

**PURCHASER SHOULD READ THIS DOCUMENT  
FOR THE PURCHASER'S PROTECTION**

**PUBLIC OFFERING STATEMENT**

NAME OF CONDOMINIUM: Founders Way Condominium

LOCATION OF CONDOMINIUM: 1280 and 1290 Constitution Court  
Harrisonburg, Virginia 22802

NAME OF DECLARANT: Harrisonburg Townhomes, L.L.C.,  
a Virginia limited liability company

ADDRESS OF DECLARANT: 245 Newman Avenue  
Harrisonburg, Virginia 22801

EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT: September 2, 2020

**THE PURCHASER SHOULD READ THIS DOCUMENT FOR THE PURCHASER'S OWN PROTECTION. Living in a common interest community carries with it certain rights, responsibilities, and benefits, including certain financial obligations, rights, and restrictions concerning the use and maintenance of the units and common elements, and decision-making authority vested in the unit owners' association. The purchaser will be bound by the provisions of the condominium instruments and should review the Public Offering Statement, the condominium instruments, and other exhibits carefully prior to purchase.**

This Public Offering Statement presents information regarding condominium units being offered for sale by the Declarant. Virginia law requires that a Public Offering Statement be given to every Purchaser in order to provide full and fair disclosure of the significant features of the condominium units being offered. The Public Offering Statement is not intended, however, to be all-inclusive. The Purchaser should consult other sources for details not covered by the Public Offering Statement.

The Public Offering Statement summarizes information and documents furnished by the Declarant to the Virginia Common Interest Community Board. The Board has carefully reviewed the Public Offering Statement to ensure that it contains required disclosures, but the Board does not guarantee the accuracy or completeness of the Public Offering Statement. In the event of any inconsistency between the Public Offering Statement and the material it is intended to summarize, the latter will control.

Under Virginia law, a purchaser of a condominium unit is afforded a 5-day period during which the purchaser may cancel the purchase contract of sale and obtain a full refund of any sums deposited in connection with the purchase contract. The 5-day period begins on the purchase contract date or the date of delivery of a Public Offering Statement, whichever is later. The purchaser may, if practicable, inspect the condominium unit and the common elements and obtain professional advice. If the purchaser elects to cancel, the purchaser must deliver notice of cancellation to the Declarant pursuant to §55.1-1974 of the Code of Virginia.

Allegations of violation of any law or regulation contained in the Virginia Condominium Act or the Condominium Regulations should be reported to the Virginia Common Interest Community Board, Perimeter Center, Suite 400, 9960 Mayland Drive, Richmond, Virginia 23233.

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## SUMMARY OF IMPORTANT CONSIDERATIONS

Following are important matters to be considered in acquiring a condominium unit. They are highlights only. The Public Offering Statement should be examined in its entirety to obtain detailed information.

1. The condominium is governed by a unit owners' association, Founders Way Condominium Association, Inc. (the "Association"). Each unit owner, by virtue of ownership of a unit, is a member of the Association. The period of Declarant control has ended, and the Association is governed by a Board of Directors elected annually by the unit owners (including Declarant for so long as Declarant is still a unit owner). Refer to Narrative Section 11.
2. The condominium is located within an existing subdivision community known as Liberty Square, which is governed by the Liberty Square Owners' Association, Inc. (the "Liberty Square Association"). In addition to being a member of the Association, each unit owner, by virtue of ownership of a unit, is also a member of the Liberty Square Association. The Liberty Square Association is governed by a Board of Directors elected annually by the owners of lots within Liberty Square, including unit owners (including Declarant for so long as Declarant is still a unit owner). Refer to Narrative Section 11.
3. Each unit owner has a vote on certain decisions of the Association and the Liberty Square Association, and each unit owner will be bound by all decisions of the Association and the Liberty Square Association and their respective Boards of Directors, including those with which the individual unit owner disagrees. Refer to Narrative Section 11.
4. Certain decisions of the Association and the Liberty Square Association are made by a Board of Directors. Refer to Narrative Section 11.
5. The expenses of operating the Association are paid by the unit owners on the basis of an annual budget, which may be readjusted during the fiscal year and which includes reserves. Each unit owner pays an annual assessment in monthly installments (or as otherwise required by the Board of Directors) and may be required to pay special assessments to the Association. Each unit owner also pays monthly assessments and may be required to pay special assessments to the Liberty Square Association, which includes reserves. A unit owner cannot reduce the amount of any of these assessments by refraining from use of the common elements of the condominium or the common areas of Liberty Square. Refer to Narrative Section 14.
6. If a unit owner fails to pay an assessment or installment of an assessment when due to either the Association or the Liberty Square Association, that nonpayment will create a lien against the unit owner's condominium unit. Certain other penalties may be applied, including late fees, interest, and pursuit of civil action against the unit owner. Refer to Narrative Section 14.
7. The Declarant must pay assessments on unsold condominium units to the Association, just like any other unit owner, but may not be obligated to pay assessments to the Liberty Square Association. Refer to Narrative Section 14.
8. Neither the Declarant, its predecessor nor its principal officer have undergone a debtor's relief proceeding.
9. The period of Declarant control of the Association has ended, and control of the Association has transitioned to unit owners. Refer to Narrative Section 11.
10. The Association has the authority to retain the services of a managing agent. The Association is currently managed by Association & Property Management Services, LLC, which is unrelated to Declarant, its Members, and Managers. Association & Property Management Services, LLC also manages the Liberty Square Association. Refer to Narrative Section 11.
11. The Declarant may rent unsold condominium units, and may retain a substantial number of units for rental purposes. The right of a unit owner to rent his or her unit is subject to restrictions, including but not limited

to a requirement that an owner leasing a unit provide notice to the Association and obtain approval of the Board of Directors of the Association, which has the authority to prohibit leasing of a unit if such lease will cause the condominium project to exceed thresholds for secondary mortgage market financing and to otherwise adopt rules and regulations regarding leases of units. Leases of units are required to include special provisions to ensure the tenant is obligated to comply with the condominium instruments, and copies of all leases must be provided to the Association. Refer to Narrative Section 10.

12. The maximum number of occupants per condominium unit is limited by the Declaration of Covenants, Conditions, Reservations and Restrictions for Liberty Square, which provides that no more than two unrelated adults can occupy any residence, which includes any condominium unit. In addition, no bedroom within any condominium unit may be occupied by more than two persons unless the Board of Directors grants a variance to that restriction. Refer to Narrative Section 10.
13. Declarant does not have the right to further expand the condominium or to convert that portion of the condominium designated as “convertible land” into private surface garage parking, all such rights having expired or been waived by Declarant. Refer to Narrative Section 3.
14. The right of a unit owner to sell that owner’s condominium unit is not subject to restrictions.
15. All units in the condominium are restricted to residential use, except that the Declarant may use any unit or units as sale offices, management offices, model units or rental offices. Refer to Narrative Section 3.
16. The unit owner may not alter the structure of his or her unit or modify the exterior of his or her unit without the approval of the Board of Directors of the Association. Refer to Narrative Section 4.
17. The Association will obtain certain insurance benefiting the unit owner, but the unit owner should obtain other insurance on his or her own. The Association maintains fire insurance coverage on the building, common areas and structural elements of the units, as well as the standard interior finishes of the units (such as standard flooring and drywall). The unit owner, in order to be protected, should obtain fire insurance coverage on his or her furniture, appliances and other personal property, as well as any upgrades or betterments to his or her Unit, such as upgraded floor coverings, wallpaper, paneling, custom trim or other upgraded wall coverings, upgraded countertops or cabinetry and other non-standard finishes. Refer to Narrative Section 15.
18. The unit owner will pay real estate taxes on the unit owner’s condominium unit. Refer to Narrative Section 16.
19. If a unit owner is involved in a legal dispute with Declarant or the Association, the unit owner may be required to pay the costs of the proceedings, including reasonable attorneys’ fees. The unit owner waives the unit owner’s right to trial by jury in any civil action against the Declarant or the Association. Refer to Narrative Section 8.
20. The condominium is not subject to development as a time-share. Refer to Narrative Section 2.
21. Marketing and sale of the condominium units will be conducted in accordance with the Virginia Fair Housing Law (Code of Virginia § 36-96.1 et. seq.) and the Virginia Condominium Act (Code of Virginia § 55.1-1900 et. seq.). Refer to Narrative Section 8.

SECTION 1  
THE CONDOMINIUM CONCEPT

A condominium is created when a parcel of land and the air space above the land are divided into units and common elements. Units are individually owned and are separately assessed for real estate tax purposes. Common elements are collectively owned by all of the unit owners. Each unit owner holds title to a unit together with a fractional, undivided interest in all of the common elements. That fractional share is called the unit owner's "Interest in the Common Elements." A unit owner's "Interest in the Common Elements" determines that owner's share of the common expenses of the Association (except for some expenses which may be specially assessed against one or more unit owners causing or specially benefiting from those expenses). A unit owner's Interest in the Common Elements also determines that owner's share of ownership in the entire condominium if it is ever terminated.

A unit and its Interest in the Common Elements cannot be separated from one another, and must always belong to the same person or group of persons. Most common elements benefit all of the unit owners and are called "General Common Elements," but some common elements benefit less than all units and are called "Limited Common Elements." Refer to Section 5 for a detailed description of the common elements of Founders Way Condominium.

SECTION 2  
CREATION OF THE CONDOMINIUM

Founders Way Condominium (the "Condominium") was initially registered with the Common Interest Community Board of the Department of Professional and Occupational Regulation for the Commonwealth of Virginia on August 25, 2010, and was initially formed by recording, on August 26, 2010, Condominium documents in the Clerk's Office of the Circuit Court of Rockingham County, Virginia ("Clerk's Office"), which serves as the Clerk's Office for the City of Harrisonburg where the Condominium property is located. The third building phase of the Condominium which includes the units covered by this offering statement was added by amendment to the original Declaration recorded on October 30, 2012, which expanded the Condominium.

Certain of the documents describing the Condominium are described below and attached as Exhibits to this Public Offering Statement. The purchaser of a unit is entitled to receive copies of the recorded Condominium Declaration and Bylaws, which are attached to this Public Offering Statement. Pursuant to the Condominium documents, Founders Way Condominium is not subject to development, use or sale as a time-share.

Condominium Declaration. The Declaration essentially describes property rights within the Condominium, and gives more details about the units and common elements than this Public Offering Statement. The Declaration specifies the name and legal description of the Condominium, specifies permitted uses, designates common elements and limited common elements, allocates interests in the common elements and voting rights to the units, and creates and describes easements, among other things. The Declaration of Founders Way Condominium dated August 25, 2010 was recorded in the Clerk's Office on August 26, 2010, in Deed Book 3752, page 278, and subsequently amended as follows: (i) by First Amendment to the Declaration dated April 5, 2011, and recorded in the Clerk's Office on April 5, 2011, in Deed Book 3858, page 664 (clarifying that no more than 25% of the floor area of the Condominium project shall be used for non-residential purposes); (ii) by Second Amendment to the Declaration dated May 17, 2011, and recorded in the Clerk's Office on May 18, 2011, in Deed Book 3877, page 646 (changing the address to Constitution Court, Harrisonburg, VA 22802); (iii) by Third Amendment to the Declaration dated May 2, 2012, and recorded in the Clerk's Office on May 2, 2012, in Deed Book 4042, page 728 (to comply with Fannie Mae requirements to facilitate mortgages of units, reduced the percentage of floor area that can be used for non-residential purposes from 25% to 20%); (iv) by Fourth Amendment to the Declaration dated October 30, 2012, and recorded in the Clerk's Office on October 30, 2012 in Deed Book 4134, page 453 (expanding the Condominium to include "Phase Two," consisting of 1.010 acres, and "Phase Three," consisting of 0.520 acres); and (v) by Fifth Amendment to the Declaration dated March 22, 2013, and recorded in the Clerk's Office on March 22, 2013 in Deed Book 4209, page 269 (providing that there shall be no restriction on the ability of a unit owner to lease his or her unit if the unit is encumbered by a mortgage issued or guaranteed by the US Department of Veterans Affairs).

Plats and Plans. The Plats and Plans graphically depict the Condominium, by showing the location, dimensions and certain other information regarding the condominium land, units, common elements, easements and encroachments, among other things. The Plats and Plans for Phase One were recorded with the original Declaration, recorded in the Clerk's Office on August 26, 2010, in Deed Book 3752, page 278; and for Phase Two, with the Fourth Amendment to the Declaration, recorded in the Clerk's Office on October 30, 2012 in Deed Book 4134, page 453. An Amendment to the Plats and Plans of the Condominium to define the unit boundaries for units within Phase Three and certain common elements was recorded in the Clerk's Office on \_\_\_\_\_, 2020, in Deed Book \_\_\_\_\_, page \_\_\_\_\_. [TO BE RECORDED PRIOR TO CLOSING IN FORM ATTACHED AS EXHIBIT F.]

If all improvements to the common elements of the Condominium are not completed at the time the Condominium documents are filed, then the incomplete items must be labeled as "not yet completed" or "not yet begun" on the Plat or Plans and the Declarant must post a bond with the Virginia Common Interest Community Board in the amount of 100 percent (100.0%) of the estimated cost of completion of the common elements which the Declarant reasonably expects will be incomplete at the time of the closing of the sale of the first condominium unit which are described by the applicable Plat or Plans. All common elements of Phase One and Phase Two of Founders Way Condominium are complete. All common elements of Phase Three of Founders Way Condominium will be completed prior to the time of the closing of the sale of the first condominium unit in that Phase.

Bylaws. The Bylaws of the Association address governance issues such as number and terms of directors, meeting of members and directors and voting.

Under the Condominium Act, some amendments of the condominium documents may be made by the Declarant unilaterally, or with certain unit owners. Other amendments require the written consent of unit owners having two-thirds (2/3) of the votes in the Association. The consent of the Declarant, institutional lenders having liens of the condominium units and/or particular unit owners is required for certain amendments by Article 14 of the Declaration and Article 8 of the Bylaws of Founders Way Condominium.

### SECTION 3 DESCRIPTION OF THE CONDOMINIUM

Founders Way Condominium is situated at the intersection of Oriole Lane and Founders Way in the City of Harrisonburg, Virginia, as shown on the Condominium Plat as amended. The property is located adjacent to the residential community known as Liberty Square, with community and commercial amenities conveniently located nearby, as described in Section 13 below. The Condominium is comprised of three buildings, each a phase, and is fully developed. Declarant's reserved right to convert portions of the Condominium to private parking garages is no longer in effect, and Declarant also has no further right to expand the Condominium to add more land or units.

All twenty-four (24) units in the first two buildings/phases of the Condominium have been sold, and this offering includes the units in the third building/phase which contains one building of nine (9) units. The third phase has already been added to the Condominium and is substantially complete.

All condominium units within Founders Way Condominium are restricted to residential use by the Condominium documents (refer to Section 8.1 of the Declaration), except that the Declarant may use any unit or units as sale offices, management offices, model units or rental offices. The Declarant intends to sell all units in the Condominium, but may elect to retain and lease some units. Units may be owned by any person or entity provided that (a) no more than two unrelated adults may occupy any unit, and (b) no more than two (2) persons may occupy any bedroom (refer to Section 8.2 of the Declaration). Declarant may elect to sell more than twenty percent (20.0%) of the units to persons who do not intend to occupy the units as their primary residence. Leasing of units by owners other than Declarant is subject to restrictions under Section 8.3 of the Declaration (except that units subject to a mortgage held or guaranteed by the Department of Veterans Affairs are not subject to such lease restrictions, as provided in the Fifth Amendment to the Declaration).

As of the effective date of this Public Offering Statement, the project is intended to comply with the underwriting guidelines of the secondary mortgage market agencies, including but not limited to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Virginia Housing Development Authority.

SECTION 4  
INDIVIDUAL UNITS

The Condominium currently consists of two completed buildings (Phase One and Phase Two), each building containing twelve (12) units for a total of twenty-four (24) units in Phases One and Two combined, all of which have been sold. The third and final building (Phase Three) contains nine (9) units – bringing the Condominium units to thirty-three (33) units total – as follows:

Units #	Description of Unit	Approximate Square Footage	Approximate Price Range (subject to change and assumes standard finishes)
9	2 bedrooms, 2 bathrooms	1,300 - 1,320	\$165,000-\$200,000

The unit layouts which are available are attached as Exhibit F. Each unit has its own separate entrance, as well as its own covered patio or porch. Each unit can be individually used and has its own exit to the common areas. The boundaries of each Condominium unit include the interior finishes of that unit, including but not limited to floor coverings, wall coverings, and finished drywall. Each unit includes one or more shared party walls dividing that unit from adjoining unit(s). The location and dimension of condominium units are more particularly described in the Condominium Plat and Plans.

Each condominium unit includes all wiring, ducts, plumbing, heating and air conditioning equipment serving only that unit. All visible fixtures, cabinets and windows, as well as all decorated surfaces (interior and exterior), including wallpaper, tile, and flooring, are part of the unit. Any part of a utility system serving more than one condominium unit which is located partially within and partially outside a unit is a part of the common elements.

A unit owner is free to make interior alterations that do not affect the structural integrity of the building or any shared party wall, any shared utility systems or common elements. Changes that affect the structural integrity of the building or any shared party wall, any shared utility systems or common elements are subject to the prior discretionary approval of the Association. In addition, changes to exterior finish materials or colors, windows, porches, patios, balconies, exterior doors or other portions of a unit visible from the exterior of a unit, as well as the construction of additions to a unit, are subject to the prior discretionary approval of the Association. The standards and process for obtaining such Association approval are described in Section 8.5 of the Declaration and the Rules and Regulations.

All nine (9) units offered under this Public Offering Statement are substantially complete, provided that unsold Phase Three units may require interior completion to allow for purchasers to select interior finish items.

SECTION 5  
COMMON ELEMENTS

The common elements include all portions of the Condominium other than the units. The common elements are divided into two types: (1) “General Common Elements” which are common elements that benefit all units, and (2) “Limited Common Elements” which are common elements that benefit less than all units. The common elements are shown on the condominium Plats and Plans for the Condominium, and are described in Article 4 of the Declaration.

The General Common Elements include the parking areas (other than those designated to particular units, as described below), landscaping, sidewalks and other similar areas associated with the access and use of the Condominium, which areas are also part of the common areas of Liberty Square and, as such, are under the governance and control of the Liberty Square Association. The General Common Elements also include portions of the condominium other than the units and the Limited Common Elements. Specifically, the General Common



Elements include exterior lighting not attached to any unit; the building foundation, the roof of the building, structural elements of the building, central mechanical rooms, and central utility systems and controls.

The exterior common areas to which unit owners have access include all of the amenities of Liberty Square, as shown on its recorded plats of subdivision, including but not limited to recreational trails, tot lots, putting green and other community spaces, all of which already exist. In addition unit owners have access to the areas shown on the Condominium Plats, including parking areas; unimproved areas of the property and all lawn furniture and other facilities located on those areas; sidewalks, storage or maintenance sheds for Liberty Square Association use, stormwater management systems; signage; and common dumpster/trash collection areas designated by the Association or Liberty Square Association. The exterior common areas are part of the Liberty Square community, and may be used by residents of Liberty Square in accordance with the terms of the documents governing that community, except that the use of assigned parking spaces within the parking lots shown on the Condominium Plats is exclusive to the Condominium notwithstanding maintenance of the parking area by the Liberty Square Association.

The Limited Common Elements as to each unit include: (1) telephone and utility lines affording service to more than a single unit but less than all units, (2) party walls shared by more than one unit; (3) the balconies and patios of units; (4) exterior windows and exterior doors of a unit; (5) exterior lighting controlled from within a unit and for the benefit of any balcony or patio serving that unit; (6) exterior mechanical and storage rooms accessible from the balcony or patio of a Unit; and (7) the HVAC unit for each condominium unit. The owner of a unit exclusively benefited by a limited common element, such as a balcony, has exclusive rights to use of that limited common element. The owners of units mutually benefited by a limited common element, such as a party wall, have shared exclusive rights to use of that limited common element.

In addition, there are eighty-four (84) parking spaces total in the Condominium, which equates to 2.55 parking spaces per unit. Each unit has two (2) designated and reserved parking spaces, which leaves eighteen (18) parking spaces total for guest or visitor parking. The Association may assign and reassign parking spaces as approved by the Board. No trailers, campers or commercial trucks are to park in the parking lot overnight.

With the exception of parking spaces as described above, General Common Elements may not be converted to Limited Common Elements, and Limited Common Elements may not be converted to General Common Elements, unless such change is approved by the Board of Directors of the Association, the Owner of the unit to which the affected Limited Common Element is or will be appurtenant and by a majority of the votes allocated to other Units. Any such change must be documented by a recorded amendment to the Declaration.

Because the roads within Founders Way Condominium and Liberty Square are private roads, there is no curbside trash pick-up within the Condominium. Unit Owners will be obligated to place their trash within dumpsters as located and designated by the Liberty Square Association, which may be a trash disposal area shared with Liberty Square owners in the vicinity of the Condominium.

All Common Elements for the Phase One and Phase Two buildings are complete, and all Common Elements for the Phase Three building are substantially complete and will be available for use by unit owners prior to the closing of the sale of the first unit in Phase Three.

## SECTION 6 MAINTENANCE, REPAIR, AND REPLACEMENT RESPONSIBILITIES

Section 9.2 of the Declaration obligates each unit owner to maintain and repair that owner's unit, including all interior finishes, drywall, floor coverings, wall coverings, appliances, plumbing, fixtures, lighting and other interior features. Under Section 4.3(d) of the Declaration, if a burglar alarm is installed for a unit, then maintenance, repair and monitoring services associated with that burglar alarm system are the unit owner's responsibility.

The exterior parking areas, landscaping, sidewalks and similar areas associated with access to and use of the Condominium are managed and maintained by the Liberty Square Association under the Declaration of Covenants, Conditions, Reservations and Restrictions for Liberty Square, which are of record in the Office of the

Clerk of the Circuit Court of Rockingham County in Deed Book 2698, page 787, as amended and supplemented (the "Liberty Square Covenants").

Under Section 4.4 of the Declaration, all Condominium Common Elements are maintained and repaired by the Association, with the expense passed on to the unit owner as a common expense, except that the unit owner is obligated to maintain, repair and replace (a) the furnace room and equipment for that owner's unit, and (b) any balcony or patio serving that owner's unit subject to the Association's preapproval of the color and appearance of exterior balconies and patios to preserve uniformity of the Condominium's exterior features. Under Section 4.4 of the Declaration, the Association may elect to paint or repair all exterior balconies or similar exterior limited common elements at the same time by assessment of the cost to the affected owners. If a unit owner fails to keep a limited common element to be maintained by that owner in good repair and in attractive condition, Section 4.4 of the Declaration allows the Association to complete that work after notice to the owner, at the owner's expense plus a twenty percent (20.0%) overhead charge.

## SECTION 7 THE DECLARANT

Declarant is Harrisonburg Townhomes, L.L.C., a Virginia limited liability company which was granted a certificate of organization by the Virginia State Corporation Commission on October 28, 1999. The initial two phases of the Condominium were developed by Founders Way, LLC, which transferred its declarant rights to Harrisonburg Townhomes, L.L.C. by recorded instrument (which is attached as part of the Condominium documents attached to this Public Offering Statement as Exhibit E). Declarant is currently owned by a group of investors and is managed by David G. Frackelton, Joseph Biehl and Jared S. Scripture who were founding members of the Declarant and have remained members since its formation. Founders Way Condominium is the first condominium project developed by Declarant, which has substantial experience in residential development of townhome and other residential communities in the Shenandoah Valley region. No other entity has the obligation to satisfy the financial obligations of Declarant relating to this Condominium.

The Managers of Declarant, who are the persons primarily responsible for development of the Condominium, collectively have extensive residential development experience, including management oversight of the development and sale of the first two phases of the Condominium by Founders Way LLC (predecessor developer and related party of Declarant) as well as a condominium conversion in Radford, Virginia, and numerous residential communities in the Harrisonburg area including Stone Spring Village, Heritage Estates and The Glens at CrossKeys.

Neither Declarant, Founders Way LLC nor any of their respective managers or key employees, including Jared S. Scripture, Joseph Biehl and David G. Frackelton has been adjudicated bankrupt or undergone a proceeding for the relief of debtors during the preceding ten (10) years. Neither Declarant, Founders Way LLC, nor any of their respective managers or key employees have had final action taken against them in court or before an administrative agency reflecting adversely of their performance as a developer of real estate projects, and there are no current or past proceedings against the Declarant or Founders Way LLC by any condominium association or managing agent of a condominium or class action by unit owners in such a project.

## SECTION 8 TERMS OF THE OFFERING

Any information or data regarding the Condominium that is not presented in this Public Offering Statement must not be relied upon. No person has been authorized by the Declarant to make any representation that is not expressly contained in this Public Offering Statement. The information in this Public Offering Statement may not be modified or supplemented orally.

The Declarant reserves the right to change the terms of this Public Offering Statement as they affect potential purchasers not then under contract, provided that if any such change materially alters any contractual obligations of the Declarant to a contract purchaser, that purchaser shall have five (5) days from notice thereof to cancel the contract, but shall not be entitled to any remedy other than refund of any deposits he or she may have paid. Any proposed change must be submitted to the Virginia Common Interest Community Board in order to be valid.

The price range of offered units will vary depending upon the options selected by the purchaser or incorporated into the construction. General offer prices for standard unit finishes at this time are expected to be in the range of \$165,000.00 to \$200,000.00, but prices are subject to change at any time.

At and after closing, each unit purchaser will be obligated to pay the regular monthly assessments to the Association and to the Liberty Square Association so as to always maintain such owner's assessment accounts with both associations current. It is not anticipated that purchasers of Condominium units will be required to make contribution to working capital accounts of the Association at the time of settlement. Purchasers will incur settlement costs typical for normal residential, real-estate closings in the vicinity of the project, such as recording fees and taxes, title insurance charges, mortgage loan costs and settlement agent costs.

As of the effective date of this Public Offering Statement, the Declarant has not arranged financing for purchasers. However, as a service to purchasers, Declarant may obtain pre-clearance of the Condominium with an institutional lender who will be in a position to offer financing on an expedited basis to qualified borrowers who meet that lender's underwriting standards. Declarant does not require the use of that lender, which is merely offered as an accommodation; unit purchasers are free to arrange their own financing. Any such financing is subject to additional terms and conditions stated in the loan commitment or instruments.

A non-binding reservation agreement reserves a unit for the purchaser, but the reservation agreement may be cancelled by the purchaser at any time prior to the expiration of a period of ten (10) calendar days after a copy of the Public Offering Statement has been delivered to the Purchaser subsequent to registration of the Condominium with the Virginia Common Interest Community Board. If the Purchaser has not entered into a contract for purchase of a Unit within ten (10) calendar days after Declarant's notice to Purchaser that the unit is available for purchase, then Purchaser shall be deemed to have released the unit from the reservation, the reservation agreement will terminate, and the Purchaser's deposit will be refunded.

If a purchase contract is entered into without a prior reservation agreement, then the contract purchaser has the right to cancel the purchase contract under subdivision 2 of §55.1-1974 of the Code of Virginia by delivering notice to the Declarant by hand delivery or US Mail, return receipt requested within five (5) calendar days from the date of the purchase contract or the date of delivery of this Public Offering Statement, whichever is later. That cancellation shall be without penalty, and any deposit will be refunded to the contract purchaser.

All purchaser deposits under reservation agreements and under Section 4 of purchase contracts entered into for purchase of Condominium units shall be held in an escrow fund.

If a purchaser defaults under a purchase agreement, the Declarant has all rights and remedies permitted by Virginia law under Section 27 of the purchase contract. Under the Declaration, the exclusive venue and jurisdiction for resolving legal disputes are the District and Circuit Courts for the County of Rockingham, Virginia. Section 27 of the purchase contract obligates a purchaser to pay the reasonable attorneys' fees of the Declarant in the event of a default by the purchaser under the purchase contract, and Section 15.2 of the Declaration obligates an owner to cover legal expenses and reasonable attorneys' fees incurred to enforce the Condominium documents against such owner. Under Section 15.5 of the Declaration, unit owners and occupants of units waive the right to trial by jury, and agree that cases may be heard by a judge, without a jury.

The Declarant has not reserved the right to cancel a purchase agreement based upon a failure to achieve a certain pre-sale or sale threshold or of the Declarant to meet other conditions precedent to obtaining necessary financing.

Marketing and sale of the condominium units will be conducted in accordance with the Virginia Fair Housing Law (Va. Code §36-96.1 et. seq.) and the Virginia Condominium Act, specifically including the provisions relating to the prohibition of discrimination.

SECTION 9  
ENCUMBRANCES

The Condominium is subject to customary easements for water, electricity, telephone service, drainage, water and sanitary sewer service and for other utilities. A portion of the Condominium Property is subject to a private grading easement benefitting the adjoining landowner, which does not allow regrading of that area to the detriment of drainage for the adjoining land. The Condominium relies on a shared stormwater management system which is maintained by the Liberty Square Association and which uses a shared pond located on adjoining land across which the Condominium holds an easement for drainage purposes.

The Condominium project is subject to deed of trust liens securing obligations of Declarant, and may be subjected to additional liens to finance or refinance the units. All secured lenders will consent to the Condominium documents for the purpose of taking a lien on the Condominium units in substitution for the current lien. At the time of the closing of the sale of an individual unit to a third-party purchaser, the secured lender will release the lien on that individual Condominium unit and that unit's appurtenant interest in common elements.

The Common Elements and common areas are subject to reserved rights by the Declarant to improve, expand and install additional utilities and improvements as necessary or desirable to facilitate other development by the Declarant. The Declarant may use any unit owned by Declaration as a sales office, management office, rental office or model home.

A portion of the parking developed as part of Phase Three of the Condominium is located on land owned by the Liberty Square Association, which has granted an easement allowing its use for parking purposes. That parking area, which is located behind the Phase Three building, is accessed via a shared private drive along the Condominium boundary with The Lofts at Founder Way, an adjoining apartment project, which has granted an easement to Founders Way Condominium and benefits from an easement across Phase Three of Founders Way Condominium for such shared access drive. Such easements are created and governed by the Shared Access and Shared Parking Easements, dated June 2020, among Declarant, The Lots at Founders Way, LLC, The Lofts at Founders Way Condominium Association and Liberty Square Owners' Association, Inc., of record in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia, in Deed Book \_\_\_\_\_, at page \_\_\_\_\_ (the "Shared Access and Easement Agreement"), a copy of which is attached to this Public Offering Statement as Exhibit B. [TO BE RECORDED PRIOR TO CLOSING]

Declarant and the Association have the right to access a Condominium unit as necessary to repair any common elements located within that unit or to complete any required repairs or maintenance that an owner has failed to implement after written request in accordance with the Condominium documents. Except in the case of emergency, such access shall require advance notice to the owner or occupant of the unit.

The Declaration includes an emergency access easement granting the right for law enforcement officers, fire and rescue personnel, public utility and public works workers and their respective vehicles to enter onto the common elements when performing their duties.

The Condominium is subject to the reservation of an exclusive easement in favor of Declarant for installation, maintenance, repair and delivery of telecommunications, telephone, data, internet, multi-channel video and television programming transmission and reception services, and related infrastructure, systems and utility, and the reserved right of Declarant to grant licenses and long-term contracts to service providers for retail distribution and delivery of said services to Condominium units. Declarant may assign such right to the Association. The Association shall levy and collect charges for any such service, as an assessment against the unit owners. The contract may allocate the contract fee across all units, which shall be obligated to pay the fee as an assessment even if that unit does not opt to receive service.

Declarant does not own any of the Expansion Property described in the Declaration, some of which has been dedicated to Liberty Square Association as common areas of Liberty Square of which the Condominium unit owners are members. None of that Expansion Property can be added to the Condominium unless the members of the Association amend the Condominium Declaration to allow that expansion. That former Expansion Property has an easement across Constitution Drive for access and is subject to an easement granted to the Condominium for access

across that adjoining land to Founders Way, all as set forth in the recorded Shared Access and Easement Agreement which constitutes the recorded agreement required under Section 5.4 of the Declaration if Constitution Drive is used for access to that adjoining land and which creates cost-sharing obligations of the adjoining landowner(s) relating to such use.

There are no covenants, servitudes or other devices creating actual restrictions on the rights of any unit owner to use and enjoy his or her unit other than the easements described above, the provisions of the Condominium documents and the rules and regulations of the Condominium, and the Liberty Square Covenants as defined in Section 7 above. There will be no fee, rental or other charge payable by unit owners to the Association other than through the assessments provided for in the Condominium documents and the Declaration of Covenants for Liberty Square.

SECTION 10  
RESTRICTIONS ON OCCUPANCY/USE  
AND  
RESTRICTIONS ON TRANSFER

The Declaration of Covenants for Liberty Square described in the preceding section provides in Article XII, Section 1 that all lots (which includes all Condominium units in Founders Way) shall be used for single-family residential purposes only, and occupied by not more than two (2) adults who are not legally related by blood, adoption or marriage.

The Condominium Declaration also imposes restrictions on occupancy of units to protect the nature of the project, and these restrictions may affect the marketability of the units for resale by a unit owner. Specifically, each unit is subject to the restrictions that: (a) under Section 8.2 of the Declaration, no bedroom may be occupied by more than two persons, and the Association may impose additional limitations on maximum occupancy under its Rules and Regulations, and (b) under Section 8.3 of the Declaration, the Association has the right to receive copies of all leases of units and may prohibit lease of a unit if that lease would cause the Condominium project to exceed the investor ownership thresholds applicable to ensure availability of unit financing in accordance with the standards applicable in the secondary mortgage market. All leases of units are required, under Section 8.3 of the Declaration, to grant the Association the authority to terminate the lease or bring eviction proceedings against a tenant in the name of the unit owner after 45 days prior written notice to the unit owner that the tenant has violated the Condominium Instructions, unless that default is cured. The lease restrictions do not apply to units owned by the Declarant, and the Association has the authority to grant variances from the restrictions identified above, even if that exception or variance results in the Condominium exceeding the investor ownership thresholds set by the secondary mortgage market, so there is no assurance that those thresholds will be maintained. Further, there are no restrictions on the ability of a unit owner to lease his or her unit if the unit is encumbered by a mortgage issued or guaranteed by the US Department of Veterans Affairs. Other than the foregoing restrictions, there are no restrictions on transfer by a unit owner, including without limitation rights of first refusal, preemptive rights, or restraints on free alienability created by the Condominium Declaration or Bylaws.

The Declaration obligates each Unit Owner to maintain that Owner's unit, and prohibits any alterations that would impair Common Elements, the structural integrity of the building, or the fire rating of the Condominium building. Unit Owners are advised that walls within the Condominium contain wires, conduit and utility facilities, and that any damage to such facilities by virtue of work performed by or at the direction of a Unit Owner will be repaired by that Unit Owner. Any changes to or replacement of appliances or other mechanical equipment by a unit owner must meet the specifications and utility demands of the original equipment being replaced (including but not limited to venting requirements for clothes dryers).

The Rules and Regulations (attached as Exhibit A) also include restrictions on pets, smoking, and other matters, as well as requirements for parking and other matters. Careful review of the Rules and Regulations is advised.

SECTION 11  
UNIT OWNERS' ASSOCIATION

The Association was incorporated as a nonstock corporation known as "Founders Way Condominium Association, Inc." on August 17, 2010. Every owner of a Condominium unit is a member of the association. Association membership is tied to unit ownership, and cannot be transferred separate from the transfer of a Condominium unit. The function of the Association is to manage and oversee operations of the Condominium. Its main duties are to maintain and manage the common elements for the benefit of all owners and residents using funds collected as assessments from owners, and to enforce the restrictions set out in the Condominium documents.

The Liberty Square Association is an existing Virginia nonstock corporation named "Liberty Square Owners' Association, Inc." that currently manages and oversees operations of the entire Liberty Square community comprised of a fully developed townhome community as well as the Condominium project known as Founders Way which is the subject of this offering. Membership in Liberty Square Association is tied to unit ownership, and cannot be transferred separate from the transfer of a Condominium unit. The function of the Liberty Square Association is to manage and oversee operations of the entire Liberty Square community and its amenities. Its main duties are to manage and maintain the common areas for the benefit of all owners and residents of Liberty Square, and to enforce the restrictions set out in the Declaration of Covenants for Liberty Square.

Each association has a Board of Directors which is charged with most of the association's duties and which has the power to further delegate some or all management functions to a managing agent. Basically, the Board of Directors of each association has the power and duty to: (a) prepare an annual budget for the association, (b) make and collect assessments against the unit owners to cover the association's common expenses, (c) provide for the upkeep, maintenance and care of the common elements or common areas, (d) hire and dismiss personnel and service contractors as necessary, (e) make rules and regulations concerning the use of the common elements or common areas, (f) establish and manage one or more bank accounts for the association, including one or more reserve accounts to cover capital improvements or replacements, (g) carry insurance on the common elements or common areas, (h) make alterations and improvements, and (i) enforce by legal means the provisions of the governing documents of the community or Condominium. Day-to-day association matters will be administered under the direction of the Board of Directors of each association by the following officers to be appointed by the Board of Directors: President, Vice-President, and Secretary/Treasurer. Other officers may also be elected. The Board of Directors of the Condominium Association will be separate and distinct of the Board of Directors of the Liberty Square Association, and while the Board of Directors of Liberty Square Association answers to all owners within Liberty Square community, the Board of Directors of the Condominium Association answers to the owners of the Condominium and not to any other owners within Liberty Square community.

The Liberty Square Association is controlled by the owners of Lots within Liberty Square (including owners of units within Founders Way Condominium). The Declarant initially retained control of the Condominium Association but that period of Declarant control has expired such that control of the Association has been transitioned to the unit owners in accordance with the Condominium documents. The Association was obligated to register with the Common Interest Community Board upon completion of transition by filing the required annual report in accordance with §55.1-1980 of the Code of Virginia.

Each Condominium unit has one vote on matters requiring member approval under the Condominium documents, and also has one vote on matters requiring member approval as to the Liberty Square Association. If a Condominium unit is owned by more than one person, then that unit's one vote will be shared by the multiple owners, who will need to agree among themselves how to cast that vote.

As noted above, the Association and the Liberty Square Association both have the power to adopt rules and regulations. A copy of the rules and regulations as in effect of the Effective Date of this Public Offering Statement are attached as Exhibit A, and Declarant has no control over changes to such rules and regulations. The Board of Directors has the power to change the rules and regulations, and to adopt additional rules and regulations, from time to time as provided in the Condominium documents, as to Founders Way Condominium, and in the Declaration of Covenants for Liberty Square, as to the Liberty Square community.

During the period of Declarant control, the Association entered into a management agreement with Association & Property Management Services, LLC, which has no affiliation with Declarant or any officer of Declarant or the Association. The management agreement will expire on September 30, 2018, unless renewed or unless terminated by the Association in accordance with Va. Code §55-79.74(B), which contains provisions setting forth certain procedures allowing the Association to terminate the management agreement after the expiration of the period of Declarant control. The management agreement provides that the managing agent has the authority, subject to certain limitations, to enter into contracts necessary for the effective and safe operation of the Condominium.

There is no lease of recreational areas in, or any similar contract affecting the use of, maintenance of, or access to, any part of the Condominium.

The Declarant, the Association and their respective representatives and agents have the right to access units in certain circumstances, as described in Section 9 above.

All of the matters addressed in this Section 11 are covered in detail by the Declaration and the Bylaws attached as Exhibits to this Public Offering Statement. Refer also to the current Rules and Regulations attached as Exhibit A to this Public Offering Statement, the Condominium Declaration with all exhibits and amendments including Bylaws and Condominium Plats and Plans, and Assignment of Declarant Rights attached as Exhibit E, and to the Declaration of Covenants for Liberty Square and the Bylaws of Liberty Square Association attached as Exhibit C to this Public Offering Statement.

#### SECTION 12 DISPLAY OF FLAG

There are no limitations or prohibitions on the right of a unit owner to display the flag of the United States in accordance with §55.1-1951 of the Code of Virginia, other than restrictions pertaining to Association approval of exterior improvements pertaining to the size, place, duration and manner of placement or display of the flag as necessary to protect a substantial interest of the Association.

#### SECTION 13 SURROUNDING AREA

The Condominium project is located on Constitution Court in the City of Harrisonburg, Virginia. The area is zoned R-3 (multi-family residential) under the City of Harrisonburg zoning ordinance. Founders Way Condominium is adjacent to and is part of the residential townhome community known as Liberty Square, and unit owners have the right to use all amenities of Liberty Square, including tot lots, putting green, recreational trails and greenspace. The Condominium also adjoins the apartment complex known as North 38, an apartment complex under development known as The Lofts at Founders Way, and a residential community known as Reherd Acres.

#### SECTION 14 FINANCIAL MATTERS

Each unit owner will be obligated to pay a share of the common expenses, which include the actual and anticipated expenses of the Association and any allocation to reserve funds which the Association may maintain. The share of Condominium common expenses allocated to each unit is based on the square footage of that unit in relation to the total square footage of all units and is set forth on a schedule to the Condominium Declaration, except in some cases of expenses relating to Limited Common Elements or otherwise caused by or benefiting less than all of the units. A unit owner cannot obtain a reduction of the common expenses assessed against the unit by refraining from use of any of the common elements. The Declarant has the same obligation to pay assessments as other unit owners, and as required by the Virginia Condominium Act, has filed a bond or letter of credit in the amount of \$10,000.00 with the Virginia Common Interest Community Board to insure payment of assessments levied against units owned by the Declarant. This bond will be released when Declarant owns ten percent or fewer of the units in the Condominium so long as Declarant is then current in its assessment obligations to the Association.

Unit Owners are obligated to pay the following: (a) assessments payable to Liberty Square Association, (b) charges for electronics services arranged by the Association, (c) any assessment levied against such unit owner's unit as a default assessment under Section 12.15 of the Declaration or otherwise resulting from a default or failure on the part of such unit owner or occupants of such owner's unit, (d) any special assessments levied by the Board of Directors for capital improvements or as otherwise permitted by the Act, (e) any assessment for real property taxes of the under Section 10.1 of the Declaration, (f) assessments for water service and telecommunications service, (g) assessments pertaining to Limited Common Elements of a unit or units, which shall be the liability of such unit or units, and (h) any assessment to rebuild following a casualty loss as provided in Section 11.8 of the Declaration.

Article 12 of the Declaration contains more detail about how common expenses are to be assessed. The Condominium contains "house" electrical meters for electricity, water and sewer to the common areas; the cost of the electricity, water and sewer measured by these "house" meters will be billed in the assessments. Water and sewer service will be arranged by the Association, with submeters used to allocate the cost to units. Electricity provided to the individual units will be separately metered and will be paid directly by the Unit owner to the utility service provider.

Each unit owner also pays assessments for common expenses of Liberty Square Association. Each Condominium unit will be counted as one lot, and pays an equal share of common expenses with all other lots in the Liberty Square community. Such assessments are used to maintain and repair the common areas benefiting the entire Liberty Square community, such as shared amenities, as well as exterior greenspace, landscaping, private access roads and parking areas.

A unit owner cannot obtain a reduction of the regular common expenses assessed against the unit by refraining from use of any of the common elements of the Condominium or Liberty Square.

Under the Declaration for the Condominium and for Liberty Square, a unit owner may be specially assessed for the cost of any repairs, painting, maintenance or other work that he or she is required to do, but fails to do, if the Association has that work done. That special assessment will include an overhead charge to the Association as provided in the Declaration. A unit owner may also be specially assessed for the cost of repairs to the common elements due to damage caused by that unit owner. In addition, the Condominium Declaration makes a unit owner solely responsible for the cost of any repairs or damage arising out of damage caused by water leaks or standing water originating from such unit owner's unit, and obligates a unit owner to promptly repair any water leaks to prevent mold and water damage to units and Common Elements of the Condominium.

The Condominium documents provide that if extraordinary expenses occur, the Association may levy a special assessment against the unit owners, on the same basis as common assessments (proportional based on interest in common elements) or on an equitable basis if the assessment relates to a Limited Common Element or other matter benefiting less than all unit owners. The Association will determine all assessments and written notice will be provided to each unit owner.

The current budgets for the Liberty Square Association and the Association are attached as Exhibit D. The Association budgets were provided by the Associations, which Declarant does not control and so are not guaranteed by the Declarant. Increases in costs or materials, labor and utilities, inflationary pressures or general economic conditions could result in material increases in the estimated expenses. Budgetary projections for future years are especially unreliable. Services in addition to those provided for in the proposed budget may be deemed desirable, and could result in additional expenses. Purchasers of Condominium units should be aware that many factors and circumstances come into play in these financial matters and that there may be a need for higher assessments than those estimated. The budget of the Association and the budget of the Liberty Square Association are subject to adjustment during the year by their respective Boards of Directors, if circumstances justify adjustment.

The budgets include a provision for general reserves based on evaluation of the useful lives and replacement costs of certain common elements that will require replacement or maintenance on a periodic basis. The annual reserves included in the budgets are only estimates, and if the reserve proves to be inadequate, one or more special assessments may need to be levied against the Condominium units to make up the deficiency.



The basic formula used to determine the amount of each Condominium unit's general assessment fee is to divide the amount of Association common expenses by the number of units (so that each unit bears an equal share). Based on that formula, the amount of each Condominium unit's general assessment fee is currently \$275.00 per month for the Condominium, as detailed on the attached budget (which includes the cost of an electronics service package for television and internet service which is currently \$105.00 per month), plus an assessment of \$55.00 per month for Liberty Square Association,. The total of the Condominium assessment, Liberty Square assessment, and electronics service charge is estimated to be \$330.00 per month. At the time of purchase of a Condominium unit, the first month's general assessment fee will be collected from the unit purchaser. Please note that, from time to time, the Association may budget for or incur expenses for maintenance or repair of Limited Common Elements, and these types of expenses are shared equally by the units served and not by all units.

Failure to pay assessments when due or failure of an owner or his or her guests or tenants to comply with the Condominium documents and rules and regulations of the Condominium, or the governing documents of Liberty Square, can result in late charges and interest charges at rates determined by the Board of Directors from time to time. In addition, assessment obligations are secured by a lien against each Condominium unit, permitting the Association or the Liberty Square Association, depending on which assessment is delinquent, to obtain payment by foreclosure of the lien resulting in a force sale of the Condominium unit, or by suing the unit owner for payment, or both. Failure to pay a monthly installment of the common expense assessment gives the Board of Directors, under Section 12.10 of the Declaration, the right to declare the entire remaining unpaid balance of that year's assessment immediately due and payable and to assess late payment penalties. If the Association or the Liberty Square Association takes legal action to collect amounts owed by an owner or to otherwise enforce the governing documents, the unit owner can be held responsible for the legal costs and reasonable attorneys' fees incurred by the Association or Liberty Square Association. The Association and the Liberty Square Association may obtain payment of overdue assessments by bringing legal action against the unit owner or by foreclosure of the lien resulting in a forced sale of the condominium unit.

Each unit owner will be required to pay his or her own real estate taxes, assessed by and payable to the City of Harrisonburg, Virginia as described in Section 16 below. Each unit owner will also be responsible for electricity and other similar utility fees for his or her unit, except that (a) water and sewer service will be arranged through the Association and bill to the unit owner by the Association as an assessment based on submetered usage, and (b) cable television, telephone and internet service will be provided under contract by Ntelos for the entire Condominium, with fees assessed against each unit and collected by the Association as an assessment (regardless of whether service is used). Each Unit Owner will be responsible for monthly fees and service of any alarm system for his or her unit.

## SECTION 15 INSURANCE

The Board of Directors will obtain insurance to protect the Association and, to a limited extent, the unit owners as individuals, as provided in Article 11 of the Declaration. The Liberty Square Association will obtain insurance to protect the Association with respect to the common areas of Liberty Square, as provided in the Liberty Square Covenants.

To the extent desired, each unit owner should obtain personal property coverage and other types of insurance commonly available to homeowners. The insurance coverage maintained by the Association does not cover the personal property of the unit owners, does not cover improvements or upgrades to units that increase its value beyond the limits of coverage provided in the Association's policy, and does not cover liability arising from an accident or injury occurring within a unit or as a result of the act or negligence of a unit owner.

The Association and unit owners will be insured against liability arising from ownership or use of the common elements and fire/hazard insurance covering the Condominium buildings and Common Elements, but excluding any upgrades beyond "standard finish" for the units and excluding appliances and similar fixtures. This coverage will not insure a unit owner against liability arising from an accident or injury occurring within a unit or liability arising from the negligent or willful act or omission of a unit owner. The Board of Directors has the authority to obtain other insurance for the benefit of the Association, including workers compensation insurance and director and officer liability insurance. The Association is the only party that can make a claim under the master policy and is the sole decision-maker as to whether to make a claim.

The Association is legally obligated to obtain and maintain a blanket fidelity bond or employee dishonesty insurance policy insuring the Association against losses resulting from theft or dishonesty committed by the Association's officers, directors or persons employed by the Association or committed by any Managing Agent or employee of a Managing Agent, in accordance with Section 55.1-1963 of the Virginia Condominium Act.

#### SECTION 16 TAXES

Each unit owner will receive a separate real estate tax bill from the City of Harrisonburg, Virginia, for his or her Condominium unit, and will be individually responsible for the payment of those tax bills. At closing of the purchase of a unit, real estate taxes for the then-current year will be allocated on a pro rata basis based on the most recent available assessment at the current tax rate, as a full and final apportionment. If the actual tax bill is higher due to re-assessment or a change in the tax rate after closing, purchaser will bear responsibility for the additional amount due.

As of the effective date of this Public Offering Statement, real property in the City of Harrisonburg, Virginia is to be assessed at 100% of its fair market value. The tax rate for the period from July 1, 2020 through June 30, 2021, per \$100.00 of assessed value is \$0.86 in the City of Harrisonburg, and will be reset in April for the ensuing tax year beginning July 1, 2021. A unit owner will be able to estimate the annual real property tax on his or her unit by dividing the purchase price by 100 and multiplying the result by 0.86 (or replacement rate adopted by the City in April 2021 for the ensuing tax year). Real property tax will be payable in two semi-annual installments due on December 1 (for the period July 1- December 31) and June 1 (for the period January 1 – June 30) of each year.

In addition, the City of Harrisonburg assesses a stormwater fee against all improved real estate, which is added to and collected with the real property tax bill. The amount is based on impervious surface and so will vary from unit to unit. Based on charges assessed against units in early phases of the Condominium, it is expected that the stormwater fee for units in the third phase covered by this Public Offering Statement will be in the range of \$24 to \$45 per year.

#### SECTION 17 GOVERNMENTAL APPROVAL

Each Condominium unit has or will have at the time of closing a permanent certificate of occupancy, and completion of unsold units may be delayed to allow for selection of finishes and upgrades by the purchaser. The Condominium complies with applicable building codes, housing codes, and the zoning ordinances of the City of Harrisonburg, Virginia, as well as with the Virginia Condominium Act. The Property is zoned R-3 (multi-family residential) under the City of Harrisonburg zoning ordinance.

#### SECTION 18 WARRANTIES

Each purchaser of a unit from the Declarant will receive a general warranty deed conveying the unit and appurtenant interest in Common Elements. Each unit will be covered against structural defects, as habitable, and as constructed in a workmanlike manner so as to pass without objection in the trade, by the statutory warranty provided by Va. Code §55.1-1955 for two (2) years from the date of conveyance. Each common element is likewise covered against structural defects for two (2) years from the date that the first unit in the Condominium was conveyed by Declarant or the date of completion of the Common Elements, whichever is later. The Declarant gives no warranty with respect to consumer products sold with a unit except as required by the statutory warranty. A judicial proceeding for the breach of the two-year warranty described in this paragraph must be commenced within five (5) years after the date the warranty period began. No action shall be maintained against Declarant under the warranty unless a written statement by the claimant owner or his agent, attorney or representative has been sent to Declarant, describing the nature of the alleged defect, by registered or certified mail, at Declarant's last known address as reflected in the records of the Common Interest Community Board, more than six months prior to the commencement of the action, in order to provide Declarant an opportunity to cure the alleged defect within a reasonable time not to exceed five (5) months. Sending such notice shall toll the statute of limitations for

commencing a breach of warranty action for a period not to exceed six months, to the extent so provided in Virginia Code §55.1-1955.

In addition to the statutory warranty described above, Declarant offers a one-year limited warranty to unit purchasers acquiring units from Declarant, which is subject to limitations and exclusions. Nothing contained in the warranty provided by the Declarant shall limit the protection afforded by the statutory warranty. Declarant's warranty requires that a unit owner provide written notice of a defect, at which time an inspection will be scheduled within thirty (30) days of receipt of that notice. If inspection reveals that repairs or adjustments covered by the warranty are required, the necessary repairs or adjustments will be made within ninety (90) days unless emergency conditions require sooner action. Inspections and repair work will be performed between 8:00 am and 5:00 pm on weekdays.

Among the consumer products sold with the units may be certain major appliances and equipment which are not covered by Declarant's warranty and may or may not be covered by manufacturer's warranties. These warranties will be delivered or assigned by Declarant to purchasers to the extent such warranties are then in effect and are transferable. Claims pursuant to manufacturer's warranties should be made in accordance with the instructions in those warranties.

- Exhibits:
- Exhibit A – Rules and Regulations
  - Exhibit B – Shared Access and Shared Parking Easements
  - Exhibit C – Liberty Square Governing Documents
  - Exhibit D – Budgets
  - Exhibit E – Declaration (Bylaws attached as Exhibit C to Declaration), as amended  
and Assignment of Declarant Rights
  - Exhibit F – Unit Layouts

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Exhibit A-1

Founders Way Condominium, Inc.

**Founders Way Condominiums, Inc.**  
**Rules and Regulations**

Please read the covenant and restrictions for a complete list of all use restrictions for condominium units in Founders Way Condominiums. Below are some of the main rules and regulations.

