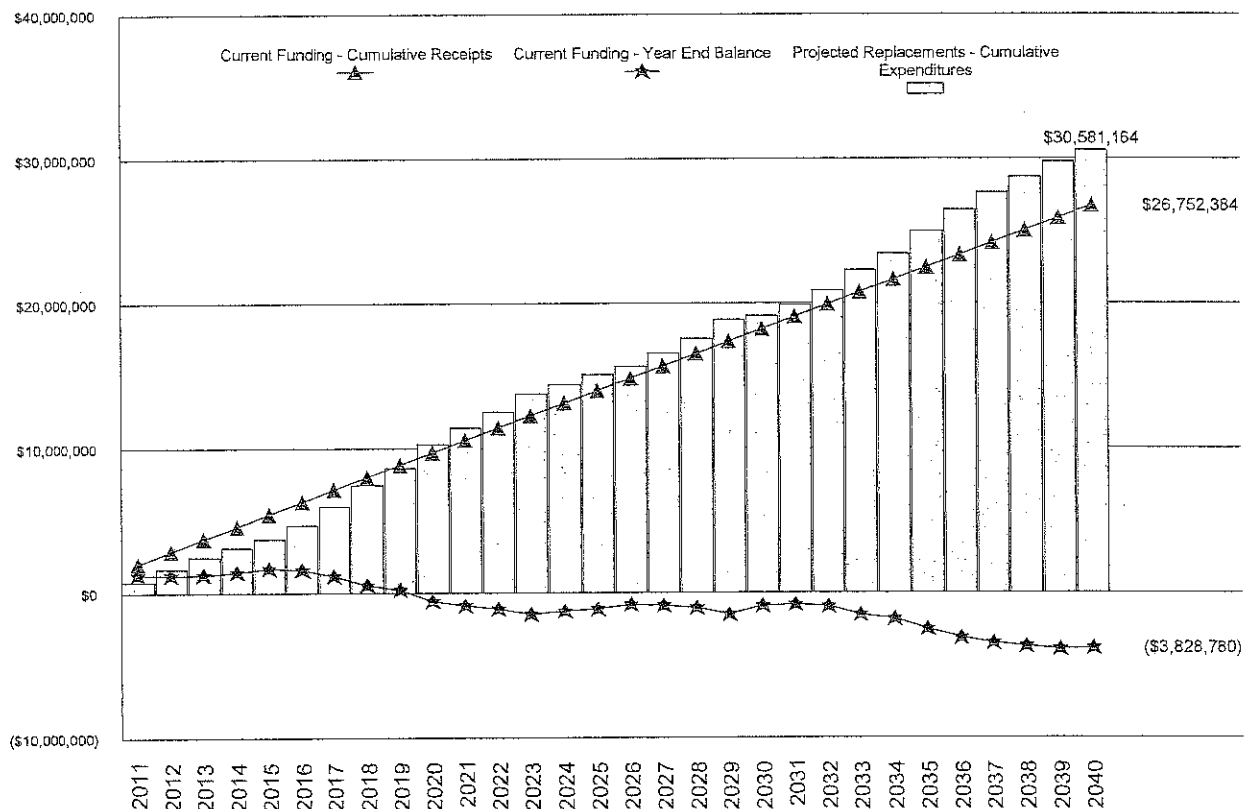
Our evaluation is based upon this Replacement Reserve Funding Level, a \$1,187,764 Beginning Balance, the Projected Annual Replacement Expenditures shown in Graph #1 and listed in the Replacement Reserve Inventory, and any interest, inflation rate, or constant annual increase in annual contribution adjustments discussed below.

- Evaluation. Our calculations have determined that Current Annual Funding of Replacement Reserves, as reported by the Association, is inadequate to fund Projected Replacement beginning in 2020.

The Current Annual Funding of Replacement Reserves results in insufficient funds to make Projected Replacements in 21 years of the 30-year Study Period, and a maximum shortfall of \$-3,884,087 occurs in 2039.

- Adjustment to the Current Association Funding for interest and inflation. The Calculations in the Replacement Reserve Analysis do not account for interest earned on Replacement Reserves, the effects of inflation of the cost of Projected Replacements, or a constant annual increase in Annual Funding of Replacement Reserves.
- Comparison of Current Association Funding and Average Annual Expenditure. The average annual expenditure for Projected Replacements listed in the Reserve Inventory over the 30-year Study Period is \$1,019,372 (see Graph #1). Current Association annual funding of Replacement Reserves is \$852,154, or approximately 84 percent of the Average Annual Expenditure.

Graph #5. Current Association Funding - Cumulative Receipts and Expenditures Graph



CURRENT FUNDING (cont'd)

Table #3. Current Funding Data - Years 1 through 30

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beginning balance	\$1,187,764									
Annual deposit	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154
Expenditures	\$771,037	\$896,738	\$819,654	\$655,529	\$604,496	\$947,511	\$1,290,251	\$1,478,445	\$1,167,604	\$1,647,960
Year end balance	\$1,268,881	\$1,224,297	\$1,256,797	\$1,453,422	\$1,701,080	\$1,605,723	\$1,167,626	\$541,335	\$225,886	(\$556,920)
Cumulative Expenditures	\$771,037	\$1,667,775	\$2,487,429	\$3,142,958	\$3,747,454	\$4,694,965	\$5,985,216	\$7,463,661	\$8,631,264	\$10,279,224
Cumulative Receipts	\$2,039,918	\$2,892,072	\$3,744,226	\$4,596,380	\$5,448,534	\$6,300,688	\$7,152,842	\$8,004,996	\$8,857,150	\$9,709,304
Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Annual deposit	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154
Expenditures	\$1,150,000	\$1,088,761	\$1,226,533	\$655,309	\$664,592	\$560,573	\$919,097	\$1,004,079	\$1,317,280	\$253,951
Year end balance	(\$867,766)	(\$1,104,373)	(\$1,478,752)	(\$1,281,907)	(\$1,114,345)	(\$822,764)	(\$889,707)	(\$1,041,631)	(\$1,306,757)	(\$908,554)
Cumulative expenditures	\$11,429,224	\$12,517,985	\$13,744,518	\$14,399,827	\$15,064,419	\$15,644,992	\$16,564,089	\$17,568,167	\$18,885,447	\$19,139,398
Cumulative receipts	\$10,561,458	\$11,413,612	\$12,265,766	\$13,117,920	\$13,970,074	\$14,822,228	\$15,674,382	\$16,526,536	\$17,378,690	\$18,230,844
Year	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Annual deposit	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154	\$852,154
Expenditures	\$756,740	\$980,763	\$1,442,311	\$1,133,978	\$1,546,270	\$1,464,210	\$1,209,672	\$1,072,249	\$1,036,727	\$796,848
Year end balance	(\$813,140)	(\$941,749)	(\$1,531,906)	(\$1,813,730)	(\$2,507,846)	(\$3,119,902)	(\$3,477,420)	(\$3,697,514)	(\$3,884,067)	(\$3,828,780)
Cumulative Expenditures	\$19,896,138	\$20,876,901	\$22,319,212	\$23,453,190	\$24,999,460	\$26,463,670	\$27,673,342	\$28,745,690	\$29,784,317	\$30,581,164
Cumulative Receipts	\$19,082,998	\$19,935,152	\$20,787,306	\$21,639,460	\$22,491,614	\$23,343,768	\$24,195,922	\$25,048,076	\$25,900,230	\$26,752,384

COMMENTS ON THE REPLACEMENT RESERVE ANALYSIS

- This Replacement Reserve Study has been developed in compliance with the Community Associations Institute, National Reserve Study Standards, for a Level Two - Update (with site visit and on-site review).
- Kingsmill Master Association - the type of property is Master Association .
- Our calculations assume that Replacement Reserves are not subject to tax.

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Exhibit 7

to

Disclosure Certificate

Kingsmill Community Services Association

**Budget and Statement of Income and Expense or Statement of Financial
Condition for**

Last Available Audited Year

**Kingsmill Community Services Association
Financial Statements
December 31, 2012**



Kingsmill Community Services Association
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December 31, 2012

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Independent Auditors' Report

**To the Board of Directors of
Kingsmill Community Services Association**

We have audited the accompanying financial statements of Kingsmill Community Services Association which comprise the balance sheet as of December 31, 2012 and the related statements of revenues and expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

The Board of Directors Responsibility for the Financial Statements

The Board of Directors (the "Board") is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kingsmill Community Services Association as of December 31, 2012, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements on page 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of the Board about the methods of preparing the information and comparing the information for consistency with their responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information shown on pages 21 through 37 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of the Board and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for the portions marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



East Brunswick, New Jersey

May 14, 2013

Kingsmill Community Services Association
Balance Sheet
December 31, 2012

	Operating Fund	Operating Reserve Fund	Replacement Fund	Total
Assets				
Cash	\$ 505,177	\$ 892,618	\$ 2,711,608	\$ 4,109,403
Assessments receivable, net of allowance for doubtful accounts of \$131,880	117,032	-	-	117,032
Other receivables	44,943	-	-	44,943
Prepaid expenses	11,677	-	-	11,677
Due from other Associations	52,427	-	-	52,427
Property and equipment, net	222,008	-	-	222,008
Interfund balances	(176,428)	25,715	150,713	-
Total Assets	<u>\$ 776,836</u>	<u>\$ 918,333</u>	<u>\$ 2,862,321</u>	<u>\$ 4,557,490</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued expenses	\$ 355,661	\$ -	\$ -	\$ 355,661
Assessments received in advance	73,072	-	-	73,072
Clubhouse security deposits	1,150	-	-	1,150
Accrued interest payable	-	-	7,250	7,250
Other liabilities	18,923	-	-	18,923
Interest rate swap contract	-	-	1,074,512	1,074,512
Loans payable	-	-	5,079,259	5,079,259
Total Liabilities	448,806	-	6,161,021	6,609,827
Other comprehensive income	-	-	(1,074,512)	(1,074,512)
Fund balances - capital projects	-	-	(5,124,932)	(5,124,932)
Fund balances - other (Note 7)	328,030	918,333	2,900,744	4,147,107
Total Fund Balances	<u>328,030</u>	<u>918,333</u>	<u>(3,298,700)</u>	<u>(2,052,337)</u>
Total Liabilities and Fund Balances	<u>\$ 776,836</u>	<u>\$ 918,333</u>	<u>\$ 2,862,321</u>	<u>\$ 4,557,490</u>

The accompanying notes are an integral part of these financial statements.

Kingsmill Community Services Association
Statement of Revenues and Expenses and Changes in Fund Balances
For the Year Ended December 31, 2012

	Operating Fund	Operating Expense Reserve Fund	Replacement Fund	Total
Revenues				
Maintenance assessments	\$ 6,116,742	\$ -	\$ -	\$ 6,116,742
Resale/new sales income	290,392	-	-	290,392
Advertising income	76,434	-	-	76,434
Recreation income	36,416	-	-	36,416
Late fee income	25,333	-	-	25,333
Other income	21,802	-	-	21,802
Access card income	21,192	-	-	21,192
Service income	18,157	-	-	18,157
Insurance claim income	4,911	-	-	4,911
Total Revenues	6,611,379	-	-	6,611,379
Allocation to Operating Expense Reserve Fund	(112,378)	112,378	-	-
Allocation for Debt Service	(650,000)	-	650,000	-
Allocation to Replacement Fund	(1,102,383)	-	1,102,383	-
Operating Revenues	4,746,618	112,378	1,752,383	6,611,379
Expenses				
Administrative				
Administrative	756,678	-	-	756,678
Insurance	258,309	-	-	258,309
Legal fees	169,119	-	-	169,119
Audit and accounting support	57,075	-	-	57,075
Printing and postage	38,711	-	-	38,711
Miscellaneous	36,781	-	-	36,781
Engineering	10,372	-	-	10,372
Special events	5,279	-	-	5,279
Education/travel	2,245	-	-	2,245
Bank fees	345	-	-	345
Total Administrative	1,334,914	-	-	1,334,914

The accompanying notes are an integral part of these financial statements.

Kingsmill Community Services Association
Statement of Revenues and Expenses and Changes in Fund Balances
For the Year Ended December 31, 2012

	Operating Fund	Operating Expense Reserve Fund	Replacement Fund	Total
Expenses (Continued)				
Building Operations and Maintenance				
Security and operations	978,747	-	-	978,747
Landscaping - contract	825,110	-	-	825,110
Community centers	383,741	-	-	383,741
Trash removal	343,441	-	-	343,441
Landscaping - other	179,813	-	-	179,813
Staining	106,490	-	-	106,490
Painting	75,000	-	-	75,000
Exterminating	53,278	-	-	53,278
Trees	38,473	-	-	38,473
Repairs and maintenance	37,049	-	-	37,049
Lighting maintenance	32,265	-	-	32,265
Utilities	29,197	-	-	29,197
Electricity	26,954	-	-	26,954
Pool maintenance	26,892	-	-	26,892
Mulching	25,138	-	-	25,138
Grounds supplies	24,245	-	-	24,245
Garage maintenance	10,942	-	-	10,942
Irrigation system	8,710	-	-	8,710
Computer maintenance	7,872	-	-	7,872
Unit inspections	3,073	-	-	3,073
Gutter cleaning	2,400	-	-	2,400
Pond maintenance	1,700	-	-	1,700
Total Building Operations and Maintenance	3,220,530	-	-	3,220,530
Total Operating Expense Reserve Fund Expenditures	-	105,934	-	105,934

The accompanying notes are an integral part of these financial statements.

Kingsmill Community Services Association
Statement of Revenues and Expenses and Changes in Fund Balances
For the Year Ended December 31, 2012

	Operating Fund	Operating Expense Reserve Fund	Replacement Fund	Total
Replacement Fund				
Replacement Fund Expenditures	-	-	508,438	508,438
Interest Expense	-	-	311,714	311,714
Total Replacement Fund Expenditures				
	-	-	820,152	820,152
Total Expenses	4,555,444	105,934	820,152	5,481,530
Excess of Revenues over Expenses	191,174	6,444	932,231	1,129,849
Fund Balances - January 1	485,817	876,412	(4,556,544)	(3,194,315)
Transfer of prior year excess from Operating Fund	(413,200)	91,277	321,923	-
Unrealized gain on rate swap	-	-	12,129	12,129
Interfund transfers, net	64,239	(55,800)	(8,439)	-
Fund Balances - December 31	<u>\$ 328,030</u>	<u>\$ 918,333</u>	<u>\$ (3,298,700)</u>	<u>\$ (2,052,337)</u>

The accompanying notes are an integral part of these financial statements.

Kingsmill Community Services Association
Statements of Cash Flows
For the Year Ended December 31, 2012

	Operating Fund	Operating Reserve Fund	Replacement Fund	Total
Cash Flows from Operating Activities				
Excess of revenues over expenses	\$ 191,174	\$ 6,444	\$ 932,231	\$ 1,129,849
Adjustments to reconcile excess of revenues over expenses to net cash provided by (used in) operating activities				
Depreciation	88,167	-	-	88,167
Changes in assets and liabilities				
Assessments receivable	(7,756)	-	-	(7,756)
Other receivables	(662)	-	-	(662)
Prepaid expenses	(6,117)	-	-	(6,117)
Due from other Associations	4,541	-	-	4,541
Accounts payable and accrued expenses	220,812	-	-	220,812
Assessments received in advance	18,957	-	-	18,957
Clubhouse security deposits	1,150	-	-	1,150
Other liabilities	923	-	-	923
Net Cash Provided by (Used in) Operating Activities	511,189	6,444	932,231	1,449,864
Cash Flows from Investing Activities				
Maturity of certificates of deposit	-	-	257,908	257,908
Purchase of property and equipment	(121,580)	-	-	(121,580)
Net Cash Provided by (Used in) Investing Activities	(121,580)	-	257,908	136,328

The accompanying notes are an integral part of these financial statements.

Kingsmill Community Services Association
Statements of Cash Flows
For the Year Ended December 31, 2012

	Operating Fund	Operating Reserve Fund	Replacement Fund	Total
Cash Flows from Financing Activities				
Change in interfund balances	(676,248)	372,170	304,078	-
Interfund transfers	64,239	(55,800)	(8,439)	-
Transfer of prior year excess from Operating Fund	(413,200)	91,277	321,923	-
Principal payments on loans	-	-	(337,033)	(337,033)
Net Cash Provided by (Used in) Financing Activities	<u>(1,025,209)</u>	<u>407,647</u>	<u>280,529</u>	<u>(337,033)</u>
Net Increase (Decrease) in Cash	(635,600)	414,091	1,470,668	1,249,159
Cash - Beginning of Year	<u>1,140,777</u>	<u>478,527</u>	<u>1,240,940</u>	<u>2,860,244</u>
Cash - End of Year	<u>\$ 505,177</u>	<u>\$ 892,618</u>	<u>\$ 2,711,608</u>	<u>\$ 4,109,403</u>
Supplemental Disclosure				
Cash Paid During the Year for Interest				<u>\$ 311,742</u>

The accompanying notes are an integral part of these financial statements.

Kingsmill Community Services Association
Notes to the Financial Statements
December 31, 2012

Note 1 Nature of Organization

Kingsmill Community Services Association was formed as a private non-stock, not-for-profit corporation for the purpose of providing maintenance, preservation, and architectural control of the residential community known as Kingsmill on the James, located in James City County, Virginia, and to promote the health, safety and welfare of its residents. The financial statements include Kingsmill Community Services Association, a homeowners' association, which includes the General Association and the parcels known as Archer's Mead, Armistead Point, Burwell's Green, Burwell's Landing, Harrop's Glenn, Littletown Quarter, Moody's Run, Quarterpath Trace, River's Edge, Spencer's Grant, The Bluffs, Wareham's Point and Winster Fax (collectively called the "Association"). Any person who is a property owner of record in the community, as well as any lessee having a written lease with an initial term of at least twelve months, is entitled to be a member of the Association. The Association now includes approximately 2,337 residential units in an area of approximately 2,900 acres.

Note 2 Summary of Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board of Directors (the "Board") to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Accounting

The Association's legal documents, (i.e., Declaration of Covenants and Restrictions and By-laws) provide certain guidelines to govern the Association's financial activities. In order to ensure observance of limitations and restrictions placed on the use of resources available to the Association by the Board, the accounts of the Association are maintained in accordance with the principles of fund accounting which is common industry practice.

The assets, liabilities and fund balances of the Association are reported in the following fund groups:

Operating Fund

This fund represents the portion of expendable funds that is available for the general operations of the Association.

