

Commonwealth of Virginia



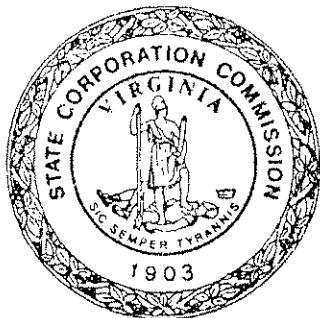
STATE CORPORATION COMMISSION

Richmond, October 2, 2007

This is to certify that the certificate of incorporation of

Cornerstone Property Owners Association

was this day issued and admitted to record in this office and that the said corporation is authorized to transact its business subject to all Virginia laws applicable to the corporation and its business. Effective date: October 2, 2007



State Corporation Commission

Attest:

Joel Heck
Clerk of the Commission

ARTICLES OF INCORPORATION
OF
CORNERSTONE PROPERTY OWNERS ASSOCIATION

The undersigned incorporator, pursuant to Chapter 10 of Title 13.1 of the Code of Virginia, states as follows:

1. The name of the corporation is: Cornerstone Property Owners Association.
2. The corporation is a nonstock corporation and shall be a "community association" as described and defined by Section 13.1-814.1, Code of Virginia, and, pursuant to Section 13.1-814B, Code of Virginia, the provisions set forth in Sub Section 13.1-851, 13.1-852, 13.1-855, 13.1-856, 13.1-857, 13.1-858 and 13.1-862, Code of Virginia, need not be set forth in these articles of incorporation and shall be effective as set forth in the by-laws except to the extent set forth in these articles of incorporation.
3. The purposes of the corporation are:
 - A. To own, control and maintain portions of a "Development" located in the City of Lynchburg, Virginia, known as "Cornerstone" set aside and designated as "Common Area" and "Capital Components" and including open space, private streets or alleys, and designated as such by JBO, LLC, a Virginia limited liability company, its successors and/or assigns, (the "Developer").
 - B. To assess and collect assessments to fund the activities, duties and purposes of the corporation, which assessments shall constitute liens upon the property of Class A members.
 - C. To administer and enforce the covenants, conditions and restrictions imposed Upon the Development by the Developer or the corporation by any deed, plat, Declaration or other instrument recorded in the Clerk's Office of the Circuit Court of the City of Lynchburg, Virginia.
 - D. To participate and assist in the administration and compliance of the Development as part of a Traditional Neighborhood Development, known as Cornerstone Traditional Neighborhood Development which will contain Residential, office, retail, civic and related uses as defined and established Pursuant to Sections 35.1-43.5 through 35.1-43.13 of the Lynchburg City Code and a resolution of the Council of the City of Lynchburg, Virginia, adopted June 27, 2006, approving a Conditional Use Permit ("CUP") for the Developer to construct a Traditional Neighborhood Development ("TND"), subject to conditions set forth in said resolution, all of which are and shall

remain binding upon the Development and the Developer, the corporation and their respective successors in title, assignees, subsidiaries and affiliates.

D. To conduct such other activities and perform such other services and duties as The Board of Directors or the members shall determine and direct.

4. The corporation is to have members. The corporation may not discriminate by race, creed or sex with regard to membership, or any rights, duties or obligations of members. The corporation is to have the following classes of members:

Class A. Class A member shall be all owners of subdivided lots in the Development except the Class B member.

Class B. The Class B member shall be the Developer, or any successor or assignee, to whom the Developer assigns any or all of its rights as Developer.

The Class B membership shall cease upon the earliest of the date that the Developer does not own any vacant or undeveloped land or Lot in the Development or December 31, 2017. Thereafter, the Developer shall have Class A membership rights for each lot it owns. For the purpose of this provision, the term "Vacant" shall mean both land with no building erected thereon, and a Lot upon which Developer has erected a building which has not been occupied and used as a residence by a tenant of Developer. Once a building on a Lot has been occupied and used as a residence by a tenant of Developer, Developer shall have Class A membership rights and obligations for such Lot whether or not the Class B membership has ceased.

Pursuant to Section 13.1-837, Code of Virginia, all other rights of the member or each class and voting rights of members will be as set forth in the corporation's by-laws.

5. The directors constituting the initial board of directors shall be elected by the incorporator pursuant to Section 13.1-822, Code of Virginia, and shall hold office until the first annual election of directors. The number and terms of directors shall be elected by the members in accordance with the corporation's by-laws as provided by Sub Section 13.1-814.1B and 13.1-819A.4, Code of Virginia.

5. A. The corporation's initial registered office address which is the business address of the initial registered agent is:

1045 Cottontown Road, Lynchburg, Va., 24503


B. The registered office is physically located in the County of Bedford, Virginia.

6. A. The name of the corporation's initial registered agent is:

Prescott H. Gay, Sr.

B. The initial registered agent is an individual who is a resident of Virginia and a member of the Virginia State Bar.

Date: 7/26/07, 2007.



PRESCOTT H. GAY, Sr., Incorporator

BY-LAWS OF
CORNERSTONE PROPERTY OWNERS ASSOCIATION

These By-Laws are adopted in accordance with and are subject to the Articles of Incorporation of Cornerstone Property Owners Association (the "Association") and a Declaration of Covenants and Restrictions for Cornerstone Property Owners Association ("Declaration"), dated October 1, 2007, recorded in the Clerk's Office of the Circuit Court of the City of Lynchburg, Virginia, as Instrument Number 070009951 and all amendments and supplements thereto. In case of any conflict between these By-Laws and the Articles of Incorporation or the Declaration, the Articles of Incorporation or the Declaration shall control.

ARTICLE ONE

MEMBERSHIP

Section 1. The Association has the following classes of members:

Class A. Class A members shall be all owners of "Lots" (as defined in the Declaration) in a "Development" (as defined in the Declaration) located in the City of Lynchburg, Virginia, known as "Cornerstone" shown or established on or by any deed, plat, declaration or other instrument recorded in the Clerk's Office of the Circuit Court of the City of Lynchburg, Virginia by JBO, LLC, a Virginia limited liability company, its successors and/or assigns, (the "Developer"), except the Class B member and "Builders" (as defined in the Declaration). Class A membership shall be appurtenant to a Lot and upon sale, conveyance or other transfer of ownership of a Lot the Class A Membership shall pass to the successive Owner or Owners and shall not otherwise be assigned, transferred, pledged, hypothecated, conveyed, or alienated. Upon the transfer of fee simple title to a Lot or an interest in a Lot, the purchaser or transferee shall give written notice of the transfer to the Secretary of the Association which notice shall contain the name, residence address and mailing address of the transferee and the dated of recordation of the deed, will or other instrument by which such title was transferred. The Board of Director may authorize a form to be used by a transferee of a Lot or an interest in a Lot for the purpose of notice of the transfer.

Class B. The Class B Member shall be the Developer (as defined in the Declaration), or any successor or assignee to whom the Developer assigns any or all of its rights as Developer pursuant to the Declaration by assignment recorded in the land records of the City of Lynchburg, Virginia. Such assignment shall only operate as to the land which is owned by such successor or assignee and which is reference specifically in the instrument of assignment. In the event of the assignment by the Developer of its rights as Developer as to less than all of the land in the Development then owned by the Developer the Class B votes shall be allocated between the Developer and the assignee as agreed by the Developer and

the assignee and stated in the instrument of assignment. The Class B membership and Class B voting rights shall cease upon the earliest of the date that the Developer does not own any vacant or undeveloped land or Lot in the Development or December 31, 2017, whichever occurs first. Thereafter, the Developer shall have Class A membership rights for each Lot which it owns. For the purpose of this provision the term "vacant" shall mean both land with no building erected thereon, and a Lot upon which Developer has erected a building that has not been occupied and used as a residence by a tenant of Developer. Once a building on a Lot has been occupied and used as a residence by a tenant of Developer, Developer shall have Class A membership rights and obligations for such Lot whether or not the Class B membership has ceased.

Section 2. Voting.

Class A Members shall be entitled to one vote for each Lot owned. The vote for any membership held by more than one person may be exercised by any one of them, provided that no objection or protest by any other holder of such membership is made prior to the completion of vote. If such protest is lodged prior to the completion of the vote, the vote for such membership shall not be counted, but the Member whose vote is in dispute shall be counted as present at the meeting for quorum purposes if the protest is lodged at such meeting. In no case may a member be entitled to vote at any meeting who is obligated to the Association for an unpaid assessment or portion thereof as of the date of the meeting.

The Class B Member(s) shall have the number of votes equal to two hundred percent (200%) of the total of the number of Class A votes outstanding at the time the vote is taken. The votes of the Class B Member may be cast at any meeting by any Manager or Member of the Class B Member or by any employee or agent of the Class B Member so authorized by a written authorization or proxy executed by any Member of the Class B Member dated prior to the meeting and filed with the Secretary of the Association at or prior to the convening of the meeting. The authorization or proxy of an employee or agent of the Class B Member to cast the votes of the Class B Member may provide that the authorization or proxy may continue for a specified time or until revoked by a written revocation executed by a Member of the Class B Member filed with the Secretary of the Association.

The votes appertaining to any Lot may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Owner, or, in cases where the Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the persons presiding over the meeting, by the Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, it is purports to be revocable without notice as aforesaid, or if the signatures of those executing the same have not been witnessed by a person who shall have signed his full name and address. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy, and must be filed with the secretary before the appointed time of that meeting.

Section 3. Assessments.

Assessments provided for in the Declaration shall be set by the Board of Directors. Assessment shall be payable at such time and in such installments as the Board of Directors shall determine. During the month of October of each year, the Board of Directors shall determine the amount of Annual Assessment to be assessed for the next fiscal year and the Treasurer shall send to each Class A Member a statement of Annual Assessment due for the next fiscal year and a schedule for payment of such assessment. The Board of Directors shall determine the amount, and a manner of assessment and payment of any Special Assessments. However, no assessment or installment payment of any assessment shall be due and payable by a Class A Member sooner than one month following the date of giving of notice of the assessment to the Member by written notice delivered personally or mailed to the last known address of the intended recipient. Assessments are a debt to the Association. Annual Assessments become incurred as of the first day of each fiscal year and Special Assessments become incurred as of the date adopted by the Board of Directors. However, the Annual Assessment due by a Class A Member upon the initial purchaser of a Lot by a Class A Member from the Developer or a Builder or the Developer or a Builder becoming a Class A Member as to a Lot (as defined in the Declaration) shall be the prorated portion of the Annual Assessment for the fiscal year in which such purchase or event occurs for the period beginning on the date of purchase or the date the Developer or a Builder becomes a Class A member as to a Lot and ending on the last day of the fiscal year.

Section 4. Meetings.

Regular Meetings: The annual membership meeting shall be held on the second Tuesday in November of each year commencing in November, 2008.

Special Meetings: Special membership meetings may be called by the President or the Class B member and shall be called by the Secretary upon a vote of a majority of the members of the Board or receipt of a petition signed by ten or more Class A Members.

Notice: Except as otherwise provided herein, written notice of a meeting shall be mailed by the Secretary no less than ten (10) nor more than sixty (60) days prior to the date of the meeting. The notice of a special meeting shall state the purpose of the meeting and no other business shall be transacted. If an amendment of the articles of incorporation, a plan of merger, the sale, lease, exchange or other disposition of all, or substantially all, of the property of the corporation or the dissolution of the corporation is to be acted upon at a meeting, notice of the meeting shall be mailed by the Secretary no less than twenty-five (25) nor more than sixty (60) days prior to the date of the meeting. Notice to Class A Members shall be given to the Owners who have given notice of their ownership of a Lot in accordance with Article One, Section 1 of these By-Laws.

Record Date: The record date for determination of the Class A Members entitled to notice of a meeting shall be a date that is seventy days before the meeting or other action requiring a vote or determination by the Members.

Members List: The Secretary shall make, at least ten days before each meeting (or such longer period that may be required by applicable law) a complete list of the members, with the address of each, arranged by class of membership. For a period of ten days prior to a meeting (or such longer period that may be required by applicable law) the list of members shall be subject to inspection by any member at any time during usual business hours. The list shall be produced and kept open at each meeting and subject to the inspection of any member during the meeting.

Quorum: The quorum for membership meetings shall be twenty percent (20%) of the members holding votes entitled to be cast at such meeting.

Place, Date and Hour: All meetings of the Corporation, whether of the membership or the Directors, shall be held in the City of Lynchburg at such place, date and hour as may be designated by the person or persons authorized herein to call such meeting.

Section 5: Termination of Membership.

Resignation: No member may resign or unilaterally terminate a membership.

Lapsing: A membership will be considered as lapsed and automatically terminated upon the sale or transfer of legal titled to the Lot to which the membership applies. However, such termination shall not relieve the Member of liability for any unpaid assessment or terminate the lien of the Association upon the Lot for any unpaid assessment except to the extent provided in the Declaration for the sale or transfer of any Lot pursuant to foreclosure of a first priority mortgage or first priority deed of trust.

ARTICLE TWO

DIRECTORS AND OFFICERS

Section 1. Board of Directors.

Number of Directors: Until the Class B membership ceases the number of directors shall be not less than two nor more than four. As of the first annual membership meeting, after the Class B membership ceases, the number of directors shall be seven.

Election: The directors constituting the initial board of directors shall be elected by the incorporator pursuant to Section 13.1-822, Code of Virginia, and shall hold office until the first annual election of directors. The initial board of directors are not required to be members. Upon and after the first annual election of directors the Board shall be comprised of either members in good standing or persons who may or may not be members designated and approved by the Class B Member. Directors shall be elected for terms of one year and shall serve until their successors are duly elected.

Elections Committee: Until the Class B membership ceases, the Board of Directors shall act as the Elections Committee. After the Class B membership ceases, the Board of Directors shall appoint in Elections Committee consisting of a member of the Board of Directors whose term is not then expiring and at least two other Class A Members at least ninety days prior to each annual meeting of the Association. The Elections Committee shall develop election procedures and administer such procedures as are approved by the Board of Directors.

Nominations: Persons qualified to be Directors may be nominated for election only by a nominating petition submitted to the Chairman of the Elections Committee at least thirty-five (35) days before the annual meeting at which the election is to be held signed by either the Class B Member, a member of the Elections Committee, or by Owners representing at least five Lots and either signed by the nominee or accompanied by a document signed by the nominee indicating willingness to serve as a member of the Board of Directors; provided, however, that the additional nominations may be made from the floor at the meeting at which the election is held for each vacancy on the Board of Directors for which no more than one Person has been nominated by petition. The nominee must either be present and consent to the nomination or have indicated in writing the willingness to serve.

Powers and Duties. In addition to the powers and duties set forth in these By-Laws, the Board of Directors shall have and execute all powers and duties granted, authorized or imposed by Chapter 10, Title 13.1, Code of Virginia (The Virginia Non-stock Corporation Act), Section 35.1-42.2(d), 35.1-43.6(c), 35.1-43.9(b) and 35.1-56(c) of the Lynchburg City Code, the Articles of Incorporation and the Declaration.

Section 2. Officers.

Officers and Election: The officers of the Association shall consist of the President, Vice-president, Secretary and Treasurer. Until the Class B membership ceases, the President and Vice-President shall be elected by the Board of Directors and the Secretary and Treasurer shall be designated and appointed by the Class B Member. After the Class B membership ceases, all officers may be, but are not required, to be members, and shall be elected by the Board of Directors at its annual meeting by a majority vote. One person may serve as both Secretary and Treasurer.

President. The President shall be a member of the Board of Directors and shall preside at all meeting of the membership and of the Board and shall perform such other duties as are incident to his or her office or are properly required of him or her by the Board of Directors.

Vice-President: The Vice-president shall be a member of the Board of Directors and shall exercise the authority of the President in his or her absence and perform such other duties as may be assigned to him or her by the President of the Board of Directors.

Secretary: The Secretary shall be responsible for recording the minutes of the membership and Board meetings and maintaining such other records as may be required of

him or her by the President of the Board. He or she shall have charge of the correspondence, notify members of meetings, notify new members of their election to membership, notify officers and directors of their election to office, keep a roll of the members with their addresses, and carry out such other duties incident to his or her office as the President may request or the Board assign. The Secretary is not required to be a member of the Board of Directors.

Treasurer: The Treasurer shall collect and receive all monies due or belonging to the Association. He or she shall deposit the same in a bank designated by the Board in the name of the Association. His or her books shall at all times be open to inspection by the Board and he shall report to them at every meeting the condition of the Association's finances and every item of receipt or payment not before reported; and at the annual membership meeting he or she shall render an account of all monies received and expended during the previous fiscal year. There shall be an annual audit of books as directed by the Board. The Treasurer shall be either a Class A Member in good standing or designated and approved by the Class B member but the Treasurer is not required to be a member of the Board of Directors.

Section 3. Vote Required to Elect.

At any election Directors or Officers the candidate receiving the greatest number of votes for each office shall be declared elected.

Section 4. Meetings.

Annual: The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the membership. At the annual meeting the Board shall elect officers of the Association to serve until their successors are duly elected.

Regular: Regular meeting of the Board of Directors shall be held at least four times in each year. At the annual meeting the, Board of Directors shall establish a schedule of regular meetings. Written notice of each such meetings shall be mailed by the Secretary at least five (5) days prior to the date of the meeting.

Special: Special meetings of the Board may be called by the President, and shall be called by the Secretary upon the receipt of a written request signed by at least two members of the Board. Written notice of such meeting shall be mailed by the Secretary at least five (5) days and not more than ten (10) days prior to the date of the meeting, or telegraphic notice shall be filed at least three (3) days and not more than five (5) days prior to the date of the meeting. Any such notice shall state the purpose of the meeting and no other business shall be transacted thereat.

Quorum: A quorum for a meeting of the Board shall be a majority of the Board.

Section 5. Vacancies.

Any vacancies occurring on the Board or among the officers during the year shall be filled for the unexpired term of office by a majority vote of the Board at its first regular meeting following the creation of such vacancy, or at a special Board meeting called for that purpose; except that a vacancy in the office of the President shall be filled automatically by the Vice-President and the resulting vacancy of in the office of the Vice-President shall be filled by the Board.

Section 6. Compensation.

Except as otherwise provided herein, the directors and officers shall serve without compensation. The Board may authorize the reimbursement of expenses actually incurred by a director or officer in the performance of duties of the office and the members may authorize compensation for either Secretary or Treasurer.

Section 7. Termination.

The election and term of any director or officer who is a Class A Member, other than a director appointed by the Class B Member, shall automatically terminate upon the sale or transfer of legal title to the Lot or all Lots (if the director or officer is the Owner of more than one Lot) to which the membership applies.

ARTICLE THREE

COMMITTEES.

Section 1. Standing Committees.

The Standing Committees shall be the Elections Committee appointed and acting in accordance with Article Two, Section 1, of these By-Laws and the Architectural Review Board appointed and acting in accordance with the Declaration.

Section 2. Other Committees.

In addition to the Elections Committee and the Architectural Review Board, the Board may at any time appoint committees to advance the work of the Association in such matters as the Board may determine.

Section 3. Termination and Replacement.

Subject to the provisions of the Declaration as to the Architectural Review Board, any committee appointment may be terminated by a majority vote of the full membership of the Board upon three days written notice to the appointee; and the Board may appoint successors to those appointees whose services have been terminated.

ARTICLE FOUR
GENERAL PROVISIONS

Section 1. Calendar.

The first fiscal year of the Association shall begin on the later of the date the Association first has a Class A member or January 1, 2008 and end on the 31st day of December, 2008.

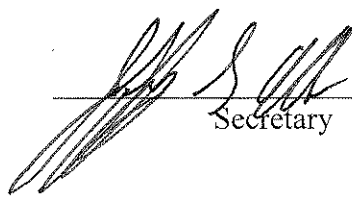
Amendments to the Articles of Incorporation may be proposed by a resolution of the Board of Directors recommending the amendment to the members unless the Board of Directors determines that because of conflict of interests or other special circumstances it should make no recommendation and communicates the basis for its determination to the members. The resolution shall be submitted to the membership at a regular or special meeting. The written notice of the meeting shall contain the date, time and place, and that the purpose of the meeting is to consider the proposed amendment. The notice shall be given to each member not less than twenty-five (25) days nor more than sixty (60) days before the meeting. The amendment shall be adopted upon receiving more than two-thirds (2/3) of all votes entitled to be cast.

Amendments to the By-Laws may be made by a majority vote of the Directors at any meeting at which quorum is present, provided ten (10) days written notice is given to the Directors of any proposed change. The foregoing notwithstanding, By-Laws made by the members may not be altered or repealed by the Board of Directors without the consent of the members. Such consent shall be obtained in the same manner as hereinabove provided for an amendment to the Articles of Incorporation. Any By-Laws made by the Board of Directors may be repealed or changed, and new By-Laws made, by a majority vote of the members.

ARTICLE FIVE
DISSOLUTION

The Association may be dissolved at any time by recommendation of the Board of Directors approved in writing by more than two-thirds (2/3) of the members in good standing. In the event of the dissolution of the Association, whether voluntary or by operation of law, none of the assets of the Association shall be distributed to any member, but after payment of all lawful debts of the Association, its property and assets shall be given to a charitable organization or organizations of the kind described in Section 501 of the Internal Revenue Code of 1954, such organization or organizations to be selected by the Board of Directors.

Adopted by unanimous consent in writing of the Incorporator, the Developer and Board of Directors of Cornerstone Property Owners Association as of the 5th day of October, 2007.


Secretary

BOOK OF RESOLUTIONS

RULES AND REGULATIONS

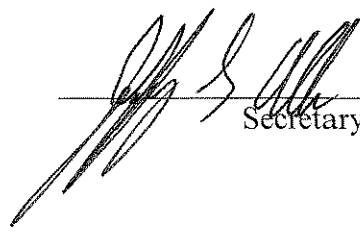
CORNERSTONE PROPERTY OWNERS ASSOCIATION

These Rules and Regulations are adopted in accordance with and are subject to the Articles of Incorporation of Cornerstone Property Owners Association (the "Association"), a Declaration of Covenants and Restrictions for Cornerstone ("Declaration"), dated October 1, 2007, recorded in the Clerk's Office of the Circuit Court of the City of Lynchburg, Virginia, as Instrument Number 070009951, and the By-Laws of the Association and all amendments and supplements thereto. In case of any conflict between these Rules and Regulations and the Articles of Incorporation, the Declaration, or the By-Laws, the Articles of Incorporation, Declaration or By-Laws shall control.

1. Vehicles and Parking.
 - (a) No portion of the Development shall be used for the repair of motor vehicles other than routine cleaning.
 - (b) No unregistered motor vehicles or motor vehicles with expired regulation or state inspections may be parked in the Development.
 - (c) No commercial truck/trailer or similar property shall be regularly parked on any lot. Boats, recreational vehicles, camping trailers and the like may be parked only in the back yard or in closed garages, and they shall not be used for residential purpose. No boat, recreational vehicle, camping trailer and the like exceeding twenty-five (25) feet in overall length may be parked or stored on any lot.
2. Pets. Subject to the limitations as may from time to time be set by the Board of Directors, not more than two generally recognized house pets may be kept and maintained in a Lot, provided such pets are not kept or maintained for breeding or commercial purposes. All pets must be kept under the control of their owner when they are outside the Lot, must not become a nuisance to other residents, and must be in compliance with all applicable ordinances of the City of Lynchburg. No pen, kennel, house or other facility for the occupancy or confinement of a pet shall be maintained or used on a Lot.
3. Clothes-Drying Equipment. No exterior clotheslines or other exterior clothes-Drying apparatus shall be permitted on any Lot, unless approved by the Board of Directors. It is contemplated that no exterior clotheslines or other exterior clothes-drying apparatus will be permitted.

4. Trash and Garbage.
 - (a) Owners or occupants of Lots shall keep and store all trash and garbage inside the dwelling or garage on a Lot. On days designated for collection by the City of Lynchburg, trash shall be placed at the street line in front of each Lot as directed by the City of Lynchburg in containers approved by the City of Lynchburg.
 - (b) No trash, leaves, paper, wood or similar material may be burned on any Lot or Common Area. This shall not apply to material or debris from construction that may be burned by Declarant or a Builder on a vacant Lot or area of the Development in which there are not occupied Lots.
5. Quite Enjoyment/Nuisances.
 - a. No loud noise or loud music shall be permitted.
6. Outdoor Facilities Activities.
 - a. No early morning/late hour noises shall be permitted.
7. Mailboxes and Newspapers Tubes. The Declarant or the Association may erect Structures or facilities for mailboxes and newspaper tubes to be maintained by the Association that each Lot shall be required to use. Such structures or facilities shall also have a blank surface suitable for the posting of notices and messages to and among members and the Board of Directors. Otherwise, only mailboxes and newspaper tubes meeting design standards established by the Board of Directors shall be permitted.
8. Flags. No free standing pole or other structure for the display of flags may be Erected or maintained on any Lot. One flag of not more than 3 feet by 4 feet in size may be displayed on a pole of not more than 6 feet in length affixed to the front or rear of a dwelling or garage on a Lot. Official flags of the United States of America and the Commonwealth of Virginia may be displayed without further permission. Otherwise, flags must be approved by the Board of Directors or a person or committee authorized by the Board to review and approve flags before it can be displayed.
9. Communications Among Members and the Board of Directors. If there is a structure or facility erected for mailboxes, Members may post messages and communications to other members or directors at the structure containing the mailbox of the receiving member or director. The Board of Directors may also designate one or more officers or members of the Association living in the Development to receive communications to the Board at the residence of the designated person during such hours as the Board of Directors may from time to time specify in a notice mailed or delivered to all Owners and the Declarant.

Adopted by unanimous consent in writing of the Board of Directors of Cornerstone Property Owners Association as of the 5th day of October, 2007.



Secretary

CORNERSTONE PROPERTY OWNERS ASSOCIATION

ARCHITECTURAL STANDARDS

The Architectural Review Board of the Cornerstone Property Owners Association (the "Association") has adopted the following architectural and design standards for dwellings constructed on Lots in Cornerstone:

1. All building and site plans must be submitted to the Architectural Review Board for prior written approval. Plans shall include design, elevations, building materials, exterior lighting, signage and exterior grading, landscaping and design.
2. All changes to building size, shape, exterior finish or materials and Lot or site grading or landscaping must be approved in advance by the Architectural Review Board.
3. Landscaping site plans must be approved in advance by the New Construction Panel.
4. Exposed soil areas shall be sod and landscaped, maintained in good condition and kept clean and free of debris and trash.
5. No unpainted treated material other than exterior decking and joists can be visible from any elevation. All decks and porches should be wrapped in white painted skirts or white aluminum.
6. White vinyl porch rails should be used on all decks and porches.
7. All front steps should be solid masonry (no treated pine).
8. Driveways and sidewalks will be in accordance with Declaration.
9. Dimensional shingles are to be used.
10. All buildings and structures must be finished to grade. There are to be no exposed concrete foundations.
11. Roof water drainage must be designed to not run onto adjacent lots.
12. Lot Owners must maintain all sanitary sewer lines in good condition and free of leaks and obstructions from any building on a Lot to the connection of the line with the City of Lynchburg public sanitary sewer line at a point designated by the City, as appropriate.
13. Leases. All owners shall furnish their tenants a copy of the Declaration and the Rules and Regulations of the Association. All leases shall contain language acknowledging receipt of these documents signed by the tenant and a copy of the lease shall be given to the Board of Directors.

14. Nuisances. No Owner or occupant of a Living Unit shall engage in, create or Permit any activity of condition in a Living Unit, Lot or Common Area which shall create or emit any odor or noise of sufficient strength or volume to be perceptible or disturbing beyond a reasonable manner in another Living Unit or otherwise interfere with the rights, comforts or convenience of the occupants of other Living Units. The volume of any radio, television, musical instrument or other sound producing device in a Living Unit shall be kept sufficiently reduced at all times so as not to disturb the occupants of any other Living Unit. This shall not apply to temporary situations involving construction, cleaning or repair of a Living Unit on a Lot or landscaping or improvements with Common Area during normal business hours.

15. Disc type antennae eighteen (18) inches or less in diameter may be placed on the roof of a building and screened by material architecturally compatible with the building or placed in a position not visible from the abutting street or the Common Area. All antennae and screening design and placement must be compatible with the design and appearance of the Development and approved by the Architectural Review Board before installation. No antennae more than eighteen (18) inches in diameter may be placed on any lot without approval of the Architectural Review Board.

16. All construction is subject to all easements, conditions, restrictions and agreements applicable to Cornerstone.

Construction Practices

17. There will be no loud music played on site.

18. The Lot must be kept reasonably clean at all times. Construction materials, tools and equipment shall be kept and stored in an orderly fashion when construction is not actually being conducted on the Lot.

19. Houses started will have 120 days to complete their exterior package.

20. Walk boards from street to house are recommended to help access the site for customers and realtors.

The foregoing Architectural Standards were adopted by unanimous consent in writing of the Board of Directors of the Cornerstone Property Owners Association as of

Secretary

070009951

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PARCEL ID #26315001

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Lynchburg, Va., 24503

DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS AND RESTRICTIONS ("Declaration") is made this 1st day of October, 2007, by JBO, LLC, a Virginia limited liability company, hereinafter "Developer", and CORNERSTONE PROPERTY OWNERS ASSOCIATION, hereinafter "Association".

WITNESSETH:

WHEREAS, the Development is part of a Traditional Neighborhood Development, known as Cornerstone Traditional Neighborhood Development which will contain residential, office, retail, civic and related uses as defined and established pursuant to Sections 35.1-43.5 through 35.1-43.13 of the Lynchburg City Code and a resolution of the Council of the City of Lynchburg adopted June 27, 2006, approving a Conditional Use Permit ("CUP") for the Developer to construct a Traditional Neighborhood Development ("TND"), subject to conditions set forth in said resolution, all of which are and shall remain binding upon the Development and the Developer, the Association (as hereafter defined) and their respective successors in title, assignees, subsidiaries and affiliates; and

WHEREAS, in order to provide for the preservation and maintenance of Common Area shown on the plat described on Exhibit A and improvements thereon and any additional Common Areas and Capital Components hereafter made subject to this Declaration or any Supplemental Declaration, and to provide for the orderly and cohesive construction and maintenance of the Development limits and the Cornerstone Neighborhood Development, the Developer desires to subject the Development to the covenants, restrictions, easements, charges, and liens of this Declaration of Covenants and Restrictions, said covenants, restrictions, easements, conditions, and charges running with the real property within the Development; and

WHEREAS, pursuant to Sections 35.1-43.6(c) and 35.1-56(c) of the Lynchburg City Code, and § 13.1-814.1, Code of Virginia, the Developer has incorporated the Association under the laws of the Commonwealth of Virginia as a "community association" to provide a means for meeting the purposes and intents herein set forth.