- No sign of any kind shall be displayed to the public view on or from any Lot or the Common Area, without the prior written consent of the Association. For Sale, For Lease, or For Rent signs shall not be larger than a standard For Sale, For Lease, or For Rent signs 18 inches square and shall be white lettering on a dark gray background. ~~The Association has For Sale By Owner and For Rent signs that can be purchased for \$5.00.~~
- No more than two (2) unrelated people shall reside in any unit.
- All leases must be for a term of at least Thirty (30) Days. All leases must be in writing, and a copy must be provided to the Association.
- No noxious activity, offensive behavior or loud music is permitted in any Unit.
- Each household is entitled to the use of their marked parking spaces (two spaces per unit). Guest parking is available on a temporary basis in the common area of the parking lot. No unit shall occupy more than two parking spaces except for “temporary guests.” Temporary basis shall mean no more than seven (7) nights per month.
- Parking violations (parking in another unit’s designated spot, misuse of visitor parking, expired tags or inspection stickers) may result in towing at vehicle owner’s expense.
- Owners shall be responsible for keeping their own entryway clean.
- No boats, mobile homes, motor home, campers, buses, trailers of any type, tractors, trucks or any other motor vehicle, other than automobiles, motorcycles, pickup trucks or vans shall be permitted on any Lot, except during course of construction. No motor vehicle or material portion thereof that does not have a current license or current Virginia inspection sticker shall be permitted on any Lot.
- The Association provides for trash removal (not recycling) and also takes care of lawn maintenance for all open (non-fenced) areas. Posted rules for dumpsters must be observed by all residents.
- Snow removal is provided on Condominium Association parking lots, sidewalks, and stairs.
- All animals must be kept in such a manner as to not be bothersome to other residents. Dogs outside must be on a leash. No animal may be tied or caged outside and all pet waste must be immediately picked up. Doggie stations with waste removal bags are provided along the walking trail.
- No personal belongings may be left outside (strollers, bicycles, etc.) except neatly within the area immediately adjacent to the rear of the condominium.

- Outdoor grilling shall be permitted only in the rear yards.
- Nothing shall be altered, constructed in, or removed from the Common Area except upon written consent of the Association.
- No building, structure, addition or exterior alteration or improvements of any character shall be permitted without consent by the Association. All exterior changes/modifications/improvements must first be submitted to the Architectural Review Board for review. Contact the association office at 540-423-3879 for the appropriate contact information.
- No satellite dish or satellite receiving apparatus shall be installed or located on the exterior of any Unit with approval by ARB.
- Continued violations of Association rules after appropriate warnings may result in a minimum \$50.00 fine to the owner of the unit.
- Vehicles may not be parked in fire lanes. Violators may be towed at vehicle owner's expense. Please remember to advise guests to use the Visitor Parking spaces. These spaces are intended for visitors, not for the use of additional personal vehicles. Any towing resulting from violation of parking rules will be at the vehicle owner's expense.

Exhibit A-2

Liberty Square Owners' Association, Inc.

**Liberty Square Owners Association, Inc.**  
**Rules and Regulations**

- No more than two (2) unrelated people shall reside in any unit.
- No offensive behavior or loud music is permitted on any lots.
- Each household is entitled to the use of their marked parking spaces. No unit shall occupy more than two parking spaces except for "temporary guests." Temporary guests shall mean seven or less nights per month.
- Parking violations (parking in another unit's designated spot, misuse of visitor parking, expired tags or inspection stickers) may result in towing at vehicle owner's expense.
- The Association provides for trash removal (not recycling) and also takes care of lawn maintenance for all open (non-fenced) areas. Trash may be temporarily stored in covered trash can containers at the back of the townhomes but shall be taken to the dumpster on a regular basis. Posted rules for dumpsters must be observed by all residents.
- Snow removal is provided on Association streets but does not include sidewalks.
- Owners are responsible for the maintenance of landscaping beds on individual lots.
- All animals must be kept in such a manner as to not be bothersome to other residents. Dogs outside must be on a leash or inside a fence. No animal may be tied or caged outside and all pet waste must be immediately picked up. Doggie stations with waste removal bags are provided along the walking trail.
- No personal belongings may be left outside (strollers, bicycles, etc.) except neatly within the area immediately adjacent to the rear of the townhome.
- Assessments are currently \$50/month. Notices are sent quarterly, and assessments may be paid monthly, quarterly, or yearly. Whichever schedule is chosen, assessments shall be paid by the 30<sup>th</sup> of the month in which they are due.
- For Sale, For Lease, or For Rent signs shall not be larger than 18 inches square and shall be white lettering on a dark gray background. The Association has For Sale By Owner and For Rent signs that can be purchased for \$5.00.
- All exterior changes/modifications/improvements must first be submitted to the Architectural review Board for review. Contact the association office at 540-423-3879 for the appropriate contact information.
- Continued violations of Association rules after appropriate warnings may result in a minimum \$50.00 fine to the owner of the unit.



Exhibit B  
to  
Public Offering Statement

Founders Way Condominium, Phase 3

Shared Access and Shared Parking Easements  
(See Attached)

PREPARED BY AND RETURN TO:  
LISA ANNE HAWKINS (VSB# 44738)  
FLORA PETTIT PC  
90 NORTH MAIN STREET, SUITE 201  
HARRISONBURG, VIRGINIA 22802

City of Harrisonburg Tax Parcel 31-(O)-1 (portion)

### SHARED ACCESS AND SHARED PARKING EASEMENTS

THIS SHARED ACCESS AND SHARED PARKING EASEMENTS (this "Easement") is made and entered into this \_\_\_\_ day of July, 2020, by and between **HARRISONBURG TOWNHOMES, L.L.C.**, a Virginia limited liability company ("**HB Townhomes**") (to be indexed as Grantor and Grantee); **THE LOFTS AT FOUNDERS WAY, LLC**, a Virginia limited liability company ("**Lofts LLC**") (to be indexed as Grantor and Grantee); **THE LOFTS AT FOUNDERS WAY CONDOMINIUM ASSOCIATION**, an unincorporated association ("**The Lofts Association**") (to be indexed as Grantee); and **LIBERTY SQUARE OWNERS' ASSOCIATION, INC.**, a Virginia corporation ("**Liberty Square Association**") (to be indexed as Grantor and Grantee).

#### RECITALS

1. Pursuant to the Declaration of Land Condominium of the Lofts at Founders Way Land Condominium, dated July 1, 2019, of record in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia, Deed Book 5134, page 731 (the "**Lofts Land Condominium Declaration**"), Land Unit A, Land Unit B, Land Unit C and Land Unit D in The Lofts at Founders Way Land Condominium (the "**The Lofts Land Condominium**") have an access easement across that portion of Constitution Lane within the 25' Access Easement as shown on the condominium plats attached to the Declaration of Condominium of Founders Way Condominium dated August 25, 2010, of record in the aforesaid Clerk's Office in Deed Book 3752, page 278, as amended and expressly including the Fourth Amendment to Declaration of Condominium of Founders Way Condominium dated October 30, 2012, and recorded in the aforesaid Clerk's Office in Deed Book 4134, page 453 (the "**Founders Way Condominium Declaration**"), which connects The Lofts Land Condominium via Constitution Court to the public road known as Oriole Lane (such shared access easement, the "**Constitution Court Easement**");

2. Such Constitution Court Easement is managed by the Liberty Square Association subject to certain cost-sharing obligations as set forth in Section 5.4 of the Founders Way Condominium Declaration;

3. Lofts LLC is the owner of Land Unit A of The Lofts Land Condominium ("Land Unit A, The Lofts"), and Land Unit B of The Lofts Land Condominium ("Land Unit B, The Lofts") being the same property acquired by deed dated July 11, 2019, of record in the aforesaid Clerk's Office in Deed Book 5135, page 540;

4. Land Unit A, The Lofts is subject to a shared access easement connecting the Constitution Court Easement to all other units in The Lofts Land Condominium and to the public street known as Founders Way, as shown on the condominium plat attached to and recorded with The Lofts Land Condominium Declaration;

5. For the benefit of Liberty Square Association and its members who are also unit owners within Founders Way Condominium, Liberty Square Association has requested that Lofts LLC grant an easement across that existing shared access easement on Land Unit A, The Lofts, to allow owners of condominium units within Founders Way Condominium, all of whom are also members of Liberty Square Association, and their guests to access Founders Way across the same shared access easement which is an extension of Constitution Court used by owners within The Lofts Land Condominium ("Constitution Court Extended");

6. Lofts LLC has agreed to grant an easement across Constitution Court Extended to the Liberty Square Association to facilitate direct ingress and egress between Founder Way Condominium and the public street known as Founders Way;

7. HB Townhomes is the owner of Phase Three of Founders Way Condominium ("Phase Three, Founders Way"), being the same property acquired by HB Townhomes by deed dated October 3, 2019, from Founders Way, LLC, of record in the aforesaid Clerk's Office in Deed Book 5168, page 521;

8. To facilitate development of Phase Three, Founders Way, HB Townhomes desires an easement for access and parking on a portion of the Open Space owned by Liberty Square Association, being a portion of the property gifted to Liberty Square Association by deed of gift dated October 3, 2019, of record in the aforesaid Clerk's Office in Deed Book 5167, page 138 (the "Open Space") as shown on the easement plat attached to this Agreement as Exhibit A (the "Easement Plat");

9. To access such parking on its Phase Three, Founders Way parcel and the Open Space parcel, HB Townhomes requires a shared access easement along its boundary with Land Unit A, The Lofts as shown on the Easement Plat;

10. To facilitate a required handicapped parking access to its planned development on Land Unit A, The Lofts, Lofts LLC desires a shared access easement along its boundary with Phase Three, Founders Way and an easement across Land Unit B, The Lofts, which is also owned by Lofts LLC, as shown on the Easement Plat;

11. To facilitate the grant of easements for the benefit of Liberty Square Association and

its members who are unit owners within Founders Way Condominium, and the development of Phase Three, Founders Way which will generate additional assessments for the benefit of all owners within Liberty Square Association and Founders Way Condominium, the Liberty Square Association agrees to: (a) grant the access and parking easement on its Open Space property for the benefit of Phase Three, Founders Way, and (b) maintain and repair as a common areas of Liberty Square such access and parking area as well as the shared easement along the boundary of Founders Way Condominium with Land Unit A, The Lofts as shown on the Easement Plat;

12. Lofts LLC desires to use the shared access along its boundary with Phase Three, Founders Way, to facilitate handicapped access to an entrance in its planned building on Land Unit A, The Lofts, and in consideration of the grant by Lofts LLC of the access easements across Land Unit A, The Lofts for their benefit, HB Townhomes and the Liberty Square Association have agreed to grant shared access across a strip crossing Phase Three, Founders Way and the Open Space Property as necessary for access to the rear of Land Unit A, The Lofts, as shown on the Easement Plat. A small portion of that connection also crosses Land Unit B, the Lofts, and Lofts LLC also grants such easement as provided herein.

NOW, THEREFORE, in consideration of the mutual grants, covenants and waivers in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree, on behalf of themselves and their respective successors and assigns, as follows:

## **ARTICLE 1 EASEMENTS**

Section 1.1 Shared Access Easement Grant by Lofts LLC for access from Founders Way Condominium to Public Street. Lofts LLC grants and conveys to Liberty Square Association (as a common element of Liberty Square for the benefit of Liberty Square Association and its members including unit owners of Founders Way Condominium) and HB Townhomes as the owner of Phase Three, Founders Way a perpetual nonexclusive easement across that portion of Land Unit A, The Lofts which is designated as "Proposed 25' Access Easement" on the condominium plat attached as an exhibit to and recorded with on The Lofts Land Condominium Declaration (being Constitution Court Extended), for reasonable vehicular and pedestrian ingress and egress between Founders Way Condominium and the public road known as Founders Way. Lofts LLC (as owner of Land Unit A and Land Unit B, The Lofts) and HB Townhomes (as owner of Land Unit C and Land Unit D, The Lofts) agree as the owners of all units within The Lofts Land Condominium that The Lofts Association shall retain all repair and maintenance obligations as to such shared access pursuant to the Lofts Land Condominium Declaration, and that Liberty Square Association and the current and future owners of units within Liberty Square and Founders Way Condominium shall not be obligated to repair or maintain such shared access or share in the costs associated therewith.

Section 1.2 Parking Access Easement between Phase Three, Founders Way Condominium and Land Unit A, The Lofts.

To facilitate access to parking facilities as shown on the Easement Plat, Lofts LLC and HB Townhomes grant the following easements to each other and their successors in interest as well as to

the named associations for access in furtherance of their duties, all as provided below (such easements, collectively, the "Parking Access Easement").

Lofts LLC, as the owner of Land Unit A, The Lofts and as the owner of Land Unit B, The Lofts hereby grants and conveys to The Lofts Association, Liberty Square Association, and HB Townhomes and its successors in interest to Phase Three, Founders Way, including all future owners of condominium units now existing or hereafter created within such Phase Three, Founders Way, a perpetual nonexclusive easement across that portion of Land Unit A, The Lofts designated as "Proposed Access & Parking Easement (variable width)" on the Easement Plat, for vehicular and pedestrian ingress and egress.

HB Townhomes as the owner of Phase Three, Founders Way, grants and conveys to The Lofts Association, Liberty Square Association, and Lofts LLC and its successors in interest to Land Unit A, The Lofts, a perpetual nonexclusive easement across that portion of Phase Three, Founders Way designated as "Proposed Access & Parking Easement (variable width)" on the Easement Plat, for vehicular and pedestrian ingress and egress.

Liberty Square Association agrees to repair and maintain the Parking Access Easement along the boundary between Land Unit A, The Lofts and Phase Three, Founders Way as a common area of Liberty Square, on the same basis as it repairs and maintains the Constitution Court Easement through Founders Way Condominium. Nothing herein obligates Liberty Square Association or any other party to maintain that portion of the Parking Access Easement which serves solely as access to the parking area located on Land Unit A, The Lofts.

Section 1.3 Access to Parking Area across Land Unit B, The Lofts, for Land Unit A, The Lofts. Lofts LLC, as the owner of Land Unit B, The Lofts, grants to Lofts LLC and its successors in interest to Land Unit A, The Lofts, a perpetual nonexclusive easement across that portion of Land Unit B, The Lofts designated as "Proposed Access & Parking Easement (variable width)" on the Easement Plat, for vehicular and pedestrian ingress and egress and for parking. The current and future owners of Land Unit A, The Lofts shall be solely responsible for all maintenance and repair of such easement area, at its sole expense.

Section 1.4 Parking Easement and Related Access on Open Space, Liberty Square for Phase Three, Founders Way. Pursuant to its authority under Section 2(c)(4) of the Declaration of Covenants, Conditions, Reservations and Restrictions for Liberty Square, of record in the aforesaid Clerk's Office in Deed Book 2698, page 787, as amended, the Liberty Square Association grants and conveys to HB Townhomes and its successors in interest as to Phase Three, Founders Way, a perpetual non-exclusive easement on that portion of Open Space common area designated as "Proposed Access & Parking Easement (variable width)" on the Easement Plat, for construction of access and parking facilities, vehicular and pedestrian ingress and egress and for parking. Liberty Square Association agrees to repair and maintain this easement and related parking and improvements as common elements of Liberty Square on the same basis as the other parking areas and shared access within Founders Way Condominium. Such grant of easement was approved by the Board of Directors of the Liberty Square Association on June 3, 2020, as evidenced by the signature of the President of such Association to this Agreement.

Section 1.5 Access on Open Space, Liberty Square for Land Unit A, The Lofts. Pursuant to its authority under Section 2(c)(4) of the Declaration of Covenants, Conditions, Reservations and Restrictions for Liberty Square, of record in the aforesaid Clerk's Office in Deed Book 2698, page 787, as amended, the Liberty Square Association grants and conveys to Lofts LLC and its successors in interest to Land Unit A, The Lofts, a perpetual non-exclusive easement on that portion of Open Space common area designated as "Proposed Access & Parking Easement (variable width)" on the Easement Plat, for vehicular and pedestrian ingress and egress as necessary to access the rear parking area on Land Unit A, The Lofts as shown on the Easement Plat via the shared access easement along its boundary with Phase Three, Founders Way. Such grant of easement was approved by the Board of Directors of the Liberty Square Association at the same meeting referenced above, as evidenced by the signature of the President of such Association to this Agreement.

Section 1.6 Use of Easements. No owner or occupant of any parcel or condominium unit benefitted by the easements granted above (a "Benefitted Parcel") shall use any such easement for any purpose other than those expressly stated, and no association shall use any such easement other than as necessary to perform its obligations or exercise its rights under any applicable declaration. All users of any easement granted herein shall at all times comply with all applicable law. Shared access shall not be blocked or obstructed in a manner which impairs access (except during periods of construction or repair, in which case commercially reasonable accommodations shall be made to preserve access). Parking is permitted within designated parking spaces within the parking easements but is not permitted within any shared access thoroughfare.

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## **ARTICLE 2 GENERAL**

Section 2.1 Run with Land. The restrictions imposed, the easements granted and the obligations set forth in this Agreement shall be appurtenant to and run with the Benefitted Parcels and shall burden the subject parcels, as the case may be, and shall inure to the benefit of the named grantees and their respective successors in interest.

Section 2.2 Applicable Law. This instrument is governed by Virginia law.

Section 2.3 Further Assurances. Each party shall execute such supplemental and additional documents (including any applicable easement agreements) and give such further assurances as may be necessary or advisable to effectuate or confirm the provisions of this Agreement or the intention of the parties as set forth herein.

Section 2.4 Amendment or Termination. The provisions of this Agreement may be amended, and the terms governing a particular easement may be amended by an instrument signed or ratified by each owner or party who is affected by such amendment (such that provisions affecting only two parcels shall not require consent of the owners of unaffected parcels), subject to such approval as may be required as a matter of law.

Section 2.5 Notices. All notices, demands, or other communications that may be necessary or

proper hereunder shall be deemed duly given if personally delivered upon delivery (or at such time as delivery is not accepted by the intended recipient), when deposited with Federal Express or other reputable overnight delivery service, when deposited in the United States mail, postage prepaid, first class, registered or certified, return receipt requested, or when sent by facsimile with a confirmation of receipt, addressed to the address listed in the tax records of the City of Harrisonburg as to unit or parcel owners and as to associations, to the address listed with the common interest community registration office of the Virginia Department of Professional Regulation, Common Interest Community Board or any successor agency.

Section 2.6 Severability. Invalidation of any one of the provisions of this Agreement by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 2.7 Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. If this Agreement is executed and scanned (in .PDF or similar reprographic format) and/or executed electronically using electronic signature software (e.g., DocuSign or similar software) or similar methods (each a method of "Electronic Execution") and transmitted electronically, such electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related hereto, with such Electronic Execution having the same legal and binding effect as original signatures of the parties hereto.

*[Remainder of page intentionally left blank; signature pages follow.]*

IN WITNESS WHEREOF, the undersigned have caused this instrument to be signed

pursuant to due and proper authority as of the date first set forth above.

HARRISONBURG TOWNHOMES, L.L.C.,  
a Virginia limited liability company

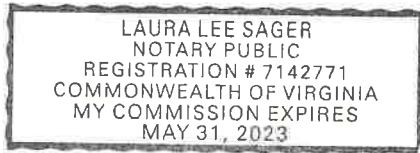
By: [Signature]  
Name: Jared S Scripture  
Its: Manager

Address: 1756 Heritage Estates Circle  
Harrisonburg, VA 22801

STATE/COMMONWEALTH OF Virginia  
CITY/COUNTY OF Harrisonburg, to-wit:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that the foregoing instrument was acknowledged before me this 24 day of July, 2020, by Jared S. Scripture as Manager of Harrisonburg Townhomes, L.L.C., on its behalf.

(SEAL)



[Signature]  
Notary Public

My commission expires: 5/31/2023  
Notary registration number: 7142771



THE LOFTS AT FOUNDERS WAY, LLC,  
a Virginia limited liability company

By: \_\_\_\_\_

Name: Jared S. Scripture

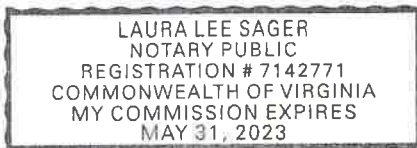
Its: Manager

Address: 1756 Heritage Estates Circle  
Harrisonburg, VA 22801

STATE/COMMONWEALTH OF Virginia  
CITY/COUNTY OF Harrisonburg, to-wit:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that the foregoing instrument was acknowledged before me this 24 day of July, 2020, by Jared S. Scripture as Manager of The Lofts at Founders Way, LLC, on its behalf.

(SEAL)



[Signature]  
Notary Public

My commission expires: 5/31/2023  
Notary registration number: 7142771

LIBERTY SQUARE OWNERS' ASSOCIATION, INC.  
a Virginia corporation

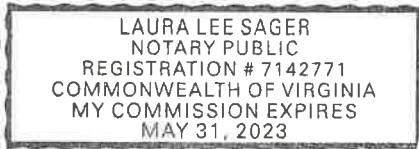
By: [Signature]  
Name: Terry Stockner  
Its: President

Address: 1132 Paul Revere Ct  
Harrisonburg, Va 22802

STATE/Commonwealth of Virginia  
CITY/COUNTY OF Harrisonburg, to-wit:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that the foregoing instrument was acknowledged before me this 24 day of July, 2020, by Terry Stockner as President of Liberty Square Owners' Association, Inc., on its behalf.

(SEAL)



[Signature]  
Notary Public

My commission expires: 5/31/2023  
Notary registration number: 7142771

LIENHOLDER CONSENT

Bank of the James, whose address is 1391 South High Street, Harrisonburg, Virginia 22801, as noteholder and beneficiary, and the undersigned Trustee, Robert R. Chapman III (whose address is 828 Main Street, Lynchburg, Virginia 24504) or Thomas D. Rea (whose address is 1391 South Hugh Street, Harrisonburg, Virginia 22801), either of whom may act, hereby consent to the grant of the foregoing Shared Access and Shared Parking Easements (the "Easement"), to be recorded in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, and joins in the execution hereof solely as Lienholder and as Trustee of the Deed of Trust dated July 11, 2019, recorded July 12, 2019 in the aforesaid Clerk's Office in Deed Book 5135, page 559, as amended (the "Deed of Trust"), and does hereby agree that title conveyed by foreclosure or other sale of said property pursuant to the Deed of Trust shall be subject to said Easement as so amended.

BANK OF THE JAMES, Noteholder

By: [Signature]  
Name: Thomas D Rea  
Its: SVP

STATE/Commonwealth of VA  
CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid this, 27<sup>th</sup> day of July, 2020, by Thomas D. Rea as SVP of Bank of the James, on behalf of said entity.

My commission expires: 5/31/2021

(SEAL)



Nancy C. Smith  
Notary Public  
Notary registration number: 167238

TRUSTEE:

[Signature]  
Thomas D. Rea, Sole Acting Trustee

STATE/Commonwealth of VA  
CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid this, 27<sup>th</sup> day of July, 2020, by Thomas D. Rea, Sole Acting Trustee.

My commission expires: 5/31/2021

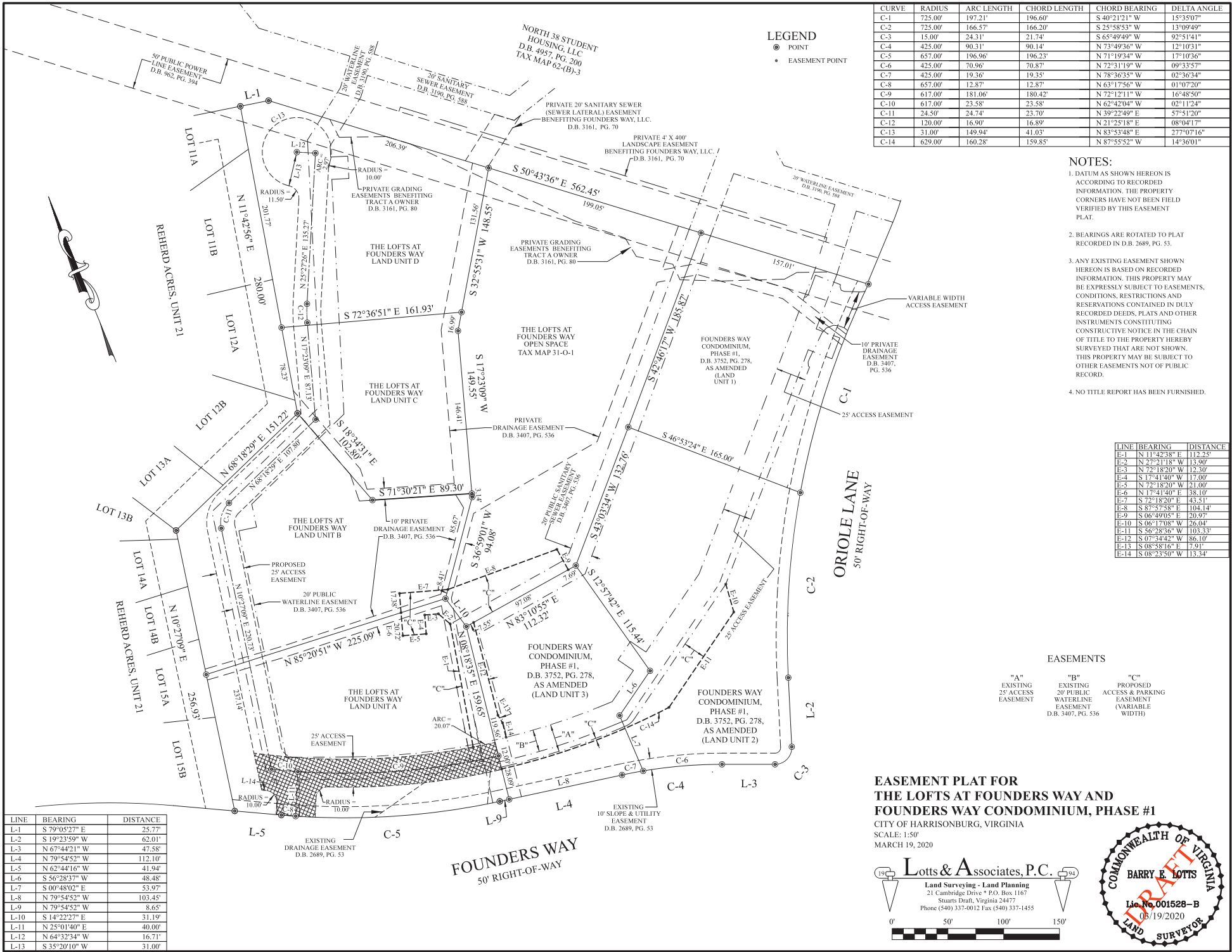
(SEAL)



Nancy C. Smith  
Notary Public  
Notary registration number: 167238

EXHIBIT A  
EASEMENT DRAWING

820806.DOCX



CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING	DELTA ANGLE
C-1	725.00'	197.21'	196.60'	S 40°21'21" W	15°35'07"
C-2	725.00'	166.57'	166.20'	S 25°58'53" W	13°09'49"
C-3	15.00'	24.31'	21.74'	S 65°49'49" W	92°51'41"
C-4	425.00'	90.31'	90.14'	N 73°49'36" W	12°10'31"
C-5	657.00'	196.96'	196.23'	N 71°19'34" W	17°10'36"
C-6	425.00'	70.96'	70.87'	N 72°31'19" W	09°33'57"
C-7	425.00'	19.36'	19.35'	N 78°36'35" W	02°36'34"
C-8	657.00'	12.87'	12.87'	N 63°17'56" W	01°07'20"
C-9	617.00'	181.06'	180.42'	N 72°12'11" W	16°48'50"
C-10	617.00'	23.58'	23.58'	N 62°42'04" W	02°11'24"
C-11	24.50'	24.74'	23.70'	N 39°22'49" E	57°51'20"
C-12	120.00'	16.90'	16.89'	N 21°25'18" E	08°04'17"
C-13	31.00'	149.94'	41.03'	N 83°53'48" E	277°07'16"
C-14	629.00'	160.28'	159.85'	N 87°55'52" W	14°36'01"

**LEGEND**  
 • POINT  
 ○ EASEMENT POINT

**NOTES:**  
 1. DATUM AS SHOWN HEREON IS ACCORDING TO RECORDED INFORMATION. THE PROPERTY CORNERS HAVE NOT BEEN FIELD VERIFIED BY THIS EASEMENT PLAT.  
 2. BEARINGS ARE ROTATED TO PLAT RECORDED IN D.B. 2689, PG. 53.  
 3. ANY EXISTING EASEMENT SHOWN HEREON IS BASED ON RECORDED INFORMATION. THIS PROPERTY MAY BE EXPRESSLY SUBJECT TO EASEMENTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS CONTAINED IN DULY RECORDED DEEDS, PLATS AND OTHER INSTRUMENTS CONSTITUTING CONSTRUCTIVE NOTICE IN THE CHAIN OF TITLE TO THE PROPERTY HEREBY SURVEYED THAT ARE NOT SHOWN. THIS PROPERTY MAY BE SUBJECT TO OTHER EASEMENTS NOT OF PUBLIC RECORD.  
 4. NO TITLE REPORT HAS BEEN FURNISHED.

LINE	BEARING	DISTANCE
E-1	N 11°42'38" E	112.25'
E-2	N 27°21'18" W	13.90'
E-3	N 72°18'20" W	12.30'
E-4	S 17°41'40" W	17.00'
E-5	N 72°18'20" W	21.00'
E-6	N 17°41'40" E	38.10'
E-7	S 72°18'20" E	43.81'
E-8	S 87°57'58" E	104.14'
E-9	S 06°49'05" E	20.97'
E-10	S 06°17'00" W	26.04'
E-11	S 56°28'36" W	103.33'
E-12	S 07°34'42" W	86.10'
E-13	S 08°58'16" E	7.91'
E-14	S 08°23'50" W	113.34'

**EASEMENTS**  
 "A" EXISTING 25' ACCESS EASEMENT  
 "B" EXISTING 20' PUBLIC WATERLINE EASEMENT (D.B. 3407, PG. 536)  
 "C" PROPOSED ACCESS & PARKING EASEMENT (VARIABLE WIDTH)

LINE	BEARING	DISTANCE
L-1	S 79°05'27" E	25.77'
L-2	S 19°23'59" W	62.01'
L-3	N 67°44'21" W	47.58'
L-4	N 79°54'52" W	112.10'
L-5	N 62°44'16" W	41.94'
L-6	S 56°28'37" W	48.48'
L-7	S 00°48'02" E	53.97'
L-8	N 79°54'52" W	103.45'
L-9	N 79°54'52" W	8.65'
L-10	S 14°52'27" E	31.19'
L-11	N 25°01'40" E	40.00'
L-12	N 64°32'34" W	16.71'
L-13	S 35°20'10" W	31.00'

**EASEMENT PLAT FOR THE LOFTS AT FOUNDERS WAY AND FOUNDERS WAY CONDOMINIUM, PHASE #1**

CITY OF HARRISONBURG, VIRGINIA  
 SCALE: 1:50'  
 MARCH 19, 2020

**Lotts & Associates, P.C.**  
 Land Surveying - Land Planning  
 21 Cambridge Drive \* P.O. Box 1167  
 Stuarts Draft, Virginia 24477  
 Phone (540) 337-0012 Fax (540) 337-1455



Exhibit C  
to  
Public Offering Statement

Founders Way Condominium, Phase 3

Governing Documents  
of Liberty Square Owners' Association, Inc.  
(See Attached)

C-1: Articles of Incorporation

C-2: Bylaws

C-3: Declaration of Covenants and related Amendments and Supplements

Exhibit C-1

Articles of Incorporation

COMMONWEALTH OF VIRGINIA



CLINTON MILLER  
CHAIRMAN

MARK C. CHRISTIE  
COMMISSIONER

THEODORE V. MORRISON, JR.  
COMMISSIONER

JOEL H. PECK  
CLERK OF THE COMMISSION  
P.O. BOX 1197  
RICHMOND, VIRGINIA 23218-1197

STATE CORPORATION COMMISSION  
Office of the Clerk

August 19, 2005

LAURA S EVICK  
CLARK & BRADSHAW PC  
PO BOX 71  
HARRISONBURG, VA 22803-0071

RE: LIBERTY SQUARE OWNERS' ASSOCIATION, INC.  
ID: 0643262 - 9  
DCN: 05-08-10-0057

Dear Customer:

This is your receipt for \$75.00, to cover the fees for filing articles of incorporation with this office.

The effective date of the certificate of incorporation is August 19, 2005.

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, 1-866-722-2551.

Sincerely,

Joel H. Peck  
Clerk of the Commission

CORPRCPT  
NEWCD  
CIS0313



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**COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION**

AT RICHMOND, AUGUST 19, 2005

The State Corporation Commission has found the accompanying articles submitted on behalf of  
**LIBERTY SQUARE OWNERS' ASSOCIATION, INC.**

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it  
is ORDERED that this

**CERTIFICATE OF INCORPORATION**

be issued and admitted to record with the articles of incorporation in the Office of the Clerk of  
the Commission, effective August 19, 2005.

The corporation is granted the authority conferred on it by law in accordance with the articles,  
subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By 

Commissioner

\_\_\_\_\_

**ARTICLES OF INCORPORATION  
OF  
LIBERTY SQUARE OWNERS' ASSOCIATION, INC.**

(VIRGINIA NONSTOCK CORPORATION)

The undersigned, pursuant to Chapter 10 of Title 13.1 of the Code of Virginia, the undersigned hereby establishes a Nonstock Corporation (hereinafter the "Association") and states as follows:

ARTICLE I

**NAME**

The name of the Association is: **LIBERTY SQUARE OWNERS' ASSOCIATION, INC.**

ARTICLE II

**MEMBERS**

The Association is to have two classes of members, comprised of the following persons or entities and having the following voting rights:

**Class A.** Class A members shall be comprised of those persons or entities which own a fee simple interest (or an undivided fee simple interest) in, and are the record owners of title to, any lot in the Association's Development Liberty Square; provided, however, that Class A members shall not include (i) persons or entities holding such an interest solely as security for the performance of an obligation, or (ii) the Developer, Liberty Land Company, L.L.C., its successor or assignee. Class A member shall be entitled to one (1) vote for each lot in which they hold an interest required for membership. When more than one person holds such interest in any lot, all such persons shall be members; provided, however, that they shall vote as a group so that in no event shall more than one vote be cast with respect to any lot.

**Class B.** The sole Class B member shall be Liberty Land Company, L.L.C, the developer of Liberty Square Subdivision, or its successor or assignee. The Class B member shall be entitled to three votes for each lot owned by it. The Class B membership shall automatically terminate and be converted into a Class A membership (with no action being required on the part of any person or entity) on the date when the last unit is deeded to homeowners.

Every person or entity who is a record owner of any lot is entitled to membership and voting rights in the Association. Membership is appurtenant to, and inseparable from, ownership of the lot.

ARTICLE III

**DISSOLUTION**

If the Association is dissolved, the assets shall be dedicated to a public body, or conveyed to a nonprofit organization with similar purposes.

ARTICLE IV

**AMENDMENT**

Amendment of the Articles of Incorporation requires the approval of at least two-third (2/3) vote of the owners.

ARTICLE X

**DIRECTORS**

The Association shall be managed by a Board of Directors, the number, term, qualification, and meetings of which shall be as provided in the Bylaws of the Association. Until such Board of Directors is duly elected and qualified, an initial Board of Directors shall serve which shall consist of the following persons:

<u>Name(s)</u>	<u>Address</u>
Jared S. Scripture, President	620 Garbers Church Road, Harrisonburg, VA 22801
David Frackelton, Vice President	1872 College Avenue, Harrisonburg, VA 22802
J. M. Neale, Secretary/Treasurer	2345 Avalon Woods Drive, Harrisonburg, VA 22801

The initial Board of Directors shall consist of those persons so designated in the Articles of Incorporation, as appointed by the Developer. Members of the initial Board of Directors shall hold office until the first annual meeting of the directors and until their successors shall have been elected and qualified. All other directors shall be elected by the members at each annual members' meeting; provided however, that the Developer shall appoint all of the Directors until such time as the last Lot has been sold.

ARTICLE VI

**REGISTERED AGENT**

The Association's initial registered agent is: Mark B. Callahan.

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

ARTICLE VII

**REGISTERED OFFICE**

The Association's initial registered office address which is the business address of the initial registered agent is: 92 North Liberty Street, Harrisonburg, Virginia 22802.

The registered office is physically located in the City of Harrisonburg, Virginia.

ARTICLE VIII

**NO AUTHORITY TO ISSUE CAPITAL STOCK**

In compliance with Section 13.1-814 of the Code of Virginia, as amended, the Association shall not issue shares of stock.

ARTICLE IX

**PURPOSE**

The Association is organized for the purpose of:

- (1) acquiring, constructing, managing, maintaining, and caring for property held by the Association or commonly held or used by the members of the Association; and
- (2) promoting the recreation, health, safety and welfare of Association members and residents of Liberty Square Subdivision.

The Association shall have all powers and authority:

- (1) of a property owners' association under the Virginia Property Owners' Association Act, Title 55, Chapter 26 of the Code of Virginia, as amended (hereinafter the "Property Owners' Association Act");
- (2) of a nonstock corporation under the Virginia Nonstock Corporation Act, Chapter 10, Title 13.1 of the Code of Virginia, as amended (hereinafter the "Nonstock Act");
- (3) described in any declaration setting forth covenants, conditions, and restrictions applicable to the Liberty Square Subdivision; and

(4) of a residential real estate management association taxable as a homeowners association under Section 528 of the Internal Revenue Code of 1986, as amended (hereinafter the "Code").

Consistent with the Nonstock Act, the Property Owners' Association Act, and any Declaration setting forth covenants, conditions, and restrictions applicable to Liberty Square Subdivision, the Association shall have the power and authority to:

- (1) acquire, construct, own, operate and maintain the common areas, facilities, amenities and other property within Liberty Square Subdivision;
- (2) fix assessments to be levied against Association members for the sole purpose of operation and maintaining common areas, facilities, and other property in Liberty Square Subdivision; and
- (3) administer and enforce the covenants, conditions, and restrictions provided for in any applicable Declaration.

In addition, the Association is being organized to carry on the exempt functions of a nonstock, not-for-profit corporation under the Nonstock Act and a homeowners association within the meaning of Section 528 of the Code, and no part of the net earning of the Association shall inure (other than by acquiring, constructing, or providing management, maintenance, and care of Association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any member or private individual. The Association shall have the power to carry on business of any character whatsoever that is not prohibited by law or required to be stated in these Articles.

#### ARTICLE X

#### ANNEXATION, MERGER OR CONSOLIDATION

Annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dissolution and amendment of the Articles, requires approval of HUD/VA as long as there is a Class B membership.

#### ARTICLE XI

#### EFFECTIVE DATE

These Articles of Incorporation shall be effective upon filing.

Date: 8/9/05

INCORPORATOR:

BY:  \_\_\_\_\_

Exhibit C-2

Bylaws

**BYLAWS**  
**OF**  
**LIBERTY SQUARE**  
**OWNERS' ASSOCIATION, INC.**

The Liberty Square Owners' Association, Inc. (hereinafter the "Association"), a non-stock corporation duly formed under the provisions of the Virginia Non-stock Corporation Act, Chapter 10, Title 13.1 of the Code of Virginia (the Code), hereby adopts the following Bylaws of the Association which shall govern the management and operation of the Association's business and the regulation of its affairs, to the extent consistent with the Association's Articles of Incorporation and applicable law, and in accordance with Section 13.1-823 of the Code.

**ARTICLE I**

DEFINITION OF TERMS

Unless otherwise stated in these Bylaws, all of the terms used in these Bylaws which are defined in Section 13.1-803 of the Code shall be deemed to have the meaning set forth in such Section of the Code.

*"Development"* shall mean the Liberty Square subdivision, including all those certain lots or parcels of land, situate in the City of Harrisonburg, Virginia, being known and designated as Lots 1 – 184, inclusive, as shown on the plat entitled, "Final Plat of Liberty Square, Section One" dated April 18, 2005, prepared by Barry E. Lotts, L.S., and recorded in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 2698, page 786, for which the Association has been formed.

*"Declaration"* shall mean any declaration setting forth covenants, conditions, and restrictions, applicable to Liberty Square, which Declaration has been duly recorded in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 2698, page 787.

"Developer" shall mean Liberty Land Company, L.L.C., or its successor or assignee as the Developer of the Development.

## **ARTICLE II**

### **ADOPTION**

In accordance with Section 13.1-822 of the Code, these Bylaws shall become effective upon ratification, approval and formal adoption by the Board of Directors of the Association at its organizational meeting or any subsequent meeting

## **ARTICLE III**

### **EMERGENCY BYLAWS**

In the event that a quorum of the Association's Board of Directors cannot readily be assembled because of some catastrophic event, the Board of Directors of the Association may, consistent with Section 13.1-824 of the Code, adopt other bylaws to be effective only in such an emergency, which bylaws shall be subject to amendment or repeal by the members of the Association, and shall provide procedures for calling a meeting of the Board of Directors, quorum requirements for the meeting, and designation of additional or substitute directors, as well as other provisions necessary for managing the Association during such emergency. All provisions of these Bylaws consistent with such emergency bylaws shall remain effective during such emergency. Such emergency bylaws shall not be effective after such emergency ends. Corporate action taken in good faith in accordance with such emergency bylaws shall bind the Association and may not be used to impose liability on a director, officer, employee, or agent of the Association.

## **ARTICLE IV**

### **CORPORATE POWERS**

Subject to the Association's Articles of Incorporation and Section 528 of the Internal Revenue Code of 1986, as amended, the Association shall have the same



powers as an individual to do all things necessary or convenient to carry out its business and affairs, including, without limitation, those enumerated in Section 13.1-826 of the Code. In the event of an emergency as described in Article III immediately preceding, the Board of Directors shall have those emergency powers enumerated in Section 13.1-827 of the Code.

## **ARTICLE V**

### **NONSTOCK CORPORATION**

In accordance with Section 13.1-814 of the Code, the Association shall not issue shares of stock. No dividend shall be paid and no part of the income of the Association shall be distributed to its members, directors, or officers, except that the Association may make distributions to another nonprofit corporation that is a member of the Association or has the power to appoint one or more of its directors. The Association may pay compensation in a reasonable amount to its members, directors, or officers for services rendered, including pensions, may confer benefits upon its members in conformity with its purposes, and may make distributions as permitted by applicable law upon dissolution or final liquidation and no such payment, benefit or distribution shall be deemed to be a dividend or a distribution of income.

## **ARTICLE VI**

### **PURPOSE**

The Association is organized for the general purposes stated in its Articles of Incorporation and its Declaration of Covenants, Conditions, Reservations and Restrictions. If the Bylaws are inconsistent with the Articles of Incorporation or the Declaration of Covenants, Conditions, Reservations and Restrictions, the Articles of Incorporation or the Declaration of Covenants, Conditions, Reservations and Restrictions shall supersede these Bylaws.

## ARTICLE VII

### MEMBERS

**Section 1. Classes of Members.** The Association shall have two classes of members, designated as "Class A" and "Class B," respectively. The Association shall not issue certificates evidencing membership in the Association.

Class A members shall be comprised of those persons or entities which own a fee simple interest (or an undivided fee simple interest) in, and are the record owners of title to, any lot in the Development; provided, however, that Class A members shall not include (i) persons or entities holding such an interest solely as security for the performance of an obligation, or (ii) the Developer. All persons or entities together owning an interest in a single lot shall be members; provided, however, that such multiple owners shall only have one vote as provided in these Bylaws.

The sole Class B member shall be the Developer. The Class B member shall be entitled to three (3) votes for each Lot it owns in fee simple. The Class B membership shall automatically terminate (with no action being required on the part of any person or entity) on the date when the last Lot is sold to someone other than the Developer.

Each Class A membership shall run and convey with title to the Lot to which it relates. The conveyance of a Lot by the Developer shall automatically convert the membership relating to that Lot to a Class A membership; provided, however, that the Developer may transfer all of the Lots owned by it to a successor or assignee as substitute Developer and, in such event, each Lot will be transferred with Class B membership.

**Section 2. Voting Entitlement of Members.** Each Class A member (or group of Class A members together owning one Lot) shall be entitled to one vote for each Development Lot owned. When more than one person or entity owns an interest in a Lot, they shall vote as a group so that in no event shall more than one vote be cast with respect to any Lot. The Class B member shall be entitled to three votes for each Lot owned by it until such time as it may be converted into Class A membership.

**Section 3. Annual Meeting.** The annual meeting of the Members shall be held on the second Wednesday in February of each year. If this day is a legal holiday, then such annual meeting shall be held on the first day immediately following that is not a legal holiday. The failure to hold the annual meeting at the time stated herein shall not affect the validity of any corporate action. The Association shall give each member written notice of the date, time and location of each annual meeting no less than ten nor more than sixty days before the date of the meeting.

**Section 4. Special Meetings.** The Corporation shall hold special meetings of the Members on the call of the President, the Board of Directors, the Class B member, or the holders of at least twenty percent (20%) of all votes entitled to be cast by Class A members on any issue proposed to be considered at the special meeting, which holders shall sign, date, and deliver to the Association's Secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held. Unless otherwise provided by statute, the Association shall give each member written notice of the date, time, location, and purpose of any special meeting no less than ten nor more than sixty days before the date of the meeting.

**Section 5. Place of Meetings.** Annual, regular, or special meetings of the Members may be held either within or without the Commonwealth of Virginia.

**Section 6. Action Without a Meeting.** Any action required or permitted to be taken at a Members' meeting may be taken without a meeting and without action by the Board of Directors if the action is taken by all the Members entitled to vote on the action. The action shall be evidenced by one or more written consents describing the action taken, signed by all the Members entitled to vote on the action, and delivered to the Secretary of the Association for inclusion in the minutes or filing with the corporate records. Any action taken by unanimous written consent shall be effective according to its terms when all consents are in possession of the Association. Action taken under this section is effective as of the date specified therein provided the consent states the date of execution by each shareholder. A consent signed under this section shall have the effect of a unanimous vote of voting Members and may be described as such in any document filed with the State Corporation Commission.

**Section 7. Meetings of Members, Quorum and Voting Requirements.** Members holding five percent (5%) of the votes entitled to be cast represented in

person or by proxy shall constitute a quorum. The vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by statute or by the Association's Declaration. Once a member is present at a meeting the member is deemed present for quorum purposes for the remainder of the meeting and for adjournment of that meeting. Less than a quorum may adjourn a meeting. Directors shall be elected by a majority of the votes cast by the members entitled to vote in the election at a meeting at which a quorum is present. In the election of directors, each Class A member shall be entitled to cast one vote per lot owned for as many persons as there are directors being elected at that time, and the Class B member shall be entitled to cast three votes per lot owned for as many persons as there are directors being elected at that time. Members shall not have the right to cumulate their votes for directors.

**Section 8. Assessments.** Each Member shall be required to pay such annual assessments, special assessments, fees, dues, and other charges as may be established by the Association's Board of Directors from time to time; provided that the Board establishes such annual assessments, special assessments, fees, dues, and other charges in a manner not inconsistent with the Association's Declaration. Such assessments shall be used, in the Board's discretion, for the maintenance and operation of the Association's property and facilities.

**Section 9. Compliance With Declaration.** Each member shall be obligated to comply with the covenants, conditions and restrictions contained in the Association's Declaration.

## **ARTICLE VIII** **BOARD OF DIRECTORS**

**Section 1. Number and Qualification.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of, the Board of Directors. The Board of Directors shall consist of at least five (5) persons. A director need not be a Member of the Association.

**Section 2. Election.** The initial Board of Directors shall consist of those persons so designated in the Articles of Incorporation, as appointed by the Developer. Members of the initial Board of Directors shall hold office until the first annual meeting of the directors and until their successors shall have been elected and qualified. All other directors shall be elected by the members at each annual members' meeting in the manner provided herein; provided however, that the Developer shall appoint all of the Directors until such time as the last Lot has been sold.

**Section 3. Term.** The terms of the initial directors of the Association shall expire at the first meeting at which directors are elected. The terms of all other directors shall be one (1) year or until their successors are elected and qualified following their election. Despite the expiration of a director's term, he shall continue to serve until his successor is elected and qualifies or until there is a decrease in the number of directors.

**Section 4. Resignation and Removal.** A director may resign at any time by delivering written notice to the Board of Directors, the President, or the Secretary. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date. The members may remove one or more directors with or without cause. A director may be removed only at a meeting called for the purpose of removing such director and only if the number of votes cast to remove him constitutes a majority of the votes entitled to be cast at an election of directors.

**Section 5. Vacancy.** If a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, even though less than a quorum of the board.

**Section 6. Annual Meeting.** The Board of Directors shall meet at least annually on the second Wednesday in February for the purpose of general organization, the election of officers, and consideration of any other business that may properly be brought before the meeting. If this day is a legal holiday, then the Board shall meet on the first day immediately following that is not a legal holiday. The failure to hold the annual meeting at the time stated herein shall not affect the validity of any corporate action.

**Section 7. Regular or Special Meetings in Addition to the Annual Meeting.** Regular or special meetings of the Board of Directors may be held upon notice by word-of-mouth, letter, telegram, or cable delivered not later than twenty-four (24) hours preceding the time for the meeting, upon call of the President or Secretary of the Association.

**Section 8. Place of Meetings.** Meetings of the Board of Directors, annual, regular, or special, may be held either within or without the Commonwealth of Virginia.

**Section 9. Quorum and Voting.** Action may be taken on a matter by the Board of Directors only at a meeting at which a quorum shall be present. A quorum of the Board of Directors shall consist of a majority of the number of directors on the board. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors. Whenever applicable law requires the Board of Directors to recommend or approve any proposed corporate act, such recommendation or approval shall not be required if the proposed corporate act is adopted by the unanimous consent of the members.

**Section 10. Conduct of Meetings.** The President shall preside over all meetings of the directors. If he is not present, the Vice President or, if there be none, the Secretary shall preside. If none of such officers are present, a chairman shall be elected by the meeting. The Secretary of the Association shall act as secretary of all the meetings if he is present. If he is not present, the officer presiding over the meeting shall appoint a secretary of the meeting. The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct a meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting.

**Section 11. Action Without a Meeting.** Any action required or permitted to be taken at a Board of Directors' meeting may be taken without a meeting if the action is taken by all members of the board. The action shall be evidenced by one or more written consents stating the action taken, signed by each director either before or after the action taken, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective when the last director signs the consent unless the consent specifies a different effective date, in which event the action taken is effective as of the date specified therein provided the

consent states the date of execution by each director. A consent signed under this Section shall have the same effect of a meeting vote and may be described as such in any document.

**Section 12. Committees.** The Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Each committee may have two or more members, who shall serve at the pleasure of the Board of Directors. The provisions of this Article which govern meetings, action without meetings, and quorum and voting requirements of the Board of Directors, shall apply to committees and their members as well. Each committee may exercise the authority of the Board of Directors, subject to Section 13.1-869(D) of the Code.

## ARTICLE IX

### OFFICERS

**Section 1. General.** The officers of the Association shall consist of a President and Secretary, and, if elected by the Board of Directors in its discretion, a Vice President and/or Treasurer, and such other officers and assistant officers and agents as may be deemed necessary by the Board of Directors. All officers shall be elected by the Board of Directors and shall serve at the pleasure of the Board of Directors for such compensation as may be fixed by the Board. Any two or more offices may be held by the same person. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the Board of Directors.

**Section 2. Resignation and Removal.** An officer may resign at any time by delivering written notice to the Board of Directors. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Association accepts the future effective date, it may fill the pending vacancy before the effective date if his successor does not take office until the effective date. The Board of Directors may remove any officer at any time with or without cause and any officer or assistant officer, if appointed by another officer, may likewise be removed by such officer.

**Section 3. Vacancies.** Whenever any vacancies shall occur in any office, the vacancy shall be filled by the Board of Directors.

**Section 4. The President.** The President shall be the chief executive officer and shall have active executive management of the operations of the Association, subject to the control of the Board of Directors. The President shall preside at all meetings of the directors, discharge all the duties that devolve upon a presiding officer, and perform such other duties as these Bylaws or the Board of Directors may prescribe.

**Section 5. The Secretary.** The Secretary shall attend all meetings of the Board of Directors, and shall have the responsibility for preparing and maintaining custody of minutes of the directors meetings and for authenticating records of the Association. The Secretary shall keep or cause to be kept in a book provided for the purpose a true and complete record of the proceedings of all meetings. The Secretary shall be custodian of the records and the seal of the Association and shall see that the seal is affixed to all documents, the execution of which on behalf of the Association under its seal have been duly authorized. The Secretary shall attend to the giving of all notices and shall perform such other duties as these Bylaws or the Board of Directors may prescribe.

**Section 6. The Vice President.** The Vice President shall perform all duties incumbent upon the President during the absence or disability of the President, and shall perform such other duties as these Bylaws or the Board of Directors may prescribe.

**Section 7. The Treasurer.** The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Association. The Treasurer shall be the legal custodian of all monies, notes, securities, and other valuables that may from time to time come into the possession of the Association. The Treasurer shall immediately deposit all funds of the Association coming into his hands in some reliable bank or other depository to be designated by the Board of Directors, and shall keep this bank account in the name of the Association. The Treasurer shall furnish at meetings of the Board of Directors, or whenever requested, a statement of the financial condition of the Association, and shall perform such other duties as these Bylaws or the Board of Directors may prescribe.

**Section 8. Transfer of Authority.** In case of the absence of any officer of the Association or for any other reason that the Board of Directors may deem



sufficient, the Board of Directors may transfer the powers or duties of that officer to any other officer or to any director or employee of the Association.

