

7855

DECLARATION OF
COVENANTS AND CONDITIONS OF
THE BOXWOOD PROPERTY OWNERS ASSOCIATION, INC.

THIS DECLARATION, made on this 14th day of November, 1996,

WITNESSETH:

WHEREAS, Boxwood Farm, L.P. (hereinafter "Developer") owns certain property located in the City of Lynchburg, in the Commonwealth of Virginia, which property is described on the plats attached hereto as Attachment A showing Sections 1 and 2 of Boxwood Subdivision attached to this Agreement and incorporated herein by this reference (hereinafter referred to as "Boxwood"); and,

WHEREAS, the Developer believes it to be in the best interest of the future residents of Boxwood to create a property owners association for certain general purposes that will improve the general condition and welfare of the future property owners, which purposes are more specifically set forth below; and,

WHEREAS, Developer has caused to be incorporated the Boxwood Property Owners Association, Inc., as a Virginia nonstock, member, nonprofit corporation, a copy of the Articles of Incorporation of which is attached hereto as Attachment B;

NOW, THEREFORE, the Developer hereby declares that all of the lots in Boxwood described herein or added thereto by Developer at a later time, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of Boxwood, and which shall run with Boxwood and be binding on all parties having any right, title or interest in Boxwood or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each of them.

ARTICLE I
Definitions

1.1 "Association" shall mean and refer to the Boxwood Property Owners Association, Inc.

1.2 "Developer" shall mean and refer to Boxwood Farm, L.P., its successors and assigns which shall be the Class B member of the Association.

1.3 "Lot" shall mean and refer to any residential building lot in Boxwood or any other residential building lots incorporated into Boxwood by Developer, in the future, with exception of the Common Areas which shall not be considered part of any Lot.

1.4 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, each of whom shall be Class A members of the Association.

1.5 "Property" shall mean all of Boxwood, including the Lots, and the Common Areas, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by the consent and declaration of the Developer, but shall not include Parcel B shown on Attachment A on the plat of Section 2 of Boxwood.

1.6 "Common Areas" shall mean tracts of land designated as Common Areas on Attachment A and any such areas incorporated into Boxwood by Developer in the future and shall also include: the entrance plantings and improvements at the intersection of Marguerite Drive and Wiggington Road, the easements designated as "Nature Trails" on Attachment A and such other areas as are designated by the Developer to be for the common use or benefit of the Owners in future additions to the Property or amendments to this Declaration.

1.7 "Developer Control Period" shall mean the period beginning on the date of Developer's acquisition of the Property and ending as described below. The Developer Control Period shall be divided into two phases. Phase 1 of the Developer Control Period shall end when Developer conveys to the Association ownership, control and responsibility for Common Areas by deed recorded in the Circuit Court Clerk's Office for the City of Lynchburg which conveyance shall not terminate the Developer Control Period but shall only end Phase 1 thereof. Phase 2 of the Developer Control Period shall end on the date that Developer no longer owns any Lot or Lots in Boxwood, including any land Developer annexes and incorporates into Boxwood pursuant to this Declaration; or the date Developer records in the Circuit Court Clerk's Office for the City of Lynchburg an amendment to this Declaration in which Developer relinquishes the Architectural Review and other rights reserved to it herein, whichever shall first occur.

ARTICLE 2 Purposes

The purposes of the Association shall be:

2.1 To consider and address architectural review matters and to maintain and operate the Common Areas of Boxwood.

ARTICLE 3 Common Areas Rights

3.1 Every Owner shall have a right and easement of enjoyment in and to use the Common Areas, subject to the terms hereof, which shall be appurtenant to and pass with the title to every Owner's Lot.

ARTICLE 4
Ownership and Voting Rights

4.1 Every Owner of each Lot in Boxwood shall be a member of the Association, and such Owner's successors and assigns entitled to said Lot shall be members of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is within Boxwood.

4.2 In the affairs of the Association, after the end of Phase 1 of the Developer Control Period and except as otherwise provided herein with regard to Developer rights, each Owner shall be entitled to one vote for each Lot owned by said Owner. When title to any Lot is vested in more than one name, the Owners of said Lot shall be entitled to only one vote and shall constitute one Owner. Voting by written proxy shall be allowed.

4.3 Subject to Section 4.4 below, until the end of Phase 2 of the Developer Control Period, Developer shall have and exercise all of the duties, rights and responsibilities delegated to the Association hereunder.