NOW, THEREFORE, Developer does hereby grant, establish, and

convey to each Owner mutual nonexclusive rights, privileges, and easements of enjoyment on equal terms in common with all other Owners in and to the use of the Common Area and facilities; and does hereby declare the above-described real property to be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, conditions, charges, and liens (hereinafter referred to as "Covenants and Restrictions"), hereinafter set forth, which are for the purpose of protecting the value and desirability of, and shall run with, the real property and be binding on all parties having any right, title, or interest in the above-described real property or any portions thereof, their successors and assigns, and shall inure to the benefit of each Owner thereof.

AND FURTHER, the Developer hereby delegates and assigns to the Association the powers of owning, maintaining, and administering Common Area, administering and enforcing the Covenants and Restrictions, collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, health, safety, and welfare of the residents.

ARTICLE I

DEFINITIONS

Unless the context clearly indicates to the contrary, the terms listed below shall be construed in accordance with the following definitions:

Section 1. "Approval" shall mean and refer to the issuance by any public agency of written approval, or any written waiver of approval rights, or a formal letter stating "no objection."

Section 2. "Assessable Unit" shall mean and refer to any real property within the Properties which is subject to assessments, as provided in Article V.

Section 3. "Association" shall mean and refer to Cornerstone Property owners Association, its successors and assigns.

Section 4. "Book of Resolutions" shall mean and refer to the document containing the rules and regulations and policies of the Association as they may from time to time be amended.

Section 5. "Builder" shall mean and refer to a person or entity which acquires a portion of the Properties for the purpose of improving such portion for resale to Owners or for lease to tenants.

Section 6. "Common Areas" shall mean and refer to all portions of

the Properties and all interests therein, including easements and improvements thereon, owned or leased by the Association for the use and enjoyment of the Members.

Section 7. "Declaration" shall mean and refer to this Declaration of Covenants and Restrictions and all other provisions herein set forth in this entire document, as the same may from time to time be amended by Supplementary Declaration.

Section 8. "Developer" shall mean and refer to JBO, LLC, a Virginia limited liability company, its successors and assigns; provided, however, that no successor or assignee of the Developer shall have any rights or obligations of the Developer hereunder unless such rights and obligations are specifically assigned by JBO, LLC, a Virginia limited liability company, by document recorded on these land records or unless said rights and obligations of the Developer inure to the successor of JBO, LLC, a Virginia limited liability company, by operation of law. The rights and obligations set forth herein of the Developer, shall cease when new Living Unit construction within the Development Limits land has been completed, or after five (5) years have lapsed since the recordation of the last Supplementary Declaration among the land records of City of Lynchburg, Virginia, whichever is sooner.

Section 9. "Development Limits" shall mean and refer to the total of potential land which may become a part of the Properties as depicted on Exhibit A, which is attached hereto and incorporated herein by reference.

Section 10. "Federal Mortgage Agencies" shall mean and refer to those Federal Agencies that have an interest in the Properties, including but not limited to the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Association, or successors to their interests.

Section 11. "First Mortgagee" shall mean and refer to an Institutional lender who holds the first deed of trust on a Lot or Living Unit and who has notified the Association in writing of its interest in the Lot or Living Unit.

Section 12. "Founding Documents" shall mean and refer to the Articles of Incorporation of the Association, this Declaration, the Supplementary Declaration, or amendments to this Declaration, and the Bylaws of the Association, all as initially drawn by the Developer and filed or recorded as the case may be, and all as may be duly amended from time to time.

Section 13. "Governing Documents" shall mean and refer collectively

and severally to the Founding Documents and the Book of Resolutions as such may be amended from time to time.

Section 14. "Institutional Lender" shall mean and refer to one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds, or business trusts, including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such a lender, or any private or governmental institution which has insured a loan of such a lender, or any combination of any of the foregoing entities.

Section 15. "Living Unit" shall mean and refer to any structure or portion of a structure situated upon the Properties designed, intended, and with the appropriate approvals, including a residential use permit, for use and occupancy as a residence by a Single Family..

Section 16. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Properties (with the exception of Common Area as heretofore defined), including (i) any Condominium unit created on the Properties under the Condominium Act of Virginia, as such may be amended from time to time, (ii) any unit created under the Real Estate Co-Operative Act of Virginia, as amended from time to time, located within the Properties, or (iii) any other parcel within the Properties zoned for multi-family use and upon which a Multi-Family Rental Structure is built or is to be built.

Section 17. "Members" shall mean and refer to Members of the Association, each of whom shall be the Owner of a Lot or the Occupant of a Living Unit..

Section 18. "Multi-Family Rental Structure" shall mean and refer to a structure owned by a single entity, constructed on land zoned for multi-family use as a multi-family structure with two or more Living Units under one roof.

Section 19. "Neighborhood" shall mean and refer to separate residential areas designated by Supplementary Declaration. For example, and by way of illustration and not limitation, a condominium development, an apartment complex, a single-family detached home subdivision, and a townhouse subdivision may each be designated as separate Neighborhoods. If separate Neighborhood status is desired, the Developer shall designate in a supplementary Declaration to this Declaration that such section shall constitute a separate Neighborhood.

Section 20. "Neighborhood Common Areas" shall mean and refer to portions of the Common Areas which are designated as Neighborhood

Common Areas in the Governing Documents and which are for the primary use and enjoyment of Members residing in such Neighborhood.

Section 21. "Notice" shall mean and refer to (i) written notice delivered personally or mailed to the last known address of the intended recipient; or (ii) notices published at least once a week for two consecutive weeks in a newspaper having general circulation in the City of Lynchburg, Virginia; or (iii) notice published in two consecutive issues of the newsletter of the Association which is delivered personally or mailed to the address of each occupied Living Unit.

Section 22. "Occupant" shall mean and refer to a resident of a living Unit who is the Owner, contract purchaser, or lessee or sublessee who holds a written lease having an initial term of at least twelve (12) months. There shall be only one Occupant per Living Unit for the purposes of this Declaration, although the Living Unit may house several individuals.

Section 23. "Owner" shall mean and refer to the record holder of the fee simple title to any Lot, whether referring to one person or entity or collectively to more than one person or entity who have joint ownership of a Lot, including contract Sellers; the term "Owner" shall not include those having an interest merely as security for the performance of an obligation.

Section 24. "Properties" shall mean and refer to the all real property which is hereby subjected to the Declaration, together with such other real property as may from time to time be annexed thereto in accordance with Article II hereof.

Section 25. "Quorum of Members" shall mean and refer to the representation at a duly called meeting of the Members by presence or proxy of Members who hold at least sixty percent (60%) of the outstanding Class A votes, and the representation by presence or proxy of the Class B Member, so long as it shall exist. In the event a "Quorum of Members" is not present at a duly called meeting of the Members, no action may be taken which requires the vote of a Quorum of Members. At the next duly called meeting of the Members after failure of the attending Members at the previous meeting to constitute a quorum, the quorum requirement shall be at least thirty percent (30%) of the outstanding Class A votes and the representation by presence or proxy of the Class B Member, so long as it shall exist, provided that in order for the reduced quorum requirement to apply, the purpose of the meeting as recited in the notice given to all Members is the same as the purpose recited in the notice of the preceding meeting at which no quorum was present.

Section 26. "Registered Notice" shall mean and refer to any Notice which has been sent by Registered U.S. Mail, return receipt requested, to the last known address of the intended recipient and which has been signed for or

has been certified by the U.S. Postal Service that delivery was attempted at the aforementioned address. Failure by refusal of an intended recipient to acknowledge or accept such Notice shall nevertheless constitute receipt.

Section 27. "Single Family" shall mean and refer to a single housekeeping unit which includes not more than three adults who are not legally related.

Section 28. "Supplementary Declaration" shall mean and refer to any declaration of covenants, conditions, and restrictions which may be recorded by the Developer, which expands the Properties beyond the land which is initially subjected to the Declaration and/or grants to a portion of the Properties separate Neighborhood status as is herein defined.

Section 29. "Town Recreational Center" shall mean and refer to the recreational community facility to be constructed within the Development Limits, the location of which shall be designated by Supplementary Declaration. The town Recreational Center shall be open to use by members under regulation of the Board of Trustees and shall be open to nonmembers when scheduled and prescribed by the Governmental Agencies of the City of Lynchburg, Virginia and subject to rules, regulations, and user fees prescribed by the Board of Directors.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS

THERE TO

Section 1. The "Properties." The Properties are and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration.

Section 2. Additions to the Properties. Additional properties may become subject to this Declaration in the following manner:

(a) Additions by the Developer shall have the unilateral right subject to the Declaration to add any additional property which lies within the Development Limits, provided that not more than fifteen (15) years have lapsed since the recordation of the last Supplementary Declaration among the land records of City of Lynchburg, Virginia.

The Supplementary Declaration which subjects additional property within the Development Limits to the Declaration shall describe the real property to be annexed to the scheme of this Declaration and shall state that it is being made pursuant to the terms of this Declaration for the purpose of annexing the property described in the Supplementary Declaration to the

scheme of this Declaration and extending the jurisdiction of the Association to cover the real estate so described in such Supplementary Declaration. The Supplementary Declaration may contain such complementary additions and modifications to this Declaration as may be necessary to reflect the different character, if any, of the real property being annexed or the various housing or community style characteristics and development approaches to which the annexed land or parts thereof may be subject, all of which may be significantly at variance with other portions of the Properties, but all of which shall be consistent in quality with the improvements constructed on the Properties.

(b) Other Additions. Additional land, other than that land lying within the Development Limits, may be annexed to the Properties upon approval of sixty-seven percent (67%) of the Class A Members and the Class B member, if Class B membership has not ceased.

The additions authorized under subsections (a) and (b) shall be made by complying with the requirements of the applicable City Zoning ordinances; by securing the Approval of the Federal Mortgage Agencies, if required; by recording on these land records one or more Supplementary Declarations of covenants and restrictions with respect to the additional property; and by filing with the Association the preliminary plat for such additions.

Section 3. The Development Limits Land.

(a) Purpose. The land set forth within the Development Limits is the maximum limit to which the Properties can be expanded without the approvals referenced in Article II, Section 2(b) above. The Development Limits are merely a limit on the unilateral expansion of the Properties by the Developer and shall not bind the Developer to add to the Properties any or all of the lands which are shown on the Development Limits, nor to improve any portion of such lands unless and until a Supplementary Declaration is filed by the Developer for such property which subjects it to this Declaration. Thereupon, the Developer shall then be obligated to complete development of the portion of the Properties annexed by the Supplementary Declaration.

(b) Unsubmitted Land. The Developer hereby reserves the right to develop the land in the Development Limits and not yet submitted to this Declaration, as desired by the Developer in response to changes in technological, economic, environmental, or social conditions related to the development or marketing of the land or to changes in requirements of government agencies and financial institutions.

Section 4. Merger. In accordance with its Articles of Incorporation, the real estate, personalty, rights, and obligations of the Association may by

operation of law be transferred to another surviving or consolidated association similar in corporate nature and purposes. Similarly, the real estate, personalty, rights, and obligations of an association similar in corporate nature and purposes to the Association may by operation of law be added to the property, rights, and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change, or addition to the Covenants established by this Declaration with the Properties except as hereinafter provided. Such merger or consolidation shall require the affirmative vote of sixty-seven percent (67%) of the Class A Members and the approval of the Class B member, if Class B membership has not ceased.

ARTICLE III

THE ASSOCIATION

Section 1. Organization.

(a) The Association. The Association is a nonprofit, nonstock corporation organized and existing under the laws of Virginia and charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as such may be amended from time to time, provided no other Governing Documents shall be amended for any reason or otherwise changed or interpreted so as to be inconsistent with this Declaration.

(b) Institutional Plan. As the operating responsibilities of the Association expand from those related to the Properties as originally constituted, to those required after the full development of the uses in the community of Cornerstone, this Declaration and the Governing Documents shall guide the controlled and orderly evolution of the Association into a comprehensive community institution with two (2) operating and administrative levels, each with associated membership rights and assessment obligations:

(1) Neighborhood Level refers to the administrative and operational activities construed to be of material benefit primarily to Members within a single Neighborhood. A Neighborhood shall be established by recording a Supplementary Declaration which sets forth its boundaries, purposes, membership, constituency, and the rights and obligations of Members within the Neighborhood which may be unique to such Neighborhood. A Neighborhood Board, consisting of 3 to 7 members, shall be established for each Neighborhood in accordance with the Bylaws and shall serve to advise the Board of Trustees on matters pertaining to such

Neighborhood.

(2) Community Level refers to the administrative and operational activities construed to be of material benefit to the Members at large without respect to the type or location of Living Unit or Lot to which their membership is appurtenant.

(c) Subsidiary Associations. The Association shall have the right to form one or more subsidiary corporations for any purpose or purposes deemed appropriate by a majority vote of the Board of Trustees. Without limiting the generality of the foregoing, one or more subsidiary corporation may be formed for the operation and maintenance of any specific area or to perform any function within the Properties; however, such subsidiary corporation shall be subject to this Declaration and may not take any action to lessen or abate the rights of the Members.

Section 2. Membership.

(a) Basis. Membership shall be appurtenant to the Lot, Living Unit, or portion of the Properties giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except as provided in the Governing Documents.

(b) Member's Rights and Duties. Each Member shall have the rights, duties, and obligations set forth in the Governing Documents.

(c) Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners except the Class B Member. Class A Members shall be entitled to one vote for each Lot owned, except an Owner of a Lot on which a Multi-Family Rental Structure is constructed shall be entitled to one vote for each occupied Living Unit within such structure.

Class B. The Class B Member shall be the Developer, or any successor or assignee to whom the Developer assigns any or all of its rights as Developer pursuant to this Declaration by assignment recorded in the land records of the City of Lynchburg, Virginia. Such assignment shall only operate as to the land which is owned by such successor or assignee and which is referenced specifically in the instrument of assignment. The Class B Member shall have the number of votes equal to the two hundred percent (200%) of the total of Class A votes outstanding at the time the vote is taken. In the event of the assignment by the Developer of its rights hereunder as to less than all of the land in the Development then owned by the Developer, the

Class B votes shall be allocated as agreed upon by Developer and the Assignee.

The Class B membership and Class B voting rights shall cease upon the earlier of the following events: when it is no longer an Owner or on December 31, 2017. Thereafter, the Developer shall have Class A membership rights for each Lot which it owns.

(d) Exercise of Vote. The vote for any membership which is held by more than one person may be exercised by any one of them, provided that no objection or protest by any other holder of such membership is made prior to the completion of a vote. If such protest is lodged prior to the completion of the vote, the vote for such membership shall not be counted, but the Member whose vote is in dispute shall be counted as present at the meeting for quorum purposes if the protest is lodged at such meeting.

Section 3. Board of Directors.

(a) Composition. The number of Directors and method of selection of Directors shall be as provided in the Bylaws; provided, however, that the Developer, until its rights as Developer cease, shall be entitled to appoint at least two (2) Directors.

(b) Extent of Power.

(1) The Board of Directors shall have all powers to conduct the affairs of the Association which are enabled by law or the Founding Documents and which are not specifically reserved to Members or the Developer by said Documents.

(2) The Board of Directors shall exercise its powers in accordance with the Governing Documents.

(c) Powers and Duties. By way of example and without limiting the generality thereof, the Board shall have the power and obligation to perform the following duties:

(1) Real and Personal Property. To acquire, own, hold, improve, maintain, manage, lease, pledge, convey, transfer, or dedicate real or personal property for the benefit of the Members in connection with the affairs of the Association, except the acquisition, mortgaging, or disposal of Common Area and/or improvements shall be subject to the provisions of ARTICLES II and IV of this Declaration; and

(2) Rule Making. To establish rules and regulations for the

use of property as provided in Articles IV and VI and to review, modify, and approve architectural standards adopted by the Architectural Review Board; and

(3) Assessments. To fix, levy, and collect assessments as provided in ARTICLE V; and

(4) Easements. To grant and convey easements over and across the Common Area as may become necessary and as provided in ARTICLE VII; and

(5) Employment of Agents. To employ, enter into contracts with, delegate authority to, and supervise such persons or entities as may be appropriate to manage, conduct, and perform the business obligations and duties of the Association; and

(6) Mergers/Consolidations. To participate in mergers and consolidations with other corporations as provided in Article II; and

(7) Enforcement of Governing Documents. To perform acts, as may be reasonably necessary or appropriate, including bringing suit, causing a lien to be filed or enforced, suspending membership rights, or enforcing or effectuating any of the provisions of the Governing Documents.

(8) Town Recreational Center And Park. To maintain and regulate the use of the Town Recreational Center and Park and to set reasonable fees, for the use of the Town Recreational Center by Members and fees for the use of the Town Center by nonmembers.

Section 4. The Architectural Review Board.

(a) Composition. Until the Developer's rights cease, the Architectural Review Board shall be composed of:

(1) A New Construction Panel, composed of three Members appointed by the Developer; and

(2) A Modification and Change Panel, composed of three or more Members appointed by the Board of Directors.

When the Developer's rights as Developer cease, the Architectural Review Board shall consist of three or more persons who shall be appointed by the Board of Directors as provided in the Bylaws.

(b) Powers and Duties. The Architectural Review Board shall regulate

the external design, appearance, and location of improvements located on the Properties in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. In furtherance thereof, the Architectural Review Board shall:

(1) Review and approve, modify, or disapprove written applications of Owners and of the Association for improvements or additions to Lots, Living Units, or Common Areas of any disapprovals of applications shall be by Registered Notice. Approvals shall be sent by regular mail. During the period the Board is composed of the panels described above, the New Construction Panel shall act with respect to initial improvements to the Common Areas and Lots; the Modification and Change Panel shall act with respect only to modification and changes to all the Common Areas and Lots, including improvements thereon. All applications for modifications or changes to a Lot which are not in accordance with the original approved plan for such Lot or which do not meet the adopted standards shall be acted upon with the comments of the Neighborhood Board in the Neighborhood where the Lot in questions is located;

(2) Monitor Lots for compliance with architectural standards and approved plans for alteration in accordance with the Bylaws and Book of Resolutions;

(3) Adopt architectural standards subject to the confirmation of the Board of Directors; and

(4) Adopt procedures for the exercise of its duties and enter them in the Book of Resolutions.

(d) Failure to Act, In the event the Architectural Review Board fails to approve, modify, or disapprove, in writing, a correctly filed application within forty-five (45) days, approval will be deemed granted. Notification of total or partial disapproval shall include the reasons for such disapproval. Failure of the Architectural Review Board or the Board of Directors to enforce the architectural standards or to notify an Owner of noncompliance with architectural standards or approved plans for any period of time shall not constitute a waiver by the Architectural Review Board or the Board of Directors of the enforcement of this Declaration at any later date.

(e) Appeal. An applicant may appeal an adverse decision of the Modification and Change Panel to the Board of Directors, which may reverse or modify such decision.

Section 5. Fidelity Bonds. The Association shall obtain fidelity coverage against dishonest acts on the part of Directors, officers, managers, employees, or agents responsible for handling funds collected and held for the benefit of the Association as required by the Federal Mortgage Agencies.

Section 6. Insurance. The Association shall maintain hazard insurance policies for 100% of the replacement cost of any improvements on the Common Areas and a comprehensive policy of public liability insurance covering the Common Areas as required by the Federal Mortgage Agencies. In the event the Association shall fail to maintain insurance for the Common Areas or shall allow insurance coverage to lapse, one or more of the First Mortgagees shall have the right upon reasonable notice to the Association to obtain such insurance and to advance premiums on behalf of the Association. The Association shall reimburse such First Mortgagees for premiums advanced..

ARTICLE IV

COMMON AREA

Section 1. Obligations of the Association. The Association, subject to the rights of the Members set forth in this Declaration, shall be responsible for the management and control for the benefit of the Members of the Common Areas conveyed to it, including the Town Recreational Center and Park, private streets, and all improvements thereon (including street lights, furnishings, and equipment related thereto), and shall keep the same in good, clean, attractive, and sanitary condition, order and repair in compliance with standards contained in the Book of Resolutions, which shall include snow removal from streets owned by the Association. The Association shall further be responsible for the maintenance of grass areas and street lights within the Common Areas and within public rights-of-way and of pathway underpasses within the Properties and for garbage removal from the Property.

Section 2. Easement of Enjoyment.

(a) Common Area. Subject to the provisions herein, every Owner shall have a right and nonexclusive easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to every Lot, and every member shall have a right of enjoyment to the Common Areas.

(b) Neighborhood Common Areas. Neighborhood Common Areas shall be conveyed to the Association subject to the Supplementary Declaration(s) for the primary use, enjoyment, benefit, and convenience of the Owners of Lots within such Neighborhoods, or as specified in such Supplementary Declaration. Every Owner of a Lot designated in a

Supplementary Declaration as being vested with the privilege to use and enjoy a specific neighborhood Common Area shall have a priority right and nonexclusive easement to use and enjoy a specified Neighborhood Common Area, and such easements shall be appurtenant to and shall pass with the title to every such Lot so privileged.

Section 3. Extent of Members' Easement. The Members' easement of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to establish reasonable admission and other fees for the use of the Common Areas, including the Town Recreational Center and Park, and for the use of the Neighborhood Common Areas, including the right to require or charge admission and other fees for the use of a Neighborhood Common Area by a Member who does not own a Lot within the Neighborhood served by such Neighborhood Common Area;

(b) The right of the Association to suspend the right of a Member to use the recreational facilities for any period during which any assessment against his Lot or Living Unit remains unpaid for more than thirty (30) days after notice until such default has been remedied; the right of the Association to suspend the right of a Member to use the recreational facilities for a period not to exceed sixty (60) days for each other infraction of the Governing Documents;

(c) The right of the Association to mortgage any or all of the Common Area with the assent of sixty-seven percent (67%) of the Class A Members, the approval of the Class B member, so long as the Class B Member shall exist, and the consent of fifty-one percent (51%) of the First Mortgagees. In the event of a default upon any mortgage, the lender's rights hereunder shall be limited to a right, after taking possession of such properties, to charge reasonable admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored;

(d) The right of the Association to convey, or transfer, all or any part of the Common Areas, subject to the prior approval of the City of Lynchburg and the assent of sixty-seven percent (67%) of the Class A Members, the approval of the Class B member, and the consent of fifty-one percent (51%) of the First Mortgagees;

(e) The right of the Association to license portions of the Common Area to Members on a uniform, nonpreferential basis;

(f) The right of the Association to regulate the use of the Common

Areas for the benefit of Members;

(g) The right of the Association to establish rules and regulations and fees for the use of the Common Areas, including use of the Town Recreational Center and Park by members and nonmembers;

(h) The right of the Association, at any time or times, consistent with the ten existing zoning ordinances of City, and pursuant to a recorded subdivision or resubdivision plat, to transfer part of the Common Areas to or at the direction of the Developer for the purpose of adjusting Lot lines or otherwise connection with the orderly subdivision and development of the Properties, provided that:

(1) such transfer shall not reduce the portion of the Properties required by the City of Lynchburg, Virginia to be set aside for open space at the time of the transfer,

(2) the Developer shall transfer to the Association as Common Area such portion of the Properties as is necessary to maintain the total acreage designated as Common Area at that level existing at the time of the transfer,

(3) all Lots which were adjacent to Common Area prior to such transfer shall remain adjacent to Common Area after such transfer; and

(4) the adjustment shall not materially alter the Common Area.

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

Section 5. Title to Common Area. The Developer hereby covenants that areas designated as Open Space, which the Developer conveys to the Association as Common Areas or to a governmental agency as parkland, shall be free and clear of liens and financial encumbrances at the time of conveyance. In the event a lien or encumbrance shall attach to all or a portion of the Common Areas, one or more of the lienholders and/or mortgagees shall have the right to discharge said lien or encumbrance after reasonable notice to the Association and to seek reimbursement for amounts paid to discharge the lien or encumbrance.

ARTICLE V

COVENANT FOR 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 such Annual and Special Assessments as are established herein and paid in the manner hereinafter provided.

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 the assessment fell due and shall not pass as a personal obligation to his successor in title unless expressly assumed by them. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Living Unit or Lot.

Section 2. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust. Sale or transfer of any Assessable Unit shall not affect the assessment lien. However, the sale or transfer of any Assessable Unit pursuant to foreclosure of a first mortgage or first deed of trust or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Assessable Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 3. Method of Assessment. All assessments shall be levied by the Association against Assessable Units, and collected and disbursed by the Association. The Board of Directors shall fix the amount of the assessments as provided hereinafter and set the dates such assessments shall become due.

Section 4. Annual Assessments. Annual Assessments shall consist of General Assessments, and Neighborhood Assessments, and shall be payable on a schedule determined by the Association.

(a) General Assessments.

(1) Purpose. The General Assessment shall be used exclusively to promote the health, safety, and welfare of the Members of the Association as a whole and in particular to improve, maintain, and operate

the Common Areas and facilities, and shall include the funding of appropriate reserves for future maintenance, repair, and replacement.

(2) Basis for Assessment. For General Assessment purposes, three classes of Assessable Units, all of which shall be assessed at a uniform rate within each class, all being Units upon sale and conveyance by the Developer to be subject to General Assessment or has been purchased from Developer within the preceding twelve (12) months but has not been converted to Class I Units provided however Developer is exempt therefrom.

Class I: All Living Units upon sale and conveyance by Developer shall be subject to a General Assessment of one hundred percent (100%) of the General Assessment rate. The Owner of a Lot on which a Multi-Family rental structure is constructed shall pay the general assessment for each Living Unit within the Multi-Family rental structure which is or has been occupied.

Class II. Living Units which have not been occupied by a Single Family shall be assessed at twenty-five percent (25%) of the General Assessment rate for each Living Unit to be constructed on such Lot or has been purchased from Developer with the preceding twelve (12) months but has not been converted to Class I herein.

Class III. All Lots which are not otherwise assessable under the Class I or Class II provisions shall be assessed at twenty-five percent (25%) of the General Assessment rate provided however Developer is exempt therefrom.

(3) Maximum,. Until the first day of the fiscal year following commencement of assessments, the maximum General Assessment rate for one year shall be \$1,200.00, which shall be in addition to any Neighborhood Assessments.

(4) Change in Maximum. From and after the first day of the fiscal year immediately following the commencement of assessments, the Board of Directors may increase the maximum each year by the greater of:

(i) a factor of not more than ten percent (10%) of the maximum for the current fiscal year; or,

(ii) the percentage increase, if any, over the twelve (12) month period ending five (5) months prior to the start of the fiscal year, in the Consumer Price Index, or equivalent, as published by the U.S. Labor Department for the Metropolitan Washington area; such increase shall become effective the first day of the next fiscal year. From and after the first day of the fiscal year immediately following the commencement of assessments, the maximum may be increased above the amount which can be set by the Board with the affirmative vote of sixty-seven percent (67%) of the

Class A Members who are present and voting, in person or by proxy, at a meeting at which a Quorum of Members is present, and with the consent of the Class B Member, if Class B membership has not ceased.

(5) Date of Commencement of Annual Assessments.

The first Annual Assessments provided for herein shall commence as to a Lot within a Neighborhood on the first day of the month following the issuance of a Certificate of Occupancy or on the first day of the month following the recording of the Supplementary Declaration establishing the Neighborhood, whichever occurs last.

(b) Neighborhood Assessments.

(1) Purpose. Neighborhood Assessments levied by the Association upon the Lots within a neighborhood shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of such Neighborhood, the improvement, operation, and maintenance of the Neighborhood Common Area, the payment of proper expenses of the Association insofar as such expenses are directly related to the Neighborhood, the establishment of reasonable reserves for the maintenance, repair, and replacement of other capital improvements for the Neighborhood Common Area, and for such other purposes as shall be authorized by the Supplementary Declaration forming the Neighborhood.

(2) Basis and Maximum. The applicable Neighborhood Supplementary Declaration shall set forth (i) the basis by which Lots of such Neighborhood shall be assessed for Neighborhood Assessment purposes, (ii) the maximum Neighborhood Assessment to be collected annually, and (iii) the manner in which such maximum Neighborhood Assessment may be changed.

(a) Method of Assessment. By a vote of two-thirds of the Directors, the Board shall fix the General and Neighborhood Assessments to be collected annually at an amount not in excess of the current maximum for each assessment; provided, however, that the Annual Assessments shall be sufficient to meet the obligations imposed by the Declaration and the Supplementary Declarations. In the event the Board fails to fix an assessment for any fiscal year, then each assessment established for the prior year shall automatically be continued until such time as the Board acts.

(b) Date of Commencement of Annual Assessments. The first Annual Assessments provided for herein shall commence as to a Lot within a Neighborhood on the first day of the month following the issuance of a Certificate of Occupancy or on the first day of the month following the recording of the Supplementary Declaration establishing the Neighborhood, whichever occurs last.

Section 5. Special Assessments.

(a) Capital Improvement Assessment. The Association may levy in any assessment year a Special Assessment against Assessable Units, applicable to that year and payable over not more than the next three (3) 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 fixtures and personal property related thereto, or other specified purpose, provided that any such assessment shall require the affirmative vote of two-thirds of the Class A Members who are present and voting, in person or by proxy, at a meeting at which a Quorum of Members is present, and the consent of the Class B Member, if Class B membership has not expired. Special Assessments for capital improvements to Neighborhood Common Area that will primarily benefit and be maintained by the Owners of that Neighborhood shall be paid only by such Owners in the Neighborhood and require only the approval of two-thirds of the Class A Members in the affected Neighborhood and the consent of the Class B Member.

(b) Restoration Assessment. The Association may levy a Restoration Assessment upon any Lot whose Owner fails to maintain such Lot, as provided in Article VI, Section 2, or who fails to provide such maintenance funds as may be required by the Supplementary Declaration for such Lot. Restoration Assessments shall be limited to the amount necessary to meet the cost of restoration or deficiency in required funds and the cost of collection thereof.