## **ARTICLE X**

### **SPECIAL CORPORATE ACTS** **NEGOTIABLE INSTRUMENTS, DEEDS AND CONTRACTS**

All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money of the Association; all deeds, mortgages, and other written contracts and agreements to which the Association shall be a party; and all assignments or endorsements of registered bonds or other securities owned by the Association, shall be signed by such officers as the Board may from time to time direct. The Board of Directors may authorize any one of its officers to sign any of such instruments, for and in behalf of the Association, without necessity of countersignature; may designate officers or employees of the Association, other than those named above, who may, in the name of the Association, sign such instruments; and may authorize the use of facsimile signatures of any of such persons. Any shares of stock issued by any other corporation and owned or controlled by the Association may be voted at any directors' meeting of the other corporation by the President of the Association, if he be present; or, in his absence, by any Vice President of the Association who may be present; and, in the event both the President and the Vice President shall be absent, then by such person as the President of the Association shall, by duly executed proxy, designate to represent the Association at such directors' meeting.

## **ARTICLE XI**

### **INDEMNIFICATION**

**Section 1. Limitation of Liability.** To the full extent that the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of directors or officers, a director or officer of the Association shall not be liable to the Association or its members, if any, for any monetary damages.

**Section 2. Indemnification.** The Association shall indemnify a director or officer of the Association who is or was a party to any proceeding by reason of the fact that he is or was such a director or officer, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against all liabilities and expenses incurred in the proceeding except such liabilities and expenses as are incurred because of his willful misconduct or knowing violation of the criminal law.

**Section 3. Advances and Reimbursement of Expenses.** Unless a determination has been made that the indemnification is not permissible, the Association shall make advances and reimbursements for expenses incurred by a director or officer.. The Association is hereby empowered to contract in advance to indemnify and advance the expenses of any director or officer.

**Section 4. Procedure for Indemnification.** The determination to make advancements, reimbursements or indemnifications, or to contract in advance to do the same, shall be made by majority vote of a quorum of disinterested directors. If a quorum of disinterested directors cannot be obtained for any reason, then the determination shall be made by a majority vote of a committee designated by the Board of Directors, including interested directors, the committee to consist only of disinterested directors, at least two (2) in number, or by special legal counsel selected by the committee described above. If neither a quorum of disinterested directors nor a committee of at least two (2) disinterested directors can be obtained, then the determination shall be made by a majority vote of the entire Board, including interested directors.

**Section 5. Persons Covered.** The Board of Directors is hereby empowered, by majority vote of a quorum of disinterested directors, to cause the Association to indemnify or contract in advance to indemnify any person not specified in Section 2 of this Article who was or is a party to any proceeding, by reason of the fact that he is or was an employee or agent of the Association, or is or was serving at the request of the Association as director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in Section 2.

**Section 6. Insurance.** The Association may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against or incurred by any such person in any such capacity or arising from his status as such, whether or not the Corporation would have power to indemnify him against such liability under the provisions of this Article.

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.

**Section 7. Changes in the Board Composition.** In the event there has been a change in the composition of a majority of the Board of Directors after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification and advancement of expenses with respect to any claim for indemnification made pursuant to Section 2 of this Article shall be made by special legal counsel agreed upon by the Board of Directors and the proposed indemnitee. If the Board of Directors and the proposed indemnitee are unable to agree upon such special legal counsel, the Board of Directors and the proposed indemnitee each shall select a nominee, and the nominees shall select such special legal counsel.

**Section 8. Applicability of this Article.** The provisions of this Article shall be applicable to all actions, claims, suits or proceedings commenced after the adoption hereof, whether arising from any action taken or failure to act before or after such adoption. No amendment, modification or repeal of this Article shall diminish the rights provided hereby or diminish the right to indemnification with respect to any

claim, issue or matter in any then pending or subsequent proceeding that is based in any material respect on any alleged action or failure to act prior to such amendment, modification or repeal. Reference herein to directors, officers, employees or agents shall include former directors, officers, employees and agents and their respective heirs, executors and administrators.

## **ARTICLE XII**

### **TRANSACTIONS WITH DIRECTORS**

Any transaction with the Association in which a director of the Association shall have a direct or indirect personal or pecuniary interest shall be deemed a conflict of interests transaction. A conflict of interests transaction shall be valid if (a) the material facts of the transaction and the directors interests are disclosed or known to the Board of Directors and the Board of Directors authorizes, approves, or ratifies the transaction; or (b) the material facts of the transaction and the directors interests are disclosed to the directors entitled to vote and they authorize, approve, or ratify the transaction.

For the purposes of this Article, a director shall be deemed to have an indirect personal interest in a transaction if another entity in which he has a material financial interest or in which he is a general partner is a party to the transaction or another entity of which he is a director, officer or trustee is a party to the transaction and the transaction is or should be considered by the Board of Directors of the Association.

For purposes of this Article, a conflict of interests transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the Directors on the Board of Directors who have no direct or indirect personal interest in the transaction.

A transaction shall not be authorized, approved, or ratified under this Article by a single director. If a majority of the Directors who have no direct or indirect personal interest in the transaction vote to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action under this Article. The presence of, or a vote cast by, a director with a direct or indirect personal interest in the transaction does not

affect the validity of any action taken under this Article if the transaction is otherwise authorized, approved or ratified as provided in this Article.

For purposes of this Article, a conflict of interest transaction is authorized, approved, or ratified if it receives the vote of a majority of the votes entitled to be cast by members that may be counted under this paragraph. A member having a direct or indirect personal interest in the transaction may not vote to determine whether to authorize, approve, or ratify a conflict of interests transaction. Members holding a majority of the votes entitled to be cast represented in person or by proxy shall constitute a quorum for taking action under this Article.

### **ARTICLE XIII**

#### **CORPORATE SEAL**

The corporate seal shall be in such form as shall be approved by the Board of Directors.

### **ARTICLE XIV**

#### **FISCAL YEAR**

The fiscal year of the Association shall be determined by the Board of Directors in its discretion, subject to applicable law.

### **ARTICLE XV**

#### **AMENDMENT TO BYLAWS**

These bylaws may be amended or repealed by the Board of Directors. Any Bylaw adopted or amended by the members may be amended or repealed by the Board of Directors, unless the resolution of the members adopting such Bylaw expressly provides that the Board of Directors may not amend or repeal such Bylaw. HUD/VA has the right to veto amendments while there is a Class B membership.

## ARTICLE XVI

### IMPLIED AMENDMENTS

Any action taken or authorized by the Board of Directors which would be inconsistent with the Bylaws then in effect, but is taken or authorized by the affirmative vote of not less than the number of directors that would be required to amend these Bylaws so that the Bylaws would be consistent with such action, shall be given the same effect as if these Bylaws had been temporarily amended or suspended to the extent necessary to permit the specific action so taken or authorized.

## ARTICLE XVII

### DISSOLUTION

Upon the dissolution of the Association, the Board of Directors shall, after making provision for the payment of all of the liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association in such manner, or to such organization or organizations organized and operated exclusively for charitable, religious, and educational purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as the Board of Directors shall determine. Any assets not so distributed shall be distributed by the Circuit Court for the County of Rockingham, Virginia, to any exempt organization or organizations to be used in such manner as in the judgment of such court will best accomplish the general purposes for which this Association was organized.

Adopted at the organizational meeting of the Board of Directors of the Liberty Square Owners' Association, Inc. on the \_\_\_\_ day of \_\_\_\_\_, 2005.

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Secretary

Exhibit C-3

Declaration of Covenants and related Amendments and Supplements

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*TAX MAP NO.: Portion of 31-0-1*

**DECLARATION  
OF  
COVENANTS, CONDITIONS, RESERVATIONS AND RESTRICTIONS  
FOR  
LIBERTY SQUARE**

THIS DECLARATION, made on the date hereinafter set forth by LIBERTY LAND COMPANY, L.L.C., a Virginia limited liability company, hereinafter referred to as "Declarant."

W I T N E S S E T H

WHEREAS, Declarant is the owner of that certain parcel of land containing 20.319 acres, more or less, located in the City of Harrisonburg and being the same property acquired by Declarant by deed dated January 11, 2005, and recorded in the Circuit Court Clerk's Office of Rockingham County, Virginia in Deed Book 2611, page 203.

WHEREAS, Rockingham Heritage Bank has a Deed of Trust, which is recorded in the aforesaid Clerk's Office in Deed Book 2611 page 211, on the property that is subject to this Declaration, Rockingham Heritage Bank and its Trustee, J. Jay Litten, join in the Declaration to evidence his consent; and

WHEREAS, Declarant will convey the said property containing 20.319 acres as more particularly described on the plat prepared by Barry E. Lotts, dated April 18, 2005, and entitled "Final Plat of Liberty Square, Section One" recorded immediately prior hereto, subject to certain protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth;



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NOW, THEREFORE, Declarant hereby declares that said 20.319 acres, more or less, of the aforesaid property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and liens, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property. These easements, covenants, restrictions and liens shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof. Declarant may choose to add additional property that shall be subject to this Declaration. Additionally, Declarant reserves the right to not add any additional property and to sell or transfer any remaining property owned by Declarant free from this Declaration. Declarant, until such time as the Common Area is conveyed by deed to the Association, reserves the right to convey or encumber any portion or portions of the Common Area to any person or entity for any reason without the consent of the Owners.

## ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to Liberty Square Owners' Association, Inc., its successors and assigns.

Section 2. "Board of Directors" shall mean and refer to the governing body of the Association.

Section 3. "Common Area" shall mean and refer to all real property which is not a Lot and which is identified as "Common Area" on the plat prepared by Barry E. Lotts, Land Surveyor, entitled "Final Plat of Liberty Square, Section One", dated April 18, 2005, and recorded immediately hereto,

Section 4. "Declarant" shall mean and refer to Liberty Land Company, L.L.C., its successors and assigns. Unless otherwise set forth herein, the rights and

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obligations of Declarant, as Declarant shall cease when the last Lot is sold.

Section 5. "Founding Documents" shall mean and refer to the Articles of Incorporation of the Association, this Declaration, and the Bylaws of the Association, all as initially drawn by the Declarant and filed or recorded as the case may be, and all as may be duly amended from time to time.

Section 6. "Governing Documents" shall mean and refer to collectively and severally to the Founding Documents and the Book of Resolutions as such may be amended from time to time.

Section 7. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property, with the exception of the Common Area.

Section 8. "Member" shall mean and refer to every person or entity who holds membership in the Association as follows:

- (1) **Class A.** Class A members shall be comprised of those persons or entities which own a fee simple interest (or an undivided fee simple interest) in, and are the record owners of title to, any lot in the Association's Development; provided, however, that Class A members shall not include (i) persons or entities holding such an interest solely as security for the performance of an obligation, or (ii) the Declarant, its successor or assignee.
- (2) **Class B.** The sole Class B member shall be the Declarant or its successor or assignee.

Section 9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Property, including the Declarant and contract sellers, but excluding those having

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such interest merely as security for the performance of an obligation.

Section 10. "Properties" shall mean and refer to that subdivision of land containing 20.319 acres, more or less, being more specifically described on plats prepared by Barry E. Lotts, Land Surveyor, dated April 18, 2005, and entitled "Final Plat of Liberty Square, Section One" that is recorded immediately prior hereto.

Section 11. "Single Family" shall mean and refer to a single housekeeping unit that includes not more than 2 adults who are not legally related, by blood, adoption or marriage.

Section 12. "Voting Power" shall mean and refer to the total vote authorized under Article V herein.

## ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

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 Declarant.* The Declarant shall have the unilateral right to subject to the Declaration any additional property that it acquires, provided that not more than five (5) years have lapsed since the recordation of the last Supplementary Declaration among the land records of the City of Harrisonburg, Rockingham County, Virginia.

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The Supplementary Declaration which subjects additional property 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.

The additions authorized under subsection "a" shall be made by complying with the requirements of the applicable City Zoning Ordinance; 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 addition.

Nothing contained herein shall bind the Declarant to add to the Properties any or all of the lands it may acquire, nor to improve any portion of such lands unless and until a Supplementary Declaration is filed by the Declarant for such property which subjects it to this Declaration. The Declarant hereby reserves the right to develop additional land not yet submitted to this Declaration, as desired by the Declarant 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.

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### 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.

#### Section 2. Association Board of Directors.

- a. *Composition.* The number of Directors and method of selection of Directors shall be provided in the Bylaws; provided, however, that the Declarant, until such time as the last Lot is sold, shall be entitled to appoint all of the 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 Owners or the Declarant 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

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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; and
2. *Rule Making.* To establish rules and regulations for the use of the Properties and to review, modify and approve architectural guidelines adopted by the Architectural Review Board; and
3. *Assessments.* To fix, levy, and collect assessments as provided herein; and
4. *Easements.* To grant and convey easements over and across the Common Area; 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. *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; and

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7. *Common Area Fees.* To maintain and regulate the use of the Common Areas, and to set reasonable fees for the use of the Common Areas by Owners and fees for the use of the Common Area by non-owners.

#### **ARTICLE IV MEMBERSHIP**

Every Owner, including the Declarant, shall be a Member of the Association. Where there is more than one Owner of a Lot, each Owner shall be a Member. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot, except to person(s) occupying a Lot as herein provided. Ownership of a lot shall be the sole qualification for membership. The benefits of membership may be assigned to any person who occupies the Owner's Lot, by written notice of such assignment, with a copy to the Board of Directors.

#### **ARTICLE V VOTING RIGHTS**

Each Owner, excluding the Declarant, shall be a Class A Member and shall be entitled to one vote for each Lot as to which he qualifies as an Owner. However, in no event shall more than one vote be cast with respect to any Lot, except the Declarant as a Class B Member. The Class B member shall be entitled to three (3) votes for each Lot it owns.

Where there is more than one person or entity constituting the Owner of a lot, the vote for such Lot shall be exercised as they among themselves determine.

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## ARTICLE VI 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, maintenance, repair and control, for the benefit of the Members, of the following: the Common Areas and all improvements thereon, the Jogging Trail, the Private Drainage Easement (including but not limited to the stormwater detention ponds, pipes, drop inlets and all other drainage facilities) and shall keep the same in good, clean, attractive and sanitary condition, order and repair.

Section 2. **Members' Easement of Enjoyment.** Every Member shall have a right and easement of enjoyment in and to the Common Area, and such easement shall be appurtenant to, and shall pass with, the title to every Lot, subject to the following provisions:

- (1) The right of the Association to charge reasonable fees for the use of any facility situated upon the Common Area.
- (2) The right of the Association, in accordance with its Articles and By-laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said Properties.
- (3) The right of the Association to suspend the voting rights and right to use of the facilities by an Owner for any period during which any assessment against his Lot remains unpaid.
- (4) Until such time as the Common Area is conveyed by the Declarant to the Association, nothing in this Declaration shall be construed to deny Developer the right to convey or encumber all or a portion of any Common Area to any person or entity for any reason without the consent of the owners and Developer hereby reserves such right.



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- (5) After the Common Area is conveyed by the Declarant to the Association, the Association shall have the right to dedicate or transfer all or any part of the Common Area or any easement therein to any public agency, authority or utility for each purpose and subject to such conditions as may be agreed to in the instrument of dedication or transfer. No such dedication or transfer shall be effective unless an instrument signed by two-thirds of the Board of Directors has been recorded, agreeing to such dedication or transfer.

Section 3. **Delegation of Use.** Any Member may delegate, in accordance with the Articles and By-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants and contract purchasers who reside on the Properties.

Section 4. **Title to the Common Area.** The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area to the Association with good and marketable title and free and clear of liens no later than when the last Lot is sold.

## ARTICLE VII EASEMENTS

Section 1. **Encroachments and Support.** If any improvement constituting part of any Lot or part of the Common Area now or hereafter encroaches on any (other) Lot or on the Common Area by reason of:

- (1) the original construction thereof;
- (2) deviation within normal construction tolerances in the maintenance or repair of any improvement;

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- (3) the settling or shifting of any land or improvement, an easement is hereby granted to the extent of any such encroachment for the period of time the encroachment exists. To the extent that any land or improvement constituting part of any Lot or part of the Common Area now or hereafter supports or contributes to the support of any land or improvement constituting part of any (other) Lot or on the Common Area, the former is hereby burdened with an easement for the support of the latter.

Section 2. Easement Reserved to Liberty Land Company, L.L.C.

Liberty Land Company, L.L.C., a Virginia limited liability company, hereby reserves for itself, an **exclusive** easement over, under, across and upon the Properties, together with the right to further convey any easements as Liberty Land Company, L.L.C., in its sole discretion, deems appropriate, for the purpose of:

- (1) Completing the construction of all improvements on the Properties;
- (2) Placing and maintaining signs on the Common Area;
- (3) Installing, maintaining, repairing and delivering telecommunications, telephone, data, Internet, multi-channel video, and television programming transmission and reception services, appertaining infrastructure, systems and utilities. Ownership and control of said infrastructure, systems, utilities fiber-optic facilities, outside plant, Network Interface Device (NID) electronics, etc. placed in and upon the Properties shall remain with Liberty Land Company, L.L.C. Liberty Land Company, L.L.C. shall have the right to enter into arrangements and long-term contracts with service providers, selected solely at the discretion of Liberty Land Company, L.L.C., for the retail distribution and delivery of said services to Owners. For a period of twelve (12) years following the recordation of this

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Declaration, access to the Properties for the purposes of retail delivery of any one, several or all of the aforesaid services via landline distribution means shall be limited to those service providers designated by Liberty Land Company, L.L.C., except and unless as may be otherwise allowed by applicable governmental laws, rules or regulations, as the same may be amended from time to time; and

- (4) Any other lawful purpose.

This easement shall be perpetual and **exclusive** to Liberty Land Company, L.L.C.

Section 3. Utilities. The Properties as a whole are hereby made subject to an easement for the provision of utilities to any portion or portions of the Properties. Any pipes, conduits, lines, wires, transformers and any other apparatus necessary for the provision or metering of any utility may be installed, maintained or relocated where initially installed with the recorded permission of the Declarant, where contemplated on any site plan approved by the Declarant, its successors and assigns. The right is hereby reserved to the Declarant, its successors and assigns, to grant to any utility companies easements over and through any portion or portions of the Properties, including (without limitation) any Lots of which the Declarant is not the Owner at the time such easements are granted. The right is further reserved to the Declarant to grant any easements required by any government or governmental agency over any portion or portions of the Properties, including (without limitation) any Lots of which the Declarant is not the Owner at the time such easements are granted. Further, the Properties are subject to a ten (10) feet wide Utility Easement inside all exterior property lines and centered on all interior lot lines except where lot lines pass through buildings as shown on the plat entitled "Final Plat of Liberty Square, Section One", prepared by Barry E. Lotts, dated April 18, 2005, and recorded immediately prior hereto. No utilities shall be installed in this Utility Easement without the express written consent of Liberty Land Company, L.L.C.

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Section 4. Water Service Easement. All individual water service lines and water meters that are installed for Harrisonburg, Virginia water service from the City water mains as designated on the original subdivision plat shall be governed by Section 7-2-21 of the Harrisonburg City Code.

Section 5. Mutual Access Easement and Pedestrian Easement. The Properties are subject to a ten (10) feet wide Mutual Access Easement centered on the rear property lines of each Lot as shown on the plat entitled "Final Plat of Liberty Square, Section One", prepared by Barry E. Lotts, dated April 18, 2005, and recorded immediately prior hereto. Further, a Pedestrian Easement is hereby reserved unto Declarant, its successors and assigns, the Association, its successors and assigns and the Owners of the Units within the same building, a five feet (5') wide easement for pedestrian access from the Private Access Easement, along the sides of any Lot, thence along the Mutual Access Easement running along the rear property lines of each Lot; thence along the side of any Lot to the point where it adjoins the Private Access Easement.

Section 6. Private Drainage Easement. Declarant hereby reserves for itself, its successors and assigns, the Association, and all Owners a Private Drainage Easement as shown on the plat entitled "Final Plat of Liberty Square, Section One", prepared by Barry E. Lotts, dated April 18, 2005, and recorded immediately prior hereto. Said easement shall be for the purpose of constructing, operating, maintaining, adding to or replacing, present or future storm drainage facilities, necessary structures and appurtenances necessary for the disbursement of storm water and for its transmission through and across the Properties.

Section 7. Private Access and Utility Easement. Declarant hereby reserves for itself, its successors and assigns, the Association, and all Owners a variable width Private Access and Utility Easement as shown on the plat entitled "Final Plat of Liberty Square, Section One", prepared by Barry E. Lotts, dated April 18, 2005, and recorded immediately prior hereto. Said easement shall be for

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the purpose of ingress and egress, parking, constructing, operating, maintaining, adding to or replacing, present or future roadways, utilities and all appurtenances thereto, over, under, through and across the Properties. Each Lot shall be assigned two parking spaces by the Declarant, its successors and assigns and / or the Association, its successors and assigns. Said Private Utility Easement is reserved exclusively to Liberty Land Company, L.L.C., a Virginia limited liability company, as is more particularly described in Article VII, Section 2 herein. Therefore, no utilities shall be installed in this Utility Easement without the express written consent of Liberty Land Company, L.L.C.

**Section 8. Parking/Garage Easement.** Declarant hereby grants and conveys to each Owner an easement over all lots and Common Areas for the sole purpose of ingress and egress and the parking of vehicles as set forth herein. Certain Lots shall contain two parking spaces designated as "Parking/Garage Easement" on the aforesaid Plat. The "Parking/Garage Easement" shall be used for the parking of two automobiles. In the event a garage structure is situated upon a "Parking/Garage Easement," the garage must provide two parking spaces as aforesaid. The garage shall not be used for storage or other purposes such that two automobiles may not be parked therein. In the event a garage has not been constructed, then the "Parking/Garage Easement" must be used for two parking spaces. Owners, the Association, and/ or the Declarant may enforce the parking rules as set forth herein. Any Owner, the Association and / or the Declarant may have any car, which is parked in violation of these parking rules, towed at the expense of the car owner. Further, the Declarant and / or the Association may promulgate additional enforcement mechanisms, such as fines, additional assessments, etc. in furtherance of the enforcement of these parking rules.

**Section 9. Easement for Construction and/ or Maintenance of Exterior of Garage.** Declarant hereby reserves for itself, its successors and assigns, the Association and all Owners a ten feet (10') wide easement centered on all boundary lines where an existing or proposed garage adjoins a Lot without a garage. The purpose of this easement is to allow the adjoining Owner, Declarant,

and/or the Association the right to enter upon the Lot, without a garage, to construct and/or maintain an adjoining garage. This easement shall run with and be appurtenant to the following Lots: 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, and 132 and any other Lots as indicated on the plat entitled "Final Plat of Liberty Square, Section One", prepared by Barry E. Lotts, dated April 18, 2005, and recorded immediately prior hereto.

**Section 10. School Bus Easement.** Declarant hereby grants and conveys to the Transportation Department, its successors and assigns, and the Harrisonburg City School system, its successors and assigns, an easement over all private streets in Liberty Square for the sole purpose of transporting school children to and from their homes and school. Neither the Transportation Department nor the Harrisonburg City School system shall be responsible for any private street repair, maintenance, or replacement within Liberty Square.

**Section 11. Temporary Construction Easement.** Declarant hereby grants and conveys, to the City or private developer who constructs the extension of Oriole Lane, a ten (10) feet wide easement located along the eastern boundary line of the Properties shown on the plat entitled "Final Plat of Liberty Square, Section One", prepared by Barry E. Lotts, dated April 18, 2005, and recorded immediately prior hereto. Said easement shall terminate upon the completion of the Oriole Lane road extension.

**Section 12. Jogging Trail Easement.** There is hereby reserved unto the Declarant, its successors and assigns, the Association, its successors and assigns, and the Owners a Jogging Trail Easement over all Common Areas as built and over all Lots as shown on the plat entitled "Final Plat of Liberty Square, Section One," prepared by Barry E. Lotts, dated April 18, 2005, and recorded immediately prior hereto. This Easement shall be for pedestrian use only, provided however, that the Declarant, its successors and assigns, or the Association, its successors and assigns may drive vehicles or equipment onto this Easement for the purpose of installation, repair, replacement and maintenance thereof.

**ARTICLE VIII**  
**COVENANTS FOR MAINTENANCE ASSESSMENTS**

Section 1. **Creation of the Lien and Personal Obligations of Assessments.** The Declarant, for each improved lot owned within the Properties, hereby covenants, and each Owner, of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association; (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. Such annual and special assessments, together with any interest thereon and costs of collection thereof, including reasonable attorney's fees, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Properties against which each such assessment is made in the manner as hereinafter provided and subject to prior liens upon the Properties as hereinafter provided. Each such assessment, together with such interest costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Properties at the time when the assessment fell due.

Section 2. **Purpose of Assessments.** The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents of the Properties and in particular for the administrative costs of the Association and the improvement, maintenance, and repair of the Common Area and the maintenance of Lots, to include grass cutting and pruning of shrubs and trees. The Association shall not be obligated to, but may at its discretion, maintain on any Lot any plants, shrubs, trees, gardens or other landscaping features or elements which may be added by any Owner. Fenced-in or screened-in areas on Lots shall be the responsibility of the Owner to maintain. The Association shall not be responsible for mowing areas of an Owner's lot that are inaccessible to a riding mower. The Owner shall be

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responsible for the mowing and maintenance of any areas on his/her Lot that are deemed by the Board of Directors of the Association to be inaccessible to a riding lawn mower. The Owner shall perform said maintenance of inaccessible portion(s) of a Lot at least four times annually. If any Owner wishes to be excluded from having the Association provide the aforesaid yard maintenance such Owner shall make written request to the Association and must agree to maintain the Lot in a manner satisfactory to the Board of Directors in order for such request to be approved. The Board of Directors shall, in its sole discretion, have the right to approve, deny or rescind approval of any such request. In no event shall approval of any such request result in any reduction in the Assessment due for such Lot.

The Association, its successors, and assigns, shall use such assessments and levies for the general purposes stated above, and in addition thereto shall be required to maintain and operate the following:

- (1) The Association, its successors and assigns, shall provide maintenance and repairs on the Common Area, including but not limited to improvements such as the walkways, the storm water system, detention pond, spillway, putting green, jogging trail, playground area and equipment and the covered picnic shelter area. If need for such repair is caused by the willful or negligent act or omission of an Owner, his family, guests, or tenants, the costs of such repairs shall be added to and become a part of the assessment to which such Owner's Lot is subject.
- (2) The Association shall maintain all open and Common Areas, as well as all lights, travel ways and parking areas. The Association may, at its sole discretion, contract for services for the collection of garbage, snow removal, and grass cutting for the Common Area, grass cutting for the front, side and rear yards of all Lots and the pruning of shrubbery and trees on Lots and Common Area.



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- (3) The Association shall operate, maintain, add to and replace, present or future storm drainage facilities, necessary structures and appurtenances necessary for the disbursement of storm water and for its transmission through and across the Properties. Further, the Association shall maintain the Existing 20' wide Drainage Easement as shown on the plat entitled "Final Plat of Liberty Square, Section One," prepared by Barry E. Lotts, Land Surveyor, which is recorded immediately prior hereto.
- (4) The Association shall operate such recreational facilities, as it deems proper for the use of the Members.
- (5) The Association shall further be in charge of the general policing and control of the entire subdivision.

**Section 3. Annual Assessments.** At least thirty (30) days prior to the annual meeting of the Association, the Board of Directors shall estimate the net charges to be paid during the following year (including a reasonable provision for contingencies and replacements and less any expected income and any surplus from the prior year's operation). Said "Common Expense Fund" shall be assessed to the Owner as provided herein. Declarant will be liable for the amount of any assessments against completed Units, owned by the Declarant, which have been awarded a Certificate of Occupancy by the City of Harrisonburg.; However, there shall be no assessment on unimproved Lots owned by Declarant. If said sum estimated proves inadequate for any reason, including nonpayment of any Owner's assessments, the Board of Directors may at any time levy a further assessment, which shall be assessed to the Owners in like proportion unless otherwise provided herein. Each Owner shall be obligated to pay assessments made pursuant to this paragraph to the Board of Directors annually or in such other reasonable manner as the Board of Directors shall designate.

- (1) The Common Expense Fund may also include such amounts as the

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Board of Directors may deem proper for general working capital, for a general operating reserve, for a reserve fund for replacements and major maintenance and to make up for any deficit in the common expenses for any prior year.

- (2) The omission by the Board of Directors before the expiration of any year to fix the assessments hereunder, for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions hereof or a release of the Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.
- (3) The Board of Directors or its designee shall keep detailed, accurate records in chronological order, for the receipts and expenditures affecting the Common Area and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by an Owner upon written request at reasonably convenient hours.

**Section 4. Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying in whole or in part, the cost of any construction, or reconstruction, or unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment must be approved by two-thirds of the voting power. Voting for special assessments shall be in person or by proxy at a meeting duly called for this purpose, pursuant to the normal notice required for meeting as provided under the By-laws of the Association or under Virginia state law.

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Section 5. **Uniform Rate of Assessment.** Both annual and special assessments must be fixed at a uniform rate for all improved Lots, and may be collected on an annual, semi-annual, quarterly, or monthly basis as determined by the Board of Directors. There shall be no assessment for unimproved Lots owned by the Declarant.

Section 6. **Effect of Nonpayment of Assessments.** Any assessments, which are not paid when due, shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency, up to the maximum interest rate provided by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot(s) involved, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. An action at law to recover a money judgment for delinquent assessments shall be maintainable without foreclosing or waiving the lien securing same. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 7. **Lien for Payment of Assessments and Subordination of Lien to First Mortgage.** There shall be a continuing lien upon each of the individual lots herein, in order to secure the payment of any of the assessments provided under this Declaration. Such lien shall include interest costs and reasonable attorney's fees incident to collection of the assessment. Such lien shall be subject and subordinate to any first mortgage or deed of trust. However, at such time as the Association places on record a notice of delinquency as to any particular Lot on a form prescribed by the Board of Directors, then, from the time of recordation of said notice the lien for such delinquent assessments in the amount stated in such notice shall become a lien prior to any mortgages or deeds of trust placed of record subsequent to the date of said notice, in the same manner as the lien of a docketed judgment in the Commonwealth of Virginia.

A certificate executed and acknowledged by a majority of the Board of

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Directors stating the indebtedness secured by the lien upon any Lot created hereunder, shall be conclusive upon the Board of Directors, as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or any encumbrances or prospective encumbrances of a Lot upon request at a reasonable fee. Unless the request for a certificate of indebtedness shall have been complied with within fifteen (15) days, all unpaid assessments that became due prior to the date of making such request shall be subordinate to the lien held by the person making the request. Any encumbrancer holding a lien on a Lot may pay any unpaid assessments payable with respect to such Lot and upon such payment such encumbrancer shall have a lien on such Lot for the amounts paid of the same rank as the lien of his encumbrance.

Upon payment of a delinquent assessment concerning which such a certificate has been recorded, or other satisfaction thereof, the Board of Directors shall cause to be recorded in the same manner as the certificate of indebtedness a further certificate stating the satisfaction and the release of the lien thereof.

The lien of the assessments provided for herein, whether or not notice has been placed of record as above provided, may be foreclosed by a Bill in Equity in the same manner as provided for the foreclosure of mortgages, vendor's liens, and liens of similar nature.

## ARTICLE IX PARTY WALLS

Section 1. **General Rules of Law to Apply.** Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding the party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

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Section 2. **Sharing of Repair and Maintenance.** The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. **Destruction by Fire or Other Casualty.** If a party wall is destroyed or damaged by fire or other casualty, an Owner who has used the wall may restore it, and if the other Owner thereafter makes use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the rights of any such Owner regarding liability for negligent or willful acts or omissions.

Section 4. **Weatherproofing.** Notwithstanding any other provision of this Article, an Owner who by his/her 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.

Section 5. **Right of Contribution Runs with Land.** The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. **Arbitration.** In the event of any dispute arising concerning any provisions of this Declaration, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator.

## ARTICLE X ARCHITECTURAL CONTROL

The Architectural Review Board.

Section 1. **Composition.** Until the Declarant rights cease, the Architectural

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Review Board shall be composed of the Declarant and its designees.

When the Declarant's rights as Declarant cease, the Architectural Review Board shall consist of three or more persons who shall be appointed by the Board of the Association.

Section 2. 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, Units, or Common Areas. Notice of any disapproval of applications shall be by Registered Notice. Approvals shall be sent by regular mail.

(2) Monitor Lots for compliance with architectural standards and approved plans for alteration in accordance with the Bylaws and all Resolutions of the Board of the Association.

(3) Adopt Architectural Guidelines subject to the confirmation of the Board of the Association. The Declarant may adopt Architectural Guidelines during the period of Declarant control. These Guidelines may be more restrictive than these Covenants, or any amended Covenants. However, the aforesaid Guidelines shall not be less restrictive than these Covenants nor shall the Guidelines allow any act or omission that is prohibited by these Covenants. Architectural Guidelines may be amended only by a vote of seventy-five percent (75%) of the members of the Architectural Review Board and a vote of seventy-five percent (75%) of the Board of the Association; and

(4) Adopt procedures for the exercise of its duties.



Section 3. **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, the Owner may give further written notice to the Board of Directors and the Architectural Review Board that its application has been ignored. In the event the Architectural Review Board fails to approve, modify, or disapprove, in writing, this application within thirty-five (35) days after its receipt of further written notice from the Owner as aforesaid, then 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 the Association 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 the Association of the enforcement of this Declaration at any later date.

## ARTICLE XI EXTERIOR MAINTENANCE

The Owners shall be responsible for the maintenance of their homes and Lots, except to the extent maintenance services are provided by the Association. However, in the event an Owner of any Lot shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors of the Association, after approval by two-thirds (2/3) decision of the Board of Directors, the Association shall have the right, through its agents and employees to enter upon said parcel and repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the annual assessment to which such Lot is subject, and the expense of such exterior maintenance shall become a lien upon the subject Properties. It is a condition of these covenants that the Association, its successors and assigns, is and shall be, deemed a general contractor for the purpose of qualifying to file a mechanic's lien.

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Further, every Owner so in default, by the acceptance of his deed, and those claiming lien, and every lot Owner so in default, by the acceptance of his deed, and those claiming under him, hereby agrees to pay such expense, and grants permission to the Association, its successors and assign to enter upon such Lot and make such exterior maintenance without being guilty of trespass, and said Association, its agents and employees, shall not be liable in damages to any lot owner except for willful and tortious acts committed beyond the scope hereof. Any assessments under this paragraph and the preceding paragraph hereof, shall constitute liens and shall be subject to the provisions of Section 55-516 of the Code of Virginia, as amended.

## ARTICLE XII USE RESTRICTION

Section 1. **Limitation on Use of Lots and Common Area.** The Lots and Common Area shall be occupied and used as follows:

- (1) All Lots shall be used for Single Family residential purposes only. Not more than 2 adults, who are not legally related by blood, adoption or marriage, may occupy a Unit. The Declarant, the Association, or the City of Harrisonburg may enforce this limitation.
- (2) No Owner shall occupy or use his Lot, or permit the same or any part thereof to be occupied or used, for any purpose other than as a residence for the Owner and the Owner's family or the Owner's lessees or guests.
- (3) There shall be no obstruction of the Common Area. Nothing shall be stored in the Common Area without the prior written consent of the Association.
- (4) Nothing shall be done or kept in any Lot or in the Common Area that

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will increase the rate of insurance on the Common Area, without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in his Lot or in the Common Area which will result in the cancellation of insurance on any Lot or any part of the Common Area, or which would be in violation of the law. No waste will be committed in the Common Area.

- (5) No sign of any kind shall be displayed to the public view on or from any Lot or the Common Area, without the prior written consent of the Association. Provided, however, that the Owner may, without first obtaining the written consent of the Association, place one sign on the Lot for the purpose of advertising that the Lot/Unit is available for sale or lease, subject to and in conformance with any applicable rules, regulations, or covenants, if any, promulgated by the Board of Directors and/or the Architectural Review Board.
- (6) No animals, livestock or poultry of any kind shall be raised, bred, or kept in any Lot or in the Common Area; except that dogs, cats, or other commonly accepted household pets may be kept on a Lot, for non-commercial purposes, subject to rules and regulations adopted by the Board of Directors. No animal shall be tied or caged outside of a Unit. All animals that are kept on any Lot, in accordance with this paragraph, shall be maintained in such a manner so as to insure that the animal does not make noise that is bothersome to other Owners, their guests, tenants, or invitees. Dogs outside must be restrained on a leash or kept behind an invisible electronic fence. Further, anyone who has an animal on any Lot or Common Area shall be responsible for the immediate removal of any waste deposited on such area by the animal.
- (7) No noxious or offensive activity shall be carried out on any Lot or in the Common Area, nor shall anything be done therein which may be

or become an annoyance or nuisance to the other Owners. No use shall be permitted or maintained on any Lot or Common Area which produces or contributes to noise, that because of excessive or unusual volume, duration, intermittence, time of day, beat, frequency, or pitch is objectionable to Owners of other Lots located on the Properties. The Association Board of Directors shall pass appropriate resolutions for the enforcement of this use restriction, which may include, but is not limited to an additional assessment to be levied against the Owner responsible for the violation. Such assessments, together with any interest thereon and costs of collection thereof, including reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Properties against which each such assessment is made, subject to prior liens upon the property. Each such assessment, together with such interest costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Properties at the time when the assessment fell due.

- (8) Nothing shall be altered or constructed in, or removed from, the Common Area, except upon the written consent of the Association.
- (9) There shall be no violation of rules for the use of the Common Area and Lots adopted by the Board of Directors and furnished in writing to the Owners, and the Board of Directors is authorized to adopt such rules.
- (10) Nothing in this Declaration shall be construed to deny the right hereby reserved to the Declarant for a period of five years following the recordation of this Declaration to maintain sales offices anywhere on the Common Area or on any Lot of which the Declarant is the Owner.
- (11) Declarant shall initially allocate to Owner two parking spaces for

each unit. The Association shall be responsible for allocating two parking lots to the Owner of each Unit after the period of Declarant Control ceases. No unit shall occupy more than two parking spaces except for "temporary guests." Temporary guests shall mean seven or less nights per month.

- (12) Certain Lots shall include two parking spaces designated as "Parking/Garage Easement" on the aforesaid Plat. The "Parking / Garage Easement" shall be used for the parking of two automobiles. In the event that a garage structure is situated upon a "Parking /Garage Easement", the garage must provide two parking spaces as aforesaid. The garage shall not be used exclusively for storage such that two automobiles may not be parked therein. In the event a garage has not been constructed, then the "Parking /Garage Easement" must be used for two parking spaces and no other structure shall be placed thereon.
- (13) No motorized vehicles of any kind shall be permitted upon any areas within said subdivision except for the streets and parking areas constructed by Declarant. No right of vehicular access shall exist across any Lot in said subdivision except for those areas upon which streets or parking areas have been constructed by Declarant.
- (14) There shall be no fencing or hedges in the front of any of the townhouse units, and all fencing to the rear of the townhouse units shall be attached to the individual unit. Except as otherwise approved by the Architectural Review Board, all fences shall be white picket fences constructed of durable materials as approved by the Architectural Review Board. Said fences shall not be higher than four feet. Support posts may be up to four feet and ten inches in height. Privacy screening shall not exceed six feet in height and ten feet in length, and must abut the building. Privacy screening support posts

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may be up to six feet and ten inches in height. No fence shall be constructed until the Architectural Review Board has approved the same.

- (15) Each Owner shall keep all Lots owned by him and all improvements therein or thereon in good order and repair and free of debris, including, but not limited to, the seeding and watering of all lawns, and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management. In the event an Owner of any Lot shall fail to maintain the premises and the improvements situated thereon as provided herein, the Association, after notice to the Owner as provided in the Bylaws 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 building erected thereon. All costs related to such correction, repair or restoration shall become a special assessment upon such Lot.
- (16) No strollers, baby carriages, bicycles, skateboards or other articles of personal property shall be deposited, allowed or permitted to remain outside of any townhome except within the area immediately adjacent to the rear of the town home. The Association shall specifically have authority to impound all such articles and to make a charge for the safekeeping and return thereof.
- (17) No building, structure, addition or exterior alteration (including basketball backboards, rims and nets) or improvements of any character shall be constructed upon any Lot or dwelling located thereon, except for exterior painting performed in the course of proper maintenance where no significant change in color or appearance is made, unless the plan of construction, including quality

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of workmanship, design, colors and materials, shall have been approved in writing by the Association as being in harmony with the whole subdivision, especially the adjoining townhouse unit(s).

- (18) No boats, mobile homes, motor homes, campers, buses, trailers of any type, tractors, trucks or any other motor vehicle, other than automobiles, motorcycles, pickup trucks or vans shall be permitted on any Lot, except during the course of construction. No motor vehicle or material portion thereof that does not have a current license or current Virginia inspection sticker shall be permitted on any Lot.
- (19) Outdoor grilling shall be permitted only in the rear yards or on rear patios or rear decks.
- (20) No satellite dish or satellite receiving apparatus shall be installed or located on the exterior of any Unit or Lot.

Section 2. **Entry for Repairs.** The Association or Declarant or their agents may enter any Lot, Unit, or residence thereon when necessary in connection with any maintenance, landscaping or construction for which the Association or Declarant is responsible. Such entry shall be made at reasonable hours and with, as little inconvenience to the Owner as practicable.

### ARTICLE XIII 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 XIV GENERAL PROVISIONS

Section 1. **Enforcement.** The Association or any Owner 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 or the By-laws or rules and regulations of the Association. Failure by the Association or by an Owner to enforce any covenant or restriction therein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

Section 3. **Duration.** The covenants, conditions, reservations and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of, and be enforceable by, the Association, the Declarant, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, devisees, successors, and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods.

Section 4. **Amendment.** For a period of five (5) years after the recording of this Declaration, the Declarant may unilaterally make any amendment to this Declaration that is required by the Federal Mortgage Agencies or the City of Harrisonburg or Rockingham County, Virginia. Said Amendment by Declarant shall be executed and recorded following registered notice to all Owners. After such five (5) 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 two-thirds (2/3) of the Voting Power. Any amendment must be recorded



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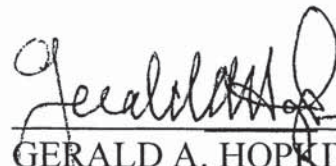
Section 5. Interpretation. All the terms and words used in the Declaration, regardless of the number and gender in which they were used, shall be deemed and construed to include any other number (singular or plural), and any other gender (masculine, feminine or neuter), as the context or sense of this Declaration or any paragraph or clause hereof may require, the same as if such words had been fully and properly written in the number and gender.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be signed this \_\_\_\_\_ day of July, 2005.

LIBERTY LAND COMPANY, L.L.C., a  
Virginia limited liability company

By:  (Seal)  
JARED S. SCRIPTURE, Manager

ROCKINGHAM HERITAGE BANK, Note  
holder

By:  (Seal)  
GERALD A. HOPKINS,  
Senior Vice President

 (Seal)  
JAY LITTEN, Trustee

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COMMONWEALTH OF VIRGINIA,  
CITY OF HARRISONBURG to-wit:

The foregoing instrument was acknowledged before me in the aforesaid jurisdiction this 5 day of July, 2005, by JARED S. SCRIPTURE, Manager of Liberty Land Company, L.L.C., a Virginia limited liability company, on behalf of the company.

My commission expires: March 31, 2007

Debs Truog  
NOTARY PUBLIC

STATE OF VIRGINIA AT LARGE  
CITY/COUNTY OF Rockingham, to-wit:

The foregoing instrument was acknowledged before me this 5 day of July, 2005, by Gerald A. Hopkins, Senior Vice President of Rockingham Heritage Bank.

Cheryl R. Montgomery  
NOTARY PUBLIC

My commission expires: May 31, 2006

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STATE OF VIRGINIA AT LARGE  
CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of  
July, 2005, by J. Jay Litten, Trustee.

Melissa R. Pope  
NOTARY PUBLIC

05 JUL 11 PM 2:39

ROCKINGHAM COUNTY  
CIRCUIT CLERK  
L. WAYNE HARPER, CLERK

My commission expires: 5-31-08.

VIRGINIA: In the Clerk's Office of the Circuit Court of Rockingham County  
The foregoing instrument was this day presented in the office aforesaid, and is  
together with the certificate of acknowledgement annexed, admitted to record this  
11 day of July, 2005 at 2:39P M. I certify that  
taxes were paid when applicable:

Sec. 58-54 - State \_\_\_\_\_ County \_\_\_\_\_ City \_\_\_\_\_  
Sec. 58-54.1 - State \_\_\_\_\_ County \_\_\_\_\_ City \_\_\_\_\_ Transfer \_\_\_\_\_  
Recording 55<sup>00</sup> Copies 17<sup>00</sup> TESTE

L. WAYNE HARPER  
CLERK 72<sup>00</sup>

Deed Book No 2698 Page 787

021148

ROCKINGHAM COUNTY  
L. WAYNE HARPER  
CLERK OF COURT  
Harrisonburg, VA 22801



60 2007 00030039

Instrument Number: 2007- 00030039

As  
Assignment

Recorded On: August 30, 2007

Parties: FOUNDERS WAY LLC  
To  
NO GRANTEE

Recorded By: LENHART OBENSHAIN

Num Of Pages: 6

Comment:

**\*\* Examined and Charged as Follows: \*\***

Assignment	6.50	10 or Fewer Pages	14.50
Recording Charge:	21.00		

**\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\***

I hereby certify that the within and foregoing was recorded in the Clerk's Office For: ROCKINGHAM COUNTY, VA

**File Information:**

**Record and Return To:**

Document Number: 2007- 00030039  
Receipt Number: 71479  
Recorded Date/Time: August 30, 2007 03:56:54P  
Book-Vol/Pg: Bk-OR VI-3175 Pg-721  
Cashier / Station: B Huffman / Cash Station 3

LENHART OBENSHAIN  
90 NORTH MAIN ST  
SUITE 201  
HARRISONBURG VA 22801



THE STATE OF VIRGINIA }  
COUNTY OF ROCKINGHAM }

I certify that the document to which this authentication is affixed is a true copy of a record in the Rockingham County Circuit Court Clerk's Office and that I am the custodian of that record

CLERK OF COURT  
ROCKINGHAM COUNTY, VIRGINIA

Doc Bk Vol Pg #ofPgs  
00030039 OR 3175 721 6  
Aug 30, 2007

Harrisonburg Tax Parcel 31-P-1

**FIRST SUPPLEMENT AND AMENDMENT TO  
DECLARATION OF  
COVENANTS, CONDITIONS, RESERVATIONS AND RESTRICTIONS  
FOR  
LIBERTY SQUARE**

This First Supplement and Amendment is made this 28<sup>th</sup> day of August, 2007, by FOUNDERS WAY LLC, a Virginia limited liability company ("Declarant"), to be indexed as Grantor, and constitutes a supplement and amendment to the Declaration of Covenants, Conditions, Reservations and Restrictions for Liberty Square of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia in Deed Book 2698, Page 787 (the "Covenants").

WHEREAS, under Article II of the Covenants, Liberty Land Company, LLC reserved the right as declarant to add additional real estate to the terms and conditions of the Covenants;

WHEREAS, pursuant to the definition of "Declarant" in Article I, Section 4 of the Covenants, and in Section 55-509 of the Virginia Property Owners Association of Act, Virginia Code (1950), the "Declarant" for purposes of the Covenants includes successors and assigns of Liberty Land Company, LLC;

WHEREAS, pursuant to the Assignment of Declarant and Developer Rights Liberty Square, dated August 28, 2007 (the "Assignment"), to be recorded in the aforesaid land records prior to this instrument, Liberty Land Company, LLC has assigned and transferred to Founders Way, L.L.C. the rights and obligations of the "Declarant" and "Developer" pursuant to the Covenants and Bylaws (as defined in the Assignment), including but not limited to the right of the Declarant to add additional real estate to the terms and conditions of the Covenants;

WHEREAS, this right to add land to the Covenants is being exercised by Declarant within five years of the recordation of the Declaration, in compliance with the time period set forth in Article II, Section 2 of the Covenants;

WHEREAS, Declarant has obtained site plan approval from the City of Harrisonburg for Liberty Square Section 2 ("Section 2"), in compliance with the applicable zoning and other ordinances of the City, and this annexation of additional land to Liberty Square is in compliance with the requirements of the applicable City Zoning Ordinance;

WHEREAS, approval of the Federal Mortgage Agencies to this annexation is not required;

WHEREAS, the Declarant desires to add Section 2 to Liberty Square and subject the same to the terms and conditions of the Covenants.

NOW THEREFORE, pursuant to its rights as described above, Declarant hereby declares that the real property comprised of 3.027 acres, more or less, being Harrisonburg Tax parcel 31-P-1, as more particularly described on Exhibit A (the "Section 2 Property"), shall at all times hereafter be owned, held, used, occupied, sold and conveyed subject to the provisions of the Covenants and this Supplement, and to the covenants, conditions and restrictions, easements, reservations, assessments and charges contained in the Covenants and in this Supplement thereto, all of which shall run with title to the Section 2 Property and bind all parties having any right, title or interest in such Section 2 Property, or any portion thereof, and their respective successors, assigns, heirs, devisees and personal representatives. This instrument is being made pursuant to the terms of the Covenants for the purpose of annexing the Section 2 Property to the scheme of the Covenants and extending the jurisdiction of the Association to cover the Section 2 Property.

Notwithstanding the foregoing or anything to the contrary in the Covenants or this Supplement, and pursuant to the rights of Declarant under the Assignment and the Covenants, Declarant hereby exempts itself as Declarant, its assigns and any builder with whom it contracts as to construction of initial improvements on the Section 2 Property from architectural review by the Architectural Review Board. Any townhome units constructed on the Section 2 Property shall, after initial construction and completion by Declarant or its designated builder, be subject to architectural control of the Architectural Review Board in accordance with the Covenants, with respect to modifications or alterations made by any person other than Declarant.

Pursuant to the Assignment and the Covenants, Declarant now holds certain special declarant rights with respect to the Section 2 Property, including but not limited to special voting rights, all as more particularly described in the Assignment and the Covenants. The Section 2 Property constitutes as "Lot" under the Covenants, until such time as it is further subdivided into townhome unit lots. At the time of such further subdivision, each townhome unit lot shall be a "Lot" under the Covenants.

Declarant hereby reserves for itself, an **exclusive** easement over, under, across and upon Section 2, together with the right to further convey any easements as Declarant, in its sole discretion, deems appropriate, for the purposes of:

(1) Completing the construction of all improvements on any property owned by Declarant;

(2) Placing and maintaining signs on the Common Area;

(3) Installing, maintaining, repairing and delivering telecommunications, telephone, data, Internet, multi-channel video, and television programming transmission and reception services, appertaining infrastructure, systems and utilities. Ownership and control of said infrastructure, systems, utilities, fiber-optic facilities, outside plant, Network Interface Device (NID) electronics, etc. placed in and upon Section 2 shall remain with Declarant. Declarant shall have the right to enter into arrangements and long-term contracts with service providers, selected solely at the discretion of Declarant, for the retail distribution and delivery of said services to Owners. Access to the Properties for the purposes of retail delivery of any one, several or all of the aforesaid services via landline distribution means shall be limited to those service providers designated by Declarant, except and unless as may be otherwise allowed by applicable governmental laws, rules or regulations, as the same may be amended from time to time; and

(4) Any other lawful purpose.

This easement shall be perpetual and **exclusive** to Founders Way, LLC and its assigns.

All capitalized terms not defined herein shall have the same meaning as defined in the Covenants.

This First Supplement and Amendment shall hereafter be deemed for all purposes as a part of the Covenants.

IN WITNESS WHEREOF, Declarant has executed this First Supplement and Amendment as of the dated first set forth above.

FOUNDERS WAY LLC  
a Virginia limited liability company

By:

[Signature]  
Name: JARED S. SCRIPTURE  
Title: MANAGER

STATE OF VIRGINIA

CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid this 28 day of August, 2007, on behalf of Founders Way LLC, by Jared S. Scripture, its Manager.

My commission expires: March 31, 2011.

(SEAL)

[Signature]

Notary Public Registration ID# 336604

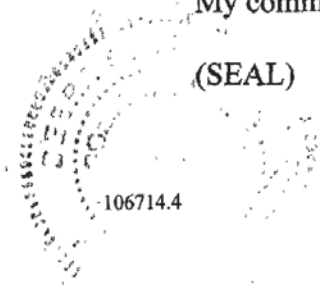




EXHIBIT A

DESCRIPTION OF SECTION 2 PROPERTY

Harrisonburg Tax Parcel 31-P-1

All that certain tract or parcel of land containing 3.027 acres, more or less, together with any improvements thereon, and all rights, privileges and appurtenances thereto belonging or appertaining, situate in the northeastern section of the City of Harrisonburg, Virginia, and being shown on a plat made by Barry E. Lotts, L.S., dated April 22, 2005, revised May 26, 2005, entitled "Plat Showing a Division of 10.504 Acres of Land" of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 2689, page 53,

Being a portion of the property acquired by Founders Way, L.L.C. by deed dated April 11, 2006, from Jack F. DePoy and Clyde Pugh, of record in the aforesaid Clerk's Office in Deed Book 2849, page 765.

ROCKINGHAM COUNTY  
Chaz W. Evans-Haywood  
CLERK OF COURT  
Harrisonburg, VA 22801



Instrument Number: 2008- 00012139

As  
Amendment

Recorded On: April 22, 2008

Parties: FOUNDERS WAY LLC  
To  
NO GRANTEE

Recorded By: LENHART OBENSHAIN

Num Of Pages: 5

Comment:

**\*\* Examined and Charged as Follows: \*\***

Amendment	6.50	10 or Fewer Pages	14.50
Recording Charge:	21.00		

**\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\***

I hereby certify that the within and foregoing was recorded in the Clerk's Office For: ROCKINGHAM COUNTY, VA

**File Information:**

**Record and Return To:**

Document Number: 2008- 00012139  
Receipt Number: 98328  
Recorded Date/Time: April 22, 2008 04:06:55P  
Book-Vol/Pg: Bk-OR VI-3306 Pg-639  
Cashier / Station: A Pittman / Cash Station 3

LENHART OBENSHAIN  
90 NORTH MAIN ST  
SUITE 201  
HARRISONBURG VA 22801



THE STATE OF VIRGINIA }  
COUNTY OF ROCKINGHAM }

I certify that the document to which this authentication is affixed is a true copy of a record in the Rockingham County Circuit Court Clerk's Office and that I am the custodian of that record

Clerk of Court  
ROCKINGHAM COUNTY, VIRGINIA

Doc Bk Vol Pg #ofPgs  
00012139 OR 3306 639 5  
Apr 22, 2008

Harrisonburg Tax Parcel 31-P-1

**AMENDMENT TO FIRST SUPPLEMENT OF  
DECLARATION OF  
COVENANTS, CONDITIONS, RESERVATIONS AND RESTRICTIONS  
FOR  
LIBERTY SQUARE**

This Amendment to First Supplement is made this 3<sup>rd</sup> day of April, 2008, by FOUNDERS WAY LLC, a Virginia limited liability company ("Declarant"), to be indexed as Grantor, and constitutes an amendment to the First Supplement and Amendment of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia in Deed Book 3175, Page 721 (the "First Supplement"), which supplemented and amended the Declaration of Covenants, Conditions, Reservations and Restrictions for Liberty Square of record in the aforesaid Clerk's Office in Deed Book 2698, Page 787 (the "Covenants"). This Amendment affects only the Section 2 Property added to the Covenants pursuant to the First Supplement, as therein described.