4.4 At the end of Phase 1 of the Developer Control Period, the Association shall assume ownership of, control of, and responsibility for the Common Areas and the operation of the Association. The Association shall exercise all of the duties, rights and responsibilities associated with the Common Areas and Developer shall exercise all of the remaining duties, rights and responsibilities hereunder until the end of Phase 2 of the Developer Control Period, namely Architectural Review. Developer shall not turn over control of the Common Areas until there are twenty-five (25) occupied dwellings in Boxwood. The Common Areas shall be conveyed to the Association before the latest of the following two dates: (1) the date on which Developer has sold seventy-five percent (75%) of the Lots in Boxwood to Owners other than a successor developer; or (2) the date that is two years from the date that Developer sells the first Lot in Boxwood.

4.5 The Annual Meeting of members of the Association shall be held on the first Wednesday in March of each year at Lynchburg, Virginia, or at such other place or places as may from time to time be fixed by the Owners. Except however, the Association shall have its first meeting and hold elections within 30 days after the end of Phase 1 of the Developer Control Period

4.6 Written notice of an annual or special meeting, stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which it is called, shall be given either personally or by mail to each Owner entitled to vote at such meeting. Such notice shall be given not less than 30 nor more than 60 days before the date of the meeting.

4.7 Notwithstanding the requirements for notice set out in the preceding paragraph, any meeting of Owners may be held and any matter considered at the meeting if

4.7.1 a waiver of notice thereof in writing is signed by the person or persons entitled to such notice, whether before or after the time stated therein; or

4.7.2 the Owner attends the meeting, unless (i) he objects at the beginning of the meeting to the holding of the meeting or transacting any business because the meeting is not lawfully called or convened, or (ii) the Owner objects at the meeting, when a matter is presented for consideration, on the basis that such matter is not within the purpose or purposes described in the meeting notice.

4.8 Any action required by law to, or any action which may, be taken at a meeting of the Owners may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Owners entitled to vote thereon and is delivered to the Secretary for inclusion in the minutes or filing with the Association's records; and such consent shall have the same force and effect as a unanimous vote of the Owners.

4.9 Any action required by law to, or any action which may, be taken at a meeting of the directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors; and such consent shall have the same force and effect as a unanimous vote of the directors.

4.10 A majority of the number of directors shall constitute a quorum for the transaction of business, except that any vacancy occurring in the Board of Directors may be filled by a majority of the remaining directors even though the remaining directors do not constitute a quorum.

ARTICLE 5

Covenant for Maintenance and Powers of the Association

5.1 Powers. In furtherance of the purposes described above, the Association shall have the power to hold such Property, real and personal, as is necessary to accomplish its purposes to assess and collect assessments as set forth below, and shall also have such powers as are further delegated to it by the Owners and by law.

5.2 Assessments. By acquisition of a Lot, each Owner covenants and agrees and thereby binds their successors in title to pay to the Association annual assessments or charges and special assessments for capital improvements, which such assessments shall be established and collected as herein provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the Owner's Lot and shall be a continuing lien upon the Property against which each such assessment is made, subordinate only to any first deed of trust placed against the Property. The lien for assessments shall attach to and run with the land. Assessments shall be the personal obligation of each Owner as well.

5.3 Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the improvement and maintenance of the Common Areas, the conducting of Architectural Review, and the expenses incident thereto for utilities, mailings, office supplies, accounting fees, attorney

fees, property management fees, etc. The Association, after the end of Phase I of the Developer Control Period, shall provide, for a reasonable charge, the Property Owners Association information required to be produced by property owners associations under Virginia law.

5.4 Amount of Assessments. The maximum annual assessment shall be set by the Developer or the Board of Directors, whichever is applicable, and shall not exceed \$300.00, being \$25.00 per month, per Lot.

5.4.1 Thereafter the maximum annual assessment may not be increased each year by more than 25% above the assessment for the previous year without a vote of two-thirds of those Owners present in person or by proxy at a meeting of the Association at which a quorum was present and acting throughout;

5.4.2 The Board of Directors of the Association may fix the annual assessment at an amount that is not in excess of the maximum.

5.4.3 The Board of Directors of the Association may increase the amount of the assessment by not more than the maximum upon the conveyance to the Association of additional Common Areas for which the Association is responsible.