Section 6. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment installment not paid within thirty (30) days after the due date shall be delinquent. Thereupon, the Association shall provide Notice of such delinquency as provided by law and may (a) declare the entire balance of such Annual or Special Assessment due and payable in full; (b) charge interest from the due date at a percentage rate no greater than is permissible by law, such rate to be set by the Board for each Assessment period; (c) charge a penalty to be set by the Board of Directors; (d) give Notice to the Owner that in the event payment with accrued interest and penalties are not paid within thirty (30) days from the date of such Notice, then the expressed contractual lien provided for herein shall be filed and/or enforced and (e) upon Registered Notice to the Owner or Occupant of the Lot or Living Unit, suspend the right of such Owner or Occupant to vote or to use the recreational facilities until the assessment, accrued interest, penalties, and costs of collection are paid in full.

Section 7. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges, and liens created herein: (1) all properties to the extent dedicated and accepted by a public

authority and devoted to public use; (2) all Common Areas; (3) all properties exempted from taxation by the state or county government upon the terms and to the extent of such legal exemption, provided that no property utilized for residential purposes shall be exempt.

ARTICLE VI

USE OF PROPERTY

Section 1. Protective Covenants.

(a) Nuisances. No nuisance shall be permitted to exist or operate upon any of the Properties so as to jeopardize property values or be detrimental to the well-being of Members.

(b) Restriction on Further Subdivision. No Lot upon which a Living Unit has been constructed shall be further subdivided or separated into smaller Lots by any Owner, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by an Owner, provided that this shall not prohibit deeds of correction, deeds to resolve boundary line disputes and similar corrective instruments, easements to public agencies or authorities, or for utilities, and provided that this shall not prohibit the division or combination of condominium units in accordance with law, or the creation of condominiums. The restrictions in the paragraph shall not apply to Lots on which a Multi-Family Rental Structure has been constructed.

(c) Conditions for Architectural Control. No improvements, alterations, repairs, change of paint colors, excavations, changes in grade, or other work which in any way alters the exterior of any Lot or Common Area or the improvements located thereon from its natural or improved state, existing on the date such property was first subject to this Declaration, shall be made or done without the prior approval of the Architectural Review Board. No building, residence, or other structure, fence, wall, or landscaping in lieu thereof shall be commenced, erected, maintained, improved, altered, made, or done on such property without the prior written approval of the Architectural Review Board.

(d) Rules. From time to time the Board of Directors shall adopt general rules, including, but not limited to, rules to regulate potential problems relating to the use of property and the well-being of Members, such as keeping of animals, storage and use of all vehicles, storage and use of machinery, use of outdoor drying lines, antennas, satellite dishes, solar panels, signs, trash and trash containers, maintenance and removal of vegetation on the Properties, and the type and manner of application of

fertilizers or other chemical treatments to the Properties in accord with nonpoint source pollution control standards. Ninety (90) days after conveyance of the first Lot to an Owner who is not a Builder, such general rules may only be adopted or amended by a two-thirds vote of the Board, following a hearing for which due notice has been provided to all Members. All such general rules and any subsequent amendments thereto shall be placed in the Book of Resolutions and shall be binding on all Members, except where expressly provided otherwise in such rule.

(e) Exceptions. The Board of Directors may issue temporary permits to except any prohibitions expressed or implied by this section, provided that the Board can show good cause and acts in accordance with adopted guidelines and procedures. So long as the Developer or Builders are engaged in developing or improving any portion of the Properties, such persons shall be exempted from Rules affecting movement, disposition, and storage of building materials and equipment, erection and maintenance of directional and promotional signs, and conduct of sales activities, including maintenance of model Living Units. Such exemption shall be subject to such rules as may be established by the Developer to maintain reasonable standards of safety, cleanliness, and general appearance of the Properties.

Section 2. Maintenance of Property.

(a) Owner Obligation. To the extent that exterior maintenance is not provided for in a Supplementary Declaration, each Owner shall keep all Lots owned by him or her, and all improvements therein or thereon, in good order and repair, free of debris, all in a manner and with such frequency as is consistent with good property management.

(b) Failure to Maintain. In the event an Owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon as provided herein, the Association, after Notice to the Owner and approval by two-thirds (2/3) vote of the Board of Directors, shall have the right to enter upon said Lot to correct drainage and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. All costs related to such correction, repair, or restoration shall become a Restoration Assessment upon such Lot and as such shall be regarded as any other assessment with respect to lien rights of the Association and remedies provided for herein for nonpayment.

Section 3. Resale of Lots.

(a) Reference to Declaration. The deed or instrument transferring title to any Lot shall contain a provision incorporating by reference the Covenants and Restrictions set forth in this Declaration as well as any applicable Supplementary Declaration.

(c) Notification. Further, the contract seller of a Lot shall notify the Board of Directors of the contract purchaser and the scheduled date and place conveyance will be accomplished. The contract purchaser shall be notified of the Covenants and Restrictions set forth in this Declaration and shall be provided a copy of this Declaration and any amendments or modifications thereto pursuant to §~ 55-511 and 55-512 of the Code of Virginia, 1950, as amended.

(d) Estoppel Certificate. The Board thereupon shall prepare an estoppel certificate which shall set forth any assessments and charges due upon such Lot at time of conveyance and certify as to whether there are violations of the Governing Documents remaining on the Lot as of the date of preparation of such certificate. This certificate shall be delivered to the place of closing, and outstanding assessments, if any, and a reasonable charge to cover the cost of providing such certificate shall be deducted from the Seller's account at the closing and transmitted directly to the Association.

ARTICLE VII

EASEMENTS

Section 1. Utility Easements. There is hereby created an easement upon, across, over, through, and under the Development for ingress, egress, installation, replacement, repair, and maintenance of all utility and service lines and systems, including, but not limited to, water, sanitary sewers, storm water drainage, gas, telephones, electricity, television, cable, or communication lines and systems. By virtue of this easement, it shall be expressly permissible for the Developer or the providing utility or service company with the consent of the Developer to install and maintain facilities and equipment on the Properties, to excavate for such purposes and to affix and maintain wires, circuits, and conduits on, in, and under the roofs and exterior walls of Living Units, provided such company restores as nearly as is practicable all disturbed areas to the condition in which they were found.

Notwithstanding anything to the contrary contained in this Section: (1) no sanitary sewers, storm water drainage facilities, electrical lines, water lines, gas lines, or other utility service lines or facilities for such utilities may be installed or relocated on said premises except as approved by the Developer prior to the conveyance of the first Lot in a Neighborhood to an Owner or by the Association thereafter, and (2) this paragraph shall not construed to apply to the relocation, installation, or removal of utility lines within a Living Unit which serve only that unit.

This easement shall in no way affect any other recorded easement on the Properties.

Section 2. Developer's Easements to Correct Drainage. For a period of five (5) years from the date of submission of each Lot to this Declaration, the Developer reserves an easement and right on, over, and under the ground within each Lot to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety, and appearance. Such right expressly includes the right to cut any trees, bushes, or shrubbery, to perform any grading of the land, or to take any other similar action reasonably necessary, following which the Developer shall restore the affected property to its original condition as nearly as is practicable. The Developer shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Developer an emergency exists which precludes such notice.

Section 3. Construction Easements and Rights. Notwithstanding any provision of this Declaration or of any Supplementary Declaration, so long as the Developer or Builders are engaged in developing or improving any portion of the Properties, the Developer and Builders and their employees, agents, and assigns shall have an easement of ingress, egress, and use over any portion of the Properties not conveyed as a Lot to an Owner for occupancy for (1) movement and storage of building materials and equipment, (2) erection and maintenance of directional and promotional signs, and (3) conduct of sales activities, including maintenance of model Living Units. Such easement shall be subject to such rules as may be established by the Developer to maintain reasonable standards of safety, cleanliness, and general appearance of the Properties.

Section 4. Easement to Inspect. There is hereby created an easement in favor of the Association for ingress and egress on any Lot (a) to inspect such property for alleged violations of the Governing Documents, based on formal, written complaints, and/or compliance with architectural standards and/or approved plans for alterations and improvements and (b) to perform such maintenance as is required by this Declaration or the Supplementary Declaration for such Lot, provided the Owner of such Lot is given written notice of the purpose and time of inspection at least three (3) days in advance thereof and such inspection is performed during reasonable hours.

Section 5. Easement for Governmental Personnel. A right of entry on any Lot or Common Area is hereby granted to law enforcement officers and fire and rescue personnel as is needed to carry out their duties, including enforcement of cleared emergency vehicle access.

Section 6. Easement for Landscaping, Signs, and Related Purposes. There shall be and is hereby reserved to the Developer, for so long as it retains its rights as Developer, a nonexclusive easement over all Lots and Common Areas for a distance of fifteen feet (15') behind any Lot line which parallels a street (whether public or private) for the purpose of

erecting and maintaining street intersection signs, directional signs, temporary promotional signs, plantings, street lights, entrance features and/or "theme areas," lighting, stone, wood, or masonry wall features, and/or related landscaping. Exercise of this easement will be with the consent of the Owner of the affected Lot, or the Architectural Review Board if the said Owner does not consent.

Section 7. Buffer Easement. The Association shall have the right to inspect and maintain any area which lies within a buffer easement conveyed to the Association, and to remove any improvements or other items which are constructed or located within the buffer easement in contravention of the terms of said easement. Where the buffer easement lies within any Lot, any cost incurred by the Association in maintaining the easement or removing or other items shall be chargeable to the Lot owner as a Restoration Assessment as is set forth in Article V, Section 5(b) above.

ARTICLE VIII

RIGHTS OF INSTITUTIONAL LENDERS AND PUBLIC AGENCIES

Section 1. Consents. Subject to the right of the Developer to annex additional areas, as provided in Section 2(a) of Article II, the Association shall not without the consent of sixty-seven percent (67%) of the Class A members, the consent of the Class B Member, and the consent of fifty-one percent (51%) of the First Mortgagees:

(a) By act or omission seek to abandon, partition, encumber, sell, or transfer the Common Areas or other property owned by the Association. The granting of easements for public utilities or other public purposes consistent with the intended use of the Properties, or in accordance with Article VII, or a resubdivision of a portion of the Common Areas in accordance with Article IV, Section 3(h) shall not be deemed a transfer within the meaning of this clause;

(b) Fail to maintain fire and extended coverage insurance on insurable parts of the Common Areas or other Association property on a current replacement-cost basis in an amount not less than one hundred Percent (100%) of the insurable value, based on current replacement costs, not including land value;

(c) Use hazard insurance proceeds for other than the repair, replacement, or reconstruction of such property; or

(d) Add or amend any material provisions of this Declaration or related Association documents concerning the following:

- (1) voting,
- (2) assessments, assessment liens, subordination of such liens,
- (3) reserves for maintenance, repair, and replacement of those parts of the Common Area that may be replaced or require maintenance on a periodic basis,
- (4) insurance or fidelity bonds,
- (5) responsibility for maintenance and repair of the Properties,
- (6) architectural controls,
- (7) annexation or withdrawal of property to or from the Properties, subject to the provisions of Article II,
- (8) leasing of Living Units,
- (9) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his Property.
- (10) a decision by the Association to establish self-management when professional management had been require previously by a First Mortgagee.
- (11) restoration or repair of the Common Areas or any improvement thereon after a hazard, damage, or partial condemnation,
- (12) termination of this Declaration after substantial destruction or condemnation occurs,
- (13) any provisions that are for the express benefit of First Mortgagees,
- (14) any amendment to the Declaration which would alter the right of the general public to use the Town Center and Park.

An addition or amendment to this Declaration or related Association documents shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. A First Mortgagee who receives a written request to approve material additions or amendments and does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

Section 2. Notice and Other Rights. The Association shall maintain a file of all First Mortgagees, with a proper designation of the property in which they have an interest; and shall send a copy of such list once every twelve months to any First Mortgagee who makes a written request for such list.

If requested in writing, the Association shall provide to all First Mortgagees who so request:

(a) Written notification of any default in the performance of any obligation under the Governing Documents by the Owner of a Lot that is the security for the indebtedness due the First Mortgagee, which is not cured within sixty (60) days; and

(b) Written notice of any condemnation or eminent domain proceeding or other proposed acquisition by a condemning authority of any portion of the Common Area or of a Lot that is the security for the indebtedness due the First Mortgagee; and

(c) Written notice of, with right to attend, all meetings of the Association; and

(d) Any casualty loss that affects a material portion of the Lot that is the security for the indebtedness due the First Mortgagee; and

(e) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

Section 3. Books and Records. All Institutional Lenders who have an interest in the Properties shall have the right to examine the books and records of the Association during normal business hours. The Association shall provide an audited statement for the preceding fiscal year to any Institutional Lender requesting such statement in writing.

Section 4. Notice of Actions. The Board shall give to such First Mortgagees as may request it expeditious notice of any civil action or liens lodged against the Association or officers or Directors regarding their conduct in administering the affairs of the Association.

Section 5. Payment of Taxes and Charges. A First Mortgagee may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area, and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for such Common Area. The First Mortgagee or First Mortgagees making such payments shall be owed immediate reimbursement therefore by the Association.

Section 6. Approvals. As long as the Developer has Class B voting rights, the following actions require the prior approval of the Federal Mortgage Agencies, if applicable: annexation of additional properties not within the Development Limits, dedication of the Common Area, mergers and consolidations, mortgaging of the Common Area, amendment of this Declaration and any Supplementary Declarations.

ARTICLE IX

GENERAL PROVISIONS

Section 1. Duration. The Covenants and Restrictions of this Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty-five (25) years, unless the Covenants and Restrictions are expressly terminated by an instrument signed by not less than seventy-five percent (75%) of the Class A Members, by the Class B Member, if any, and by sixty-seven percent (67%) of the First Mortgagees. A termination must be approved by the City of Lynchburg, Virginia and be recorded in the land records of the City in order to become effective.

Section 2. Amendment. For a period of three (3) years after the recording of this Declaration, the Developer may make any amendment unilaterally which is required by the Federal Mortgage Agencies or the City of Lynchburg, Virginia, as a condition of approval of the documents by the execution and recordation of such amendment following Registered Notice to all Owners, or if such amendment(s) does not otherwise substantially alter the original concept of the development and preclude the intended use and enjoyment of any lots therein by Developer's, successors in interest; provided such amendment(s) is in full compliance with all federal, state, and local regulations. After such three (3) year period, or to make any amendment which is not one required by such agencies, any amendment shall be accompanied by a document signed by not less than sixty-seven percent (67%) Of the Class A Members, the Class B Member, if any, and the Association, and evidence of the approval required in Article VIII above. Any amendment must be recorded in the land records of the City of Lynchburg, Virginia in order to become effective.

Section 3. Enforcement. The Association, the Developer, any Owner, or First Mortgagee, as their interests may appear, 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 covenants or restrictions herein contained shall in no event be deemed a

waiver of the right to do so thereafter.

Section 4. Certain Rights of the Developer. For such time as the Developer shall own Lots, its rights and interests shall not be prejudiced by any of the following actions unless it shall, in writing, join in such actions:

There shall be no amendments to the Founding Documents which:

- (a) Discriminate or tend to discriminate against its rights as an Owner;
- (b) Change Article I, Definitions, in a manner which alters its rights or status;
- (c) Alter its rights under Article II as regards annexation of additional properties;
- (d) Alter the character and rights of membership or the rights of the Developer as set forth in Article III;
- (e) Alter previously recorded or written agreements with public or quasi-public agencies as regards easements and rights-of-way;
- (f) Deny the right to convey Common Area to the Association so long as such Common Area lies within the land area represented in the Properties or Development Limits;
- (g) Alter its rights as set forth in Article III relating to design controls;
- (h) Alter the basis for assessments;
- (i) Alter the provisions of the protective covenants as set forth in Article VI;
- (j) Alter the number or selection of Directors as established in the Bylaws;
- (k) Alter the Developer's rights as they appear under this Article.

Section 5. Management Contracts. Until such time as the Class B membership expires, the Developer shall have the right to enter into professional management contracts for the management of the Properties; provided, however, that such contracts shall not be for more than three (3) years, and the Association shall have the right to terminate such contracts, with or without cause, upon ninety (90) days' written notice given to the other party,

or upon the expiration of the rights of the Developer as set forth in Article I, Section 8.

Section 6. Limitations. As long as the Developer has an interest in developing the Properties as defined in Article I hereof, the Association may not use its financial resources to defray any costs of opposing the development activities of the Developer. Nothing in this Section shall be construed to limit the rights of Members to act as individuals or in affiliation with other Members or groups.

Section 7. Severability. Invalidation of any one of those 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 8. Conflict. In the event of conflict among the governing Documents, this Declaration shall control, then Supplementary Declarations, then the Articles of Incorporation of the Association, then the Bylaws, then the Book of Resolution; except that in all cases where the governing Documents are found to be in conflict with statute, the statute shall control.

Section 9. Interpretation. Unless the context otherwise requires, the use of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the term "including" shall mean "including, without limitation". This Declaration shall be liberally construed in favor of the party seeking to enforce the provisions hereof to effectuate the purpose of protecting and enhancing the value, marketability, and desirability of the Properties by providing a common plan for the development thereof. The headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing the substantive provisions hereof.

ARTICLE X

DISSOLUTION OF THE ASSOCIATION

The Association may be dissolved with the written consent of seventy-five percent (75%) of the Class A Members and the consent of the Class B Member, if any, and the consent of sixty-seven percent (67%) of the First Mortgagees. Prior to the dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be offered for dedication to the City of Lynchburg, Virginia. In the event that such dedication is refused acceptance, upon dissolution such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to similar purposes.

IN WITNESS WHEREOF, the Developer, JBO, LLC, a Virginia limited

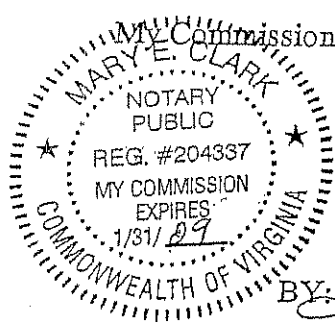
liability company, has caused this Declaration to be duly executed this 1st day of October, 2007, by Jeffrey S. Allen and Mark A. Borel, its sole members.

JBO, LLC

BY: [Signature] (SEAL)
JEFFREY S. ALLEN - Member

STATE OF VIRGINIA
TO-WIT:
CITY/COUNTY OF Bedford

The foregoing was acknowledged before me this 1st day of October, 2007, by Jeffrey S. Allen, Member.

My Commission Expires: 1-31-09

Mary E. Clark
Notary Public

BY: [Signature] (SEAL)
MARK A. BOREL - Member

STATE OF VIRGINIA
TO-WIT:
CITY/COUNTY OF Bedford;

The foregoing instrument was acknowledged before me this 1st day of October, 2007 by Mark A. Borel, Member.

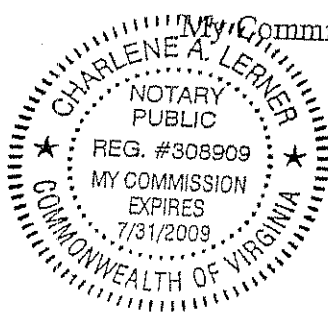
My Commission Expires: 7/31/09

Charlene A. Lerner
Notary Public

EXHIBIT "A"

All that certain tract or parcel of land, together with the buildings and improvements thereon, and the privileges and appurtenances thereunto belonging, situate, lying and being in the City of Lynchburg, Virginia, containing 112.434 +/- acres as shown on a plat entitled "Plat Showing Subdivision of a Portion of the Property of JBO, LLC, and Boundary Line Adjustments for the Property of Knollwood Townhomes Property Owners Association, City of Lynchburg, Virginia" made by Perkins & Orrison, dated July 28, 2006, revised September 14, 2006, revised October 5, 2006, revised December 14, 2006 and revised January 11, 2007, and of record in the Clerk's Office of the Circuit Court for the City of Lynchburg, Virginia in Plat Book 8, at pages 393 and 394.

It being a portion of the same property conveyed unto JBO, LLC, by deeds of record in the aforesaid Clerk's Office as Instrument Numbers 0600007271 and 060007272.

This conveyance is subject to all reservations, restrictions, easements, rights of way and conditions of record and now applicable to the above-described real estate or apparent from a visual inspection of the premises.

Virginia: In the Clerk's Office of the Circuit Court of the City of Lynchburg The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgement annexed, admitted to record OCT 1 2007, at 3:42 o'clock P M.

TESTE: [Signature] Clerk

_____	Tax
_____	City Tax
_____	Transfer
<u>5.00</u>	TFTF
_____	OAPF
<u>50.00</u>	Fee
<u>55.00</u>	TOTAL

Examined And Delivered To Grantee

[Signature]

OCT 1 - 2007.



OFFICIAL RECEIPT
LYNCHBURG CIRCUIT COURT
DEED RECEIPT

DATE: 10/01/07 TIME: 15:46:39 ACCOUNT: 680CLR070009951 RECEIPT: 07000020074
CASHIER: BRS REG: LZ24 TYPE: DRC PAYMENT: FULL PAYMENT
INSTRUMENT : 070009951 BOOK: PAGE: RECORDED: 10/01/07 AT 15:42
GRANTOR: J B O L L C EX: N LOC: CI
GRANTEE: CORNERSTONE PROPERTY OWNERS ASSOCIATION EX: N PCT: 100%
AND ADDRESS :
RECEIVED OF : FREEMAN DUNN ALEXANDER
CHECK: \$55.00 14267
DESCRIPTION 1: SEE DECLARATION OF COVENANTS & RESTRICTIONS PAGES: 31
2: NAMES: 0
CONSIDERATION: .00 A/VAL: .00 MAP: 26315001
PIN:
301 DEEDS 48.50 145 VSLF 1.50
106 TECHNOLOGY TRST FND 5.00
TENDERED : 55.00
AMOUNT PAID: 55.00
CHANGE AMT : .00

CLERK OF COURT: LARRY B. PALMER

PAYOR'S COPY
RECEIPT COPY 1 OF 2

✓ PARCEL ID #26315001
Prepared by and return to: Prescott H. Gay, Sr., 1045 Cottontown Rd.,
Lynchburg, Va., 24503

FIRST AMENDMENT OF DECLARATION OF COVENANTS AND
RESTRICTIONS

THIS FIRST AMENDMENT OF DECLARATION OF COVENANTS AND RESTRICTIONS ("Declaration") is made this 31st day of January, 2008, by JBO, LLC, a Virginia limited liability company, hereinafter "Developer", and CORNERSTONE PROPERTY OWNERS ASSOCIATION, hereinafter "Association".

WITNESSETH:

WHEREAS, the Development is part of a Traditional Neighborhood Development, known as Cornerstone Traditional Neighborhood Development which will contain residential, office, retail, civic and related uses as defined and established pursuant to Sections 35.1-43.5 through 35.1-43.13 of the Lynchburg City Code and a resolution of the Council of the City of Lynchburg adopted June 27, 2006, approving a Conditional Use Permit ("CUP") for the Developer to construct a Traditional Neighborhood Development ("TND"), subject to conditions set forth in said resolution, all of which are and shall remain binding upon the Development and the Developer; the Association (as hereafter defined) and their respective successors in title, assignees, subsidiaries and affiliates; and

WHEREAS, in order to provide for the preservation and maintenance of Common Area shown on the plat described on Exhibit A and improvements thereon and any additional Common Areas and Capital Components hereafter made subject to this Declaration or any Supplemental Declaration, and to provide for the orderly and cohesive construction and maintenance of the Development limits and the Cornerstone Neighborhood Development, the Developer desires to subject the Development to the covenants, restrictions, easements, charges, and liens of this Declaration of Covenants and Restrictions, said covenants, restrictions, easements, conditions, and charges running with the real property within the Development; and

WHEREAS, pursuant to Sections 35.1-43.6(c) and 35.1-56(c) of the Lynchburg City Code, and § 13.1-814.1, Code of Virginia, the Developer has incorporated the Association under the laws of the Commonwealth of Virginia as a "community association" to provide a means for meeting the purposes and intents herein set forth.

WHEREAS, Developer has previously filed a Declaration of Covenants And Restrictions, dated October 1, 2007, and of record in the Lynchburg Circuit Court Clerk's Office as Instrument #070009951 for such purposes; and

WHEREAS, pursuant to Article 14, Section 2, thereunder, Developer may amend said Declaration Of Restrictions, dated October 1, 2007, and of record as Instrument #070009951; and

WHEREAS, Developer wishes to amend said Declarations Of Covenants And Restrictions, dated October 1, 2007, and of record as Instrument #070009951 as it relates to the definition of "Members" as set forth in Article 1, Section 17, page 4 therein;

NOW, THEREFORE, Developer herein amends, modifies and replaces Article 1, Section 17, page 4, to read as follows:

Section 17. "Members shall mean and refer to Members of the Association, each of whom shall be the Owner of a Lot or living unit. Membership in the Association shall be mandatory for the Owners of any and all such Lots or living units . Membership shall not discriminate by race, creed or sex.

The remaining covenants and restrictions provided in said Declaration Of Covenants And Restrictions, dated October 1, 2007, and of record as Instrument #070009951, shall remain in full force and effect and be binding on all real estate described therein.

IN WITNESS WHEREOF, the Developer, JBO, LLC, a Virginia limited liability company, has caused this Declaration to be duly executed this 1st day of February, 2008, by Jeffrey S. Allen, manager/member.

JBO, LLC

JBO, LLC

BY: *[Signature]* (SEAL)
JEFFREY S. ALLEN - Manager/Member

STATE OF VIRGINIA
TO-WIT:
CITY/COUNTY OF Bedford

The foregoing was acknowledged before me this 4th day of February, 2008, by Jeffrey S. Allen, Member.

My Commission Expires: 1-31-09

Mary E. Clark
Notary Public

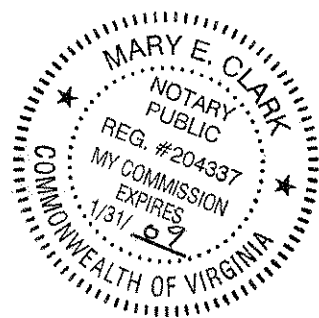


EXHIBIT "A"

All that certain tract or parcel of land, together with the buildings and improvements thereon, and the privileges and appurtenances thereunto belonging, situate, lying and being in the City of Lynchburg, Virginia, containing 112.434 +/- acres as shown on a plat entitled "Plat Showing Subdivision of a Portion of the Property of JBO, LLC, and Boundary Line Adjustments for the Property of Knollwood Townhomes Property Owners Association, City of Lynchburg, Virginia" made by Perkins & Orrison, dated July 28, 2006, revised September 14, 2006, revised October 5, 2006, revised December 14, 2006 and revised January 11, 2007, and of record in the Clerk's Office of the Circuit Court for the City of Lynchburg, Virginia in Plat Book 8, at pages 393 and 394.

It being a portion of the same property conveyed unto JBO, LLC, by deeds of record in the aforesaid Clerk's Office as Instrument Numbers 0600007271 and 0600007272.

This conveyance is subject to all reservations, restrictions, easements, rights of way and conditions of record and now applicable to the above-described real estate or apparent from a visual inspection of the premises.

Virginia: In the Clerk's Office of the Circuit Court of the City of Lynchburg The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgement annexed, admitted to record FEB 5 2008

_____ at 9:46 o'clock A M.

TESTE: *Carly R. Palmer* Clerk

_____	Tax
_____	City Tax
_____	Transfer
<u>5.00</u>	TFTF
_____	OAPF
<u>16.00</u>	Fee
<u>21.00</u>	TOTAL

COMMONWEALTH OF VIRGINIA



OFFICIAL RECEIPT
LYNCHBURG CIRCUIT COURT
DEED RECEIPT

DATE: 02/05/08 TIME: 09:48:51 ACCOUNT: 660DLR000001017 RECEIPT: 08000002284
CASHIER: BRJ REG: LZ19 TYPE: DRG PAYMENT: FULL PAYMENT
INSTRUMENT : 080001017 BOOK: PAGE:
GRANTOR: J B D L L C RECORDED: 02/05/08 AT 09:46
GRANTEE: CORNERSTONE PROPERTY OWNERS ASSOCIATION ER: N LGC: C1
AND ADDRESS : FREEMAN DUNK SQ ER: N PET: 100%

RECEIVED OF : FREEMAN DUNK SQ
CHECK: \$21.00 14586
DESCRIPTION 1: SEE FIRST AMENDMENT OF DECLARATION OF
2: COVENANTS AND RESTRICTIONS
CONSIDERATION: .00 A/VAL1
301 DEEDE 14.50 148 VOLF
10: TECHNOLOGY TRST FND 3.00

PAGES: 0
NAMES: 0
MAP: 26315001
PIN:

TENDERED : 7.50
AMOUNT PAID: 21.00
CHANGE AMT : 21.00
.00

CLERK OF COURT: LARRY B. PALMER

(1143-005 12/06)

BUSINESS FORMS SPECIALTY, INC (757) 827-9575

59228

Prepared by & Return to: Prescott H. Gay, Sr., 1045 Cottontown Rd., Lynchburg, Va., 24503

Tax Map Reference No.: 26315001

THIS SUPPLEMENTARY DECLARATION is made this 27th day of September, 2007, by JBO, LLC, a Virginia limited liability company (hereinafter referred to as the "Developer"), whose address is 104 Archway Court, Lynchburg, Va., 24504.

WHEREAS, Developer is the owner of the real property described in this Supplementary Declaration; and

WHEREAS, Developer intends that the property described herein become subject to the Cornerstone Declaration of Covenants and Restrictions and also become subject to the provisions hereinafter set forth.

NOW, THEREFORE, Developer hereby declares that all of the property described herein, together with such additions as may hereafter be made thereto as provided in Article II hereto, shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in the Cornerstone Declaration of Covenants and Restrictions, (the "Declaration") dated the 1st day of October, 2007 and recorded in the Office of the Clerk of the Circuit Court of the City of Lynchburg, Virginia as Instrument #070009951 and subject to the covenants, restrictions, easements, charges, and liens set forth herein.

ARTICLE I

NEIGHBORHOOD DESIGNATION

Blocks A,B,C,D,H,I, Cornerstone, as duly dedicated, platted, subdivided, and recorded as Instrument #070009103, Plat Cabinet 9, Slide 89-92 of the aforesaid land records, are hereby designated as a Neighborhood of Cornerstone and shall be known as Condominium Neighborhood (the "neighborhood").