Kingsmill Community Services Association
Notes to the Financial Statements
December 31, 2012

Note 2 Summary of Significant Accounting Policies (Continued)

Replacement Fund

The purpose of the replacement fund is to accumulate funds for future major repairs and replacements of the Association's common property as determined by the Board. The replacement fund has been bifurcated in order to segregate the activity of the capital projects (recreation centers) and other comprehensive income from the normal replacement fund activity (see also Note 7).

Operating Expense Reserve Fund

The purpose of this fund is to accumulate sufficient amounts which will allow the Association to have the necessary resources for unanticipated major expenditures or operating deficits.

Cash

Cash is held in bank deposit accounts which, at times, may exceed federally insured limits.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated lives of the assets: 3 years for equipment and 5 years for vehicles. Tangible personal property not an integral part of existing facilities is capitalized, all other costs of repair and replacement are expensed as incurred or charged to the deferred maintenance or replacement fund if provided for therein. All equipment and furniture of the Mounts Bay and Southall recreation centers were charged to the replacement fund (see also Note 8 in conjunction with those capital projects).

Interest Rate Swap Agreement

Generally accepted accounting principles (GAAP) require the Association to recognize all derivatives on the balance sheet at fair value. The Association entered into an interest rate swap contract agreement to eliminate their exposure to variability in interest payments on the \$5,700,000 note payable (see Note 5). The swap agreement hedges the variation in the interest resulting in the Association making fixed payments on their variable interest rate mortgage. Depending on what the variable rate is, there will either be an asset or a liability created by the swap agreement based upon the difference between the swap agreement rate and the market rate of interest, over the term to maturity (see Note 6). As of December 31, 2012 there is a related non-cash liability of \$1,074,512 and the respective loss has been recorded in Accumulated Other Comprehensive Income.

Recognition of Assets

The Association's property and other common elements other than that described above are owned by the Association to the extent that they are not part of the fee simple ownership of the individual units as described in the Association documents. The Association's common elements consist of land, roads, trails and recreation centers.

Kingsmill Community Services Association
Notes to the Financial Statements
December 31, 2012

Note 2 Summary of Significant Accounting Policies (Continued)

Recognition of Assets (Continued)

The Association received the common elements referred to above, except for the Mounts Bay and Southall recreation centers (see Note 8), in a nonmonetary transaction with Busch Properties, Inc. (BPI). The use and disposition of these properties are restricted or governed by the Association's legal documents. Accordingly, no amounts have been reflected on the accompanying balance sheet for the common elements owned by the Association.

Maintenance Assessments and Assessments Receivable

The Association's members were subject to monthly general assessments of \$162 based upon the annual budget and as determined by the Board. Monthly parcel assessments are also assessed to respective property owners and range from \$26 to \$936. All assessments were billed on a quarterly basis in 2012. A portion of the monthly assessments to owners are allocated to the replacement fund and operating expense reserve fund. At the end of each year, the Association either retains excess operating funds or transfers some or all of such excess to the Replacement Fund and/or the Operating Expense Reserve Fund.

Late charges are posted to delinquent accounts that become 30 days or more past due. Legal and collection costs are charged as they are incurred. The Association's policy is to retain legal counsel for the collection of assessments significantly in arrears. On a periodic basis, the Board and management evaluate the assessments receivable and estimate an allowance for doubtful accounts, based on history of past write-offs, collections and the current legal status of past due accounts. The allowance for doubtful accounts was \$120,000 as of December 31, 2011. This was increased in 2012 by the recovery of prior bad debts. The balance at December 31, 2012 is \$131,880.

Investment Income Earned

The Board's policy is to retain investment income earned on all replacement and operating expense reserve fund interest bearing cash accounts and certificates of deposit in the respective funds.

Subsequent Events

The Board has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the auditors' report, which is the date the financial statements were available to be issued (see Note 12).

Kingsmill Community Services Association
Notes to the Financial Statements
December 31, 2012

Note 3 Property and Equipment

Property and equipment consists of the following:

Vehicles	\$235,592
Computer/Office Equipment	115,166
Equipment	38,807
Furniture	<u>9,467</u>
Total Property and Equipment	399,032
Less: accumulated depreciation	<u>(177,024)</u>
Property and Equipment, net	<u>\$222,008</u>

Note 4 Income Taxes

Under the Internal Revenue Code, associations may be taxed as a regular corporation or as a homeowners association, which is based on an annual election and meeting certain criteria. The Association may select either method in any year and will generally select the method that results in the lowest tax due. A method selected in one year affects only that year and the Association is free to select either method in future years.

For the year ended December 31, 2012, the Association expects to be taxed as a regular corporation and therefore not taxed as a homeowner association. No income taxes have been provided since there are sufficient non-membership expenses to offset non-membership income. The Association evaluates its tax provisions and accruals and believes that they are appropriate based on current facts and circumstances. The prior three years federal tax returns as filed remain open for examination by the Internal Revenue Service.

The Association is an incorporated association in accordance with Virginia Property Owners' Association Act (55-508 et seq. of the Virginia Code) of the Virginia Statutes and, therefore, is not liable for Virginia corporation business income tax.

Note 5 Notes Payable

On July 29, 2008, Kingsmill Community Services Association ("Kingsmill") entered into two term loan agreements with Branch Banking and Trust Company (BB&T) for \$5,700,000 and \$750,000. The proceeds of the loans were used for the replacement and construction of the Mounts Bay and Southall recreation centers within Kingsmill (see Note 8). Both loans mature on July 1, 2024. Interest only is payable monthly on the loans during the construction period, at an adjustable rate of monthly LIBOR plus 1.25% per annum. As of December 31, 2012 this interest rate was 1.4645%. The loan balances as of December 31, 2012 were \$4,822,556 and \$256,703, respectively.

Kingsmill Community Services Association
Notes to the Financial Statements
December 31, 2012

Note 5 Notes Payable (Continued)

As collateral for the loans, the Association has assigned to BB&T all existing and thereafter arising rights, title and interest in: (i) the General Association assessments and (ii) all Special Assessments directly related to the properties being constructed (currently none). This does not include the assessments of the parcels, or any special assessments not directly related to the properties being constructed.

Financial covenants related to this borrowing require the Association to maintain a Minimum Cash Flow Coverage Ratio at a minimum of 1.10 times debt service from the date of the loans until payment in full of all indebtedness. "Cash Flow" is defined as the General Association's earnings before taxes, plus depreciation and amortization and interest. "Debt Service" is defined as current maturities of long term debt plus interest expense.

Principal repayments on the loans for the next five years and thereafter based on the required payment schedule at December 31, 2012, are as follows:

For the Year Ending December 31

2013	\$ 332,474
2014	355,607
2015	385,856
2016	407,361
2017	430,306
Thereafter	<u>3,167,655</u>
Total	<u>\$5,079,259</u>

Interest costs incurred in 2012 in connection with these loans totaled \$79,029 and have been charged to the replacement fund.

Note 6 Derivative Financial Instruments

The Association entered into an interest rate swap agreement with Branch Banking and Trust Company (BB&T) in August, 2008 to be effective October 1, 2008. The purpose in entering into this swap agreement was to hedge against the risk of interest rate increases on the related variable rate debt of \$5,700,000 (see Note 5). Swap agreements are contracts separate and apart from any loan documents and contain separate payment obligations and terms (including for early termination) notwithstanding provisions regarding prepayment penalties (or the lack thereof) in any loan documents. This arrangement effectively caps/fixes the interest rate on the loans at 6.08% over the term of the loans (July, 2024). The notational amount under the swap agreement decreases as the principal payments are made on the note so that the notational amount approximates the principal outstanding under the note. As of December 31, 2012, the notional amount of the contract is \$4,822,648.

Kingsmill Community Services Association
Notes to the Financial Statements
December 31, 2012

Note 7 Replacement Funds

The Association's governing documents do not require that funds be accumulated for future major maintenance and replacement. However, the Board has determined that it is a prudent business practice to accumulate funds for future major maintenance and replacements for common property.

General Association

Miller-Dodson Associates, professional engineering consultants, conducted a study in November 2011 to estimate the remaining useful lives and the replacement costs of the components of common property. The study includes those components with an estimated remaining useful life within the Board determined useful life guidelines for inclusion in the replacement schedule for purposes of determining annual funding. The estimates were based on the then current estimated replacement costs.

The type of study performed was an updated study with an on-site visit. The table included in the unaudited supplementary information on future major repairs and replacements is based on the updated study.

The Board is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of the then current replacement costs, considering amounts previously accumulated in the replacement fund and utilizing the threshold funding methodology. Threshold funding, based upon a 30 year cash flow analysis, sets a replacement funding goal of keeping the replacement fund balance above a specified dollar amount at its lowest accumulated amount, as specified by the Board, but below the full funding determined level. The funding requirement per the 2011 study is \$1,023,268 using a threshold level of \$745,333 which is approximately 5% of the estimated replacement cost of the common property which is included in the engineering study referred to above. The threshold level is projected to be met in 2023. The study is reviewed annually by the respective committees as part of the budget process.

Funds are being accumulated in the replacement fund based upon estimated costs for repairs and replacements of common property components using the above methodology. Actual expenditures may vary from the estimated amounts, and the variations may be material. Additionally, replacement fund cash and investment balances may, at times, be less than or more than the fund balance resulting in an interfund balance. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available, if possible.

Kingsmill Community Services Association
Notes to the Financial Statements
December 31, 2012

Note 7 Replacement Funds (Continued)

General Association (Continued)

A summary of General Association Replacement Fund transactions and balances is as follows:

Excluding Rec Centers	
January 1, beginning balance	\$ 1,159,403
Allocation from total revenues	962,555
Allocation of prior year excess from Operating Fund	293,623
Expenditures	<u>(415,703)</u>
December 31, ending balance	<u>\$ 1,999,878</u>
Rec Centers Only	
January 1, beginning balance	\$ (5,463,218)
Allocation for debt service	650,000
Mortgage interest	<u>(311,714)</u>
December 31, ending balance	<u>\$ (5,124,932)</u>
Combined ending balances	<u><u>\$(3,125,054)</u></u>

Parcels

Miller-Dodson Associates, professional engineering consultants, conducted a study in November 2011 to estimate the remaining useful lives and the replacement costs of the components of common property. The study includes those components with an estimated remaining useful life within the Board determined useful life guidelines for inclusion in the replacement schedule for purposes of determining annual funding. The estimates were based on the then current estimated replacement costs. The type of study performed was an updated study with an on-site visit. The table included in the unaudited supplementary information on future major repairs and replacements is based on the updated study.

The Board is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of the then current replacement costs, considering amounts previously accumulated in the replacement fund and utilizing the threshold funding methodology. Threshold funding, based upon a 30 year cash flow analysis, sets a replacement funding goal of keeping the replacement fund balance above a specified dollar amount at its lowest accumulated amount, as specified by the Board, but below the full funding determined level. The funding requirement per the 2011 study is approximately 5% of the estimated replacement cost of the common property which is included in the engineering study referred to above.

Kingsmill Community Services Association
Notes to the Financial Statements
December 31, 2012

Note 7 Replacement Funds (Continued)

Parcels (Continued)

The Board is funding for major maintenance and replacements for the parcels through the allocation of maintenance assessments and the transfer of prior year net operating income if available. In addition, the study is reviewed annually by the respective committees as part of the budget process.

A summary of Parcel Replacement Fund transactions and balances is as follows:

	<u>2012</u>
January 1, beginning balance	\$ 833,912
Transfer prior year operating excess	28,300
Transfer to OER Fund	(16,000)
Transfer from OER Fund	7,561
Allocation from total revenue	139,828
Expenditures	<u>(92,735)</u>
December 31, ending balance	<u>\$ 900,866</u>

Funds are being accumulated in the replacement fund based upon estimated costs for repairs and replacements of common property components using the above methodology. Actual expenditures may vary from the estimated amounts, and the variations may be material. Additionally, replacement fund cash and investment balances may, at times, be less than or more than the fund balance resulting in an interfund balance. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available, if possible.

Note 8 Mounts Bay and Southall Recreation Centers

During May 2009, the two recreation centers were substantially complete and put into service. The total cost was \$6,296,000. Generally accepted accounting principles unique to homeowners' associations are not definitive regarding capitalization of common real property and it is often based upon facts and circumstances. Therefore, associations generally follow prevalent industry practice as provided in accounting literature and actual practice.

Kingsmill Community Services Association
Notes to the Financial Statements
December 31, 2012

Note 8 Mounts Bay and Southall Recreation Centers (Continued)

The Financial Accounting Standards state that most condominium and homeowners' associations capitalize common real property not directly associated with the units only in the following circumstances:

- a. The Association has title or other evidence of ownership of the property and
- b. Either of the following conditions are met:
 - i. The Association can dispose of the property, at the discretion of its board of directors, for cash or claims to cash, with the Association retaining the proceeds.
 - ii. The property is used by the Association to generate significant cash flows from members on the basis of usage or from nonmembers.

It is the Association's position that none of these criteria are met.

The Board follows industry practice and therefore has accounted for the acquisition/replacements as a direct charge (expense) to the replacement fund in an amount equal to pay the debt. The fund balance in the Replacement Fund on the balance sheet has been bifurcated into two lines, Fund Balance - Capital Projects and Fund Balance - Replacement. The capital projects included the two recreation centers.

Note 9 Related Party Transactions

Busch Properties, Inc. (BPI), the developer of Kingsmill on the James, currently holds five of the nine seats on the Association's Board. In August 2010, Busch Properties, Inc.'s parent company, Anheuser-Busch inBev (AB inBev) sold the Kingsmill Resort to Xanterra Williamsburg, LCC. The sale included its meeting facilities, restaurants, golf courses, marina, sports club, maintenance operations and several miscellaneous properties and parcels of land (see Note 12). As described in Note 10, the Association has contracted with Xanterra Williamsburg, LCC for certain Association and Parcel maintenance services for 3 years ending December 31, 2013. In addition, a separate agreement exists with Xanterra Williamsburg, LCC for sharing approximately 18% of the cost of operations for the Kingsmill Police Department and another contract covers shared costs of certain roadways, bridges and other facilities which was approximately \$215,000.

Kingsmill Community Services Association
Notes to the Financial Statements
December 31, 2012

Note 10 Commitments

The Association entered into a Community Association Management Agreement with Wentworth Property Management Corporation (Wentworth) in December 2010. The agreement appoints Wentworth as agent to provide management services to and for the Association. In addition, Association personnel shall be employees of Wentworth, who shall be reimbursed for employees' salaries and related costs by the Association as an additional management fee. The initial term of this Agreement shall be for a period of five years, beginning January 1, 2011. The base management fee is \$102,500 per year, with annual increases starting on January 1, 2012, not to exceed 2.5% in years 2 and 3 and not to exceed 5% in years 4 and 5. In addition, the Association reimburses Wentworth for human resources and payroll administration services at 3.5% of payroll expense. For 2012, this fee was approximately \$39,300.

An amendment to the Community Association Management Agreement with Wentworth was executed during December 2011. This amendment engages Wentworth, starting January 1, 2012, to perform financial management services on behalf of the Association. For 2012, the additional compensation to Wentworth is \$65,380. Accordingly, the 2012 Base Management Fee shall be \$170,443, payable in monthly installments.

The Association entered into a three-year contract, effective January 1, 2011, with a residential trash collection company. The annual contract amount will be \$299,362 with annual increases not to exceed the Consumer Price Index (CPI).

The General Association and four parcels entered into multi-year contracts for landscape maintenance services with Xanterra Williamsburg, LLC. The three year terms begin January 1, 2011, and the combined annual contract price is \$520,400 for 2011; \$526,800 for 2012; and \$537,100 for 2013.

The Association leases a copier under a non-cancellable lease agreement expiring December 2015. The agreement calls for monthly payments of \$498. The future minimum rents to be paid over the next three years are \$5,976 per year.

Note 11 Litigation

On June 30, 2010, a resident (plaintiff) filed suit in the Circuit Court for the City of Williamsburg and James City County, claiming he is entitled to review certain documents of the Association. The Association maintains that he is not entitled to review these documents under the relevant statutes. As of the date of this report, the matter has not been settled. Management does not believe there will be any significant financial impact on the Association and, therefore, has not estimated any monetary liability at this time.

Kingsmill Community Services Association
Notes to the Financial Statements
December 31, 2012

Note 12 Subsequent Event

On March 18, 2013, Xanterra Kingsmill, LLC ("Xanterra"), an affiliate of Xanterra Parks & Resorts, Inc. based in Greenwood Village, Colorado, and Busch Properties, Inc. ("BPI") of St. Louis, have entered into agreements regarding the sale of certain undeveloped land owned by BPI located in the Kingsmill on the James community in Williamsburg, Virginia. BPI will also sell its residential real estate brokerage company, Kingsmill Realty, Inc., to Kingsmill Resort Development, LLC ("KRD"), another Xanterra affiliate, under separate agreement.

The sale of the BPI assets to Xanterra and KRD is expected to be completed in the second quarter of 2013 and will result in the Kingsmill declarant and developer rights and Kingsmill Realty being reunited with Kingsmill Resort under common ownership as Xanterra acquired the 1,025-acre Kingsmill Resort in 2010.

SUPPLEMENTARY INFORMATION

Kingsmill Community Services Association
Schedule of Information on Future Major Repairs and Replacements
December 31, 2012

Miller + Dodson Associates, Inc., professional engineering consultants, conducted a study in June 2011 to estimate the remaining useful lives and the replacement costs of the components of common property. The study includes those components with an estimated remaining useful life within the Board determined useful life guidelines for inclusion in the replacement schedule for purposes of determining annual funding. The estimates were based on the then current estimated replacement costs.

The following table is based on the study and presents significant information about the components of common property.