5.5 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 major construction, reconstruction, repair or replacement of a capital improvement to the Common Areas, provided that any such special assessment shall have the assent of two-thirds of the votes of Owners who are voting in person or by proxy at a meeting duly called for this purpose at which a quorum was present and acting throughout.

5.6 Notice and Quorum. Written notice of any meeting called for the purpose of increasing annual assessments above the maximum or to create any special assessment shall be sent to all Owners not less than 30 days nor more than 60 days in advance of such meeting. At the first such meeting called, the presence of Owners or of proxies entitled to cast 60% of all the votes of the Ownership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

5.7 Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly or yearly basis at the discretion of the Board of Directors of the Association.

5.8 Commencement of Assessments. The annual assessments provided for herein shall commence on the day a certificate of occupancy is issued for the first residence in Boxwood. The Developer, the Board of Directors or the Owners, as the case may be, shall fix the amount of the annual assessment against each Lot at least 30 days in advance of each annual assessment. The Association may

collect assessments on a monthly basis. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Developer or the Board of Directors, whichever is applicable. The Association shall, upon demand, for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association of the status of the assessments on a Lot is binding upon the Association as of the date of its issuance. The Association shall also provide to prospective purchasers of Lots, after the end of Phase 1 of the Developer Control Period, the Property Owners Association material required under Virginia law.

5.9 Exemptions. Developer shall be exempt from all assessments. Further, until the end of Phase 2 of the Developer Control Period, Developer shall have the right to waive the assessments provided for herein as to any Lot owned by a general contractor licensed by the Commonwealth of Virginia. After the end of Phase 1 of the Developer Control Period, Developer shall give written notice of such a waiver and its duration to the Association. Any such general contractor for whom assessments are waived shall have no right to use or enjoyment of the Common Areas.

5.10 Effect of Non-Payment of Assessments; Remedies. Any assessment not paid within 30 days after its due date shall bear interest from the due date at the rate of 10% per annum. The Association may bring an action at law or in equity to pay said amount. Further, the Association may file and sue upon any lien granted by the laws of the Commonwealth of Virginia and/or this Declaration in favor of a property owners association. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or by abandonment of his Lot.

ARTICLE 6

Elections, Directors, Officers, and Committees

6.1 Officers. The elective officers of this Association shall be the President, Vice President, and the Secretary/ Treasurer, all of whom shall be members of the Board of Directors. The Board of Directors shall additionally include the chairman of each of the Common Areas and Architectural Review committees. Other offices and officers may be established and appointed by the Owners of the Association at any regularly called meeting. During Phase 1 of the Developer Control Period, Developer shall elect the officers and directors of the Association, who need not be Owners, to exercise the duties and responsibilities provided for herein. After the end of Phase 1 of the Developer Control Period, the Owners shall elect such officers, directors and committee chairmen; except, however, Developer shall elect the Architectural Review Committee until the end of Phase 2 of the Developer Control Period.

6.2 Standing Committees. The Association shall have at least the following two standing committees, each of which shall elect a chairman by majority vote.

6.2.1 "Architectural Review Committee" shall review and approve by majority vote the architectural characteristics of all structures built on any Lot. Said approval shall be given by majority vote of said Committee.

6.2.2 "Common Areas Committee" shall evaluate the maintenance needs of the Common Areas and make recommendations to the Board of Directors and, upon approval of the Board, carry out their recommendations.

6.2.3 Each committee shall have no less than three and no more than five members with the number being set by the Owners at the Association's annual meeting.

6.3 Elections and Removal. Within 30 days after the end of Phase 1 of the Developer Control Period, elections for the committee chairman and officers shall be held for one year terms. Thereafter, elections shall be held at the annual meeting of the Association. Any election of officers and directors may be held via U.S. mail in which case ballots received by the date set in mailings related to such election shall count as members present for the purpose of obtaining a quorum. However, the Architectural Review Committee shall not be elected by the Owners until the termination of Phase 2 of the Developer Control Period. Officers and committee chairman shall be elected by simple majority of the quorum present. Any officer or committee chairman may be removed by the affirmative vote of a majority of the quorum present at a duly called meeting. A meeting of the Association may be called by the Developer, until the end of Phase 2 of the Developer Control Period, the Board of Directors or by a petition signed by 10% of the Owners. The Board of Directors shall appoint the other members of the committees who may be the officers of the Association.