ARTICLE II

PROPERTY SUBJECT TO THIS SUPPLEMENTARY DECLARATION

Section 1. *Existing Property.* The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Supplementary Declaration, or any amendments thereto, consists of Blocks A,B,C,D,H,I, Cornerstone, as hereinabove described.

Section 2. *Additions to Existing Property.* All or any part of the land described in the Development Limits may be added to this Neighborhood by the Developer or a Builder (with the consent of the Developer), without the consent of the Owners, within ten (10) years of the recordation of this Supplementary Declaration, by recording a Supplementary Declaration with respect to such land which designates it as part of the Neighborhood and by filing with the Association the plat and plans for such addition.

ARTICLE III

NEIGHBORHOOD ASSESSMENTS

Section 1. *Purpose.* Neighborhood Assessments shall be used exclusively for the purpose of providing

services which are necessary or desirable for the health, safety, and welfare of the Members within the Neighborhood. Such services may include: maintenance and operation of any Neighborhood Common Area as described and designated in the Governing Documents, providing services such as trash removal to the Living Units in the Neighborhood, and setting aside reserves for future repair and replacement of capital improvements to be constructed or maintained through the Neighborhood Assessment. All improvements constructed herein shall be condominiums, and the appurtenances thereto, are defined by the Code of Virginia Title 55, Section 55-79.39, et seq.

Section 2. *Basis of Assessment.* For Neighborhood Assessment purposes, all Living Units which are or have been occupied by a Single Family shall be assessed at One Hundred Percent (100%) of the Neighborhood Assessment rate.

Section 3. *Maximum Neighborhood Assessment.* Until the first day of the fiscal year immediately following commencement of assessments in the Neighborhood, the maximum annual Neighborhood Assessment shall be One Hundred Twenty and 00/100 Dollars (\$120.00) per year.

Section 4. *Change in Maximum.* From and after the first day of the fiscal year immediately following the commencement of Neighborhood Assessments in the Condominium Neighborhood:

- (a) The Board of Trustees may increase the maximum each year by the greater of:
- (1) a factor of not more than five percent (5%) of the maximum for the current fiscal year; or
 - (2) the percentage increase, if any, over the twelve (12) month period ending five (5) months prior to the start of the fiscal year, in the Consumer Price Index, or equivalent, as published by the U.S. Labor Department for the Metropolitan Washington Area; such increase shall become effective the first day of the next year.
- (b) The maximum may be increased above the amount which can be set by the Board with the approval of sixty-seven percent (67%) of the Class A Members who own Lots in the Neighborhood.

Section 5. *Method of Assessment.* The assessments shall be levied by the Association against Assessable Units in the Neighborhood, and collected and disbursed by the Association. As provided in the Declaration, by a vote of two-thirds of the Trustees, the Board shall fix the annual Neighborhood Assessment and the date(s) such assessments become due with the advice of the Owners of Assessable Units in the Neighborhood.

Section 6. *Reserve Accounts.* The Board of Trustees shall maintain in a separate interest-bearing account or shall separately account for reserves for the repair and replacement of capital items located in the Neighborhood and maintained by the Association as provided in the Declaration.

ARTICLE IV

PROTECTIVE COVENANTS

Section 1. *Completion of Structures.* The exterior of any structure located on a Lot within the Neighborhood and any improvements to be made to the structure

or the Lot must be substantially completed in accordance with the plans and specifications approved by the Architectural Review Board within six (6) months after construction of the same shall have commenced, except that the Architectural Review Board may grant extensions where such completion is impossible or where substantial incompleteness is the result of matters beyond the control of Owner or Builder, such as strikes, casualty losses, national emergencies, or acts of God.

Section 2. *Residential Use.* All Lots and Living Units designated for residential use shall be used, improved, and devoted exclusively to residential use, except home occupations may be pursued if permitted by the City of Lynchburg and approved in writing by the Architectural Review Board, subject to rules adopted by the Board of Trustees to prevent unreasonable adverse impact on adjacent Lots and Living Units. Nothing herein shall be deemed to prevent an Owner from leasing a Living Unit to a Single Family, provided such lease shall be in writing and subject to all of the provisions of the Governing Documents with any failure by a lessee to comply with the terms of the Governing Documents constituting a default under the lease. Residential use shall include group homes for the handicapped, mentally retarded, or otherwise disadvantaged persons.

Section 3. *Vehicles.* No portion of the property subjected hereto shall be used for the repair of motor vehicles or the storage of unregistered motor vehicles or motor vehicle parts. Use and storage of all vehicles and recreational equipment upon the Common Area and Lots or upon any street, public or private, adjacent thereto shall be subject to rules promulgated by the Board of Trustees as provided herein:

(a) All motor vehicles, including but not limited to trail bikes, motorcycles, mopeds, dune buggies, and snowmobiles; shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on pathways or Common Areas, except such vehicles as are authorized by the Association as needed to maintain, repair, or improve the Common Area. This prohibition shall not apply to normal vehicular use of designated streets, lanes, and parking areas constructed on Common Area.

(b) Parking of all commercial and recreational vehicles and related equipment, including boats and boat trailers, other than on a temporary and nonrecurring basis, shall be in garages or in areas approved by the Association for such parking. No such area for approved parking is currently contemplated by the Association. There shall be no parking of commercial and recreational vehicles anywhere within public view; parking of commercial and recreational vehicles shall be restricted entirely to garages and enclosed areas. If a truck-mounted camper is to be an Owner's primary means of transportation, it shall not be considered a recreational vehicle provided it meets the following conditions: (i) the vehicle is moved on a daily basis; (ii) it is parked within a garage or driveway; and (iii) if the camper is removed, the camper shall be stored in an area screened from all surrounding property.

Section 4. *Pets.* Subject to limitations as may from time to time be set by the Association, generally recognized house or yard pets, in reasonable numbers, may be kept and maintained on a Lot or in a Living Unit, 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 Lot, must not become a nuisance to other residents, and must be in compliance with all applicable County ordinances.

Section 5. *Clothes Drying Equipment.* No exterior clotheslines or other exterior clothes-drying apparatus shall be permitted on any Lot, unless approved in writing by the Architectural Review Board. It

is initially contemplated that no exterior clotheslines or other exterior clothes-drying apparatus will be permitted.

Section 6. *Antennae*. No direct broadcast satellite dishes or multi-point distribution system of more than one meter in diameter, or a mast that is more than 12 feet above the roofline shall be installed on any lot, unless approved in writing by Architectural Review Board.

Section 7. *Trash Receptacles*. Storage, collection, and disposal of trash shall be in compliance with rules set by the Architectural Review Board.

Section 8. *Trash Burning*. Trash, leaves, and other similar material shall not be burned on any Lot.

Section 9. *Signs*. No signs of any type shall be displayed to public view on any Lot or the Common Area without the prior written approval of the Architectural Review Board, except customary name and address signs meeting established Architectural Review Board standards and real estate sale and rental signs which shall be removed immediately when a binding contract or lease has been entered into for the Lot.

Section 10. *Mailboxes and Newspaper Tubes*. Only mailboxes and newspaper tubes meeting the design standards of the Architectural Review Board shall be permitted.

Section 11. *Fences and Walls*. No fence, wall, tree, hedge, or shrub planting shall be erected or maintained in such a manner as to obstruct sight lines for vehicular traffic. All fences, walls, or enclosures must be approved by the Architectural Review Board as to location, material, color, and design. Any fence or wall built on any of the Lots shall be maintained in a proper manner so as not to detract from the value and desirability of surrounding property.

Section 12. *Nuisances*. No noxious or offensive activity shall be carried on upon any portion of the property subject hereto, nor shall anything be done thereon that may be or become a nuisance or annoyance to the Neighborhood.

Section 13. *Lighting*. No exterior lighting shall be directed outside the boundaries of a Lot.

Section 14. *Storage of firewood*. Storage of firewood shall be restricted to rear yards, and all firewood storage locations must be approved in writing by the Architectural Review Board.

Section 15. *Vegetation*. No live trees with a diameter in excess of four inches, measured twelve inches above ground, nor trees in excess of two inches in diameter, similarly measured; which are generally known as flowering trees (such as dogwood or redbud) or as broad leaf evergreens (such as holly, laurel, or rhododendron), and no live vegetation on slopes of greater than twenty percent gradient or marked "no cut" areas on City of Lynchburg approved site plans may be cut without prior approval of the Architectural Review Board. The Association shall set rules for cutting of trees to allow for selective clearing or cutting.

Section 16. *Leases*. All leases within the Neighborhood shall be for a minimum of six (6) months. Leases shall be valid only if the tenant acknowledges receipt of a copy of the rules and regulations of the Association and the lease shall state such acknowledgment. Approved lease language meeting this requirement will be provided by the Board of Trustees.

Section 17. *Rules*. From time to time the Board of Trustees shall adopt rules, including, but not limited

to, rules to implement the provisions of this Article and such rules as are required herein. Such rules may be adopted or amended by a two-thirds (2/3) vote of the Board of Trustees, following a hearing for which due notice has been provided to Members. All such rules and any subsequent amendments thereto shall be placed in the Book of Resolutions and shall be binding on all Members, except where expressly provided otherwise in such rule.

Section 18. *Exceptions.* The Board of Trustees may issue temporary permits to exempt any prohibitions expressed or implied by this Article, provided the Board can show good cause and acts in accordance with adopted guidelines and procedures.

So long as the Developer or a Builder is engaged in developing or improving any portion of the Properties, such persons shall be exempt from the provisions of this Article affecting movement and storage of building materials and equipment, cutting or clearing of live trees and vegetation, erection and maintenance of directional and promotional signs, and conduct of sales activities, including maintenance of model Living Units having approval of the Architectural Review Board. Such exemption shall be subject to such rules as may be established by the Developer to maintain reasonable standards of safety, cleanliness, and the general appearance of the Properties.

ARTICLE V

RESERVATION OF EASEMENTS

There shall be and is hereby reserved to the Developer, its successors and assigns, a utility and road construction easement over the Lots and Parcels subject to this Supplementary Declaration which may be conveyed to the City of Lynchburg, Virginia Department of Transportation, or the City of Lynchburg Sanitation Authority in connection with the release of public improvement bonds or the acceptance of streets for public maintenance. This easement shall expire, if not conveyed to such public entity, on December 31, 2017 from date hereof, or after the earlier release of all public improvement bonds and acceptance of streets for public maintenance concerning the Lots and Parcels subject to this Supplementary Declaration.

ARTICLE VI

GENERAL PROVISIONS

Section 1. *Duration.* The covenants and restrictions of this Supplementary declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Supplementary Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty-five (25) years, unless at the expiration of any such period the covenants and restrictions are expressly terminated by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots in the Neighborhood and fifty-one percent (51%) of the First Mortgagees who hold mortgages on Lots in the Neighborhood. A termination must be approved by County and be recorded to become effective.

Section 2. *Amendment.* The Declarant may amend this Declaration in any manner and to any extent until a Lot in the Increment is conveyed to an Owner. For a period of three (3) years after the recording of this Declaration, the Declarant may make any amendment unilaterally, provided it is in compliance with all federal, state and local laws, statutes and regulations, and which are of a nature which do not substantially alter the original concept or precludes the intended use and enjoyment of any lots therein by Developer's successor in interest. Thereafter this Supplementary Declaration may be amended at any time by an instrument signed by the Class C Member, if any, the Association, the Owners of not less than

sixty-seven percent (67%) of the Lots in the Neighborhood, and fifty-one percent (51%) of the First Mortgagees who hold mortgages on Lots in the Neighborhood. The Developer or a Builder shall not amend or remove this Supplementary Declaration without the consent of the Association and an Owner (other than a Builder or the Developer) of at least one Lot in the Neighborhood. Any amendment must be recorded to become effective.

As long as any Class C membership exists, amendment of this Supplementary Declaration requires the approval of the Federal Mortgage Agencies should they have an interest in the Properties in the Neighborhood.

Section 3. *Enforcement.* The Association, the Developer, any Member within the Neighborhood, or First Mortgagee, as their interests may appear, 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 Supplementary Declaration. 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. *Terms and Definitions.* The terms used herein shall have the same meaning and definition as set forth in the Declaration.

Section 6. *Contravention.* Nothing contained herein shall be construed as altering, amending, or vacating the provisions of the Ordinances of the City of Lynchburg, Virginia, which shall have full force and effect on all property subject to this Supplementary Declaration.

Section 7. *Utility Lines.* When the utility line for a Lot extends under an adjacent Lot or Parcel, the Owner of the Lot may enter the adjacent Lot or Parcel for the purposes of maintenance or repair of the utility line subject to the obligation to restore the adjacent Lot or Parcel as nearly as possible to its original condition promptly upon completion of the repair or maintenance.

IN WITNESS WHEREOF, Developer has caused this Supplementary Declaration of Covenants and Restrictions to be executed.

JBO, LLC, a Virginia limited liability company

By: [Signature] (SEAL)
Managing Member

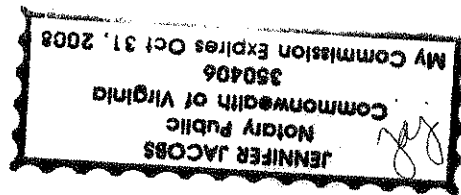
[Signature] (SEAL)

STATE OF VIRGINIA
TO-WIT:
CITY/COUNTY OF Lynchburg

The foregoing instrument was acknowledged before me this 9 day of October, 2007, by Mark Borel, Managing Member of JBO, LLC, a Virginia limited liability company.

My Commission Expires: October 31, 2008

Jennifer Jacobs
Notary Public

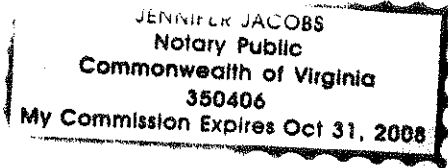


STATE OF VIRGINIA
TO-WIT:
CITY/COUNTY OF Lynchburg

The foregoing instrument was acknowledged before me this 9 day of October, 2007, by Jeff Allen

My Commission Expires: October 31, 2008

Jennifer Jacobs
Notary Public



Virginia: In the Clerk's Office of the Circuit Court of the City of Lynchburg The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgement annexed, admitted to record OCT 9 2007, at 10:27 o'clock A M.

TESTE: [Signature] Clerk

_____	Tax
_____	City Tax
_____	Transfer
<u>5.00</u>	TFTF
_____	OAPF
<u>16.00</u>	Fee
<u>21.00</u>	TOTAL

Examined And
Delivered To
Grantee
Prescott Kay

OCT 9 2007



OFFICIAL RECEIPT
LYNCHBURG CIRCUIT COURT
DEED RECEIPT

DATE: 10/09/07 TIME: 10:29:46 ACCOUNT: 680CLR070010134 RECEIPT: 07000020550
CASHIER: BRS REG: LZ19 TYPE: DRC PAYMENT: FULL PAYMENT
INSTRUMENT : 070010134 BOOK: PAGE: RECORDED: 10/09/07 AT 10:27
GRANTOR: J B D L L C EX: N LOC: CI
GRANTEE: J B D L L C EX: N PET: 100%

AND ADDRESS : =
RECEIVED OF : BOREL CONSTRUCTION CO
CHECK: \$21.00 24087
DESCRIPTION 1: SEE SUPPLEMENTARY DECLARATION
2:

CONSIDERATION: .00 A/VAL: .00 MAP: 26315001 PIN: PAGES: 0
NAMES: 0
301 DEEDS 14.50 145 VSLF 1.50
106 TECHNOLOGY TRST FND 5.00
TENDERED : 21.00
AMOUNT PAID: 21.00
CHANGE AMT : .00

CLERK OF COURT: LARRY B. PALMER

BUSINESS FORMS SPECIALTY, INC (757) 867-9575

(1143-005 1206)

Prepared by & Return to: Prescott H. Gay, Sr., 1045 Cottontown Rd., Lynchburg, Va., 24503

Tax Map Reference No.: 263 15001

THIS SUPPLEMENTARY DECLARATION is made this 16th day of October, 2007, by JBO, LLC, a Virginia limited liability company (hereinafter referred to as the "Developer"), whose address is 104 Archway Court, Lynchburg, Va., 24504.

WHEREAS, Developer is the owner of the real property described in this Supplementary Declaration; and

WHEREAS, Developer intends that the property described herein become subject to the Cornerstone Declaration of Covenants and Restrictions and also become subject to the provisions hereinafter set forth.

NOW, THEREFORE, Developer hereby declares that all of the property described herein, together with such additions as may hereafter be made thereto as provided in Article II hereto, shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in the Cornerstone Declaration of Covenants and Restrictions, (the "Declaration") dated the 1st day of October, 2007 and recorded in the Office of the Clerk of the Circuit Court of the City of Lynchburg, Virginia as Instrument #070009951 and subject to the covenants, restrictions, easements, charges, and liens set forth herein.

ARTICLE I

NEIGHBORHOOD DESIGNATION

Block O, Cornerstone, as duly dedicated, platted, subdivided, and recorded as Instrument #070009103, Plat Cabinet 9, Slide 89-92 of the aforesaid land records, are hereby designated as a Neighborhood of Cornerstone and shall be known as the "Detached Single Family Dwelling" Neighborhood (the "Neighborhood").

ARTICLE II

PROPERTY SUBJECT TO THIS SUPPLEMENTARY DECLARATION

Section 1. *Existing Property*. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Supplementary Declaration, or any amendments thereto, consists of Block O, Cornerstone, as hereinabove described.

Section 2. *Additions to Existing Property*. All or any part of the land described in the Development Limits may be added to this Neighborhood by the Developer or a Builder (with the consent of the Developer), without the consent of the Owners, within ten (10) years of the recordation of this Supplementary Declaration, by recording a Supplementary Declaration with respect to such land which designates it as part of the Neighborhood and by filing with the Association the plat and plans for such addition.

ARTICLE III

NEIGHBORHOOD ASSESSMENTS

Section 1. *Purpose.* Neighborhood Assessments shall be used exclusively for the purpose of providing services which are necessary or desirable for the health, safety, and welfare of the Members within the Neighborhood. Such services may include: maintenance and operation of any Neighborhood Common Area as described and designated in the Governing Documents, providing services such as trash removal to the Living Units in the Neighborhood, and setting aside reserves for future repair and replacement of capital improvements to be constructed or maintained through the Neighborhood Assessment. All improvements constructed herein shall be the detached single family houses.

Section 2. *Basis of Assessment.* For Neighborhood Assessment purposes, all Living Units which have received a Certificate Of Occupancy shall be assessed at One Hundred Percent (100%) of the Neighborhood Assessment rate.

Section 3. *Maximum Neighborhood Assessment.* Until the first day of the fiscal year immediately following commencement of assessments in the Neighborhood, the maximum annual Neighborhood Assessment shall be Six Hundred and 00/100 Dollars (\$600.00) per year.

Section 4. *Change in Maximum.* From and after the first day of the fiscal year immediately following the commencement of Neighborhood Assessments in the Neighborhood:

- (a) The Board of Trustees may increase the maximum each year by the greater of:
 - (1) a factor of not more than five percent (5%) of the maximum for the current fiscal year; or
 - (2) the percentage increase, if any, over the twelve (12) month period ending five (5) months prior to the start of the fiscal year, in the Consumer Price Index, or equivalent, as published by the U.S. Labor Department for the Metropolitan Washington Area; such increase shall become effective the first day of the next year.
- (b) The maximum may be increased above the amount which can be set by the Board with the approval of sixty-seven percent (67%) of the Class A Members who own Lots in the Neighborhood.

Section 5. *Method of Assessment.* The assessments shall be levied by the Association against Assessable Units in the Neighborhood, and collected and disbursed by the Association. As provided in the Declaration, by a vote of two-thirds of the Trustees, the Board shall fix the annual Neighborhood Assessment and the date(s) such assessments become due with the advice of the Owners of Assessable Units in the Neighborhood.

Section 6. *Effect of Nonpayment of Assessment: Remedies of Association.* Any assessment Installment not paid within thirty (30) days after the due date shall be delinquent. Thereupon, the Association shall provide Notice of such delinquency as provided by law and may (a) declare the entire balance of such Annual or Special Assessment due and payable in full; (b) charge interest from the due date at a percentage rate equal to the lesser of eighteen percent (18%) per annum or the maximum rate then permitted by law, such rate to be set by the Board for each Assessment period; (c) charge a penalty to be set by the Board of Directors not exceeding twenty percent (20%) of the installment; (d) give Notice to the Owner that in the event payment with accrued interest and penalties are not paid within thirty (30) days from the date of such Notice, then the expressed contractual lien provided for herein shall be filed and/or enforced; and (e) upon Registered Notice to the Owner or Occupant of the Lot, suspend the right of such Owner or Occupant to vote until the assessment, accrued interest, penalties, and costs of

collection are paid in full.

Section 7. *Reserve Accounts.* The Board of Trustees shall maintain in a separate interest-bearing account or shall separately account for reserves for the repair and replacement of capital items located in the Neighborhood and maintained by the Association as provided in the Declaration.

ARTICLE IV

PROTECTIVE COVENANTS

Section 1. *Completion of Structures.* The exterior of any structure located on a Lot within the Neighborhood and any improvements to be made to the structure or the Lot must be substantially completed in accordance with the plans and specifications approved by the Architectural Review Board within six (6) months after construction of the same shall have commenced, except that the Architectural Review Board may grant extensions where such completion is impossible or where substantial incompleteness is the result of matters beyond the control of Owner or Builder, such as strikes, casualty losses, national emergencies, or acts of God.

Section 2. *Residential Use.* All Lots and Living Units designated for residential use shall be used, improved, and devoted exclusively to residential use, except home occupations may be pursued if permitted by the City of Lynchburg and approved in writing by the Architectural Review Board, subject to rules adopted by the Board of Trustees to prevent unreasonable adverse impact on adjacent Lots and Living Units. Nothing herein shall be deemed to prevent an Owner from leasing a Living Unit to a Single Family, provided such lease shall be in writing and subject to all of the provisions of the Governing Documents with any failure by a lessee to comply with the terms of the Governing Documents constituting a default under the lease. Residential use shall include group homes for the handicapped, mentally retarded, or otherwise disadvantaged persons.

Section 3. *Vehicles.* No portion of the property subjected hereto shall be used for the repair of motor vehicles or the storage of unregistered motor vehicles or motor vehicle parts. Use and storage of all vehicles and recreational equipment upon the Common Area and Lots or upon any street, public or private, adjacent thereto shall be subject to rules promulgated by the Board of Trustees as provided herein:

- (a) All motor vehicles, including but not limited to trail bikes, motorcycles, mopeds, dune buggies, and snowmobiles, shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on pathways or Common Areas, except such vehicles as are authorized by the Association as needed to maintain, repair, or improve the Common Area. This prohibition shall not apply to normal vehicular use of designated streets, lanes, and parking areas constructed on Common Area.
- (b) Parking of all commercial and recreational vehicles and related equipment, including boats and boat trailers, other than on a temporary and nonrecurring basis, shall be in garages or in areas approved by the Association for such parking. No such area for approved parking is currently contemplated by the Association. There shall be no parking of commercial and recreational vehicles anywhere within public view; parking of commercial and recreational vehicles shall be restricted entirely to garages and enclosed areas. If a truck-mounted camper is to be an Owner's

primary means of transportation, it shall not be considered a recreational vehicle provided it meets the following conditions: (i) the vehicle is moved on a daily basis; (ii) it is parked within a garage or driveway; and (iii) if the camper is removed, the camper shall be stored in an area screened from all surrounding property.

Section 4. *Pets*. Subject to limitations as may from time to time be set by the Association, generally recognized house or yard pets, in reasonable numbers, may be kept and maintained on a Lot or in a Living Unit, 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 Lot, must not become a nuisance to other residents, and must be in compliance with all applicable County ordinances.

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Section 8. *Trash Burning*. Trash, leaves, and other similar material shall not be burned on any Lot.

Section 9. *Signs*. No signs of any type shall be displayed to public view on any Lot or the Common Area without the prior written approval of the Architectural Review Board, except customary name and address signs meeting established Architectural Review Board standards and real estate sale and rental signs which shall be removed immediately when a binding contract or lease has been entered into for the Lot.

Section 10. *Mailboxes and Newspaper Tubes*. Only mailboxes and newspaper tubes meeting the design standards of the Architectural Review Board shall be permitted.

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Section 12. *Nuisances*. No noxious or offensive activity shall be carried on upon any portion of the property subject hereto, nor shall anything be done thereon that may be or become a nuisance or annoyance to the Neighborhood.

Section 13. *Lighting*. No exterior lighting shall be directed outside the boundaries of a Lot.

Section 14. *Storage of firewood*. Storage of firewood shall be restricted to rear yards; and all firewood storage locations must be approved in writing by the Architectural Review Board.

Section 15. *Vegetation*. No live trees with a diameter in excess of four inches, measured twelve inches

above ground, nor trees in excess of two inches in diameter, similarly measured; which are generally known as flowering trees (such as dogwood or redbud) or as broad leaf evergreens (such as holly, laurel, or rhododendron), and no live vegetation on slopes of greater than twenty percent gradient or marked "no cut" areas on City of Lynchburg approved site plans may be cut without prior approval of the Architectural Review Board. The Association shall set rules for cutting of trees to allow for selective clearing or cutting.

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Section 17. *Rules.* From time to time the Board of Trustees shall adopt rules, including, but not limited to, rules to implement the provisions of this Article and such rules as are required herein. Such rules may be adopted or amended by a two-thirds (2/3) vote of the Board of Trustees, following a hearing for which due notice has been provided to Members. All such rules and any subsequent amendments thereto shall be placed in the Book of Resolutions and shall be binding on all Members, except where expressly provided otherwise in such rule.

Section 18. *Exceptions.* The Board of Trustees may issue temporary permits to exempt any prohibitions expressed or implied by this Article, provided the Board can show good cause and acts in accordance with adopted guidelines and procedures.

So long as the Developer or a Builder is engaged in developing or improving any portion of the Properties, such persons shall be exempt from the provisions of this Article affecting movement and storage of building materials and equipment, cutting or clearing of live trees and vegetation, erection and maintenance of directional and promotional signs, and conduct of sales activities, including maintenance of model Living Units having approval of the Architectural Review Board. Such exemption shall be subject to such rules as may be established by the Developer to maintain reasonable standards of safety, cleanliness, and the general appearance of the Properties.

ARTICLE V

RESERVATION OF EASEMENTS

There shall be and is hereby reserved to the Developer, its successors and assigns, a utility and road construction easement over the Lots and Parcels subject to this Supplementary Declaration which may be conveyed to the City of Lynchburg, Virginia Department of Transportation, or the City of Lynchburg Sanitation Authority in connection with the release of public improvement bonds or the acceptance of streets for public maintenance. This easement shall expire, if not conveyed to such public entity, on December 31, 2017 from date hereof, or after the earlier release of all public improvement bonds and acceptance of streets for public maintenance concerning the Lots and Parcels subject to this Supplementary Declaration.

ARTICLE VI

GENERAL PROVISIONS

Section 1. *Duration.* The covenants and restrictions of this Supplementary declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Supplementary Declaration is

recorded, after which time they shall be automatically extended for successive periods of twenty-five (25) years, unless at the expiration of any such period the covenants and restrictions are expressly terminated by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots in the Neighborhood and fifty-one percent (51%) of the First Mortgagees who hold mortgages on Lots in the Neighborhood. A termination must be approved by County and be recorded to become effective.

Section 2. *Amendment.* The Declarant may amend this Declaration in any manner and to any extent until a Lot in the Increment is conveyed to an Owner. For a period of three (3) years after the recording of this Declaration, the Declarant may make any amendment unilaterally, provided it is in compliance with all federal, state and local laws, statutes and regulations, and which are of a nature which do not substantially alter the original concept or precludes the intended use and enjoyment of any lots therein by Developer's successor in interest. Thereafter this Supplementary Declaration may be amended at any time by an instrument signed by the Class C Member, if any, the Association, the Owners of not less than sixty-seven percent (67%) of the Lots in the Neighborhood, and fifty-one percent (51%) of the First Mortgagees who hold mortgages on Lots in the Neighborhood. The Developer or a Builder shall not amend or remove this Supplementary Declaration without the consent of the Association and an Owner (other than a Builder or the Developer) of at least one Lot in the Neighborhood. Any amendment must be recorded to become effective.

As long as any Class C membership exists, amendment of this Supplementary Declaration requires the approval of the Federal Mortgage Agencies should they have an interest in the Properties in the Neighborhood.

Section 3. *Enforcement.* The Association, the Developer, any Member within the Neighborhood, or First Mortgagee, as their interests may appear, 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 Supplementary Declaration. 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. *Terms and Definitions.* The terms used herein shall have the same meaning and definition as set forth in the Declaration.

Section 6. *Contravention.* Nothing contained herein shall be construed as altering, amending, or vacating the provisions of the Ordinances of the City of Lynchburg, Virginia, which shall have full force and effect on all property subject to this Supplementary Declaration.

Section 7. *Utility Lines.* When the utility line for a Lot extends under an adjacent Lot or Parcel, the Owner of the Lot may enter the adjacent Lot or Parcel for the purposes of maintenance or repair of the utility line subject to the obligation to restore the adjacent Lot or Parcel as nearly as possible to its original condition promptly upon completion of the repair or maintenance.

IN WITNESS WHEREOF, Developer has caused this Supplementary Declaration of Covenants and Restrictions to be executed.

JBO, LLC, a Virginia limited liability company

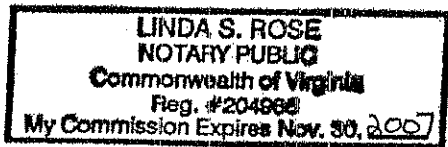
By: [Signature] (SEAL)
Manager

STATE OF VIRGINIA
TO-WIT:
~~BY~~/COUNTY OF Bedford

The foregoing instrument was acknowledged before me this 28th day of November, 2007, by
Jeffrey S. Allen, Manager of JBO, LLC, a Virginia limited liability company.

My Commission Expires: 11/30/07

[Signature]
Notary Public



Virginia: In the Clerk's Office of the
Circuit Court of the City of Lynchburg
The foregoing instrument was this day
presented in the office aforesaid and
is, together with the certificate of
acknowledgement annexed, admitted to
record DEC - 4 2007,
at 3:46 o'clock P M.