Components	As of 2011 Study (Unaudited)		
	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs	2013 Funding Requirement
General - asphalt roads	0-99	\$ 8,142,832	\$ 510,015
General - KCSA transferred assets	2-40	469,119	6,553
General - site improvements	1-100	3,939,581	332,785
General - vehicle inventory	5-15	392,000	93,429
General - recreation centers	5-100	1,971,123	80,486
General - Total		\$ 14,914,655	\$ 1,023,268
Archer's Mead	0-31	642,157	31,890
Burwell's Green	8-14	25,316	1,260
Harrop's Glenn	0-6	9,655	587
Littletown Quarter	0-38	536,797	54,687
Moody's Run	0-39	182,099	7,561
Quarterpath Trace	0-15	56,225	4,720
River's Edge	2-39	456,930	21,757
Wareham's Point	1-31	233,807	12,674
Winster Fax	0-19	128,640	6,731
Total		\$ 17,186,281	\$ 1,165,135

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - General Association
For the Year Ended December 31, 2012

	Operating Fund		Replacement Fund		Total Actual
	Budget	Actual	Budget	Actual	
Revenues					
Maintenance assessments	\$ 4,519,800	\$ 4,529,199	\$ -	\$ -	\$ 4,529,199
Resale/new sales income	207,500	290,392	-	-	290,392
Advertising income	65,000	76,434	-	-	76,434
Recreation income	35,000	36,416	-	-	36,416
Late fee income	20,000	25,333	-	-	25,333
Other income	6,250	21,802	-	-	21,802
Access card income	25,000	21,192	-	-	21,192
Service income	12,000	18,157	-	-	18,157
Insurance claim income	-	4,911	-	-	4,911
Prior year surplus	60,000	-	-	-	-
Total Revenues	4,950,550	5,023,836	-	-	5,023,836
Allocation to Replacement Fund	(962,555)	(962,555)	962,555	962,555	-
Allocation for debt service	(650,000)	(650,000)	650,000	650,000	-
Allocation to OER Fund	(13,000)	(13,000)	-	-	(13,000)
Operating Revenue	3,324,995	3,398,281	1,612,555	1,612,555	5,010,836
Expenses					
Administrative					
Administrative	667,008	641,057	-	-	641,057
Legal fees	108,000	169,119	-	-	169,119
Insurance	57,600	63,976	-	-	63,976
Audit and accounting support	35,260	57,075	-	-	57,075
Printing and postage	38,000	38,711	-	-	38,711
Miscellaneous	10,000	32,570	-	-	32,570
Engineering	27,000	10,372	-	-	10,372
Education/travel	9,755	2,245	-	-	2,245
Bank fees	-	345	-	-	345
Bad debt expense	50,000	-	-	-	-
Total Administrative	1,002,623	1,015,470	-	-	1,015,470
Building Operations					
Security and operations	1,069,118	978,747	-	-	978,747
Community centers	398,554	383,741	-	-	383,741
Utilities	24,000	29,197	-	-	29,197
Computer maintenance	10,000	7,872	-	-	7,872
Total Building Operations	1,501,672	1,399,557	-	-	1,399,557

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances -
Archer's Mead
For the Year Ended December 31, 2012

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ 295,680	\$ 296,280
Appliance reimbursement	200	-
Total Revenues	<u>295,880</u>	<u>296,280</u>
Allocation to Replacement and OER Funds	(29,679)	(29,679)
Operating Revenue	<u>266,201</u>	<u>266,601</u>
Expenses		
Administrative		
Insurance	28,719	28,719
Administrative	18,977	19,341
Special events	1,500	1,142
Miscellaneous	1,000	776
Total Administrative	<u>50,196</u>	<u>49,978</u>
Building Operations and Maintenance		
Landscaping - contract	91,494	87,057
Painting	79,000	75,000
Landscaping - other	20,000	23,937
Garage maintenance	5,000	10,942
Electricity	10,000	9,993
Exterminating	10,000	4,485
Pool maintenance	7,000	4,254
Tree spray	1,511	2,190
Repairs and maintenance	2,000	2,081
Lighting maintenance	5,000	1,216
Total Building Operations and Maintenance	<u>231,005</u>	<u>221,155</u>
Total Operating Expenses	<u>281,201</u>	<u>271,133</u>
Excess of Revenues over Operating Expenses	(15,000)	(4,532)
Operating Fund - Jan 1	-	23,965
Transfer to/from Replacement/OER Funds	-	(23,965)
Budgeted Transfer from Operating Reserve Fund	15,000	15,000
Operating Fund - Dec 31	<u>\$ -</u>	<u>\$ 10,468</u>
Replacement Fund - Jan 1	\$ 176,620	\$ 186,583
Transfer of prior year excess from Operating Fund	-	6,000
Allocation from operating revenue	29,679	29,679
Expenditures	(68,500)	(55,431)
Replacement Fund - Dec 31	<u>\$ 137,799</u>	<u>\$ 166,831</u>
Operating Expense Reserve Fund - Jan 1	\$ 64,632	\$ 65,299
Transfer of prior year excess from Operating Fund	-	17,965
Transfer to operating fund	(15,000)	(15,000)
Operating Expense Reserve Fund - Dec 31	<u>\$ 49,632</u>	<u>\$ 68,264</u>

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - General Association
For the Year Ended December 31, 2012

	Operating Fund		Replacement Fund		Total
	Budget	Actual	Budget	Actual	Actual
Expenses (Continued)					
Grounds Maintenance					
Trash removal	315,000	323,547	-	-	323,547
Landscaping - contract	290,000	288,369	-	-	288,369
Landscaping - other	78,500	80,738	-	-	80,738
Tree spray	36,000	35,015	-	-	35,015
Lighting maintenance	42,000	28,149	-	-	28,149
Grounds supplies	28,200	24,245	-	-	24,245
Pond maintenance	15,000	1,700	-	-	1,700
Snow clearing	16,000	-	-	-	-
Total Grounds Maintenance	820,700	781,763	-	-	781,763
Replacement Fund Expenditures	-	-	962,000	415,703	415,703
Replacement Fund - Interest Expense	-	-	-	311,714	311,714
Total Expenses	3,324,995	3,196,790	962,000	727,417	7,120,997
Excess of Revenues over Expenses	-	201,491	650,555	885,138	1,086,629
Fund Balances - Jan 1	-	353,623	\$ 1,020,642	* \$ (4,303,815)	(3,950,192)
Transfer to Replacement Fund	-	(293,623)	272,682	293,623	-
Subtotal	-	60,000	1,293,324	(4,010,192)	(3,950,192)
Fund Balances - Dec 31	\$ -	\$ 261,491	\$ 1,943,879	\$ (3,125,054)	\$ (2,863,563)
Operating Expense Reserve Fund - Jan 1				\$ 286,426	\$ 286,426
Allocation from operating revenue				13,000	13,000
Operating Expense Reserve Fund - Dec 31				\$ 299,426	\$ 299,426

* The budget reflects the estimated balance of the cash at the beginning of the year (see also Note 7).

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - Armistead Point
For the Year Ended December 31, 2012

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ 8,904	\$ 8,904
Total Revenues	<u>8,904</u>	<u>8,904</u>
Allocation to Replacement and OER Funds	(332)	(332)
Operating Revenue	<u>8,572</u>	<u>8,572</u>
Expenses		
Administrative		
Administrative	<u>1,947</u>	<u>1,984</u>
Total Administrative	<u>1,947</u>	<u>1,984</u>
Building Operations and Maintenance		
Landscaping - contract	2,100	2,550
Landscaping - other	4,025	2,089
Repairs and maintenance	-	456
Lighting maintenance	<u>500</u>	<u>-</u>
Total Building Operations and Maintenance	<u>6,625</u>	<u>5,095</u>
Total Operating Expenses	<u>8,572</u>	<u>7,079</u>
Excess of Revenues over Operating Expenses	-	1,493
Operating Fund - Jan 1	-	2,431
Transfer to Replacement/OER Funds	-	<u>(2,431)</u>
Operating Fund - Dec 31	<u>\$ -</u>	<u>\$ 1,493</u>
Replacement Fund - Jan 1	\$ 12,528	\$ 14,529
Allocation from operating revenue	332	332
Expenditures	<u>(2,000)</u>	<u>-</u>
Replacement Fund - Dec 31	<u>\$ 10,860</u>	<u>\$ 14,861</u>
Operating Expense Reserve Fund - Jan 1	\$ 7,776	\$ 7,776
Transfer of prior year excess from Operating Fund	-	<u>2,431</u>
Operating Expense Reserve Fund - Dec 31	<u>\$ 7,776</u>	<u>\$ 10,207</u>

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - Burwell's Green
For the Year Ended December 31, 2012

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ 71,040	\$ 71,040
Total Revenues	<u>71,040</u>	<u>71,040</u>
Allocation to Replacement and OER Funds	(11,089)	(11,089)
Operating Revenue	<u>59,951</u>	<u>59,951</u>
Expenses		
Administrative		
Insurance	8,793	8,793
Administrative	5,422	5,526
Miscellaneous	250	-
Total Administrative	<u>14,465</u>	<u>14,319</u>
Building Operations and Maintenance		
Landscaping - contract	33,076	33,076
Exterminating	5,350	5,120
Gutter cleaning	1,200	2,400
Landscaping - other	3,500	1,045
Tree spray	960	960
Electricity	400	420
Lighting maintenance	400	11
Repairs and maintenance	600	-
Total Building Operations and Maintenance	<u>45,486</u>	<u>43,032</u>
Total Operating Expenses	<u>59,951</u>	<u>57,351</u>
Excess of Revenues over Operating Expenses	-	2,600
Operating Fund - Jan 1	-	(6,528)
Transfer to Replacement/OER Funds	-	6,528
Operating Fund - Dec 31	<u>\$ -</u>	<u>\$ 2,600</u>
Replacement Fund - Jan 1		
Allocation from operating revenue	\$ 48,122	\$ 45,082
Expenditures	1,260	1,260
	(3,400)	-
Replacement Fund - Dec 31	<u>\$ 45,982</u>	<u>\$ 46,342</u>
Operating Expense Reserve Fund - Jan 1		
Transfer of prior year deficit from Operating Fund	\$ 50,110	\$ 52,610
Allocation from operating revenue	-	(6,528)
	9,829	9,829
Operating Expense Reserve Fund - Dec 31	<u>\$ 59,939</u>	<u>\$ 55,911</u>

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - Burwell's Landing
For the Year Ended December 31, 2012

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ 32,400	\$ 32,235
Assessment - Armistead Point	3,025	2,089
Total Revenues	35,425	34,324
Expenses		
Administrative		
Administrative	5,005	5,102
Special events	3,500	3,289
Miscellaneous	1,000	-
Insurance	54	-
Total Administrative	9,559	8,391
Building Operations and Maintenance		
Landscaping - contract	22,417	21,345
Irrigation system	3,090	3,009
Landscaping - other	1,000	125
Lighting maintenance	250	71
Electricity	200	-
Total Building Operations and Maintenance	26,957	24,550
Total Operating Expenses	36,516	32,941
Excess (Deficiency) of Revenues over Operating Expenses	(1,091)	1,383
Operating Fund - Jan 1	-	1,594
Transfer from Operating Expense Reserve Fund	1,091	1,091
Transfer to Replacement/OER Funds	-	(1,594)
Operating Fund - Dec 31	\$ -	\$ 2,474
Replacement Fund - Jan 1	\$ 20,950	\$ 22,950
Expenditures	(3,000)	-
Replacement Fund - Dec 31	\$ 17,950	\$ 22,950
Operating Expense Reserve Fund - Jan 1	\$ 26,531	\$ 26,532
Transfer of prior year excess from Operating Fund	-	1,594
Transfer to operating fund	(1,091)	(1,091)
Operating Expense Reserve Fund - Dec 31	\$ 25,440	\$ 27,035

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - Harrop's Glenn
For the Year Ended December 31, 2012

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ 48,360	\$ 48,360
Total Revenues	<u>48,360</u>	<u>48,360</u>
Allocation to Replacement and OER Funds	(8,838)	(8,838)
Operating Revenue	<u>39,522</u>	<u>39,522</u>
Expenses		
Administrative		
Insurance	7,514	7,514
Administrative	5,253	5,353
Miscellaneous	1,000	47
Total Administrative	<u>13,767</u>	<u>12,914</u>
Building Operations and Maintenance		
Landscaping - contract	19,933	19,933
Trash removal	3,178	3,212
Exterminating	2,325	2,325
Tree spray	319	308
Total Building Operations and Maintenance	<u>25,755</u>	<u>25,778</u>
Total Operating Expenses	<u>39,522</u>	<u>38,692</u>
Excess of Revenues over		
Operating Expenses	-	830
Operating Fund - Jan 1	-	(6,509)
Transfer to/from Replacement/OER Funds	-	6,509
Operating Fund - Dec 31	<u>\$ -</u>	<u>\$ 830</u>
Replacement Fund - Jan 1	\$ 13,924	\$ 23,649
Transfer from Replacement Fund to OER Fund	-	(16,000)
Allocation from operating revenue	587	587
Expenditures	(2,400)	(3,864)
Replacement Fund - Dec 31	<u>\$ 12,111</u>	<u>\$ 4,372</u>
Operating Expense Reserve Fund - Jan 1	\$ 18,954	\$ 17,854
Transfer from Replacement Fund to OER Fund	-	16,000
Transfer of prior year deficit from Operating Fund	-	(6,509)
Allocation from operating revenue	8,251	8,251
Operating Expense Reserve Fund - Dec 31	<u>\$ 27,205</u>	<u>\$ 35,596</u>

**Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - Littletown Quarter
For the Year Ended December 31, 2012**

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ 264,000	\$ 265,320
Total Revenues	<u>264,000</u>	<u>265,320</u>
Allocation to Replacement and OER Funds	(105,678)	(105,678)
Operating Revenue	<u>158,322</u>	<u>159,642</u>
Expenses		
Administrative		
Insurance	19,612	19,612
Administrative	16,450	17,268
Miscellaneous	1,000	1,072
Special events	500	168
Total Administrative	<u>37,562</u>	<u>38,120</u>
Building Operations and Maintenance		
Landscaping - contract	79,560	77,381
Landscaping - other	10,000	19,507
Repairs and maintenance	9,000	18,811
Electricity	9,000	8,576
Exterminating	8,000	8,000
Pool maintenance	4,200	5,581
Lighting maintenance	1,000	2,487
Total Building Operations and Maintenance	<u>120,760</u>	<u>140,343</u>
Total Operating Expenses	<u>158,322</u>	<u>178,463</u>
Excess of Revenues over Operating Expenses	-	(18,821)
Operating Fund - Jan 1	-	10,841
Transfer to Replacement/OER Funds	-	(10,841)
Operating Fund - Dec 31	<u>\$ -</u>	<u>\$ (18,821)</u>
Replacement Fund - Jan 1	\$ 168,990	170,702
Transfer of prior year excess from Operating Fund	-	10,841
Allocation from operating revenue	60,887	60,887
Expenditures	(40,500)	(11,239)
Replacement Fund - Dec 31	<u>\$ 189,377</u>	<u>\$ 231,191</u>
Operating Expense Reserve Fund - Jan 1	\$ 110,296	111,696
Allocation from operating revenue	44,791	44,791
Expenditures	(44,357)	(55,914)
Operating Expense Reserve Fund - Dec 31	<u>\$ 110,730</u>	<u>\$ 100,573</u>

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - Moody's Run
For the Year Ended December 31, 2012

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ 158,172	\$ 158,710
Total Revenues	<u>158,172</u>	<u>158,710</u>
Allocation to Replacement and OER Funds	(33,289)	(33,289)
Operating Revenue	<u>124,883</u>	<u>125,421</u>
Expenses		
Administrative		
Insurance	22,363	22,363
Administrative	8,303	8,462
Miscellaneous	251	45
Total Administrative	<u>30,917</u>	<u>30,870</u>
Building Operations and Maintenance		
Landscaping - contract	60,116	60,117
Repairs and maintenance	10,500	8,999
Pool maintenance	5,500	5,513
Landscaping - other	8,000	3,130
Exterminating	2,450	2,450
Unit inspections	1,500	1,773
Electricity	1,200	1,079
Lighting maintenance	400	51
Tree spray	3,300	-
Snow clearing	1,000	-
Total Building Operations and Maintenance	<u>93,966</u>	<u>83,112</u>
Total Operating Expenses	<u>124,883</u>	<u>113,982</u>
Excess of Revenues over Operating Expenses	-	11,439
Operating Fund - Jan 1	-	5,738
Transfer to Replacement/OER Funds	-	(5,738)
Operating Fund - Dec 31	<u>\$ -</u>	<u>\$ 11,439</u>
Replacement Fund - Jan 1	\$ 25,761	\$ 25,761
Transfer of prior year excess from Operating Fund	-	3,700
Transfer from OER Fund	7,561	7,561
Expenditures	(6,500)	(3,506)
Replacement Fund - Dec 31	<u>\$ 26,822</u>	<u>\$ 33,516</u>
Operating Expense Reserve Fund - Jan 1	\$ 77,911	\$ 80,253
Transfer of prior year excess from Operating Fund	-	2,038
Allocation from operating revenue	33,289	33,289
Transfer to Replacement Fund	(7,561)	(7,561)
Expenditures	(34,000)	(34,100)
Operating Expense Reserve Fund - Dec 31	<u>\$ 69,639</u>	<u>\$ 73,919</u>

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - Quarterpath Trace
For the Year Ended December 31, 2012

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ 45,360	\$ 45,360
Total Revenues	<u>45,360</u>	<u>45,360</u>
Allocation to Replacement and OER Funds	(4,720)	(4,720)
Operating Revenue	<u>40,640</u>	<u>40,640</u>
Expenses		
Administrative		
Administrative	9,149	9,325
Miscellaneous	100	70
Insurance	57	-
Total Administrative	<u>9,306</u>	<u>9,395</u>
Building Operations and Maintenance		
Landscaping - contract	28,737	26,924
Repairs and maintenance	750	2,004
Landscaping - other	2,000	1,098
Lighting maintenance	500	5
Snow removal	750	-
Electricity	200	-
Total Building Operations and Maintenance	<u>32,937</u>	<u>30,031</u>
Total Operating Expenses	<u>42,243</u>	<u>39,426</u>
Excess (Deficiency) of Revenues over Operating Expenses	(1,603)	1,214
Operating Fund - Jan 1	-	(3,173)
Transfer to Replacement/OER Funds	-	3,173
Budgeted Transfer from Operating Reserve Fund	1,603	1,603
Operating Fund - Dec 31	<u>\$ -</u>	<u>\$ 2,817</u>
Replacement Fund - Jan 1	\$ 54,592	\$ 42,272
Allocation from operating revenue	4,720	4,720
Expenditures	(5,000)	(7,195)
Replacement Fund - Dec 31	<u>\$ 54,312</u>	<u>\$ 39,797</u>
Operating Expense Reserve Fund - Jan 1	\$ 11,528	\$ 11,528
Transfer of prior year deficit from Operating Fund	-	(3,173)
Transfer to operating fund	(1,603)	(1,603)
Operating Expense Reserve Fund - Dec 31	<u>\$ 9,925</u>	<u>\$ 6,752</u>

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - Rivers Edge
For the Year Ended December 31, 2012