6.4 Annual Balance Sheet. The Board of Directors shall provide to the Owners within 60 days of the end of the fiscal year of the Association a balance sheet showing the assets and liabilities of the Association.

ARTICLE 7 Common Areas

The purpose of the Common Areas Committee shall be:

7.1 Consider and address by all lawful means the maintenance of the Common Areas.

7.2 Every Owner's right and easement of enjoyment in and to the use of the Common Areas shall be subject to the following provisions:

7.2.1 The right of the Association to charge reasonable fees for the use of any recreational facility constructed upon the Common Areas that is constructed by the Association, which fees shall be used for the maintenance and improvement of the facility and the right of the Association to make and enforce rules for the safety and welfare of the users of the Common Areas.

7.2.2 The right of the Association to suspend the voting rights and right to use the recreational facilities by any Owner for any period during which any assessment against said Owner's Lot remains unpaid; and for a period not to exceed 60 days for any infraction of the Association's rules and regulations with regard to use of the Common Areas. The Owner may appeal such a suspension to

a meeting of the full Board of Directors of the Association, at which meeting such Owner may be represented by counsel.

7.3 During Phases 1 and 2 of the Developer Control Period, Developer shall have the right to convey additional parcels of land and easements to the Association as additional Common Areas, which parcels and easements shall become a part of the Common Areas and shall be owned by and maintained by the Association.

ARTICLE 8 Architectural Review

8.1 Until the end of Phase 2 of the Developer Control Period, Developer, or its elected appointee, shall constitute the Architectural Review Committee for Boxwood. After the end of said Phase 2, the Architectural Review Committee shall be elected pursuant to Article 6 of this Declaration.

8.2 Each Lot shall be used and enjoyed by its owning Owner in compliance with this Declaration and the restrictions recorded in the Circuit Court Clerk's Office for the City of Lynchburg, Virginia contemporaneously herewith and no structure shall be constructed on any Lot unless the same has been approved by the Architectural Review Committee, in writing, as being in accordance with this Declaration and the restrictions contained herein.

8.3 Owners shall submit written plans for any structure to be constructed on their Lot to Developer or the Architectural Review Committee, whichever is applicable, in accordance with said restrictions which shall approve or disapprove with recommended changes such plans.

ARTICLE 9 General Provisions/Miscellaneous

9.1 Enforcement. The Association, the Developer, 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 Agreement and the restrictions appearing on the Plat of Boxwood recorded herewith which are hereby incorporated herein by this reference. Failure by the Association or by any Owner to enforce any covenant or restriction contained herein shall in no event be deemed a waiver of the right to do so thereafter. If it is necessary for the Association, the Developer or any Owner of the Association to bring an action against an Owner to enforce the provisions of this Declaration and the plaintiff prevails in said action, the Owner who was subject to the suit shall pay the reasonable attorney's fees of the plaintiff in connection with the action. However, neither the Association nor any Owner, shall bring any action with regard to an Architectural Review provision of this Declaration until the end of Phase 2 of the Developer Control Period without the written consent of Developer.

9.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which provisions shall remain in full force and effect.

9.3 Amendment. The covenants and restrictions of this Declaration shall run with and bind the Property described for a period of 25 years from the recordation hereof. However, this instrument may be amended or annulled in its entirety by a written instrument signed by not less than 75% of the Owners after the end of Phase 2 of the Developer Control Period. Any such annulment or amendment must be recorded in the Circuit Court Clerk's Office of the City of Lynchburg. Developer may amend this Declaration by a notarized written amendment recorded in the Circuit Court Clerk's Office of the City of Lynchburg at any time until the end of Phase 2 of the Developer Control Period. Developer reserves the right, until the end of said Phase 2, to add additional restrictions or amend the restrictions shown on the Attachment A attached hereto with regard to the Property so long as such additional restriction or amended restriction does not limit the use or enjoyment of any Lot conveyed by Developer prior to the creation of such additional restriction or prior to such amendment of a restriction.

9.4 Bylaws. This document shall constitute the Bylaws of the Association and the same is hereby adopted as the bylaws of the Association by Developer in its capacity as sole member of the Association as of the date hereof and pursuant to the rights granted to it hereunder and the same may not be amended except as provided herein.

9.5 Distribution of Property on Dissolution. In the event of the dissolution of the Association, any Property owned by the Association shall be distributed according to the vote of the majority of the Ownership at a membership meeting at which a quorum was present and acting.