TESTE: [Signature] Clerk

_____	Tax
_____	City Tax
_____	Transfer
<u>5.00</u>	TFTF
_____	OAPF
<u>16.00</u>	Fee
<u>21.00</u>	TOTAL

Examined And
Delivered To
Grantee
[Signature]
DEC - 4 2007.

Prepared by & Return to: Prescott H. Gay, Sr., 1045 Cottontown Rd., Lynchburg, Va., 24503

Tax Map Reference No.: 26315001

THIS SUPPLEMENTARY DECLARATION is made this 16th day of October, 2007, by JBO, LLC, a Virginia limited liability company, (hereinafter referred to as the "Developer"), whose address is 104 Archway Court, Lynchburg, Va., 24504.

WHEREAS, Developer is the owner of the real property described in this Supplementary Declaration; and

WHEREAS, Developer intends that the property described herein become subject to the Cornerstone Declaration of Covenants and Restrictions and also become subject to the provisions hereinafter set forth.

NOW, THEREFORE, Developer hereby declares that all of the property described herein, together with such additions as may hereafter be made thereto as provided in Article II hereto, shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in the Cornerstone Declaration of Covenants and Restrictions, (the "Declaration") dated the 1st day of October, 2007, and recorded in the Office of the Clerk of the Circuit Court of the City of Lynchburg, Virginia as Instrument #070009951 and subject to the covenants, restrictions, easements, charges, and liens set forth herein.

ARTICLE I

NEIGHBORHOOD DESIGNATION

Blocks F,G,L,M,N, Cornerstone, as duly dedicated, platted, subdivided, and recorded as Instrument #070009103, Plat Cabinet 9, Slide 89-92 of the aforesaid land records, are hereby designated as a Neighborhood of Cornerstone and shall be known as Townhome Neighborhood (the "Neighborhood").

ARTICLE II

PROPERTY SUBJECT TO THIS SUPPLEMENTARY DECLARATION

Section 1. *Existing Property.* The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Supplementary Declaration, or any amendments thereto, consists of Blocks F,G,L,M,N, Cornerstone, as hereinabove described.

Section 2. *Additions to Existing Property.* All or any part of the land described in the Development Limits may be added to this Neighborhood by the Developer or a Builder (with the consent of the Developer), without the consent of the Owners, within ten (10) years of the recordation of this Supplementary Declaration, by recording a Supplementary Declaration with respect to such land which designates it as part of the Neighborhood and by filing with the Association the plat and plans for such addition.

ARTICLE III

NEIGHBORHOOD ASSESSMENTS

Section 1. *Purpose.* Neighborhood Assessments shall be used exclusively for the purpose of providing

services which are necessary or desirable for the health, safety, and welfare of the Members within the Neighborhood. Such services may include: maintenance and operation of any Neighborhood Common Area as described and designated in the Governing Documents, providing services such as trash removal to the Living Units in the Neighborhood, and setting aside reserves for future repair and replacement of capital improvements to be constructed or maintained through the Neighborhood Assessment. All living units constructed herein shall be townhouses.

Section 2. *Basis of Assessment.* For Neighborhood Assessment purposes, all Living Units which have obtained a Certificate of Occupancy, shall be assessed at One Hundred Percent (100%) of the Neighborhood Assessment rate.

Section 3. *Maximum Neighborhood Assessment.* Until the first day of the fiscal year immediately following commencement of assessments in the Neighborhood, the maximum annual Neighborhood Assessment shall be One Thousand and 00/100 Dollars (\$1,000.00) per year.

Section 4. *Change in Maximum.* From and after the first day of the fiscal year immediately following the commencement of Neighborhood Assessments in the Neighborhood:

- (a) The Board of Trustees may increase the maximum each year by the greater of:
 - (1) a factor of not more than five percent (5%) of the maximum for the current fiscal year; or
 - (2) the percentage increase, if any, over the twelve (12) month period ending five (5) months prior to the start of the fiscal year, in the Consumer Price Index, or equivalent, as published by the U.S. Labor Department for the Metropolitan Washington Area; such increase shall become effective the first day of the next year.
- (b) The maximum may be increased above the amount which can be set by the Board with the approval of sixty-seven percent (67%) of the Class A Members who own Lots in the Neighborhood.

Section 5. *Method of Assessment.* The assessments shall be levied by the Association against Assessable Units in the Neighborhood, and collected and disbursed by the Association. As provided in the Declaration, by a vote of two-thirds of the Trustees, the Board shall fix the annual Neighborhood Assessment and the date(s) such assessments become due with the advice of the Owners of Assessable Units in the Neighborhood.

Section 6. *Special Assessments.*

- (a) Maintenance of Party Walls.
 - (1) General Rules of Law to Apply. Each wall which is built as a part of the original construction of any Living Unit in the Development subject to this Declaration and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.
 - (2) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a

wall shall be shared by the Owners who make use of the wall in proportion to such use.

- (3) **Destruction by Fire or Other Casualty.** If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may repair or restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of repair or restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.
 - (4) **Weatherproofing.** Notwithstanding any other provisions of this Section, any Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.
 - (5) **Right to Contribution Runs with Land.** The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to and run with the land and shall pass to such Owner's successors in title.
 - (6) **Association's Right to Repair and Maintain.** In the event that any Owner shall fail to Maintain a party wall in a manner satisfactory to the Board of Trustees, the Association, after thirty (30) days prior written notice to such Owner, and upon affirmative vote of a Majority of the Board of Trustees, shall have the right (but not the obligation), through its Agents and employees, to enter upon such Lot and adjoining Living Units and to repair, maintain, and restore the party wall. The cost of such repair and maintenance shall be a Special Assessment to which such Lot is subject.
- (b) **Capital Improvement Assessment.** The Association may levy in any assessment year a Special Assessment against Lots, applicable to that year and payable over not more than the next three (3) 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 fixtures and personal property related thereto, any major and/or extraordinary cleaning of exterior surfaces and roofing and gutter work of any Living Unit or other specified purpose, provided that any such assessment shall require the affirmative vote of two-thirds of the Class A Members who are present and voting, in person or by proxy, at a meeting at which a Quorum of Members is present, and the consent of the Class B Member, if Class B membership has not expired.
 - (c) **Restoration Assessment.** The Association may levy a Restoration Assessment upon any Lot whose Owner fails to maintain such Lot, as provided in Article VI, Section 2, or who fails to provide such Maintenance funds as may be required by the Supplementary Declaration for such Lot. Restoration Assessments shall be limited to the amount necessary to meet the cost of restoration or deficiency in required funds and the cost of collection thereof.

Section 7. Effect of Nonpayment of Assessment: Remedies of Association. Any assessment Installment not paid within thirty (30) days after the due date shall be delinquent. Thereupon, the Association shall provide Notice of such delinquency as provided by law and may (a) declare the entire balance of such Annual or Special Assessment due and payable in full; (b) charge interest from the due date at a percentage rate equal to the lesser of eighteen percent (18%) per annum or the maximum rate then permitted by law, such rate to be set by the Board for each Assessment period; (c) charge a penalty to be set by the Board of Trustees not exceeding twenty percent (20%) of the installment; (d) give Notice to the Owner that in the event payment with accrued interest and penalties are not paid within thirty (30)

days from the date of such Notice, then the expressed contractual lien provided for herein shall be filed and/or enforced; and (e) upon Registered Notice to the Owner or Occupant of the Lot, suspend the right of such Owner or Occupant to vote until the assessment, accrued interest, penalties, and costs of collection are paid in full.

Section 8. *Reserve Accounts.* The Board of Trustees shall maintain in a separate interest-bearing account or shall separately account for reserves for the repair and replacement of capital items located in the Neighborhood and maintained by the Association as provided in the Declaration.

ARTICLE IV

PROTECTIVE COVENANTS

Section 1. *Completion of Structures.* The exterior of any structure located on a Lot within the Neighborhood and any improvements to be made to the structure or the Lot must be substantially completed in accordance with the plans and specifications approved by the Architectural Review Board within six (6) months after construction of the same shall have commenced, except that the Architectural Review Board may grant extensions where such completion is impossible or where substantial incompleteness is the result of matters beyond the control of Owner or Builder, such as strikes, casualty losses, national emergencies, or acts of God.

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IN WITNESS WHEREOF, Developer has caused this Supplementary Declaration of Covenants and

Restrictions to be executed.

JBO, LLC, a Virginia limited liability company

By: [Signature] (SEAL)
Managing Member

[Signature] (SEAL)

STATE OF VIRGINIA

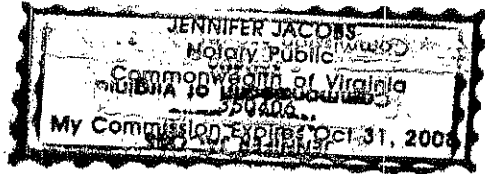
TO-WIT:

CITY/COUNTY OF Lynchburg

The foregoing instrument was acknowledged before me this 30 day of October, 2007, by Jeff Allen, Managing Member of JBO, LLC, a Virginia limited liability company.

My Commission Expires: 10/31/2008

Jennifer Jacobs
Notary Public



STATE OF VIRGINIA

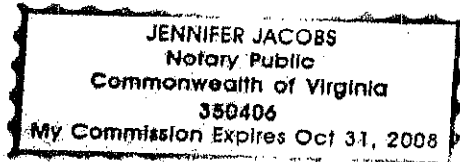
TO-WIT:

CITY/COUNTY OF Lynchburg

The foregoing instrument was acknowledged before me this 30 day of October, 2007, by Mark Borel, managing member

My Commission Expires: 10/31/2008

Jennifer Jacobs
Notary Public



Virginia: In the Clerk's Office of the Circuit Court of the City of Lynchburg The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgement annexed, admitted to record NOV - 1 2007, at 9:07 o'clock A M.

TESTE:

[Signature]

Clerk

_____	Tax
_____	City Tax
_____	Transfer
<u>5.00</u>	TFTF
_____	OAPF
<u>16.00</u>	Fee
<u>21.00</u>	TOTAL

Examined And Delivered To Grantee

Freeman Quinn

NOV - 1 2007



OFFICIAL RECEIPT
LYNCHBURG CIRCUIT COURT
DEED RECEIPT

DATE: 11/01/07 TIME: 09:09:00 ACCOUNT: 680CLR070010894
CASHIER: BRG REG: LZ19 TYPE: DRG PAYMENT: FULL PAYMENT
INSTRUMENT : 070010894 BOOK: PAGE:
GRANTOR: J B D L L C
GRANTEE: J B D L L C
AND ADDRESS :
RECEIVED OF : FREEMAN DUNN ALEXANDER & C
CHECK: \$21.00 14337
DESCRIPTION 1: SEE SUPPLEMENTARY DECLARATION #070009951
RECORDED: 11/01/07 AT 09:07
EX: N LDC: CI
EX: N PCT: 100%

CONSIDERATION:
301 DEEDS .00 A/VAL: PAGES: 0
106 TECHNOLOGY TRST FND 14.50 145 VSLF .00 MAP: 26315001 NAMES: 0
5.00 PIN:

TENDERED : 1.50
AMOUNT PAID: 21.00
CHANGE AMT : 21.00
.00

CLERK OF COURT: LARRY B. PALMER

BUSINESS FORMS SPECIALTY, INC (757) 827-9575

(1143-065 1206)

59228

Prepared by & Return to: James R. Richards, P.O. Box 1080, Lynchburg, VA 24505

Tax Map Reference No.: 263 15 001

THIS SUPPLEMENTAL DECLARATION is made this 16th day of October, 2008, by JBO, LLC, a Virginia limited liability company, (hereinafter referred to as the "Developer"), whose address is 104 Archway Court, Lynchburg, Virginia 24504.

WHEREAS, Developer is the owner of the real property described in this Supplementary Declaration; and

WHEREAS, Developer intends that the property described herein become subject to the Cornerstone Declaration of Covenants and Restrictions and also become subject to the provisions hereinafter set forth.

NOW, THEREFORE, Developer hereby declares that all of the property described herein, together with such additions as may hereafter be made thereto as provided in Article II hereto, shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in the Cornerstone Declaration of Covenants and Restrictions, (the "Declaration") dated the 1st day of October, 2007, and recorded in the Office of the Clerk of the Circuit Court of the City of Lynchburg, Virginia as Instrument #070009951 and subject to the covenants, restrictions, easements, charges, and liens set forth herein.

ARTICLE I

NEIGHBORHOOD DESIGNATION

Blocks P, Q and R Cornerstone as duly dedicated, platted, subdivided and recorded as Instrument #080007990, Plat Cabinet 9, Slide 239-241 of the aforesaid land records, are hereby designated as a Neighborhood of Cornerstone and shall become a part of the Detached Single Family Dwelling Neighborhood (the "Neighborhood").

ARTICLE II

PROPERTY SUBJECT TO THIS SUPPLEMENTARY DECLARATION

Section 1. *Existing Property.* The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Supplementary Declaration, or any amendments thereto, consists of Blocks P, Q and R Cornerstone, as hereinabove described.

Section 2. *Additions to Existing Property.* All or any part of the land described in the Development Limits may be added to this Neighborhood by the Developer or a Builder (with the consent of the Developer), without the consent of the Owners, within ten (10) years of the

recording of this Supplementary Declaration, by recording a Supplementary Declaration with respect to such land which designates it as part of the Neighborhood and by filing with the Association a plat and plans for such addition.

ARTICLE III

NEIGHBORHOOD ASSESSMENTS

Section 1. *Purpose.* Neighborhood Assessments shall be used exclusively for the purpose of providing services which are necessary or desirable for the health, safety, and welfare of the Members within the Neighborhood. Such services may include: maintenance and operation of any Neighborhood Common Area as described and designated in the Governing Documents, providing services such as trash removal to the Living Units in the Neighborhood, and setting aside reserves for future repair and replacement of capital improvements to be constructed or maintained through the Neighborhood Assessment. All improvements constructed herein shall be the detached single family houses.

Section 2. *Basis of Assessment.* For Neighborhood Assessment purposes, all Living Units which have received a Certificate of Occupancy shall be assessed at One Hundred Percent (100%) of the Neighborhood Assessment rate.

Section 3. *Maximum Neighborhood Assessment.* Until the first day of the fiscal year immediately following commencement of assessments in the Neighborhood, the maximum annual Neighborhood Assessment shall be Seven Hundred Twenty Dollars (\$720.00) per year.

Section 4. *Change in Maximum.* From and after the first day of the fiscal year immediately following the commencement of Neighborhood Assessments in the Neighborhood:

- (a) The Board of Directors may increase the maximum each year by the greater of:
 - (1) a factor of not more than five percent (5%) of the maximum for the current fiscal year; or
 - (2) the percentage increase, if any, over the twelve (12) month period ending five (5) months prior to the start of the fiscal year, in the Consumer Price Index, or equivalent, as published by the U.S. Labor Department for the Metropolitan Washington Area; such increase shall become effective the first day of the next year.
- (b) The maximum may be increased above the amount which can be set by the Board with the approval of sixty-seven percent (67%) of the Class A Members who own Lots in the Neighborhood.

Section 5. *Method of Assessment.* The assessments shall be levied by the Association against Assessable Units in the Neighborhood, and collected and disbursed by the Association. As provided in the Declaration, by a vote of a majority of the Directors, the Board shall fix the annual

Neighborhood Assessment and the date(s) such assessments become due with the advice of the Owners of Assessable Units in the Neighborhood.

Section 6. *Effect of Nonpayment of Assessment: Remedies of Association.* Any assessment Installment not paid within thirty (30) days after the due date shall be delinquent. Thereupon the Association shall provide Notice of such delinquency as provided by law and may (1) declare the entire balance of such Annual or Special Assessment due and payable in full; (b) charge interest from the due date at a percentage rate equal to the lesser of eighteen percent (18%) per annum or the maximum rate then permitted by law, such rate to be set by the Board for each Assessment period; (c) charge a penalty to be set by the Board of Directors not exceeding twenty percent (20%) of the installment; (d) give Notice to the Owner that in the event payment with accrued interest and penalties are not paid within thirty (30) days from the date of such Notice, then the expressed contractual lien provided for herein shall be filed and/or enforced; and (3) upon Registered Notice to the Owner or Occupant of the Lot, suspend the right of such Owner or Occupant to vote until the assessment, accrued interest, penalties, and costs of collection are paid in full.

Section 7. *Reserve Accounts.* The Board of Directors shall maintain in a separate interest-bearing account or shall separately account for reserves for the repair and replacement of capital items located in the Neighborhood and maintained by the Association as provided in the Declaration.

ARTICLE IV

PROTECTIVE COVENANTS

Section 1. *Completion of Structures.* The exterior of any structure located on a Lot within the Neighborhood and any improvements to be made to the structure or the Lot must be substantially completed in accordance with the plans and specifications approved by the Architectural Review Board within six (6) months after construction of the same shall have commenced, except that the Architectural Review Board may grant extensions where such completion is impossible or where substantial incompleteness is the result of matters beyond the control of Owner or Builder, such as strikes, casualty losses, national emergencies, or acts of God.

Section 2. *Residential Use.* All Lots and Living Units designated for residential use shall be used, improved, and devoted exclusively to residential use, except home occupations may be pursued if permitted by the City of Lynchburg and approved in writing by the Architectural Review Board, subject to rules adopted by the Board of Directors to prevent unreasonable adverse impact on adjacent Lots and Living Units. Nothing herein shall be deemed to prevent an Owner from leasing a Living Unit to a Single Family, provided such lease shall be in writing and subject to all of the provisions of the Governing Documents with any failure by a lessee to comply with the terms of the Governing Documents constituting a default under the lease. Residential use shall include group homes for the handicapped, mentally retarded, or otherwise disadvantaged persons.

Section 3. *Vehicles.* No portion of the property subjected hereto shall be used for the repair of motor vehicles or the storage of unregistered motor vehicles or motor vehicle parts. Use and storage of all vehicles and recreational equipment upon the Common Area and Lots or upon any

street, public or private, adjacent thereto shall be subject to rules promulgated by the Board of Directors as provided herein:

- (a) All motor vehicles, including but not limited to trail bikes, motorcycles, mopeds, dune buggies, and snowmobiles, shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on pathways or Common Areas except such vehicles as are authorized by the Association as needed to maintain, repair, or improve the Common Area. This prohibition shall not apply to normal vehicular use of designated streets, lanes, and parking areas constructed on Common Area.
- (b) Parking of all commercial and recreational vehicles and related equipment, including boats and boat trailers, other than on a temporary and nonrecurring basis, shall be in garages or in areas approved by the Association for such parking. No such area for approved parking is currently contemplated by the Association. There shall be no parking of commercial and recreational vehicles anywhere within public view; parking of commercial and recreational vehicles shall be restricted entirely to garages and enclosed areas. If a truck-mounted camper is to be an Owner's primary means of transportation, it shall not be considered a recreational vehicle provided it meets the following conditions: (i) the vehicle is moved on a daily basis; (ii) it is parked within a garage or driveway; and (iii) if the camper is removed, the camper shall be stored in an area screened from all surrounding property.

Section 4. *Pets*. Subject to limitations as may from time to time be set by the Association, generally recognized house or yard pets, in reasonable numbers, may be kept and maintained on a Lot or in a Living Unit, provided such pets are not kept or maintained for commercial purposes. All pets must be under the control of their owner when they are outside the Lot, must not become a nuisance to other residents, and must be in compliance with all applicable City ordinances.

Section 5. *Clothes Drying Equipment*. No exterior clotheslines or other exterior clothes-drying apparatus shall be permitted on any Lot, unless approved in writing by the Architectural Review Board. It is initially contemplated that no exterior clotheslines or other exterior clothes-drying apparatus will be permitted.

Section 6. *Antennae*. No direct broadcast satellite dishes or multi-point distribution system of more than one meter in diameter, or a mast that is more than 12 feet above the roofline shall be installed on any lot, unless approved in writing by Architectural Review Board.

Section 7. *Trash Receptacles*. Storage, collection, and disposal of trash shall be in compliance with rules set by the Architectural Review Board.

Section 8. *Trash Burning*. Trash, leaves, and other similar material shall not be burned on any Lot.

Section 9. *Signs*. No signs of any type shall be displayed to public view on any Lot or the Common Area without the prior written approval of the Architectural Review Board, except customary name and address signs meeting established Architectural Review Board standards and

real estate sale and rental signs which shall be removed immediately when a binding contract on lease has been entered into for the Lot.

Section 10. *Mailboxes and Newspaper Tubes.* Only mailboxes and newspaper tubes meeting the design standards of the Architectural Review Board shall be permitted.

Section 11. *Fences and Walls.* No fence, wall, tree, hedge, or shrub planting shall be erected or maintained in such a manner as to obstruct sight lines for vehicular traffic. All fences, walls, or enclosures must be approved by the Architectural Review Board as to location, material, color, and design. Any fence or wall built on any of the Lots shall be maintained in a proper manner so as not to detract from the value and desirability of surrounding property.

Section 12. *Nuisances.* No noxious or offensive activity shall be carried on upon any portion of the property subject hereto, nor shall anything be done thereon that may be or become a nuisance or annoyance to the Neighborhood.

Section 13. *Lighting.* No exterior lighting shall be directed outside the boundaries of a Lot.

Section 14. *Storage of firewood.* Storage of firewood shall be restricted to rear yards, and all firewood storage locations must be approved in writing by the Architectural Review Board.

Section 15. *Vegetation.* No live trees with a diameter in excess of four inches, measured twelve inches above ground, nor trees in excess of two inches in diameter, similarly measured, which are generally known as flowering trees (such as dogwood or redbud) or as broad leaf evergreens (such as holly, laurel, or rhododendron), and no live vegetation on slopes of greater than twenty percent gradient or marked "no cut" areas on City of Lynchburg approved site plans may be cut without prior approval of the Architectural Review Board. The Association shall set rules for cutting of trees to allow for selective clearing or cutting.

Section 16. *Leases.* All leases within the Neighborhood shall be for a minimum of six (6) months. Leases shall be valid only if the tenant acknowledges receipt of a copy of the rules and regulations of the Association and the lease shall state such acknowledgment. Approved lease language meeting this requirement will be provided by the Board of Directors.

Section 17. *Rules.* From time to time the Board of Directors shall adopt rules, including, but not limited to, rules to implement the provisions of this Article and such rules as are required herein. Such rules may be adopted or amended by a two-thirds (2/3) vote of the Board of Directors, following a hearing for which due notice has been provided to Members. All such rules and any subsequent amendments thereto shall be placed in the Book of Resolutions and shall be binding on all Members, except where expressly provided otherwise in such rule.

Section 18. *Exceptions.* The Board of Directors may issue temporary permits to exempt any prohibitions expressed or implied by this Article, provided the Board can show good cause and acts in accordance with adopted guidelines and procedures.

So long as the Developer or a Builder is engaged in developing or improving any portion of the Properties, such persons shall be exempt from the provisions of this Article affecting movement

and storage of building materials and equipment, cutting or clearing of live trees and vegetation, erection and maintenance of directional and promotional signs, and conduct of sales activities, including maintenance of model Living Units having approval of the Architectural Review Board. Such exemption shall be subject to such rules as may be established by the Developer to maintain reasonable standards of safety, cleanliness, and the general appearance of the Properties.

ARTICLE V

RESERVATION OF EASEMENTS

There shall be and is hereby reserved to the Developer, its successors and assigns, a utility and road construction easement over Lots and Parcels subject to this Supplementary Declaration which may be conveyed to the City of Lynchburg, the Virginia Department of Transportation, or the City of Lynchburg Sanitation Authority in connection with the release of public improvement bonds or the acceptance of streets for public maintenance. This easement shall expire, if not conveyed to such public entity, on December 31, 2017, or after the earlier release of all public improvement bonds and acceptance of streets for public maintenance concerning the Lots and Parcels subject to this Supplementary Declaration.

ARTICLE VI

GENERAL PROVISIONS

Section 1. *Duration.* The covenants and restrictions of this Supplementary Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Supplementary Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty-five (25) years, unless at the expiration of any such period the covenants and restrictions are expressly terminated by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots in the Neighborhood and fifty-one percent (51%) of the First Mortgagees who hold mortgage on Lots in the Neighborhood. A termination must be approved by the City and be recorded to become effective.

Section 2. *Amendment.* This Supplementary Declaration may be amended at any time by an instrument signed by the Class B Member, if any, the Association and the Owners of not less than sixty-seven percent (67%) of the Lots in the Neighborhood and fifty-one percent (51%) of the First Mortgagees who hold mortgages on Lots in the Neighborhood. The Developer or a Builder shall not amend or remove this Supplementary Declaration without the consent of the Association and an Owner (other than a Builder on the Developer) of at least one Lot in the Neighborhood. Any amendment must be recorded to become effective.

Section 3. *Enforcement.* The Association, the Developer, any Member within the Neighborhood, or First Mortgagee, as their interests may appear, 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 Supplementary Declaration. 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. *Terms and Definitions.* The terms used herein shall have the same meaning and definition as set forth in the Declaration.

Section 6. *Contravention.* Nothing contained herein shall be construed as altering, amending, or vacating the provisions of the Ordinances of the City of Lynchburg, Virginia, which shall have full force and effect on all property subject to this Supplementary Declaration.

Section 7. *Utility Lines.* When the utility line for a Lot extends under an adjacent Lot or Parcel, the Owner of the Lot may enter the adjacent Lot or Parcel for the purposes of maintenance or repair of the utility line subject to the obligation to restore the adjacent Lot or Parcel as nearly as possible to its original condition promptly upon completion of the repair or maintenance.

IN WITNESS WHEREOF, Developer has caused this Supplementary Declaration of Covenants and Restrictions to be executed.

JBO, LLC

By



Manager

STATE OF VIRGINIA,

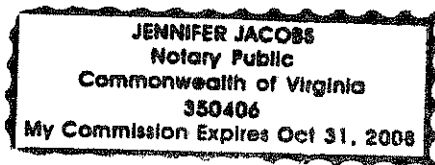
To-wit:

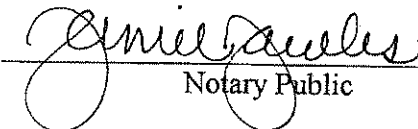
CITY OF LYNCHBURG,

The foregoing instrument was acknowledged before me this 16th day of October, 2008, by Jeffrey S. Allen, Manager of JBO, LLC, a Virginia limited liability company.

My commission expires October 31, 2008.

Notary Registration No. 350406.





Notary Public

Virginia: In the Clerk's Office of the
Circuit Court of the City of Lynchburg
The foregoing instrument was this day
presented in the office aforesaid and
is, together with the certificate of
acknowledgement annexed, admitted to
record SEP 16 2008
at 1:43 o'clock P M.

TESTE: Jerry R. Palmer Clerk

_____	Tax
_____	City Tax
_____	Transfer
<u>5.00</u>	TFTF
_____	OAPF
<u>16.00</u>	Fee
<u>21.00</u>	TOTAL

Examined And
Delivered To
Grantee

Bowl Construction
PO Box 640
Lynchburg Va 24505

Prepared by & Return to: James R. Richards, P.O. Box 1080, Lynchburg, VA 24505

Tax Map Reference No.: 263 15 011, 263 15 584, 263 15 585, 263 15 586, 263 15 587, 263 15 588, 263 15 589, 263 15 590, 263 15 591, 263 15 592, 263 15 593, 263 15 594, 263 15 595

THIS SUPPLEMENTAL DECLARATION is made this 26th day of December, 2011, by JBO, LLC, a Virginia limited liability company, (hereinafter referred to as the "Developer"), whose address is 104 Archway Court, Lynchburg, Virginia 24504.

WHEREAS, Developer is the owner of the real property described in this Supplementary Declaration; and

WHEREAS, Developer intends that the property described herein become subject to the Cornerstone Declaration of Covenants and Restrictions and also become subject to the provisions hereinafter set forth.

NOW, THEREFORE, Developer hereby declares that all of the property described herein, together with such additions as may hereafter be made thereto as provided in Article II hereto, shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in the Cornerstone Declaration of Covenants and Restrictions, (the "Declaration") dated the 1st day of October, 2007, and recorded in the Office of the Clerk of the Circuit Court of the City of Lynchburg, Virginia as Instrument #070009951 and recorded amendments thereto, and subject to the covenants, restrictions, easements, charges, and liens set forth herein.

ARTICLE I

NEIGHBORHOOD DESIGNATION

Block K Cornerstone as duly dedicated, platted, subdivided and recorded as Instrument #110007447, Plat Cabinet 10, Slide 163 of the aforesaid land records, is hereby designated as a Neighborhood of Cornerstone and shall become a part of the Detached Single Family Dwelling Neighborhood (the "Neighborhood").

ARTICLE II

PROPERTY SUBJECT TO THIS SUPPLEMENTARY DECLARATION

Section 1. *Existing Property.* The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Supplementary Declaration, or any amendments thereto, consists of Block K Cornerstone, as hereinabove described.

Section 2. *Additions to Existing Property.* All or any part of the land described in the Development Limits may be added to this Neighborhood by the Developer or a Builder (with the consent of the Developer), without the consent of the Owners, within ten (10) years of the

recordation of this Supplementary Declaration, by recording a Supplementary Declaration with respect to such land which designates it as part of the Neighborhood and by filing with the Association a plat and plans for such addition.

ARTICLE III

NEIGHBORHOOD ASSESSMENTS

Section 1. *Purpose.* Neighborhood Assessments shall be used exclusively for the purpose of providing services which are necessary or desirable for the health, safety, and welfare of the Members within the Neighborhood. Such services may include: maintenance and operation of any Neighborhood Common Area as described and designated in the Governing Documents, providing services such as trash removal to the Living Units in the Neighborhood, and setting aside reserves for future repair and replacement of capital improvements to be constructed or maintained through the Neighborhood Assessment. All improvements constructed herein shall be the detached single family houses.

Section 2. *Basis of Assessment.* For Neighborhood Assessment purposes, all Living Units which have received a Certificate of Occupancy shall be assessed at One Hundred Percent (100%) of the Neighborhood Assessment rate.

Section 3. *Maximum Neighborhood Assessment.* Until the first day of the fiscal year immediately following commencement of assessments in the Neighborhood, the maximum annual Neighborhood Assessment shall be Seven Hundred Eighty Dollars (\$780.00) per year.