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ 193,752	\$ 193,752
Total Revenues	193,752	193,752
Allocation to Replacement and OER Funds	\$ (19,177)	\$ (19,177)
Operating Revenue	<u>174,575</u>	<u>174,575</u>
Expenses		
Administrative		
Insurance	47,449	47,449
Administrative	9,149	9,325
Special events	375	223
Miscellaneous	375	-
Total Administrative	<u>57,348</u>	<u>56,997</u>
Building Operations and Maintenance		
Landscaping - contract	56,023	56,023
Mulching	26,750	25,138
Landscaping - other	18,000	18,235
Trash removal	5,564	5,595
Pool maintenance	5,000	5,432
Irrigation system	15,000	4,736
Electricity	4,000	4,694
Repairs and maintenance	1,000	4,648
Lighting maintenance	1,000	49
Unit inspections	1,000	-
Total Building Operations and Maintenance	<u>133,337</u>	<u>124,550</u>
Total Operating Expenses	<u>190,685</u>	<u>181,547</u>
Excess (Deficiency) of Revenues over Operating Expenses	(16,110)	(6,972)
Operating Fund - Jan 1	-	68,174
Transfer to Replacement/OER Funds	-	(68,174)
Budgeted Transfer from Operating Expense Reserve Fund	16,110	16,110
Operating Fund - Dec 31	<u>\$ -</u>	<u>\$ 9,138</u>
Replacement Fund - Jan 1	\$ 196,991	\$ 196,991
Allocation from operating revenue	19,177	19,177
Replacement Fund - Dec 31	<u>\$ 216,168</u>	<u>\$ 216,168</u>
Operating Expense Reserve Fund - Jan 1	\$ 71,032	\$ 71,032
Transfer of prior year excess from Operating Fund	-	68,174
Budgeted transfer to Operating Fund	\$ (16,110)	(16,110)
Operating Expense Reserve Fund - Dec 31	<u>\$ 54,922</u>	<u>\$ 123,096</u>

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - Spencer's Grant
For the Year Ended December 31, 2012

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ 6,840	\$ 6,453
Total Revenues	<u>6,840</u>	<u>6,453</u>
Allocation to Replacement and OER Funds	(3,781)	(3,781)
Operating Revenue	3,059	2,672
Expenses		
Administrative		
Administrative	<u>3,059</u>	<u>3,118</u>
Total Operating Expenses	<u>3,059</u>	<u>3,118</u>
Excess of Revenues over Operating Expenses	-	(446)
Operating Fund - Jan 1	-	1,464
Transfer to Replacement/OER Funds	-	<u>(1,464)</u>
Operating Fund - Dec 31	<u>\$ -</u>	<u>\$ (446)</u>
Replacement Fund - Jan 1	\$ 22,368	\$ 22,368
Allocation from operating revenue	<u>3,781</u>	<u>3,781</u>
Replacement Fund - Dec 31	<u>\$ 26,149</u>	<u>\$ 26,149</u>
Operating Expense Reserve Fund - Jan 1	\$ 8,808	\$ 8,808
Transfer of prior year excess from Operating Fund	-	<u>1,464</u>
Operating Expense Reserve Fund - Dec 31	<u>\$ 8,808</u>	<u>\$ 10,272</u>

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - The Bluffs
For the Year Ended December 31, 2012

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ -	\$ 3,439
Operating Revenue	-	3,439
Expenses		
Administrative		
Administrative	-	425
Total Operating Expenses	-	425
Excess of Revenues over Operating Expenses	-	3,014
Operating Fund - Jan 1	-	12,617
Operating Fund - Dec 31	\$ -	\$ 15,631

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - Wareham's Point
For the Year Ended December 31, 2012

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ 257,508	\$ 258,441
Total Revenues	<u>257,508</u>	<u>258,441</u>
Allocation to Replacement and OER Funds	(15,892)	(15,892)
Operating Revenue	<u>241,616</u>	<u>242,549</u>
Expenses		
Administrative		
Insurance	37,314	37,314
Administrative	11,692	11,915
Miscellaneous	1,000	2,161
Total Administrative	<u>50,006</u>	<u>51,390</u>
Building Operations and Maintenance		
Landscaping - contract	97,036	89,450
Staining	53,110	59,690
Landscaping - other	20,000	16,556
Exterminating	7,164	6,698
Pool maintenance	6,500	6,112
Electricity	500	475
Lighting maintenance	500	226
Repairs and maintenance	3,000	15
Gutter cleaning	3,800	-
Total Building Operations and Maintenance	<u>191,610</u>	<u>179,222</u>
Total Operating Expenses	<u>241,616</u>	<u>230,612</u>
Excess of Revenues over Operating Expenses	-	11,937
Operating Fund - Jan 1	-	3,819
Transfer to Replacement/OER Funds	-	(3,819)
Operating Fund - Dec 31	<u>\$ -</u>	<u>\$ 11,937</u>
Replacement Fund - Jan 1	\$ 24,500	\$ 23,000
Allocation from operating revenue	12,674	12,674
Expenditures	(5,500)	-
Replacement Fund - Dec 31	<u>\$ 31,674</u>	<u>\$ 35,674</u>
Operating Expense Reserve Fund - Jan 1	\$ 40,800	\$ 40,800
Transfer of prior year excess from Operating Fund	-	3,819
Expenditures	-	(12,950)
Allocation from operating income	3,218	3,218
Operating Expense Reserve Fund - Dec 31	<u>\$ 44,018</u>	<u>\$ 34,887</u>

Kingsmill Community Services Association
Statements of Revenues and Expenses and Changes in Fund Balances - Winstar Fax
For the Year Ended December 31, 2012
(With Comparative Totals for 2011)

	2012	
	Budget	Actual
Revenues		
Maintenance assessments	\$ 199,020	\$ 197,160
Total Revenues	<u>199,020</u>	<u>197,160</u>
Allocation to Replacement and OER Funds	(6,731)	(6,731)
Operating Revenue	<u>192,289</u>	<u>190,429</u>
Expenses		
Administrative		
Insurance	22,569	22,569
Administrative	18,130	18,477
Special events	500	457
Miscellaneous	1,000	40
Total Administrative	<u>42,199</u>	<u>41,543</u>
Building Operations and Maintenance		
Landscaping - contract	70,000	62,885
Staining	46,800	46,800
Exterminating	24,000	24,200
Landscaping - other	20,000	13,353
Trash removal	10,300	11,087
Electricity	1,700	1,717
Unit inspections	2,225	1,300
Irrigation system	3,000	965
Repairs and maintenance	1,000	35
Snow removal	1,500	-
Total Building Operations and Maintenance	<u>180,525</u>	<u>162,342</u>
Total Operating Expenses	<u>222,724</u>	<u>203,885</u>
Excess of Revenues over Operating Expenses	(30,435)	(13,456)
Operating Fund - Jan 1	-	17,761
Transfer to Replacement/OER Funds	-	(17,761)
Budgeted Transfer from Operating Reserve Fund	30,435	30,435
Operating Fund - Dec 31	<u>\$ -</u>	<u>\$ 16,979</u>
Replacement Fund - Jan 1	\$ 58,525	60,025
Transfer of prior year excess from Operating Fund	-	7,759
Allocation from operating revenue	6,731	6,731
Expenditures	(20,000)	(11,500)
Replacement Fund - Dec 31	<u>\$ 45,256</u>	<u>\$ 63,015</u>
Operating Expense Reserve Fund - Jan 1	\$ 103,453	95,798
Transfer of prior year excess from Operating Fund	-	10,002
Transfer to Operating Fund	(30,435)	(30,435)
Expenditures	(10,000)	(2,970)
Operating Expense Reserve Fund - Dec 31	<u>\$ 63,018</u>	<u>\$ 72,395</u>

Kingsmill Community Services Association
Schedule of Operating Expense Reserve and Replacement Fund Expenditures
For the Year Ended December 31, 2012

Operating Expense Reserve Fund

Littletown Quarter		
Painting	\$	32,445
Staining		23,469
Total Littletown Quarter		<u>55,914</u>
Moody's Run		
Staining		34,100
Wareham's Point		
Painting		12,950
Winster Fax		
Tree work		<u>2,970</u>
Total Operating Expense Reserve Fund Expenditures		<u>\$ 105,934</u>

Replacement Fund

General		
Loan interest	\$	311,714
Drainage		241,773
Guardrails		32,964
Dam/Spillway Construction		31,967
Road repairs		25,657
Bike trail		24,855
Association Business Systems		16,871
Rec Center ID Project		15,850
Pool & Deck		11,502
Road reconstruction		5,452
Walking trail improvement		4,932
Curbing		3,880
Total General		<u>727,417</u>
Archer's Mead		
Garage/Pool Building		28,565
Pool Pump/Filter		11,940
Light Poles		10,576
Sidewalks/Parking Areas		3,900
Timber Curbs		450
Total Archer's Mead		<u>55,431</u>

Kingsmill Community Services Association
Schedule of Operating Expense Reserve and Replacement Fund Expenditures
For the Year Ended December 31, 2012

Replacement Fund (Continued)

Harrop's Glenn		
Concrete repairs		3,864
Littletown Quarter		
Fences	9,764	
Light Poles	1,400	
Drainage	75	
Total Littletown Quarter	<u>11,239</u>	11,239
Moody's Run		
Miscellaneous		3,506
Quarterpath Trace		
Parking Area		7,195
Winster Fax		
Irrigation System		<u>11,500</u>
Total Replacement Fund Expenditures		<u><u>\$ 820,152</u></u>

C/O FirstService Residential
21 Christopher Way
Eatontown, NJ 07724

	2013		2013 YTD		2013 PROJ		2013		2014 PROJ		2014 PROP BUD		2014 PROP BUD	
	BUDGET	ACTUAL (AUG)	REMAINING	FORECAST	13 BUD	13 FRCST VS	BUDGET	BUDGET	VS 13 BUD	VS 13 FRCST	CHANGE	%	CHANGE	%
LOT COUNT	2,337			2,337			2,345		8					
CURRENT LOTS														
NEW XANTERRA LOTS	2,337			2,337			2,345		8					
TOTAL LOTS														
ASSESSMENT	\$ 162			\$ 162			\$ 165		\$ 3					1.9%
REVENUES														
MASTER HOA ASSOC FEES	\$ 4,535,352	\$ 3,407,086	\$ 1,135,695	\$ 4,542,781	\$ 7,429	\$ 4,643,100	\$ 107,748	\$ 2.4%	\$ 100,319					2.2%
LATE FEE INCOME	\$ 20,000	\$ 8,372	\$ 2,791	\$ 11,163	\$ (8,837)	\$ 15,000	\$ (5,000)	\$ -25.0%	\$ 3,837					34.4%
LEGAL FEE INCOME	\$ -	\$ 281	\$ 94	\$ 375	\$ 375	\$ -	\$ -	\$ -	\$ (375)					-100.0%
NSF CHARGES	\$ -	\$ 475	\$ 158	\$ 633	\$ 633	\$ 300	\$ 300	\$ -	\$ (333)					-52.6%
OTHER INCOME	\$ -	\$ 11,859	\$ 3,953	\$ 15,812	\$ 15,812	\$ 1,500	\$ 1,500	\$ -	\$ (14,312)					-90.5%
FEES FOR SERVICES	\$ 12,000	\$ 13,185	\$ 4,395	\$ 17,580	\$ 5,580	\$ 18,000	\$ 6,000	\$ 50.0%	\$ 420					2.4%
RECREATION INCOME	\$ 35,000	\$ 30,776	\$ 10,259	\$ 41,035	\$ 6,035	\$ 43,500	\$ 8,500	\$ 24.3%	\$ 2,465					6.0%
EPB FEES	\$ 7,500	\$ 5,050	\$ 1,683	\$ 6,733	\$ (767)	\$ 7,500	\$ -	\$ 0.0%	\$ 767					11.4%
ADVERTISING INCOME	\$ 71,000	\$ 59,846	\$ 19,949	\$ 79,795	\$ 8,795	\$ 75,000	\$ 4,000	\$ 5.6%	\$ (4,795)					-6.0%
ACCESS CARD INCOME	\$ 25,000	\$ 11,765	\$ 3,922	\$ 15,687	\$ (9,313)	\$ 20,000	\$ (5,000)	\$ -20.0%	\$ 4,313					27.5%
NEW SALES INCOME	\$ 10,000	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ 15,000	\$ 5,000	\$ 50.0%	\$ 5,000					50.0%
RESALE INCOME	\$ 225,000	\$ 249,936	\$ 50,064	\$ 300,000	\$ 75,000	\$ 275,000	\$ 50,000	\$ 22.2%	\$ (25,000)					-8.3%
INSURANCE CLAIM INC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					-
TOTAL REVENUES	\$ 4,940,852	\$ 3,798,631	\$ 1,242,962	\$ 5,041,593	\$ 100,741	\$ 5,113,900	\$ 173,048	\$ 3.5%	\$ 72,307					1.4%
OPERATING RESERVE PROVI	\$ (13,000)	\$ (9,747)	\$ (3,253)	\$ (13,000)	\$ -	\$ (59,360)	\$ (46,360)	\$ 356.6%	\$ (46,360)					356.6%
LOAN PRINCIPAL & INTERE	\$ (650,000)	\$ (485,226)	\$ (161,774)	\$ (647,000)	\$ 3,000	\$ (647,000)	\$ 3,000	\$ -0.5%	\$ -					0.0%
RESERVE FUNDING	\$ (962,555)	\$ (721,917)	\$ (240,638)	\$ (962,555)	\$ -	\$ (1,023,268)	\$ (60,713)	\$ 6.3%	\$ (60,713)					6.3%
OPERATING REVENUES	\$ 3,315,297	\$ 2,581,741	\$ 837,297	\$ 3,419,038	\$ 103,741	\$ 3,384,272	\$ 68,975	\$ 2.1%	\$ (34,766)					-4.2%
EXPENSES														
KM POLICE DEPARTMENT														
KCSPD-WAGES/BENEFITS	\$ 1,091,960	\$ 788,272	\$ 263,688	\$ 1,051,960	\$ (40,000)	\$ 1,105,450	\$ 13,490	\$ 1.2%	\$ 53,490					5.1%
KCSPD-OPERATIONS	\$ 158,385	\$ 118,982	\$ 39,403	\$ 158,385	\$ -	\$ 203,115	\$ 44,730	\$ 28.2%	\$ 44,730					28.2%
KCSPD-DEPRECIATION	\$ 70,200	\$ 52,650	\$ 17,550	\$ 70,200	\$ -	\$ 70,200	\$ -	\$ 0.0%	\$ -					0.0%
KCSPD-CERTIFICATION	\$ 500	\$ -	\$ 500	\$ 500	\$ -	\$ 500	\$ -	\$ 0.0%	\$ -					0.0%
KCSPD-ACCESS SYSTEM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					-
XANTERRA-COMPENSATION	\$ (196,553)	\$ (141,890)	\$ (49,110)	\$ (191,000)	\$ 5,553	\$ (198,981)	\$ (2,428)	\$ 1.2%	\$ (7,981)					4.2%
XANTERRA-OPERATIONS	\$ (41,320)	\$ (29,150)	\$ (12,170)	\$ (41,320)	\$ -	\$ (49,197)	\$ (7,877)	\$ 19.1%	\$ (7,877)					19.1%
TOTAL KM POLICE DEPARTM	\$ 1,083,172	\$ 788,864	\$ 259,861	\$ 1,048,725	\$ (34,447)	\$ 1,131,087	\$ 47,915	\$ 4.4%	\$ 82,362					7.9%
COMMUNITY CENTERS														
KCSREC-WAGES/BENEFITS	\$ 249,857	\$ 204,721	\$ 51,279	\$ 256,000	\$ 6,143	\$ 277,202	\$ 27,345	\$ 10.9%	\$ 21,202					8.3%
KCSREC-OPERATIONS	\$ 127,912	\$ 83,838	\$ 36,162	\$ 120,000	\$ (7,912)	\$ 144,457	\$ 16,545	\$ 12.9%	\$ 24,457					20.4%
KCSREC-SPEC FUNCTIONS	\$ 32,550	\$ 41,940	\$ 16,060	\$ 58,000	\$ 25,450	\$ 41,600	\$ 9,050	\$ 27.8%	\$ (16,400)					-28.3%
KCSREC-PROGRAMS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,350	\$ 14,350	\$ -	\$ 14,350					-
KCSREC-TRAILS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					-
KCSREC-DEPRECIATION	\$ 10,800	\$ 8,100	\$ 2,700	\$ 10,800	\$ -	\$ 10,800	\$ -	\$ 0.0%	\$ -					0.0%
TOTAL COMMUNITY CENTERS	\$ 421,119	\$ 338,599	\$ 106,201	\$ 444,800	\$ 23,681	\$ 488,409	\$ 67,290	\$ 16.0%	\$ 43,609					9.8%
ADMINISTRATION														
PAYROLL & BENEFITS	\$ 528,714	\$ 366,573	\$ 143,427	\$ 510,000	\$ (18,714)	\$ 568,474	\$ 39,760	\$ 7.5%	\$ 58,474					11.5%
FACILITY RENTAL	\$ 82,235	\$ 51,313	\$ 23,687	\$ 75,000	\$ (7,235)	\$ 72,980	\$ (9,255)	\$ -11.3%	\$ (2,020)					-2.7%
ADMIN SUPPLIES	\$ 48,200	\$ 25,392	\$ 22,808	\$ 48,200	\$ -	\$ 48,200	\$ 0	\$ 0.0%	\$ 0					0.0%