WHEREAS, Declarant has not conveyed any of the Section 2 Property to any third party, and as the sole owner of the Section 2 Property has the right to amend the terms of the First Supplement as applicable to the Section 2 Property;

NOW THEREFORE, Declarant hereby declares that the First Supplement is amended as to the Section 2 Property only (being comprised of 3.027 acres, more or less, known as Harrisonburg Tax parcel 31-P-1, as more particularly described in the First Supplement) to clarify that all time periods associated with Special Declarant Rights under the Covenants as they pertain to the Section 2 Property shall commence on the date of recordation of the First Supplement. By way of example, the right of Declarant under Article XII, Section 1(10) to maintain sales offices for a period of five years shall commence on the date of recordation of the First Supplement (being August 30, 2007) as to the Section 2 Property added by the First Supplement, rather than the date of initial recordation of the Covenants.

Declarant reserves to itself the right to amend the First Supplement and Covenants as applicable to the Section 2 Property (and only the Section 2 Property) for a period of five years from recordation of the First Supplement, without the consent of any other lot owner,

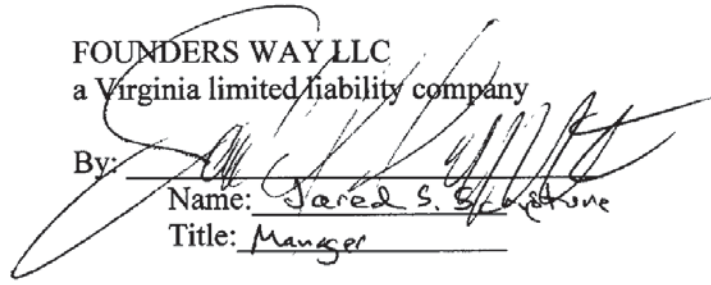
which right shall expire August 30, 2012. This does not affect the Covenants as applicable to any Property other than the Section 2 Property.

All capitalized terms not defined herein shall have the same meaning as defined in the Covenants.

This First Amendment shall hereafter be deemed for all purposes as a part of the Covenants as supplemented by the First Supplement.

IN WITNESS WHEREOF, Declarant has executed this instrument as of the date first set forth above.

FOUNDERS WAY LLC  
 a Virginia limited liability company

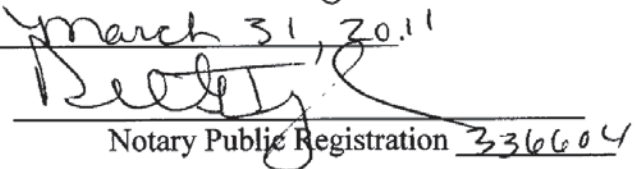
By: 

Name: Jared S. Spence  
 Title: Manager

STATE OF VIRGINIA  
 CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid this 3 day of April, 2008, on behalf of Founders Way LLC, by Jared S. Spence Founder Way LLC

My commission expires: March 31, 2011



Notary Public Registration 336604



**LIENHOLDER CONSENT**

Stephen T. Heitz, Co-Trustee under a Credit Line Deed of Trust dated April 20, 2006, of record in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia, in Deed Book 2849, page 768, and United Bank (formerly Rockingham Heritage Bank), as Noteholder and beneficiary of said Deed of Trust, acknowledge their consent to, and hereby subordinate said Credit Line Deed of Trust to the foregoing Amendment to First Supplement of Declaration of Covenants, Conditions, Reservations and Restriction for Liberty Square and to the First Supplement and Amendment to Declaration of Covenants, Conditions, Reservations and Restrictions for Liberty Square, of record in the aforesaid Clerk's Office in Deed Book 3175, page 721.

**TRUSTEE:**

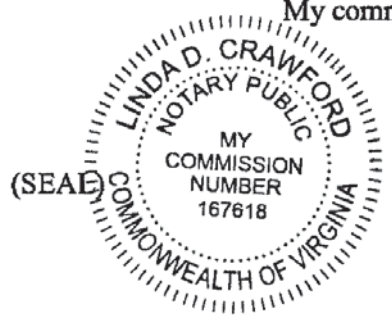
*Stephen T. Heitz, Trustee*  
Stephen T. Heitz, Trustee

STATE OF Virginia  
CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me this 10th day of April, 2008, by Stephen T. Heitz, Trustee.

My commission expires: 10/31/11.

*Linda D. Crawford*  
Notary Public  
Notary Public Registration no. 167618



**BENEFICIARY:**

UNITED BANK  
Formerly Rockingham Heritage Bank

By: [Signature]  
Printed Name: Gerald A Hopkins  
Title: V.P.

STATE OF Virginia  
CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of April 2008, by Gerald A Hopkins as V.P. of United Bank, on its behalf.

My commission expires: July 31, 2012

**CHERYL LYN PAVLIK**  
NOTARY PUBLIC  
REGISTRATION # 7146702  
COMMONWEALTH OF VIRGINIA  
MY COMMISSION EXPIRES JULY 31, 2012

(SEAL)

[Signature]  
Notary Public  
Notary Public Registration no. 7146702

ROCKINGHAM COUNTY  
Chaz W. Evans-Haywood  
CLERK OF COURT  
Harrisonburg, VA 22801



60 2010 00023451

Instrument Number: 2010-00023451

As

Restrictive Covenants

Recorded On: August 26, 2010

Parties: FOUNDERS WAY LLC

To

NO GRANTEE

Recorded By: LENHART OBENSHAIN

Num Of Pages:

6

Comment:

**\*\* Examined and Charged as Follows: \*\***

RestrictiveCovenants	6.50	10 or Fewer Pages	14.50
Recording Charge:	21.00		

**\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\***

I hereby certify that the within and foregoing was recorded in the Register of Deeds Office For ROCKINGHAM COUNTY, VA

**File Information:**

**Record and Return To:**

Document Number: 2010-00023451

Receipt Number: 179028

Recorded Date/Time: August 26, 2010 09:39:20A

Book-Vol/Pg: Bk-OR VI-3752 Pg-272

Cashier / Station: A Pittman / Cash Station 3

LENHART OBENSHAIN

90 NORTH MAIN ST

SUITE 201

HARRISONBURG VA 22801



THE STATE OF VIRGINIA }  
COUNTY OF ROCKINGHAM }

I certify that the document to which this authentication is affixed is a true copy of a record in the Rockingham County Circuit Court Clerk's Office and that I am the custodian of that record.

Chaz W. Evans-Haywood, Clerk of Court

CLERK OF COURT  
ROCKINGHAM COUNTY, VIRGINIA

VE&Z

Doc Bk Vol Pg # of Pgs  
00023451 OR 3752 272 6  
Aug 26, 2010

Harrisonburg Tax Parcel 31-O-1 (portion)

**SECOND SUPPLEMENT AND AMENDMENT TO  
DECLARATION OF  
COVENANTS, CONDITIONS, RESERVATIONS AND RESTRICTIONS  
FOR  
LIBERTY SQUARE**

This Second Supplement and Amendment is made this 25<sup>th</sup> day of August, 2010, by FOUNDERS WAY LLC, a Virginia limited liability company ("Declarant"), to be indexed as Grantor, and constitutes a supplement and amendment to the Declaration of Covenants, Conditions, Reservations and Restrictions for Liberty Square of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia in Deed Book 2698, Page 787, as previously amended and supplemented including but not limited to the First Supplement of record in Deed Book 3175, Page 721, as amended by Amendment to First Supplement of records in Deed Book 3306, Page 639 (the "Covenants").

WHEREAS, Founders Way LLC is the successor Declarant under the Covenants pursuant to the Assignment of Declarant and Developer Rights-Liberty Square of record in the aforesaid Clerk's Office in Deed Book 3175, Page 714, including but not limited to the right of the Declarant to add additional real estate to the terms and conditions of the Covenants;

WHEREAS, this right to add land to the Covenants is being exercised by Declarant within five years of the recordation of the First Supplement of the Declaration, in compliance with the time period set forth in Article II, Section 2 of the Covenants;

WHEREAS, Declarant has obtained site plan approval from the City of Harrisonburg for a 12-unit condominium building known as Founders Way ("Founders Way, Phase One"), in compliance with the applicable zoning and other ordinances of the City, and this annexation of additional land to Liberty Square is in compliance with the requirements of the applicable City Zoning Ordinance;

WHEREAS, approval of the Federal Mortgage Agencies to this annexation is not required;

WHEREAS, the Declarant desires to add Founders Way, Phase One to Liberty Square and subject the same to the terms and conditions of the Covenants.



NOW THEREFORE, pursuant to its rights as described above, Declarant hereby declares that the real property comprised of 0.690 acres, more or less, being a portion of Harrisonburg Tax parcel 31-O-1, as more particularly described on Exhibit A (the "Founders Way Phase One Property"), shall at all times hereafter be owned, held, used, occupied, sold and conveyed subject to the provisions of the Covenants and this Supplement, and to the covenants, conditions and restrictions, easements, reservations, assessments and charges contained in the Covenants and in this Supplement thereto, all of which shall run with title to the Founders Way Phase One Property and bind all parties having any right, title or interest in such Founders Way Phase One Property, or any portion thereof, and their respective successors, assigns, heirs, devisees and personal representatives. This instrument is being made pursuant to the terms of the Covenants for the purpose of annexing the Founders Way Phase One Property to the scheme of the Covenants and extending the jurisdiction of the Association to cover the Founders Way Phase One Property.

Notwithstanding the foregoing or anything to the contrary in the Covenants or this Supplement, and pursuant to the rights of Declarant under the Assignment and the Covenants, Declarant hereby exempts itself as Declarant, its assigns and any builder with whom it contracts as to construction of the condominium building on the Founders Way Phase One Property from architectural review by the Architectural Review Board. The condominium building, and all matters pertaining to the appearance, maintenance, repair or operation of the condominium building shall be subject to the control and management of the Founders Way Condominium Association, Inc., and shall not be subject to the authority of the Architectural Review Board or the Liberty Square Owners Association, Inc. However, all exterior common areas maintenance and oversight (parking areas, stormwater management, landscaping, greenspace, sidewalks, etc.), and enforcement of the residential occupancy and similar provisions of the Covenants as to the condominium units, shall be the responsibility and purview of the Liberty Square Owners' Association, Inc. pursuant to the Covenants, and not the responsibility of the Condominium Association.

Pursuant to the Assignment and the Covenants, Declarant now holds certain special declarant rights with respect to the Founders Way Phase One Property, including but not limited to special voting rights, all as more particularly described in the Assignment and the Covenants. Each Condominium Unit formed on the Founders Way Phase One Property constitutes a "Condo Unit" under the Covenants and shall be treated the same as any Lot for purposes of voting rights and assessment obligations under the Covenants.

Declarant hereby reserves for itself, an **exclusive** easement over, under, across and upon Founders Way Phase One Property, together with the right to further convey any easements as Declarant, in its sole discretion, deems appropriate, for the purposes of:

- (1) Completing the construction of all improvements on any property owned by Declarant;
- (2) Placing and maintaining signs on the Common Area;
- (3) Installing, maintaining, repairing and delivering telecommunications, telephone, data, Internet, multi-channel video, and television programming transmission and reception services, appertaining infrastructure, systems and utilities. Ownership and control of said

infrastructure, systems, utilities, fiber-optic facilities, outside plant, Network Interface Device (NID) electronics, etc. placed in and upon Founders Way Phase One shall remain with Declarant. Declarant shall have the right to enter into arrangements and long-term contracts with service providers, selected solely at the discretion of Declarant, for the retail distribution and delivery of said services to Owners. Access to the Properties for the purposes of retail delivery of any one, several or all of the aforesaid services via landline distribution means shall be limited to those service providers designated by Declarant, except and unless as may be otherwise allowed by applicable governmental laws, rules or regulations, as the same may be amended from time to time; and

(4) Any other lawful purpose.

This easement shall be perpetual and **exclusive** to Founders Way, LLC and its assigns.

With respect to the Founders Way Phase One Property, all time periods in the Covenants associated with the exercise of Special Declarant Rights shall commence on the date of recordation of this Second Supplement. Declarant reserves the right to amend this Second Supplement as applicable to the Founders Way Phase One Property for a period of five years from recordation of this Supplement, without the consent of any other lot owner or condominium unit owner. This paragraph does not affect the Covenants as applicable to any Property other than the Founders Way Phase One Property.

All capitalized terms not defined herein shall have the same meaning as defined in the Covenants.

This Second Supplement and Amendment shall hereafter be deemed for all purposes as a part of the Covenants.

IN WITNESS WHEREOF, Declarant has executed this Second Supplement and Amendment as of the dated first set forth above.

FOUNDERS WAY LLC  
a Virginia limited liability company

By: [Signature]  
Name: JARED S. SCRIPTURE  
Title: MANAGER

STATE OF VIRGINIA  
CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid this 25<sup>th</sup> day of August, 2010, on behalf of Founders Way LLC, by Jared S. Scripture, its Manager.

My commission expires: 7/31/2012

(SEAL) [Signature]  
Notary Public Registration 346430

I was commissioned as Shelley Dawn Frye

247689





The following is a metes and bounds description of 0.686 acres of land. Said 0.686 acres of land is known as Phase One of Founders Way Condominium. The 0.686 acres is located on the northwest side of Oriole Lane in the City of Harrisonburg, Virginia.

Beginning at an iron pin found, said pin being a corner to KW Harrisonburg Apartments, LLC and in the northwest right-of-way line of Oriole Lane; thence with Oriole Lane and a curve to the left, said curve having a delta of  $15^{\circ}35'07''$ , radius of 725.00', arc of 197.21' and a

Chord of S  $40^{\circ}21'21''$  W      196.60'

to a point in the right-of-way line of Oriole Lane; thence leaving Oriole Lane and with two new lines through the land of Liberty Square of Founders Way, LLC.

N  $46^{\circ}53'24''$  W      165.00'

to a point, said point being in the center of a 20' public sanitary sewer easement; thence with the center line of said easement

N  $42^{\circ}46'17''$  E      185.87'

to a point, said point being in the center of the 20' public sanitary sewer easement, a 50' public power line easement and in the line of KW Harrisonburg Apartments, LLC; Thence with the 50' power line easement and KW Harrisonburg Apartments, LLC

S  $50^{\circ}43'36''$  E      157.01'

to the beginning containing 0.686 acres of land and being the same property as shown on a plat entitled: Plat of Phase One, Founders Way Condominium, dated: July 6, 2010 and revised: August 16, 2010, a copy of which is recorded with the Declaration of Condominium subsequent to this document.

ROCKINGHAM COUNTY  
Chaz W. Evans-Haywood  
CLERK OF COURT  
Harrisonburg, VA 22801



60 2012 00029785

Instrument Number: 2012- 00029785

As

Amendment

Recorded On: October 30, 2012

Parties: FOUNDERS WAY LLC  
To  
NO GRANTEE

Recorded By: FOUNDERS WAY LLC

Num Of Pages: 10

Comment: PARCEL HBURG

**\*\* Examined and Charged as Follows: \*\***

Amendment	6.50	10 or Fewer Pages	14.50	Plat larger than legal	80.00
Recording Charge:	101.00				

**\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\***

I hereby certify that the within and foregoing was recorded in the Register of Deeds Office For: ROCKINGHAM COUNTY, VA

**File Information:**

**Record and Return To:**

Document Number: 2012- 00029785  
Receipt Number: 246231  
Recorded Date/Time: October 30, 2012 04:34:46P  
Book-Vol/Pg: Bk-OR VI-4134 Pg-443  
Cashier / Station: A Pittman / Cash Station 3

FOUNDERS WAY LLC  
RETURNED IN PERSON AFTER RECORDING  
HARRISONBURG VA 22801



THE STATE OF VIRGINIA }  
COUNTY OF ROCKINGHAM }

I certify that the document to which this authentication is affixed is a true copy of a record in the Rockingham County Circuit Court Clerk's Office and that I am the custodian of that record.

CLERK OF COURT  
ROCKINGHAM COUNTY, VIRGINIA

VE&Z

Doc	Bk	Vol	Page	# of Pages
00029785	OR	4134	443	10
Oct 30, 2012				

Harrisonburg Tax Parcel 31-O-1 (portion)

**THIRD SUPPLEMENT AND AMENDMENT TO  
DECLARATION OF  
COVENANTS, CONDITIONS, RESERVATIONS AND RESTRICTIONS  
FOR  
LIBERTY SQUARE**

This Third Supplement and Amendment is made this 30<sup>th</sup> day of October, 2012, by FOUNDERS WAY LLC, a Virginia limited liability company ("Declarant"), to be indexed as Grantor, and constitutes a supplement and amendment to the Declaration of Covenants, Conditions, Reservations and Restrictions for Liberty Square of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia in Deed Book 2698, Page 787, as previously amended and supplemented including but not limited to the First Supplement of record in Deed Book 3175, Page 721, as amended by Amendment to First Supplement of record in Deed Book 3306, Page 639, and the Second Supplement of record in Deed Book 3752, Page 272 (the "Covenants").

WHEREAS, Founders Way LLC is the successor Declarant under the Covenants pursuant to the Assignment of Declarant and Developer Rights Liberty Square of record in the aforesaid Clerk's Office in Deed Book 3175, Page 714, including but not limited to the right of the Declarant to add additional real estate to the terms and conditions of the Covenants;

WHEREAS, this right to add land to the Covenants is being exercised by Declarant within five years of the recordation of the Second Supplement of the Declaration, in compliance with the time period set forth in Article II, Section 2 of the Covenants;

WHEREAS, Declarant has obtained site plan approval from the City of Harrisonburg for a 12-unit condominium building known as Founders Way Phase Two ("Founders Way, Phase Two") and also intends to develop amenities as well as a third condominium building ("Founders Way, Phase Three"), in compliance with the applicable zoning and other ordinances of the City, and this annexation of additional land to Liberty Square is in compliance with the requirements of the applicable City Zoning Ordinance;

WHEREAS, approval of the Federal Mortgage Agencies to this annexation is not required;

WHEREAS, the Declarant desires to add Founders Way, Phase Two and Founders Way, Phase Three to Liberty Square and subject the same to the terms and conditions of the Covenants.

NOW THEREFORE, pursuant to its rights as described above, Declarant hereby declares that the real property being a portion of Harrisonburg Tax parcel 31-O-1, comprised of (a) 1.010 acres, more or less more particularly described as "Phase Two" on Exhibit A (the "Founders Way Phase Two Property") and (b) 0.520 acres, more or less, more particularly described as "Phase Three" on Exhibit A (the "Founders Way Phase Three Property"), shall at all times hereafter be owned, held, used, occupied, sold and conveyed subject to the provisions of the Covenants and this Supplement, and to the covenants, conditions and restrictions, easements, reservations, assessments and charges contained in the Covenants and in this Supplement thereto, all of which shall run with title to the Founders Way Phase Two Property and Founders Way Phase Three Property (collectively, the "Added Property") and bind all parties having any right, title or interest in such Added Property, or any portion thereof, and their respective successors, assigns, heirs, devisees and personal representatives. This instrument is being made pursuant to the terms of the Covenants for the purpose of annexing the Added Property to the scheme of the Covenants and extending the jurisdiction of the Association to cover the Added Property.

Notwithstanding the foregoing or anything to the contrary in the Covenants or this Supplement, and pursuant to the rights of Declarant under the Assignment and the Covenants, Declarant hereby exempts itself as Declarant, its assigns and any builder with whom it contracts as to construction of building(s) on the Added Property from architectural review by the Architectural Review Board. The building(s) and any amenities, and all matters pertaining to the appearance, maintenance, repair or operation of the condominium building and any amenities shall be subject to the control and management of the Founders Way Condominium Association, Inc., and shall not be subject to the authority of the Architectural Review Board or the Liberty Square Owners Association, Inc. However, all exterior common areas maintenance and oversight (parking areas, stormwater management, landscaping, greenspace, sidewalks, etc.), and enforcement of the residential occupancy and similar provisions of the Covenants as to the condominium units, shall be the responsibility and purview of the Liberty Square Owners' Association, Inc. pursuant to the Covenants, and not the responsibility of the Condominium Association.

Declarant will be constructing recreational amenities within the vacant area located at the corner of Oriole Lane and Founders Way within the Phase Two Property, all of which shall be and hereby is designated as "Common Area" under and for purposes of the Covenants, provided that fee title to such area will be held as part of the Founders Way Condominium subject to the usage and easement rights and maintenance obligations of the Liberty Square Owners' Association and its members as herein provided. The Liberty Square Owners' Association shall have responsibility for maintenance, repair, upkeep and insurance as to all recreational amenities, including without limitation any swimming pool, constructed on the Founders Way Phase Two Property as a shared common area for the benefit of members of the Liberty Square Owners' Association including residents of Founders Way Condominiums, provided that parking within the Added Property and Founders Way Condominium Phase One is for the sole use and benefit of the condominium

unit owners, and is NOT to be used for parking relating to use of the amenities by Liberty Square members. Either or both Liberty Square Owners' Association and the Founders Way Condominium Association, Inc. shall have the authority and obligation to enforce such parking limitations.

Pursuant to the Assignment and the Covenants, Declarant now holds certain special declarant rights with respect to the Founders Way Phase Two Property and Founders Way Phase Three Property, including but not limited to special voting rights, all as more particularly described in the Assignment and the Covenants. Each Condominium Unit formed on the Added Property constitutes a "Condo Unit" under the Covenants and shall be treated the same as any Lot for purposes of voting rights and assessment obligations under the Covenants.

Declarant hereby reserves for itself, an **exclusive** easement over, under, across and upon the Added Property, together with the right to further convey any easements as Declarant, in its sole discretion, deems appropriate, for the purposes of:

- (1) Completing the construction of all improvements on any property owned by Declarant;
- (2) Placing and maintaining signs on the Common Area;
- (3) Installing, maintaining, repairing and delivering telecommunications, telephone, data, Internet, multi-channel video, and television programming transmission and reception services, appertaining infrastructure, systems and utilities. Ownership and control of said infrastructure, systems, utilities, fiber-optic facilities, outside plant, Network Interface Device (NID) electronics, etc. placed in and upon Founders Way Phase One shall remain with Declarant. Declarant shall have the right to enter into arrangements and long-term contracts with service providers, selected solely at the discretion of Declarant, for the retail distribution and delivery of said services to Owners. Access to the Properties for the purposes of retail delivery of any one, several or all of the aforesaid services via landline distribution means shall be limited to those service providers designated by Declarant, except and unless as may be otherwise allowed by applicable governmental laws, rules or regulations, as the same may be amended from time to time; and
- (4) Any other lawful purpose.

This easement shall be perpetual and **exclusive** to Founders Way, LLC and its assigns.

Declarant further reserves for itself a non-exclusive easement over, under, across and upon the Added Property, designated as "25' Access Easement" for purposes of ingress, egress and access to the Expansion Property of 4.238 acres shown on the Plat, which easement may be used to support development and use of such Expansion Property for any lawful purpose.

With respect to the Added Property, all time periods in the Covenants associated with the exercise of Special Declarant Rights shall commence on the date of recordation of this Third Supplement. Declarant reserves the right to amend this Third Supplement as applicable to the Added Property for a period of five years from recordation of this Supplement, without the consent of any other lot owner or condominium unit owner. This



paragraph does not affect the Covenants as applicable to any Property other than the Added Property.

All capitalized terms not defined herein shall have the same meaning as defined in the Covenants.

This Third Supplement and Amendment shall hereafter be deemed for all purposes as a part of the Covenants.

IN WITNESS WHEREOF, Declarant has executed this Second Supplement and Amendment as of the dated first set forth above.

FOUNDERS WAY LLC  
 a Virginia limited liability company

By: [Signature]  
 Name: JARED S. SCRIPTURE  
 Title: MANAGER

STATE OF VIRGINIA  
 CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid this 30<sup>th</sup> day of October, 2012, on behalf of Founders Way LLC, by Jared S. Scripture, its manager.

My commission expires: 7/31/2016.

(SEAL)

[Signature]  
 Notary Public Registration 376430

340170



EXHIBIT A

DESCRIPTION OF ADDED PROPERTY

Harrisonburg Tax Parcel 31-O-1 (portion)

All those certain tracts or parcels of land, together with any improvements thereon, and all rights, privileges and appurtenances thereto belonging or appertaining, situate in the northeastern section of the City of Harrisonburg, Virginia, and being shown and designated as "Phase Two" comprised of 1.010 acres, more or less, and as "Phase Three" comprised of 0.520 acres, more or less, on that certain plat made by Barry E. Lotts, L.S., dated October 18, 2012, entitled "Plat of Phases Two and Three, Founders Way Condominium" a copy of which is attached hereto and which is being recorded concurrently herewith as part of the amendment to Condominium Declaration for Founders Way Condominium,

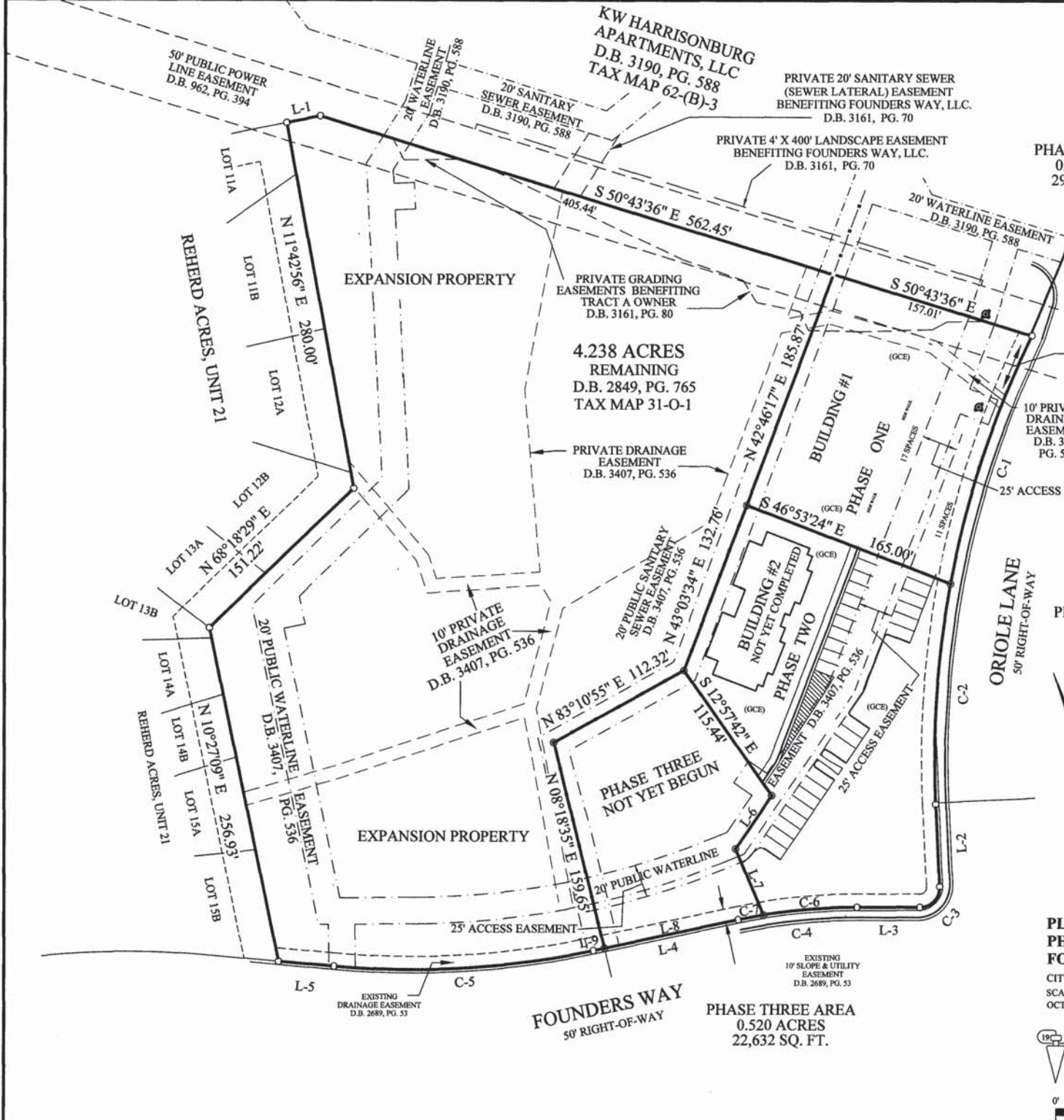
Being a portion of the property acquired by Founders Way, L.L.C. by deed dated April 11, 2006, from Jack F. DePoy and Clyde Pugh, of record in the aforesaid Clerk's Office in Deed Book 2849, page 765.

SUBJECT TO 25' Access Easement as shown on such plat as well as utility and other easements reserved by Declarant as contemplated by the Condominium Declaration and as necessary to facilitate development and use of the Expansion Property.

CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING	DELTA ANGLE
C-1	725.00'	197.21'	196.60'	S 40°21'21" W	15°35'07"
C-2	725.00'	166.57'	166.20'	S 25°58'53" W	13°09'49"
C-3	15.00'	24.31'	21.74'	S 65°49'49" W	92°51'41"
C-4	425.00'	90.31'	90.14'	N 73°49'35" W	12°10'51"
C-5	657.00'	196.96'	196.23'	N 71°19'24" W	17°10'25"
C-6	425.00'	70.96'	70.87'	S 72°31'19" E	09°33'57"
C-7	425.00'	19.36'	19.35'	S 78°36'35" E	02°36'34"

LINE	BEARING	DISTANCE
L-1	S 79°05'22" E	25.77'
L-2	S 19°23'59" W	62.01'
L-3	N 67°44'21" W	47.58'
L-4	N 79°54'52" W	112.10'
L-5	N 62°44'16" W	41.94'
L-6	S 56°28'37" W	48.48'
L-7	S 00°48'02" E	53.97'
L-8	N 79°54'52" W	103.45'
L-9	N 79°54'52" W	8.65'



**PHASE ONE AREA**  
0.686 ACRES  
29,887 SQ. FT.

**PHASE TWO AREA**  
1.010 ACRES  
43,994 SQ. FT.

**PHASE THREE AREA**  
0.520 ACRES  
22,632 SQ. FT.

**ABBREVIATIONS:**  
1. (GCE) GENERAL COMMON ELEMENT

- LEGEND**
- IRON PIN FOUND
  - SS — SANITARY LINES
  - ⊙ SEWER MANHOLE
  - ⊠ DUMPSTER
  - POINT
  - ⊠ FIRE HYDRANT

- NOTES:**
- DATUM AS SHOWN HEREON IS ACCORDING TO RECORDED INFORMATION AND A CURRENT FIELD SURVEY.
  - THIS PROPERTY IS PRESENTLY IN THE NAME OF FOUNDERS WAY, LLC.
  - BEARINGS ARE ROTATED TO PLAT RECORDED IN D.B. 2689, PG. 53.
  - ANY EXISTING EASEMENT SHOWN HEREON IS BASED ON RECORDED INFORMATION. THIS PROPERTY MAY BE EXPRESSLY SUBJECT TO EASEMENTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS CONTAINED IN DULY RECORDED DEEDS, PLATS AND OTHER INSTRUMENTS CONSTITUTING CONSTRUCTIVE NOTICE IN THE CHAIN OF TITLE TO THE PROPERTY HEREBY SURVEYED THAT ARE NOT SHOWN. THIS PROPERTY MAY BE SUBJECT TO OTHER EASEMENTS NOT OF PUBLIC RECORD.
  - NO TITLE REPORT HAS BEEN FURNISHED.
  - ALL PARKING SPACES ARE GENERAL COMMON ELEMENTS WHICH MAY BE ASSIGNED AS LIMITED COMMON ELEMENTS LATER.

**SURVEYOR'S CERTIFICATE**

I, BARRY E. LOTTS, A DULY LICENSED LAND SURVEYOR IN THE COMMONWEALTH OF VIRGINIA HEREBY STATE TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF:  
THIS CONDOMINIUM PLAT REPRESENTS AN ON THE GROUND FIELD SURVEY CONDUCTED UNDER MY DIRECT SUPERVISION. CORNER MONUMENTATION HAS BEEN SET AS SHOWN HEREON AND THIS CONDOMINIUM PLAT MEETS THE REQUIREMENTS SET FORTH IN SECTION 55-79.58A CODE OF VIRGINIA. THE PROPERTY STANDS IN THE NAME OF FOUNDERS WAY LLC, ACQUIRED BY THEM IN DEED BOOK 2849, PAGE 765; RECORDED IN THE LANDS OF THE CITY OF HARRISONBURG, VIRGINIA. THE IMPROVEMENTS SHOWN HEREON ARE SUBSTANTIALLY COMPLETED.

*[Signature]*  
BARRY E. LOTTS, LS #001528-B  
DATE 10/18/2012

**PLAT OF PHASES TWO AND THREE FOUNDERS WAY CONDOMINIUM**

CITY OF HARRISONBURG, VIRGINIA  
SCALE 1" = 50'  
OCTOBER 18, 2012

**Lotts & Associates, P.C.**  
Land Surveying - Land Planning  
21 Cambridge Drive \* P.O. Box 1167  
Staunton, Virginia 24477  
Phone (540) 337-0012 Fax (540) 337-1455



# METES & BOUNDS OF CONDO

S 67°44'21" E 115.08'

0.150 ACRES  
6660 SQ. FT.

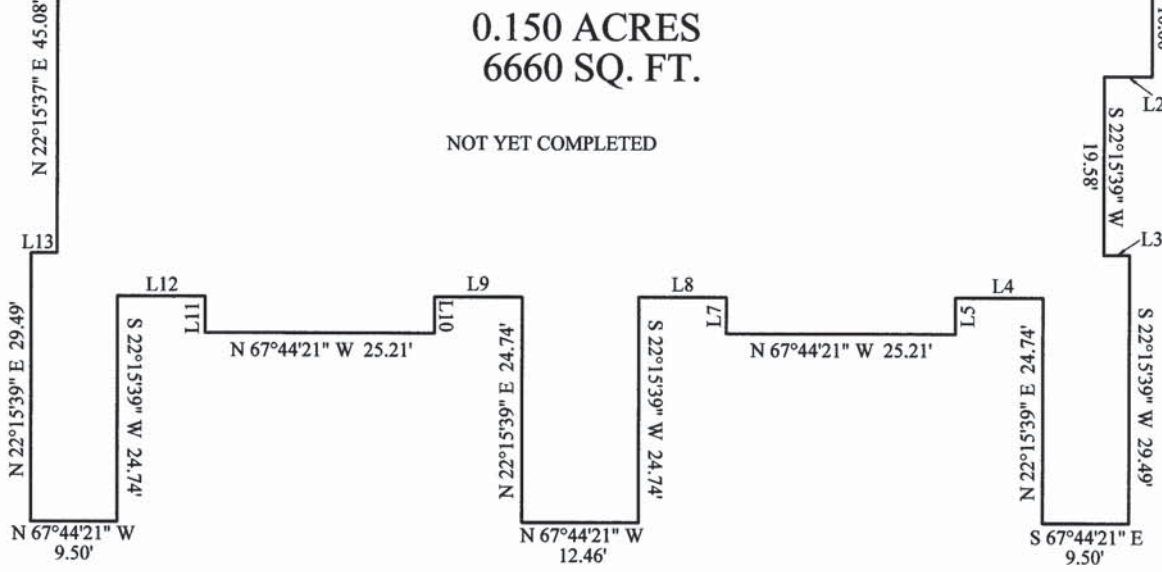
NOT YET COMPLETED

LINE	BEARING	DISTANCE
L1	S 67°44'21" E	5.25'
L2	N 67°44'21" W	5.25'
L3	S 67°44'21" E	2.83'
L4	N 67°44'21" W	9.62'
L5	S 22°15'39" W	4.00'
L6	N 67°44'21" W	12.38'
L7	N 22°15'39" E	4.00'
L8	N 67°44'21" W	9.62'
L9	N 67°44'21" W	9.62'
L10	S 22°15'39" W	4.00'
L11	N 22°15'39" E	4.00'
L12	N 67°44'21" W	9.63'
L13	S 67°44'21" E	2.83'

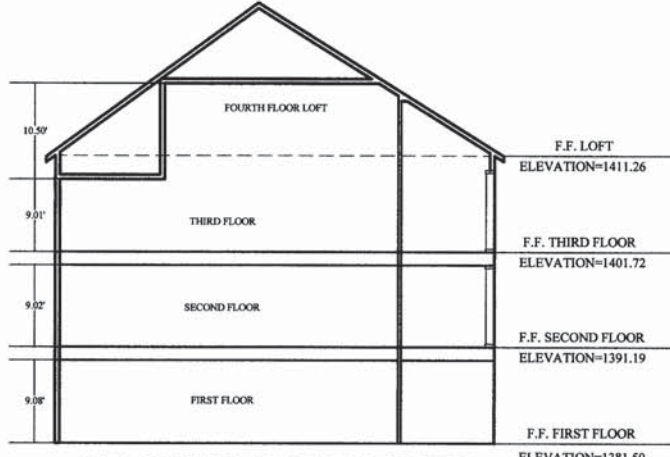
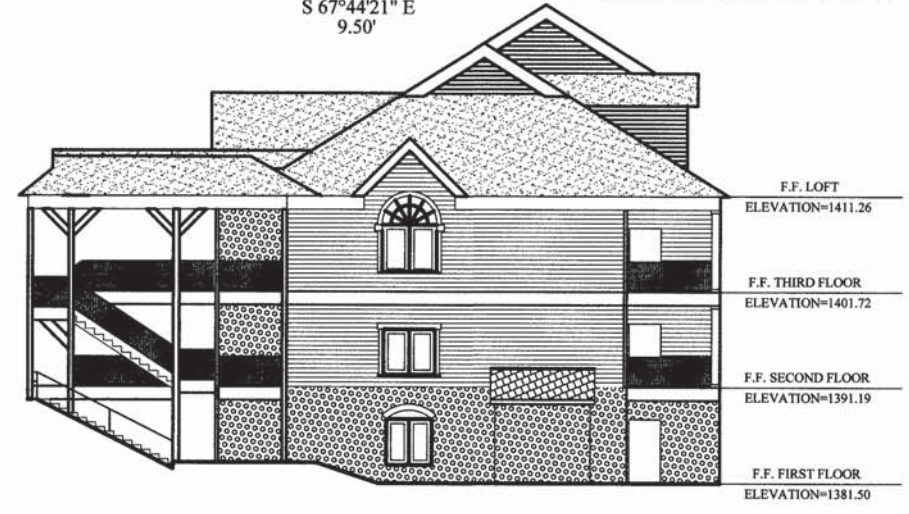


## NOTES:

1. INTERIOR DIMENSIONS WERE OBTAINED FROM ARCHITECTURAL PLANS.
2. ELEVATIONS WERE OBTAINED FROM FIELD SURVEY PREPARED BY LOTTS & ASSOCIATES.
3. ALL BALCONIES ARE LCE (LIMITED COMMON ELEMENTS) TO THE UNITS THAT THEY ARE ATTACHED TO.



## CONDO SIDE VIEW



## VERTICAL BOUNDARIES ALL UNITS

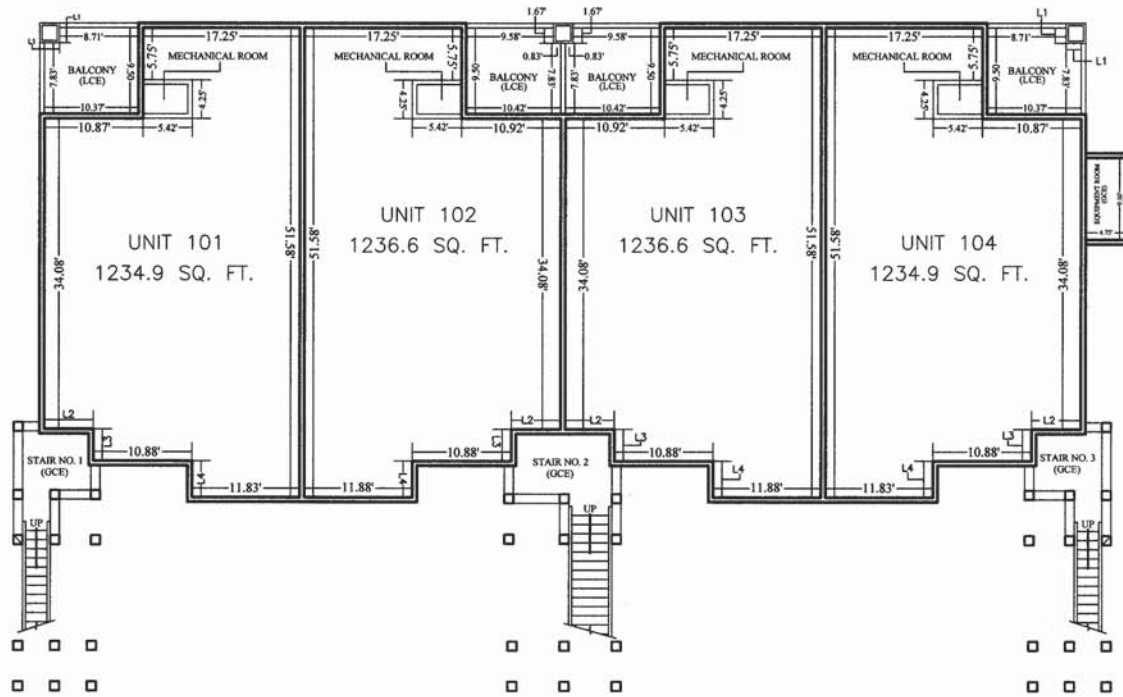


PLAT OF  
PHASES TWO AND THREE  
FOUNDERS WAY CONDOMINIUM  
CITY OF HARRISONBURG, VIRGINIA  
SCALE 1" = 50'  
OCTOBER 18, 2012

**Lotts & Associates, P.C.**  
Land Surveying - Land Planning  
21 Cambridge Drive \* P.O. Box 1167  
Staunton, Virginia 24477  
Phone (540) 337-0012 Fax (540) 337-1455

LINE	DISTANCE
L1	1.67'
L2	5.42'
L3	3.50'
L4	4.00'

FIRST FLOOR PLAN  
NOT YET COMPLETED

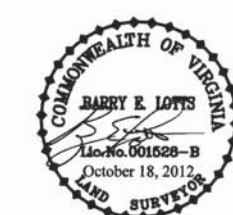
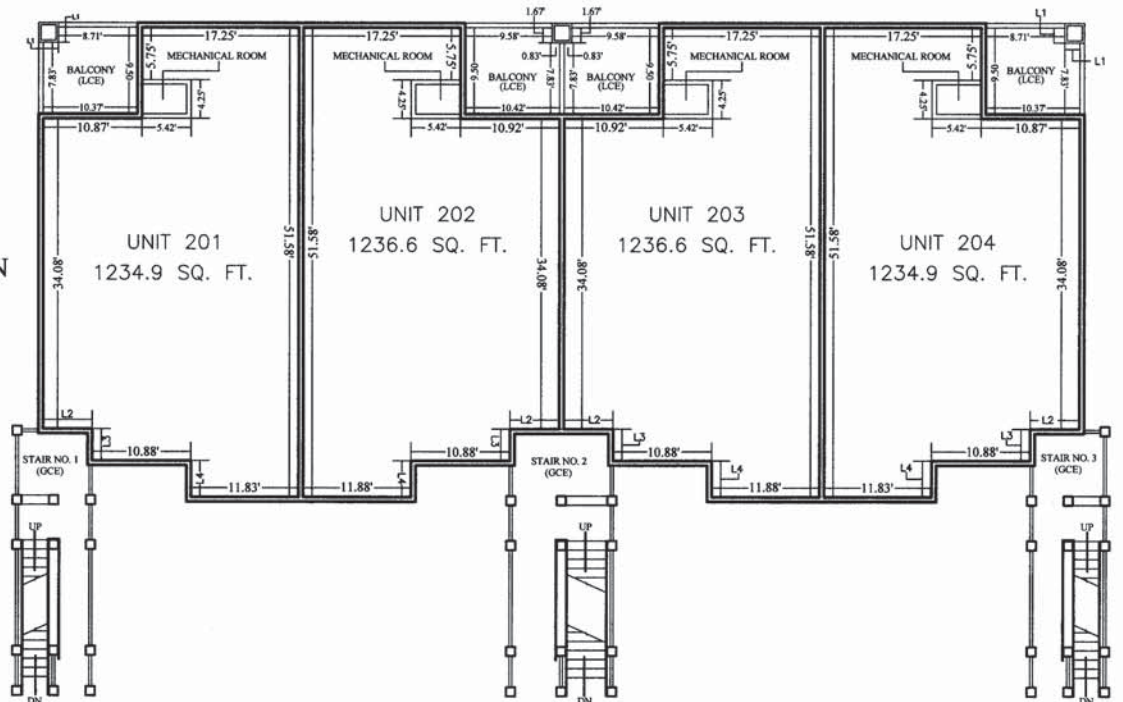


NOTES:

1. INTERIOR DIMENSIONS WERE OBTAINED FROM ARCHITECTURAL PLANS.
2. ELEVATIONS WERE OBTAINED FROM FIELD SURVEY PREPARED BY LOTTS & ASSOCIATES.
3. ALL BALCONIES ARE LCE (LIMITED COMMON ELEMENTS) TO THE UNITS THAT THEY ARE ATTACHED TO.
4. ALL STAIRWELLS ARE GCE (GENERAL COMMON ELEMENTS) TO ALL UNITS.



SECOND FLOOR PLAN  
NOT YET COMPLETED

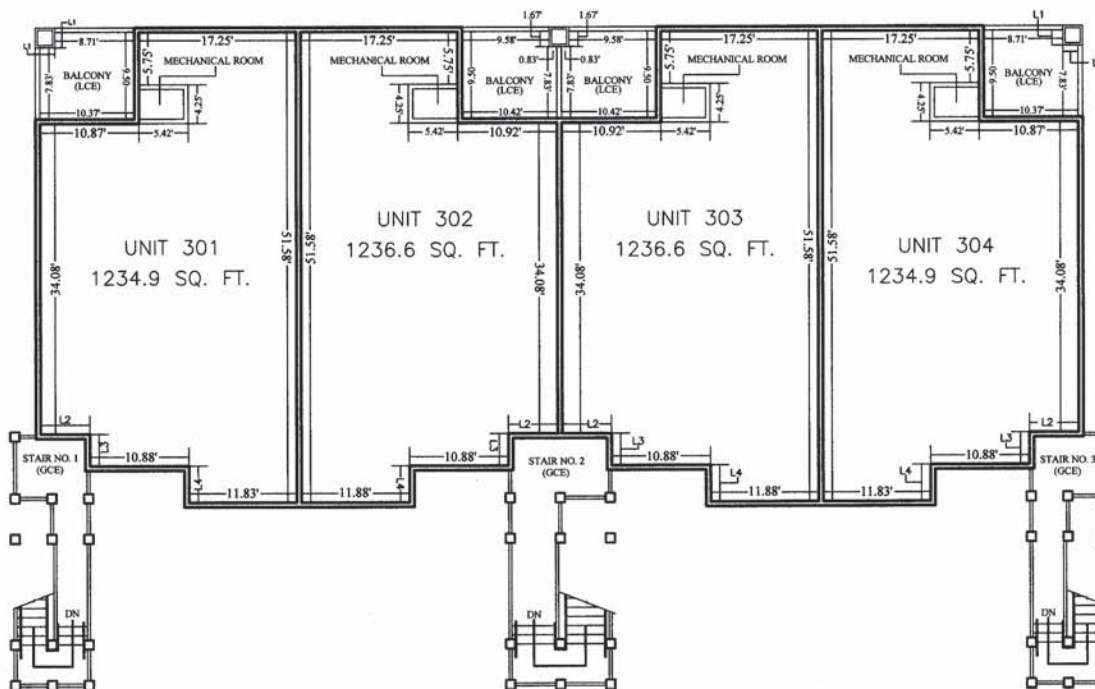


PLAT OF  
PHASES TWO AND THREE  
FOUNDERS WAY CONDOMINIUM  
CITY OF HARRISONBURG, VIRGINIA  
SCALE 1" = 50'  
OCTOBER 18, 2012

**Lotts & Associates, P.C.**  
Land Surveying - Land Planning  
21 Cambridge Drive \* P.O. Box 1167  
Staunton, Virginia 24477  
Phone (540) 337-0012 Fax (540) 337-1455

LINE	DISTANCE
L1	1.67'
L2	5.42'
L3	3.50'
L4	4.00'
L5	3.00'
L6	3.50'
L7	3.04'
L8	2.33'

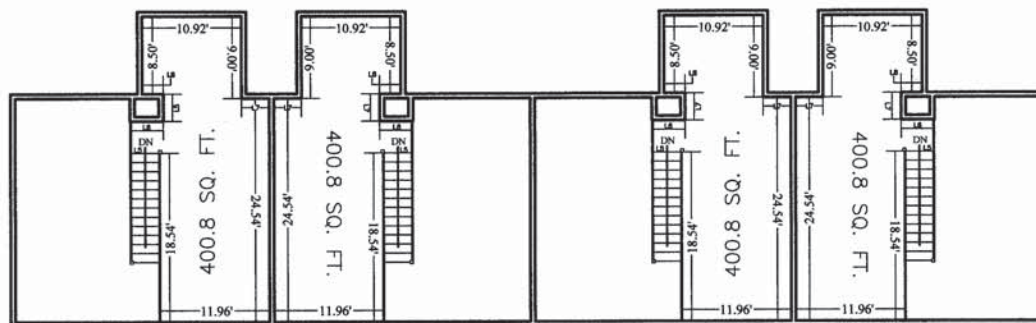
THIRD FLOOR PLAN  
NOT YET COMPLETED



NOTES:

1. INTERIOR DIMENSIONS WERE OBTAINED FROM ARCHITECTURAL PLANS.
2. ELEVATIONS WERE OBTAINED FROM PLANS, PREPARED BY LOTTIS & ASSOC.
3. ALL BALCONIES ARE LCE (LIMITED COMMON ELEMENTS) TO THE UNITS THAT THEY ARE ATTACHED TO.
4. ALL STAIRWELLS ARE GCE (GENERAL COMMON ELEMENTS) TO ALL UNITS.

LOFT FLOOR PLAN  
NOT YET COMPLETED



PLAT OF  
PHASES TWO AND THREE  
FOUNDERS WAY CONDOMINIUM  
CITY OF HARRISONBURG, VIRGINIA  
SCALE 1" = 50'  
OCTOBER 18, 2012

Lottis & Associates, P.C.

Land Surveying - Land Planning  
21 Cambridge Drive \* P.O. Box 1167  
Staats Draft, Virginia 24477  
Phone (540) 337-0012 Fax (540) 337-1455



Exhibit D  
to  
Public Offering Statement

Founders Way Condominium, Phase 3

Budgets  
(See Attached)

D-1: Founders Way Condominium, Inc.

D-2: Liberty Square Owners' Association, Inc.

Exhibit D-1

Founders Way Condominium, Inc.



# Budget By Chart of Account

## Founders Way Condominiums

Friday, February 28, 2020 11:48

### Budget 2020 Founders Way Condos

Date: 1/1/2020 - 12/31/2020

#### Operating

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>INCOME</b>													
4200 Homeowners/Condo A	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
4202 Condo Fees	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	34,560
5705 Interest Income	1	1	1	1	1	1	1	1	1	1	1	1	12
5706 Maintenance Reserve	5	5	5	5	5	5	5	5	5	5	5	5	60
5710 Cable/Internet/Water/€	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	30,240
	6,606	6,606	6,606	6,606	6,606	6,606	6,606	6,606	6,606	6,606	6,606	6,606	79,272
<b>EXPENSE</b>													
6211 Repairs	200	200	200	200	200	200	200	200	200	200	200	200	2,400
6215 Sprinkler/Alarm Syster	33	33	33	33	33	33	33	33	33	33	33	37	400
6235 Roof Repair	50	50	50	50	50	50	50	50	50	50	50	50	600
6245 Snow Removal	500	500	500	0	0	0	0	0	0	0	0	500	2,000
6250 Electrical and Lightiing	50	50	50	50	50	50	50	50	50	50	50	50	600
6275 Siding Repair and Stai	42	42	42	42	42	42	42	42	42	42	42	38	500
6300 Management Fees	200	200	300	300	300	300	300	300	300	300	300	300	3,400
6311 Electricity	167	167	167	167	167	167	167	167	167	167	167	163	2,000
6317 Water/Sewer	850	850	850	850	850	850	850	850	850	850	850	850	10,200
6318 Telephone/Cable/Inter	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	20,520
6323 Umbrella Liability Polic	1,878	0	0	1,878	0	0	1,878	0	0	1,878	0	0	7,510
6360 Security/Alarm Monitor	300	0	0	0	0	0	300	0	0	0	0	0	600
6550 HOA Assessment	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	15,840
6615 Taxes & Licenses	0	0	0	100	0	0	0	0	0	0	0	0	100
6704 Accounting	0	0	0	225	0	0	0	0	0	0	0	0	225
7700 Reserve Study	0	0	3,500	0	0	0	0	0	0	0	0	0	3,500
8000 Capital and Maintenanc	740	740	740	740	740	740	740	740	740	740	740	737	8,877
	8,040	5,862	9,462	7,665	5,462	5,462	7,640	5,462	5,462	7,340	5,462	5,955	79,272

Budget By Chart of Account  
Founders Way Condominiums

Friday, February 28, 2020 11:48

Budget 2020 Founders Way Condos

Date: 1/1/2020 - 12/31/2020

**Operating**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Net Income/(Loss)	(1,433.50)	744.00	(2,856.00)	(1,058.50)	1,144.00	1,144.00	(1,033.50)	1,144.00	1,144.00	(733.50)	1,144.00	651.00	<b>0.00</b>

Income: 79,272

Expense: 79,272

**Total: 0**

Exhibit D-2

Liberty Square Owners' Association, Inc.