Section 4. *Change in Maximum.* From and after the first day of the fiscal year immediately following the commencement of Neighborhood Assessments in the Neighborhood:

- (a) The Board of Directors may increase the maximum each year by the greater of:
 - (1) a factor of not more than five percent (5%) of the maximum for the current fiscal year; or
 - (2) the percentage increase, if any, over the twelve (12) month period ending five (5) months prior to the start of the fiscal year, in the Consumer Price Index, or equivalent, as published by the U.S. Labor Department for the Metropolitan Washington Area; such increase shall become effective the first day of the next year.
- (b) The maximum may be increased above the amount which can be set by the Board with the approval of sixty-seven percent (67%) of the Class A Members who own Lots in the Neighborhood.

Section 5. *Method of Assessment.* The assessments shall be levied by the Association against Assessable Units in the Neighborhood, and collected and disbursed by the Association. As provided in the Declaration, by a vote of a majority of the Directors, the Board shall fix the annual

Neighborhood Assessment and the date(s) such assessments become due with the advice of the Owners of Assessable Units in the Neighborhood.

Section 6. *Effect of Nonpayment of Assessment: Remedies of Association.* Any assessment Installment not paid within thirty (30) days after the due date shall be delinquent. Thereupon the Association shall provide Notice of such delinquency as provided by law and may (1) declare the entire balance of such Annual or Special Assessment due and payable in full; (b) charge interest from the due date at a percentage rate equal to the lesser of eighteen percent (18%) per annum or the maximum rate then permitted by law, such rate to be set by the Board for each Assessment period; (c) charge a penalty to be set by the Board of Directors not exceeding twenty percent (20%) of the installment; (d) give Notice to the Owner that in the event payment with accrued interest and penalties are not paid within thirty (30) days from the date of such Notice, then the expressed contractual lien provided for herein shall be filed and/or enforced; and (3) upon Registered Notice to the Owner or Occupant of the Lot, suspend the right of such Owner or Occupant to vote until the assessment, accrued interest, penalties, and costs of collection are paid in full.

Section 7. *Reserve Accounts.* The Board of Directors shall maintain in a separate interest-bearing account or shall separately account for reserves for the repair and replacement of capital items located in the Neighborhood and maintained by the Association as provided in the Declaration.

ARTICLE IV

LIMITED AMENITIES

Developer reserves the right to construct within the bounds of Block K certain common area amenities. Any amenities constructed by Developer within the area designated on the Block K subdivision plat as "Common Area" shall be restricted to use by the owners of single family detached dwellings within Cornerstone by appropriate signage erected within the common area and such restriction shall continue until removed by the Association.

ARTICLE V

PROTECTIVE COVENANTS

Section 1. *Completion of Structures.* The exterior of any structure located on a Lot within the Neighborhood and any improvements to be made to the structure or the Lot must be substantially completed in accordance with the plans and specifications approved by the Architectural Review Board within six (6) months after construction of the same shall have commenced, except that the Architectural Review Board may grant extensions where such completion is impossible or where substantial incompleteness is the result of matters beyond the control of Owner or Builder, such as strikes, casualty losses, national emergencies, or acts of God.

Section 2. *Residential Use.* All Lots and Living Units designated for residential use shall be used, improved, and devoted exclusively to residential use, except home occupations may be pursued if permitted by the City of Lynchburg and approved in writing by the Architectural Review Board, subject to rules adopted by the Board of Directors to prevent unreasonable adverse impact

on adjacent Lots and Living Units. Nothing herein shall be deemed to prevent an Owner from leasing a Living Unit to a Single Family, provided such lease shall be in writing and subject to all of the provisions of the Governing Documents with any failure by a lessee to comply with the terms of the Governing Documents constituting a default under the lease. Residential use shall include group homes for the handicapped, mentally retarded, or otherwise disadvantaged persons.

Section 3. *Vehicles*. No portion of the property subjected hereto shall be used for the repair of motor vehicles or the storage of unregistered motor vehicles or motor vehicle parts. Use and storage of all vehicles and recreational equipment upon the Common Area and Lots or upon any street, public or private, adjacent thereto shall be subject to rules promulgated by the Board of Directors as provided herein:

- (a) All motor vehicles, including but not limited to trail bikes, motorcycles, mopeds, dune buggies, and snowmobiles, shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on pathways or Common Areas except such vehicles as are authorized by the Association as needed to maintain, repair, or improve the Common Area. This prohibition shall not apply to normal vehicular use of designated streets, lanes, and parking areas constructed on Common Area.
- (b) Parking of all commercial and recreational vehicles and related equipment, including boats and boat trailers, other than on a temporary and nonrecurring basis, shall be in garages or in areas approved by the Association for such parking. No such area for approved parking is currently contemplated by the Association. There shall be no parking of commercial and recreational vehicles anywhere within public view; parking of commercial and recreational vehicles shall be restricted entirely to garages and enclosed areas. If a truck-mounted camper is to be an Owner's primary means of transportation, it shall not be considered a recreational vehicle provided it meets the following conditions: (i) the vehicle is moved on a daily basis; (ii) it is parked within a garage or driveway; and (iii) if the camper is removed, the camper shall be stored in an area screened from all surrounding property.

Section 4. *Pets*. Subject to limitations as may from time to time be set by the Association, generally recognized house or yard pets, in reasonable numbers, may be kept and maintained on a Lot or in a Living Unit, provided such pets are not kept or maintained for commercial purposes. All pets must be under the control of their owner when they are outside the Lot, must not become a nuisance to other residents, and must be in compliance with all applicable City ordinances.

Section 5. *Clothes Drying Equipment*. No exterior clotheslines or other exterior clothes-drying apparatus shall be permitted on any Lot, unless approved in writing by the Architectural Review Board. It is initially contemplated that no exterior clotheslines or other exterior clothes-drying apparatus will be permitted.

Section 6. *Antennae*. No direct broadcast satellite dishes or multi-point distribution system of more than one meter in diameter, or a mast that is more than 12 feet above the roofline shall be installed on any lot, unless approved in writing by Architectural Review Board.

Section 7. *Trash Receptacles*. Storage, collection, and disposal of trash shall be in

compliance with rules set by the Architectural Review Board.

Section 8. *Trash Burning.* Trash, leaves, and other similar material shall not be burned on any Lot.

Section 9. *Signs.* No signs of any type shall be displayed to public view on any Lot or the Common Area without the prior written approval of the Architectural Review Board, except customary name and address signs meeting established Architectural Review Board standards and real estate sale and rental signs which shall be removed immediately when a binding contract on lease has been entered into for the Lot.

Section 10. *Mailboxes and Newspaper Tubes.* Only mailboxes and newspaper tubes meeting the design standards of the Architectural Review Board shall be permitted.

Section 11. *Fences and Walls.* No fence, wall, tree, hedge, or shrub planting shall be erected or maintained in such a manner as to obstruct sight lines for vehicular traffic. All fences, walls, or enclosures must be approved by the Architectural Review Board as to location, material, color, and design. Any fence or wall built on any of the Lots shall be maintained in a proper manner so as not to detract from the value and desirability of surrounding property.

Section 12. *Nuisances.* No noxious or offensive activity shall be carried on upon any portion of the property subject hereto, nor shall anything be done thereon that may become a nuisance or annoyance to the Neighborhood.

Section 13. *Lighting.* No exterior lighting shall be directed outside the boundaries of a Lot.

Section 14. *Storage of firewood.* Storage of firewood shall be restricted to rear yards, and all firewood storage locations must be approved in writing by the Architectural Review Board.

Section 15. *Vegetation.* No live trees with a diameter in excess of four inches, measured twelve inches above ground, nor trees in excess of two inches in diameter, similarly measured, which are generally known as flowering trees (such as dogwood or redbud) or as broad leaf evergreens (such as holly, laurel, or rhododendron), and no live vegetation on slopes of greater than twenty percent gradient or marked "no cut" areas on City of Lynchburg approved site plans may be cut without prior approval of the Architectural Review Board. The Association shall set rules for cutting of trees to allow for selective clearing or cutting.

Section 16. *Leases.* All leases within the Neighborhood shall be for a minimum of six (6) months. Leases shall be valid only if the tenant acknowledges receipt of a copy of the rules and regulations of the Association and the lease shall state such acknowledgment. Approved lease language meeting this requirement will be provided by the Board of Directors.

Section 17. *Rules.* From time to time the Board of Directors shall adopt rules, including, but not limited to, rules to implement the provisions of this Article and such rules as are required herein. Such rules may be adopted or amended by a two-thirds (2/3) vote of the Board of Directors, following a hearing for which due notice has been provided to Members. All such rules and any subsequent amendments thereto shall be placed in the Book of Resolutions and shall be binding on

all Members, except where expressly provided otherwise in such rule.

Section 18. *Exceptions.* The Board of Directors may issue temporary permits to exempt any prohibitions expressed or implied by this Article, provided the Board can show good cause and acts in accordance with adopted guidelines and procedures.

So long as the Developer or a Builder is engaged in developing or improving any portion of the Properties, such persons shall be exempt from the provisions of this Article affecting movement and storage of building materials and equipment, cutting or clearing of live trees and vegetation, erection and maintenance of directional and promotional signs, and conduct of sales activities, including maintenance of model Living Units having approval of the Architectural Review Board. Such exemption shall be subject to such rules as may be established by the Developer to maintain reasonable standards of safety, cleanliness, and the general appearance of the Properties.

ARTICLE VI

RESERVATION OF EASEMENTS

There shall be and is hereby reserved to the Developer, its successors and assigns, a utility and road construction easement over Lots and Parcels subject to this Supplementary Declaration which may be conveyed to the City of Lynchburg, the Virginia Department of Transportation, or the City of Lynchburg Sanitation Authority in connection with the release of public improvement bonds or the acceptance of streets for public maintenance. This easement shall expire, if not conveyed to such public entity, on December 31, 2017, or after the earlier release of all public improvement bonds and acceptance of streets for public maintenance concerning the Lots and Parcels subject to this Supplementary Declaration.

ARTICLE VII

GENERAL PROVISIONS

Section 1. *Duration.* The covenants and restrictions of this Supplementary Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Supplementary Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty-five (25) years, unless at the expiration of any such period the covenants and restrictions are expressly terminated by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots in the Neighborhood and fifty-one percent (51%) of the First Mortgagees who hold mortgages on Lots in the Neighborhood. A termination must be approved by the City and be recorded to become effective.

Section 2. *Amendment.* This Supplementary Declaration may be amended at any time by an instrument signed by the Class B Member, if any, the Association and the Owners of not less than sixty-seven percent (67%) of the Lots in the Neighborhood and fifty-one percent (51%) of the First Mortgagees who hold mortgages on Lots in the Neighborhood. The Developer or a Builder shall not amend or remove this Supplementary Declaration without the consent of the Association and an Owner (other than a Builder or the Developer) of at least one Lot in the Neighborhood. Any amendment must be recorded to become effective.

Section 3. *Enforcement.* The Association, the Developer, any Member within the Neighborhood, or First Mortgagee, as their interests may appear, shall have the right to enforce, by any proceeding at law on in equity, all restrictions, conditions, covenants, reservations, liens, and charges now on hereafter imposed by the provisions of this Supplementary Declaration. Failure to enforce any covenant on 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. *Terms and Definitions.* The terms used herein shall have the same meaning and definition as set forth in the Declaration.

Section 6. *Contravention.* Nothing contained herein shall be construed as altering, amending, or vacating the provisions of the Ordinances of the City of Lynchburg, Virginia, which shall have full force and effect on all property subject to this Supplementary Declaration.

Section 7. *Utility Lines.* When the utility line for a Lot extends under an adjacent Lot or Parcel, the Owner of the Lot may enter the adjacent Lot or Parcel for the purposes of maintenance or repair of the utility line subject to the obligation to restore the adjacent Lot or Parcel as nearly as possible to its original condition promptly upon completion of the repair or maintenance.

IN WITNESS WHEREOF, Developer has caused this Supplementary Declaration of Covenants and Restrictions to be executed.

JBO, LLC

By [Signature]
Manager

STATE OF VIRGINIA,
CITY OF LYNCHBURG,

To-wit:

The foregoing instrument was acknowledged before me this 27th day of December, 2011, by Jeffrey S. Allen, Manager of JBO, LLC, a Virginia limited liability company.

My commission expires 4/30/2013.

Notary Registration No. Betsy Cockburn # 7237681.

Betsy Cockburn
Notary Public



INSTRUMENT #110007571
RECORDED IN THE CLERK'S OFFICE OF
LYNCHBURG ON
DECEMBER 28, 2011 AT 10:41AM

EUGENE C. WINGFIELD, CLERK
RECORDED BY: BR5

COMMONWEALTH OF VIRGINIA



1A

1A

8910016026 RR Donnelley ©2010. All rights reserved. --- 0655

(A103178 5/10)

OFFICIAL RECEIPT
LYNCHBURG CIRCUIT COURT
DEED RECEIPT

DATE: 12/28/11 TIME: 10:41:07 ACCOUNT: 680CLR110007571 RECEIPT: 11000023653
CASHIER: BRS REG: LZ19 TYPE: DRC PAYMENT: FULL PAYMENT
INSTRUMENT : 110007571 BOOK: PAGE: RECORDED: 12/28/11 AT 10:41
GRANTOR: J B O L L C EX: N LOC: CI
GRANTEE: J B O L L C EX: N PCT: 100%

AND ADDRESS :
RECEIVED OF : J B O L L C

CHECK: \$21.00 1943
DESCRIPTION 1: SEE SUPPLEMENTAL DECLARATION

PAGES: 0 O/P 0
NAMES: 0

CONSIDERATION: .00 A/VAL: .00 MAP: 26315011*
PIN:

301 DEEDS 14.50 145 VSLF 1.50
106 TECHNOLOGY TRST FND 5.00

TENDERED : 21.00
AMOUNT PAID: 21.00
CHANGE AMT : .00

CLERK OF COURT: EUGENE C. WINGFIELD

Prepared by & Return to: James R. Richards, P.O. Box 1080, Lynchburg, VA 24505

Tax Map Reference No.: 263 15 001

THIS SUPPLEMENTAL DECLARATION is made this 13th day of September, 2012, by JBO, LLC, a Virginia limited liability company, (hereinafter referred to as the "Developer"), whose address is 104 Archway Court, Lynchburg, Virginia 24504.

WHEREAS, Developer is the owner of the real property described in this Supplementary Declaration; and

WHEREAS, Developer intends that the property described herein become subject to the Cornerstone Declaration of Covenants and Restrictions and also become subject to the provisions hereinafter set forth.

NOW, THEREFORE, Developer hereby declares that all of the property described herein, together with such additions as may hereafter be made thereto as provided in Article II hereto, shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in the Cornerstone Declaration of Covenants and Restrictions, (the "Declaration") dated the 1st day of October, 2007, and recorded in the Office of the Clerk of the Circuit Court of the City of Lynchburg, Virginia as Instrument #070009951 and recorded amendments thereto, and subject to the covenants, restrictions, easements, charges, and liens set forth herein.

ARTICLE I

NEIGHBORHOOD DESIGNATION

Lots J-6 through J-14, inclusive, of Block J Cornerstone and Parcel "B" of Block J Cornerstone as duly dedicated, platted, subdivided on a plat entitled "Plat Showing Subdivision of Cornerstone – Block J" dated 7/12/2012 and revised 8/7/2012 recorded as Instrument #120006001 among the aforesaid land records, are hereby designated to become a part of Cornerstone development as a part of the Detached Single Family Dwelling Neighborhood (the "Neighborhood").

ARTICLE II

PROPERTY SUBJECT TO THIS SUPPLEMENTARY DECLARATION

Section 1. *Existing Property.* The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Supplementary Declaration, or any amendments thereto, consists of Lots J-6 through J-14, inclusive, of Block J Cornerstone and Parcel "B" of Block J Cornerstone, as hereinabove described.

Section 2. *Additions to Existing Property.* All or any part of the land described in the Development Limits may be added to this Neighborhood by the Developer or a Builder (with the consent of the Developer), without the consent of the Owners, within ten (10) years of the

recording of this Supplementary Declaration, by recording a Supplementary Declaration with respect to such land which designates it as part of the Neighborhood and by filing with the Association a plat and plans for such addition.

ARTICLE III

NEIGHBORHOOD ASSESSMENTS

Section 1. *Purpose.* Neighborhood Assessments shall be used exclusively for the purpose of providing services which are necessary or desirable for the health, safety, and welfare of the Members within the Neighborhood. Such services may include: maintenance and operation of any Neighborhood Common Area as described and designated in the Governing Documents, providing services such as trash removal to the Living Units in the Neighborhood, and setting aside reserves for future repair and replacement of capital improvements to be constructed or maintained through the Neighborhood Assessment. All improvements constructed herein shall be the detached single family houses.

Section 2. *Basis of Assessment.* For Neighborhood Assessment purposes, all Living Units which have received a Certificate of Occupancy shall be assessed at One Hundred Percent (100%) of the Neighborhood Assessment rate.

Section 3. *Maximum Neighborhood Assessment.* Until the first day of the fiscal year immediately following commencement of assessments in the Neighborhood, the maximum annual Neighborhood Assessment shall be Seven Hundred Eighty Dollars (\$780.00) per year.

Section 4. *Change in Maximum.* From and after the first day of the fiscal year immediately following the commencement of Neighborhood Assessments in the Neighborhood:

- (a) The Board of Directors may increase the maximum each year by the greater of:
 - (1) a factor of not more than five percent (5%) of the maximum for the current fiscal year; or
 - (2) the percentage increase, if any, over the twelve (12) month period ending five (5) months prior to the start of the fiscal year, in the Consumer Price Index, or equivalent, as published by the U.S. Labor Department for the Metropolitan Washington Area; such increase shall become effective the first day of the next year.
- (b) The maximum may be increased above the amount which can be set by the Board with the approval of sixty-seven percent (67%) of the Class A Members who own Lots in the Neighborhood.

Section 5. *Method of Assessment.* The assessments shall be levied by the Association against Assessable Units in the Neighborhood, and collected and disbursed by the Association. As provided in the Declaration, by a vote of a majority of the Directors, the Board shall fix the annual

Neighborhood Assessment and the date(s) such assessments become due with the advice of the Owners of Assessable Units in the Neighborhood.

Section 6. *Effect of Nonpayment of Assessment: Remedies of Association.* Any assessment Installment not paid within thirty (30) days after the due date shall be delinquent. Thereupon the Association shall provide Notice of such delinquency as provided by law and may (1) declare the entire balance of such Annual or Special Assessment due and payable in full; (b) charge interest from the due date at a percentage rate equal to the lesser of eighteen percent (18%) per annum or the maximum rate then permitted by law, such rate to be set by the Board for each Assessment period; (c) charge a penalty to be set by the Board of Directors not exceeding twenty percent (20%) of the installment; (d) give Notice to the Owner that in the event payment with accrued interest and penalties are not paid within thirty (30) days from the date of such Notice, then the expressed contractual lien provided for herein shall be filed and/or enforced; and (3) upon Registered Notice to the Owner or Occupant of the Lot, suspend the right of such Owner or Occupant to vote until the assessment, accrued interest, penalties, and costs of collection are paid in full.

Section 7. *Reserve Accounts.* The Board of Directors shall maintain in a separate interest-bearing account or shall separately account for reserves for the repair and replacement of capital items located in the Neighborhood and maintained by the Association as provided in the Declaration.

ARTICLE IV

PROTECTIVE COVENANTS

Section 1. *Completion of Structures.* The exterior of any structure located on a Lot within the Neighborhood and any improvements to be made to the structure or the Lot must be substantially completed in accordance with the plans and specifications approved by the Architectural Review Board within six (6) months after construction of the same shall have commenced, except that the Architectural Review Board may grant extensions where such completion is impossible or where substantial incompleteness is the result of matters beyond the control of Owner or Builder, such as strikes, casualty losses, national emergencies, or acts of God.

Section 2. *Residential Use.* All Lots and Living Units designated for residential use shall be used, improved, and devoted exclusively to residential use, except home occupations may be pursued if permitted by the City of Lynchburg and approved in writing by the Architectural Review Board, subject to rules adopted by the Board of Directors to prevent unreasonable adverse impact on adjacent Lots and Living Units. Nothing herein shall be deemed to prevent an Owner from leasing a Living Unit to a Single Family, provided such lease shall be in writing and subject to all of the provisions of the Governing Documents with any failure by a lessee to comply with the terms of the Governing Documents constituting a default under the lease. Residential use shall include group homes for the handicapped, mentally retarded, or otherwise disadvantaged persons.

Section 3. *Vehicles.* No portion of the property subjected hereto shall be used for the repair of motor vehicles or the storage of unregistered motor vehicles or motor vehicle parts. Use and storage of all vehicles and recreational equipment upon the Common Area and Lots or upon any street, public or private, adjacent thereto shall be subject to rules promulgated by the Board of

Directors as provided herein:

- (a) All motor vehicles, including but not limited to trail bikes, motorcycles, mopeds, dune buggies, and snowmobiles, shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on pathways or Common Areas except such vehicles as are authorized by the Association as needed to maintain, repair, or improve the Common Area. This prohibition shall not apply to normal vehicular use of designated streets, lanes, and parking areas constructed on Common Area.
- (b) Parking of all commercial and recreational vehicles and related equipment, including boats and boat trailers, other than on a temporary and nonrecurring basis, shall be in garages or in areas approved by the Association for such parking. No such area for approved parking is currently contemplated by the Association. There shall be no parking of commercial and recreational vehicles anywhere within public view; parking of commercial and recreational vehicles shall be restricted entirely to garages and enclosed areas. If a truck-mounted camper is to be an Owner's primary means of transportation, it shall not be considered a recreational vehicle provided it meets the following conditions: (i) the vehicle is moved on a daily basis; (ii) it is parked within a garage or driveway; and (iii) if the camper is removed, the camper shall be stored in an area screened from all surrounding property.

Section 4. *Pets*. Subject to limitations as may from time to time be set by the Association, generally recognized house or yard pets, in reasonable numbers, may be kept and maintained on a Lot or in a Living Unit, provided such pets are not kept or maintained for commercial purposes. All pets must be under the control of their owner when they are outside the Lot, must not become a nuisance to other residents, and must be in compliance with all applicable City ordinances.

Section 5. *Clothes Drying Equipment*. No exterior clotheslines or other exterior clothes-drying apparatus shall be permitted on any Lot, unless approved in writing by the Architectural Review Board. It is initially contemplated that no exterior clotheslines or other exterior clothes-drying apparatus will be permitted.

Section 6. *Antennae*. No direct broadcast satellite dishes or multi-point distribution system of more than one meter in diameter, or a mast that is more than 12 feet above the roofline shall be installed on any lot, unless approved in writing by Architectural Review Board.

Section 7. *Trash Receptacles*. Storage, collection, and disposal of trash shall be in compliance with rules set by the Architectural Review Board.

Section 8. *Trash Burning*. Trash, leaves, and other similar material shall not be burned on any Lot.

Section 9. *Signs*. No signs of any type shall be displayed to public view on any Lot or the Common Area without the prior written approval of the Architectural Review Board, except customary name and address signs meeting established Architectural Review Board standards and real estate sale and rental signs which shall be removed immediately when a binding contract on lease has been entered into for the Lot.

Section 10. *Mailboxes and Newspaper Tubes.* Only mailboxes and newspaper tubes meeting the design standards of the Architectural Review Board shall be permitted.

Section 11. *Fences and Walls.* No fence, wall, tree, hedge, or shrub planting shall be erected or maintained in such a manner as to obstruct sight lines for vehicular traffic. All fences, walls, or enclosures must be approved by the Architectural Review Board as to location, material, color, and design. Any fence or wall built on any of the Lots shall be maintained in a proper manner so as not to detract from the value and desirability of surrounding property.

Section 12. *Nuisances.* No noxious or offensive activity shall be carried on upon any portion of the property subject hereto, nor shall anything be done thereon that may be or become a nuisance or annoyance to the Neighborhood.

Section 13. *Lighting.* No exterior lighting shall be directed outside the boundaries of a Lot.

Section 14. *Storage of firewood.* Storage of firewood shall be restricted to rear yards, and all firewood storage locations must be approved in writing by the Architectural Review Board.

Section 15. *Vegetation.* No live trees with a diameter in excess of four inches, measured twelve inches above ground, nor trees in excess of two inches in diameter, similarly measured, which are generally known as flowering trees (such as dogwood or redbud) or as broad leaf evergreens (such as holly, laurel, or rhododendron), and no live vegetation on slopes of greater than twenty percent gradient or marked "no cut" areas on City of Lynchburg approved site plans may be cut without prior approval of the Architectural Review Board. The Association shall set rules for cutting of trees to allow for selective clearing or cutting.

Section 16. *Leases.* All leases within the Neighborhood shall be for a minimum of six (6) months. Leases shall be valid only if the tenant acknowledges receipt of a copy of the rules and regulations of the Association and the lease shall state such acknowledgment. Approved lease language meeting this requirement will be provided by the Board of Directors.

Section 17. *Rules.* From time to time the Board of Directors shall adopt rules, including, but not limited to, rules to implement the provisions of this Article and such rules as are required herein. Such rules may be adopted or amended by a two-thirds (2/3) vote of the Board of Directors, following a hearing for which due notice has been provided to Members. All such rules and any subsequent amendments thereto shall be placed in the Book of Resolutions and shall be binding on all Members, except where expressly provided otherwise in such rule.

Section 18. *Exceptions.* The Board of Directors may issue temporary permits to exempt any prohibitions expressed or implied by this Article, provided the Board can show good cause and acts in accordance with adopted guidelines and procedures.

So long as the Developer or a Builder is engaged in developing or improving any portion of the Properties, such persons shall be exempt from the provisions of this Article affecting movement and storage of building materials and equipment, cutting or clearing of live trees and vegetation, erection and maintenance of directional and promotional signs, and conduct of sales activities,

including maintenance of model Living Units having approval of the Architectural Review Board. Such exemption shall be subject to such rules as may be established by the Developer to maintain reasonable standards of safety, cleanliness, and the general appearance of the Properties.

ARTICLE V

RESERVATION OF EASEMENTS

There shall be and is hereby reserved to the Developer, its successors and assigns, a utility and road construction easement over Lots and Parcels subject to this Supplementary Declaration which may be conveyed to the City of Lynchburg, the Virginia Department of Transportation, or the City of Lynchburg Sanitation Authority in connection with the release of public improvement bonds or the acceptance of streets for public maintenance. This easement shall expire, if not conveyed to such public entity, on December 31, 2017, or after the earlier release of all public improvement bonds and acceptance of streets for public maintenance concerning the Lots and Parcels subject to this Supplementary Declaration.

ARTICLE VI

GENERAL PROVISIONS

Section 1. *Duration.* The covenants and restrictions of this Supplementary Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Supplementary Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty-five (25) years, unless at the expiration of any such period the covenants and restrictions are expressly terminated by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots in the Neighborhood and fifty-one percent (51%) of the First Mortgagees who hold mortgage on Lots in the Neighborhood. A termination must be approved by the City and be recorded to become effective.

Section 2. *Amendment.* This Supplementary Declaration may be amended at any time by an instrument signed by the Class B Member, if any, the Association and the Owners of not less than sixty-seven percent (67%) of the Lots in the Neighborhood and fifty-one percent (51%) of the First Mortgagees who hold mortgages on Lots in the Neighborhood. The Developer or a Builder shall not amend or remove this Supplementary Declaration without the consent of the Association and an Owner (other than a Builder on the Developer) of at least one Lot in the Neighborhood. Any amendment must be recorded to become effective.

Section 3. *Enforcement.* The Association, the Developer, any Member within the Neighborhood, or First Mortgagee, as their interests may appear, 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 Supplementary Declaration. 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. *Terms and Definitions.* The terms used herein shall have the same meaning and definition as set forth in the Declaration.

Section 6. *Contravention.* Nothing contained herein shall be construed as altering, amending, or vacating the provisions of the Ordinances of the City of Lynchburg, Virginia, which shall have full force and effect on all property subject to this Supplementary Declaration.

Section 7. *Utility Lines.* When the utility line for a Lot extends under an adjacent Lot or Parcel, the Owner of the Lot may enter the adjacent Lot or Parcel for the purposes of maintenance or repair of the utility line subject to the obligation to restore the adjacent Lot or Parcel as nearly as possible to its original condition promptly upon completion of the repair or maintenance.

IN WITNESS WHEREOF, Developer has caused this Supplementary Declaration of Covenants and Restrictions to be executed.

JBO, LLC

By [Signature]
Manager

STATE OF VIRGINIA,
CITY OF LYNCHBURG,

To-wit:

The foregoing instrument was acknowledged before me this 13th day of September, 2012, by Jeffrey S. Allen, Manager of JBO, LLC, a Virginia limited liability company.

My commission expires 4/30/13

Notary Registration No. 7237681

[Signature]
Notary Public



INSTRUMENT #120006039
RECORDED IN THE CLERK'S OFFICE OF
LYNCHBURG ON
SEPTEMBER 13, 2012 AT 02:52PM

EUGENE C. WINGFIELD, CLERK
RECORDED BY: SRS

COMMONWEALTH OF VIRGINIA



1A

1A

OFFICIAL RECEIPT
LYNCHBURG CIRCUIT COURT
DEED RECEIPT

2010016626 RR Donnelley ©2011. All rights reserved. --- 0221

(A114086 8/11)

DATE: 09/19/12 TIME: 14:52:58 ACCOUNT: 680CLR120006099 RECEIPT: 12000018980
 CASHIER: BRS REG: LZ19 TYPE: DEC PAYMENT: FULL PAYMENT
 INSTRUMENT : 120006099 BOOK: PAGE: RECORDED: 09/19/12 AT 14:52
 GRANTOR: J B O L L C EX: N LDC: CI
 GRANTEE: J B O L L C EX: N PCT: 100%
 AND ADDRESS :
 RECEIVED OF : JBO LLC
 CHECK: \$21.00 2025
 DESCRIPTION 1: SEE SUPPLEMENTAL DECLARATION PAGES: 0 OF 0
 NAMES: 0
 CONSIDERATION: .00 A/VAL: .00 MAP: 26315001
 PIN:
 301 DEEDS 14.50 145 VSLF 1.50
 106 TECHNOLOGY TRST FND 5.00
 TENDERED : 21.00
 AMOUNT PAID: 21.00
 CHANGE AMT : .00

CLERK OF COURT: EUGENE C. WINGFIELD

Tax Map Numbers: See Attached Addendum III

Prepared by and Return to:

The Law Office of:

HUGH J. M. JONES, III, P.C.