C/O FirstService Residential
21 Christopher Way
Eatontown NJ 07724

	2013		2013 YTD		2013 PROJ		2013 FORECAST		2014 PROP		14 PROP		14 PROP		%
	BUDGET	ACTUAL (AUG)	REMAINING	2013	13 BUD	BUDGET	VS 13 BUD	VS 13 BUD	BUDGET	VS 13 BUD	CHANGE	VS 13 BUD	CHANGE	VS 13 BUD	
VEHICLE EXPENSE	\$ 21,400	\$ 10,296	\$ 11,104	\$ 21,400	\$ -	\$ 24,000	\$ 2,600	\$ 24,000	\$ 2,600	\$ 12.1%	\$ 2,600	\$ 12.1%	\$ 2,600	\$ 12.1%	
DEPRECIATION EXPENSE	\$ 28,810	\$ 21,609	\$ 7,201	\$ 28,810	\$ -	\$ 30,000	\$ 1,190	\$ 30,000	\$ 1,190	\$ 4.1%	\$ 1,190	\$ 4.1%	\$ 1,190	\$ 4.1%	
MANAGEMENT FEES	\$ 181,656	\$ 132,466	\$ 43,442	\$ 175,908	\$ (5,748)	\$ 183,750	\$ 2,094	\$ 183,750	\$ 2,094	\$ 1.2%	\$ 7,842	\$ 4.5%	\$ 7,842	\$ 4.5%	
ADMIN EXPENSE ALLOCATIO	\$ (176,165)	\$ (129,069)	\$ (47,031)	\$ (176,100)	\$ 65	\$ (186,419)	\$ (10,254)	\$ (186,419)	\$ (10,254)	\$ 5.8%	\$ (10,319)	\$ 5.9%	\$ (10,319)	\$ 5.9%	
TOTAL ADMINISTRATION	\$ 714,850	\$ 478,580	\$ 204,638	\$ 683,218	\$ (31,632)	\$ 740,985	\$ 26,135	\$ 740,985	\$ 26,135	\$ 3.7%	\$ 57,767	\$ 8.5%	\$ 57,767	\$ 8.5%	
PROFESSIONAL & OTHER															
BAD DEBT EXPENSE	\$ 25,000	\$ -	\$ 30,000	\$ 30,000	\$ 5,000	\$ 25,008	\$ 8	\$ 25,008	\$ 8	\$ 0.0%	\$ (4,992)	\$ -16.6%	\$ (4,992)	\$ -16.6%	
INSURANCE	\$ 46,008	\$ 50,699	\$ 16,900	\$ 67,599	\$ 21,591	\$ 48,000	\$ 1,992	\$ 48,000	\$ 1,992	\$ 4.3%	\$ (19,599)	\$ -29.0%	\$ (19,599)	\$ -29.0%	
EDUCATION/TRAVEL	\$ 12,105	\$ 2,373	\$ 2,627	\$ 5,000	\$ (7,105)	\$ 12,000	\$ (105)	\$ 12,000	\$ (105)	\$ -0.9%	\$ 7,000	\$ 140.0%	\$ 7,000	\$ 140.0%	
PRINTING & POSTAGE(Bulletin/M	\$ 57,150	\$ 45,290	\$ 11,860	\$ 57,150	\$ -	\$ 50,894	\$ (6,256)	\$ 50,894	\$ (6,256)	\$ -10.9%	\$ (6,256)	\$ -10.9%	\$ (6,256)	\$ -10.9%	
COMPUTER TECH SUPPORT	\$ 20,000	\$ 8,614	\$ 6,386	\$ 15,000	\$ (5,000)	\$ 20,500	\$ 500	\$ 20,500	\$ 500	\$ 2.5%	\$ 5,500	\$ 36.7%	\$ 5,500	\$ 36.7%	
BANK FEES	\$ 5,000	\$ 3,161	\$ 1,089	\$ 4,250	\$ (750)	\$ 2,400	\$ (2,600)	\$ 2,400	\$ (2,600)	\$ -52.0%	\$ (1,850)	\$ -43.5%	\$ (1,850)	\$ -43.5%	
LEGAL FEES	\$ 125,000	\$ 126,467	\$ 18,533	\$ 145,000	\$ 20,000	\$ 125,000	\$ -	\$ 125,000	\$ -	\$ 0.0%	\$ (20,000)	\$ -13.8%	\$ (20,000)	\$ -13.8%	
AUDIT FEES	\$ 40,000	\$ 37,517	\$ 483	\$ 38,000	\$ (2,000)	\$ 39,996	\$ (4)	\$ 39,996	\$ (4)	\$ 0.0%	\$ 1,996	\$ 5.3%	\$ 1,996	\$ 5.3%	
RESIDENT SURVEY	\$ 780	\$ 780	\$ -	\$ 780	\$ -	\$ 780	\$ -	\$ 780	\$ -	\$ 0.0%	\$ -	\$ 0.0%	\$ -	\$ 0.0%	
ENGINEERING	\$ 85,000	\$ 11,916	\$ 13,084	\$ 25,000	\$ (60,000)	\$ 84,000	\$ (1,000)	\$ 84,000	\$ (1,000)	\$ -1.2%	\$ 59,000	\$ 236.0%	\$ 59,000	\$ 236.0%	
TOTAL PROFESSIONAL	\$ 416,043	\$ 286,817	\$ 100,962	\$ 387,779	\$ (28,264)	\$ 408,578	\$ (7,465)	\$ 408,578	\$ (7,465)	\$ -1.8%	\$ 20,799	\$ 5.4%	\$ 20,799	\$ 5.4%	
MAINTENANCE															
LANDSCAPE CONTRACT	\$ 289,536	\$ 217,149	\$ 72,387	\$ 289,536	\$ -	\$ 326,000	\$ 36,464	\$ 326,000	\$ 36,464	\$ 12.6%	\$ 36,464	\$ 12.6%	\$ 36,464	\$ 12.6%	
LANDSCAPE MAINTENANCE	\$ 83,500	\$ 43,720	\$ 39,780	\$ 83,500	\$ -	\$ 88,000	\$ 4,500	\$ 88,000	\$ 4,500	\$ 5.4%	\$ 4,500	\$ 5.4%	\$ 4,500	\$ 5.4%	
TREE SERVICE	\$ 36,000	\$ 13,650	\$ 16,350	\$ 30,000	\$ (6,000)	\$ 41,000	\$ 5,000	\$ 41,000	\$ 5,000	\$ 13.9%	\$ 11,000	\$ 36.7%	\$ 11,000	\$ 36.7%	
LIGHTING MAINTENANCE	\$ 36,000	\$ 15,514	\$ 11,986	\$ 27,500	\$ (8,500)	\$ 36,000	\$ -	\$ 36,000	\$ -	\$ 0.0%	\$ 8,500	\$ 30.9%	\$ 8,500	\$ 30.9%	
POND MAINTENANCE	\$ 15,000	\$ 750	\$ 6,750	\$ 7,500	\$ (7,500)	\$ 18,000	\$ 3,000	\$ 18,000	\$ 3,000	\$ 20.0%	\$ 10,500	\$ 140.0%	\$ 10,500	\$ 140.0%	
SNOW REMOVAL	\$ 16,000	\$ -	\$ -	\$ -	\$ (16,000)	\$ -	\$ (16,000)	\$ -	\$ (16,000)	\$ -100.0%	\$ -	\$ -	\$ -	\$ -	
UTILITIES	\$ 26,004	\$ 15,145	\$ 4,855	\$ 20,000	\$ (6,004)	\$ 26,000	\$ (4)	\$ 26,000	\$ (4)	\$ 0.0%	\$ 6,000	\$ 30.0%	\$ 6,000	\$ 30.0%	
GROUND SUPPLIES	\$ 18,600	\$ 7,674	\$ 7,326	\$ 15,000	\$ (3,600)	\$ 18,000	\$ (600)	\$ 18,000	\$ (600)	\$ -3.2%	\$ 3,000	\$ 20.0%	\$ 3,000	\$ 20.0%	
TRASH REMOVAL	\$ 330,480	\$ 242,669	\$ 81,831	\$ 324,500	\$ (5,980)	\$ 342,200	\$ 11,720	\$ 342,200	\$ 11,720	\$ 3.5%	\$ 17,700	\$ 5.5%	\$ 17,700	\$ 5.5%	
SIDEWALKS/TRAILS	\$ 20,000	\$ 3,090	\$ 11,910	\$ 15,000	\$ (5,000)	\$ 22,400	\$ 2,400	\$ 22,400	\$ 2,400	\$ 12.0%	\$ 7,400	\$ 49.3%	\$ 7,400	\$ 49.3%	
STREET SIGNS	\$ 10,000	\$ 264	\$ 7,236	\$ 7,500	\$ (2,500)	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 0.0%	\$ 2,500	\$ 33.3%	\$ 2,500	\$ 33.3%	
ROAD REPAIRS	\$ 6,000	\$ -	\$ 2,500	\$ 2,500	\$ (3,500)	\$ 6,000	\$ -	\$ 6,000	\$ -	\$ 0.0%	\$ 3,500	\$ 140.0%	\$ 3,500	\$ 140.0%	
MISCELLANEOUS	\$ 4,200	\$ 768	\$ 3,232	\$ 4,000	\$ (200)	\$ 1,800	\$ (2,400)	\$ 1,800	\$ (2,400)	\$ -57.1%	\$ (2,200)	\$ -55.0%	\$ (2,200)	\$ -55.0%	
TOTAL MAINTENANCE	\$ 891,320	\$ 560,393	\$ 266,143	\$ 826,536	\$ (64,784)	\$ 935,400	\$ 44,080	\$ 935,400	\$ 44,080	\$ 4.9%	\$ 108,864	\$ 13.2%	\$ 108,864	\$ 13.2%	
TOTAL EXPENSES	\$ 3,526,504	\$ 2,453,253	\$ 937,805	\$ 3,391,058	\$ (135,446)	\$ 3,704,459	\$ 177,955	\$ 3,704,459	\$ 177,955	\$ 5.0%	\$ 313,401	\$ 33.4%	\$ 313,401	\$ 33.4%	
EXCESS OF REVENUES OVER E	\$ (211,207)	\$ 128,488	\$ (100,508)	\$ 27,980	\$ 239,187	\$ (320,187)	\$ (108,980)	\$ (320,187)	\$ (108,980)	\$ 51.6%	\$ (348,167)	\$ 346.4%	\$ (348,167)	\$ 346.4%	
PRIOR YR SURPLUS	\$ 156,398	\$ 156,398	\$ -	\$ 156,398	\$ -	\$ 239,187	\$ 82,789	\$ 239,187	\$ 82,789	\$ 52.9%	\$ 82,789	\$ 52.9%	\$ 82,789	\$ 52.9%	
CAPITAL ASSET PURCHASES	\$ (55,000)	\$ (35,717)	\$ (19,283)	\$ (55,000)	\$ -	\$ (30,000)	\$ 25,000	\$ (30,000)	\$ 25,000	\$ -45.5%	\$ 25,000	\$ -45.5%	\$ 25,000	\$ -45.5%	
DEPRECIATION NON-CASH	\$ 109,809	\$ 82,359	\$ 27,450	\$ 109,809	\$ -	\$ 111,000	\$ 1,191	\$ 111,000	\$ 1,191	\$ 1.1%	\$ 1,191	\$ 1.1%	\$ 1,191	\$ 1.1%	
NET CASH FLOW	\$ -	\$ 331,528	\$ (92,341)	\$ 239,187	\$ 239,187	\$ 1	\$ (1)	\$ 239,187	\$ (1)	\$ 100.0%	\$ 239,187	\$ 100.0%	\$ 239,187	\$ 100.0%	

C/O FirstService Residential
21 Christopher Way
Eatontown, NJ 07724

	2013		2013 YTD		2013 PROJ		2013		13 FRCST VS		14 PROP BUD		14 PROP BUD	
	BUDGET	ACTUAL (AUG)	REMAINING	FORECAST	13 BUD	BUDGET	VS 13 BUD	CHANGE	VS 13 BUD	CHANGE	VS 13 BUD	CHANGE	VS 13 FRCST	% CHANGE
OPERATING EXPENSE RESERVE														
OPERATING RESERVE-BEG BA	\$ 299,426	\$ 299,426	\$ -	\$ 299,426	\$ -	\$ 313,151	\$ -	\$ 13,725	\$ 4.6%	\$ -	\$ 13,725	\$ (13,725)	\$ -	-4.6%
OPER RESERVE INCOME	\$ 13,000	\$ 9,747	\$ 3,253	\$ 13,000	\$ -	\$ 59,360	\$ -	\$ 46,360	\$ 356.6%	\$ -	\$ 46,360	\$ (46,360)	\$ -	-356.6%
INTEREST OPERATING RESE	\$ 150	\$ 437	\$ 163	\$ 600	\$ 450	\$ 750	\$ 600	\$ 600	\$ 400.0%	\$ -	\$ 600	\$ (150)	\$ -	-25.0%
TOTAL OPER RSRV INCOME	\$ 312,576	\$ 309,610	\$ 3,416	\$ 313,026	\$ 450	\$ 373,261	\$ 450	\$ 60,665	\$ 19.4%	\$ -	\$ 60,665	\$ (60,235)	\$ -	-19.2%
CAPITAL PROJECTS FUND														
OPER RSRV EXPENSE	\$ -	\$ (125)	\$ -	\$ (125)	\$ (125)	\$ -	\$ (125)	\$ -	\$ -	\$ -	\$ -	\$ (125)	\$ -	-
OPER RESERVE ENDING BAL	\$ 312,576	\$ 309,735	\$ 3,416	\$ 313,151	\$ 575	\$ 318,261	\$ 575	\$ 5,685	\$ 1.8%	\$ -	\$ 5,685	\$ (5,110)	\$ -	-1.6%
TRANSFER TO/FROM OPERATION \$														
OPER ENDING BALANCE	\$ 312,576	\$ 309,735	\$ 3,416	\$ 313,151	\$ 575	\$ 318,261	\$ 575	\$ 5,685	\$ 1.8%	\$ -	\$ 5,685	\$ (5,110)	\$ -	-1.6%
REPLACEMENT RESERVES														
REPL RESERVE-BEG BALANCE	\$ 1,875,582	\$ 1,875,582	\$ -	\$ 1,875,582	\$ -	\$ 2,250,863	\$ -	\$ 375,281	\$ 20.0%	\$ -	\$ 375,281	\$ 375,281	\$ -	20.0%
RESERVE INCOME	\$ 962,555	\$ 751,917	\$ 240,638	\$ 992,555	\$ 30,000	\$ 1,023,268	\$ (2,500)	\$ 60,713	\$ 6.3%	\$ -	\$ 60,713	\$ 30,713	\$ -	3.1%
RESERVE ACCOUNT INTERES	\$ 5,000	\$ 1,779	\$ 721	\$ 2,500	\$ (2,500)	\$ 1,750	\$ (3,250)	\$ (750)	\$ -65.0%	\$ -	\$ (750)	\$ (750)	\$ -	-30.0%
TRSF TO RESERVE FUND	\$ 89,726	\$ 89,726	\$ -	\$ 89,726	\$ -	\$ (89,726)	\$ -	\$ (89,726)	\$ -100.0%	\$ -	\$ (89,726)	\$ (89,726)	\$ -	-100.0%
TOTAL RESERVE INCOME	\$ 2,932,863	\$ 2,719,004	\$ 241,359	\$ 2,960,363	\$ 27,500	\$ 3,275,881	\$ 27,500	\$ 343,018	\$ 11.7%	\$ -	\$ 343,018	\$ 315,518	\$ -	10.7%
MMR														
DRAINAGE	\$ 150,000	\$ 81,168	\$ 68,832	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ 0.0%	\$ -	\$ -	\$ -	\$ -	0.0%
ROAD RECONSTRUCTION	\$ 727,716	\$ 53,013	\$ 321,987	\$ 375,000	\$ (352,716)	\$ -	\$ (352,716)	\$ (727,716)	\$ -100.0%	\$ -	\$ (727,716)	\$ (375,000)	\$ -	-100.0%
EMERGENCY ROAD REPAIR	\$ 15,000	\$ -	\$ -	\$ -	\$ (15,000)	\$ 15,000	\$ 15,000	\$ -	\$ 0.0%	\$ -	\$ 15,000	\$ 15,000	\$ -	100.0%
ROAD REPAIRS	\$ 15,000	\$ 3,178	\$ 4,322	\$ 7,500	\$ (7,500)	\$ -	\$ -	\$ -	\$ 0.0%	\$ -	\$ -	\$ 7,500	\$ -	100.0%
SIGNAGE	\$ 12,000	\$ -	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ 0.0%	\$ -	\$ -	\$ -	\$ -	0.0%
CURBING	\$ 12,000	\$ 2,166	\$ 7,834	\$ 10,000	\$ (2,000)	\$ 8,000	\$ (2,000)	\$ 8,000	\$ 66.7%	\$ -	\$ 8,000	\$ 10,000	\$ -	100.0%
GUARDRAILS	\$ 35,000	\$ -	\$ 27,500	\$ 27,500	\$ (7,500)	\$ 35,000	\$ (7,500)	\$ -	\$ 0.0%	\$ -	\$ -	\$ 7,500	\$ -	27.3%
DAM/SPILLWAY CONSTRUCTI	\$ 130,000	\$ 17,370	\$ 7,630	\$ 25,000	\$ (105,000)	\$ 215,000	\$ (105,000)	\$ 85,000	\$ 65.4%	\$ -	\$ 85,000	\$ 190,000	\$ -	760.0%
TENNIS COURT SURFACING	\$ 30,000	\$ -	\$ 20,000	\$ 20,000	\$ (10,000)	\$ -	\$ (10,000)	\$ (30,000)	\$ -100.0%	\$ -	\$ (30,000)	\$ (20,000)	\$ -	-100.0%
POOL & DECK	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0.0%	\$ -	\$ 5,000	\$ 5,000	\$ -	0.0%
BIKE TRAIL	\$ 8,000	\$ 6,674	\$ 1,326	\$ 8,000	\$ -	\$ 16,800	\$ -	\$ 8,800	\$ 110.0%	\$ -	\$ 8,800	\$ 8,800	\$ -	110.0%
WALKING TRAIL IMPROVEME	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.0%	\$ -	\$ -	\$ -	\$ -	0.0%
REC CENTER ID PROJECT	\$ 30,000	\$ -	\$ 23,000	\$ 30,000	\$ -	\$ -	\$ -	\$ (23,000)	\$ -100.0%	\$ -	\$ (23,000)	\$ (23,000)	\$ -	-100.0%
BBICK SIDEWALKS	\$ 23,000	\$ -	\$ 40	\$ 4,000	\$ (8,000)	\$ 2,000	\$ (8,000)	\$ (10,000)	\$ -83.3%	\$ -	\$ (10,000)	\$ (2,000)	\$ -	-50.0%
PEBBLE PATHS	\$ 12,000	\$ 3,960	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -	\$ (3,000)	\$ -100.0%	\$ -	\$ (3,000)	\$ (3,000)	\$ -	-100.0%
REC CTR FLAGPOLES	\$ 3,000	\$ -	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -	\$ (1,500)	\$ -100.0%	\$ -	\$ (1,500)	\$ (1,500)	\$ -	-100.0%
REC CTR FENCE	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ -	0.0%
REC CTR IRRIGATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ -	0.0%
REC CTR MINI PARK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ -	\$ -	0.0%
BRIDGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
ASSOCIATION BUSINESS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
LIGHTING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
THERMA STRIPPING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
OTHER	\$ 52,000	\$ -	\$ 30,000	\$ 30,000	\$ (22,000)	\$ 50,000	\$ (22,000)	\$ (2,000)	\$ -3.8%	\$ -	\$ (2,000)	\$ 20,000	\$ 20,000	66.7%
TOTAL RESERVE EXPENSE	\$ 1,281,216	\$ 167,629	\$ 541,971	\$ 751,500	\$ (629,716)	\$ 653,800	\$ (629,716)	\$ (585,416)	\$ -45.7%	\$ -	\$ (585,416)	\$ (97,700)	\$ (97,700)	-13.0%
RPL RESERVE END BALANCE	\$ 1,651,647	\$ 2,551,475	\$ (300,612)	\$ 2,250,863	\$ 599,216	\$ 2,622,081	\$ 599,216	\$ 928,434	\$ 56.2%	\$ -	\$ 928,434	\$ 413,218	\$ 413,218	18.4%
TRANSFER MMR TO FUND	\$ (1,651,647)	\$ (2,311,876)	\$ 156,833	\$ (2,155,043)	\$ (503,396)	\$ -	\$ 1,651,647	\$ (2,155,043)	\$ -100.0%	\$ -	\$ 1,651,647	\$ (2,155,043)	\$ (2,155,043)	100.0%
NET OPERATING INCOME	\$ -	\$ 239,599	\$ (143,779)	\$ 95,820	\$ 95,820	\$ 2,622,081	\$ 95,820	\$ 2,580,081	\$ -	\$ -	\$ 2,580,081	\$ -	\$ -	0.0%