# APMS Yearly Budget Detail

## Association & Property Management Services

Properties: Liberty Square Owners' Association - PO Box 2182 Harrisonburg, VA 22801

Period Range: Jan 2020 to Dec 2020

Consolidate: No

GL Account Map: None - use master chart of accounts

Account Name	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Total
<b>Liberty Square Owners' Association - PO Box 2182 Harrisonburg, VA 22801</b>													
<b>Income</b>													
Homeowners/ Condo Association Assessments	13,420.00	13,420.00	13,420.00	13,420.00	13,420.00	13,420.00	14,640.00	14,640.00	14,640.00	14,640.00	14,640.00	14,640.00	168,360.00
Interest Income	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00
Maintenance Reserve Interest	116.00	116.00	116.00	116.00	116.00	116.00	116.00	116.00	116.00	116.00	116.00	116.00	1,392.00
<b>Total Budgeted Income</b>	<b>13,537.00</b>	<b>13,537.00</b>	<b>13,537.00</b>	<b>13,537.00</b>	<b>13,537.00</b>	<b>13,537.00</b>	<b>14,757.00</b>	<b>14,757.00</b>	<b>14,757.00</b>	<b>14,757.00</b>	<b>14,757.00</b>	<b>14,757.00</b>	<b>169,764.00</b>
<b>Expense</b>													
General Maintenance and Repairs	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	4,800.00
Painting	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
Snow Removal	4,500.00	5,000.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00	16,000.00
Electrical and Lighting Maintenance and Repair	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Landscaping/ Mowing contract	2,925.00	2,925.00	2,925.00	2,925.00	2,925.00	2,925.00	2,925.00	2,925.00	2,925.00	2,925.00	2,925.00	2,925.00	35,100.00
Landscaping- Shrubbery, Plants, Mulch	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Grounds and Landscaping Cleanup	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Fertilization/ Weed control	0.00	0.00	0.00	1,775.00	0.00	0.00	0.00	0.00	0.00	1,775.00	0.00	0.00	3,550.00
Parking Lot Repair and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	9,000.00	0.00	0.00	0.00	0.00	0.00	9,000.00
Fence Repair	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
Pressure Washing/ Vinyl Cleanup	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	1,500.00
Sign Repair and Installation	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00
Management Fees	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	1,700.00	20,400.00

## APMS Yearly Budget Detail

Account Name	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Total
Electricity	505.00	505.00	505.00	505.00	505.00	505.00	505.00	505.00	505.00	505.00	505.00	505.00	6,060.00
Water/ Sewer/ Stormwater Fees	0.00	0.00	0.00	702.00	0.00	0.00	0.00	0.00	0.00	0.00	702.00	0.00	1,404.00
Umbrella Liability Policy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,700.00	0.00	1,700.00
Trash Disposal	1,776.00	1,776.00	1,776.00	1,776.00	1,776.00	1,776.00	1,776.00	1,776.00	1,776.00	1,776.00	1,776.00	1,776.00	21,312.00
Grounds Cleanup	560.00	560.00	560.00	560.00	560.00	560.00	560.00	560.00	560.00	560.00	560.00	560.00	6,720.00
Large Item Disposal	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Website Maintenance	0.00	0.00	0.00	0.00	60.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.00
Fees & Licenses	0.00	0.00	125.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00
Accounting	0.00	0.00	250.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	250.00
Federal and State Income Tax	0.00	0.00	0.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.00
Reserve Fund Capital Improvements	208.34	208.34	208.34	208.34	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	2,500.00
<b>Total Budgeted Expense</b>	<b>13,224.34</b>	<b>13,724.34</b>	<b>13,599.34</b>	<b>11,551.34</b>	<b>8,784.33</b>	<b>9,224.33</b>	<b>19,224.33</b>	<b>8,724.33</b>	<b>8,724.33</b>	<b>10,499.33</b>	<b>11,126.33</b>	<b>10,724.33</b>	<b>139,131.00</b>
Total Budgeted Income	13,537.00	13,537.00	13,537.00	13,537.00	13,537.00	13,537.00	14,757.00	14,757.00	14,757.00	14,757.00	14,757.00	14,757.00	169,764.00
Total Budgeted Expense	13,224.34	13,724.34	13,599.34	11,551.34	8,784.33	9,224.33	19,224.33	8,724.33	8,724.33	10,499.33	11,126.33	10,724.33	139,131.00
<b>Net Operating Income</b>	<b>312.66</b>	<b>-187.34</b>	<b>-62.34</b>	<b>1,985.66</b>	<b>4,752.67</b>	<b>4,312.67</b>	<b>-4,467.33</b>	<b>6,032.67</b>	<b>6,032.67</b>	<b>4,257.67</b>	<b>3,630.67</b>	<b>4,032.67</b>	<b>30,633.00</b>

Exhibit E  
to  
Public Offering Statement

Founders Way Condominium, Phase 3

Declaration of Condominium  
(See Attached)

E-1: Declaration of Condominium and related Amendments

E-2: Assignment of Declarant Rights

Exhibit E-1

Declaration of Condominium and related Amendments

ROCKINGHAM COUNTY  
Chaz W. Evans-Haywood  
CLERK OF COURT  
Harrisonburg, VA 22801



60 2010 00023452

Instrument Number: 2010-00023452

As  
Declaration

Recorded On: August 26, 2010

Parties: FOUNDERS WAY LLC  
To  
NO GRANTEE

Recorded By: LENHART OBENSHAIN

Num Of Pages: 63

Comment:

**\*\* Examined and Charged as Follows: \*\***

Declaration	6.50	31 or More Pages	48.50	Plat larger than legal	80.00
Recording Charge:	135.00				

**\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\***

I hereby certify that the within and foregoing was recorded in the Register of Deeds Office For ROCKINGHAM COUNTY, VA

**File Information:**

**Record and Return To:**

Document Number: 2010-00023452  
Receipt Number: 179028  
Recorded Date/Time: August 26, 2010 09:39:20A  
Book-Vol/Pg: BK-OR VI-3752 Pg-278  
Cashier / Station: A Pittman / Cash Station 3

LENHART OBENSHAIN  
90 NORTH MAIN ST  
SUITE 201  
HARRISONBURG VA 22801



THE STATE OF VIRGINIA }  
COUNTY OF ROCKINGHAM }

I certify that the document to which this authentication is affixed is a true copy of a record in the Rockingham County Circuit Court Clerk's Office and that I am the custodian of that record.

CLERK OF COURT  
ROCKINGHAM COUNTY, VIRGINIA



VE&amp;Z

Doc Bk

Vol

Page of Pages

00023452 OR

3752

278

63

## DECLARATION OF CONDOMINIUM

Aug 26, 2010

OF

## FOUNDERS WAY CONDOMINIUM

THIS DECLARATION OF CONDOMINIUM (as amended from time to time, the "Declaration") is made as of August 25, 2010, by FOUNDERS WAY LLC, a Virginia limited liability company (together with its successors and assigns, "Declarant").

**RECITALS**

A. Declarant owns all that certain tract or parcel of land with all buildings and improvements thereon and appurtenances thereto belonging, situated lying and being at the intersection of Oriole Lane and Founders Way in the City of Harrisonburg, Virginia, being City of Harrisonburg Tax Parcel 31-O-1 comprised of 6.455 acres, more or less. Declarant desires to submit to condominium form of ownership a portion of such land, which portion is comprised of 0.690 acres as more fully described on Exhibit A-1 hereto and further described on the condominium map attached as Exhibit B hereto (the "Property"). The 6.305-acre balance of such land which is not within the boundaries of the Property constitutes Expansion Property under this Declaration and may be added to the Condominium at a later time as herein provided.

B. Pursuant to the Condominium Act of the Commonwealth of Virginia, Va. Code §§ 55-79.39, et. seq., as amended (the "Act"), Declarant desires to create a condominium on the Property.

**ARTICLE ONE**  
**DECLARATION**

1.1 Declaration and Name. The Declarant hereby creates a condominium named "Founders Way Condominium" on the Property, submits the Property to condominium form of ownership under and in accordance with the Act, and declares that the Property shall be held, sold and conveyed subject to the covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions of this Declaration. The terms "Founders Way Condominium" and "the Condominium" are used interchangeably in this Declaration and are synonymous.

1.2 Covenants Running with the Land. All covenants, conditions, restrictions, reservations, easements, charges, liens and other provisions of this Declaration are covenants running with the land, or equitable servitudes, as the case may be. The obligations, burdens and benefits created by this Declaration shall bind and inure to the benefit of the Declarant, the Unit Owners (as defined below), the Association (as defined below), all other parties having any right, title or interest in the Property or any portion thereof and their respective successors, assigns, heirs, devisees, executors, administrators and personal representatives.

**ARTICLE TWO**  
**CONDOMINIUM PROPERTY DESCRIPTION**

Attached as Exhibit A-1 is a metes and bounds description of the Property submitted to the condominium by this Declaration. The condominium plats and plans submitted herewith are attached as Exhibit B to this Declaration. Attached as Exhibit A-2 is a metes and bounds description of the Expansion Property which may (or may not) be added to the Condominium by expansion as herein provided.

**ARTICLE THREE**  
**DEFINITIONS**

As used in this Declaration, the following terms are defined as follows, which definitions shall prevail as the context requires, regardless of whether capitalized when used:

"Act" means the Condominium Act of the Commonwealth of Virginia, Va. Code §§ 55-79.39, et. seq., as amended.

"Articles of Incorporation" means the Articles of Incorporation of the Association to be filed with the State Corporation Commission, as amended in accordance with their terms.

"Assessment" means a share of the funds required for the payment of Common Expenses that is assessed against the Unit Owners from time to time, and also all other amounts lawfully charged to Unit Owners pursuant to the provisions hereof or of the Act including but not limited to special assessments and default assessments.

"Association" means Founders Way Condominium Association, Inc., a Virginia corporation, which is the entity responsible for the management of the Condominium as provided in the Condominium Instruments.

"Board" or "Board of Directors" means the Board of Directors of the Association responsible for the administration of the Association.

"Building" means the structures designated as Condominium buildings on the Plat. The Condominium is initially comprised of one Building, but if expanded may include multiple buildings.

"Bylaws" mean the Bylaws of the Association, as they exist from time to time. The initial Bylaws are attached to and recorded with this Declaration as Exhibit C.

"Common Elements" means all portions of the Property other than the Units. All of the areas referred to on Exhibit B or in this Declaration as a "General Common Element" or a "Limited Common Element" are Common Elements.

"Common Expenses" means all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation and/or maintenance of reserves pursuant to the provisions of the Condominium Instruments.

"Common Profits" means the excess of all receipts of the Association, including but not limited to, assessments, rents, profits and revenues on account of the Common Elements, in excess of the amount of Common Expenses. None are currently planned.

"Condominium" means that form of ownership of real property that is created pursuant to the laws of the Commonwealth of Virginia and that is comprised of Units that may be owned by one or more persons, and in which there is appurtenant to each Unit an undivided share in the Common Elements. The term also means Founders Way Condominium as established by this Declaration.

"Condominium Instruments" is a collective term referring to this Declaration, the Bylaws, the Articles and plats and plans, recorded pursuant to the provisions of the Act, and rules and regulations adopted by the Association as provided herein. Any exhibit, schedule, or certification accompanying or recorded with a Condominium Instrument shall be deemed an integral part of that Condominium Instrument. Any amendment or certification of any Condominium Instrument shall, from the time properly adopted and if applicable, recorded in the land records, be deemed an integral part of the affected Condominium Instrument, so long as such amendment or certification was made in accordance with the provisions of the Act and this Declaration.

"Declarant" means Founders Way LLC, a Virginia limited liability company, duly organized under the laws of the Commonwealth of Virginia, its successors and any person or entity to whom it may transfer any Special Declarant Right.

"Declaration" means this instrument and all exhibits attached hereto, as amended and supplemented from time to time.

"Expansion Property" means the real property comprised of 6.305 acres, more or less, described on Exhibit A-2 to this Declaration, which may be added to the Condominium as herein provided.

"Institutional Lender" means a state or federal savings or commercial bank or savings and loan association or trust company, insurance company, real estate investment trust, pension fund, or an agency of the United States Government, mortgage company or like entity holding a mortgage on a Unit, and its successors and assigns.

"Liberty Square Association" means the Liberty Square Owners' Association, Inc., a Virginia nonprofit corporation, which is the property owners association for Liberty Square, a residential community of which the Condominium is a part.

"Liberty Square Covenants" means the Declaration of Covenants, Conditions, Reservations and Restrictions for Liberty Square, which are of record in the Office of the Clerk of the Circuit Court of Rockingham County in Deed Book 2698, page 787, as amended and supplemented as of the date hereof and from time to time.

"Limited Common Element" means a portion of the Common Elements reserved by this Declaration or by operation of the Act for the exclusive use of one or more but less than all of the Units. Any area referred to on Exhibit B as a "Limited Common Element" is a Limited Common Element, including but not limited to patios and balconies, mechanical and storage rooms accessible from patios and balconies, exterior windows, and exterior unit entry doors.

"Occupant" means any person or persons other than the Unit Owner in actual possession of a Unit.

"Period of Declarant Control" is the period beginning on the date of recordation in the real property records of this Declaration and ending on the earlier of (i) the date when Units to which three-fourths (3/4ths) of the undivided interests in the Common Elements of all Units (including reserved expansion units within the Expansion Property) appertain have been conveyed by Declarant to Unit Owners other than Declarant, (ii) the fifth annual anniversary of the date of recordation of the deed conveying the first Unit in the Condominium to a Person other than Declarant, or (iii) the date specified by the Declarant in a notice to the Association that Declarant is relinquishing the rights reserved by the Declarant to control the Association.

"Person" means a person, corporation, limited liability company, partnership, association, trust, or other entity that may legally hold title to real property.

"Plats" and "Plans" mean the plats and plans for the Condominium attached hereto as Exhibit B, as required by the Act, as they may be amended or supplemented from time to time in accordance with this Declaration and the Act.

"Property" has the meaning given to it in Recital A on the first page hereof and is more particularly described on Exhibit A-1 to this Declaration.

"Rules and Regulations" means those general rules pertaining to Founders Way Condominium and binding upon Unit Owners as the Association may adopt from time to time.

"Special Declarant Rights" means any right or combination of rights reserved by or granted to the Declarant in this Declaration or by the Act with respect to the Condominium, and includes the rights so defined by the Act.

"Unit" means a portion of the Condominium designed and intended as a unit for individual ownership and use, together with the undivided interest in the Common Elements appertaining to that Unit.

"Unit Owner" or "Owner" means one or more Persons (including the Declarant) who own(s) fee simple title to a Condominium Unit.

**ARTICLE FOUR**  
**INTEREST IN COMMON ELEMENTS, OWNERSHIP**  
**AND BOUNDARIES OF UNITS**

4.1 Interest in Common Elements. The undivided interests in the Common Elements are allocated among the Units on an equal basis. Accordingly, each Unit Owner shall own, as an appurtenance to his Unit, an undivided interest in the Common Elements equal to 1/12. Upon expansion of the Condominium as herein provided to include the Expansion Property or any part of the Expansion Property, the Interest in Common Elements will be reallocated among all the Units on an equal basis determined based on the number of Units then subject to this Declaration. Except as provided upon expansion of the Condominium or division of Units by Declarant under Section 4.5 below, it shall require unanimous consent of all Unit Owners to change the percentage of undivided interest of Units. No Unit Owner shall bring an action for partition or division of his undivided interest in the Common Elements so long as the Condominium is in effect.

4.2 Units. Each of the Units is to be situated within a Building, will be referenced by its Unit number as shown on the Plats and Plans, and will have the street address of: 1290 Constitution Drive, Unit \_\_\_\_, Harrisonburg, Virginia. The street number "1290" applies to the first building only; if the project is expanded to include some or all of the Expansion Property, then future buildings will have a different street number.

4.3 Boundaries of Units.

(a) The boundaries of each Unit are the interior unfinished surfaces of the perimeter walls, floor, ceiling, doors and windows of the Unit. All lath, furring, wallboard, plasterboard, plaster, paneling, tile, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces of the walls, floor and ceiling are part of the Unit, and all other portions of the walls, floor and ceiling are part of the Common Elements.

(b) All spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are part of the Unit, except that any utility or service infrastructure situated within a Unit but serving more than that Unit shall be deemed a Common Element.

(c) Notwithstanding any provisions of Article 4 to the contrary, the air conditioning, refrigerating, heating, and electrical lines within the Unit, and the heating/air conditioning unit (heat pump, if any), fan units, water heater, compressor, compressor pads and other apparatus in connection therewith, which serve only one Unit shall be owned by the Unit Owner as a part of the Unit and are not part of the Common Elements. If located outside of the Unit boundaries, any such item shall be a Limited Common Element of the Unit(s) it serves.

(d) In the event that there is a burglar alarm installed for a Unit, it shall be a part of that Unit, and maintenance and replacement shall be the responsibility of the Owner

of that Unit, even if the alarm or parts of it are located so that they would normally be Common Elements. A Unit Owner shall also be responsible for retaining any alarm monitoring or maintenance services desired by the Unit Owner, and the Association has no obligation in that regard.

(e) Unit Owner may relocate the boundaries between Units only in accordance with Section 55-79.69 of the Act.

4.4 Common Elements. In addition to Limited Common Elements designated pursuant to the Act:

(a) All balconies and private porches/stoops and all railings and patios, mechanical rooms and storage rooms accessible from private balconies and porches, and all exterior doors and exterior windows providing access or views to a given Unit shall be Limited Common Elements for the use and benefit of the Unit(s) served and shall be maintained, repaired and replaced by the Unit Owner. All exterior lighting controlled from within a Unit and for the benefit of any balcony or patio serving that Unit shall be a Limited Common Element of that Unit, and shall be maintained, repaired and replaced by the Unit Owner. The Association has the exclusive authority and right to pre-approve the color and decoration of, and otherwise regulate and control the appearance of exterior balconies, patios, porches, railings and exterior windows and doors, to preserve uniformity of the Condominium's exterior features.

(b) Any pipes, ducts, wires, conduits, electrical panels, plumbing, sewer lines, drains, or any utility services or fixture located outside of the boundaries of a Unit but which serve only one Unit shall be a Limited Common Element allocated solely to the Unit served.

(c) Any pipes, ducts, wires, conduits, electrical panels, plumbing, sewer lines, drains, or any utility services or fixture, whether located within or outside of the boundaries of a Unit, which serve more than one Unit, are Common Elements.

(d) Party walls shared by more than one Unit shall be Limited Common Elements of the Units sharing or supported by such wall.

(e) The furnace room and equipment for each Unit, situated within the mechanical room accessible from the patio or balcony of each Unit, shall be a Limited Common Element of that Unit, and the Unit Owner shall be solely responsible for all required maintenance, repair and replacement.

(f) Any attic space located in the Building shall be a General Common Element of the Units.

(g) Each Unit will have two assigned parking spaces within the surface parking area on the Property. The parking spaces assigned to a given Unit at any given time shall be for the exclusive use of the designated Unit, and shall be common areas of Liberty Square Covenants maintained by the Liberty Square Association.

(h) General Common Elements may not be converted to Limited Common Elements, and Limited Common Elements may not be converted to General Common Elements, unless such change is approved by the Board of Directors of the Association, the Owner of the Unit to which the affected Limited Common Element is or will be appurtenant and by a majority of the votes allocated to other Units. Any such change must be documented by a recorded amendment to the Declaration.

(i) If any Limited Common Elements to be maintained, repaired and replaced by the Unit Owner are not properly maintained (kept clean, in good repair and in attractive condition on par with the balance of the Condominium, and replaced in whole or in part, as needed) by the Unit Owner, then the Association, after notice giving the Unit Owner a reasonable opportunity to do the work (not to exceed 15 days unless extended by the Association), may have the work performed and may assess the cost, plus a 20% overhead charge, to the Unit Owner. This may be collected as other assessments are collected. With respect to balconies or patios, exterior windows and other similar Limited Common Elements which are visible from the outside of Units and as to which uniformity is important, the Association may by action of its Board of Directors elect to perform periodic painting or other maintenance and repair work for all of such Limited Common Elements at the same time, assessing the cost of such work to the Unit Owners as part of the annual budget or by special assessment as provided in this Declaration.

4.5 Right to Subdivide; Timeshares. Declarant reserves the right to alter the interior design of all Units as long as Declarant owns the Units so altered, and Declarant reserves the right to relocate boundaries and to subdivide Units pursuant the Act. Declarant shall collaterally reapportion, if necessary, the shares of ownership in the Common Elements appurtenant to the Units concerned. Except as permitted by this Section no Unit may be divided or subdivided into more than one Unit. No Unit may be submitted to timeshare or similar form of ownership.

4.6 General Common Elements. The General Common Elements of the Condominium include, without limitation, water, sewer and other utility lines serving the Building or the Common Elements (other than those serving only an individual Unit or part of the public utility system); "house" meters for electric service to the common areas; collective water and sewer meters; central utility systems and control rooms; the roof of the condominium building and all shared plumbing, electrical, heating, cooling, communications and structural systems. If the Association acquires or leases a Unit to use as a management office (neither of which is contemplated at the time of recordation of this Declaration), then that Unit shall be deemed a General Common Element. Note that parking areas, landscaping, sidewalks and similar areas associated with access to and use of the Condominium are General Common Elements under this Declaration, but also under the terms of the Liberty Square Covenants which are managed by the Liberty Square Association.)

4.7 Maintenance of Common Elements Generally. All of the Common Elements shall be maintained by the Association, except for those Limited Common Elements to be maintained by the Unit Owners under this Declaration or the Act.

4.8 Parking. Each Unit shall nonetheless be allocated parking spaces for the convenience of the Unit Owner as more particularly described in Section 4.4(g) above, and no Unit Owner shall park in the parking space assigned to any other Unit. Parking on the Common Elements shall be controlled by the Rules and Regulations of the Liberty Square Association. No recreational vehicle, boat, bus, utility trailer, truck over 3/4 ton or commercial vehicle, except a truck or van or the equivalent not over 3/4 ton and used as a principal means of transportation to work, shall be kept or placed, maintained, constructed, reconstructed, or repaired upon the Property, unless written approval from the Association is obtained in advance (which approval is discretionary and may be withheld). This paragraph shall not apply to construction vehicles or equipment during the course of permitted construction on the Property, or vehicles of Declarant, the Association, the Liberty Square Association or their respective agents.

4.9 Trash. All trash disposal shall be in compliance with the Rules and Regulations and with applicable law as the same are in effect from time to time. No trash may be kept or stored on any balcony, patio or other exterior area of the Condominium, except in areas designated for that purpose by the Association or the Liberty Square Association. First time non-compliance shall result in a written "warning". Any subsequent non-compliance shall result in a fine, after notice and an opportunity to be heard if and as required by the Act.

4.10 Mailboxes. Each Unit Owner shall be responsible for repair of any damage to his mailbox. The Association has the exclusive authority to paint and decorate and otherwise regulate and control the appearance of the mailboxes and the mailbox structure, and no Unit Owner may paint, decorate or otherwise modify the appearance or style of his mailbox.

## **ARTICLE FIVE** **EASEMENTS**

5.1 Easement Affecting Common Elements. The Common Elements are hereby declared to be subject to a perpetual nonexclusive easement in favor of the Association, Declarant and all of the Unit Owners in the Condominium for their use and the use of their agents, guests, family or other invitees for all proper and normal purposes, including the providing of services for the benefit of all Units. Every Unit Owner has a right and easement of enjoyment in and to the Common Elements, which right and easement shall be appurtenant to and shall pass with title to each Unit (but may not be transferred apart from transfer of title to a Unit), subject to the Rules and Regulations, the right of the Association to subject the Common Elements to a mortgage or other security interest in accordance with the Condominium Instruments and the Act, and the rights, easements, and Special Declarant Rights set forth in this Declaration. The foregoing easement with respect to Limited Common Elements shall apply only to the Unit or Units benefited by such Limited Common Elements, and it is not intended to create a right of use or enjoyment to any Limited Common Element in favor of Unit Owners whose Units are not intended to be benefited thereby.



5.2 Easement for Unintentional and Non-Negligent Encroachments. In the event that any Unit, Common Element, or Limited Common Element shall encroach upon any other Unit, Common Element, or Limited Common Element, for any reasons other than the purposeful act of any person done with the intention to encroach, then an easement appurtenant to such shall exist for so long as such encroachment shall naturally exist and so long as it does not unreasonably interfere with the use of such other Unit, Common Element, or Limited Common Element. If any part of the initial improvements that are a part of a Unit encroach as stated in this paragraph, it shall be deemed that such encroachment was not a "purposeful act" done with the intention to encroach and does not unreasonably interfere with the use of the other Unit.

5.3 Utility Easements. Utility easements are hereby created through the Property, including the land portion of Units, for construction and maintenance of utility services to the Units, the Limited Common Elements and the Common Elements, and for maintaining, repairing, servicing and replacing the same as required by this Declaration. Declarant expressly reserves an easement for use and connection to all utility lines and conduits on the Property as necessary for development and use of the Expansion Property, whether as part of the Condominium or otherwise. No utility or service lines or appurtenances may be installed or located within these easements except as designed, approved and constructed by Declarant or approved by the Association. The General Common Elements are hereby further made subject to easements for the benefit of the Association for the purpose of installation, maintenance, repair and replacement of lights, signs, landscaping and other improvements for the benefit of the Condominium as determined by the Association. After any such work, the Association shall restore the property reasonably close to the condition it was in prior to such work being done. It is acknowledged that patching of paving may have to be done.

Each Owner of a Unit shall have an easement, hereby reserved, for the continued existence and use of all utility lines within the building which are in place and serving that Unit at the time of construction of such Unit by Declarant, and which are necessary to provide utility service to such Unit. The Association shall have an easement for the maintenance, clearing, repair and replacement of such lines and facilities. This easement shall include the right to enter Units upon reasonable notice with consideration being given to the convenience of the Unit Owner. The Association may also enter a Unit for such purposes without notice in the event of absolute necessity brought about by an emergency, such as running water, electrical problem, sewer blockage, storm damage, or the like, which affects or may affect one or more other Units. These obligations and the right to use this easement to carry them out may be delegated by the Association from time to time.

5.4 Ingress and Egress. A non-exclusive easement for ingress and egress is hereby created for the benefit of the Association, Unit Owners and Declarant, and their respective guests and invitees, for pedestrian traffic over, through and across paths, walks, and lanes as the same, from time to time, may exist upon the Common Elements; and for vehicular traffic over, through and across such portions of the Common Elements as, from time to time, may be paved and intended for such purposes. Declarant's rights of access include an easement for itself, its successors and assigns, for access over and through all paved drives and travelways on the Property at any time for purposes of development and

use of the Expansion Property, whether as part of the Condominium or otherwise, including rights of access over and across Constitution Drive for the benefit of the Expansion Property regardless of the use or density of its development.

If, however, the Expansion Property is improved with a building or buildings which are not added to the Condominium and Constitution Drive is a private road or drive, then Declarant and the Association shall enter into a recorded agreement under which the owner(s) of the Expansion Property agree to share in the costs of maintenance, repair and replacement of the shared access improvements being Constitution Drive on a proportional per-unit basis, to ensure that the owner(s) of the Expansion Property pay an equitable share of such costs and expenses attributable to the shared access.

5.5 Emergency Services. Declarant hereby grants a perpetual non-exclusive easement to all police, sheriff, fire protection, ambulance and other similar agencies and persons to enter upon the Property in the performance of their duties.

5.6 Use. The use of any easement by a Unit Owner, its guests and invitees shall be subject to all of the provisions of this Declaration and the Rules and Regulations, as the same may exist from time to time.

5.7 Easement for Regrading. In any instance where the grading of some of the Common Elements or Limited Common Elements needs to be redone, or other work is needed, so that other portions of the Property or Expansion Property will properly drain or otherwise for stormwater management or erosion control purposes, Declarant and the Association shall have an easement across other Property as may be reasonably necessary for such regarding or other work and related access. Declarant or the Association, as may be the case, shall be responsible for the repair of any damage done. The Unit Owners shall not have the right to regrade, or otherwise do any work on the Common Elements and they shall not to do anything that will adversely affect the drainage of any land.

5.8 Easement for Cables, Satellite Service. An easement is hereby reserved, for use by such parties as the Declarant may authorize in writing, across the Property, including the exterior of structures and interior conduits, for the installation, maintenance and repair of fiber optic cables or other similar cables for providing information services of any type to the Units. This section shall be liberally construed to allow such communication and information services as are now available or become available in the future, including but not limited to cable television and internet. Declarant shall have the right to negotiate on behalf of all Owners a central satellite, cable, fiber optic or other telecommunication system to provide for service to all Owners. If such a central service is available to all Owners, then the Association may assess the costs and continuing expense of such installation and service to all Owners as a Common Expense, notwithstanding that one or more Owners may choose not to use the service.

5.9 Recorded Easements. The Property shall be subject to all easements of record in the chain of title to the Property as of the date of recordation of this Declaration, including without limitation easements for utilities as shown on Exhibit D.

**ARTICLE SIX**  
**COMMON EXPENSES, COMMON PROFITS**

Subject to other provisions hereof, each Unit shall share in the Common Profits and be liable for the Common Expenses in the same percentage as the percentage representing the undivided interest of each Unit in the Common Elements, which are equal among all Units. The right to share in the Common Profits does not include the right to withdraw or to require payment or distribution thereof except upon termination and dissolution of the Condominium. Notwithstanding the foregoing, (i) any Common Expenses paid or incurred in making available paid subscription cable television, satellite television, internet or other similar service to some or all of the Unit Owners shall be assessed equally against the Units involved, (ii) "house" meters attributable to utility services to Common Elements will be assessed equally against all Units, (iii) water and sewer service will not be separately metered, and will be arranged by the Association and assessed against the Unit Owners on a proportionate basis as determined by the Board of Directors from time to time (which may elect to assess a larger share to those Units having more bathrooms and/or more occupants); and (iv) any Common Expenses paid or incurred in providing utility services to some or all of the Units shall be assessed against, or charged directly to, each Unit involved based upon its actual consumption of such services, or if not separately metered, in such proportions as the Board of Directors determines.

**ARTICLE SEVEN**  
**ADMINISTRATION OF THE CONDOMINIUM**

7.1 The Association. The Association shall administer the operation and management of the Condominium and undertake and perform all acts and duties incident thereto in accordance with the provisions of this Declaration and the Act. The Board of Directors may act for the Association and make all decisions for the Association except where decisions are specifically reserved to the Unit Owners by the Act or by the Condominium Instruments. Easements across the Common Elements may be granted by the Association, but no such easement shall be granted if it will adversely affect the ownership or use of a Unit. Actions provided herein to be the right or responsibility of the Association may be performed or taken by the Association's Board of Directors; provided, however, that the Declarant will retain control of the Association during the Period of Declarant Control.

7.2 Membership. Each Unit Owner shall automatically become a member of the Association upon his acquisition of title to any Unit, which membership shall terminate automatically upon the Unit Owner being divested of title to such Unit, regardless of the means by which such ownership may be divested. No person holding any lien, mortgage or other encumbrance upon any Unit shall be entitled, by virtue thereof, to membership in the Association or to any of the rights or privileges of such membership.

7.3 Powers of Association. In the administration of the Condominium, the Association shall have, and is hereby granted, the authority and power to enforce the provisions of this Declaration, levy and collect assessments in the manner hereafter provided, and to adopt, promulgate and enforce such Rules and Regulations governing the use of the Units and Common Elements as the Board of Directors of the Association (or

Declarant during the Period of Declarant Control) may deem to be in the best interest of the Condominium. The Association shall have all of the powers and duties set forth in the Act. Further, the Association shall have the right, when determined by the Board of Directors (or Declarant during the Period of Declarant Control) to be in the best interest of the Condominium, to grant exclusive licenses, easements, permits, leases or privileges to any Person, including non-Unit Owners, which affect Common Elements and to alter, add to, relocate or improve Common Elements, provided that the rights and the exercise thereof do not violate the requirements of the Act.

7.4 Reports to Lenders. So long as an Institutional Lender is the owner or holder of a mortgage or deed of trust encumbering a Unit in the Condominium, the Association shall, upon written request, furnish said Institutional Lender with one copy of the annual financial statement and report of the Association pertaining to the Unit upon which the mortgage is held, or if so requested, an audited financial statement of the Association for the immediately preceding fiscal year, within a reasonable time. The holder, insurer or guarantor of the mortgage on any Unit shall be entitled, upon written request to the Association stating, specifically, the Unit number it has a mortgage on, to timely written notice of (i) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its mortgage, (ii) any 60-day delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds the mortgage, (iii) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and (iv) any proposed action that requires the consent of specified percentage of eligible mortgage holders.

7.5 Report to State. At the time when Declarant requests that the Common Interest Community Board return Declarant's bond or letter of credit assuring payment of its assessments to the Association, the Association, promptly within 48 hours after being requested to do so, shall report to the Common Interest Community Board the percentage of Units owned by Declarant and the status of Declarant's payment of assessments. This report shall not be withheld or delayed for any reason.

7.6 Insurance Reporting. In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Unit Owners, the Association shall give notice of the exposure within a reasonable time to all Unit Owners who may be exposed to the liability and they shall have the right to intervene and defend. A copy of each insurance policy obtained by the Association shall be made available for inspection by Unit Owners at reasonable times.

7.7 Voting. The voting of each Unit Owner shall be governed by the provisions of the Bylaws. The Bylaws may provide that no Unit Owner in default in the payment of assessments or in the performance of such Unit Owner's obligations hereunder may vote.

7.8 Management Agreement. The Association (or during the Period of Declarant Control, Declarant) may enter into an agreement with an appropriate Person or Persons for the administration, maintenance and repair of the Property and the management of the business of the Association, and may delegate to such contractor or manager such of the powers and duties of the Association as the Association and such Person agree. Any

management agreement entered prior to the expiration of the Period of Declarant Control shall be for a period not to exceed two years, and shall provide for termination by the Association in accordance with the requirements of the Act.

## **ARTICLE EIGHT**

### **USE AND OCCUPANCY**

8.1 Residential Use. All Units shall be used, improved and devoted exclusively to residential use. No trade or business may be conducted in any Unit or from any Unit, except that an Owner or Occupant may conduct a business activity within a Unit so long as: (a) it complies with all applicable zoning and other laws; (b) the existence or operation of the business is not apparent or detectable by sight, sound or smell from outside the Unit; (c) the business activity does not involve non-resident persons coming to the Unit or the door-to-door solicitation of Unit Owners; and (d) the business activity is consistent with the residential character of the Condominium and does not constitute a nuisance or a hazardous or offensive use or threaten the security or safety of other residents, as determined by the Board of Directors of the Association in its sole discretion. The term "business activity" shall be construed to have its generally accepted meaning, and shall include, without limitation, any occupation, work or activity which involves providing goods or services to others for a fee or other consideration, regardless of whether it is full or part time, generates a profit or is a licensed activity. Notwithstanding the foregoing, Declarant may use one or more Units as a sales office for the leasing and sale of Units, and any Unit may serve as a management office for the Association.

8.2 Occupancy Restrictions. The maximum number of Occupants per Unit may be regulated by the Rules and Regulations. In addition to any restrictions in the Rules and Regulations, no bedroom within any Unit may be occupied by more than two persons unless the Board of Directors of the Association approves, in writing, a variance from this restriction, which may be granted or withheld in its sole discretion. There are no age or unrelated person restrictions on occupancy.

8.3 Leasing and Investment Ownership.

(a) It is intended that the Condominium comply with the principal dwelling requirements and investment ownership thresholds necessary to facilitate availability of reasonable mortgage terms to Unit Owners, by ensuring compliance with the requirements of the secondary mortgage market (such as Fannie Mae and Freddie Mac). To that end, no lease of a Unit shall be effective unless: (a) the lease is in writing, (b) a copy of the lease is provided to the Association at least ten calendar days prior to its execution (unless this requirement is waived by the Board in its discretion), (c) the lease is for a term longer than thirty (30) days (or if required to meet the requirements of Institutional Lenders for HUD, VA or similar financing and so adopted by the Board or Declaration, a minimum lease term of six months), and (d) the lease includes the provisions required by paragraph (b) below. The Association shall track the number of leases in effect for Condominium Units, and if the number of leased Units reaches the investor-owner threshold set from time to time by the secondary mortgage market, the Board may impose a temporary restriction on further leasing of Units to ensure that reasonable mortgage terms remain available. The Association

shall promptly notify the Unit Owners of the adoption of any such restriction. During the term of such restricted period, Unit Owners desiring to lease Units shall notify the Association to be placed on a waiting list to establish priority for obtaining "investor owned" status for a Unit based on changed circumstances over time.

During any period of temporary leasing restriction, the Board shall have the authority to grant a variance and permit the lease of a Unit, in its absolute discretion. If a variance is granted, the Board may impose limitations on the term of any such lease, and the grant of a variance for that term shall not constitute approval of any extension or renewal of the lease of that Unit beyond the approved term, and shall not guarantee that future leases of that Unit will be approved. The Association, acting through its Board of Directors, may elect not to grant variances, or may elect to grant variances only in hardship or other special circumstances; or may elect to grant variances freely to permit leasing even if such leasing exceeds the applicable parameters of the secondary mortgage market guidelines.

Any lease of a Unit that does not comply with this Section shall be void, shall confer no legal rights on the tenant, and shall subject the Unit Owner to liability to the Association, as a special assessment, for its costs and expenses, including attorneys' fees, in addressing matters pertaining to such lease and enforcing the restrictions in this paragraph.

(b) Any lease of a Unit shall grant the Association with the power to terminate the lease or bring summary proceedings to evict the tenant in the name of the Unit Owner after 45 days prior written notice to the Unit Owner in the event of a default by the lessee under the Condominium Instruments. Each Unit Owner of a Condominium Unit shall, promptly following the execution of any lease of a Condominium Unit, forward a conformed copy thereof to the Board of Directors. It shall be the responsibility of the lessor of a Condominium Unit to transfer to his lessees copies of all of the Condominium Instruments. A Unit Owner is ultimately responsible to the Association for a tenant or other Occupant's breach of the terms of the Condominium Instruments.

(c) None of the provisions of this Section shall apply to any Unit owned, initially or re-acquired, by the Declarant or any corporation or entity that is a parent, subsidiary, or affiliate of the Declarant, and said entities may lease any such Units as they deem fit.

8.4 Lawful Use. No person shall use the Condominium Property or any part thereof, in any manner contrary to the Condominium Instruments. No immoral, improper, offensive or unlawful use shall be made of any or all the Condominium Property, and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

8.5 Alteration and Additions by Unit Owner. Other than Declarant, no Unit Owner shall make or permit to be made any alteration, addition or modification to the exterior of his Unit or any Common Element or any structural elements of the Condominium, without the prior written consent of the Association. No Unit Owner other than Declarant shall cause any improvements or changes to be made on the exterior of the Unit, or any change to the interior of the Unit which is visible from the outside of the Unit,

including painting or other decoration, without the prior written permission of the Association and Declarant (so long as Declarant still owns any Units). No Unit Owner other than Declarant shall cause to be made any modification or installation of electrical wiring, antenna systems or connections whether inside or outside the Unit or in any in any manner change the appearance of any portion of the Condominium Property without the written permission of the Association and Declarant (so long as Declarant still owns any Units).

8.6 Nuisances. No nuisance or any use or practice that is the source of unreasonable annoyance to other Unit Owners or which interferes with the peaceful enjoyment and proper use of the Condominium Property is permitted. No Unit Owner or Occupant shall permit or suffer anything to be done or kept upon the Condominium Property or his or her Unit that will increase the rate of insurance on the Condominium.

8.7 Applicability to Declarant. Neither the Unit Owners nor the Association, nor their respective use of the Condominium, shall interfere with the Declarant's development, construction or sale of the Condominium Units. Declarant may use any unsold Unit and the Common Elements to facilitate the sale, development, construction or leasing of any Unit in the Condominium. This shall include the right to use Units for a sales office and/or for model homes.

8.8 Cable, Satellite, Television. Without in any way intending for this provision to limit the authority of the Association or Declarant, Declarant (and after the Period of Declarant Control, the Association) are specifically given the right, subject to the laws governing such matters, to control and regulate the installation and use of cables and satellite dishes for TV reception and for computers, and may negotiate with cable, satellite dish and similar companies for the benefit of all Unit Owners, and may allow the connection to all Units.

8.9 Control of Common Elements; Default Assessments. The Association and the Association's Board of Directors shall have all of the powers allowed by Section 55-79.80 of the Act. This shall specifically include the power to assess charges against any Unit Owner for any violation of the Condominium Instruments or of the Rules or Regulations promulgated pursuant thereto for which such Unit Owner or his agents, guests, family or other invitees are responsible. Before any such charges for violations may be assessed, the Unit Owner shall be given an opportunity to be heard and to be represented by counsel before the Board of Directors or such committee as may be designated by the Board to conduct such hearings. Notice of such hearing shall, at least fourteen days in advance thereof, be hand delivered or mailed by registered or certified United States mail, return receipt requested, to such Unit Owner at the address or addresses required for notices of meeting. The amount of any charges so assessed may be established by the Board of Directors but shall not exceed the maximum permitted by law, and shall be treated as an assessment supported by a lien for enforcement and collection purposes.

**ARTICLE NINE**  
**MAINTENANCE AND REPAIR OF THE CONDOMINIUM PROPERTY;**  
**ALTERATIONS AND IMPROVEMENTS**

9.1 Maintenance by Association. Subject to other provisions hereof, the Association, at its expense, shall be responsible for and shall maintain, repair and replace all of the Common Elements and any Limited Common Elements serving more than one Unit, and shall have an easement hereby reserved, across the Condominium Property, including the land portion, if any, of all Units for all such work, including work done on, above and below the surface of the ground. The maintenance of the building exteriors and balconies shall be done when and to the extent determined by the Association to be necessary to maintain the appearance and condition of the Buildings. Replacement of windows, all exterior painting, and maintenance or repair/replacement of the mailboxes and other Common Elements shall be within the sole discretion and control of the Association, subject to the payment obligations of Unit Owners as provided herein.

9.2 Maintenance by Unit Owner.

(a) Each Unit Owner shall, subject to the other provisions of this Declaration, maintain, repair, and replace, at his expense, all portions of his Unit and any Limited Common Elements appurtenant only to such Owner's Unit, except that as provided in Sections 9.1 and 4.4, the Association will paint and repair/replace exterior surfaces, including balconies and exterior windows and doors, at the Unit Owners' expense. The Board shall determine, in its discretion, when any of the work that is the Association's responsibility will be done.

(b) Whenever a Unit Owner is required by the Declaration or the Rules and Regulations to maintain, repair or replace a portion of the Unit or a Limited Common Element appurtenant to the Unit, and the Owner fails to do such work within a reasonable time not to exceed fifteen (15) days after receipt of written notice from the Association, the Association may cause the work to be done and the cost thereof, together with a 20% overhead charge, to be assessed against the Unit Owner. Such assessment shall be payable immediately.

(c) Unit Owners shall exercise caution and due care with regard to any work within a Unit, and acknowledge that walls within the Condominium contain wires, conduit and other utility facilities. A Unit Owner shall be responsible for repairing any damage caused to any such facilities as a result of any work performed by or at the direction of such Unit Owner. No Unit Owner may perform or cause to be performed any work or improvements to a Unit which would compromise the fire rating of the Condominium.

(d) Without limitation to any other requirement of the Condominium Instruments, each Unit Owner shall promptly repair any water leaks and otherwise keep, maintain and use his or her Unit so as to prevent mold, water damage or other damage to any Unit or Common Elements arising from standing water or water leaks.



(e) A Unit Owner shall be responsible for any damage caused to other Units or Common Elements as a result of that Unit Owner's failure to comply with his or her maintenance obligations under this Section 9.2.

(f) Any changes to or replacement of appliances, fireplaces or other mechanical equipment by a unit owner must meet the specifications and utility demands of the original equipment being replaced (including but not limited to maximum BTUs for fireplaces, gas ranges and hot water heaters (which cannot exceed that of existing item being replaced) and venting requirements for fireplaces and clothes dryers) as well as all applicable building codes.

9.3 Liability of Unit Owner. Should a Unit Owner undertake unauthorized additions and modifications to his Unit, or refuse to clean, maintain, paint and make repairs as required, or should a Unit Owner or a Unit Owner's agents, guests, family or other invitees cause any damage to the Common Elements or another Unit, the Association may undertake such repairs, painting, replacements or maintenance, and levy a special assessment for the cost thereof, including a 20% overhead assessment, against said Unit Owner. In the event a Unit Owner threatens to violate or does violate the provisions of the Condominium Instruments or the Rules and Regulations, the Association shall also have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof. No Unit Owner shall have liability for injuries to another person that occur on the Common Elements solely by reason of such Unit Owner's ownership interest in the Common Elements.

9.4 Insurance Proceeds. Whenever any maintenance, repair and replacement of any items for which a Unit Owner is responsible is made necessary by any loss covered by insurance maintained by the Association which is not covered by insurance maintained by the Unit Owner responsible for such damage, the proceeds of the insurance received by the Association shall be used for the purpose of accomplishing such maintenance, repair or replacement. The Unit Owner shall be required to pay all of the costs thereof that exceed the amount of the insurance proceeds actually received by the Association.

9.5 Right of Entry. Whenever it is necessary to enter any Unit for the purpose of inspection, including inspection to ascertain a Unit Owner's compliance with the provisions of this Declaration, or for performing any cleaning, maintenance, alteration or repair to any portion of the Common Elements or Unit, the Unit Owner shall permit an authorized agent of the Association to enter such Unit provided that such entry shall be made only at reasonable times and with reasonable advance notice. In the case of emergency such as, but not limited to, fire, flood or running water, entry may be made into a Unit without notice or permission. Each Unit Owner does hereby appoint the Association as his agent for the purpose provided in this Section 9.5 and agrees that the Association shall not be liable for any alleged property damage or theft caused or occurring on account of any such entry.

**ARTICLE TEN**  
**APPORTIONMENT OF ASSESSMENTS**

10.1 Real Property Taxes and Special Tax Levies. Each Unit shall constitute a separate parcel for purposes of real property taxation, and the assessed value of such Unit shall include its appurtenant undivided interest in the Common Elements. If any taxing authority levies or assesses any tax or special assessment against the Condominium Property as a whole, and not the individual Units, the same shall be paid as a Common Expense by the Association and assessed to the Unit Owners. In such event, the amount due shall constitute a lien prior to all mortgages and encumbrances upon any Unit to the same extent as though such tax or special assessment had been separately levied by the taxing authority upon each Unit.

10.2 Personal Property Taxes. All personal property taxes levied or assessed against personal property owned by the Association shall be paid by the Association and shall be a Common Expense. Each Unit Owner shall be responsible for all personal property taxes attributable to the property of that Unit Owner.

**ARTICLE ELEVEN**  
**INSURANCE**

The insurance that shall be purchased and maintained for the benefit of the Condominium shall be governed by the following provisions:

11.1 Purchase of Insurance. Except as expressly provided otherwise, all insurance purchased pursuant to this Article 11 shall be purchased by the Association for the benefit of the Association, in its own right and as agent for the Unit Owners and their respective mortgagees, as their interests may appear, and shall provide for the issuance of certificates of insurance and mortgagee endorsements to any or all of the holders of first mortgages. If the Board elects to obtain such policy with a waiver of the insurer's rights of subrogation against Unit Owners and the Association, then each Unit Owner and the Association are hereby deemed to waive any claim against each other and against other Unit Owners for any loss or damage for which insurance hereunder is carried where the insurer has waived its rights of subrogation, but such waiver shall apply only to the extent of actual insurance proceeds received. All insurance obtained by the Association shall conform in all respects to the requirements of VA or HUD to the extent necessary to ensure their respective financing programs are available for the finance of Units.

11.2 Costs. The cost of obtaining all insurance pursuant to this Article 11, excluding only the insurance as may be purchased by individual Unit Owners, is declared to be a Common Expense, as are any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof.

11.3 Coverage. The following coverage shall be obtained by the Association:

(a) Property insurance on the Common Elements and Units, as well as all personal property owned by the Association (excluding however improvements and

betterments installed in Units by Unit Owners, appliances and personal property of Unit Owners) in an amount equal to the maximum insurable replacement cost thereof (exclusive of excavations and foundations) as determined annually by the Association in consultation with qualified professionals. Said coverage shall afford protection against loss or damage by fire and other hazards, as determined by the Associations, including, but not limited to, vandalism. Damage to a Unit that is under the per-Unit deductible of the Association's policy shall be the Unit Owner's responsibility. The Association, after consultation with the professional management company managing the Association, may select different deductibles for Common Element losses versus losses to Units.

(b) Comprehensive general liability insurance in such an amount and in such form as shall be required by the Association in limits of not less than \$1,000,000 for bodily injury or death to any person, not less than \$1,000,000 for bodily injury or death resulting from any one accident or occurrence, and not less than \$1,000,000 for property damage (which coverages may be obtained under umbrella policies). All liability insurance shall contain cross liability endorsements to cover liabilities of the Unit Owners as a group to an individual Unit Owner, if such endorsements are reasonably available, and such other endorsements or coverages as the Association deems advisable.

(c) Fidelity insurance or fidelity bond coverage, or the equivalent, shall be obtained in such an amount and in such form as required by the Condominium Act. Such coverage shall afford protection against dishonest acts on the part of directors, trustees, employees or volunteers responsible for handling funds belonging to, or to be administered by, the Association. Such coverage shall also be obtained as to managers and managing agents.

(d) Workers' compensation policies shall be obtained to meet the requirements of law, if applicable.

(e) Such other insurance as the Association may determine to be necessary from time to time, or as may be required by law.

(f) Officers and directors liability insurance in such limits as the Board of Directors may determine from time to time.

Such insurance shall be primary, and shall not be brought into contribution with insurance purchased by individual Unit Owners, Occupants or their mortgagees.

11.4 Association As Agent. The members of Board of Directors of the Association are irrevocably appointed agent for each Unit Owner, for each Mortgagee upon a Unit and for each Owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims; provided, however, that no Institutional Lender having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

11.5 Responsibility. If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction after casualty. The Unit shall be repaired immediately. In all other instances, the responsibility of reconstruction after casualty shall be that of the Association in accordance with Section 11.9 below.

11.6 Construction after Casualty. Unless at least two-thirds (2/3) of all of the percentage interests of Unit Owners in a particular building, as to that building, vote not to rebuild, repair, restore or sell the Property in the event of material damage or destruction of all or part of the Property, repairs of damage to or destruction of the Common Areas and building shall, unless otherwise provided by the Association, be commenced as soon as is reasonably practical following the event causing the damage or destruction. Any reconstruction included hereunder shall be substantially in accordance with the plans and specifications of the original Building, or as the Building was last constructed, subject to modification to conform with the then current governmental restrictions and codes, if required, or as may otherwise be approved by the Association.

If the casualty loss affects one, or fewer than all, of the Buildings, and the Unit Owners elect not to reconstruct or repair in accordance with the preceding paragraph, then the insurance proceeds shall be applied to compensate Unit Owners within the affected Buildings in proportion to their respective interest in Common Elements (on a proportional basis) and to pay the Association's expenses associated with removal of any debris and otherwise attributable to such casualty, and no proceeds of insurance shall be payable or allocable to the Unit Owners of Units not affected by such loss. In such event, this Declaration shall be amended to reduce the number of Units in the Condominium and re-allocate the interest in Common Elements to reflect that one or more Buildings have been destroyed and will not be rebuilt.

11.7 Estimates. In all instances hereunder, immediately after a casualty causing damage to the Property for which the Association has the responsibility of maintenance, and repair, the Association shall obtain a reliable, detailed estimate of the cost to reconstruct. Such cost may include professional fees and premiums for such bonds as the Board may desire or those required by any Institutional Lender involved.

11.8 Assessments. In those instances where reconstruction is the responsibility of the Association, if the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction by the Association, or if, at any time during reconstruction or upon completion of reconstruction, the funds for the payment of the costs of reconstruction are insufficient, assessments shall be made against all Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments against Unit Owners for damage to Units shall be in proportion to the cost of reconstruction of their respective Units. Such assessments on account of damage to Common Elements shall be in proportion to the Unit Owner's share in the Common Elements. If, prior to commencement of any reconstruction, the insurance proceeds are not sufficient to defray the estimated costs of reconstruction, the special assessments against the Unit Owners as herein provided must be paid in full before any of said insurance proceeds may be disbursed as hereinafter provided, so as to ensure there are sufficient funds currently available to complete said reconstruction.

This requirement may be waived by the Association, but only upon approval by all Institutional Lenders who have liens upon the affected property.

11.9 Disposition Of Proceeds. The proceeds of insurance and any special assessments, if any, collected on account of a casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction in the following manner:

(a) That portion of insurance proceeds representing damage for which the responsibility of reconstruction lies with the Unit Owner to such contractors, suppliers, and personnel for work done, materials supplied or services required for such reconstruction. Payments shall be in such amounts and at such times as the Unit Owners may direct, or, if there is a mortgagee endorsement, to such payee as the Unit Owner and the Mortgagee direct. Nothing contained herein shall be construed to limit or modify the responsibility of the Unit Owner to make such reconstruction.