9.6 Annexation of Additional Acreage. If Developer desires to annex any land to the regime set forth in this document subsequent to the recordation hereof but prior to the end of Phase 2 of the Developer Control Period, it may do so by recording a notarized amendment to this Declaration annexing additional land into Boxwood which land shall be subject to the terms of this Declaration and Owners therein shall be members and shall have all the rights, privileges and responsibilities of Owners hereunder.


9.7 Developer Easement. Developer shall have an easement over and along the Common Areas for the maintenance of the Common Areas, should Developer deem such maintenance necessary, until the end of Phase 2 of the Developer Control Period.

9.8 Common Areas and Property Lines Amendment. Developer reserves the right to amend the size and boundary lines of any part of the Property designated as Common Areas until the end of Phase 1 of the Developer Control Period. Further, Developer reserves the right to amend the size of any Lot and boundary lines of any part of the Property owned by Developer until the end of Phase 2 of the Developer Control Period.

9.9 Assignment. Developer may assign all or a portion of its rights hereunder to a successor developer who shall have the same rights duties and responsibilities as Developer hereunder.

IN WITNESS WHEREOF, the undersigned Developer has caused this Declaration to be executed by its General Partner, Burrwad, Inc., by its duly authorized officer, this 14th day of November, 1996.

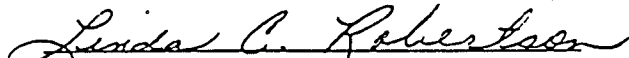
BOXWOOD Farm, L.P.
By BURRWAD, INC.,
Its General Partner

By 
James R. Burruss, its President

COMMONWEALTH OF VIRGINIA)
(To-wit:
CITY OF LYNCHBURG)

The foregoing was acknowledged before me this 14th day of November, 1996, by James R. Burruss, President of and on behalf of Burrwad, Inc., a Virginia Corporation, on behalf of said Corporation, in its capacity as General Partner of Boxwood Farm, L.P., a Virginia Limited Partnership.

My commission expires May 31, 1997


Notary Public

Attachment A to Boxwood Declaration

Plats of Sections 1 and 2 of the subdivision which are recorded contemporaneously herewith in plat cabinet 5, slides 118 through 124 in the Circuit Court Clerk's Office for the City of Lynchburg, Virginia.

Attachment B to Boxwood Declaration
ARTICLES OF INCORPORATION
OF
BOXWOOD PROPERTY OWNERS ASSOCIATION, INC.

The undersigned hereby forms a nonstock corporation under the provisions of Chapter 10, Title 13.1 of the Code of Virginia, as amended, and to that end sets forth the following:

1. The name of the corporation shall be BOXWOOD PROPERTY OWNERS ASSOCIATION, INC.

2. The purposes for which the corporation is organized are act as the property owners association for a real estate development in the City of Lynchburg, Virginia in accordance with the declaration, bylaws and restrictions governing the same, and to do all things necessary or desirable to carry out such purposes, and to conduct any or all lawful affairs for which nonstock corporations may be incorporated by law and which are not required to be specifically stated in these articles.

3. There shall be two classes of members of the corporation and the members shall have such voting rights as are provided for in the bylaws of the corporation. The Class A members of the corporation shall be the owners of lots in Boxwood Farm subdivision in the City of Lynchburg as provided in the bylaws of the corporation. There shall be one Class B member, namely Boxwood Farm, L.P., a Virginia limited partnership. The Class B member

shall constitute and become a Class A member upon the termination of Phase 1 of the Developer Control Period as defined in the bylaws of the Corporation. Until such time, the Class B member shall have the voting rights accorded to it as Developer under the terms of the Declaration and bylaws of the Corporation.

4. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 2. hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986, or the corresponding provision of any future United States Internal Revenue law, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, or the

corresponding provision of any future United States Internal Revenue law.

5. Upon the dissolution of the corporation, the Board of Directors shall, after paying and making provision for the payment of all the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific 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, or any corresponding provision of any future United States Internal Revenue law, as the Board of Directors shall determine. Any of the assets not so disposed of shall be disposed of by the court of record in the city or county in which the principal office of the corporation has been located, exclusively for such purposes and to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

6. The address of the initial registered office of the corporation shall be 800 Main Street, Suite 400, Lynchburg, Virginia, 24504, and the registered agent of the corporation at such address shall be Kevin L. Cash, who is a resident of Virginia and a member of the Virginia State Bar.