Post Office Box 4461

Lynchburg, Virginia 24502

THIS AMENDED SUPPLEMENTARY DECLARATION dated this 7th day of January, 2013, by **IBO, LLC**, a Virginia limited liability company (hereinafter "DEVELOPER"), party of the first part, **WELLINGTON RESIDENTIAL, LLC**, a Virginia limited liability company (hereinafter "WELLINGTON"), party of the second part; and the **VUE AT CORNERSTONE, LLC**, a Virginia limited liability company, (hereinafter "VUE"), party of the third part; and **THOMAS BUILDERS OF VIRGINIA, INC.**, a Virginia corporation, (hereinafter "THOMAS BUILDERS"), party of the fourth part; and **MADDOX & SON CONSTRUCTION, INC.**, a Virginia corporation, (hereinafter "MADDOX"), party of the fifth part; and **A & K-BO, L.L.C.**, a Virginia limited liability company, (hereinafter "A & K"), party of the sixth part; and **A & T PROPERTIES OF VIRGINIA, LLC**, a Virginia limited liability company, (hereinafter "A & T"), party of the seventh part; and **CARTER BANK AND TRUST**, (hereinafter "CBT"), party of the eighth part; and **BRANCH BANKING AND TRUST CO. OF VIRGINIA**, (hereinafter "BB&T"), party of the ninth part; and **THE GABLES AT CORNERSTONE CONDOMINIUM OWNERS' ASSOCIATION**, a Virginia non-stock corporation, (hereinafter "GABLES"), party of the tenth part; and **THE PARKSIDE GRANDE AT CORNERSTONE CONDOMINIUM OWNERS'**

ASSOCIATION, INC., a Virginia corporation, (hereinafter "PARKSIDE"), party of the eleventh part.

WITNESSETH:

WHEREAS, the parties hereto are the current owners of more than sixty-seven percent (67%) of the lots located within Blocks A, B, C, D, H, and I as shown upon a plat entitled "Plat Showing Subdivision & Dedication of the Property of JBO, LLC, City of Lynchburg, Virginia", dated April 20, 2007, revised June 19, 2007, revised July 31, 2007, revised August 27, 2007, and revised September 6, 2007, made by Perkins & Orrison, Engineers, Planners, Surveyors, and of record in the Clerk's Office of the Circuit Court of the City of Lynchburg, Virginia at Plat Cabinet 9, pages 89 and 90, and which parcels are a part of Cornerstone Traditional Neighborhood Development and are governed by a Supplementary Declaration dated September 27, 2007, of record in the aforesaid Clerk's Office at Instrument Number 070010134 and which Supplementary Declaration incorporates the Declaration of Covenants and Restrictions for Cornerstone dated October 1, 2007, of record in the aforesaid Clerk's Office at Instrument Number 070009951; and

WHEREAS, all of Block A, containing 3.885 acres, as shown upon the aforesaid plat is currently owned by JBO, LLC, the Developer, and is subject to a deed of trust dated November 13, 2007, of record in the aforesaid Clerk's Office at Instrument Number 070011232 securing Carter Bank and Trust the original principal sum of six million seven hundred eighteen thousand dollars (\$6,718,000.00). There have been no improvements constructed on Block A; and

WHEREAS, the current owner of residual Parcel 4, containing 0.255 acres, Block B, Cornerstone, is WELLINGTON RESIDENTIAL, LLC by deed dated March 26, 2012, of record in the aforesaid Clerk's Office at Instrument Number 120003188, and said parcel is subject to a deed of trust dated May 15, 2012, securing Carter Bank and Trust the principal sum of one million nine hundred sixty-eight thousand dollars (\$1,968,000.00) and of record in the aforesaid Clerk's Office at Instrument Number 120003189. There are currently located upon the aforesaid parcel twenty-eight (28) multifamily units. Further reference is made to Plat Cabinet 10, page 140; and

WHEREAS, the current owner of residual Parcel 3, containing 0.160 acres, Block B, Cornerstone, is WELLINGTON RESIDENTIAL, LLC by deed dated October 4, 2011, of record in the aforesaid Clerk's Office at Instrument Number 110006335, and said parcel is subject to a deed of trust dated November 1, 2011, securing Carter Bank and Trust the principal sum of eight hundred ninety-five thousand two hundred dollars (\$895,200.00) and of record in the aforesaid Clerk's Office at Instrument Number 110006336. There are to be located upon the aforesaid parcel twelve (12) multifamily units. Further reference is made to Plat Cabinet 10, page 140; and

WHEREAS, the current owner of Revised Parcel 1, Revised Parcel 2, Parcel 2A, Revised Parcel 3, Revised Parcel 4 and Revised Parcel 5, Block C, Cornerstone, is the VUE by a deed dated September 26, 2012, of record in the aforesaid Clerk's Office at Instrument Number 120006486 as shown upon a plat of record at Plat Cabinet 10, pages 237 and 238, and which parcels are subject to a deed of trust dated September 28, 2012, securing Carter Bank and Trust the principal sum of thirteen million eight hundred

seventy thousand dollars (\$13,870,000.00) of record at Instrument Number 120006487. There are currently located upon the aforesaid parcels owned by the VUE three (3) buildings under construction which will contain a total of forty-eight (48) multifamily units and two (2) buildings intended to be constructed containing a total of forty-two (42) multifamily units; and

WHEREAS, the current owner of Revised Parcel 1, Revised Parcel 2, and Parcel 2A, Block D, Cornerstone is the VUE by deed dated September 26, 2012, of record in the aforesaid Clerk's Office at Instrument Number 120006486, as shown on a plat of record at Plat Cabinet 10, pages 237 and 238; and which parcels are subject to the aforesaid deed of trust dated September 28, 2012, securing Carter Bank and Trust the principal sum of thirteen million eight hundred seventy thousand dollars (\$13,870,000.00) of record at Instrument Number 120006487. There are currently located upon the aforesaid parcels owned by the VUE two (2) buildings under construction which will contain a total of thirty-five (35) multifamily units; and

WHEREAS, Parcel 3, Parcel 4, and Parcel 5, Block D, Cornerstone is currently owned by THOMAS BUILDERS pursuant to a deed dated April 16, 2012, of record in the aforesaid Clerk's Office at Instrument Number 120003304, upon which parcel are located three (3) buildings containing fifty-eight (58) multifamily units, and which parcels are subject to a deed of trust dated May 18, 2012, securing Carter Bank and Trust the principal sum of three million seven hundred fourteen thousand dollars (\$3,714,000.00). Further reference is made to Plat Cabinet 9, pages 235 and 236; and

WHEREAS, all of Block H is currently owned by A & K by deed dated September 24, 2007, of record in the aforesaid Clerk's Office at Instrument Number 070010245 which parcel is subject to a deed of trust securing Carter Bank and Trust the principal sum of seven million six hundred four thousand dollars (\$7,604,000.00). There are located upon the aforesaid Block H a total of one hundred twenty-four (124) condominium units, one hundred four (104) of which are owned by A & K and which are subject to the aforesaid Deed of Trust securing Carter Bank and Trust; and

WHEREAS, a portion of Block I, containing 3.280 acres, is currently owned by MADDUX by deed dated October 18, 2007 of record in the aforesaid Clerk's Office at Instrument Number 070010646 and is subject to a deed of trust securing BB & T the principal amount of one million five hundred thousand dollars (\$1,500,000.00), of record in the aforesaid Clerk's Office at Instrument Number 090007360 on "Existing Building 1" shown upon a plat of record at Plat Cabinet 10, pages 201 and 202; and a deed of trust securing BB & T the principal amount of one million five hundred forty-one thousand seven hundred forty-six dollars and sixty-one cents (\$1,541,746.61) of record in the aforesaid Clerk's Office at Instrument Number 090007887 on "Existing Building 2" as shown on the aforesaid plat; and a deed of trust securing BB & T the principal amount of seven hundred forty-five thousand eight hundred seventy-six dollars (\$745,867.00) of record in the aforesaid Clerk's Office at Instrument Number 090007363 on "Existing Building 3" as shown on the aforesaid plat. There are located upon the aforesaid 3.280 acres four (4) buildings containing a total of eighty-eight apartment units; and

WHEREAS, Block I, the Common Area, containing 0.890 acre, is currently owned by MADDUX by deed dated October 18, 2007 of record in the aforesaid Clerk's Office at Instrument Number 070010646 and is subject to a deed of trust securing BB & T the principal amount of seven million nine hundred forty thousand five hundred dollars (\$7,940,500.00), of record at Instrument Number 080008778, modified to eight million eight hundred thousand dollars (\$8,800,000.00) of record at Instrument Number 10002851. There are located upon the aforesaid 0.890 acres forty (40) condominium units of which twenty (20) are owned by "A & T PROPERTIES" which is a party hereto; and

WHEREAS, Article III, Section 1, of the aforesaid Supplementary Declarations dated September 27, 2007, provides, in part, that "all improvements constructed herein shall be condominiums, and the appurtenance thereto."; and

WHEREAS, the Developer did not intend to limit the use of a aforesaid Blocks A, B, C, D, H and I, Cornerstone, to the use as condominiums only, but intended to limit the use to multi-family units including, but not limited to, condominiums and apartments, as well as commercial space; and

WHEREAS, the requisite number of owners of Lots and First Mortgagees as required by Article VI, Section II, have joined in and have executed this Amended Supplementary Declaration to acknowledge their consent to the amendment contained herein as is evidenced by Addenda I and II attached hereto; and

WHEREAS, JBO, LLC, the Developer, and a party hereto, represents that there is no Class C membership in the Cornerstone Development; and

WHEREAS, GABLES, the party of the tenth part, is the unit owners' association for Block I; and

WHEREAS, PARKSIDE, the party of the eleventh part, is the unit owners' association for Block H; and

WHEREAS, JBO, LLC, the Developer, by its signature hereto represents that the lot owners identified in Addenda I are all of the owners of lots, with the exception of the Common Areas, in Blocks A, B, C, D, H and I, Cornerstone, City of Lynchburg, Virginia; and

WHEREAS, the lot owners who are parties hereto represent more than sixty-seven percent (67%) of the lots in Blocks A, B, C, D, H and I in accordance with Article VI, Section 2, Amendment, of the Supplementary Declaration dated September 27, 2007 of record in the aforesaid Clerk's Office at Instrument Number 070010134 (see Addenda I); and

WHEREAS, the First Mortgages who are parties hereto represent more than fifty-one percent (51%) of the First Mortgages who old mortgages on lots in Blocks A, B, C, D, H and I in accordance with Article VI, Section 2, Amendment of the Supplementary Declaration dated September 27, 2007 of record in the aforesaid Clerk's Office at Instrument Number 070010134 (see Addenda II).

NOW, THEREFORE, the parties hereto desire to amend the aforesaid Supplementary Declaration dated September 27, 2007, at Instrument Number 070010134, as follows:

1. The following sentence in Article III, Section I, shall be, and hereby is, deleted:

"All improvements constructed herein shall be condominiums and the appurtenances thereto, are defined by the Code of Virginia, Title 55, Section 55-79.39, et seq."

2. The following sentence shall be, and hereby is, substituted for the aforesaid sentence deleted:

"All improvements constructed herein may be for commercial and/or multi-family residential purposes, including, but not limited to, condominiums, apartments, and townhomes."

3. The following sentence in Article I shall be, and hereby is, deleted:

"Blocks A, B, C, D, H, I, Cornerstone as duly dedicated, subdivided, and recorded as Instrument Number 070009103, Plat 9, Slide 89-92 of the aforesaid land records, are hereby designated as a Neighborhood of Cornerstone and shall be known as Condominium Neighborhood (the "neighborhood")."

4. The following sentence shall be, and hereby is, substituted for the aforesaid sentence deleted:

"Blocks A, B, C, D, H, I, Cornerstone as duly dedicated, subdivided, and recorded as Instrument Number 070009103, Plat 9, Slide 89-92 of the aforesaid land records, are hereby designated as a Neighborhood of Cornerstone and shall be known as Commercial and Multifamily Residential Neighborhood (the "neighborhood")."

5. Article III, Section 2 shall be and hereby is, deleted.

6. The following shall be, and hereby is, substituted for the Article III, Section 2.

"Section 2. *Basis for Assessment.*

- a. *Multi-family residential.* For Neighborhood Assessment purposes, all Living Units which are or have been occupied shall be assessed at One Hundred Percent (100%) of the Multi-family Neighborhood Assessment rate.
 - b. *Commercial.* Assessment for Commercial properties will be made by the Board of Directors for each specific commercial building.
7. The title of Article III, Section 3 shall be, and hereby is, changed from Maximum Neighborhood Assessment to Maximum Multi-family Residential Assessment.

<THIS SPACE INTENTIONALLY LEFT BLANK>

WITNESS the following signatures and seals:

JBO, LLC

By [Signature] (SEAL)
As: MANAGER

STATE OF VIRGINIA

TO-WIT:

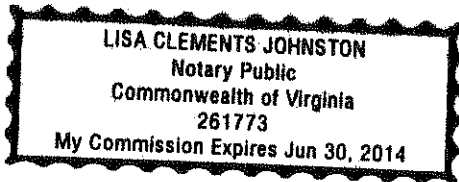
CITY COUNTY OF Lynchburg

The foregoing access easement, was acknowledged before me in my said State and County this 30th day of January, 2013, by Jeffrey S. Allen (NAME) Manager (TITLE), of JBO, LLC, a Virginia limited liability company, on behalf of said company, pursuant to due authority.

My commission expires June 30, 2014

(SEAL)

Lisa Clements Johnston
Notary Public



WELLINGTON RESIDENTIAL, LLC

By [Signature] (SEAL)
Its: President

STATE OF VIRGINIA

TO-WIT:

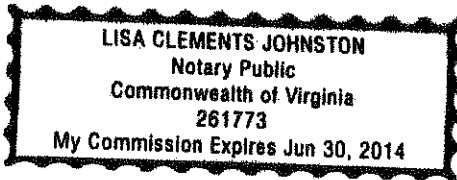
(CITY) COUNTY OF Lynchburg

The foregoing access easement, was acknowledged before me in my said State and County this 30th day of January, 2013, by Jay Coulson (NAME) President (TITLE), of Wellington Residential, LLC, a Virginia limited liability company, on behalf of said company, pursuant to due authority.

My commission expires June 30, 2014

(SEAL)

Lisa Clements Johnston
Notary Public



VUE AT CORNERSTONE, LLC

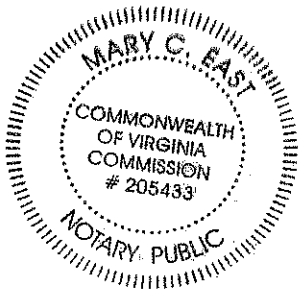
By Chris Langley (SEAL)
Its: member

STATE OF VIRGINIA
TO-WIT:
CITY/COUNTY OF Campbell

The foregoing access easement, was acknowledged before me in my said State
and County this 31st day of January, 2013, by C HRIS LANGLEY
MEMBER (NAME)
MEMBER (TITLE), of Vue at Cornerstone, LLC, a Virginia limited
liability company, on behalf of said company, pursuant to due authority.

My commission expires 1-31-2014

(SEAL)



Mary C. East
Notary Public 205433.

THOMAS BUILDERS OF VIRGINIA, INC.

By TP Bell (SEAL)

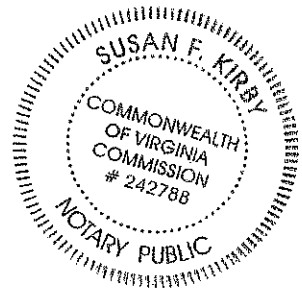
Its: president

STATE OF VIRGINIA
TO-WIT:
~~CITY~~/COUNTY OF Campbell

The foregoing access easement, was acknowledged before me in my said State and County this 31st day of January, 2013, by Thomas P. Bell (NAME) President (TITLE), of Thomas Builders of Virginia, Inc., a Virginia corporation, on behalf of said corporation, pursuant to due authority.

My commission expires 2-29-16

(SEAL)



[Signature]
Notary Public

MADDOX & SON CONSTRUCTION, INC.

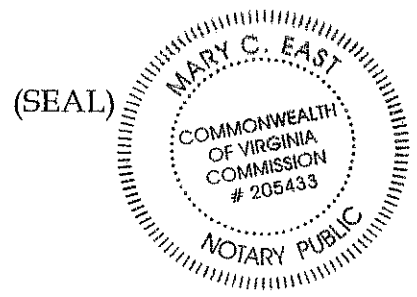
By Andrew D. Maddox (SEAL)

Its: PRESIDENT

STATE OF VIRGINIA
TO-WIT:
CITY/COUNTY OF Camphell

The foregoing access easement, was acknowledged before me in my said State and County this 1st FEBRUARY day of January, 2013, by ANDREW D MADDOX (NAME) PRESIDENT (TITLE), of Maddox & Son Construction, Inc., a Virginia corporation, on behalf of said corporation, pursuant to due authority.

My commission expires 1-31-2014



Mary C. East
Notary Public 205433

A & K Bo, LLC

By *Paul* (SEAL)
Its: *Manager*

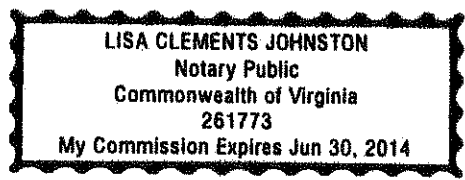
STATE OF VIRGINIA
TO-WIT:
(CITY) COUNTY OF *Lynchburg*

The foregoing access easement, was acknowledged before me in my said State and County this *30th* day of January, 2013, by *Mark A. Borel* (NAME) *Manager* (TITLE), of A & K Bo, LLC, a Virginia limited liability company, on behalf of said company, pursuant to due authority.

My commission expires *June 30, 2014*

(SEAL)

Lisa Clements Johnston
Notary Public



A & T PROPERTIES OF VIRGINIA, LLC

By Andrew D. Meddory (SEAL)

Its: MEMBER

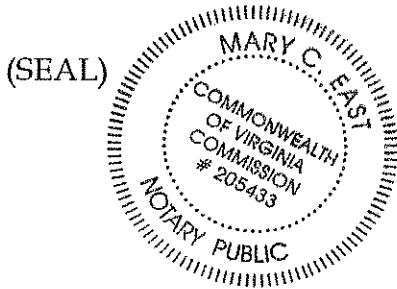
STATE OF VIRGINIA

TO-WIT:

CITY/COUNTY OF Campbell

The foregoing access easement, was acknowledged before me in my said State and County this 1st day of FEBRUARY, 2013, by Andrew D. Meddory (NAME) MEMBER (TITLE), of A & T Properties of Virginia, LLC, a Virginia limited liability company, on behalf of said company, pursuant to due authority.

My commission expires 1-31-2014



Mary C East
Notary Public 205433

CARTER BANK AND TRUST

By [Signature] (SEAL)
Its: Vice Pres.

STATE OF VIRGINIA

TO-WIT:

(CITY) COUNTY OF Lynchburg

The foregoing access easement, was acknowledged before me in my said State and County this 30th day of January, 2013, by John G. Nance (NAME) vice President (TITLE), of Carter Bank and Trust, on behalf of said company, pursuant to due authority.

My commission expires 8/31/2015

(SEAL)

[Signature] 331302
Notary Public

Amanda D. Bowyer
Notary Public
Commonwealth of Virginia
Reg # 331302
My Commission Expires 8/31/2015

BRANCH BANKING AND TRUST
COMPANY OF VIRGINIA

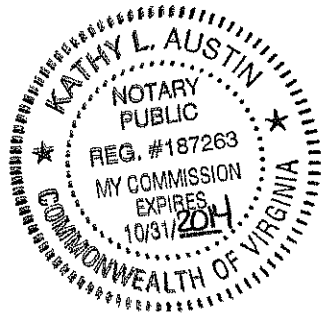
By J. Hill, III (SEAL)
Its: SENIOR VICE PRESIDENT

STATE OF VIRGINIA
TO-WIT:
CITY/COUNTY OF Lynchburg

The foregoing access easement, was acknowledged before me in my said State
and County this 30th day of January, 2013, by J.H. Sorrells, III
Senior Vice President (NAME)
(TITLE), of Branch Banking and Trust Company of Virginia,
on behalf of said company, pursuant to due authority.

My commission expires 10/31/2014

(SEAL)



Kathy L. Austin
Notary Public

THE GABLES AT CORNERSTONE
CONDOMINIUM OWNERS' ASSOCIATION

By Andrew D. Maddox (SEAL)

Its: PRESIDENT

STATE OF VIRGINIA

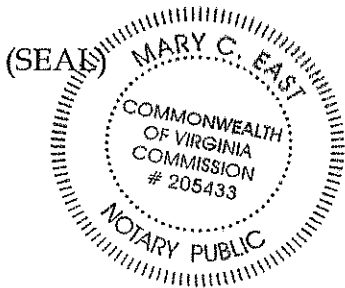
TO-WIT:

CITY/COUNTY OF Campeche

The foregoing access easement, was acknowledged before me in my said State
and County this 1st FEBRUARY day of January, 2013, by ANDREW D MADDOX
PRESIDENT (NAME)
(TITLE), of The Gables at Cornerstone Condominium Owners'

Association, a Virginia non-stock corporation, on behalf of said corporation, pursuant to
due authority.

My commission expires 1-31-2014



Mary C. East
Notary Public 205433

THE PARKSIDE GRANDE AT
CORNERSTONE CONDOMINIUM
OWNERS' ASSOCIATION, INC.

By [Signature] (SEAL)
Its Manager

STATE OF VIRGINIA
TO-WIT:
CITY/COUNTY OF Lynchburg

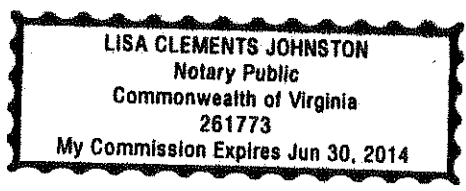
The foregoing access easement, was acknowledged before me in my said State
and County this 30th day of January, 2013, by Jeffrey S. Allen
(NAME)
Manager, of The Parkside Grande at Cornerstone
(TITLE)

Condominium Owners' Association, Inc., a Virginia corporation, on behalf of said
corporation, pursuant to due authority.

My commission expires June 30, 2014

(SEAL)

Lisa Clements Johnston
Notary Public



ADDENDUM I

**Blocks A, B, C, D, H, and I, Cornerstone
(Ownership)**

OWNER	BLOCK	(67% Required)	
		# LOTS	CONSENT
JBO (3.885 acres) - No Improvements	A	1	1
WELLINGTON - 2 Parcels - Apartments	B	2	2
JBO - 2 Parcels	B	2	2
NHANCE PROPERTIES, LLC - Commercial	B	1	0
LEE x 3, LLC - Commercial	B	1	0
WARNER BUILDING, LLC - Commercial	B	1	0
BOJAM, LLC - Commercial	B	1	0
VUE - 6 Parcels - Apartments	C	6	6
THOMAS BUILDERS - 3 Parcels - Apartments	D	3	3
VUE - 3 Parcels - Apartments	D	3	3
A & K - Condominiums	H	124	104
MADDOX (3.280 acres) - Apartments	I	1	1
MADDOX (40 condos - A & T owns 20 condos)	I	40	20
TOTALS		186	142
TOTAL PERCENTAGE/ CONSENT			76.3%

ADDENDUM II

**Blocks A, B, C, D, H, and I, Cornerstone
(Mortgagees)**

(51% Required)

OWNER	BLOCK	# LOTS	LENDER	CONSENT
JBO (3.885 acres) - No Improvements	A	1	CBT	1
WELLINGTON - 2 Parcels	B	2	CBT	1
JBO - 2 Parcels	B	2	BB&T	1
NHANCE PROPERTIES, LLC - Commercial	B	1	Suntrust Bank	0
LEE x 3, LLC - Commercial	B	1	BOTJ	0
WARNER BUILDING, LLC - Commercial	B	1	Jamerson Real Estate, Inc.	0
BOJAM, LLC - Commercial	B	1	Essex Bank	0
VUE - 6 Parcels - Apartments	C	6	CBT	1
THOMAS BUILDERS - 3 Parcels - Apartments	D	3	CBT	1
VUE - 3 Parcels - Apartments	D	3	CBT	1
A & K - Condominiums	H	124	CBT	104
MADDOX (3.280 acres) - Apartments	I	1	BB&T	1
MADDOX (40 condos - A & T owns 20 condos)	I	40	BB&T	20
TOTALS		186		131
TOTAL PERCENTAGE/ CONSENT				70.4%

ADDENDUM III

**Blocks A, B, C, D, H, and I, Cornerstone
Parcel ID Numbers**

OWNER	BLOCK	Parcel ID Numbers
JBO (3.885 acres) - No Improvements	A	26316003
WELLINGTON - 2 Parcels	B	26316018 & 26316019
JBO - 2 Parcels	B	26316020 & 26316015
NHANCE PROPERTIES, LLC - Commercial	B	26316017
LEE x 3, LLC - Commercial	B	26316022
WARNER BUILDING, LLC - Commercial	B	26316021
BOJAM, LLC - Commercial	B	26316016
VUE - 6 Parcels - Apartments	C	See Attached Exhibit A to Addenda III
THOMAS BUILDERS - 3 Parcels - Apartments	D	26316007, 26316001 & 26316002
VUE - 3 Parcels - Apartments	D	See Attached Exhibit A to Addenda III
A & K - Condominiums	H	26315009 - See attached Exhibit B to Addenda III for individual condominium parcel ID numbers
MADDOX (3.280 acres) - Apartments	I	26315596
MADDOX (40 condos - A & T owns 20 condos)	I	26315010 - 40 condominiums - See attached Exhibit C to Addenda III for individual condominium parcel ID numbers

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Search Criteria Search Results Property Sheet Map

12 results found. Click on an item to get more detailed information. Click on a column header to sort by

Export Results to Excel

Parcel ID	Owner	Num	Suffix	Street	Unit	Neigh #	Property Class
05514027	MONTVUE ASSOCIATES LLC	1220		MOSELEY DR		7102	APARTMENT COMPLEX (5 + U
15903024	MONTVUE ASSOCIATES LLC	1216		MOSELEY DR		7102	APARTMENT COMPLEX (5 + U
22611012	MONTVUE PROPERTIES LLC	3708		OLD FOREST RD		7402	COMMERCIAL - GENERAL OFF
26316008	VUE AT CORNERSTONE LLC	200		CORNERSTONE ST		7850	APARTMENT COMPLEX (5 + U
26316009	VUE AT CORNERSTONE LLC	216		CORNERSTONE ST		7850	APARTMENT COMPLEX (5 + U
26316010	VUE AT CORNERSTONE LLC	402		CAPSTONE DR		7850	APARTMENT COMPLEX (5 + U
26316011	VUE AT CORNERSTONE LLC	420		CAPSTONE DR		7850	VACANT - COMMERCIAL
26316012	VUE AT CORNERSTONE LLC	419		ROTUNDA ST		7850	VACANT - COMMERCIAL
26316013	VUE AT CORNERSTONE LLC	215		CORNERSTONE ST		7850	APARTMENT COMPLEX (5 + U
26316014	VUE AT CORNERSTONE LLC	201		CORNERSTONE ST		7850	APARTMENT COMPLEX (5 + U
26316024	VUE AT CORNERSTONE LLC	218		CORNERSTONE ST		7850	VACANT - COMMERCIAL
26316023	VUE AT CORNERSTONE LLC	225		CORNERSTONE ST		7850	VACANT - COMMERCIAL

Exhibit A to Addenda III

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Search Criteria Search Results Property Sheet Map

114 results found. Click on an item to get more detailed information. Click on a column header to sort

Export Results to Excel

Parcel ID	Owner	Num	Suffix	Street	Unit	Neigh #	Property Class	Year Built	To
25019017	A & K BO LLC	114		NORTHWYND CIR		7812	COMMERCIAL COMMON AREA	0	0
25019018	A & K BO LLC	116		NORTHWYND CIR		7812	COMMERCIAL COMMON AREA	0	0
25019019	A & K BO LLC	118		NORTHWYND CIR		7812	COMMERCIAL COMMON AREA	0	0
26315009	A & K BO LLC	101		CAPITAL ST		306	RESIDENTIAL - COMMON AREA	0	0
26315257	A & K BO LLC	1200		GREENVIEW DR	101	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315259	A & K BO LLC	1200		GREENVIEW DR	103	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315260	A & K BO LLC	1200		GREENVIEW DR	104	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315261	A & K BO LLC	1200		GREENVIEW DR	202	306	RESIDENTIAL - CONDOMINIUM	2008	11
26315262	A & K BO LLC	1200		GREENVIEW DR	201	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315263	A & K BO LLC	1200		GREENVIEW DR	203	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315264	A & K BO LLC	1200		GREENVIEW DR	204	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315265	A & K BO LLC	1200		GREENVIEW DR	302	306	RESIDENTIAL - CONDOMINIUM	2008	11
26315266	A & K BO LLC	1200		GREENVIEW DR	301	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315267	A & K BO LLC	1200		GREENVIEW DR	303	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315268	A & K BO LLC	1200		GREENVIEW DR	304	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315145	A & K BO LLC	100		CAPSTONE DR	1	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315146	A & K BO LLC	100		CAPSTONE DR	2	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315149	A & K BO LLC	100		CAPSTONE DR	101	306	RESIDENTIAL - CONDOMINIUM	2008	11
26315150	A & K BO LLC	100		CAPSTONE DR	102	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315151	A & K BO LLC	100		CAPSTONE DR	103	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315152	A & K BO LLC	100		CAPSTONE DR	104	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315154	A & K BO LLC	100		CAPSTONE DR	106	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315156	A & K BO LLC	100		CAPSTONE DR	108	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315158	A & K BO LLC	100		CAPSTONE DR	202	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315159	A & K BO LLC	100		CAPSTONE DR	203	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315160	A & K BO LLC	100		CAPSTONE DR	204	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315161	A & K BO LLC	100		CAPSTONE DR	205	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315162	A & K BO LLC	100		CAPSTONE DR	206	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315163	A & K BO LLC	100		CAPSTONE DR	207	306	RESIDENTIAL - CONDOMINIUM	2008	11
26315164	A & K BO LLC	100		CAPSTONE DR	208	306	RESIDENTIAL - CONDOMINIUM	2008	10