(b) If the amount of the estimated cost of reconstruction is less than \$25,000, and is the responsibility of the Association, then the reconstruction funds shall be disbursed directly to the Association in payment of such costs and upon the Association's order; provided, however, that upon the request of a mortgagee which is a beneficiary of the insurance policy, the construction fund shall be disbursed as the Association and such mortgagee may properly direct.

(c) If the amount of the estimated costs of reconstruction is \$25,000 or more, and is the responsibility of the Association, then the reconstruction funds shall be placed in escrow with an escrow agent selected by the Board and applied to the payment of such costs and shall be paid for the account of the Association, from time to time, as the work progresses. The agent shall make payment upon the written request of the Association accompanied by an appropriate certificate signed by both an officer of the Association and by the architect or engineer in charge of the work, setting forth:

(i) That the sum then requested either has been paid by the Association or is justly due and certifying that the sum requested does not exceed the value of the services and materials described in the certificate.

(ii) That except for the amounts stated in said certificate to be due as aforesaid, there is no outstanding indebtedness known which may become the basis of vendor's, mechanic's or materialman's liens.

(iii) That the cost, as estimated, or work remaining to be done subsequent to the date of said certificate, does not exceed the amount of funds remaining in the hands of the insurance trustee after the payment of the sum so requested.

(d) It shall be presumed that the first monies disbursed in payment of such costs of reconstruction shall be from insurance proceeds and shall first be applied to reconstruction of the Common Elements and then to the Units. If there is a balance in reconstruction funds after the payment of all costs of reconstruction, said balance shall be distributed to the Association and established as a capital reserve.

11.10 Effect Of Mortgagee Endorsements Concerning Insurance Proceeds. In the event a mortgagee endorsement has been issued relative to any Unit, the share of the Unit Owner shall be held in trust for the mortgagee as heretofore provided; provided, however, that no mortgagee shall have the right to determine or participate in the determination as to whether or not the damaged property shall be reconstructed, and no mortgagee shall have the right to apply, or have applied to, the reduction of its mortgage debt any insurance proceeds except distributions of such proceeds made to the Unit Owner and mortgagee where the responsibility for reconstruction is that of the Unit Owner. All mortgagees agree to waive the rights to said proceeds if the same are used pursuant to the provisions of this Declaration to pay for the restoration of such damage. The provisions hereof shall not affect the rights of the mortgagee, if any, to require any surplus proceeds to be distributed to it, over and above the amounts actually used for such restoration. All covenants contained herein for the benefit of any mortgagee may be enforced by such mortgagee. Nothing contained herein, however, shall be construed as relieving the Unit Owner from his duty to reconstruct damage to his Unit as heretofore provided.

11.11 Authority of Association. In all instances herein, except when a vote of the membership of the Association is specifically required, all decisions, duties and obligations of the Association hereunder, may be made by the Board (or Declarant during the Period of Declarant's Control). The Association and its members shall jointly and severally be bound thereby.

11.12 Special Eligible Holder Rights. As used in this Section, the term "Eligible Holder" means an Institutional Lender who has requested that the Association provide it notice of the listed events under Section 7.4 of this Declaration.

(a) Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the original plans and specifications unless deviation is approved by Eligible Holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by Eligible Holders are allocated.

(b) Any election to terminate the Condominium after substantial destruction or a substantial taking in condemnation of the Condominium Property requires the approval of Eligible Holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by Eligible Holders are allocated.

(c) No reallocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of the Condominium may be effected without the approval of Eligible Holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by Eligible Holders are allocated

## **ARTICLE TWELVE**

### **ASSESSMENTS; LIABILITY; LIEN AND ENFORCEMENT**

12.1 General Authority; Deferral of General Assessments. The Association shall have the power to make, levy and collect regular and special assessments for Common Expenses and such other assessments as are provided for by the Act and the provisions of

this Declaration and all other expenses declared by the Association to be Common Expenses from time to time. Assessments shall commence as to each Unit when it has become a part of the Condominium, as evidenced by the recording of this Declaration. Notwithstanding anything to the contrary herein, Units shall not be assessed general assessments for Common Expenses until such time as six (6) Units are owned by Owners other than Declarant, except for the following assessments which shall be payable by each Unit Owner upon recordation of this Declaration: (a) any assessment levied against such Unit Owner's Unit as a default assessment under Section 12.15 or otherwise resulting from a default or failure on the part of such Unit Owner or Occupant of such Owner's Unit, (b) any special assessments levied by the Board of Directors for capital improvements or as otherwise permitted by the Act, (c) any assessment for real property taxes under Section 10.1 above, (d) assessments pertaining to Limited Common Elements of a Unit or Units, which shall be the liability of such Unit or Units, and (e) any assessment to rebuild following a casualty loss as provided in Section 11.8 above. During the period of assessment deferral under this paragraph, Declarant shall pay the out-of-pocket expenses of the Association with respect to insurance, maintenance and repair of the Common Elements as herein provided.

12.2 Unit Owner's General Liability. Except as herein specified to the contrary, all assessments levied against Unit Owners and Units shall be on a proportional basis computed as herein provided based on relative square footage, except that assessments for Limited Common Elements will be assessed only against the benefited Units, equally (or if the Board deems that to be inequitable, in such proportions as the Board reasonably determines to be equitable). Should the Association be the Owner of any Unit(s), the assessment, which would otherwise be due and payable to the Association by the owner of such Unit(s), shall be a Common Expense.

12.3 Payment. The assessment levied against the Unit Owner and such Unit Owner's Unit shall be payable in such installments, and at such times, as may be determined by the Board.

12.4 Emergencies. If assessments levied are, or may prove to be, insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Association shall have the authority to levy such additional assessment or assessments as it shall deem necessary.

12.5 Reserves.

(a) Reserve Fund. The Association in assessing for Common Expenses may (and shall, to the extent required by the Act) include therein a sum to be collected as a reserve fund for replacement of Common Elements, for the purpose of enabling the Association to replace structural elements and mechanical equipment for which it has the responsibility to maintain and repair, as well as the replacement of personal property which may be a portion of the Condominium Property. In addition, the Association shall (i) conduct at least every five years a study to determine the necessity and amount of reserves required to repair, replace and restore the capital components; (ii) review the results of that study at least annually to determine if reserves are sufficient; and (iii) make any adjustments the Association deems necessary to maintain reserves, as appropriate. As provided by law,

the Association will provide a copy or a summary of the reserve study report to prospective purchasers. "Capital Components" are defined as items, whether or not a part of the Common Elements, for which the Association has the obligation for repair, replacement or restoration, and for which it determines funding is necessary. In addition, if the Condominium is expanded as herein provided, the Association may elect to establish and assess for separate reserve accounts for separate phases of the Condominium.

(b) Operating Reserve Fund; Working Capital Fund. The Association, in assessing for Common Expenses, may include therein a sum to be collected and maintained as a general operating reserve that shall be used to provide a measure of financial security during periods of special stress. Such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by Unit Owners or as a result of emergencies.

12.6 Separate Property. All monies collected by the Association shall, unless the same is collected for the benefit of others, be the separate property of the Association. Such monies may be applied by the Association to the payment of any expense of operating and managing the Property, or to the proper undertaking of all acts and duties imposed upon it by virtue of the provisions of this Declaration. All monies received from assessments may be commingled with other monies held by the Association. All assessments received by the Association shall be for the benefit of the Unit Owners. No Unit Owner shall have the right to assign, hypothecate, pledge or in any manner transfer his interest therein, except as an appurtenance to his Unit. Such funds shall not be subject to attachment or levy by a creditor or judgment creditor of a Unit Owner. When the owner of a Unit shall cease to be a member of the Association by the divestment of his ownership of such Unit by whatever means, the Association shall not be required to account to such Owner for any share of the funds or assets of the Association.

12.7 Default. If a Unit Owner is in default by failing to pay, when due, any assessments or installments thereof, owed to the Association, said Unit Owner shall be liable for all costs of collecting the same, including reasonable attorney's fees and court costs.

12.8 No Waiver. No Unit Owner may exempt himself from liability for any assessment levied by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit for which the assessments are made or in any other manner.

12.9 Lien. The Association is hereby granted a lien upon each Condominium Unit, which lien shall secure the payment of monies from each Unit Owner for which he is liable to the Association, including all assessments, interest and expenses provided for in this Declaration and sums advanced on behalf of the Unit Owner in payment of his obligations as set forth in the Condominium Instruments and reasonable attorney's fees and costs incurred as an incident to the enforcement of said lien. The lien granted to the Association may be foreclosed as provided in the Act. The lien granted to the Association shall further secure such advances for taxes and payments on accounts of Institutional Lenders, liens or encumbrances which may be advanced by the Association in order to preserve and protect its lien. The lien shall be effective, have priority and be collected as provided by the Act, unless, by the provisions of this Declaration, such liens would have a greater priority or



dignity, in which event, the lien rights in favor of the Association having the highest priority and dignity shall be the lien of the Association.

12.10 Late Charges. If any monies from a Unit Owner, including assessments, are not paid within 10 days from their due date, there may be assessed a late charge of the lesser of \$30.00 (plus three percent annually from the date this Declaration is recorded) or 10% of the past due amount. Each monthly assessment or other sum due from a Unit Owner shall be considered a different obligation for the purposes of this Section 12.10. The amount of late charges may be increased as to all Unit Owners by the Association to the extent permitted by law. If a Unit Owner is in default in the payment of any assessment or any installment of an assessment, the Association may accelerate the assessments or installments thereof due during the balance of the fiscal year. Upon notice thereof to the Unit Owner, the accelerated assessment shall immediately become due upon the date stated in the notice, which shall not be less than 15 days after delivery of or the mailing of such notice to the Unit Owner.

12.11 Liability for Assessments when a Unit is Sold. A Person acquiring fee simple title to a Unit shall not be liable for assessments and other charges that had accrued and were payable when such Person acquired fee simple title to the Unit, but such Person shall take title to the Unit subject to the lien rights of the Association as to such delinquent assessments, subject the Section 12.12 below and subject to the limitation that any first mortgagee who obtains title to a Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six months of the Unit's unpaid regularly budgeted dues or charges accrued before acquisition of title, plus fees or costs related to collection. Sale of a Condominium Unit shall not release the selling Owner from personal liability to the Association for assessments and other charges that had accrued and were payable by such Owner during his period of ownership of such Unit.

12.12 Certificate of Assessments Paid. Any lender and any person acquiring an interest in a Unit, including acquisition through foreclosure of a first mortgage, deed of trust or by deed in lieu thereof, and including without limitation, persons acquiring title by operation of law, may request the certificate as set forth in Section 55-79.84(h) of the Act as evidence of the status of unpaid assessments levied against the Unit, and such statement shall be binding upon the Association and all Unit Owners. The Association may charge a fee for such certificate as allowed by the Act.

12.13 No Election of Remedies. The institution of a suit at law for collection of any delinquent assessment may be maintained without waiving the lien securing the same. Proceeding by foreclosure to attempt to effect such collection shall not be deemed an election precluding the institution of suit at law for collection of the same. All Unit Owners do hereby waive pleading the theory of "election of remedies" in any such proceedings.

12.14 Liens – Mechanics. The creation and enforcement of mechanic's, and other, liens against the Units and Condominium Property, except those created by this Declaration, shall be governed by the provisions of the Act and other Virginia law dealing with such liens.

12.15 Default Assessments. Notwithstanding anything to the contrary contained herein, if any Common Expense is caused by (i) the negligence or misconduct of a Unit Owner or an Owner's family member, employee, agent, invitee or guest, or (ii) a violation of any covenant, condition or restriction of a Condominium Instrument by a Unit Owner or an Owner's family member, employee, agent, invitee or guest, the Association may, if it deems necessary or advisable, levy an Assessment against such Owner's Unit for the entire amount of such Common Expense. In addition, the Association may, if it deems necessary or advisable, impose a fine, penalty, fee or other charge upon an Owner for the violation of any covenant or condition of any Condominium Instrument by an Owner or an Owner's family member, employee, agent, invitee or guest. Also, if the Association is permitted under this Declaration to take action to correct a default of a Unit Owner, and the Association incurs costs in taking such corrective action, then such costs and interest thereon at the rate herein provided shall constitute a Default Assessment against the Unit Owner(s) of such Unit. With respect to any Default Assessment, the Unit Owner of the Unit against which the Association seeks to levy the Default Assessment shall be provided notice and an opportunity to be heard in accordance with the Act.

### **ARTICLE THIRTEEN TERMINATION**

13.1 Agreement. The Condominium may be terminated at any time in accordance with the provisions and requirements of the Act. In addition to approvals as required by the Act, termination of the Condominium shall require the approval of Eligible Holders (as defined in Section 11.12 above) of first mortgages on Units to which at least sixty-seven percent (67%) of the votes of Units subject to mortgages held by Eligible Holders are allocated.

13.2 Certificate. The termination of the Condominium shall be evidenced by a certificate of the Association executed by its President and Secretary certifying the fact of the termination, which shall become effective upon the certificate being recorded in the Office of the Clerk of the Circuit Court of the County of Rockingham, Virginia.

13.3 Shares of Owners after Termination. After termination of the Condominium, the Unit Owners shall own the Property and all assets of the Association as tenants-in-common of undivided shares that shall be equal to the sum of the undivided shares of the Common Elements appurtenant to the Units prior to termination so that the sum total of the ownership shall equal one hundred percent (100%). Termination of the Condominium shall not impair or affect easements and other rights appurtenant to and benefitting the Expansion Property, all of which shall survive any such termination.

### **ARTICLE FOURTEEN AMENDMENTS**

Except as herein or elsewhere provided, this Declaration may be amended in the following manner:

14.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any Association meeting at which a proposed amendment is to be considered.

14.2 Proposal Of Amendment. An amendment may be proposed by either a sixty-six and two-thirds percent (66-2/3%) vote of the entire Board of Directors of the Association, or by a sixty-six and two-thirds percent (66-2/3%) vote of the members at a duly called and noticed meeting. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary within ten (10) days after the meeting. Except as elsewhere provided, a resolution adopting the proposed amendment must be approved by either:

(a) Not less than sixty-six and two-thirds percent (66-2/3%) of the entire membership of the Board of Directors and by not less than sixty-six and two-thirds percent (66-2/3%) of the votes of the entire membership of the Association; or

(b) Not less than ninety percent (90%) of the entire membership of the Association.

14.3 Omission or Error. Whenever it shall appear that there is an omission or error in the Condominium Instruments, the correction of which would not materially or adversely affect the property rights of any Unit Owners, the Condominium Instruments may be amended in the following manner. Such amendment may be proposed by the Board of Directors at any duly called and noticed regular or special meeting of the Board and shall become effective when unanimously approved by the entire Board. In the event the property rights of any Unit Owners are materially or adversely affected, the error or omission may be adopted in this manner if such affected Unit Owner(s) joins in the execution of the certificate of amendment to be recorded.

Should the Condominium Instruments need to be amended at any time in order to meet the requirements of the VA, FHA, other government agency or the secondary mortgage market in order that loans on individual Units may be made, insured, guaranteed and/or transferred, Declarant or the Board may, subject to approval by VA or FHA, amend such Condominium Instrument(s) to comply with such requirements, excluding those matters requiring unanimous approval of Unit Owners under the Act.

14.4 Proviso; Special Amendment Limitations.

(a) Except as otherwise provided in this Declaration, no amendment shall alter a Unit Owner's percentage interest in the Common Elements, alter a Unit Owner's proportionate share in the Common Expense or Common Profits, change a Unit Owner's voting rights, or alter the basis for apportionment of assessment which may be levied by the Association against a Unit Owner, without the written consent of the Unit Owner.

(b) Any amendment to any Condominium Instrument which is expressly for the benefit of Eligible Holders or Institutional Lenders (including without limitation

Section 14.4(d) below) shall require the approval of (i) not less than sixty-seven percent (67%) of the votes of the entire membership of the Association, and (ii) Eligible Holders (as defined in Section 11.14 above) of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by Eligible Holders are allocated.

(c) For so long as Declarant owns any Unit, no amendment shall be passed which shall impair or prejudice the rights reserved in this Declaration by Declarant, or modify any requirement for Declarant approval or consent or Special Declarant Right, without the written consent of Declarant.

(d) Notwithstanding the foregoing, the following amendments to any Condominium Instrument shall require the approval of (i) not less than sixty-seven percent (67%) of the votes of the entire membership of the Association, and (ii) Eligible Holders (as defined in Section 11.12 above) of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by Eligible Holders are allocated:

- (i) Voting rights;
- (ii) Assessments, assessment liens or subordination of such liens;
- (iii) Reserves for maintenance, repair and replacement of the Common Elements;
- (iv) Insurance or fidelity bond requirements;
- (v) Rights to use of the Common Elements;
- (vi) Responsibility for maintenance and repair of the several portions of the Condominium;
- (vii) Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium other than the Expansion Property;
- (viii) Unit boundaries;
- (ix) Interests in Common Elements (whether general or limited);
- (x) Conversion of Units into Common Elements or Common Elements into Units;
- (xi) Leasing of Units;
- (xii) Creation of any right of first refusal or similar restriction on the right of any Owner to sell, transfer or otherwise convey his or her Unit in the Condominium;
- (xiii) Establishment of self management by the Condominium where professional management has been required by any Eligible Holder in accordance with applicable law.

With regard to any approval by an Institutional Lender or Eligible Holders under this Declaration, if no response is received from an Institution Lender or Eligible Holder within sixty (60) calendar days after its receipt of any written proposal for an amendment, modification or termination of the Condominium Instruments, and such notice was delivered by certified or registered mail with a return receipt requested (which date of receipt shall run from the date of acceptance or refusal), then such non-responding Institutional Lender or Eligible Holder shall be deemed to have given consent and approval.

**ARTICLE FIFTEEN**  
**REMEDIES**

15.1 Relief. Each Unit Owner and the Association shall be governed by and shall comply with the provisions of the Condominium Instruments as they may exist from time to time. A violation thereof shall entitle the appropriate party to the following relief: an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, or any other action available pursuant to the Act or law. Suit may be sought by the Association, the managing agent, if any, Declarant, or, if appropriate, by one or more Unit Owners, and the prevailing party shall be entitled to recover reasonable attorney's fees. Each Unit Owner acknowledges that the failure to comply with any of the provisions of the Condominium Instruments shall or may constitute an injury to the Association, the managing agent, if any, Declarant or the other Unit Owners, and that such injury may be irreparable.

15.2 Costs and Attorney's Fees. In any dispute or proceeding arising because of an alleged default, act, failure to act, or violation by the Unit Owner or Association, including the enforcement of any lien granted pursuant to this instrument or its exhibits, the Association, the managing agent, if any, or the Declarant, whichever is appropriate, shall be entitled to recover the costs of the proceedings, including reasonable attorneys' fees. In any action by or against Declarant where Declarant is the prevailing party, arising out of or concerning the Condominium Instruments or Declarant's obligations thereunder, Declarant shall be entitled to recover all its costs, including reasonable fees for the Association's attorney's services in connection with correspondence, telephone calls, meetings and the like, and court and administrative proceedings of all types and at all levels. When collecting assessments from Unit Owners who are in default, the Association may recover the costs of the services of collection agencies, as well as attorney's fees and other costs of collection.

15.3 No Waiver. The failure of Association, the managing agent, if any, a Unit Owner, or the Declarant to enforce any right, provision, covenant, or condition created or granted by the Condominium Instruments shall not constitute a waiver of the right of said party to enforce such right, provision, covenant or condition in the future.

15.4 Rights Cumulative. All rights, remedies and privileges granted to Association, the managing agent, if any, Declarant, or Unit Owner pursuant to any of the provisions of this Declaration shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such party at law or in equity. Each Unit Owner agrees in any proceeding brought pursuant to the provisions hereof not to plead or defend the same on the theory of "election of remedies."

15.5 Venue; Waiver or Trial by Jury. Every Unit Owner or Occupant and all persons claiming any interest in a Unit agrees that in any suit or proceeding brought pursuant to the provisions of this Declaration, such suit shall be brought in the District Court or Circuit Court in and for the County of Rockingham, Virginia, as the same is now constituted or any court in the future that may be the successor to the court contemplated herein. All

such parties do further waive the right to trial by jury and consent to a trial by the court without a jury.

15.6 Appointment of Agent; Proviso. Should suit be instituted, the Unit Owners or Occupants do hereby irrevocably appoint the Secretary of the Commonwealth of Virginia as their agent for the acceptance of service of process should, at the time of such service of process, any such person not be residing in this Condominium and service cannot be accomplished in any other reasonable fashion. The provisions hereof shall not be applicable to service upon the Declarant.

15.7 Alternative Dispute Resolution. A dispute between a Unit Owner or Owners and the Board of Directors and/or the Association may, by agreement of the parties, be submitted to arbitration or an alternative dispute resolution to be conducted in the City of Harrisonburg or County of Rockingham, Virginia and pursuant to Chapter 55 of the Code of Virginia and Chapter 21 of Title 8.01 (Section 8.01-577 et seq.).

## **ARTICLE SIXTEEN**

### **OPTION TO EXPAND THE CONDOMINIUM**

16.1 Declarant's Option. The Declarant shall have the option to expand the Condominium by adding all or any part of the Expansion Property, which Declarant owns as of the date of this Declaration. This option shall be the sole and exclusive option of Declarant, its successors or assigns and shall not require the consent of the Association, any Unit Owner or any mortgagee.

16.2 Duration of Option. This option to expand the Condominium shall expire seven years from the date of recordation of this Declaration if not sooner exercised. At any time prior to the expiration of such period, however, Declarant may terminate its option to expand or may lessen the period within which it can be exercised by recording among the land records wherein this Declaration is recorded, an executed and notarized document terminating this option or altering the date this option shall expire. No such alteration, however, shall extend this seven-year period. After the expiration of the Period of Declarant Control, such time limit may be extended by an amendment to this Declaration made pursuant to Section 55-79.71 of the Act, as authorized by Section 55-79.54(c)(3).

16.3 All or Portions of Expansion Property. Within the time period and in the manner provided by the Act and this Declaration, all or any portion of the Expansion Property may be added to the Condominium. Such addition may be at one time or at different times, as Declarant may elect. There shall be no limitation as to the locations of any improvements that may be made on any portions of the Expansion Property added to the Condominium, and no assurances are made as to the locations of any such improvements.

16.4 Number and Use of Units. If the Expansion Property is added to the Condominium, all Units on the Expansion Property or any portion or portions thereof shall be restricted exclusively to residential use, but no other assurances are made regarding the use of those Units or the Expansion Property. The maximum number of Units that may be

created on the Expansion Property under this Article is sixty (60) Units, for a maximum of seventy-two (72) Units within the Condominium.

16.5 Construction on Expansion Property. No assurances are made that the structures erected on any portion of the Expansion Property added to the Condominium will be compatible with Phase One Units in terms of quality of construction, the principal materials to be used, the architectural style or the number of Units per building. No assurances are made as to what use or improvements, if any, will be made on any portion of the Expansion Property.

16.6 Common Elements; Limited Common Elements. Declarant reserves the right to create General Common Elements and Limited Common Elements within any portion of the Expansion Property added to the Condominium and to designate Common Elements therein which may subsequently be assigned as Limited Common Elements, and no assurances are made in terms of the types, sizes and maximum number of such elements within each such portion.

## **ARTICLE SEVENTEEN** **MISCELLANEOUS**

17.1 Notices. Notices required to be sent under this Declaration may be delivered to Unit Owners, either personally or by mail. Such notices shall be sent by United States mail to the Unit Owners of record at the address of their respective Units and to such other addresses as any of them may have designated to the officer specified in the Bylaws, or such notice may be hand delivered by the said officer, provided said officer certifies in writing that such notice was delivered to the person of the Unit Owner. Notices to the Association shall be delivered or mailed to the Secretary of the Association, or in case of the Secretary's absence, then to the President of the Association. Notices to the Declarant shall be made by delivery to Declarant at 245 Newman Avenue, Harrisonburg, Virginia 22801, or such other address as Declarant specifies in a recorded notice of change of address.

17.2 Construction. All of the provisions of this Declaration shall be construed in accordance with the laws of the Commonwealth of Virginia.

17.3 Gender. Unless the contrary appears to have been intended, words in the plural number shall include the singular and words in the singular shall include the plural, and words of the male gender shall include the female gender and the neuter gender.

17.4 Captions. The captions to the sections of this Declaration are intended for convenience only and are not deemed to be all-inclusive as to the matters contained in such sections or considered in connection with the construction of any of the provisions of this Declaration.

17.5 Severability. If any term or provision of this Declaration, or the application thereof to any person or circumstance, shall, to any extent, be determined to be invalid or unenforceable, the remainder of this Declaration, or the application of such term or provision to persons or circumstances other than those to which such term may be held invalid or

unenforceable, shall not be affected thereby and each term and provision of this Declaration shall be valid and enforceable to the fullest extent permitted by law.

17.6 Assignment. The Declarant may, upon conveyance of all or a portion of the Units or Property it owns prior or subsequent to any such conveyance, designate the grantee thereof as a successor declarant who shall then be deemed to have all rights granted and reserved to Declarant herein. No Unit Owner shall be deemed a successor Declarant unless the Declarant has expressed conferred Declarant Rights in a signed and recorded instrument.

17.7 Declarant's Mortgagee. Any person or entity that holds a mortgage executed by Declarant, either prior to or subsequent to the recordation of this Declaration, encumbering any part or all of the Property ("Declarant's Mortgagee"), shall be deemed to be an Institutional Lender for the purposes of this Declaration and shall have all rights and privileges appertaining thereto. Notwithstanding anything contained in this Declaration or the Bylaws to the contrary, Declarant shall not amend this Declaration to waive its rights with respect thereto, or to diminish or otherwise affect Declarant's Mortgagee's rights pursuant to this sentence, without the prior consent of Declarant's Mortgagee.



IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed in its name and on its behalf by the undersigned on due authority

FOUNDERS WAY LLC

By:

Name: JARED S. SCRIPTURE

Title: MANAGER

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid this 25<sup>th</sup> day of August, 2010, by Jared S. Scripture on behalf of FOUNDERS WAY LLC.

My commission expires: 7/31/2012

Shelley Dawn Frye

Notary Public Registration 346430

244964

I was commissioned as Shelley Dawn Frye



LIENHOLDER CONSENT

Stephen T. Heitz and J. Jay Litten, Trustee(s) under a Deed of Trust dated April 20, 2006, recorded April 21, 2006, of record in the Office of the Clerk of the Circuit Court of the County of Rockingham, Virginia, as Deed Book 2849 at Page 768, and United Bank, formerly Rockingham Heritage Bank, as noteholder and beneficiary of said Deed of Trust, acknowledge their consent to, and hereby subordinate said Deed of Trust to the foregoing Condominium Declaration for Founders Way Condominiums.

By: J. Jay Litten (SEAL)  
J. JAY LITTEN, Trustee

United Bank, formerly Rockingham Heritage Bank, Noteholder

BY: Thomas D. Rea  
Name: Thomas D Rea  
Title: Assistant Vice President

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

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid  
this 25<sup>th</sup> day of August, 2010, by J. Jay Litten Trustee

My commission expires: Nov. 30, 2011

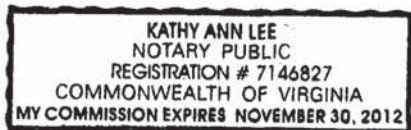
Denise Ann Wampler  
Notary Public  
Commissioned by Denise Ann Wampler



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

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid  
this 25 day of August, 2010, by Thomas D. Rea on behalf of United Bank, formerly Rockingham Heritage Bank, Noteholder.

My commission expires: 11-30-2012



Kathy Ann Lee  
Notary Public

EXHIBIT A-1

METES AND BOUNDS DESCRIPTION OF CONDO PROPERTY



The following is a metes and bounds description of 0.686 acres of land. Said 0.686 acres of land is known as Phase One of Founders Way Condominium. The 0.686 acres is located on the northwest side of Oriole Lane in the City of Harrisonburg, Virginia.

Beginning at an iron pin found, said pin being a corner to KW Harrisonburg Apartments, LLC and in the northwest right-of-way line of Oriole Lane; thence with Oriole Lane and a curve to the left, said curve having a delta of 15°35'07", radius of 725.00', arc of 197.21' and a

Chord of S 40°21'21" W      196.60'

to a point in the right-of-way line of Oriole Lane; thence leaving Oriole Lane and with two new lines through the land of Liberty Square of Founders Way, LLC.

N 46°53'24" W      165.00'

to a point, said point being in the center of a 20' public sanitary sewer easement; thence with the center line of said easement

N 42°46'17" E      185.87'

to a point, said point being in the center of the 20' public sanitary sewer easement, a 50' public power line easement and in the line of KW Harrisonburg Apartments, LLC; Thence with the 50' power line easement and KW Harrisonburg Apartments, LLC

S 50°43'36" E      157.01'

to the beginning containing 0.686 acres of land and being the same property as shown on a plat entitled: Plat of Phase One, Founders Way Condominium, dated: July 6, 2010 and revised: August 16, 2010.

EXHIBIT A-2

METES AND BOUNDS DESCRIPTION OF EXPANSION PROPERTY



The following is a metes and bounds description of 5.769 acres of land. Said 5.769 acres of land is known as the Expansion Property for Founders Way Condominium. The 5.769 acres is located on the northwest side of Oriole Lane in the City of Harrisonburg, Virginia.

Beginning at a point, said point being a corner to Phase One Founders Way Condominium and in the northwest right-of-way line of Oriole Lane; thence with Oriole Lane and a curve to the left, said curve having a delta of  $13^{\circ}09'49''$ , radius of 725.00', arc of 166.57' and a

Chord of S  $25^{\circ}58'53''$  W      166.20'

to an iron pin found in the right-of-way line of Oriole Lane; thence

S  $19^{\circ}23'59''$  W      62.01'

to an iron pin found, said pin being in the point of return to curve to the right, said curve having a delta of  $92^{\circ}51'41''$ , radius of 15.00', arc of 24.31' and a

Chord of S  $65^{\circ}49'49''$  W      21.74'

to an iron pin found, said pin being in the northern right-of-way line of Founders Way; thence with Founders Way

N  $67^{\circ}44'21''$  W      47.58'

to an iron pin found, said pin being a point of curve to the left, said curve having a delta of  $12^{\circ}10'31''$ , radius of 425.00', arc of 90.31' and a

Chord of N  $73^{\circ}49'36''$  W      90.14'

to an iron pin found; thence

N  $79^{\circ}54'52''$  W      112.10'

to an iron pin found, said pin being a point of curve to the right, said curve having a delta of  $17^{\circ}10'36''$ , radius of 657.00', arc of 196.96' and a

Chord of N 71°19'34" W 196.23'

to an iron pin found, thence

N 62°44'16" W 41.94'

to an iron pin found, said pin being a corner to Reherd Acres, Unit 21; thence with Reherd Acres, Unit 21 and leaving Founders Way

N 10°27'09" E 256.93'

to an iron pin found; thence

N 68°18'29" E 151.22'

to an iron pin found; thence

N 11°42'56" E 280.00'

to an iron pin found; said pin being a corner to KW Harrisonburg Apartments, LLC; thence with KW Harrisonburg Apartments, LLC

S 79°05'27" E 25.77'

To an iron pin found; said pin being in the center of a 50' public power line easement; thence

S 50°43'36" E 562.45'

to a point; said point being in the center of 50' public power line easement, 20' public sanitary sewer easement and a corner to Phase One Founders Way Condominium; thence with two lines of Phase One and leaving KW Harrisonburg Apartments, LLC

S 42°46'17" W 185.87'

to a point; said point being in the center of a 20' public sanitary sewer easement; thence

S 46°53'24" W 165.00'

to the beginning containing 5.769 acres of land and being the same property as shown on a plat entitled: Plat of Phase One, Founders Way Condominium, dated: July 6, 2010 and revised: August 16, 2010.

EXHIBIT B  
CONDOMINIUM PLATS AND PLANS



**BYLAWS**

**OF**

**FOUNDERS WAY CONDOMINIUM ASSOCIATION, INC.**

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**BYLAWS  
OF  
FOUNDERS WAY CONDOMINIUM ASSOCIATION, INC.**

These Bylaws provide for the governance of the Founders Way Condominium Association, Inc. pursuant to the requirements of the Condominium Act of the Commonwealth of Virginia, Va. Code §§ 55-79.39, et. seq., as amended (the "Act"), and the Declaration of Condominium of Founders Way Condominium referenced below. Pursuant to the Act and the Declaration, all Unit Owners and Occupants of Units at Founders Way Condominium shall comply with these Bylaws.

**ARTICLE ONE  
DEFINITIONS**

1.1 Declaration. As used herein "Declaration" means the Declaration of Condominium of Founders Way Condominium, as recorded in the Office of the Clerk of the Circuit Court of the County of Rockingham, Virginia at the time the property is submitted to condominium ownership, and as amended and supplemented from time to time.

1.2 Association. The "Association" is the Founders Way Condominium Association, Inc. with its principal office at the Property or at such place as may be designated from time to time by the Board of Directors. The Association may also have offices and may carry on its purposes at such other places within and outside the Commonwealth of Virginia as the Board of Directors of the Association may from time to time determine.

1.3 Other Definitions. Unless otherwise defined herein, all capitalized terms have the meanings given to them in the Declaration, and if not defined in the Declaration, as defined in the Act.

**ARTICLE TWO  
MEMBERSHIP, VOTING, QUORUM AND PROXIES**

2.1 Membership. Each Unit Owner (as defined by the Declaration) shall automatically become a member ("Member") of the Association upon his acquisition of title to any Unit, which membership shall terminate automatically upon the Unit Owner being divested of title to such Unit, regardless of the means by which such ownership may be divested. No person holding any lien, mortgage or other encumbrance upon any Unit shall be entitled, by virtue thereof, to membership in the Association or to any of the rights or privileges of such membership. "Unit Owner" and "Member" are used interchangeably in these Bylaws.

2.2 Voting Rights and Default Issues. The Association shall have one class of voting Members. Each Unit shall be entitled to one vote as to Association matters. Because Units may be owned by more than one person, if only one of such persons is present at a Meeting of the Members of the Association, that person shall be entitled to cast the vote for that Unit. But if more than one co-owner of a Unit is present, the vote for that Unit shall be cast only in accordance with the unanimous agreement of that Unit's owners, and such consent shall be conclusively presumed if any one of them purports to cast the vote for that Unit without protest being made by any of the other owners to the person presiding over the meeting. This Section 2.2 is intended to be consistent with Section 55-79.77(C) of the Condominium Act, and is deemed amended as such Section 55-79.77(C) is amended. Cumulative voting shall not be allowed for any purpose.

The Board of Directors may suspend the voting rights of any Member during any period of time when such Member is in default of such Member's obligations under the Condominium Instruments or the Association's Rules and Regulations. In addition, as provided in Sections 8.9, 12.15 and 12.16 of the Declaration, and pursuant to Section 55-79.80:2 of the Condominium Act, the Association shall have the power to (a) suspend a Unit Owner's right to use facilities or services, including utility services, provided directly through the Association for nonpayment of assessments which are more than sixty days past due, to the extent that access to the Unit through the Common Elements is not precluded and provided that such suspension shall not endanger the health, safety or property of any Unit Owner, tenant or occupant, and (b) assess charges against any Unit Owner for any violation of the Condominium Instruments or the Rules and Regulations promulgated pursuant thereto for which such Unit Owner or his family members, tenants, guests or other invitees are responsible.

2.3. Quorum. Except as otherwise required by law, the presence in person or by proxy of Members entitled to cast more than 33 1/3% of the votes at any meeting of the Members of the Association shall constitute a quorum. If a quorum is not achieved at two successive Member meetings, then Member meetings thereafter shall be deemed to have a quorum if Members entitled to cast more than 25% of the votes, in person or by proxy, are represented at such meeting. If a quorum is not present at any meeting, the Members entitled to vote shall have the power to adjourn such meeting, without notice other than announcement at the meeting, up to the maximum period permitted by law, until a quorum can be convened.

2.4 Proxies. The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or, in cases where the Unit 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 person presiding over the Meeting of the Members of the Association at which the proxy is submitted, by the Unit Owner or by any of such persons, that it be revoked. To be valid, all proxies must be dated and signed by a person having authority to execute deeds on behalf of that Unit Owner, and must give a brief explanation of the effect of leaving the proxy uninstructed. No proxy shall be valid if it purports to be revocable without the giving of actual notice as required by this Section. Any proxy shall terminate after the first meeting held on or after the date of that proxy or at any recess or adjournment of that meeting. A vote or proxy may be submitted by electronic

mail, provided that it sets forth information enabling the Association to determine that the transmission was authorized by the Unit Owner or the Unit Owner's proxy.

2.5 Ballots. When desired by the Board of Directors of the Association, there shall be sent with the notices of regular or special meetings of the Members of the Association, a statement of certain motions to be introduced for vote of the Members and a ballot on which each Member may vote "for" or "against" such motion. Each ballot which is presented at such meeting shall be counted as a vote as well as for purposes of satisfying quorum requirements for the particular ballot motion, but shall not be counted for quorum purposes as to issues not appearing on the ballot. The rules and procedures applicable to proxies under Section 2.4 shall also apply to voting by ballots.

2.6 Majority Vote. At any meeting of the Members of the Association at which a quorum is present, the affirmative vote of the Members entitled to cast more than 50% of the votes shall constitute majority vote and shall be sufficient for all actions of the Members unless the vote of a greater percentage is required by law, the Declaration or these Bylaws.

2.7 Election of Directors. In election of directors, each Unit shall be entitled to one vote for each vacancy to be filled. Cumulative voting is not allowed.

### **ARTICLE THREE** **ADMINISTRATION**

3.1 Annual Meeting. The annual meeting of the Members of the Association shall be held on a date and at a time designated by the Board of Directors of the Association at least once each year, for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

3.2 Special Meetings. Special meetings of the Members of the Association, for any purpose, unless otherwise prescribed by law, may be called by the President of the Association or by a majority of the directors of the Board of Directors, and shall be called by the President at the request of Members entitled to cast more than 25% of the votes of the Association or, during the Declarant Control Period, by Declarant.

3.3 Place of Meeting. The Board of Directors may designate the Association's principal offices or any suitable place within the Commonwealth of Virginia which is reasonably convenient to the Property as the place for any annual meeting or for any special meeting called by the Board of Directors.

3.4 Notice of Meeting. The Secretary of the Association shall, at least 21 days in advance of any annual or regularly scheduled meeting of the Members, and at least seven days in advance of any other meeting, send to each Member notice of the time, place, and purposes of such meeting. Notwithstanding the foregoing, notice of any meeting of Members at which an amendment of the Articles of Incorporation (if any), a plan of merger, a proposed sale of assets pursuant to Va. Code § 13.1-900 or the dissolution of the Association shall be given not less than 25 nor more than 60 days

before the meeting. The notice of any special meeting shall state the purpose thereof, and no other business may be transacted at a special meeting except as stated in the notice.

Notice shall be delivered in accordance with the requirements of Section 55-79.75 of the Act. If a meeting of the Members is adjourned to a different time or place, notice need not be given again if the new time and place is announced at the meeting before adjournment. However, if a new record date for an adjournment is fixed, notice of the adjourned meeting shall be given to Members as of the new record date. A new record date shall be fixed for any meeting that is adjourned to a date more than one hundred twenty (120) days after the date of the original meeting.

3.5 Record Date. For the purpose of determining the Members entitled to notice of or to vote at any meeting of the Members of the Association, the Board of Directors may set a record date for such determination, in accordance with the laws of the Commonwealth of Virginia but no more than seventy (70) days before the meeting. If no record date is set for a meeting, then the record date shall be the close of business on the day before the date on which the first notice of the meeting is mailed by the Association. As stated in Section 3.4, a new record date shall be fixed for any meeting that is adjourned to a date more than one hundred twenty (120) days after the date of the original meeting.

3.6 Informal Action by Owners. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed with respect to all Units entitled to vote with respect to the subject matter thereof (or any lesser percentage authorized by law, if applicable). Such consent shall have the same force and effect as a vote of the Members.

3.7 Member Lists. In connection with each meeting of the Members of the Association, the Secretary of the Association shall compile and make available to Members a "member list" complying with the requirements of Virginia Code § 13.1- 845.

3.8 Parliamentary Rules. Roberts Rules of Order (latest edition) shall govern the conduct of Association proceedings when not in conflict with the Declaration, the Articles, these Bylaws, or the Act.

#### **ARTICLE FOUR** **BOARD OF DIRECTORS**

4.1 Number, Tenure and Qualifications. The business and affairs of the Association shall be managed by a Board of Directors comprised of at least three persons during the Period of the Declarant Control (as defined by the Declaration), and five persons thereafter, but this number may be changed to any odd number of three or more by the Association after the Period of Declarant Control.

4.2 First Board. During the Period of Declarant Control, the Board of Directors shall consist of at least three persons, none of whom need be members of the Association, and all of the

Board members shall be designated and appointed by the Declarant and shall serve until replaced by Declarant or until their successors are elected. The Declarant shall have the absolute right, at any time, in its sole discretion, to remove any member of the first Board designated by Declarant and replace any such person with another person to serve on the first Board. Notice of such action shall be given to the Association. During the Period of Declarant Control, the first Board shall manage the Association in accordance with Section 55-79.74 of the Condominium Act.

4.3 Election of Directors After Period of Declarant Control. At the first meeting of the Members held after the expiration of the Period of Declarant Control, five directors shall be elected, two for a term of two years, and three for a term of one year. At each annual meeting thereafter, members shall elect directors to fill the positions of the terms that are expiring, such newly-elected directors to serve for a term of two years. The election shall be by secret ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast.

4.4 Nominations. A nominating committee of three persons shall be appointed by the incumbent Board not less than 30 days prior to the annual meeting of Members. The Committee shall nominate one person, who must be a Member, for each director whose term is expiring at the next annual meeting of the Members. Nominations may also be made from the floor of such meeting.

4.5 Vacancies. Except as to vacancies created by removal of directors by Members, vacancies in the Board occurring between annual meetings of Members shall be filled by a majority of a quorum of the Board meeting after due notice. A director elected by the Board to fill such a vacancy shall serve the remainder of the term of the person being replaced.

4.6 Powers. Except as provided in the Declaration, the Articles, these Bylaws, and applicable law, the Board of Directors may act on behalf of the Association in all instances. Without limiting the generality of the foregoing, the main duties of the Board of Directors are to (i) maintain and manage the Common Elements of the Condominium for the benefit of all Unit Owners, (ii) to enforce the restrictions set out in the Condominium Instruments and the Association's Rules and Regulations, (iii) to prepare an annual budget for the Association, (iv) to make and collect assessments against the Unit Owners to cover the Association's Common Expenses, (v) to provide for the upkeep, maintenance and care of the Common Elements, (vi) to hire and dismiss personnel and service contractors as necessary, (vii) to make rules and regulations concerning the use of the Condominium, (viii) to establish and manage one or more bank accounts for the Association, including one or more reserve accounts to cover capital improvements or replacements, (ix) to carry insurance as required by the Declaration, (x) to make alterations and improvements to the Condominium, and (xi) to enforce by legal means the provisions of the Condominium Instruments. Notwithstanding anything herein to the contrary, the directors shall not have the right or authority to do any act or take any action wherein the same would limit, modify or abridge the rights, privileges and immunities of the Declarant as set forth in the Declaration and these Bylaws.

4.7 Committees. By resolution, the Board of Directors may delegate portions of its authority to an executive committee (comprised only of a subset of Board members and officers) or



other committees, or to officers, agents, employees or managers of the Association. No such delegation shall relieve the Board of Directors of ultimate responsibility for management of the Association's affairs.

4.8 Managing Agent. The Board of Directors may employ a manager or managing agent, or both, for the Association at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. Said manager or managing agent must be a licensed Common Interest Community Manager. Any management agreement entered prior to the expiration of the Period of Declarant Control shall be for a period not to exceed two years, and shall be subject to termination by the Association as provided in the Act following expiration of the Period of Declarant Control. If and to the extent that the Board of Directors delegates its powers relating to the collection, deposit, transfer or disbursement of Association funds to a manager or managing agent, or both, such manager or managing agent, or both shall:

(a) maintain fidelity insurance coverage or a bond as required by applicable law in an amount established by Va. Code § 54.1-2346, as amended, (which provides for a minimum coverage amount of \$10,000 as of the date of adoption of these initial Bylaws);

(b) maintain all funds and accounts of the Association separate from the funds and accounts of any other associations managed by the manager or managing agent, and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and

(c) have prepared and present to the Association periodic financial reports no less frequently than quarterly, and an annual accounting for Association funds and a financial statement, which accounting and financial statement shall be prepared by the managing agent, a public accountant, or a certified public accountant.

4.9 Regular Meetings. Regular meetings of the Board of Directors may be held without call or formal notice at such places within the Commonwealth of Virginia, and at such times as the Board of Directors from time to time by vote may determine. Any business may be transacted at a regular meeting. The regular meeting of the Board of Directors for the election of officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of the Members, or any special meeting of the Members at which a member of the Board of Directors is elected.

4.10 Special Meetings. Special meetings of the Board of Directors may be held at any place within the Commonwealth of Virginia at any time when called by the president, or by two or more directors, upon the giving of at least three days' prior notice of the time and place thereof to each director by leaving such notice with him or at his residence or usual place of business, or by mailing or facsimile transmittal addressed to him at his post office address or facsimile number as it appears on the books of the Association. No notice of any adjourned meeting of the Board of Directors shall be required.

4.11 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting. When a quorum is present at any meeting, a majority of the directors in attendance shall, except where a larger number is required by law, the Declaration, the Articles of Incorporation or these Bylaws, decide any question brought before such meeting.

4.12 Waiver of Notice. Before, at or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall be a waiver of notice by him except when such director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

4.13 Informal Action by Directors. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof (or such lesser percentage as is permitted by law). Such consent shall have the same force and effect as a unanimous vote of the directors.

4.14 Open Meetings. To the extent required by the Condominium Act, meetings of the Board of Directors shall be open to all Members, and at each meeting, a period of time shall be designated to allow Members an opportunity to comment on any matter relating to the Association (or as to special meetings, the topics on the agenda for that meeting), subject to reasonable rules adopted by the Board of Directors. Meeting minutes shall be available for review by Members (subject to certain matters that may be held confidential or discussed in executive session in accordance with applicable law). Notice of the time, date and place of each meeting of the Board of Directors shall be published or posted where it is reasonably calculated to be available to a majority of Members. Any Member may request in writing to be notified on a continual basis of director meetings, but such request shall be valid for one year only, unless renewed in writing. This Section 4.14 is intended to be consistent with Section 55-79.75 of the Condominium Act, and is deemed amended as such Section 55-79.75 is amended

4.15 Compensation. Directors shall not receive compensation for their services, but by resolution of the Board of Directors, any or all directors may be reimbursed for actual expenses incurred in the performance of his duties. Nothing in these Bylaws shall preclude any director from serving the Association in any other capacity and receiving compensation for such service.

4.16 Resignation. A director may resign by giving written notice thereof. A director shall be deemed to have resigned upon his termination of membership in the Association (excepting the first Board during the Period of Declarant Control) or upon his default for 30 days of any of the provisions or covenants of the Condominium Instruments or the Association's Rules and Regulations. A director shall also be deemed to have resigned if he misses three consecutive Board meetings.

4.17 Annual Budget. At least 60 days prior to the first day of each fiscal year, the Board of Directors shall prepare and make available to all Members a budget outlining anticipated receipts and expenses for the coming fiscal year, including reserves (based on reserve studies as required by the Act). A copy of the proposed one-year budget shall be mailed to Unit Owners not less than 15 days prior to the Board of Directors' meeting at which the budget will be considered together with a notice of the meeting. If the proposed budget is not adopted by the Board of Directors prior to the start of the new budget period, an assessment shall be presumed to be made in the amount of the last prior assessment and monthly installments on such assessments shall be due upon each installment payment date until changed by an amended assessment. In the event the assessments prove to be insufficient, the budget and assessments shall be amended at a meeting called for that purpose.

4.18 Books, Minutes and Records. The financial books of the Association shall be kept in accordance with generally accepted accounting principles and shall, along with the books, minutes and records described in Section 55-79.74:1 of the Act shall be available for inspection by Members as described in the Act.

## **ARTICLE FIVE**

### **OFFICERS AND AGENTS**

5.1 General. The Board of Directors shall appoint a President (who shall be chosen from among the members of the Board of Directors), a Secretary and a Treasurer, and may appoint one or more Vice Presidents if deemed necessary by the Board. The Board of Directors may appoint such other officers and agents as they may consider necessary or advisable. One person may hold any two offices, except that no person may simultaneously hold the offices of President and Secretary. In all cases where the duties of any officer are not prescribed by the Bylaws or by the Board of Directors, such officer, agent or employee shall follow the orders and instructions of the President. During the Period of Declarant Control, the Declarant shall have the authority to appoint and remove all officers of the Association.

5.2 Removal of Officers. The Board of Directors may remove any officer, either with or without cause, and elect a successor at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose, except that the Board shall not have the power to remove any officer appointed by Declarant during the Period of Declarant Control.

5.3 Vacancies. A vacancy in any office, however occurring, shall be filled by the Board of Directors for the unexpired portion of the term, except that vacancies during the Period of Declarant Control shall be filled by Declarant appointment.

5.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors, and shall oversee the affairs and business of the Association and cause general supervision of its officers, agents and employees. The President of the Association is designated as the officer with the power to prepare,

execute, certify and record amendments to the Declaration and other Condominium Instruments on behalf of the Association.

5.5 Vice Presidents. The Vice Presidents, if any, shall assist the President and shall perform such duties as may be assigned to them by the President or by the Board of Directors. In the absence of the President, the Vice President designated by the Board of Directors or, if, there be no such designation, designated in writing by the President shall have the powers and perform the duties of the President. If no such designation shall be made, all Vice Presidents may exercise such powers and perform such duties.

5.6 Secretary. The Secretary shall:

(a) keep the minutes of the proceedings of the Members and the Board of Directors (with recording of meetings being permitted to facilitate preparation of written minutes);

(b) see that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration and as required by law;

(c) be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the Board of Directors;

(d) keep at the Association's principal offices a record containing the names and registered addresses of all Unit Owners, the designation of the Unit owned by each Unit Owner, and, if such Unit is mortgaged and the Association has received written notice of such mortgage from the mortgagee, the name and address of such mortgagee;

(e) keep and maintain the records described in Section 55-79.74:1 of the Act and appropriately respond to Members' requests for inspection; and

(f) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

5.7 Treasurer. The Treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the Board of Directors. He shall receive and give receipts for moneys paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association, upon maturity, to the extent shown in an approved budget or approved by the Board of Directors. He shall perform all other duties incident to the office of the Treasurer and, upon request of the Board of Directors, shall make such reports to it as may be required at any time. He shall give the Association a bond in such sums and with such sureties as shall be satisfactory to the Board of Directors, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his

possession or under his control belonging to the Association. The Association shall pay the cost of such fidelity bond coverage. The Treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the Board of Directors or the President. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer and the same bonding requirements as apply to the treasurer unless otherwise approved by the Board of Directors. In the event that a managing agent is hired by the Board, then the day-to-day management of funds may be performed by the managing agent and the Treasurer shall oversee the financial aspects of such funds management being conducted by the managing agent.

5.8 Association Insurance. The Association shall obtain and maintain a blanket fidelity bond or employee dishonesty insurance policy insuring the Association against losses resulting from theft or dishonesty committed by the Association's officers, directors or persons employed by the Association or committed by any Managing Agent or employee of a Managing Agent. Such bond or insurance policy shall be in the amount required by Section 55-79.81.B of the Condominium Act, as amended, which provides for a minimum coverage amount of \$10,000 as of the date of adoption of these initial Bylaws.

## **ARTICLE SIX**

### **RIGHTS AND OBLIGATIONS OF THE OWNERS**

6.1 Member Rights and Obligations. Each Member shall have the rights, duties and obligations set forth in the Declaration, the Articles of Incorporation (if any) and these Bylaws, and shall ensure compliance by such Member's agents, guests, family, tenants or other invitees.

6.2 Obligation to Pay Assessments and Default. Each Unit Owner shall have an obligation to pay Assessments, whether regular or special, which are due and payable to the Association as a common expense. The Board may determine the payment date for such Assessments. A late fee of \$30.00 shall be assessed for any Assessment which is not paid within ten (10) days of the date when due. If any Unit Owner fails to pay any Assessments as they become due, such Unit Owner shall be in default and liable for all costs of collecting the Assessments, including attorney's fees and court costs. If any Unit Owner is in default in payments of Assessments, the Association may accelerate the payments of Assessments due during the balance of the fiscal year by giving notice to the Unit Owner as provided in these Bylaws. Any delinquent Assessments accelerated shall be due and payable on the date stated in the notice, which shall be not less than fifteen (15) days after the delivery or mailing of such notice. The Declaration provides that the Association is granted a lien upon each Condominium Unit to secure payment of Assessments, including interest and expenses, which lien may be foreclosed as provided in the Act and as more fully set forth in Section 12.9 of the Declaration.

6.3 Alternative Dispute Resolution. Any dispute which a Unit Owner or Owners may have with the Board of Directors and/or the Association may, at the agreement of both parties, be submitted to arbitration to be conducted in the City of Harrisonburg, Virginia and pursuant to Chapter 55 of the Code of Virginia and Va. Code §§8.01-577 et seq.