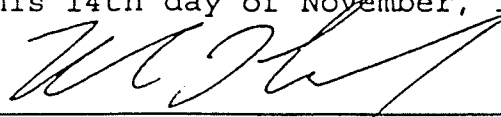
7. The affairs of the corporation shall be managed by a Board of Directors. The election of Directors shall be held annually in accordance with the bylaws of the corporation. The number of directors shall be not less than 2, nor more than 7. The names and addresses of the persons who are to serve as the initial directors are as follows:

William A. Davis	1619 Wythe Road Lynchburg, Va. 24501
James R. Burruss	2815 Linkhorne Drive Suite D Lynchburg, Va. 24503

8. Every person now or hereafter a director or officer of the corporation (and his heirs, executors and administrators) shall be indemnified by the corporation to the full extent as permitted or required under Virginia law, and in addition, he shall be indemnified further against all liabilities, judgments, fines, penalties and claims, imposed upon, asserted or reasonably incurred by him (including amounts paid in settlement) by reason of having been a director or officer, whether or not then continuing so to be, and against all costs and expenses (including counsel fees) actually and reasonably incurred by him in connection therewith, except in relation to matters as to which he shall have finally been adjudged to be liable by reason of his gross negligence or willful misconduct in the performance of his duty as a director or officer. Such right of indemnification, and the power of the

corporation to make all such indemnity, is hereby created pursuant to Virginia Code Section 13.1-883 and shall exist independently of, and without the requirements of determination and authorization under, Virginia Code Section 13.1-880. Such right of indemnification shall not be deemed exclusive of any other rights to which any director or officer may be entitled.

Given under my hand this 14th day of November, 1996.



Kevin L. Cash, Incorporator

Virginia: In the Clerk's Office of the Circuit Court of the City of Lynchburg The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgement annexed, admitted to record this 15th day of Nov., 1996, at 10:00 o'clock AM.

_____	Tax
_____	City Tax
<u>24.00</u>	TFTF
<u>116.00</u>	Fees
<u>140.00</u>	TOTAL

TESTE:



Clerk

Recorded
5/21/97

AMENDMENT AND SUPPLEMENT TO
DECLARATION OF COVENANTS AND CONDITIONS OF
BOXWOOD PROPERTY OWNERS ASSOCIATION, INC.

THIS AMENDMENT AND SUPPLEMENT TO THE DECLARATION OF
COVENANTS AND CONDITIONS OF BOXWOOD PROPERTY OWNERS ASSOCIATION,
INC. is made this 21st day of May, 1997, by BOXWOOD FARM, L.P. and it hereby,

W I T N E S S E T H T H A T :

WHEREAS, Boxwood Farm, L.P. (hereinafter "Developer") recorded a Declaration
in the Circuit Court Clerk's Office for the City of Lynchburg at Book 975, page 401, and with
said Declaration recorded plats showing Sections 1 and 2 of Boxwood Subdivision, which plats
are of record in Plat Cabinet 5, at Slides 118 through 124; and,

WHEREAS, the plat of Section 2 of Boxwood of record at Slides 122 through 124
contains certain errors with regard to certain metes and bounds descriptions and location of
certain easements; and,

WHEREAS, Developer has caused to be prepared a new amended plat of Section
2 of Boxwood; and,

WHEREAS, the Declaration provided in Section 9.3 thereof that the Declaration

could be amended by the Developer prior to the end of Phase 2 of the Developer Control Period;
and,

WHEREAS, Phase 2 of the Developer Control Period has not ended; and,

WHEREAS, Developer desires to amend said Declaration by declaring null and void the plat of Section 2 of Boxwood of record at Plat Cabinet 5, Slides 122 through 124 and replacing the same with the amended plat of Boxwood, Section 2, which is attached to this Amendment and Supplement as Exhibit A;

NOW, THEREFORE, Developer hereby declares that the plat showing Section 2 of Boxwood Subdivision of record in the Circuit Court Clerk's Office for the City of Lynchburg at Plat Cabinet 5, Slides 122 through 124 is hereby made null and void and is replaced with the plat entitled "Amended Plat Showing Section 2 of Boxwood Subdivision", made by Hurt & Proffitt, Inc., dated May 2, 1997, a copy of which amended plat is attached hereto and recorded herewith.

Except as amended and supplemented herein, the Declaration shall remain in full force and effect.