Exhibit B to Addenda III
Page 1 of 4

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Search Criteria Search Results Property Sheet Map

114 results found. Click on an item to get more detailed information. Click on a column header to sort by

Export Results to Excel

Parcel ID	Owner	Num	Suffix	Street	Unit	Neigh #	Property Class	Year Built	Tot F
26315165	A & K BO LLC	100		CAPSTONE DR	301	306	RESIDENTIAL - CONDOMINIUM	2008	1182
26315166	A & K BO LLC	100		CAPSTONE DR	302	306	RESIDENTIAL - CONDOMINIUM	2008	1027
26315167	A & K BO LLC	100		CAPSTONE DR	303	306	RESIDENTIAL - CONDOMINIUM	2008	1027
26315168	A & K BO LLC	100		CAPSTONE DR	304	306	RESIDENTIAL - CONDOMINIUM	2008	1027
26315169	A & K BO LLC	100		CAPSTONE DR	305	306	RESIDENTIAL - CONDOMINIUM	2008	1027
26315170	A & K BO LLC	100		CAPSTONE DR	306	306	RESIDENTIAL - CONDOMINIUM	2008	1027
26315171	A & K BO LLC	100		CAPSTONE DR	307	306	RESIDENTIAL - CONDOMINIUM	2008	1182
26315173	A & K BO LLC	102		CAPSTONE DR	1	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315174	A & K BO LLC	102		CAPSTONE DR	2	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315175	A & K BO LLC	102		CAPSTONE DR	3	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315176	A & K BO LLC	102		CAPSTONE DR	4	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315177	A & K BO LLC	102		CAPSTONE DR	101	306	RESIDENTIAL - CONDOMINIUM	2010	1150
26315178	A & K BO LLC	102		CAPSTONE DR	102	306	RESIDENTIAL - CONDOMINIUM	2010	1016
26315180	A & K BO LLC	102		CAPSTONE DR	104	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315185	A & K BO LLC	102		CAPSTONE DR	201	306	RESIDENTIAL - CONDOMINIUM	2010	1150
26315186	A & K BO LLC	102		CAPSTONE DR	202	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315188	A & K BO LLC	102		CAPSTONE DR	204	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315190	A & K BO LLC	102		CAPSTONE DR	206	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315191	A & K BO LLC	102		CAPSTONE DR	207	306	RESIDENTIAL - CONDOMINIUM	2010	1150
26315192	A & K BO LLC	102		CAPSTONE DR	208	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315193	A & K BO LLC	102		CAPSTONE DR	301	306	RESIDENTIAL - CONDOMINIUM	2010	1150
26315194	A & K BO LLC	102		CAPSTONE DR	302	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315195	A & K BO LLC	102		CAPSTONE DR	303	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315196	A & K BO LLC	102		CAPSTONE DR	304	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315198	A & K BO LLC	102		CAPSTONE DR	306	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315200	A & K BO LLC	102		CAPSTONE DR	308	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315201	A & K BO LLC	105		CAPITAL ST	1	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315202	A & K BO LLC	105		CAPITAL ST	2	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315203	A & K BO LLC	105		CAPITAL ST	3	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315204	A & K BO LLC	105		CAPITAL ST	4	306	RESIDENTIAL - CONDOMINIUM	2010	995

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Search Criteria Search Results Property Sheet Map

114 results found. Click on an item to get more detailed information. Click on a column header to sort by

Export Results to Excel

Parcel ID	Owner	Num	Suffix	Street	Unit	Neigh #	Property Class	Year Built	Tot Fin
26315205	A & K BO LLC	105		CAPITAL ST	101	306	RESIDENTIAL - CONDOMINIUM	2010	1150
26315206	A & K BO LLC	105		CAPITAL ST	102	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315207	A & K BO LLC	105		CAPITAL ST	103	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315208	A & K BO LLC	105		CAPITAL ST	104	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315209	A & K BO LLC	105		CAPITAL ST	105	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315210	A & K BO LLC	105		CAPITAL ST	106	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315211	A & K BO LLC	105		CAPITAL ST	107	306	RESIDENTIAL - CONDOMINIUM	2010	1150
26315212	A & K BO LLC	105		CAPITAL ST	108	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315213	A & K BO LLC	105		CAPITAL ST	201	306	RESIDENTIAL - CONDOMINIUM	2010	1150
26315214	A & K BO LLC	105		CAPITAL ST	202	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315215	A & K BO LLC	105		CAPITAL ST	203	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315216	A & K BO LLC	105		CAPITAL ST	204	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315217	A & K BO LLC	105		CAPITAL ST	205	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315218	A & K BO LLC	105		CAPITAL ST	206	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315219	A & K BO LLC	105		CAPITAL ST	207	306	RESIDENTIAL - CONDOMINIUM	2010	1150
26315220	A & K BO LLC	105		CAPITAL ST	208	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315221	A & K BO LLC	105		CAPITAL ST	301	306	RESIDENTIAL - CONDOMINIUM	2010	1150
26315222	A & K BO LLC	105		CAPITAL ST	302	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315223	A & K BO LLC	105		CAPITAL ST	303	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315224	A & K BO LLC	105		CAPITAL ST	304	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315225	A & K BO LLC	105		CAPITAL ST	305	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315226	A & K BO LLC	105		CAPITAL ST	306	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315227	A & K BO LLC	105		CAPITAL ST	307	306	RESIDENTIAL - CONDOMINIUM	2010	1150
26315228	A & K BO LLC	105		CAPITAL ST	308	306	RESIDENTIAL - CONDOMINIUM	2010	995
26315229	A & K BO LLC	103		CAPITAL ST	1	306	RESIDENTIAL - CONDOMINIUM	2008	1027
26315230	A & K BO LLC	103		CAPITAL ST	2	306	RESIDENTIAL - CONDOMINIUM	2008	1027
26315231	A & K BO LLC	103		CAPITAL ST	3	306	RESIDENTIAL - CONDOMINIUM	2008	1027
26315232	A & K BO LLC	103		CAPITAL ST	4	306	RESIDENTIAL - CONDOMINIUM	2008	1027
26315233	A & K BO LLC	103		CAPITAL ST	101	306	RESIDENTIAL - CONDOMINIUM	2008	1182
26315234	A & K BO LLC	103		CAPITAL ST	102	306	RESIDENTIAL - CONDOMINIUM	2008	1027


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Search Criteria Search Results Property Sheet Map

114 results found. Click on an item to get more detailed information. Click on a column header to sort by

 Export Results to Excel

Parcel ID	Owner	Num	Suffix	Street	Unit	Neigh #	Property Class	Year Built	To
26315235	A & K BO LLC	103		CAPITAL ST	103	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315236	A & K BO LLC	103		CAPITAL ST	104	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315237	A & K BO LLC	103		CAPITAL ST	105	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315238	A & K BO LLC	103		CAPITAL ST	106	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315239	A & K BO LLC	103		CAPITAL ST	107	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315240	A & K BO LLC	103		CAPITAL ST	108	306	RESIDENTIAL - CONDOMINIUM	2008	11
26315241	A & K BO LLC	103		CAPITAL ST	201	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315242	A & K BO LLC	103		CAPITAL ST	202	306	RESIDENTIAL - CONDOMINIUM	2008	11
26315243	A & K BO LLC	103		CAPITAL ST	203	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315248	A & K BO LLC	103		CAPITAL ST	208	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315249	A & K BO LLC	103		CAPITAL ST	301	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315250	A & K BO LLC	103		CAPITAL ST	302	306	RESIDENTIAL - CONDOMINIUM	2008	11
26315251	A & K BO LLC	103		CAPITAL ST	303	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315252	A & K BO LLC	103		CAPITAL ST	304	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315253	A & K BO LLC	103		CAPITAL ST	305	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315254	A & K BO LLC	103		CAPITAL ST	306	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315255	A & K BO LLC	103		CAPITAL ST	307	306	RESIDENTIAL - CONDOMINIUM	2008	10
26315256	A & K BO LLC	103		CAPITAL ST	308	306	RESIDENTIAL - CONDOMINIUM	2008	11
25019041	A & K BO LLC	114		NORTHWYND CIR	B	7812	RESIDENTIAL - CONDOMINIUM	2006	10
25019042	A & K BO LLC	114		NORTHWYND CIR	C	7812	RESIDENTIAL - CONDOMINIUM	2006	11
25019043	A & K BO LLC	116		NORTHWYND CIR	A	7812	COMMERCIAL - RETAIL	2006	11
25019044	A & K BO LLC	116		NORTHWYND CIR	B	7812	RESIDENTIAL - CONDOMINIUM	2006	11
25019045	A & K BO LLC	116		NORTHWYND CIR	C	7812	RESIDENTIAL - CONDOMINIUM	2006	11
25019046	A & K BO LLC	118		NORTHWYND CIR	A	7812	COMMERCIAL - RETAIL	2006	11

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206 Capstone Drive

<i>Unit Number</i>	<i>Current Owner</i>	<i>Tax Map Number</i>
101	Evans, David E.	26315076
102	A & T Properties of Virginia, LLC	26315077
103	Skinnell, Edward W.	26315078
104	A & T Properties of Virginia, LLC	26315079
201	The Gables of Cornerstone No. 4, L.L.C.	26315080
202	Meares, Taylor Renee, Dora T. Lee Mears and Louis G. Meares	16315081
203	Hesseling Enterprises, LLC	26315082
204	The Gables of Cornerstone No. 4, L.L.C.	26315083
301	A & T Properties of Virginia, LLC	26315084
302	A & T Properties of Virginia, LLC	26315085
303	The Gables of Cornerstone No. 4, L.L.C.	26315086
304	West Tradewynd Properties, LLC	26315087

205 Capital Street

<i>Unit Number</i>	<i>Current Owner</i>	<i>Tax Map Number</i>
1	A & T Properties of Virginia, LLC	26315088
101	Hessling Enterprises, LLC	26315092
102	A & T Properties of Virginia, LLC	26315093
103	West Tradewynd Properties	26315094
104	A & T Properties of Virginia, LLC	26315095
105	A & T Properties of Virginia, LLC	26315096
106	A & T Properties of Virginia, LLC	26315097
107	Montgomery Robert G. & Suzanne M.	26315098
108	Hessling Enterprises, LLC	26315099
2	Brown, Regina R.	26315089
201	Hirschman, David W. & Cheryl L.	26315100
202	Schmitt, Jennifer D.	26315101
203	Skirvin, Jerry B.	26315102
204	Sherwood, Laurie A.	26315103

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205 Capital Street (con't)

<i>Unit Number</i>	<i>Current Owner</i>	<i>Tax Map Number</i>
205	Marcum, David A. & Cindy R.	26315104
206	A & T Properties of Virginia, LLC	26315105
207	The Gables of Cornerstone No. 5, L.L.C.	26315106
208	Hessling Enterprises, LLC	26315107
3	Robertson, Hester P.	26315090
301	Crawford, Kenneth P. & Brenda S.	26315108
302	The Gables of Cornerstone No. 5, L.L.C.	26315109
303	A & T Properties of Virginia, LLC	26315110
304	A & T Properties of Virginia, LLC	26315111
305	A & T Properties of Virginia, LLC	26315112
306	Gables of Cornerstone No. 5, L.L.C.	26315113
307	Graham, Greg A. & Leslie C.	26315114
308	Hesseling Enterprises, LLC	26315115
4	A & T Properties of Virginia, LLC	26315091

INSTRUMENT #130000782
RECORDED IN THE CLERK'S OFFICE OF
LYNCHBURG ON
FEBRUARY 1, 2013 AT 12:18PM

EUGENE C. WINGFIELD, CLERK
RECORDED BY: BRB

Prepared by & Return to: James R. Richards, P.O. Box 1080, Lynchburg, VA 24505

Tax Map Reference No.: 263 15 611

THIS SUPPLEMENTAL DECLARATION is made this 16th day of ~~March~~^{July}, 2013, by JBO, LLC, a Virginia limited liability company, (hereinafter referred to as the "Developer"), whose address is 104 Archway Court, Lynchburg, Virginia 24504.

WHEREAS, Developer is the owner of the real property described in this Supplementary Declaration; and

WHEREAS, Developer intends that the property described herein become subject to the Cornerstone Declaration of Covenants and Restrictions and also become subject to the provisions hereinafter set forth.

NOW, THEREFORE, Developer hereby declares that all of the property described herein, together with such additions as may hereafter be made thereto as provided in Article II hereto, shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in the Cornerstone Declaration of Covenants and Restrictions, (the "Declaration") dated the 1st day of October, 2007, and recorded in the Office of the Clerk of the Circuit Court of the City of Lynchburg, Virginia as Instrument #070009951, as the same may from time to time be or have been amended, and subject to the covenants, restrictions, easements, charges, and liens set forth herein.

ARTICLE I

NEIGHBORHOOD DESIGNATION

Lots J15 through J40, inclusive, of Block J, Cornerstone as duly dedicated, platted, subdivided and recorded as Instrument # 130004816, Plat Cabinet 10, Slide 289 of the aforesaid land records, are hereby designated as a Neighborhood of Cornerstone and shall become a part of the Townhome Neighborhood (the "Townhome Neighborhood"), all of which are considered to be in a Neighborhood.

ARTICLE II

PROPERTY SUBJECT TO THIS SUPPLEMENTARY DECLARATION

Section 1. *Existing Property.* The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Supplementary Declaration, or any amendments thereto, consists of Lots J15 through J40, inclusive, of Block J, Cornerstone, as hereinabove described.

Section 2. *Additions to Existing Property.* All or any part of the land described in the Development Limits may be added to a Neighborhood by the Developer or a Builder (with the consent of the Developer), without the consent of the Owners, within ten (10) years of the recordation of this Supplementary Declaration, by recording a Supplementary Declaration with

respect to such land which designates it as part of the Neighborhood and by filing with the Association a plat and plans for such addition.

ARTICLE III

NEIGHBORHOOD ASSESSMENTS

Section 1. *Purpose.* Neighborhood Assessments shall be used exclusively for the purpose of providing services which are necessary or desirable for the health, safety, and welfare of the Members within the Neighborhood. Such services may include: maintenance and operation of any Neighborhood Common Area as described and designated in the Governing Documents, providing services such as trash removal to the Living Units in the Neighborhood, and setting aside reserves for future repair and replacement of capital improvements to be constructed or maintained through the Neighborhood Assessment. All improvements constructed in the Townhome Neighborhood shall be attached single family townhome dwellings.

Section 2. *Basis of Assessment.* For Neighborhood Assessment purposes, all Living Units which have received a Certificate of Occupancy shall be assessed at One Hundred Percent (100%) of the Neighborhood Assessment rate.

Section 3. *Maximum Neighborhood Assessment.* Until the first day of the fiscal year immediately following commencement of assessments in the Neighborhood, the maximum annual Neighborhood Assessment shall be One Thousand Dollars (\$1,500.00) per year.

Section 4. *Change in Maximum.* From and after the first day of the fiscal year immediately following the commencement of Neighborhood Assessments in the Neighborhood:

- (a) The Board of Directors may increase the maximum each year by the greater of:
 - (1) a factor of not more than five percent (5%) of the maximum for the current fiscal year; or
 - (2) the percentage increase, if any, over the twelve (12) month period ending five (5) months prior to the start of the fiscal year, in the Consumer Price Index, or equivalent, as published by the U.S. Labor Department for the Metropolitan Washington Area; such increase shall become effective the first day of the next year.
- (b) The maximum may be increased above the amount which can be set by the Board with the approval of sixty-seven percent (67%) of the Class A Members who own Lots in the Neighborhood.

Section 5. *Method of Assessment.* The assessments shall be levied by the Association against Assessable Units in the Neighborhood, and collected and disbursed by the Association. As provided in the Declaration, by a vote of a majority of the Directors, the Board shall fix the annual Neighborhood Assessment and the date(s) such assessments become due with the advice of the Owners of Assessable Units in the Neighborhood.

Section 6. *Special Assessments.*

(a) Maintenance of Party Walls.

- (1) General Rules of Law to Apply. Each wall which is built as a part of the original construction of any Living Unit in the Development subject to this Declaration and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.
- (2) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a wall shall be shared by the Owners who make use of the wall in proportion to such use.
- (3) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may repair or restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of repair or restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.
- (4) Weatherproofing. Notwithstanding any other provisions of this Section, any Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.
- (5) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to and run with the land and shall pass to such Owner's successors in title.
- (6) Association's Right to Repair and Maintain. In the event that any Owner shall fail to maintain a party wall in a manner satisfactory to the Board of Directors, the Association, after thirty (30) days prior written notice to such Owner, and upon affirmative vote of a majority of the Board of Directors, shall have the right (but not the obligation), through its agents and employees, to enter upon such Lot and adjoining Living Units and to repair, maintain, and restore the party wall. The cost of such repair and maintenance shall be a Special Assessment to which such Lot is subject.

(b) Capital Improvement Assessment. The Association may levy in any assessment year a Special Assessment against Lots, applicable to that year and payable over not more than the next three (3) 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 fixtures and personal property related thereto, any major and/or extraordinary cleaning of exterior surfaces and roofing and gutter work of any Living Unit or other specified purpose, provided that any such assessment shall require the affirmative vote of two-thirds of the Class A Members who are present and voting, in person or by proxy, at a meeting at which a Quorum of Members is present, and the consent of the Class B Member, if Class B membership has

not expired.

(c) Restoration Assessment. The Association may levy a Restoration Assessment upon any Lot whose Owner fails to maintain such Lot, as provided in Article VI, Section 2 of the Declaration. Restoration Assessments shall be limited to the amount necessary to meet the cost of restoration or deficiency in required funds and the cost of collection thereof.

Section 7. *Effect of Nonpayment of Assessment: Remedies of Association.* Any assessment Installment not paid within thirty (30) days after the due date shall be delinquent. Thereupon the Association shall provide Notice of such delinquency as provided by law and may (1) declare the entire balance of such Annual or Special Assessment due and payable in full; (b) charge interest from the due date at a percentage rate equal to the lesser of eighteen percent (18%) per annum or the maximum rate then permitted by law, such rate to be set by the Board for each Assessment period; (c) charge a penalty to be set by the Board of Directors not exceeding twenty percent (20%) of the installment; (d) give Notice to the Owner that in the event payment with accrued interest and penalties are not paid within thirty (30) days from the date of such Notice, then the expressed contractual lien provided for herein shall be filed and/or enforced; and (3) upon Registered Notice to the Owner or Occupant of the Lot, suspend the right of such Owner or Occupant to vote until the assessment, accrued interest, penalties, and costs of collection are paid in full.

Section 8. *Reserve Accounts.* The Board of Directors shall maintain in a separate interest-bearing account or shall separately account for reserves for the repair and replacement of capital items located in the Neighborhood and maintained by the Association as provided in the Declaration.

ARTICLE IV

PROTECTIVE COVENANTS

Section 1. *Completion of Structures.* The exterior of any structure located on a Lot within the Neighborhood and any improvements to be made to the structure or the Lot must be substantially completed in accordance with the plans and specifications approved by the Architectural Review Board within six (6) months after construction of the same shall have commenced, except that the Architectural Review Board may grant extensions where such completion is impossible or where substantial incompleteness is the result of matters beyond the control of Owner or Builder, such as strikes, casualty losses, national emergencies, or acts of God.

Section 2. *Residential Use.* All Lots and Living Units designated for residential use shall be used, improved, and devoted exclusively to residential use, except home occupations may be pursued if permitted by the City of Lynchburg and approved in writing by the Architectural Review Board, subject to rules adopted by the Board of Directors to prevent unreasonable adverse impact on adjacent Lots and Living Units. Nothing herein shall be deemed to prevent an Owner from leasing a Living Unit to a Single Family, provided such lease shall be in writing and subject to all of the provisions of the Governing Documents with any failure by a lessee to comply with the terms of

the Governing Documents constituting a default under the lease. Residential use shall include group homes for the handicapped, mentally retarded, or otherwise disadvantaged persons.

Section 3. *Vehicles*. No portion of the property subjected hereto shall be used for the repair of motor vehicles or the storage of unregistered motor vehicles or motor vehicle parts. Use and storage of all vehicles and recreational equipment upon the Common Area and Lots or upon any street, public or private, adjacent thereto shall be subject to rules promulgated by the Board of Directors as provided herein:

- (a) All motor vehicles, including but not limited to trail bikes, motorcycles, mopeds, dune buggies, and snowmobiles, shall be driven only upon paved streets and parking lots. No motor vehicles shall be driven on pathways or Common Areas except such vehicles as are authorized by the Association as needed to maintain, repair, or improve the Common Area. This prohibition shall not apply to normal vehicular use of designated streets, lanes, and parking areas constructed on Common Area.
- (b) Parking of all commercial and recreational vehicles and related equipment, including boats and boat trailers, other than on a temporary and nonrecurring basis, shall be in garages or in areas approved by the Association for such parking. No such area for approved parking is currently contemplated by the Association. There shall be no parking of commercial and recreational vehicles anywhere within public view; parking of commercial and recreational vehicles shall be restricted entirely to garages and enclosed areas. If a truck-mounted camper is to be an Owner's primary means of transportation, it shall not be considered a recreational vehicle provided it meets the following conditions: (i) the vehicle is moved on a daily basis; (ii) it is parked within a garage or driveway; and (iii) if the camper is removed, the camper shall be stored in an area screened from all surrounding property.

Section 4. *Pets*. Subject to limitations as may from time to time be set by the Association, generally recognized house or yard pets, in reasonable numbers, may be kept and maintained on a Lot or in a Living Unit, provided such pets are not kept or maintained for commercial purposes. All pets must be under the control of their owner when they are outside the Lot, must not become a nuisance to other residents, and must be in compliance with all applicable City ordinances.

Section 5. *Clothes Drying Equipment*. No exterior clotheslines or other exterior clothes-drying apparatus shall be permitted on any Lot, unless approved in writing by the Architectural Review Board. It is initially contemplated that no exterior clotheslines or other exterior clothes-drying apparatus will be permitted.

Section 6. *Antennae*. No direct broadcast satellite dishes or multi-point distribution system of more than one meter in diameter, or a mast that is more than 12 feet above the roofline shall be installed on any lot, unless approved in writing by Architectural Review Board.

Section 7. *Trash Receptacles*. Storage, collection, and disposal of trash shall be in compliance with rules set by the Architectural Review Board.

Section 8. *Trash Burning.* Trash, leaves, and other similar material shall not be burned on any Lot.

Section 9. *Signs.* No signs of any type shall be displayed to public view on any Lot or the Common Area without the prior written approval of the Architectural Review Board, except customary name and address signs meeting established Architectural Review Board standards and real estate sale and rental signs which shall be removed immediately when a binding contract on lease has been entered into for the Lot.

Section 10. *Mailboxes and Newspaper Tubes.* Only mailboxes and newspaper tubes meeting the design standards of the Architectural Review Board shall be permitted.

Section 11. *Fences and Walls.* No fence, wall, tree, hedge, or shrub planting shall be erected or maintained in such a manner as to obstruct sight lines for vehicular traffic. All fences, walls, or enclosures must be approved by the Architectural Review Board as to location, material, color, and design. Any fence or wall built on any of the Lots shall be maintained in a proper manner so as not to detract from the value and desirability of surrounding property.

Section 12. *Nuisances.* No noxious or offensive activity shall be carried on upon any portion of the property subject hereto, nor shall anything be done thereon that may be or become a nuisance or annoyance to the Neighborhood.

Section 13. *Lighting.* No exterior lighting shall be directed outside the boundaries of a Lot.

Section 14. *Storage of firewood.* Storage of firewood shall be restricted to rear yards, and all firewood storage locations must be approved in writing by the Architectural Review Board.

Section 15. *Vegetation.* No live trees with a diameter in excess of four inches, measured twelve inches above ground, nor trees in excess of two inches in diameter, similarly measured, which are generally known as flowering trees (such as dogwood or redbud) or as broad leaf evergreens (such as holly, laurel, or rhododendron), and no live vegetation on slopes of greater than twenty percent gradient or marked "no cut" areas on City of Lynchburg approved site plans may be cut without prior approval of the Architectural Review Board. The Association shall set rules for cutting of trees to allow for selective clearing or cutting.

Section 16. *Leases.* All leases within the Neighborhood shall be for a minimum of six (6) months. Leases shall be valid only if the tenant acknowledges receipt of a copy of the rules and regulations of the Association and the lease shall state such acknowledgment. Approved lease language meeting this requirement will be provided by the Board of Directors.

Section 17. *Rules.* From time to time the Board of Directors shall adopt rules, including, but not limited to, rules to implement the provisions of this Article and such rules as are required herein. Such rules may be adopted or amended by a two-thirds (2/3) vote of the Board of Directors, following a hearing for which due notice has been provided to Members. All such rules and any subsequent amendments thereto shall be placed in the Book of Resolutions and shall be binding on all Members, except where expressly provided otherwise in such rule.

Section 18. *Exceptions.* The Board of Directors may issue temporary permits to exempt any prohibitions expressed or implied by this Article, provided the Board can show good cause and acts in accordance with adopted guidelines and procedures.

So long as the Developer or a Builder is engaged in developing or improving any portion of the Properties, such persons shall be exempt from the provisions of this Article affecting movement and storage of building materials and equipment, cutting or clearing of live trees and vegetation, erection and maintenance of directional and promotional signs, and conduct of sales activities, including maintenance of model Living Units having approval of the Architectural Review Board. Such exemption shall be subject to such rules as may be established by the Developer to maintain reasonable standards of safety, cleanliness, and the general appearance of the Properties.

ARTICLE V

RESERVATION OF EASEMENTS

There shall be and is hereby reserved to the Developer, its successors and assigns, a utility and road construction easement over Lots and Parcels subject to this Supplementary Declaration which may be conveyed to the City of Lynchburg, the Virginia Department of Transportation, or the City of Lynchburg Sanitation Authority in connection with the release of public improvement bonds or the acceptance of streets for public maintenance. This easement shall expire, if not conveyed to such public entity, on December 31, 2017, or after the earlier release of all public improvement bonds and acceptance of streets for public maintenance concerning the Lots and Parcels subject to this Supplementary Declaration.

ARTICLE VI

GENERAL PROVISIONS

Section 1. *Duration.* The covenants and restrictions of this Supplementary Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Supplementary Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty-five (25) years, unless at the expiration of any such period the covenants and restrictions are expressly terminated by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots in the Neighborhood and fifty-one percent (51%) of the First Mortgagees who hold mortgage on Lots in the Neighborhood. A termination must be approved by the City and be recorded to become effective.

Section 2. *Amendment.* This Supplementary Declaration may be amended at any time by an instrument signed by the Class B Member, if any, the Association and the Owners of not less than sixty-seven percent (67%) of the Lots in the Neighborhood and fifty-one percent (51%) of the First Mortgagees who hold mortgages on Lots in the Neighborhood. The Developer or a Builder shall not amend or remove this Supplementary Declaration without the consent of the Association and an Owner (other than a Builder or the Developer) of at least one Lot in the Neighborhood. Any amendment must be recorded to become effective.

Section 3. *Enforcement.* The Association, the Developer, any Member within the Neighborhood, or First Mortgagee, as their interests may appear, shall have the right to enforce, by any proceeding at law on in equity, all restrictions, conditions, covenants, reservations, liens, and charges now on hereafter imposed by the provisions of this Supplementary Declaration. Failure to enforce any covenant on 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. *Terms and Definitions.* The terms used herein shall have the same meaning and definition as set forth in the Declaration.

Section 6. *Contravention.* Nothing contained herein shall be construed as altering, amending, or vacating the provisions of the Ordinances of the City of Lynchburg, Virginia, which shall have full force and effect on all property subject to this Supplementary Declaration.

Section 7. *Utility Lines.* When the utility line for a Lot extends under an adjacent Lot or Parcel, the Owner of the Lot may enter the adjacent Lot or Parcel for the purposes of maintenance or repair of the utility line subject to the obligation to restore the adjacent Lot or Parcel as nearly as possible to its original condition promptly upon completion of the repair or maintenance.

IN WITNESS WHEREOF, Developer has caused this Supplementary Declaration of Covenants and Restrictions to be executed.

JBO, LLC

By [Signature]
Manager

STATE OF VIRGINIA,
CITY OF LYNCHBURG,

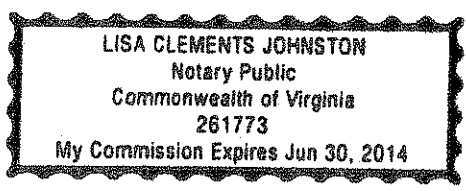
To-wit:

The foregoing instrument was acknowledged before me this 1st day of ~~March~~ ^{July}, 2013, by Jeffrey S. Allen, Manager of JBO, LLC, a Virginia limited liability company.

My commission expires June 30, 2014.

Notary Registration No. 261773.

[Signature]
Notary Public



INSTRUMENT #130004817
RECORDED IN THE CLERK'S OFFICE OF
LYNCHBURG ON
JULY 1, 2013 AT 02:40PM

EUGENE C. WINGFIELD, CLERK
RECORDED BY: KEA



COPY

OFFICIAL RECEIPT
LYNCHBURG CIRCUIT COURT
DEED RECEIPT

DATE: 07/01/13 TIME: 14:40:38 ACCOUNT: 680CLR130004817 RECEIPT: 13000014115
CASHIER: KEA REG: LZ19 TYPE: DEC PAYMENT: FULL PAYMENT
INSTRUMENT : 130004817 BOOK: PAGE: RECORDED: 07/01/13 AT 14:40
GRANTOR: J B O L L C EX: N LOC: CI
GRANTEE: J B O L L C EX: N PCT: 100%
AND ADDRESS : 104 ARCHWAY COURT LYNCHBURG, VA. 24504
RECEIVED OF : J B O L L C DATE OF DEED: 07/01/13
CHECK: \$21.00 197
DESCRIPTION 1: SEE SUPPLEMENTAL DECLARATION PAGES: 8 OP 0
2: NAMES: 0
CONSIDERATION: .00 A/VAL: .00 MAP: 26315611
PIN:
301 DEEDS 14.50 145 VSLF 1.50
106 TECHNOLOGY TRST FND 5.00
TENDERED : 21.00
AMOUNT PAID: 21.00
CHANGE AMT : .00

CLERK OF COURT: EUGENE C. WINGFIELD

PAYOR'S COPY
RECEIPT COPY 1 OF 2