December 3, 2013

Archer's Mead

2014 Budget

	2013 Budget	2013 Projected	2014 Budget
REVENUE			
Monthly Assessment	\$220	\$220	\$220
Annual Parcel Assessment	\$295,680	\$295,680	\$295,680
Finance Charges	\$0	\$0	\$0
Appliance Fees	\$200	\$200	\$200
Allocated to OER	\$0	\$0	\$0
Allocated from OER	\$0	\$0	\$10,000
Allocated to MMR	(\$28,954)	(\$28,954)	(\$25,348)
TOTAL	\$266,926	\$266,926	\$280,532
EXPENSE			
Administration	\$19,736	\$20,652	\$21,272
Bad Debt	\$0	\$0	\$0
Building Maintenance	\$0	\$0	\$0
Painting	\$62,800	\$66,700	\$65,100
Unit Inspection	\$2,200	\$2,200	\$2,300
Landscape Maintenance Contract	\$93,781	\$93,781	\$97,000
Landscape Maintenance General	\$20,000	\$21,054	\$24,000
Tree Spraying	\$2,190	\$2,190	\$0
Snow Removal	\$0	\$0	\$2,750
Garage and Trash Enclosure Maintenance	\$6,000	\$5,548	\$6,000
Electricity	\$10,000	\$10,000	\$10,000
Lighting Maintenance	\$4,000	\$1,500	\$5,000
Pool Maintenance	\$5,000	\$4,976	\$5,000
Termite Warranty	\$10,000	\$7,475	\$8,970
Insurance	\$28,719	\$28,719	\$30,640
Miscellaneous	\$1,000	\$589	\$1,000
Special Functions	\$1,500	\$200	\$1,500
TOTAL	\$266,926	\$265,584	\$280,532
OER			
Beginning	\$68,264	\$68,264	\$78,732
Prior YE Audited Surplus	\$10,468	\$10,468	\$0
Income	\$0	\$0	\$0
Painting Income	\$0	\$0	\$0
Expense	\$0	\$0	(\$10,000)
OER Ending Balance	\$78,732	\$78,732	\$68,732
Minimum Required Ending Balance	\$22,244	\$22,132	\$23,378
MMR			
Prior EOY MMR Balance	\$166,831	\$166,831	\$147,785
Prior YE Audited Surplus	\$0	\$0	\$0
Income	\$28,954	\$28,954	\$25,348
Timber Curbs	(\$1,000)	(\$1,000)	\$0
Garage Window Replacement	\$0	\$0	\$0
Pool Building Structure	\$0	\$0	\$0
Pool Pump/Filter	(\$2,000)	(\$2,000)	(\$2,000)
Pool Furniture/Fence	(\$3,000)	(\$3,000)	(\$10,000)
Sidewalks/Parking Areas	(\$4,000)	(\$4,000)	(\$2,000)
Light Poles	(\$12,000)	(\$12,000)	(\$12,000)
Erosion Control	(\$25,000)	(\$25,000)	(\$25,000)
Miscellaneous	(\$1,000)	(\$1,000)	(\$1,000)
MMR Ending Balance	\$147,785	\$147,785	\$121,133

December 2, 2013

Armistead Point

2014 BUDGET

	2013 Budget	2013 Projected	2014 Budget
REVENUE			
Monthly Assessment	\$48	\$48	\$40
Annual Parcel Assessment	\$8,064	\$8,064	\$6,720
Finance Charges	\$0	\$0	\$0
Allocated to OER	\$0	\$0	\$941
Allocated to MMR	\$0	\$0	\$0
Total	\$8,064	\$8,064	\$7,661
EXPENSE			
Administration	\$2,025	\$2,025	\$2,086
Landscape Maintenance Contract	\$2,100	\$1,800	\$1,980
Landscape Maintenance General	\$500	\$500	\$500
Lighting Maintenance	\$500	\$500	\$0
Landscape Maintenance to Burwell's Landing	\$2,936	\$3,334	\$3,095
Total	\$8,061	\$8,159	\$7,661
OER			
Beginning	\$10,207	\$10,207	\$11,700
Income	\$0	\$0	-\$941
Prior YE Audited Surplus	\$0	\$1,493	\$0
Expense	\$0	\$0	\$0
OER Ending Balance	\$10,207	\$11,700	\$10,759
Minimum Required Ending Balance	\$672	\$680	\$638
MM&R			
Prior EOY MMR Balance	\$14,861	\$14,861	\$14,861
Income	\$0	\$0	\$0
Prior YE Audited Surplus	\$0	\$0	\$0
Expense	\$0	\$0	\$0
Miscellaneous	(\$2,000)	\$0	(\$2,000)
MMR Ending Balance	\$12,861	\$14,861	\$12,861

December 3, 2013

BURWELL'S GREEN**2014 BUDGET**

	2013 Budget	2013 Projected	2014 Budget
REVENUE			
Monthly Assessment	\$215	\$215	\$224
Annual Parcel Assessment	\$82,560	\$82,560	\$86,016
Finance Charges	\$0	\$0	\$0
Allocated to OER	(\$20,455)	(\$20,455)	(\$18,413)
Allocated to MMR	(\$1,260)	(\$1,260)	(\$1,260)
Total	\$60,845	\$60,845	\$66,343
EXPENSE			
Administration	\$5,639	\$5,639	\$5,865
Building Maintenance	\$600	\$755	\$600
Landscape Maintenance Contract	\$33,903	\$33,903	\$33,458
Landscape Maintenance General	\$2,000	\$1,000	\$7,000
Gutter Cleaning	\$1,200	\$0	\$1,200
Dryer Vent Cleaning	\$1,200	\$0	\$1,200
Tree Spraying	\$960	\$960	\$960
Electricity	\$500	\$500	\$475
Lighting Maintenance	\$400	\$400	\$400
Termite Warranty	\$2,900	\$1,589	\$2,987
Insurance	\$8,793	\$8,793	\$9,398
Pest Control	\$2,500	\$2,200	\$2,500
Miscellaneous	\$250	\$50	\$300
Total	\$60,845	\$55,789	\$66,343
OER			
Beginning	\$55,911	\$55,911	\$25,048
Prior YE Audited Surplus/(Deficit)	(\$156)	\$2,600	\$0
Income	\$0	\$0	\$0
Transfer to MMR	\$0	\$0	\$0
Income Painting	\$19,655	\$19,655	\$17,613
Expense Painting	(\$53,918)	(\$53,918)	\$0
Income Landscaping	\$0	\$0	\$0
Expense Landscaping	\$0	\$0	\$0
Income Home Improvement	\$800	\$800	\$800
Expense Home Improvement	\$0	\$0	\$0
OER Ending Balance	\$22,292	\$25,048	\$43,461
Minimum Required Ending Balance	\$5,070	\$4,649	\$5,529
MM&R			
Prior EOY MMR Balance	\$46,342	\$46,342	\$4,520
Income	\$1,260	\$1,260	\$1,260
Staining	(\$43,082)	(\$43,082)	
Unit Inspection			
Miscellaneous	\$0	\$0	\$0
MMR Ending Balance	\$4,520	\$4,520	\$5,780

December 2, 2013

BURWELL'S LANDING**2014 Budget**

	2013 Budget	2013 Projected	2014 Budget
REVENUE			
Monthly Assessment	\$75	\$75	\$75
Annual Parcel Assessment	\$32,400	\$32,400	\$32,400
Finance Charges	\$0	\$0	\$0
Armistead Point Assessments	\$2,945	\$3,241	\$3,095
Allocated (to)/from OER	\$210	\$210	\$1,846
Allocated to MMR	\$0	\$0	\$0
TOTAL	\$35,555	\$35,851	\$37,340
EXPENSE			
Administration	\$5,206	\$5,206	\$5,362
Landscape Maintenance Contract	\$21,345	\$19,290	\$23,028
Landscape Maintenance General	\$1,000	\$3,730	\$1,000
Irrigation System Water	\$2,000	\$500	\$2,000
Irrigation System Maintenance	\$1,000	\$1,088	\$1,000
Electricity	\$200	\$250	\$200
Lighting Maintenance	\$250	\$726	\$250
Insurance	\$54	\$0	\$0
Special Functions	\$3,500	\$3,500	\$3,500
Miscellaneous	\$1,000	\$100	\$1,000
Total	\$35,555	\$34,390	\$37,340
OER			
Beginning	\$27,035	\$27,035	\$29,299
Prior YE Audited Surplus/(Deficit)	\$0	\$2,474	\$0
Income	\$0	\$0	\$0
Expense	(\$210)	(\$210)	(\$1,846)
OER Ending Balance	\$26,825	\$29,299	\$27,453
Minimum Required Ending Balance	\$2,963	\$2,866	\$3,112
MMR			
Prior EOY MMR Balance	\$22,950	\$22,950	\$16,850
Income	\$0	\$0	\$0
Expense	\$0	\$0	\$0
Miscellaneous	(\$3,000)	(\$6,100)	(\$3,000)
MMR Ending Balance	\$19,950	\$16,850	\$13,850

December 3, 2013

HARROP'S GLEN

2014 Budget

	2013 Budget	2013 Projected	2014 Budget
REVENUE			
Monthly Assessment	\$133	\$133	\$135
Annual Parcel Assessment	\$49,476	\$49,476	\$50,220
Finance Charges	\$0	\$0	\$0
Insurance Proceeds	\$0	\$0	\$0
Allocated to OER	(\$8,072)	(\$8,072)	(\$8,159)
Allocated to MMR	(\$587)	(\$587)	(\$587)
TOTAL	\$40,817	\$40,817	\$41,474
EXPENSE			
Administration	\$5,463	\$5,463	\$5,627
Landscape Maintenance Contract	\$20,431	\$20,431	\$14,000
Landscape Maintenance General	\$500	\$200	\$4,250
Powerwashing	\$0	\$0	\$1,701
Trash Collection	\$3,276	\$3,276	\$930
Tree Spray	\$308	\$308	\$308
Termite Warranty	\$2,325	\$2,325	\$2,325
Insurance	\$7,514	\$7,514	\$8,034
Miscellaneous	\$1,000	\$100	\$4,300
TOTAL	\$40,817	\$39,617	\$41,474
OER			
Beginning	\$35,596	\$35,596	\$44,498
Prior YE Audited Surplus/(Deficit)	(\$831)	\$830	\$0
Income	\$8,072	\$8,072	\$8,159
Staining Expense Phase 1	\$0	\$0	\$0
Staining Expense Phase 2	\$0	\$0	\$0
Parking Area Repairs	\$0	\$0	(\$5,000)
OER Ending Balance	\$42,837	\$44,498	\$47,657
Minimum Required Ending Balance	\$3,401	\$3,301	\$3,456
MMR			
Prior EOY MMR Balance	\$508	\$4,372	\$4,959
Income	\$587	\$587	\$587
Allocated to OER	\$0	\$0	\$0
Parking Area Replacement	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0
MMR Ending Balance	\$1,095	\$4,959	\$5,546

Staining

2011 Phase 2 19 units Stain
 2015 Phase 1 12 units Stain
 2019 Phase 2 19 units Stain

December 3, 2013

LITTLETOWN QUARTER

2014 Budget

	2013 Budget	2013 Projected	2014 Budget
REVENUE			
Monthly Assessment	\$221	\$221	\$225
Annual Parcel Assessment	\$265,200	\$265,200	\$270,000
Finance Charges	\$0	\$0	\$0
Prior Y-E Audited Surplus	\$0	\$0	\$0
Allocated to OER	(\$48,352)	(\$48,352)	(\$31,719)
Prior Y-E Audited Surplus to OER	\$0	\$0	\$0
Prior Y-E Audited Surplus to MMR	\$0	\$0	\$0
Allocated to MMR	(\$54,687)	(\$54,687)	(\$54,687)
TOTAL	\$162,161	\$162,161	\$183,594
EXPENSE			
Administration	\$17,108	\$17,108	\$17,621
Building Maintenance	\$9,000	\$13,000	\$14,000
Landscape Maintenance Contract	\$78,141	\$78,141	\$88,000
Landscape Maintenance General	\$15,000	\$15,000	\$7,000
Tree Work	\$0	\$0	\$13,000
Electricity	\$9,000	\$8,000	\$9,000
Lighting Maintenance	\$1,000	\$1,500	\$1,500
Pool Maintenance	\$3,800	\$3,800	\$3,800
Termite Warranty	\$8,000	\$8,000	\$8,000
Insurance	\$19,612	\$19,612	\$20,673
Special Functions	\$500	\$500	\$500
Miscellaneous	\$1,000	\$500	\$500
TOTAL	\$162,161	\$165,161	\$183,594
OER			
Beginning	\$100,573	\$100,573	\$76,104
Income	\$0	\$0	\$0
Prior Y-E Audited Surplus	(\$18,821)	(\$18,821)	\$0
Staining Income	\$48,352	\$48,352	\$31,719
Staining Expense	(\$65,000)	(\$54,000)	(\$74,750)
Transfer to MMR	\$0	\$0	\$0
Expense	\$0	\$0	\$0
OER Ending Balance	\$65,104	\$76,104	\$33,073
Minimum Required Ending Balance	\$13,513	\$13,763	\$15,300
MM&R			
Prior YE MMR Balance	\$231,191	\$231,191	\$164,878
Income	\$54,687	\$54,687	\$54,687
Prior Y-E Audit Surplus	\$0	\$0	\$0
Garage Roofs	\$0	\$0	\$0
Garage Windows	(\$2,000)	\$0	(\$2,000)
Light Poles	(\$3,500)	(\$1,000)	(\$3,500)
Miscellaneous	(\$1,000)	(\$1,000)	(\$1,000)
Trellis	(\$2,000)	\$0	(\$2,000)
Pool Repairs	(\$3,000)	\$0	(\$3,000)
Sidewalk/Drainage Repair	(\$4,000)	(\$106,000)	(\$4,000)
Parking Lots	\$0	\$0	\$0
Fences	(\$12,000)	(\$13,000)	(\$12,000)
Trash Enclosures	(\$3,000)	\$0	(\$3,000)
MMR Ending Balance	\$255,378	\$164,878	\$189,065

December 3, 2013

MOODY'S RUN

2014 Budget

	2013 Budget	2013 Projected	2014 Budget
REVENUE			
Monthly Assessment	\$272	\$272	\$272
Annual Parcel Assessment	\$159,936	\$159,936	\$159,936
Finance Charges	\$0	\$0	\$0
Allocated to OER	(\$29,722)	(\$29,722)	(\$30,679)
Transfer from OER	\$0	\$0	\$0
Allocated to MMR	\$0	\$0	\$0
TOTAL	\$130,214	\$130,214	\$129,257
EXPENSE			
Administration	\$8,635	\$8,635	\$8,894
Bad Debt Expense	\$0	\$6	\$0
Building Maintenance	\$10,500	\$9,688	\$10,500
Landscape Maintenance Contract	\$60,116	\$60,116	\$60,116
Landscape Maintenance General	\$17,300	\$12,200	\$16,000
Tree Pruning	\$0	\$0	\$0
Snow Removal	\$0	\$0	\$0
Electricity	\$1,200	\$1,200	\$1,200
Lighting Maintenance	\$400	\$400	\$500
Pool Maintenance	\$5,500	\$4,000	\$4,000
Termite Warranty	\$2,450	\$2,450	\$2,450
Insurance	\$22,363	\$22,363	\$23,847
Miscellaneous	\$250	\$250	\$250
Annual Unit Inspection	\$1,500	\$1,500	\$1,500
TOTAL	\$130,214	\$122,808	\$129,257
OER			
Beginning	\$73,919	\$73,919	\$53,624
Income	\$29,722	\$29,722	\$30,679
Prior YE Audited Surplus/(Deficit)	\$9,000	\$9,000	\$0
Transfer to MMR	(\$7,561)	(\$7,561)	(\$7,561)
Transfer to Operating	\$0	\$0	\$0
Sign Expense		(\$2,256)	
Staining Expense	(\$48,000)	(\$49,200)	(\$47,488)
OER Ending Balance	\$57,080	\$53,624	\$29,254
Twice Minimum Required Ending Balance	\$21,702	\$20,468	\$21,543
MMR			
Prior YE MMR Balance	\$33,516	\$33,516	\$38,385
Transfer from OER	\$7,561	\$7,561	\$7,561
Prior YE Audited Surplus/(Deficit)	\$2,439	\$2,439	\$0
Income	\$0	\$0	\$0
Pool Equipment	(\$3,500)	(\$1,000)	(\$3,500)
Pool Furniture	(\$3,000)	(\$2,156)	\$0
Light Poles		(\$1,975)	
Miscellaneous	\$0	\$0	\$0
MMR Ending Balance	\$37,016	\$38,385	\$42,446

Staining

2010	9 units	300's
2011	None	
2012	11 units	100's
2013	15 units	200's
2014	14 units	400's
2015	9 units	300's