6.4 Mortgagee Designation. Each Unit Owner shall have the right irrevocably to constitute and appoint such Unit Owner's mortgagee as his true and lawful attorney-in-fact to vote in lieu of such Unit Member at any and all meetings of the Members of the Association at which such Unit Owner is entitled to vote and to vest in the mortgagee any and all rights, privileges and powers that such Unit Owner has under the Articles and these Bylaws or by virtue of the Declaration. Such designation shall become effective upon the filing of notice by the mortgagee with the Secretary of the Association at such time or times as the mortgagee shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Board of Directors or the Unit Owner to carry out their duties as set forth in the Condominium Instruments. A release of the mortgage covering the subject Unit shall operate to revoke such designation. Nothing herein contained shall be construed to relieve Unit Owners, as mortgagors, of their duties and obligations as Unit Owners or to impose upon the Mortgagee the duties and obligations of an Owner. Except as otherwise specifically provided, Section 2.4 shall apply to the designation of a mortgagee as proxy for a Unit Owner.

**ARTICLE SEVEN**  
**EVIDENCE OF OWNERSHIP, REGISTRATION**  
**OF MAILING ADDRESS AND LIEN HOLDERS**

7.1 Proof of Ownership. Except for those Unit Owners who initially contracted to purchase a Unit from Declarant, any person, on becoming a Unit Owner, shall furnish to the Association a photocopy or a certified copy of the recorded instrument vesting that person with an ownership interest in the Unit. Such copy shall remain in the files of the Association. An Unit Owner shall not be deemed to be in good standing and shall not be entitled to vote at any annual or special meeting of the Members unless this requirement is first satisfied or waived by the Board.

7.2 Registration of Mailing Address. The address of the Unit owned by a given the Unit Owner(s) shall be used as the registered address for purposes of notice to such Unit Owner(s), unless such Unit Owner(s) furnish to the Secretary of the Association a written notice setting forth another address as the registered address.

7.3 Address of the Association. The address of the Association shall be a Post Office Box maintained by the Association in Harrisonburg, Virginia, unless and until changed by the Association. Such address may be changed from time to time upon written notice to all Members and all listed mortgagees, or in the alternative, by recordation of a statement of address in the Office of the Clerk of the Circuit Court of the County of Rockingham, Virginia.

**ARTICLE EIGHT**  
**AMENDMENTS**

8.1 By Directors. Except as limited by law, the Articles, the Declaration or these Bylaws, the Board of Directors shall have power to make, amend and repeal the Bylaws of the Association at any regular meeting of the Board of Directors or at any special meeting called for that purpose at which a quorum is represented. If, however, the Members shall make, amend or repeal any Bylaw,

the Board of Directors shall not thereafter amend the same in such manner as to defeat or impair the object of the Members in taking such action.

8.2 By Members. The Members may make, alter, amend or repeal the Bylaws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented, by Members entitled to cast at least 67% of the votes of the Association, unless a greater percentage is expressly required by law, the Articles (if any), the Declaration or these Bylaws. For so long as Declarant is a Member of the Association, no amendment to these Bylaws shall be made without the approval of Declarant.

**ARTICLE NINE**  
**MISCELLANEOUS**

9.1 Seal. The corporate seal of the Association shall be circular in form and shall contain the name of the Association and the year of its organization.

9.2 Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the Board of Directors.

9.3 Construction with Other Documents. The provisions of the Declaration and the Articles shall control in the event of an irreconcilable conflict with the provisions of these Bylaws. The Rules and Regulations issued by the Board of Directors, as such Rules and Regulations may be amended or supplemented from time to time, are incorporated herein.

247688-2



EXHIBIT D  
EASEMENTS AFFECTING CONDOMINIUM PROPERTY

All recordation information set forth below refers to recordation in the Office of the Clerk of the Circuit Court of the County of Rockingham, Virginia, unless otherwise noted:

Easements and Matters as shown and noted on plat of record in Deed Book 2689, Page 53;

Easement granted the City of Harrisonburg by instrument recorded in Deed Book 2689, Page 55;

Easement granted to City of Harrisonburg by instrument recorded in Deed Book 2689, Page 55;

Easement granted to Chesapeake and Potomac Telephone Company by instrument recorded in Deed Book 216, Page 376;

Easement recorded in Deed Book 2611, Page 203 and as shown on plat of record in Deed Book 2689, Page 53;

Easements granted to City of Harrisonburg by instrument recorded in Deed Book 1037, Page 433

Grading and Storm Structures Easement Agreement recorded in Deed Book 3161, page 80.  
Consent and Subordination to Grading and Storm Structure Agreement recorded in Deed Book 3161, page 89;

Landscape and Sanitary Sewer (Sewer Lateral) Easements Agreement recorded in Deed Book 3161, page 70;

Deed of Easement recorded in Deed Book 3407, page 536, and

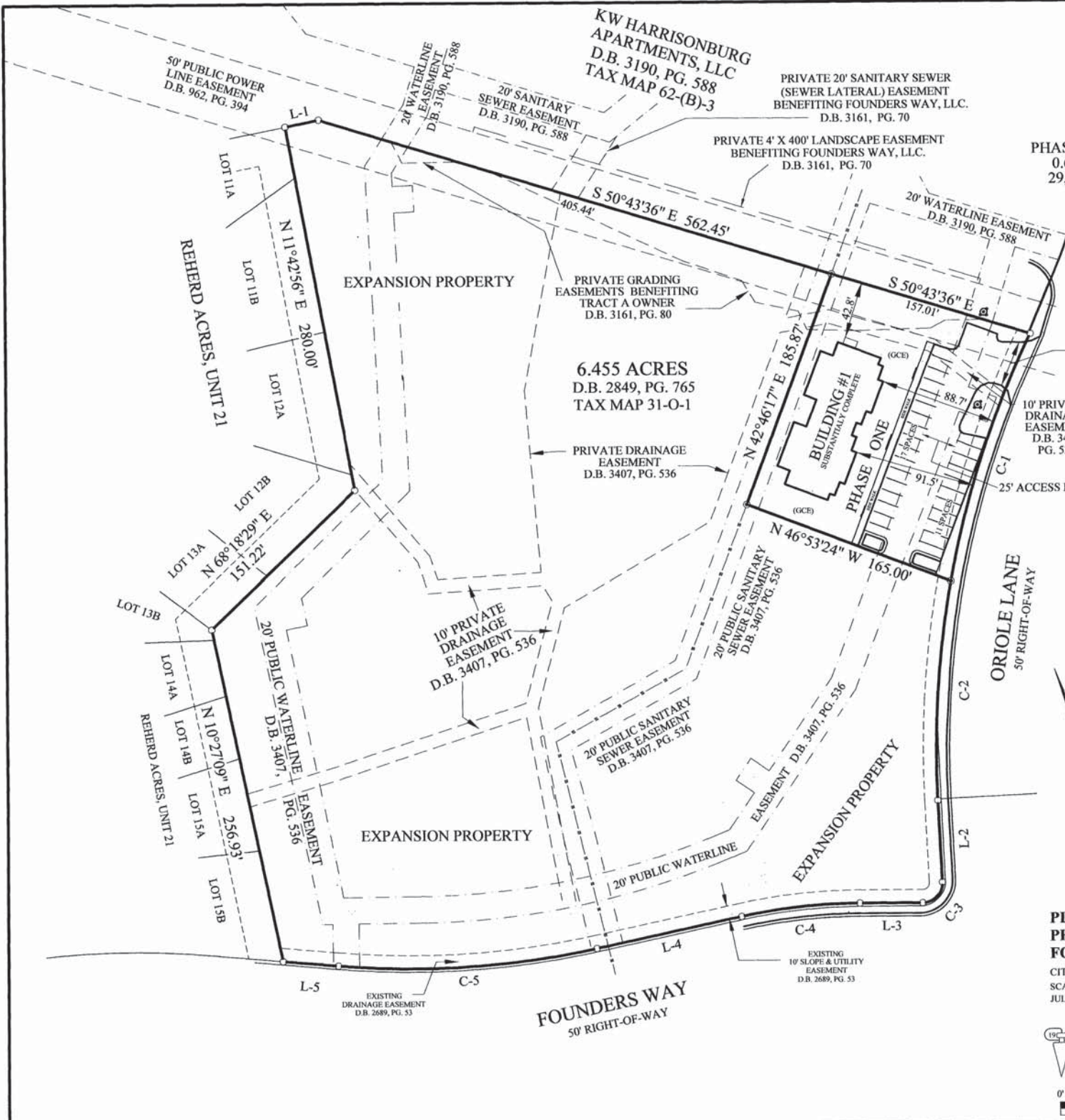
Right of Way to NTELOS Network, Inc. recorded in Deed Book 3697, page 335.

244964-2

CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING	DELTA ANGLE
C-1	725.00'	197.21'	196.60'	S 40°21'21" W	157°35'07"
C-2	725.00'	186.57'	166.20'	S 32°48'53" W	137°09'49"
C-3	15.00'	24.31'	21.74'	S 65°49'49" W	92°51'41"
C-4	425.00'	90.31'	90.14'	N 73°49'56" W	127°10'31"
C-5	657.00'	196.96'	196.23'	N 71°19'34" W	177°10'36"

LINE	BEARING	DISTANCE
L-1	S 79°05'27" E	25.77'
L-2	S 19°23'59" W	62.01'
L-3	N 67°44'21" W	47.58'
L-4	N 79°34'52" W	112.10'
L-5	N 62°44'16" W	41.94'



**PHASE ONE AREA**  
0.686 ACRES  
29,887 SQ. FT.

**ABBREVIATIONS:**  
1. (GCE) GENERAL COMMON ELEMENT

- LEGEND**
- IRON PIN FOUND
  - SS- SANITARY LINES
  - ⊙ SEWER MANHOLE
  - ⊠ DUMPSTER
  - POINT
  - ⊠ FIRE HYDRANT

- NOTES:**
- DATUM AS SHOWN HEREON IS ACCORDING TO RECORDED INFORMATION AND A CURRENT FIELD SURVEY.
  - THIS PROPERTY IS PRESENTLY IN THE NAME OF FOUNDERS WAY, LLC.
  - BEARINGS ARE ROTATED TO PLAT RECORDED IN D.B. 2689, PG. 53.
  - ANY EXISTING EASEMENT SHOWN HEREON IS BASED ON RECORDED INFORMATION. THIS PROPERTY MAY BE EXPRESSLY SUBJECT TO EASEMENTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS CONTAINED IN DULY RECORDED DEEDS, PLATS AND OTHER INSTRUMENTS CONSTITUTING CONSTRUCTIVE NOTICE IN THE CHAIN OF TITLE TO THE PROPERTY HEREBY SURVEYED THAT ARE NOT SHOWN. THIS PROPERTY MAY BE SUBJECT TO OTHER EASEMENTS NOT OF PUBLIC RECORD.
  - NO TITLE REPORT HAS BEEN FURNISHED.
  - ALL PARKING SPACES ARE GENERAL COMMON ELEMENTS WHICH MAY BE ASSIGNED AS LIMITED COMMON ELEMENTS LATER.

**SURVEYOR'S CERTIFICATE**

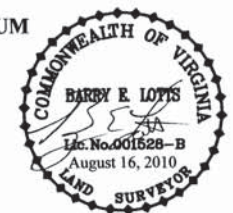
I, BARRY E. LOTTS, A DULY LICENSED LAND SURVEYOR IN THE COMMONWEALTH OF VIRGINIA HEREBY STATE TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF:

THIS CONDOMINIUM PLAT REPRESENTS AN ON THE GROUND FIELD SURVEY CONDUCTED UNDER MY DIRECT SUPERVISION. CORNER MONUMENTATION HAS BEEN SET AS SHOWN HEREON AND THIS CONDOMINIUM PLAT MEETS THE REQUIREMENTS SET FORTH IN SECTION 55-79.58A CODE OF VIRGINIA. THE PROPERTY STANDS IN THE NAME OF FOUNDERS WAY, LLC. ACQUIRED BY THEM IN DEED BOOK 2849, PAGE 765, RECORDED IN THE LANDS OF THE CITY OF HARRISONBURG, VIRGINIA. THE IMPROVEMENTS SHOWN HEREON ARE SUBSTANTIALLY COMPLETED.

*Barry E. Lotts*  
BARRY E. LOTTS, ES #001528-B  
8/16/20  
DATE

**PLAT OF PHASE ONE FOUNDERS WAY CONDOMINIUM**  
CITY OF HARRISONBURG, VIRGINIA  
SCALE 1" = 50'  
JULY 6, 2010 REVISED AUGUST 16, 2010

**Lotts & Associates, P.C.**  
Land Surveying - Land Planning - Engineering  
21 Cambridge Drive \* P.O. Box 1167  
Shurti Draft, Virginia 24477  
Phone (540) 337-0012 Fax (540) 337-1455

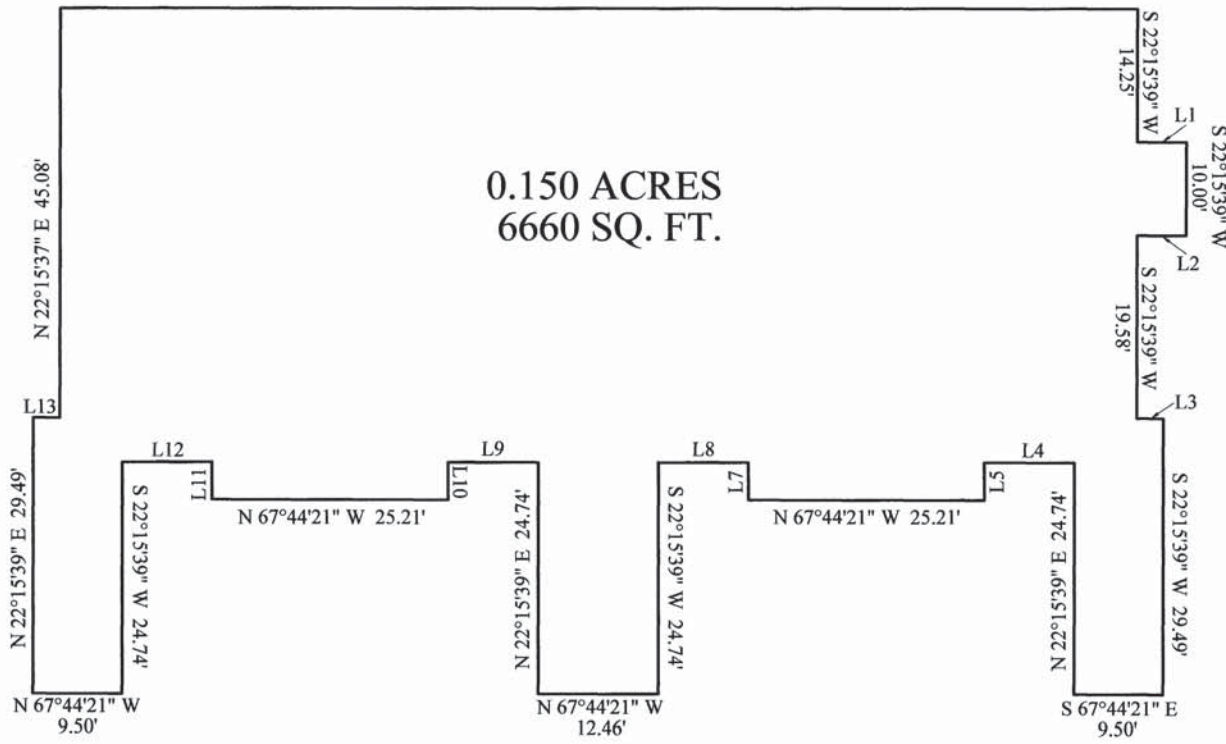
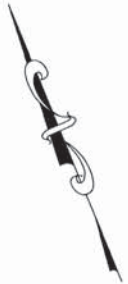


# METES & BOUNDS OF CONDO

S 67°44'21" E 115.08'

0.150 ACRES  
6660 SQ. FT.

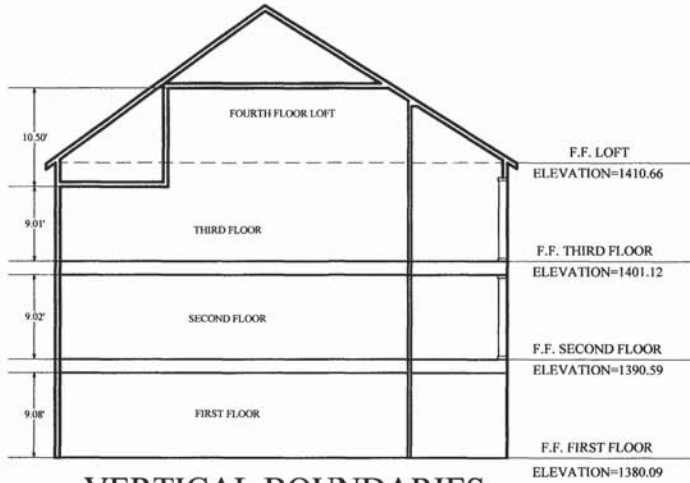
LINE	BEARING	DISTANCE
L1	S 67°44'21" E	5.25'
L2	N 67°44'21" W	5.25'
L3	S 67°44'21" E	2.83'
L4	N 67°44'21" W	9.62'
L5	S 22°15'39" W	4.00'
L6	N 67°44'21" W	12.38'
L7	N 22°15'39" E	4.00'
L8	N 67°44'21" W	9.62'
L9	N 67°44'21" W	9.62'
L10	S 22°15'39" W	4.00'
L11	N 22°15'39" E	4.00'
L12	N 67°44'21" W	9.63'
L13	S 67°44'21" E	2.83'



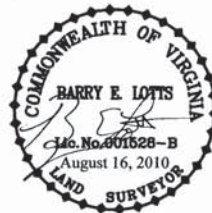
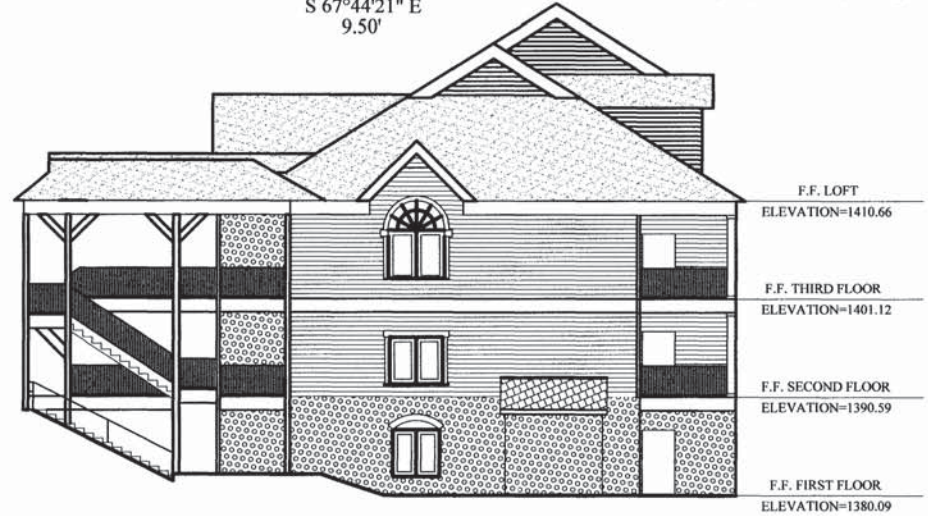
## NOTES:

1. INTERIOR DIMENSIONS WERE OBTAINED FROM ARCHITECTURAL PLANS.
2. ELEVATIONS WERE OBTAINED FROM FIELD SURVEY PREPARED BY LOTTS & ASSOCIATES.
3. ALL BALCONIES ARE LCE (LIMITED COMMON ELEMENTS) TO THE UNITS THAT THEY ARE ATTACHED TO.

## CONDO SIDE VIEW



## VERTICAL BOUNDARIES ALL UNITS



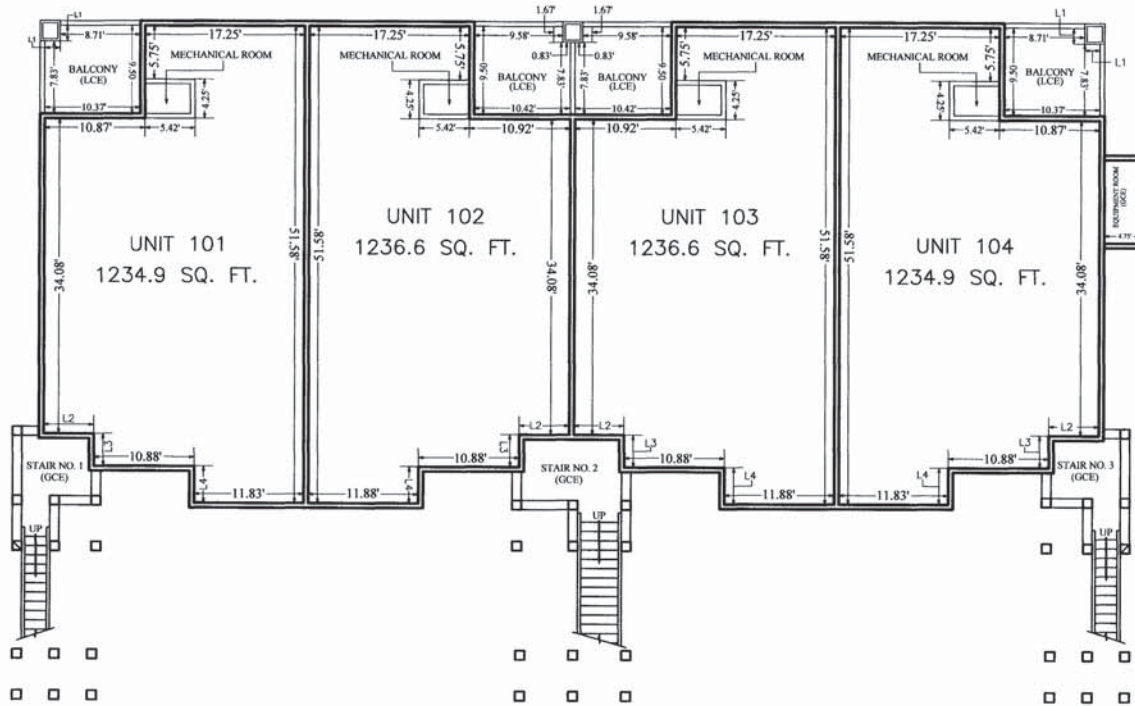
## PLAT OF PHASE ONE FOUNDERS WAY CONDOMINIUM

CITY OF HARRISONBURG, VIRGINIA  
SCALE 1" = 50'  
JULY 6, 2010 REVISED AUGUST 16, 2010



LINE	DISTANCE
L1	1.67'
L2	5.42'
L3	3.50'
L4	4.00'

FIRST FLOOR PLAN

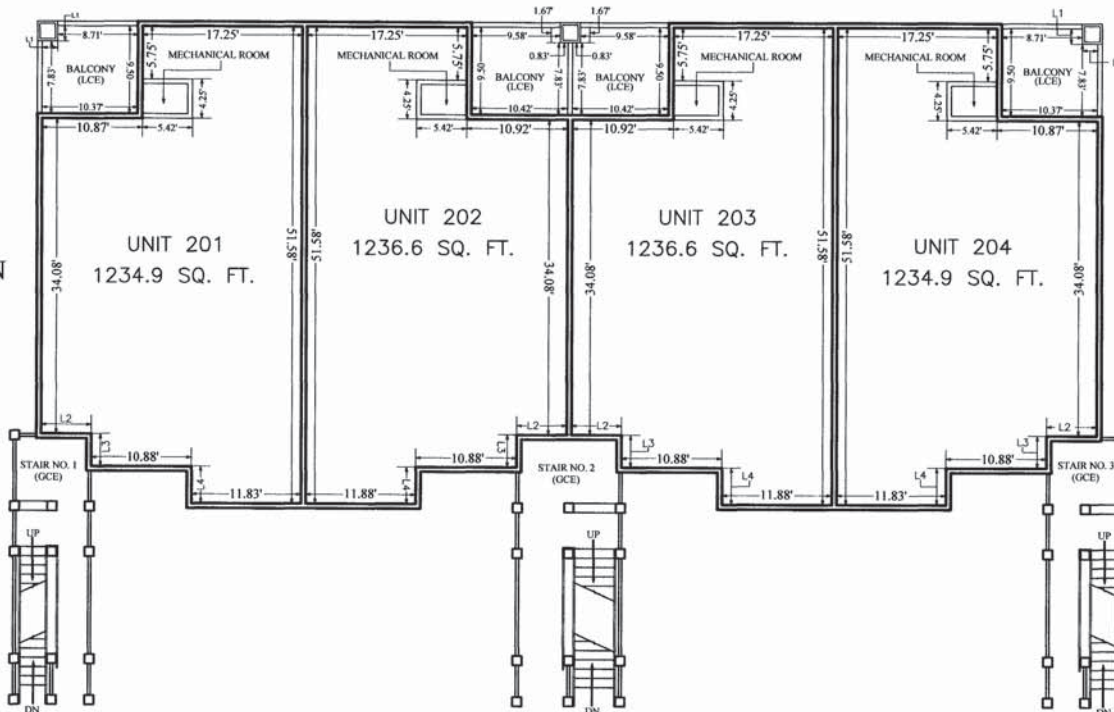


NOTES:

1. INTERIOR DIMENSIONS WERE OBTAINED FROM ARCHITECTURAL PLANS.
2. ELEVATIONS WERE OBTAINED FROM FIELD SURVEY PREPARED BY LOTTS & ASSOCIATES.
3. ALL BALCONIES ARE LCE (LIMITED COMMON ELEMENTS) TO THE UNITS THAT THEY ARE ATTACHED TO.
4. ALL STAIRWELLS ARE GCE (GENERAL COMMON ELEMENTS) TO ALL UNITS.



SECOND FLOOR PLAN

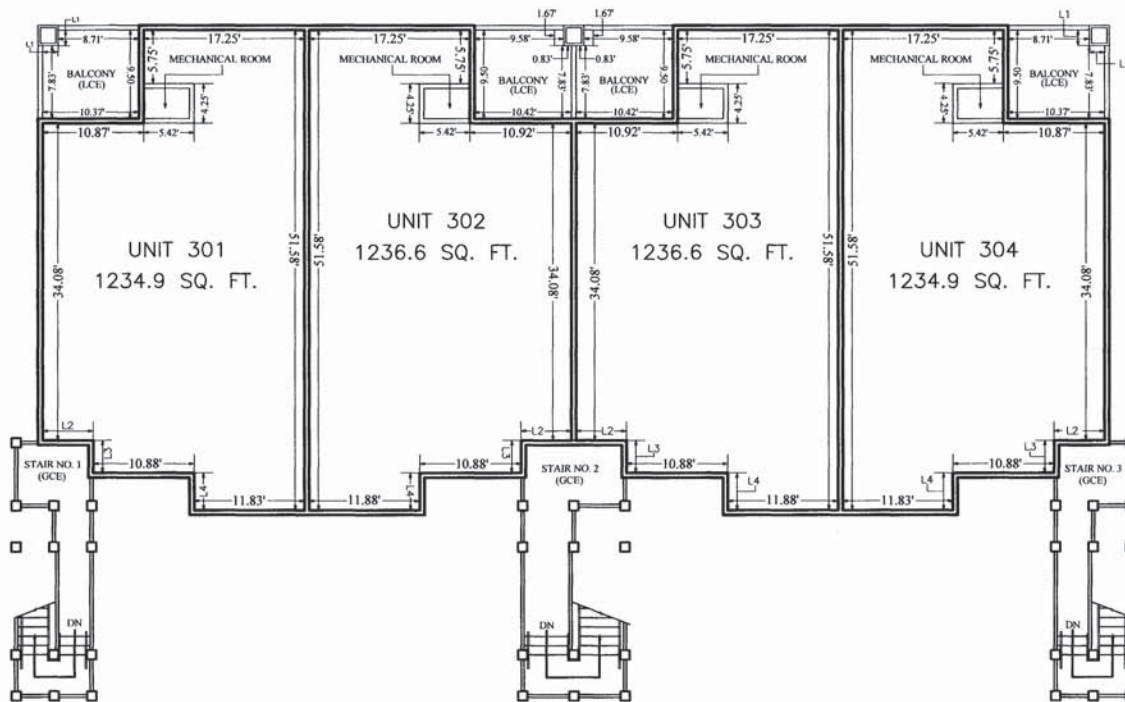


**PLAT OF  
PHASE ONE  
FOUNDERS WAY CONDOMINIUM**  
CITY OF HARRISONBURG, VIRGINIA  
SCALE 1" = 50'  
JULY 6, 2010 REVISED AUGUST 16, 2010



LINE	DISTANCE
L1	1.67
L2	5.42
L3	3.50
L4	4.00
L5	3.00
L6	3.50
L7	3.04
L8	2.33

THIRD FLOOR PLAN

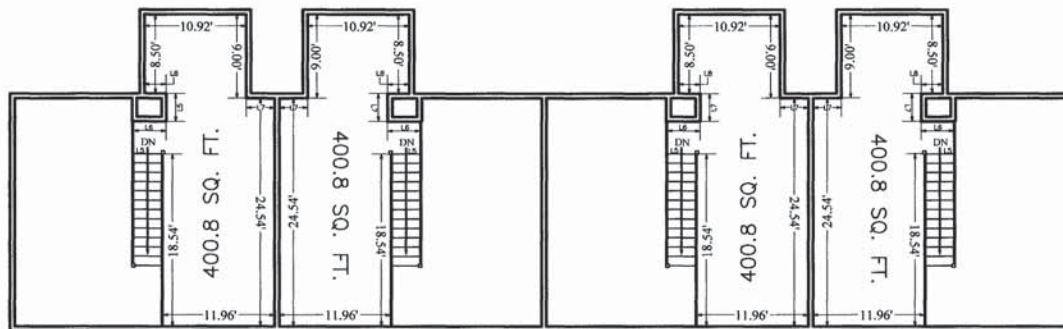


NOTES:

1. INTERIOR DIMENSIONS WERE OBTAINED FROM ARCHITECTURAL PLANS.
2. ELEVATIONS WERE OBTAINED FROM PLANS, PREPARED BY LOTTIS & ASSOC.
3. ALL BALCONIES ARE LCE (LIMITED COMMON ELEMENTS) TO THE UNITS THAT THEY ARE ATTACHED TO.
4. ALL STAIRWELLS ARE GCE (GENERAL COMMON ELEMENTS) TO ALL UNITS.

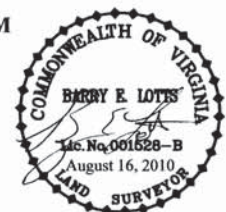


LOFT FLOOR PLAN



**PLAT OF  
PHASE ONE  
FOUNDERS WAY CONDOMINIUM**  
CITY OF HARRISONBURG, VIRGINIA  
SCALE 1" = 50'  
JULY 6, 2010 REVISED AUGUST 16, 2010

**Lottis & Associates, P.C.**  
Land Surveying - Land Planning - Engineering  
21 Cambridge Drive \* P.O. Box 1167  
Staunton, VA, Virginia 24477  
Phone (540) 337-0012 Fax (540) 337-1455



ROCKINGHAM COUNTY  
Chaz W. Evans-Haywood  
CLERK OF COURT  
Harrisonburg, VA 22801



60 2011 00008309

Instrument Number: 2011- 00008309

As  
Amendment

Recorded On: April 05, 2011

Parties: FOUNDERS WAY LLC

To  
NO GRANTEE

Recorded By: JARED SCRIPTURE

Num Of Pages: 3

Comment: PARCEL HBURG

**\*\* Examined and Charged as Follows: \*\***

Amendment	6.50	10 or Fewer Pages	14.50
Recording Charge:	21.00		

**\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\***

I hereby certify that the within and foregoing was recorded in the Register of Deeds Office For: ROCKINGHAM COUNTY, VA

**File Information:**

**Record and Return To:**

Document Number: 2011- 00008309  
 Receipt Number: 196867  
 Recorded Date/Time: April 05, 2011 01:10:51P  
 Book-Vol/Pg: Bk-OR VI-3858 Pg-664  
 Cashier / Station: K Brooks / Cash Station 2

J SCRIPTURE  
 RECORDED IN PERSON  
 HARRISONBURG VA 22801



THE STATE OF VIRGINIA }  
COUNTY OF ROCKINGHAM }

I certify that the document to which this authentication is affixed is a true copy of a record in the Rockingham County Circuit Court Clerk's Office and that I am the custodian of that record

Chaz W. Evans-Haywood, Clerk of Court

CLERK OF COURT  
ROCKINGHAM COUNTY, VIRGINIA

Apr 05, 2011

**FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
OF FOUNDERS WAY CONDOMINIUM**

This First Amendment is made this 5<sup>th</sup> day of April, 2011, by FOUNDERS WAY LLC, a Virginia limited liability company ("Declarant"), to be indexed as Grantor, and constitutes a supplement and amendment to the Declaration of Condominium of Founders Way Condominium, dated August 25, 2010, of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 3752, Page 278 (the "Declaration"). All capitalized terms that are used but not otherwise defined in this Amendment have the meanings given to them in the Declaration.

WHEREAS, Section 14.3 of the Declaration authorizes Declarant to unilaterally amend the Condominium Instruments at any time in order to meet the requirements of the VA, FHA, other government agency or the secondary mortgage market in order that loans on individual Units may be made, insured, guaranteed and/or transferred, and

WHEREAS, Declarant desires to amend the Declaration to meet requirements of FHA regarding stated limitations on commercial use;

NOW THEREFORE, Declarant hereby amends the Declaration as follows in order to meet FHA requirements referenced above to facilitate affordable and available financing of Units:

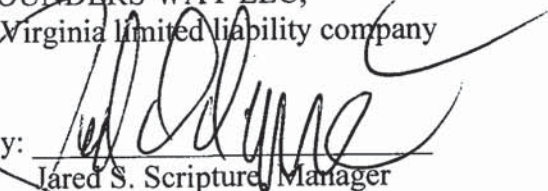
1. Section 8.1 of the Declaration restricts all Units to residential use. For clarification, the following is added at the end of Section 8.1: "No more than twenty-five percent (25%) of the floor area of the Condominium project is or shall be used for non-residential purposes."

This First Amendment shall hereafter be deemed for all purposes as a part of the Declaration.

IN WITNESS WHEREOF, Declarant has executed and delivered this Amendment to Condominium Declaration effective as of the date first written above.

TAK MAT  
31-0

FOUNDERS WAY LLC,  
a Virginia limited liability company

By:   
Jared S. Scripture, Manager

STATE OF VIRGINIA  
CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing First Amendment to Declaration of Condominium of Founders Way Condominium was acknowledged before me in the jurisdiction aforesaid this 5<sup>th</sup> day of April, 2011, on behalf of Founders Way LLC, a Virginia limited liability company, by Jared S. Scripture, its manager.

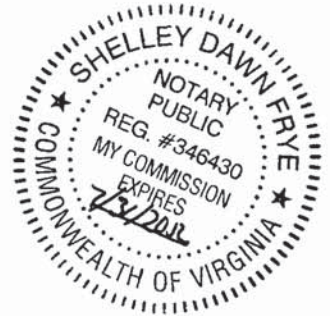
My Commission expires: 7/31/2012.

(SEAL)

Shelley Dawn Frye  
Notary Public  
Notary Public Registration No. 346430

LAH/shw-00280729.doc

I was commissioned as Shelley Dawn Frye





ROCKINGHAM COUNTY  
Chaz W. Evans-Haywood  
CLERK OF COURT  
Harrisonburg, VA 22801



60 2011 00012691

Instrument Number: 2011- 00012691

As  
Amendment

Recorded On: May 18, 2011

Parties: FOUNDERS WAY LLC  
To  
NO GRANTEE

Recorded By: JARED SCRIPTURE

Num Of Pages: 3

Comment:

**\*\* Examined and Charged as Follows: \*\***

Amendment	6.50	10 or Fewer Pages	14.50
Recording Charge:	21.00		

**\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\***

I hereby certify that the within and foregoing was recorded in the Register of Deeds Office For: ROCKINGHAM COUNTY, VA

**File Information:**

**Record and Return To:**

Document Number: 2011- 00012691  
Receipt Number: 200242  
Recorded Date/Time: May 18, 2011 01:58:53P  
Book-Vol/Pg: BK-OR VI-3877 Pg-646  
Cashier / Station: K Brooks / Cash Station 2

JARED SCRIPTURE  
RECORDED IN PERSON  
HARRISONBURG VA 22801



THE STATE OF VIRGINIA }  
COUNTY OF ROCKINGHAM }

I certify that the document to which this authentication is affixed is a true copy of a record in the Rockingham County Circuit Court Clerk's Office and that I am the custodian of that record.

Chaz W. Evans-Haywood

CLERK OF COURT  
ROCKINGHAM COUNTY, VIRGINIA

Doc Bk Vol Pg #of Pgs  
00012691 OR 3877 646 3

May 18, 2011

**SECOND AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
OF FOUNDERS WAY CONDOMINIUM**

This Second Amendment is made this 17<sup>th</sup> day of May, 2011, by FOUNDERS WAY LLC, a Virginia limited liability company ("Declarant"), to be indexed as Grantor, and constitutes a supplement and amendment to the Declaration of Condominium of Founders Way Condominium, dated August 25, 2010, of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 3752, Page 278, as previously amended (the "Declaration"). All capitalized terms that are used but not otherwise defined in this Amendment have the meanings given to them in the Declaration.

WHEREAS, Section 14.3 of the Declaration authorizes Declarant to unilaterally amend the Condominium Instruments at any time in order to meet the requirements of the VA, FHA, other government agency or the secondary mortgage market in order that loans on individual Units may be made, insured, guaranteed and/or transferred, and

WHEREAS, Declarant desires to amend the Declaration to meet requirements of FHA by conforming the address stated in the Declaration to the correct physical address of the condominium, eliminating any inconsistency in the address of the Condominium;

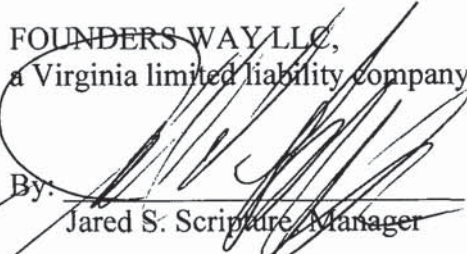
NOW THEREFORE, Declarant hereby amends the Declaration as follows in order to meet FHA requirements referenced above to facilitate affordable and available financing of Units:

1. Section 4.2 of the Declaration is amended to replace "Constitution Drive" with "Constitution Court" and to add the zip code 22802, so that it states that the street address is "1290 Constitution Court, Unit \_\_, Harrisonburg, Virginia 22802." The street number "1290" applies to the first building only; if the project is expanded to include some or all of the Expansion Property, then future buildings will have a different street number.

This Second Amendment shall hereafter be deemed for all purposes as a part of the Declaration.

IN WITNESS WHEREOF, Declarant has executed and delivered this Second Amendment to Condominium Declaration effective as of the date first written above.

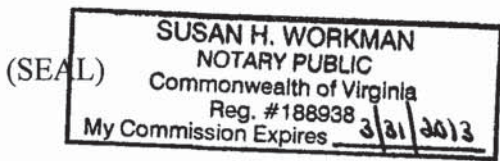
FOUNDERS WAY LLC,  
a Virginia limited liability company

By:   
Jared S. Scripture, Manager

STATE OF VIRGINIA  
CITY/COUNTY OF HARRISONBURG, to-wit:

The foregoing Second Amendment to Declaration of Condominium of Founders Way Condominium was acknowledged before me in the jurisdiction aforesaid this 18<sup>th</sup> day of May, 2011, on behalf of Founders Way LLC, a Virginia limited liability company, by Jared S. Scripture, its manager.

My Commission expires: March 31, 2013.



  
\_\_\_\_\_  
Notary Public  
Notary Public Registration No. 188938

LAH/shw-284598

ROCKINGHAM COUNTY  
Chaz W. Evans-Haywood  
CLERK OF COURT  
Harrisonburg, VA 22801



60 2012 00012147

Instrument Number: 2012- 00012147

As  
Amendment

Recorded On: May 02, 2012

Parties: FOUNDERS WAY LLC

To  
NO GRANTEE

Recorded By: FOUNDERS WAY LLC

Num Of Pages: 3

Comment:

**\*\* Examined and Charged as Follows: \*\***

Amendment	6.50	10 or Fewer Pages	14.50
Recording Charge:	21.00		

**\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\***

I hereby certify that the within and foregoing was recorded in the Register of Deeds Office For: ROCKINGHAM COUNTY, VA

**File Information:**

Document Number: 2012- 00012147  
Receipt Number: 229095  
Recorded Date/Time: May 02, 2012 03:07:55P  
Book-Vol/Pg: Bk-OR VI-4042 Pg-728  
Cashier / Station: M Stacy / Cash Station 2

**Record and Return To:**

FOUNDERS WAY LLC  
RETURNED IN PERSON AFTER RECORDING  
HARRISONBURG VA 22801



THE STATE OF VIRGINIA}  
COUNTY OF ROCKINGHAM}

I certify that the document to which this authentication is affixed is a true copy of a record in the Rockingham County Circuit Court Clerk's Office and that I am the custodian of that record.

Chaz W. Evans-Haywood, Clerk of Court

CLERK OF COURT  
ROCKINGHAM COUNTY, VIRGINIA

VE&amp;Z

Doc	Bk	Vol	Ps	# of Pgs
00012147	OR	4042	728	3

May 02, 2012

**THIRD AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
OF FOUNDERS WAY CONDOMINIUM**

This Third Amendment is made this 2nd day of May, 2012, by FOUNDERS WAY LLC, a Virginia limited liability company ("Declarant"), to be indexed as Grantor, and constitutes a supplement and amendment to the Declaration of Condominium of Founders Way Condominium, dated August 25, 2010, of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 3752, Page 278, as previously amended (the "Declaration"). All capitalized terms that are used but not otherwise defined in this Amendment have the meanings given to them in the Declaration.

WHEREAS, Section 14.3 of the Declaration authorizes Declarant to unilaterally amend the Condominium Instruments at any time in order to meet the requirements of the VA, FHA, other government agency or the secondary mortgage market in order that loans on individual Units may be made, insured, guaranteed and/or transferred, and

WHEREAS, Declarant desires to amend the Declaration to meet requirements of FHA regarding stated limitations on commercial use;

NOW THEREFORE, Declarant hereby amends the Declaration as follows in order to meet FHA requirements referenced above to facilitate affordable and available financing of Units:

1. Section 8.1 of the Declaration restricts all Units to residential use. The First Amendment to Declaration added clarification language to meet requirements of the secondary mortgage market, by adding a sentence to Section 8.1 which stated that no more than twenty-five percent (25%) of the floor area could be used for non-residential purposes. To comply with the requirements of Fannie Mae, such percentage is being reduced to twenty percent (20%). Accordingly, the last sentence of Section 8.1 is amended and restated to read in its entirety as follows: "No more than twenty percent (20%) of the floor area of the Condominium project is or shall be used for non-residential purposes."

This Third Amendment shall hereafter be deemed for all purposes as a part of the Declaration.

IN WITNESS WHEREOF, Declarant has executed and delivered this Amendment to Condominium Declaration effective as of the date first written above.

FOUNDERS WAY LLC,  
a Virginia limited liability company

By: Jared S. Scripture  
Jared S. Scripture, Manager

STATE OF VIRGINIA,  
CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing Third Amendment to Declaration of Condominium of Founders Way Condominium was acknowledged before me in the jurisdiction aforesaid this 2<sup>nd</sup> day of May, 2012, on behalf of Founders Way LLC, a Virginia limited liability company, by Jared S. Scripture, its manager.

My Commission expires: 7/31/2012.

(SEAL)

Shelley Dawn Frye  
Notary Public  
Notary Public Registration No. 346430

LAH/shw-324478

I was commissioned as Shelley Dawn Frye



ROCKINGHAM COUNTY  
Chaz W. Evans-Haywood  
CLERK OF COURT  
Harrisonburg, VA 22801



60 2012 00029786

Instrument Number: 2012- 00029786

As

Amendment

Recorded On: October 30, 2012

Parties: FOUNDERS WAY LLC

To

NO GRANTEE

Recorded By: FOUNDERS WAY LLC

Num Of Pages: 7

Comment:

**\*\* Examined and Charged as Follows: \*\***

Amendment	6.50	10 or Fewer Pages	14.50	Plat larger than legal	80.00
Recording Charge:	101.00				

**\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\***

I hereby certify that the within and foregoing was recorded in the Register of Deeds Office For: ROCKINGHAM COUNTY, VA

**File Information:**

Document Number: 2012- 00029786  
Receipt Number: 246231  
Recorded Date/Time: October 30, 2012 04:34:46P  
Book-Vol/Pg: Bk-OR VI-4134 Pg-453  
Cashier / Station: A Pittman / Cash Station 3

**Record and Return To:**

FOUNDERS WAY LLC  
RETURNED IN PERSON AFTER RECORDING  
HARRISONBURG VA 22801



THE STATE OF VIRGINIA }  
COUNTY OF ROCKINGHAM }

I certify that the document to which this authentication is affixed is a true copy of a record in the Rockingham County Circuit Court Clerk's Office and that I am the custodian of that record.

Chaz W. Evans-Haywood - Clerk of Court  
CLERK OF COURT  
ROCKINGHAM COUNTY, VIRGINIA

Oct 30, 2012

**FOURTH AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
OF FOUNDERS WAY CONDOMINIUM**

This Fourth Amendment is made this 30<sup>th</sup> day of October, 2012, by FOUNDERS WAY LLC, a Virginia limited liability company ("Declarant"), to be indexed as Grantor, and constitutes a supplement and amendment to the Declaration of Condominium of Founders Way Condominium, dated August 25, 2010, of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 3752, Page 278, as previously amended (the "Declaration"). All capitalized terms that are used but not otherwise defined in this Amendment have the meanings given to them in the Declaration.

WHEREAS, Article 16 of the Declaration authorizes Declarant to unilaterally amend the Condominium Instruments for up to seven years from the date of recordation of the Declaration in order to add all or any part of the Expansion Property to the Condominium, and

WHEREAS, Declarant desires to amend the Declaration to add a portion of the Expansion Property to the Condominium within such time period, reserving the right to further expand the Condominium by adding additional portions of the Expansion Property in the future;

NOW THEREFORE, Declarant hereby exercises its option to add the following portions of the Expansion Property to the Founders Way Condominium:

1. Founders Way, Phase Two being comprised of 1.010 acres, more or less, being more particularly described as "Phase Two" on the condominium plat attached hereto and made a part hereof as Exhibit A (the "Expansion Plat") (the "Phase Two Property"); and
2. Founders Way, Phase Three being comprised of 0.520 acres, more or less, being more particularly described as "Phase Three" on the Expansion Plat (the "Phase Three Property").

The addition of such portions of the Expansion Property to the Condominium is SUBJECT TO the reservation by Declarant of the 25' Access Easement as shown on such plat as well as utility and other easements reserved by Declarant as contemplated by the Condominium Declaration and as necessary to facilitate development and use of the Expansion Property.

The term "Property" under and as defined in the Declaration hereafter includes the Phase Two Property and the Phase Three Property.



The terms "Plats" and "Plans" under and as defined in the Declaration hereafter includes the Expansion Plat.

Declarant is in the process of constructing a twelve-Unit condominium building on the Phase Two Property as shown on the Expansion Plat, subject to modification upon substantial completion thereof. Upon issuance of a certificate of occupancy for such twelve Units on the Phase Two Property, the undivided interest in Common Elements shall be re-allocated among the Units equally, resulting in an allocation of 1/24 to each Unit. At such time as an additional condominium building is constructed on the Phase Three Property, such construction having not yet been begun as so indicated on the Expansion Plat, a modified plat will be recorded and the undivided interest in Common Elements shall be re-allocated among the Units equally to take into account such additional Phase Three Units.

Declarant reserves the right to construct within the Phase Two Property such amenities for the Condominium and Liberty Square as Declarant determines in its sole discretion, which amenities shall be maintained and managed by the Liberty Square Owners' Association for the benefit of the members of such association, including without limitation the Unit Owners who are also members of such association pursuant to the Third Supplement and Amendment to Declaration of Covenants, Conditions, Reservations and Restrictions For Liberty Square recorded prior hereto and concurrently herewith.

This Fourth Amendment shall hereafter be deemed for all purposes as a part of the Declaration.

IN WITNESS WHEREOF, Declarant has executed and delivered this Amendment to Condominium Declaration effective as of the date first written above.

FOUNDERS WAY LLC,  
a Virginia limited liability company  
By: Jared S. Scripture  
Jared S. Scripture, Manager

STATE OF VIRGINIA  
CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing Fourth Amendment to Declaration of Condominium of Founders Way Condominium was acknowledged before me in the jurisdiction aforesaid this 30<sup>th</sup> day of October, 2012, on behalf of Founders Way LLC, a Virginia limited liability company, by Jared S. Scripture, its manager.

My Commission expires: 7/31/2016

(SEAL)

340365

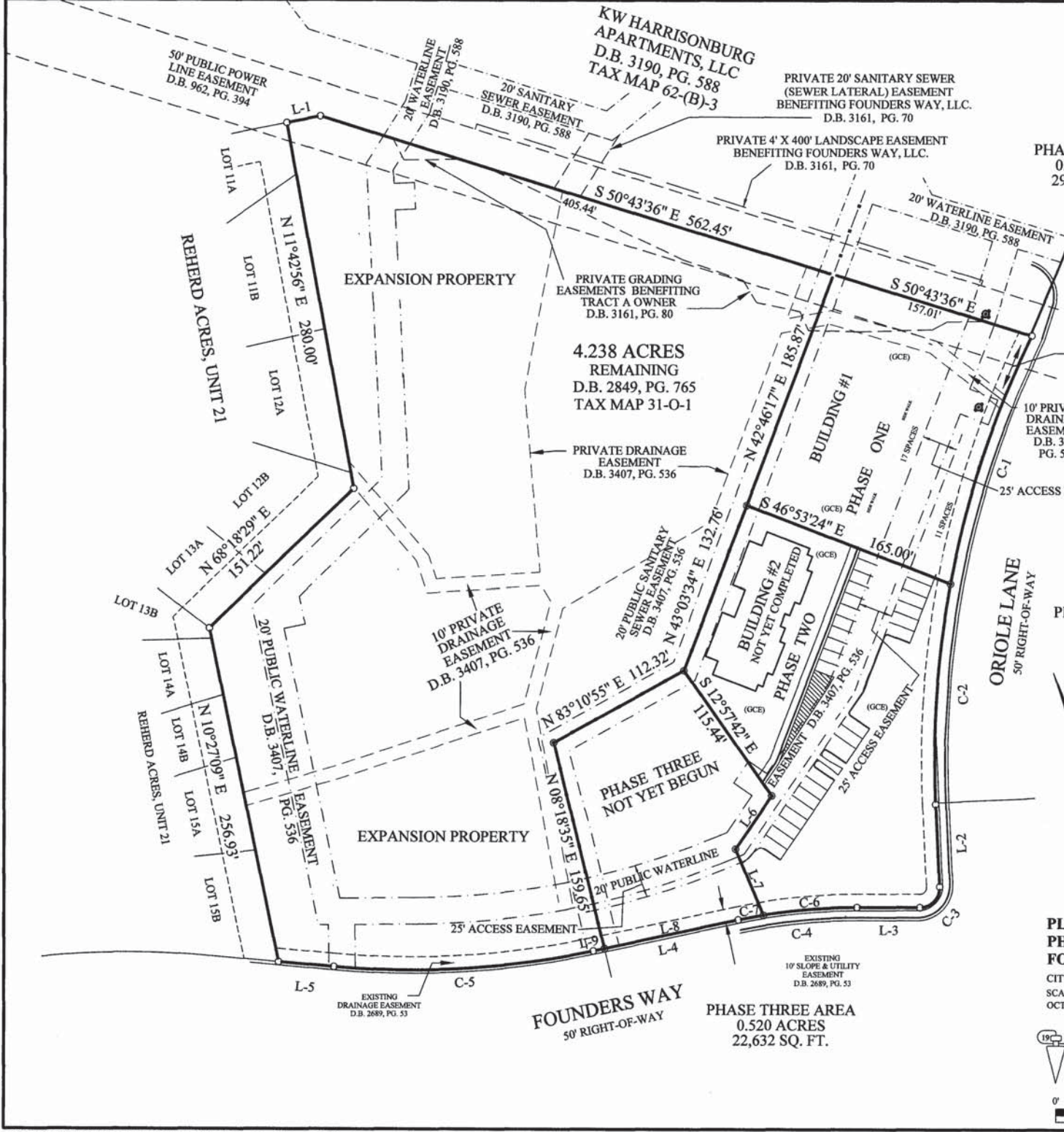


Shelley Nibgen  
Notary Public  
Notary Public Registration No. 346430

CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING	DELTA ANGLE
C-1	725.00'	197.21'	196.60'	S 40°21'21" W	15°35'07"
C-2	725.00'	166.57'	166.20'	S 25°58'53" W	13°09'49"
C-3	15.00'	24.31'	21.74'	S 65°49'49" W	92°51'41"
C-4	425.00'	90.31'	90.14'	N 73°49'35" W	12°10'51"
C-5	657.00'	196.90'	196.23'	N 71°19'24" W	17°10'25"
C-6	425.00'	70.90'	70.87'	S 72°31'19" E	09°33'57"
C-7	425.00'	19.30'	19.35'	S 78°36'35" E	02°36'34"

LINE	BEARING	DISTANCE
L-1	S 79°05'22" E	25.77'
L-2	S 19°23'59" W	62.01'
L-3	N 67°44'21" W	47.58'
L-4	N 79°54'52" W	112.10'
L-5	N 62°44'16" W	41.94'
L-6	S 56°28'37" W	48.48'
L-7	S 00°48'02" E	53.97'
L-8	N 79°54'52" W	103.45'
L-9	N 79°54'52" W	8.65'



**ABBREVIATIONS:**  
 1. (GCE) GENERAL COMMON ELEMENT

- LEGEND**
- IRON PIN FOUND
  - SS — SANITARY LINES
  - ⊙ SEWER MANHOLE
  - ⊠ DUMPSTER
  - POINT
  - ⊠ FIRE HYDRANT

- NOTES:**
- DATUM AS SHOWN HEREON IS ACCORDING TO RECORDED INFORMATION AND A CURRENT FIELD SURVEY.
  - THIS PROPERTY IS PRESENTLY IN THE NAME OF FOUNDERS WAY, LLC.
  - BEARINGS ARE ROTATED TO PLAT RECORDED IN D.B. 2689, PG. 53.
  - ANY EXISTING EASEMENT SHOWN HEREON IS BASED ON RECORDED INFORMATION. THIS PROPERTY MAY BE EXPRESSLY SUBJECT TO EASEMENTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS CONTAINED IN DULY RECORDED DEEDS, PLATS AND OTHER INSTRUMENTS CONSTITUTING CONSTRUCTIVE NOTICE IN THE CHAIN OF TITLE TO THE PROPERTY HEREBY SURVEYED THAT ARE NOT SHOWN. THIS PROPERTY MAY BE SUBJECT TO OTHER EASEMENTS NOT OF PUBLIC RECORD.
  - NO TITLE REPORT HAS BEEN FURNISHED.
  - ALL PARKING SPACES ARE GENERAL COMMON ELEMENTS WHICH MAY BE ASSIGNED AS LIMITED COMMON ELEMENTS LATER.

**PHASE TWO AREA**  
 1.010 ACRES  
 43,994 SQ. FT.

**SURVEYOR'S CERTIFICATE**

I, BARRY E. LOTTS, A DULY LICENSED LAND SURVEYOR IN THE COMMONWEALTH OF VIRGINIA HEREBY STATE TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF:  
 THIS CONDOMINIUM PLAT REPRESENTS AN ON THE GROUND FIELD SURVEY CONDUCTED UNDER MY DIRECT SUPERVISION. CORNER MONUMENTATION HAS BEEN SET AS SHOWN HEREON AND THIS CONDOMINIUM PLAT MEETS THE REQUIREMENTS SET FORTH IN SECTION 55-79.58A CODE OF VIRGINIA. THE PROPERTY STANDS IN THE NAME OF FOUNDERS WAY LLC, ACQUIRED BY THEM IN DEED BOOK 2849, PAGE 765; RECORDED IN THE LANDS OF THE CITY OF HARRISONBURG, VIRGINIA. THE IMPROVEMENTS SHOWN HEREON ARE SUBSTANTIALLY COMPLETED.

*Barry E. Lotts*  
 BARRY E. LOTTS, LS #001528-B  
 10/18/2012  
 DATE

**PLAT OF PHASES TWO AND THREE  
 FOUNDERS WAY CONDOMINIUM**

CITY OF HARRISONBURG, VIRGINIA  
 SCALE 1" = 50'  
 OCTOBER 18, 2012

**Lotts & Associates, P.C.**  
 Land Surveying - Land Planning  
 21 Cambridge Drive \* P.O. Box 1167  
 Staunton, Virginia 24477  
 Phone (540) 337-0012 Fax (540) 337-1455



# METES & BOUNDS OF CONDO

S 67°44'21" E 115.08'

0.150 ACRES  
6660 SQ. FT.

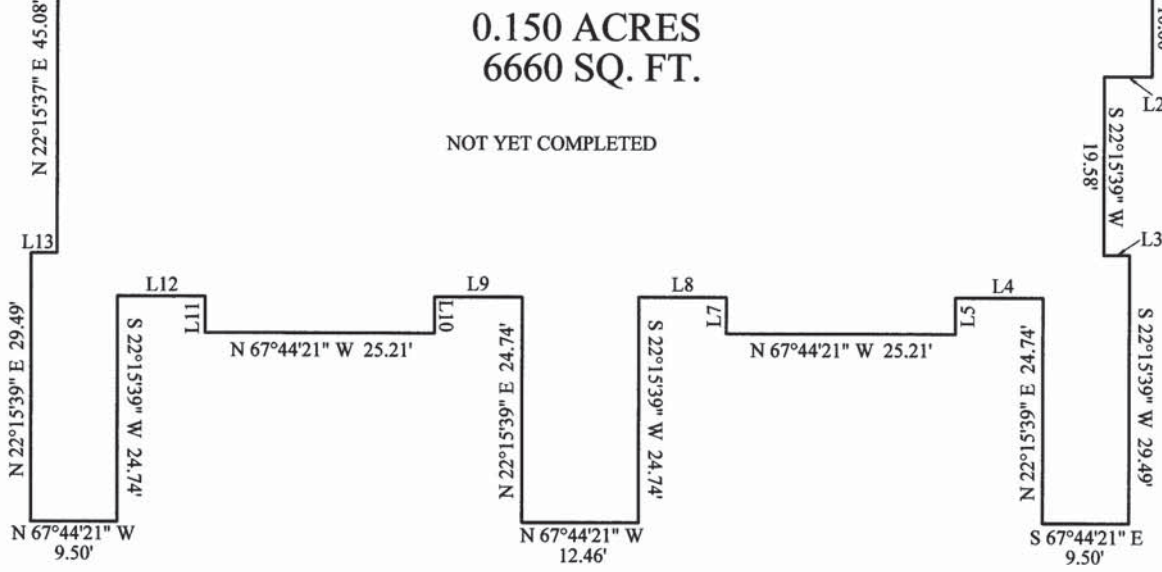
NOT YET COMPLETED

LINE	BEARING	DISTANCE
L1	S 67°44'21" E	5.25'
L2	N 67°44'21" W	5.25'
L3	S 67°44'21" E	2.83'
L4	N 67°44'21" W	9.62'
L5	S 22°15'39" W	4.00'
L6	N 67°44'21" W	12.38'
L7	N 22°15'39" E	4.00'
L8	N 67°44'21" W	9.62'
L9	N 67°44'21" W	9.62'
L10	S 22°15'39" W	4.00'
L11	N 22°15'39" E	4.00'
L12	N 67°44'21" W	9.63'
L13	S 67°44'21" E	2.83'

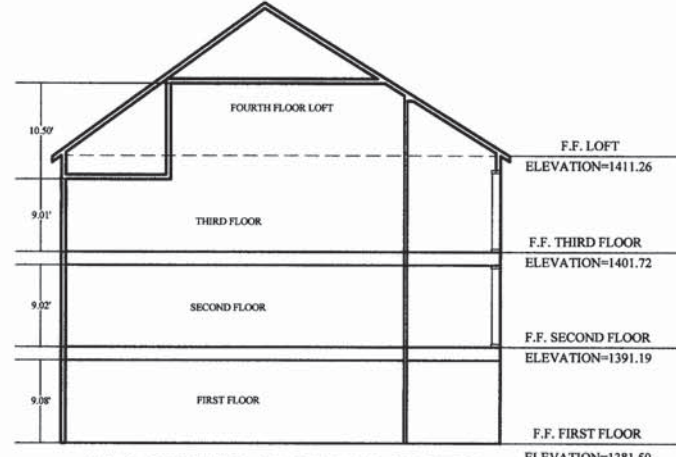
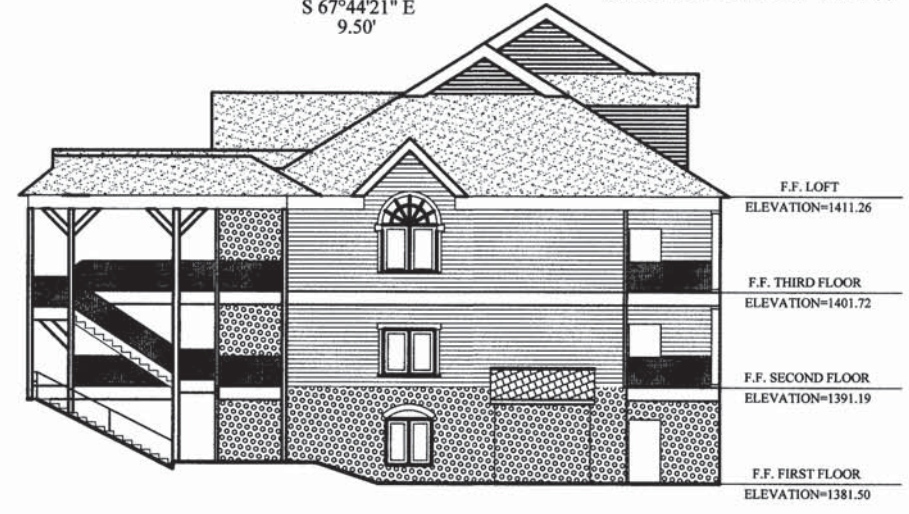


## NOTES:

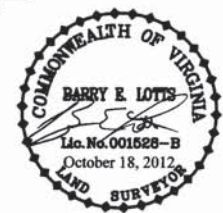
1. INTERIOR DIMENSIONS WERE OBTAINED FROM ARCHITECTURAL PLANS.
2. ELEVATIONS WERE OBTAINED FROM FIELD SURVEY PREPARED BY LOTTS & ASSOCIATES.
3. ALL BALCONIES ARE LCE (LIMITED COMMON ELEMENTS) TO THE UNITS THAT THEY ARE ATTACHED TO.



## CONDO SIDE VIEW



## VERTICAL BOUNDARIES ALL UNITS



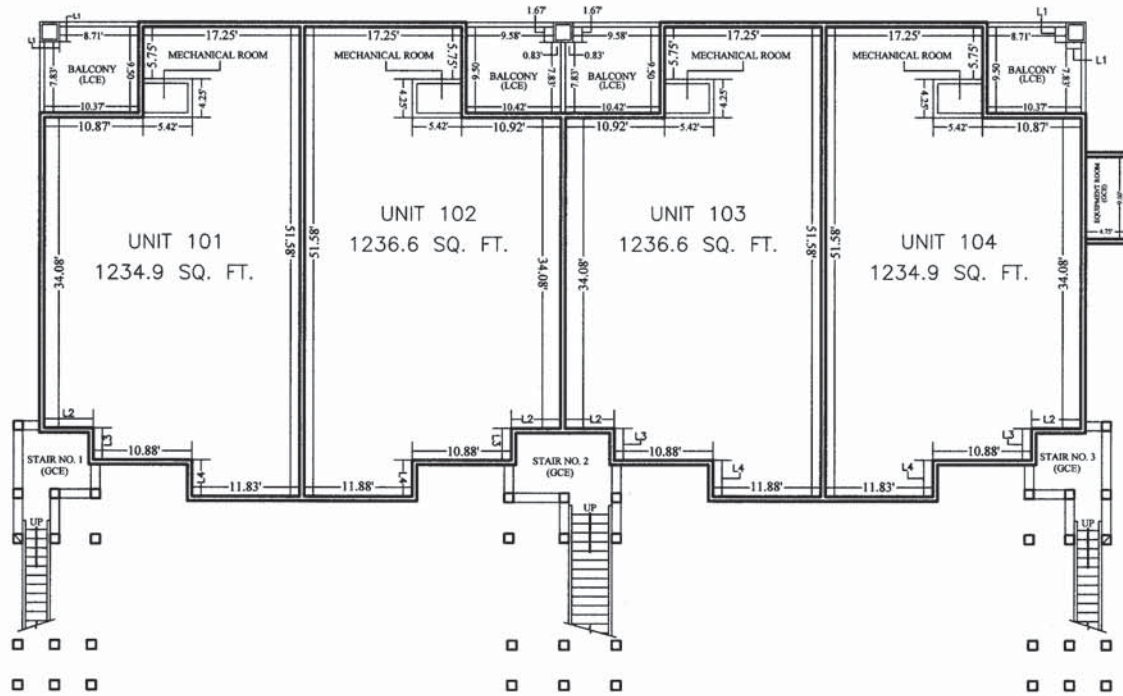
## PLAT OF PHASES TWO AND THREE FOUNDERS WAY CONDOMINIUM

CITY OF HARRISONBURG, VIRGINIA  
SCALE 1" = 50'  
OCTOBER 18, 2012

**Lotts & Associates, P.C.**  
Land Surveying - Land Planning  
21 Cambridge Drive • P.O. Box 1167  
Staunton, Virginia 24477  
Phone (540) 337-0012 Fax (540) 337-1455

LINE	DISTANCE
L1	1.67'
L2	5.42'
L3	3.50'
L4	4.00'

FIRST FLOOR PLAN  
NOT YET COMPLETED

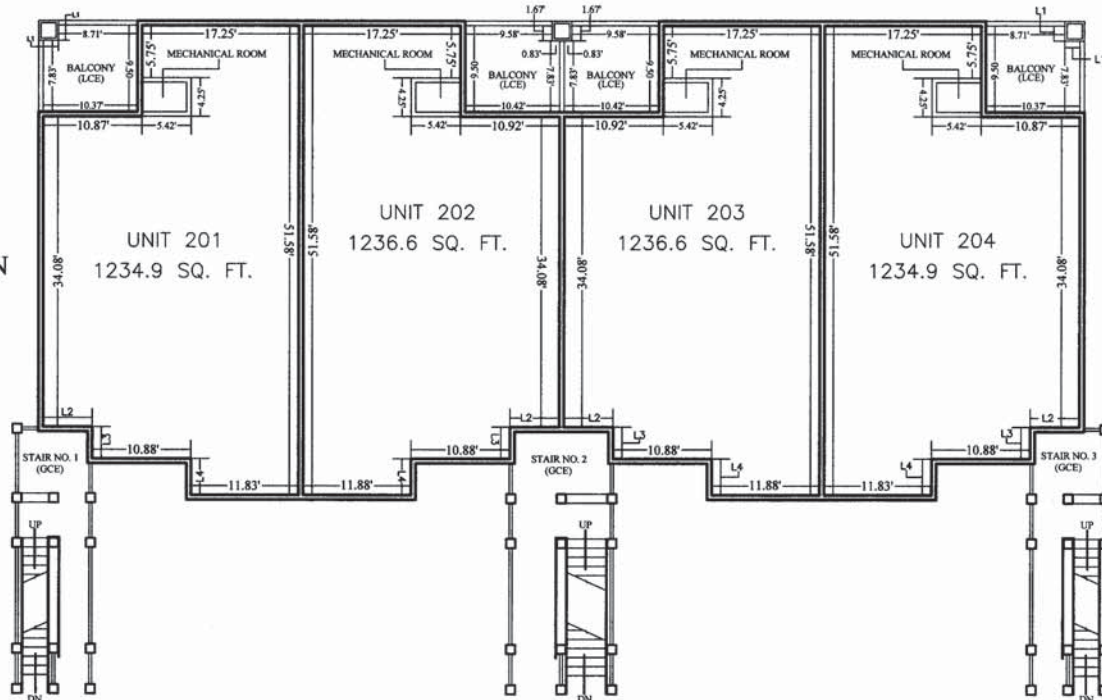


NOTES:

1. INTERIOR DIMENSIONS WERE OBTAINED FROM ARCHITECTURAL PLANS.
2. ELEVATIONS WERE OBTAINED FROM FIELD SURVEY PREPARED BY LOTTS & ASSOCIATES.
3. ALL BALCONIES ARE LCE (LIMITED COMMON ELEMENTS) TO THE UNITS THAT THEY ARE ATTACHED TO.
4. ALL STAIRWELLS ARE GCE (GENERAL COMMON ELEMENTS) TO ALL UNITS.



SECOND FLOOR PLAN  
NOT YET COMPLETED

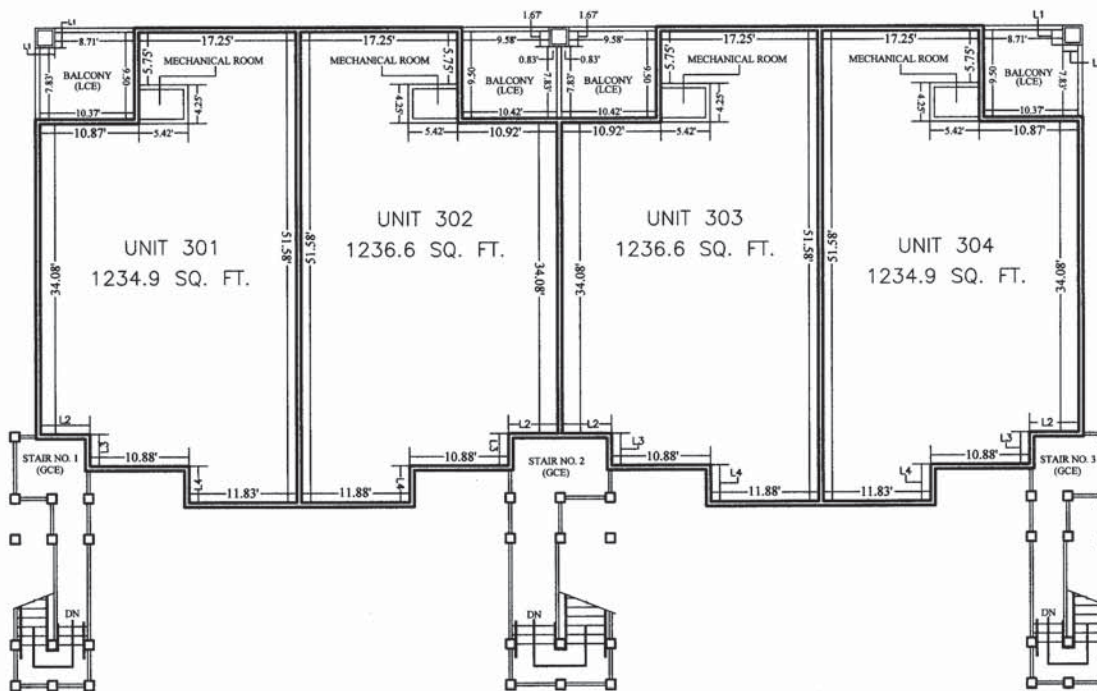


PLAT OF  
PHASES TWO AND THREE  
FOUNDERS WAY CONDOMINIUM  
CITY OF HARRISONBURG, VIRGINIA  
SCALE 1" = 50'  
OCTOBER 18, 2012

**Lotts & Associates, P.C.**  
Land Surveying - Land Planning  
21 Cambridge Drive \* P.O. Box 1167  
Staunton, Virginia 24477  
Phone (540) 337-0012 Fax (540) 337-1455

LINE	DISTANCE
L1	1.67'
L2	5.42'
L3	3.50'
L4	4.00'
L5	3.00'
L6	3.50'
L7	3.04'
L8	2.33'

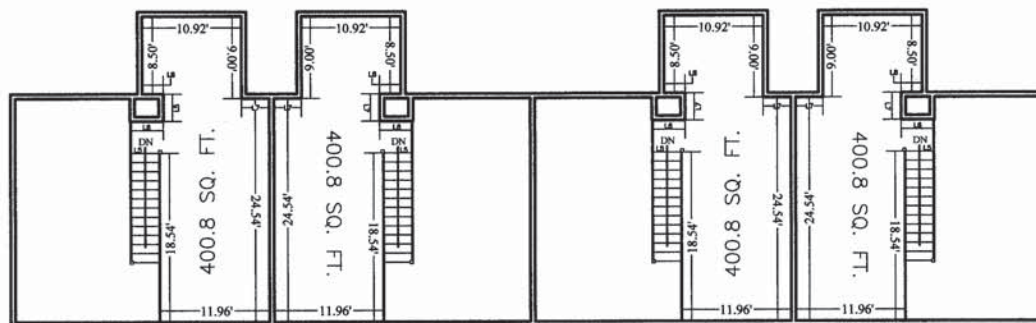
THIRD FLOOR PLAN  
NOT YET COMPLETED



NOTES:

1. INTERIOR DIMENSIONS WERE OBTAINED FROM ARCHITECTURAL PLANS.
2. ELEVATIONS WERE OBTAINED FROM PLANS, PREPARED BY LOTTIS & ASSOC.
3. ALL BALCONIES ARE LCE (LIMITED COMMON ELEMENTS) TO THE UNITS THAT THEY ARE ATTACHED TO.
4. ALL STAIRWELLS ARE GCE (GENERAL COMMON ELEMENTS) TO ALL UNITS.

LOFT FLOOR PLAN  
NOT YET COMPLETED



PLAT OF  
PHASES TWO AND THREE  
FOUNDERS WAY CONDOMINIUM  
CITY OF HARRISONBURG, VIRGINIA  
SCALE 1" = 50'  
OCTOBER 18, 2012

Lottis & Associates, P.C.  
Land Surveying - Land Planning  
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Staats Draft, Virginia 24477  
Phone (540) 337-0012 Fax (540) 337-1455



ROCKINGHAM COUNTY  
Chaz W. Evans-Haywood  
CLERK OF COURT  
Harrisonburg, VA 22801



60 2013 00007685

Instrument Number: 2013- 00007685

As  
Amendment

Recorded On: March 22, 2013

Parties: FOUNDERS WAY LLC

To  
NO GRANTEE

Recorded By: FOUNDERS WAY CONDOMINIUM

Num Of Pages: 3

Comment:

**\*\* Examined and Charged as Follows: \*\***

Amendment	6.50	10 or Fewer Pages	14.50
Recording Charge:	21.00		

**\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\***

I hereby certify that the within and foregoing was recorded in the Register of Deeds Office For: ROCKINGHAM COUNTY, VA

**File Information:**

**Record and Return To:**

Document Number: 2013- 00007685  
Receipt Number: 257862  
Recorded Date/Time: March 22, 2013 10:56:58A  
Book-Vol/Pg: Bk-OR VI-4209 Pg-269  
Cashier / Station: M Stacy / Cash Station 2

FOUNDERS WAY CONDOMINIUM  
RETURNED IN PERSON AFTER RECORDING  
HARRISONBURG VA 22801



THE STATE OF VIRGINIA }  
COUNTY OF ROCKINGHAM }

I certify that the document to which this authentication is affixed is a true copy of a record in the Rockingham County Circuit Court Clerk's Office and that I am the custodian of that record.

Chaz W. Evans-Haywood - Clerk of Court  
CLERK OF COURT  
ROCKINGHAM COUNTY, VIRGINIA

Doc Bk	Vol	Page	# of Pages
00007685 OR	4209	269	3

Mar 22, 2013

**FIFTH AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
OF FOUNDERS WAY CONDOMINIUM**

This Fifth Amendment is made this 22<sup>nd</sup> day of March, 2013, by FOUNDERS WAY LLC, a Virginia limited liability company ("Declarant"), to be indexed as Grantor, and constitutes a supplement and amendment to the Declaration of Condominium of Founders Way Condominium, dated August 25, 2010, of record in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 3752, Page 278, as previously amended (the "Declaration"). All capitalized terms that are used but not otherwise defined in this Amendment have the meanings given to them in the Declaration.

WHEREAS, Section 14.3 of the Declaration authorizes Declarant to unilaterally amend the Condominium Instruments at any time in order to meet the requirements of the VA, FHA, other government agency or the secondary mortgage market in order that loans on individual Units may be made, insured, guaranteed and/or transferred, and

WHEREAS, Declarant desires to amend the Declaration to meet requirements of VA regarding lease of units financed by VA;

NOW THEREFORE, Declarant hereby amends the Declaration as follows in order to meet VA requirements referenced above to facilitate affordable and available financing of Units:

1. Section 8.3 of the Declaration addresses leasing of units, and is amended to add a new paragraph 8.3(d), reading as follows:

“(d) Regardless of any other provision of the Condominium Instruments, Rules and Regulations or any governing document relating to the Condominium, there shall be no restrictions on the ability of a Unit Owner to lease their Unit if the Unit is encumbered by a mortgage issued or guaranteed by the US Department of Veterans Affairs.”

This Fifth Amendment shall hereafter be deemed for all purposes as a part of the Declaration.

IN WITNESS WHEREOF, Declarant has executed and delivered this Amendment to Condominium Declaration effective as of the date first written above.

FOUNDERS WAY LLC,  
a Virginia limited liability company

By: [Signature]  
Jared S. Scripture, Manager

STATE OF VIRGINIA  
CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing Third Amendment to Declaration of Condominium of Founders Way Condominium was acknowledged before me in the jurisdiction aforesaid this 22<sup>nd</sup> day of March, 2013, on behalf of Founders Way LLC, a Virginia limited liability company, by Jared S. Scripture, its manager.

My Commission expires: 7/31/2016.

(SEAL)

[Signature]  
Notary Public  
Notary Public Registration No. 346430

351986





Exhibit E-2

Assignment of Declarant Rights

THIS DOCUMENT WAS PREPARED BY:  
LISA ANNE HAWKINS (VSB #44738)  
FLORA PETTIT PC  
90 NORTH MAIN STREET, SUITE 201  
HARRISONBURG, VIRGINIA 22802



AFFECTS CITY OF HARRISONBURG TAX MAP NO.: 31-(O)-1 (PORTION)

## ASSIGNMENT OF DECLARANT RIGHTS FOUNDERS WAY CONDOMINIUM

This Assignment of Declarant Rights is made effective the 3<sup>rd</sup> day of October, 2019, FOUNDERS WAY LLC, a Virginia limited liability company, to be indexed as Grantor (“Founders Way”) and HARRISONBURG TOWNHOMES, L.L.C., a Virginia limited liability company, as assignee, to be indexed as Grantee (“HB Townhomes”), for the purpose of transferring from Founders Way to HB Townhomes the rights of the “Declarant” pursuant to the Declaration of Condominium of Founders Way Condominium, of record in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia, by Founders Way in Deed Book 3752, page 278, as amended and supplemented (the “Declaration”).

All capitalized terms that are used but not otherwise defined in this instrument have the meanings given to them in the Declaration.

WHEREAS, Founders Way is the “Declarant” under the Declaration, and has acted as such up to the date of this instrument with respect to the condominium known as Founders Way Condominium created by the Declaration (the “Condominium”);

WHEREAS, HB Townhomes is acquiring concurrently herewith from Founders Way the land shown on the Condominium Plat as Phase III of the Condominium (as more particularly described in the deed of conveyance, the “Phase III Property”), and intends to develop such land as the final phase of the Condominium; and

WHEREAS, Founders Way has agreed to transfer and convey its rights as Declarant under the Declaration as part of the conveyance of the Phase III Property concurrently with this Assignment, and this instrument is being executed and delivered to that end.

1. Assignment. In consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Founders Way hereby assigns and transfers to HB Townhomes, and HB Townhomes hereby assumes, all rights and obligations of “Declarant” under the Declaration.

2. Easement. Founders Way assigns to HB Townhomes all easement rights reserved to it in its capacity as Declarant in the Declaration which benefit the Phase III Property or are necessary or desirable to facilitate development of the Phase III Property.

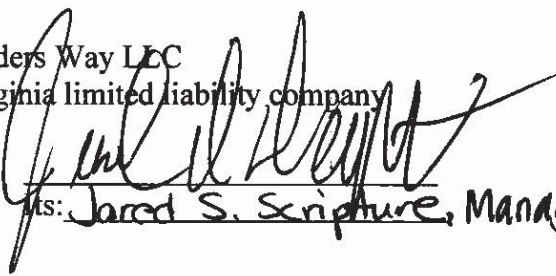
3. Indemnity.

Founders Way agrees to indemnify and hold harmless HB Townhomes from and against claims, damages, penalties, costs and expenses (including without limitation, reasonable attorneys' fees) caused by or arising out of any actions or negligent omissions of Founders Way acting in its capacity as "Declarant" under the Declaration or other Condominium Instruments prior to the date of this instrument.

HB Townhomes agrees to indemnify and hold harmless Founders Way from and against claims, damages, penalties, costs and expenses (including without limitation, reasonable attorneys' fees) caused by or arising out of any actions or negligent omissions of HB Townhomes acting in its capacity as "Declarant" under the Declaration or other Condominium Instruments on and after the date of this instrument, and with respect to its exercise of transferred rights or performance of transferred obligations after the date of this instrument.

Neither Founders Way nor HB Townhomes shall have any liability for any act or omission of the other in the exercise of its rights or performance of its obligations pursuant to the Declaration or other Condominium Instruments.

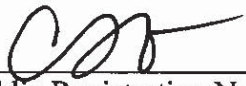
IN WITNESS WHEREOF, this instrument has been executed and delivered by the undersigned on due authority.

Founders Way LLC  
a Virginia limited liability company  
By:   
Its: Jared S. Scripture, Manager

STATE OF VIRGINIA  
CITY/COUNTY OF Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid this 3 day of October, 2019, by Jared S. Scripture as Manager of Founders Way LLC, a Virginia limited liability company, on behalf of the limited liability company.

My commission expires: 6.30.22

[SEAL]   
Notary Public Registration No.: 7759208



Harrisonburg Townhomes, L.L.C.,  
a Virginia limited liability company

By: [Signature]  
Its: Jared S. Scripture, Manager

STATE OF VIRGINIA  
CITY/COUNTY OF Harrisonburg to-wit:

The foregoing instrument was acknowledged before me in the jurisdiction  
aforesaid this 3 day of October, 2019, by  
Jared S. Scripture as Manager of Harrisonburg  
Townhomes, L.L.C., a Virginia limited liability company, on behalf of the limited  
liability company.

My commission expires: 0.30.22

[SEAL]

[Signature]  
Notary Public Registration No.: 7759208

775485



Exhibit F  
to  
Public Offering Statement

Founders Way Condominium, Phase 3

Unit Layouts

LINE	BEARING	DISTANCE
L-1	N 11° 29' 18" E	112.55'
L-2	N 27° 21' 18" W	13.50'
L-3	N 72° 18' 20" W	17.50'
L-4	S 12° 41' 40" W	17.00'
L-5	N 73° 18' 20" W	31.00'
L-6	N 17° 41' 40" E	30.73'
L-7	N 17° 41' 40" E	13.78'
L-8	S 73° 18' 20" E	53.51'
L-9	S 87° 52' 48" E	104.14'
L-10	S 88° 46' 00" E	10.92'
L-11	S 88° 11' 00" W	26.04'
L-12	S 58° 28' 35" W	103.33'

LINE	BEARING	DISTANCE
L-1	S 14° 22' 27" E	31.19'

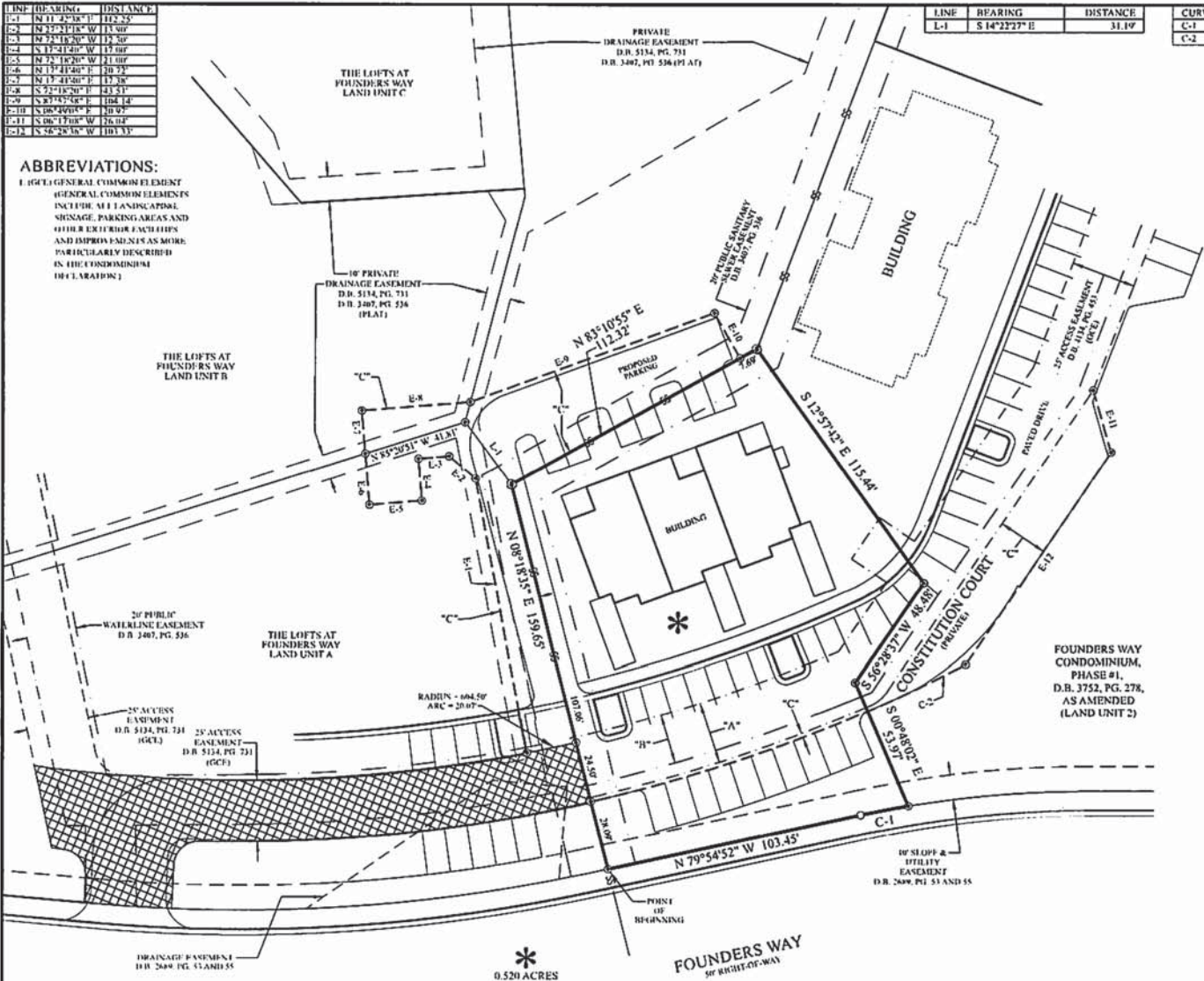
CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING	DELTA ANGLE
C-1	423.00'	19.36'	19.35'	S 78° 50' 35" W	02° 36' 34"
C-2	629.00'	160.28'	159.83'	S 87° 53' 32" W	14° 36' 01"

**ABBREVIATIONS:**  
 (GCE) GENERAL COMMON ELEMENT  
 (GCE) GENERAL COMMON ELEMENTS  
 INCLUDE ALL LANDSCAPING,  
 SIGNAGE, PARKING AREAS AND  
 OTHER EXTERIOR FACILITIES  
 AND IMPROVEMENTS AS MORE  
 PARTICULARLY DESCRIBED  
 IN THE FUNDING DOCUMENT  
 (DECLARATION)

- NOTES:**
- DATUM AS SHOWN HEREON IS ACCORDING TO RECORDED INFORMATION AND A CURRENT FIELD SURVEY.
  - THIS PROPERTY IS PRESENTLY IN THE NAME OF FOUNDERS WAY, L.L.C.
  - BEARINGS ARE ROTATED TO PLAT RECORDED IN DEED BOOK 2649, PAGE 53.
  - ANY EXISTING EASEMENT SHOWN HEREON IS BASED ON RECORDED INFORMATION. THIS PROPERTY MAY BE EXPRESSLY SUBJECT TO EASEMENTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS CONTAINED IN DULY RECORDED DEEDS, PLATS AND OTHER INSTRUMENTS CONSTITUTING CONSTRUCTIVE NOTICE IN THE CHAIN OF TITLE TO THE PROPERTY HEREBY SURVEYED THAT ARE NOT SHOWN. THIS PROPERTY MAY BE SUBJECT TO OTHER EASEMENTS NOT OF PUBLIC RECORD.
  - ALL PARKING SPACES ARE GENERAL COMMON ELEMENTS WHICH MAY BE ASSIGNED AS LIMITED COMMON ELEMENTS LATER.
  - SEE DEED BOOK 3697, PAGE 335 FOR A NTELUS NETWORK INC. EASEMENT. DEED STATES A 10' WIDE EASEMENT. RIGHT-OF-WAY SKETCH SHOWS A 15' WIDE EASEMENT.

- LEGEND**
- IRON PIN FOUND
  - SS- SANITARY LINES
  - ⊕ SEWER MANHOLE
  - POINT

- "A"  
25' ACCESS EASEMENT  
D.B. 4134, PG. 453
- "B"  
30' PUBLIC WATERLINE EASEMENT  
D.B. 3497, PG. 536
- "C"  
PROPOSED ACCESS EASEMENT (VARIABLE WIDTH)



**METES AND BOUNDS**

THE FOLLOWING IS A METES AND BOUNDS DESCRIPTION OF LAND UNIT THREE, AS SHOWN ON PLAT OF PHASE ONE FOUNDERS WAY CONDOMINIUM, BEGINNING AT A POINT IN THE NORTHERN RIGHT-OF-WAY LINE OF FOUNDERS WAY, A CORNER TO THE LOFTS AT FOUNDERS WAY LAND UNIT A, THENCE LEAVING SAID FOUNDERS WAY AND LAND UNIT A N 08° 18' 31" E 159.65' TO A POINT WITH THE LOFTS AT FOUNDERS WAY OPEN SPACE; THENCE LEAVING LAND UNIT A AND WITH THE OPEN SPACE N 87° 10' 55" E 112.32' TO A POINT, CORNER TO FOUNDERS WAY CONDOMINIUM LAND UNIT TWO; THENCE LEAVING OPEN SPACE AND WITH LAND UNIT TWO S 12° 57' 42" E 115.44' TO A POINT; THENCE S 56° 28' 37" W 48.44' TO A POINT; THENCE S 60° 44' 02" E 53.97' TO A POINT IN THE NORTHERN RIGHT-OF-WAY LINE OF SAID FOUNDERS WAY; THENCE WITH SAID FOUNDERS WAY WITH A CURVE TO THE LEFT RADIUS = 425.80', ARC = 19.36', CHORD = 19.35', CHORD BEARING = N 78° 36' 35" W, DELTA = 02° 36' 34" TO AN IRON PIN FOUND; THENCE N 79° 54' 52" W 103.45' TO THE POINT OF BEGINNING CONTAINING 0.520 ACRES OF LAND (22,632 SQ. FT. OF LAND).

0.520 ACRES  
 22,632 SQ. FT.  
 FOUNDERS WAY  
 CONDOMINIUM,  
 PHASE #1,  
 D.B. 3752, PG. 278,  
 AS AMENDED  
 (LAND UNIT 3)

**SURVEYOR'S CERTIFICATE**

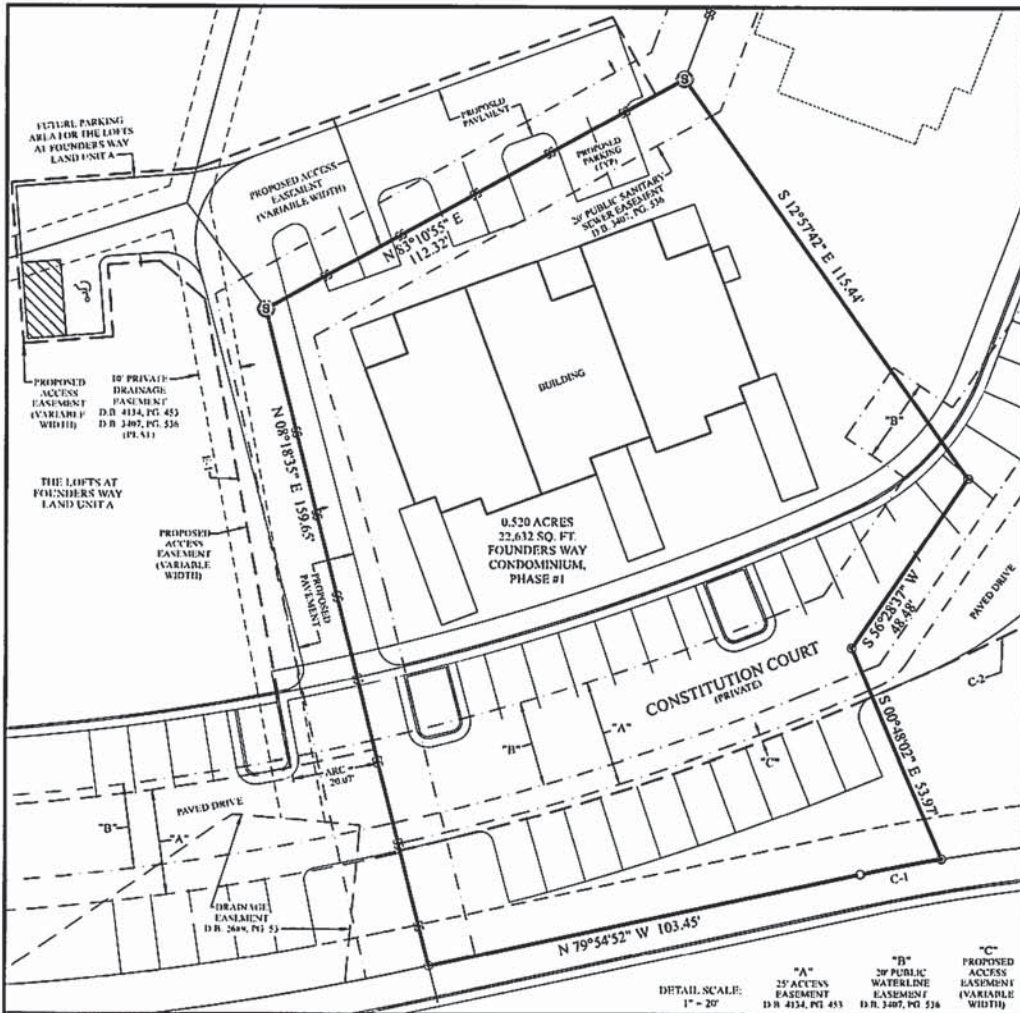
I, BRANDON TRUMP, A DULY LICENSED LAND SURVEYOR, DO HEREBY CERTIFY THAT THIS CONDOMINIUM PLAT IS ACCURATE (WITHIN NORMAL TOLERANCES) AND COMPLIES WITH SECTIONS 55-79.5(A) AND (F) OF THE VIRGINIA CONDOMINIUM ACT, AND THAT THE UNITS ARE LAND UNITS AND AS SUCH ARE SUBSTANTIALLY COMPLETE AS OF OCTOBER 19, 2020.

**PLAT SHOWING  
 AMENDMENT TO THE RECORDED  
 FOUNDERS WAY CONDOMINIUM**  
 CITY OF HARRISONBURG, VIRGINIA  
 SCALE: 1"=30'  
 OCTOBER 18, 2019  
 REVISED: AUGUST 20, 2020  
 REVISED: OCTOBER 13, 2020  
 REVISED: OCTOBER 19, 2020

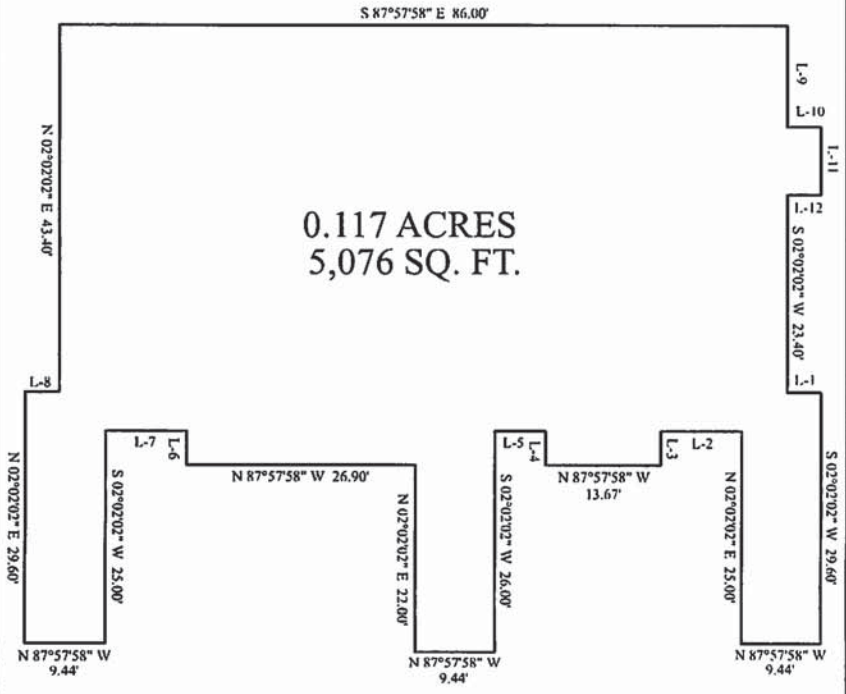
**Lotts & Associates, P.C.**  
 Land Surveying - Land Planning  
 21 Cambridge Drive, # 101, Box 1167  
 Sharts Draft, Virginia 24477  
 Phone (540) 317-0012 Fax (540) 317-1455



BRANDON TRUMP, L.S. 0003403 DATE

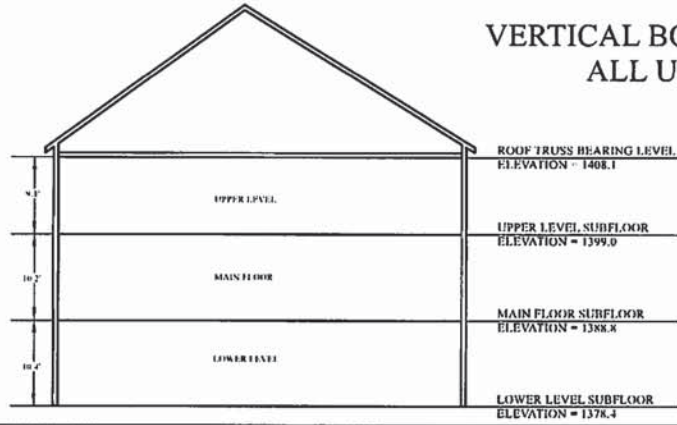


METES & BOUNDS OF CONDO



LINE	BEARING	DISTANCE
L-1	S 87°57'58" E	4.00'
L-2	N 87°57'58" W	4.56'
L-3	S 02°02'02" W	4.00'
L-4	N 02°02'02" E	4.56'
L-5	N 87°57'58" W	6.00'
L-6	N 02°02'02" E	4.00'
L-7	N 87°57'58" W	4.56'
L-8	S 87°57'58" E	4.00'
L-9	S 02°02'02" W	12.00'
L-10	S 87°57'58" E	4.00'
L-11	S 02°02'02" W	3.00'
L-12	N 87°57'58" W	4.00'

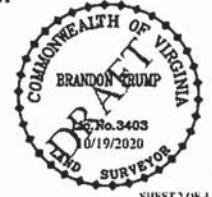
VERTICAL BOUNDARIES ALL UNITS



- NOTES:
- INTERIOR DIMENSIONS WERE OBTAINED FROM FIELD MEASUREMENTS.
  - ALL PATIOS AND DECKS ARE LCE (LIMITED COMMON ELEMENTS) TO THE UNITS THAT THEY ARE ATTACHED TO.
  - ELEVATIONS WERE OBTAINED FROM FIELD MEASUREMENTS.

PLAT SHOWING  
 AMENDMENT TO THE RECORDED  
 FOUNDERS WAY CONDOMINIUM  
 CITY OF HARRISONBURG, VIRGINIA  
 SCALE: AS NOTED  
 OCTOBER 18, 2019  
 REVISED: AUGUST 20, 2020  
 REVISED: OCTOBER 13, 2020  
 REVISED: OCTOBER 19, 2020

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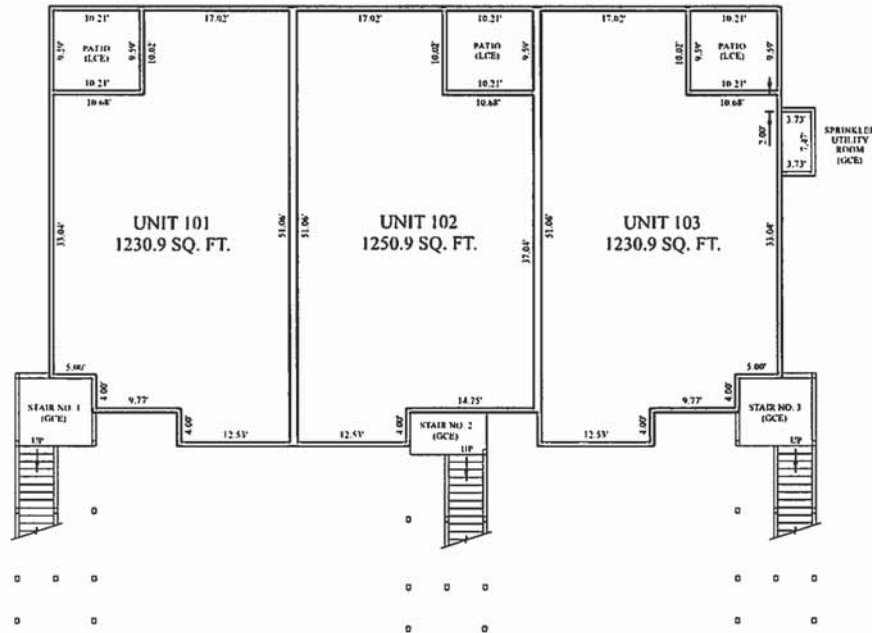


- NOTES:**
1. INTERIOR DIMENSIONS WERE OBTAINED FROM FIELD MEASUREMENTS.
  2. ALL PATIOS AND DECKS ARE LCE (LIMITED COMMON ELEMENTS) TO THE UNITS THAT THEY ARE ATTACHED TO.
  3. ALL STAIRWELLS ARE GCE (GENERAL COMMON ELEMENTS) TO ALL UNITS.

**LOWER LEVEL FLOOR PLAN**



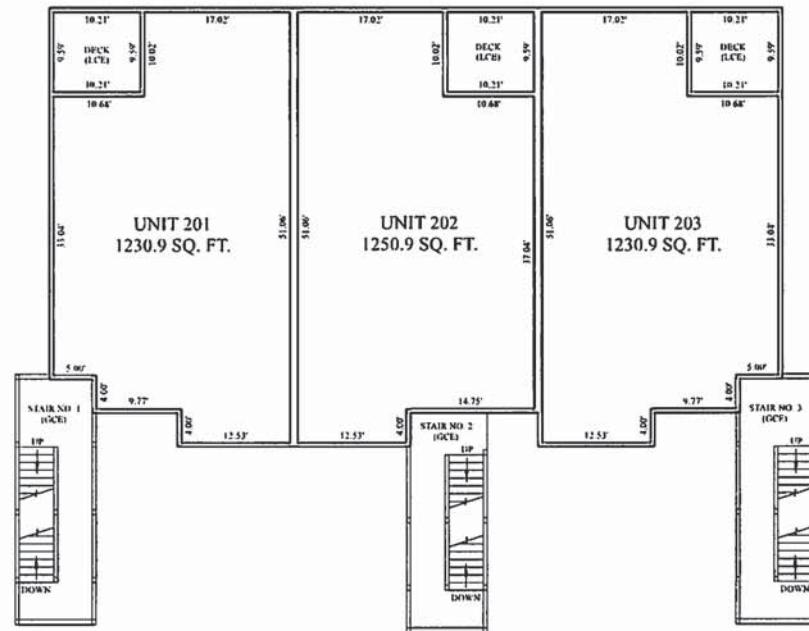
SCALE: 1" = 10'



**MAIN LEVEL FLOOR PLAN**



SCALE: 1" = 10'



**PLAT SHOWING  
AMENDMENT TO THE RECORDED  
FOUNDERS WAY CONDOMINIUM**  
CITY OF HARRISONBURG, VIRGINIA  
SCALE: AS NOTED  
OCTOBER 18, 2019  
REVISED: AUGUST 20, 2020  
REVISED: OCTOBER 13, 2020  
REVISED: OCTOBER 19, 2020

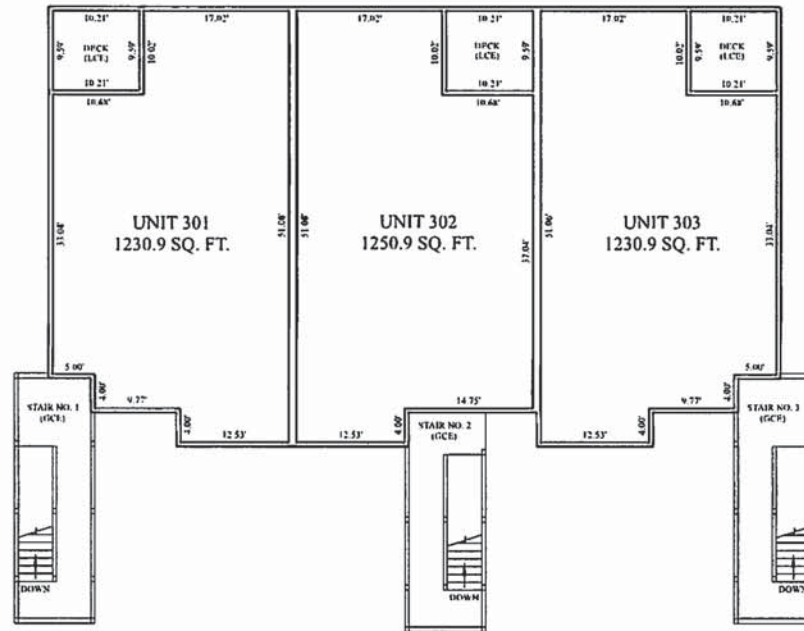
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Staunton, Virginia 24477  
Phone (540) 337-0012 Fax (540) 337-1455





- NOTES:**
1. INTERIOR DIMENSIONS WERE OBTAINED FROM FIELD MEASUREMENTS.
  2. ALL PATIOS AND DECKS ARE LCE (LIMITED COMMON ELEMENTS) TO THE UNITS THAT THEY ARE ATTACHED TO.
  3. ALL STAIRWELLS ARE GCF (GENERAL COMMON ELEMENTS) TO ALL UNITS.

UPPER LEVEL  
FLOOR PLAN



**PLAT SHOWING  
AMENDMENT TO THE RECORDED  
FOUNDERS WAY CONDOMINIUM**  
CITY OF HARRISONBURG, VIRGINIA  
SCALE: AS NOTED  
OCTOBER 18, 2019  
REVISED: AUGUST 20, 2020  
REVISED: OCTOBER 13, 2020  
REVISED: OCTOBER 19, 2020

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Phone (540) 337-6612 Fax (540) 337-1455