Pool House and Entrance Sign Painted with 300's

November 21, 2013

QUARTERPATH TRACE

2014 Budget

	2013 Budget	2013 Projected	2014 Budget
REVENUE			
Monthly Assessment	\$75	\$75	\$80
Annual Parcel Assessment	\$48,600	\$48,600	\$51,840
Interest	\$75	\$39	\$50
Finance Charges	\$100	\$0	\$0
Allocated (to)/from OER	(\$2,817)	\$1,347	\$0
Allocated to MMR	(\$1,839)	(\$1,839)	(\$2,120)
Total	\$44,119	\$48,147	\$49,770
EXPENSE			
Administration	\$9,736	\$9,736	\$10,100
Building Maintenance	\$750	\$372	\$400
Landscape Maintenance Contract	\$30,000	\$34,956	\$37,000
Landscape Maintenance General	\$5,000	\$1,500	\$1,500
Snow Removal	\$750	\$1,200	\$300
Electricity	\$200	\$142	\$150
Lighting Maintenance	\$300	\$158	\$170
Insurance	\$100	\$0	\$50
Miscellaneous	\$100	\$283	\$100
Total	\$46,936	\$48,347	\$49,770
OER			
Beginning	\$6,752	\$6,752	\$8,222
Income	\$2,817	(\$1,347)	\$0
Prior YE Audited Surplus	\$0	\$2,817	\$0
Prior YE Audited Deficit	\$0	\$0	\$0
Expense	\$0	\$0	(\$1,000)
OER Ending Balance	\$9,569	\$8,222	\$7,222
Minimum Required Ending Balance	\$3,911	\$4,029	\$4,148
MMR			
Prior YE MMR Balance	\$39,797	\$39,797	\$35,579
Income	\$1,839	\$1,839	\$3,120
Roads/Parking Lots	(\$2,000)	(\$6,057)	(\$2,000)
Miscellaneous	(\$1,000)	\$0	\$0
MMR Ending Balance	\$38,636	\$35,579	\$36,699

December 3, 2013

RIVER'S EDGE

2014 Budget

	2013 Budget	2013 Projected	2014 Budget
REVENUE			
units	55	55	56
Monthly Assessment	\$289	\$289	\$293
Annual Parcel Assessment	\$190,740	\$190,740	\$196,896
BPI Revenue	\$0	\$0	\$12,600
Finance Charges	\$0	\$0	\$0
Allocated (to)/from OER	\$26,001	\$26,001	\$2,938
Allocated to MMR	(\$19,177)	(\$19,177)	(\$19,177)
TOTAL	\$197,564	\$197,564	\$193,257
EXPENSE			
Administration	\$9,515	\$9,515	\$9,800
Building Maintenance	\$1,000	\$300	\$750
Landscape Maintenance Contract	\$57,223	\$56,024	\$58,826
Landscape Maintenance General	\$21,000	\$21,000	\$21,000
Landscape Mulching	\$27,820	\$20,400	\$22,500
Irrigation System Water	\$10,000	\$5,000	\$9,750
Irrigation Maintenance	\$5,000	\$4,500	\$5,000
Trash Collection	\$5,707	\$5,707	\$1,680
Electricity	\$4,200	\$4,200	\$4,500
Lighting Maintenance	\$1,000	\$2,200	\$2,250
Pool Maintenance	\$5,000	\$5,000	\$4,000
Annual Unit Inspection	\$1,000	\$0	\$500
Insurance	\$48,349	\$48,349	\$52,050
Special Functions	\$375	\$375	\$350
Miscellaneous	\$375	\$375	\$300
TOTAL	\$197,564	\$182,945	\$193,257
OER			
Beginning	\$123,096	\$123,096	\$106,233
Prior YE Audited Surplus/(Deficit)	\$9,138	\$9,138	\$0
Income	\$0	\$0	\$0
Expense	(\$26,001)	(\$26,001)	(\$2,938)
OER Ending Balance	\$106,233	\$106,233	\$103,295
Minimum Required Ending Balance	\$16,464	\$30,491	\$32,209
MMR			
Prior EOY MMR Balance	\$216,168	\$216,168	\$233,965
Income	\$19,177	\$19,177	\$19,177
Expense	(\$5,350)	(\$1,380)	\$0
Miscellaneous	\$0	\$0	\$0
MMR Ending Balance	\$229,995	\$233,965	\$253,142

November 21, 2013

Spencer's Grant

2014 BUDGET

	2013 Budget	2013 Projected	2014 Budget
REVENUE			
Monthly Assessment	\$10	\$10	\$7
Annual Parcel Assessment	\$4,560	\$4,560	\$3,192
Finance Charge	\$0	\$0	\$0
Allocated to OER	\$0	\$0	\$84
Allocated to MMR	(\$1,379)	(\$1,379)	\$0
Total	\$3,181	\$3,181	\$3,276
EXPENSE			
Administration	\$3,181	\$3,181	\$3,276
Landscape Maintenance General	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0
Total	\$3,181	\$3,181	\$3,276
OER			
Beginning	\$10,272	\$10,272	\$9,826
Income	\$0	\$0	\$84
Prior YE Audited Surplus/(Deficit)	(\$446)	(\$446)	\$0
Expense	\$0	\$0	\$0
OER Ending Balance	\$9,826	\$9,826	\$9,910
Minimum Required Ending Balance	\$265	\$265	\$273
MM&R			
Prior EOY MMR Balance	\$26,149	\$26,149	\$27,528
Income	\$1,379	\$1,379	\$0
Prior YE Audited Surplus	\$0	\$0	\$0
Expense	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0
MMR Ending Balance	\$27,528	\$27,528	\$27,528

December 3, 2013

The Bluffs

2014 BUDGET

	2013 Budget	2013 Projected	2014 Budget
Units	4	4	4
REVENUE			
Monthly Assessment	\$80	\$80	\$85
Annual Parcel Assessment	\$3,840	\$3,840	\$4,080
Finance Charges	\$0	\$0	\$0
Allocated to OER	\$0	\$0	(\$336)
Allocated to MMR	\$0	\$0	\$0
Total	\$3,840	\$3,840	\$3,744
EXPENSE			
Administration	\$722	\$722	\$744
Landscape Maintenance to River Bluffs	\$3,118	\$3,118	\$3,000
Total	\$3,840	\$3,840	\$3,744
OER			
Beginning	\$3,014	\$3,014	\$3,014
Income	\$0	\$0	\$336
Prior YE Audited Surplus	\$0	\$0	\$0
Expense	\$0	\$0	\$0
MM&R			
Prior EOY MMR Balance	\$0	\$0	\$0
Income	\$0	\$0	\$0
Prior YE Audited Surplus	\$0	\$0	\$0
Expense	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0
MMR Ending Balance	\$0	\$0	\$0

WAREHAM'S POINT

2014 Budget

	2013 Budget	2013 Projected	2014 Budget
REVENUE			
Monthly Assessment	\$311	\$311	\$314
Annual Parcel Assessment	\$257,508	\$257,508	\$259,992
Finance Charge - Other	\$0	\$1	\$0
Miscellaneous Income	\$0	\$0	\$0
Allocated to OER	\$0	\$0	\$0
Allocated from OER	\$10,633	\$10,633	\$9,696
Allocated to MMR	(\$5,000)	(\$5,000)	(\$8,000)
TOTAL	\$263,141	\$263,142	\$261,688
EXPENSE			
Administration	\$12,160	\$12,160	\$12,525
Building Maintenance	\$3,000	\$1,500	\$3,000
Staining	\$53,473	\$53,473	\$48,501
Mildew Wash	\$12,000	\$11,900	\$12,300
Paint Repair	\$12,000	\$10,000	\$12,000
Landscape Maintenance Contract	\$99,462	\$99,462	\$85,245
Landscape Maintenance General	\$8,000	\$10,100	\$15,000
Landscape Maintenance Banks	\$10,000	\$10,000	\$10,000
Entrance Rehab	\$0	\$0	\$7,000
Electricity	\$600	\$700	\$700
Lighting Maintenance	\$500	\$750	\$750
Pool Maintenance	\$6,800	\$6,800	\$7,070
Termite Warranty	\$6,832	\$6,698	\$6,765
Insurance	\$37,314	\$37,314	\$39,832
Miscellaneous	\$1,000	\$1,000	\$1,000
TOTAL	\$263,141	\$261,857	\$261,688
OER			
Beginning	\$34,887	\$34,887	\$36,191
Prior Y-E Audited Surplus	\$12,044	\$11,937	\$0
Income/(Expense)	(\$10,633)	(\$10,633)	(\$9,696)
OER Ending Balance	\$36,298	\$36,191	\$26,495
Minimum Required Ending Balance	\$21,928	\$21,821	\$21,807
MMR			
Beginning Year MMR Balance	\$35,674	\$35,674	\$35,174
Income	\$5,000	\$5,000	\$8,000
Prior Y-E Audited Surplus	\$0	\$0	\$0
Paving Parking Areas	\$0	\$0	\$0
Pool Caulking	\$0	\$0	\$0
Pool Filter/Pumps	\$0	\$0	\$0
Pool Deck	\$0	\$0	\$0
Replaster Pool	\$0	\$0	\$0
Pool Coping	\$0	\$0	\$0
Pool Cover	(\$5,500)	(\$5,500)	\$0
Ravine Repair	\$0	\$0	\$0
Driveway Sealing	\$0	\$0	\$0
Miscellaneous Expense	\$0	\$0	\$0
MMR Ending Balance	\$35,174	\$35,174	\$43,174

December 3, 2013

WINSTER FAX

2014 Budget

	2013 Budget	2013 Projected	2014 Budget
REVENUE			
Monthly Assessment	\$157	\$157	\$157
Annual Parcel Assessment	\$201,588	\$201,588	\$201,588
Finance Charges	\$0	\$0	\$0
Allocated to OER	(\$1,268)	(\$1,268)	(\$5,078)
Allocated from OER	\$0	\$0	\$0
Allocated to MMR	(\$6,731)	(\$6,731)	(\$6,731)
Total	\$193,589	\$193,589	\$189,779
EXPENSE			
Administration	\$18,855	\$18,855	\$19,421
Bad Debt Expense	\$0	\$7	\$0
Building Maintenance	\$1,000	\$1,000	\$500
Trash Pickup	\$11,309	\$11,088	\$3,210
Staining	\$38,000	\$43,000	\$42,275
Landscape Maintenance Contract	\$68,601	\$68,601	\$68,601
Landscape Maintenance General	\$10,000	\$10,000	\$10,000
Tree Work	\$5,000	\$5,000	\$5,000
Snow Removal	\$1,500	\$750	\$1,500
Electricity	\$2,200	\$1,500	\$1,700
Unit Inspection	\$3,400	\$3,400	\$3,327
Termite Inspection	\$6,955	\$6,955	\$6,955
Irrigation System Water/Maintenance	\$3,000	\$750	\$2,000
Insurance	\$22,569	\$22,569	\$24,091
Special Functions	\$500	\$500	\$500
Miscellaneous	\$700	\$700	\$700
Total	\$193,589	\$194,675	\$189,779
OER			
Beginning	\$72,395	\$72,395	\$90,642
Income	\$1,268	\$1,268	\$5,078
Prior YE Audited Surplus	\$16,979	\$16,979	\$0
Transfer to Operating	\$0	\$0	\$5,078
Transfer to MMR	\$0	\$0	\$0
OER Ending Balance	\$90,642	\$90,642	\$100,797
Minimum Required Ending Balance	\$16,132	\$16,223	\$15,815
MMR			
Prior YE MMR Balance	\$63,015	\$63,015	\$63,283
Income	\$6,731	\$1,268	\$5,078
Prior YE Audited Surplus	\$0	\$0	\$0
Tennis Courts	(\$40,000)	(\$1,000)	\$0
Installation Irrigation System	\$0	\$0	\$0
Miscellaneous	(\$3,000)	\$0	(\$3,000)
MMR Ending Balance	\$26,746	\$63,283	\$65,361

Exhibit 8

to

Disclosure Certificate

Kingsmill Community Services Association

Schedule of Insurance



CERTIFICATE OF LIABILITY INSURANCE

KINGS-4 OP ID: HH

DATE (MM/DD/YYYY)

02/07/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


PRODUCER Middle Peninsula Insurance 5360 Discovery Park Blvd. Williamsburg, VA 23188 Matthew D. Slye	CONTACT NAME: PHONE (A/C, No, Ext): 757-229-0841		FAX (A/C, No): 757-229-5479
	E-MAIL ADDRESS:		
INSURED Kingsmill Community Services Association P.O. Box 348 Williamsburg, VA 23187	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Selective Insurance Company		12572
	INSURER B: Travelers Insurance Company		25658
	INSURER C:		
	INSURER D:		
	INSURER E:		

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		S 1925177	01/01/2014	01/01/2015	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO. JECT <input type="checkbox"/> LOC					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		S 1925177	01/01/2014	01/01/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (PER ACCIDENT) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0		S 1925177	01/01/2014	01/01/2015	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				WC STATU-TORY LIMITS OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Blanket Buildings		S 1925177	01/01/2014	01/01/2015	RCV 180,821,921
B	Crime		105737134	01/01/2014	01/01/2015	Fidelity 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER FOR INFO FOR INFORMATION PURPOSES ONLY	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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Exhibit 2
to
Disclosure Certificate
Kingsmill Community Services Association
Articles of Incorporation of the Association

ARTICLES OF INCORPORATION
OF
KINGSMILL COMMUNITY SERVICES ASSOCIATION

We hereby associate to form a non-stock corporation under the provisions of Chapter 2 of Title 13.1 of the Code of Virginia.

ARTICLE I

The name of the corporation is Kingsmill Community Services Association, hereafter called the "Association".

ARTICLE II

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control in any lawful manner of that portion of the real estate development known as Kingsmill on the James in James City County, Virginia (herein referred to as "Kingsmill") which has been subjected to the Declaration of Covenants and Restrictions hereinafter referred to in paragraph (a) of this Article II and all other portions of Kingsmill subjected to said Declaration in accordance with the terms thereof; and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration of Covenants and Restrictions, hereinafter called the "Declaration" recorded in Deed Book 147, Page 642 in the Office of the Clerk of the Circuit Court of the City of

Williamsburg and the County of James City and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length, and all Supplementary Declarations applicable to the property when recorded;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) except as hereinafter provided, to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) participate in mergers and consolidations with other nonprofit corporation organized for the same purposes or annex additional residential property and Common Area.

(e) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Stock Corporation Act of the State of Virginia by law may now or hereafter have or exercise.

No substantial part of the activities of the Association shall be devoted to attempting to influence legislation by propaganda or otherwise within the meaning of the proscriptive provisions of the Internal Revenue Code. The Association shall not directly or indirectly participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE III

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of

record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Every lessee of a Living Unit constructed on any Lot who holds a written lease having an initial term of at least twelve (12) months shall likewise be a member of the Association provided he notifies the Association of his tenancy in writing.

ARTICLE IV

VOTING RIGHTS

The Association shall have three classes of full voting membership:

Class A. Class A members shall be all Owners of Lots, excluding the Developer, who shall be entitled to one vote for each Lot owned;

Class B. Class B members shall be all occupants, either owners or lessees as defined in Article III, of all structures constructed on Lots in the Properties and shall be entitled collectively to one vote for the Living Unit they occupy;

Class C. The Class C member shall be the Developer, Busch Properties, Inc., or any successor to all or substantially all of its business of developing the Properties which shall have one vote. The Class C membership shall cease upon written notice to the Association from the Developer that it no longer desires to be a Class C member.

When more than one person holds interest or interests in any Lot or Living Unit, the vote for such Lot or Living Unit shall be exercised as they shall among themselves determine; but the Association shall be entitled to rely on the vote of those present at any meeting of members as being duly authorized to vote, unless written notice to the contrary is received by the Association prior to any such meeting.

ARTICLE V

REGISTERED OFFICE AND AGENT

(a) The address of the initial office of the Association is 1400 Ross Building, 801 E. Main Street, in the City of Richmond, Virginia 23219.

(b) The name of the initial registered agent of the Association is Alexander W. Neal, Jr. who is a resident of Virginia and a member of the Virginia State Bar whose business address is the same as the registered office.

ARTICLE VI

BOARD OF DIRECTORS

(a) Term and Composition. The affairs of the Association shall be managed by a Board of nine Directors, which number may not be changed except by amendment to these Articles, and who need not be members of the Association. As long as the Class C membership exists, the board shall consist of directors appointed by the Class C member and directors elected by the Class A & Class B members. The apportionment of the board between appointed and elected directors shall be as follows:

The initial Board of Directors named in the Articles of Incorporation shall serve until the first annual meeting following conveyance of the first Lot in the Properties. At that meeting six (6) directors shall be appointed by the Class C member for terms of one (1) year and one (1) director elected by the Members for a term of one year and two (2) directors elected for a term of two years.

Six weeks prior to subsequent annual meetings, the Board of Directors shall determine the number of directors to be elected at the annual meeting so that the number of elected directors shall be equivalent to one director for each 1500 Class A & Class B votes, or fraction thereof, outstanding as of sixty days prior to the annual meeting date, but in no event shall there be less than three nor more

than seven elected directors. The remainder of the directors shall be appointed by the Class C member. Appointed directors shall serve for a term of one year, and, subsequent to the first annual meeting following conveyance of the first Lot in the properties, all elected directors shall serve for a term of two years.

After the Class C membership expires, all directors shall be elected by the members.

(b) Method of Nomination. At least three weeks before the annual meeting, candidates for election shall file a petition of candidacy, signed by not less than ten members, with the Elections Committee of the Association appointed by the Board of Directors. The Elections Committee shall provide all members with a ballot containing the names of all bona fide candidates not less than ten days before the annual meeting.

(c) Method of Election. Election shall be by secret written ballot at the annual meeting or by proxies delivered to the Chairman of the Elections Committee prior to the start of the annual meeting. The members may cast, in respect to each vacancy, as many votes as they are entitled to under the provisions of the Articles of Incorporation. Cumulative voting is not permitted. Those persons receiving the largest number of votes shall be elected.

(d) Resignation and Removal. The unexcused absence of an elected director from three consecutive regular meetings of the Board shall be deemed a resignation. Any elected director may be removed from the Board, with or without cause, by a majority vote of the members of the Association.

(e) Vacancies. In the event of death, resignation or removal of an elected director, his successor shall be selected by the remaining elected directors and shall serve for the unexpired term of his predecessor. Vacancies occurring in the number of appointed directors shall be filled by appointment by the Class C member to serve for the unexpired term of their predecessor.

(f) Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

The names and addresses of the initial Directors who are to serve until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Walter E. Diggs, Jr.	c/o Busch Properties, Inc. 721 Pestalozzi Street St. Louis, Missouri 63118
Robert E. Bachman	c/o Busch Properties, Inc. 721 Pestalozzi Street St. Louis, Missouri 63118
William F. Paonessa	c/o Busch Properties, Inc. 721 Pestalozzi Street St. Louis, Missouri 63118
James B. Shea, Jr.	c/o Busch Properties, Inc. 2100 Pocahontas Trail Williamsburg, Virginia 23185
David J. Wahl	c/o Busch Properties, Inc. 2100 Pocahontas Trail Williamsburg, Virginia 23185
Richard G. Knight	c/o Busch Properties, Inc. 2100 Pocahontas Trail Williamsburg, Virginia 23185
J. Barry Brown	c/o Busch Properties, Inc. 2100 Pocahontas Trail Williamsburg, Virginia 23185
Thomas R. McCann	c/o County Office Building Williamsburg, Virginia
Robert C. Walker	c/o United Virginia Bank of Williamsburg Duke of Gloucester Street Williamsburg, Virginia 23185

ARTICLE VII

INDEMNIFICATION

(a) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action or

suit by or in the right of the corporation) by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, or trustee of another corporation, partnership, joint venture, trust, or other enterprise, against judgments, fines, amounts paid in settlement and expenses (including attorneys' fees) actually and reasonably incurred by him in connection with such action, suit or proceeding, except only in relation to any claim, issue or matter as to which such person shall have been finally adjudged to be liable for his gross negligence or willful misconduct in the performance of his duties. Each such indemnity shall inure to the benefit of the heirs, executors and administrators of such person.

(b) Any indemnity under subsection (a) above shall (unless authorized by a court) be made by the corporation only as authorized in the specific case upon a determination that the director, officer, partner or trustee was not guilty of gross negligence or willful misconduct in the performance of his duties and, in case of a settlement, that such settlement was, or if still to be made is, consistent with the best interests of the corporation. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) by independent legal counsel in a written opinion if such a quorum is not obtainable or, even if obtainable, a quorum of disinterested directors so directs, or (iii) by the members. If the determination is to be made by the Board of Directors, it may rely as to all questions of law on the advice of independent counsel.

(c) Expenses incurred in defending an action, suit or proceeding, whether civil, criminal, administrative or investigative, may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking

by or on behalf of the director, officer, partner or trustee to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

(d) The right of indemnification provided by this section shall not be exclusive of any other rights to which any person may be entitled, including any right under policies of insurance that may be purchased and maintained by the corporation or others, even as to claims, issues or matters in relation to which the corporation would not have the power to indemnify such person under the provisions of this section.

(e) The corporation may purchase and maintain at its sole expense insurance, in such amounts and on such terms and conditions as the Board of Directors may deem reasonable, against all liabilities or losses it may sustain in consequence of the indemnification provided for in this section.

(f) The Board of Directors shall have the power, generally and in specific cases, to indemnify employees and agents of the corporation to the same extent as provided in this section with respect to directors and officers.

ARTICLE VIII

DISTRIBUTION OF ASSETS ON DISSOLUTION

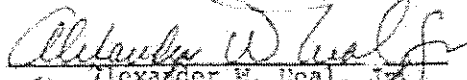
Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization as may be designated by the Board of Directors to be devoted to such similar purposes.

ARTICLE IX

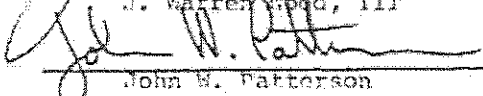
DURATION

The corporation shall exist perpetually.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Virginia, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 3rd day of October, 1973.


Alexander W. Neal, Jr.


J. Warren Wood, III


John W. Patterson

HAMPTON KEY AND

MILE COURSE

(6)

SUPPLEMENTAL DECLARATION
OF COVENANTS AND RESTRICTIONS

THIS SUPPLEMENTAL DECLARATION, made this 10th day of May, 1974,
by BUSCH PROPERTIES, INC., a Delaware corporation, hereinafter called
"Developer,"

W I T N E S S E T H :

WHEREAS, by Declaration of Covenants and Restrictions dated
September 18, 1973 ("the Declaration"), Developer declared certain
real property in James City County, Virginia as described on
Exhibit A attached thereto, subject to certain covenants, re-
strictions, easements, charges and liens; and

WHEREAS, pursuant to the Declaration the Developer was em-
powered to establish Parcels (as therein defined) by Supplemental
Declaration and to subject such Parcels to complementary covenants,
restrictions, easements, charges and liens;

NOW, THEREFORE, Developer hereby declares that the real
property described in Exhibit A attached hereto, herein referred
to as "the Property" shall constitute a Parcel as contemplated
by the Declaration, and shall be held, transferred, sold, conveyed
and occupied subject to the covenants, restrictions, easements,
charges and liens set forth in the Declaration and to the following
covenants, restrictions and easements:

ARTICLE I

PROTECTIVE COVENANTS AND RESTRICTIONS

1. Single-Family Residences. No more than one detached private
dwelling unit and attendant outbuildings shall be erected on any
one lot. The use of such unit for dwelling purposes shall be
limited to a single family. A "family" shall include only persons
related by blood or lawful marriage.

2. Minimum Dwelling Size. The floor area of the enclosed portion of the main structure on any lot shall not be less than 1800 square feet for a one-story structure, or 2200 square feet for any structure of more than one story, without the prior written consent of the EPB. A dwelling shall be deemed to be a two-story or split foyer if the upper level has a floor area of not less than eighty percent of the lower level. "Enclosed portion" shall mean that portion of the structure heated or otherwise temperature-controlled by the occupant of the structure.

3. Completion of Structures. All structures must be substantially completed in accordance with the plans and specifications approved by the Environmental Preservation Board (EPB) within twelve (12) months after construction of the same shall have commenced, except that the EPB may grant extensions where such completion is made impossible because of matters beyond the control of the Owner or builder, such as strikes, casualty losses, national emergencies or acts of God.

4. Boat Docks. No private docks, piers, moorings, boat houses, slips or similar structures may be erected on or adjacent to any Lot, except by the Association or the Developer.

5. Lights. The plans and specifications for each structure shall not be approved unless Owner has provided for an automatically operated standard light approved by the EPB at a location designated by the EPB. Such light will be erected at Developer's cost and operated at Owner's cost.

6. Pets. Subject to limitations as may from time to time be set by the EPB, generally recognized house or yard pets, in reasonable numbers, may be kept and maintained at an occupant's residence, provided such pets are not kept or maintained for

commercial purposes. All pets must be kept under the control of their owner when they are outside the occupant's premises and must not become a nuisance to other residents, and if any such pets are declared a nuisance by the EPB they shall be removed from the Lot within thirty days after written request from the EPB.

7. Signs. No signs of any type shall be displayed to public view on any Lot or the Common Area without the prior written consent of the EPB, except customary name and address signs, and lawn signs of not more than four square feet in size advertising the Lot for sale or rent.

8. Mailboxes and Newspaper Tubes. Only mailboxes and newspaper tubes meeting the design standards of the EPB shall be permitted, except for mail depositories which are the property of the U. S. Post Office Department.

9. Trash Receptacles. All trash receptacles shall be concealed in a manner approved by the EPB.

10. Boats, Trailers, etc. Overnight parking or storage of boats, trailers and all vehicles other than licensed, operable private passenger vehicles shall be in garages or screened enclosures approved by the EPB, or in areas designated by the Association for such parking or storage. Except for emergency repairs, no Owner shall repair or restore or permit others to repair or restore any vehicle, boat or trailer upon any portion of the Parcel except in garages or screened enclosures approved by the EPB.

11. Antennae. Exterior television or other antennae, except those built according to standards established by the EPB or approved by EPB, are prohibited.

12. POWER BOATS. The use of gasoline powered motorboats is prohibited on lakes and ponds within Kingsmill; except that the Association or appropriate governmental authority may operate

a power boat to provide for public safety.

13. Clothes Drying Equipment. Clothes lines or other clothes drying apparatus shall be screened from public view in a manner approved by the EPB.

14. Trash Burning. Trash, leaves and other similar material shall not be burned without the written consent of the EPB and all appropriate governmental authorities.

15. Septic Systems. No septic system for the disposal of sewage shall be constructed on any Lot except with the consent of the entities at the time furnishing sewage disposal to the Properties.

16. Model House or Exhibits. No Owner except the Developer shall permit any structure on his Lot to be used as a model house or exhibit without the written consent of the EPB.

17. Pond Lots. There is reserved to Busch Properties, Inc. and Kingsmill Community Services Association and their successors, the right and privilege to raise or lower the level of the "Proposed Pond" shown on the plat of subdivision of Hampton Key (and affecting Lots 32, 33, 35, 36, 37, 38, 39 and 40 thereof), provided that in no event shall the water level of the "Proposed Pond" be raised above an elevation of twenty-five (25) feet above sea level; and further provided that in no event shall water be permitted to impound on any portion of such lots beyond the bounds of the Landscape Protection Zone.

ARTICLE II

GENERAL

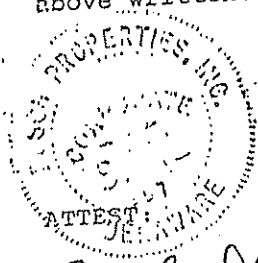
1. Definitions. All terms used in this Supplemental Declaration shall be defined in the Declaration.

2. Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty-five (35) years from the date this Declaration is recorded.

3. Amendment. This Declaration may be amended at any time by an instrument of record after the written consent thereto by not less than seventy-five percent (75%) of the Owners and the Developer shall have been obtained.

4. 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.

IN WITNESS WHEREOF, Busch Properties, Inc., has caused its name to be signed and its corporate seal to be affixed and attested by its duly authorized officers, all as of the day and year first above written.



BUSCH PROPERTIES, INC.

By [Signature]
President

[Signature]
Asst. Secretary

STATE OF Virginia
CITY/COUNTY OF Williamsburg

The foregoing instrument was acknowledged before me this 10th day of May, 1974, by Mattie E. Dignard Jr. (Vice) President of Busch Properties, Inc., a Delaware corporation, on behalf of the corporation.

My commission expires: October 31, 1976

[Signature]
Notary Public

State of Virginia
County of James City, to-wit:
the office of the Clerk of the Court for the City and County
aforesaid, on the 10th day of MAY 1974, this deed
was presented and with the certificate annexed, admitted to
record at 10:32, A. M.

State at Large
SUPPLEMENTAL DEED
OF COVENANTS
AND RESTRICTIONS

Teste:

-5-

Clerk

EXHIBIT A

ALL those certain lots, pieces or parcels of land, with appurtenances thereunto belonging, lying and being in Roberts Magisterial District, James City County, Virginia, and more particularly described as follows:

Lots 1 through 45, inclusive, as shown on the plat of subdivision by Langley, McDonald & Overman dated May 3, 1974, entitled "Mile Course - Subdivision of Property of Busch Properties, Inc., James City County, Virginia," recorded in the Clerk's Office of the Circuit Court of the City of Williamsburg and James City County, Virginia, in Plat Book 32, pages 9 and 10.

Lots 1 through 70, inclusive, as shown on the plat of subdivision of Langley, McDonald & Overman dated May 3, 1974, entitled "Hampton Key - Subdivision of Property of Busch Properties, Inc., James City County, Virginia," recorded in the aforesaid Clerk's Office in Plat Book 32, pages 11 and 12.

BEING a part of the same real estate conveyed to Busch Properties, Inc., by deed from Anheuser-Busch, Incorporated dated November 14, 1972, recorded in the aforesaid Clerk's Office in Deed Book 141, page 313, as amended by two deeds of correction between the same parties, the first of which is dated May 4, 1973, and recorded in the aforesaid Clerk's Office in Deed Book 145, page 32, and the second of which is dated February 28, 1974, and recorded in the aforesaid Clerk's Office in Deed Book 151, page 142.

A COPY TESTE


JULIETTE C. CLOTHIER, CLERK

**AMENDMENT TO
SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS
HAMPTON KEY AND MILE COURSE**

THIS AMENDMENT to SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS (this "Amendment") is made this 25th day of February, 2005 by **KINGSMILL COMMUNITY SERVICES ASSOCIATION**, a Virginia nonstock corporation (the "Association"), and **BUSCH PROPERTIES, INC.**, a Delaware corporation (the "Developer"), both Association and Developer to be indexed as "Grantor" and "Grantee."

WITNESSETH:

WHEREAS, by Declaration of Covenants and Restrictions dated September 18, 1973, recorded in Deed Book 147, Page 642 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 amended by instruments of record in the Clerk's Office (collectively, the "Declaration"), Developer declared certain real property in James City County, Virginia, as described in the Declaration subject to the covenants, restrictions, easements, charges and liens set forth therein; and

WHEREAS, by Supplemental Declaration of Covenants and Restrictions dated May 10, 1974, recorded in the Clerk's Office in Deed Book 152, page 280, as amended and/or supplemented by instruments of record in the Clerk's Office (collectively the "Supplemental Declaration"), Developer declared certain real property in James City County, Virginia, as described in the Supplemental Declaration, subject to the covenants, restrictions, easements, charges, and liens set forth therein; and

WHEREAS, under Paragraph 3 of Article II of the Supplemental Declaration, the Supplemental Declaration may be amended at any time by an instrument of record after the written consent thereto by not less than seventy-five percent (75%) of the Owners and the Developer shall have been obtained; and

WHEREAS, the Association and the Developer have determined it is in the best interests of the Association to adopt the hereinafter set forth amendments, and seventy-five percent (75%) or more of the Owners have given their consent to the hereinafter set forth amendments; and

WHEREAS, pursuant to Section 55-515.1.F of the Code of Virginia, 1950, as amended, this Amendment shall become effective when the Amendment is duly recorded in the Clerk's Office.

Prepared by and
Upon Recording Return to:
Kaufman & Canoles
4801 Courthouse Street, Suite 300
Williamsburg, VA 23188

NOW, THEREFORE, the Supplemental Declaration is hereby amended as follows:

1. Paragraph 2 of Article II of the Supplemental Declaration is hereby amended by deleting the words "for a term of thirty-five (35) years from the date this Declaration is recorded" and adding the following in place thereof:

The duration of this Supplemental Declaration shall be coextensive with the duration of the Declaration as amended (including any extension thereof).

2. Paragraph 3 of Article II of the Supplemental Declaration is hereby amended by deleting such Paragraph and substituting the following in lieu thereof:

This Supplemental Declaration may be amended at any time by an instrument of record after the written consent thereto by not less than two-thirds (2/3) of the Owners of Lots within the Parcel and the Developer shall have been obtained.

IN WITNESS WHEREOF, the Developer and the Association have caused this Amendment to be signed by their respective authorized representatives as of the date first written above.

BUSCH PROPERTIES, INC., a Delaware corporation

By: William B. Voliva, Jr. (SEAL)
William B. Voliva, Jr., Executive Vice President

STATE OF VIRGINIA
COUNTY OF JAMES CITY, to wit:

The foregoing instrument was acknowledged before me this 25th day of February, 2005 by William B. Voliva, Jr., Executive Vice President of Busch Properties, Inc, a Delaware corporation, on behalf of the corporation.

Nancy A. Eley
Notary Public

My commission expires: 1-31-08.

[ADDITIONAL SIGNATURES APPEAR ON THE FOLLOWING PAGE]

KINGSMILL COMMUNITY SERVICES
ASSOCIATION, a Virginia nonstock corporation

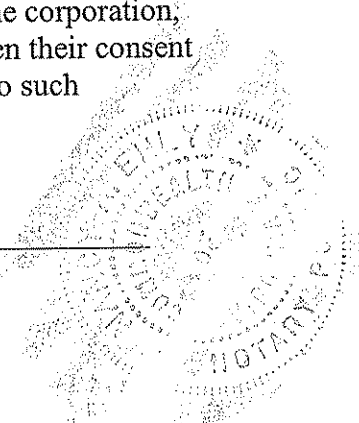
By: William B. Voliva, Jr. (SEAL)
William B. Voliva, Jr., President

CERTIFICATION PURSUANT TO VIRGINIA CODE SECTION 55-515.1.F

COMMONWEALTH OF VIRGINIA
COUNTY OF JAMES CITY, to-wit:

The foregoing instrument was acknowledged before me this 25th day of February, 2005 by William V. Voliva, Jr., President of Kingsmill Community Services Association, a Virginia nonstock corporation, on behalf of the corporation, who did state and certify that the requisite percentage of Owners of Lots have given their consent to and ratified such Amendment by signing a document evidencing their consent to such Amendment.

Nancy A. Ohly
Notary Public



My commission expires: 1-31-08

#90122863 v1

VIRGINIA: CITY OF WILLIAMSBURG & COUNTY OF JAMES CITY
This document was admitted to record on 3 March 05
at 10:30 AM/PM. The taxes imposed by Virginia Code
Section 58.1-801, 58.1-802 & 58.1-814 have been paid.

STATE TAX	LOCAL TAX	ADDITIONAL TAX
\$ _____	\$ _____	\$ _____

TESTE: BETSY B. WOOLRIDGE, CLERK
BY: Betsy B. Woolridge Clerk

EXHIBIT A

<u>SUBDIVISION</u>	<u>LOTS</u>	<u>PLAT RECORDING INFORMATION</u>
Bray Wood	1-34	Plat Book 31, Pages 20 & 21.
Whittaker's Mill	1-48	Plat Book 31, Pages 22 & 23.
Mile Course	1-45	Plat Book 32, Pages 9 & 10.
Hampton Key	1-70	Plat Book 32, Pages 11 & 12.

SUPPLEMENTAL DECLARATION OF COVENANTS
AND RESTRICTIONS FOR SINGLE FAMILY
HOMESITES

<u>SUBDIVISION</u>	<u>LOTS</u>	<u>APPLICABLE SECTIONS</u>	<u>DATE OF SUPPLEMENTAL</u>
Bray Wood	1-34	Article I, Sections 1-17	September 24, 1973
Whittaker's Mill	1-48	Article I, Sections 1-17	September 24, 1973
Mile Course	1-45	Article I, Sections 1-17	May 10, 1974
Hampton Key	1-70	Article I, Sections 1-18	May 10, 1974

RECORDING INFORMATION

The documents are recorded in the Clerk's Office of James City County, Virginia.

<u>SUBDIVISION</u>	<u>DEED BOOK</u>	<u>PAGE NUMBER</u>
Bray Wood	145	665
Whittaker's Mill	145	665
Mile Course	152	280
Hampton Key	152	280