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SNOW HILL

PHASE THREE

DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS

SNOW HILL CORPORATION, a Virginia corporation, hereinafter referred to as "Declarant", the developer of a planned community known as Snow Hill, with the consent of WILLIAM WALLACE SANDERS, JR., owner in fee simple of certain real property located in Fauquier County, Virginia and comprising a portion of the planned community, and his wife, PATRICIA P. SANDERS, such property being known by Deed of Dedication as Lots One (1) through Fifty (50), both inclusive, and Parcels A and B, SNOW HILL, PHASE THREE, pursuant to a plat of survey recorded in Deed Book 633, at page 1217 as corrected in Deed Book 659, at page 415 ("Snow Hill Phase Three"), among the land records of the Clerk's office of the Circuit Court of Fauquier County, Virginia ("Land Records"), and with the consent of SNOW HILL HOMEOWNER'S ASSOCIATION, INC., wishes to subject Snow Hill Phase Three to certain easements, covenants, restrictions and conditions set forth herein;

WHEREAS, Snow Hill Corporation is dedicated to the creation of a residential community of the highest environmental quality which blends harmoniously with nature. This requires a compatibility of architecture, landscaping and planning, and can be achieved only through careful control, and;

WHEREAS, fair, consistent and reasonable control of architectural design, landscaping and siting of single family

detached homes is appropriate, necessary and valuable in a quality community. Such control, achieved through the establishment of protective covenants and restrictions, systematic and uniform review procedures will protect environmental quality, encourage design excellence, preserve and enhance property values, and foster owner pride and satisfaction.

NOW, THEREFORE, in order to insure that the intent and purposes of these protective covenants, restrictions and reservations are complied with, the following easements, covenants, restrictions and conditions shall constitute covenants running with the land and shall be binding on all parties having any right, title or interest in the above described property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

1. "Declarant" shall mean Snow Hill Corporation and its successors or assigns; except that no successor shall be a Declarant hereunder unless such successor is transferred the rights of the Declarant in a recorded instrument.

2. "Association" shall mean and refer to Snow Hill Homeowner's Association, Inc., a Virginia non-stock corporation, its successors and assigns.'

3. "Member" shall mean and include every person or entity who holds membership in the Association.

4. "Owner" shall mean and include each and every person or entity, whether one or more persons or entities, who hold a fee simple interest to any property herein described.

5. "Subdivision" shall mean the entire real property hereinbefore described and subdivided into lots, streets and Common Open Space Areas, and known by official plat designation as Snow Hill, Phase Three, pursuant to a plat recorded in Deed Book 633, at page 1217, as corrected in Deed Book 659, at page 415, among the land records of the aforesaid Clerk's office.

6. "Lot" shall mean any tract of land shown as a residential building lot on the recorded subdivision plat referred to above, Common Open Space Areas (Parcels A and B) and streets are not included in the above definition.

7. "Common Open Space Areas" shall mean all real property shown on the above referenced plat of survey and owned by the Association for the common use and enjoyment of its Members. The Common Open Space Areas to be owned by the Association are described and designated as Parcels A and B on the plat attached to the aforesaid Deed of Dedication duly recorded in the aforesaid Clerk's office.

8. "By-Laws" shall mean the bylaws for the Association as may be amended from time to time.

ARTICLE II

ASSOCIATION

Every Owner of a lot shall be a Member of the Snow Hill Homeowner's Association, Inc., a Virginia non-stock corporation.

Membership shall be appurtenant to and may not be separated from the ownership of a residential building lot.

1. Voting Rights. All Owners, including the Declarant, shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in a given lot, such person or persons shall be but one "Class A Member" and their vote may be exercised as they deem appropriate between themselves. In no event shall more than one vote be cast with respect to any one lot owned by a Class A member.

3. Board of Directors. Directors shall be elected in accordance with the By-laws in order to insure that the intent and purposes of the protective covenants, restrictions and reservations are complied with and for the purposes of conducting any and all business on behalf of the Association, including but not limited to the following:

- (a) administration of the Association accounts,
- (b) fixing of assessments and their method of collection,
- (c) payment of real estate taxes applicable to the Common Open Space Areas,
- (d) maintenance of insurance policies to indemnify the Board of Directors and the Environmental Protection Board ("EPB") from personal liability, and to provide liability coverage as to the common areas.

3. Environmental Protection Board. In order to perform the acts and functions necessary to review all specifications and plans for any and all improvements as is herein enumerated, an Environmental Protection Board, herein referred to as the EPB, is established as provided in the By-Laws to perform the below described acts and functions and to perform any and all necessary

acts or functions which may be established for it in the By-Laws of the Association.

ARTICLE III

RESTRICTIONS AND RESERVATIONS

The following protective covenants, restrictions and reservations are hereby established, declared and prescribed to run with the aforesaid land for a period of twenty-five (25) years from the date hereof and after that time to continue automatically for additional twenty-five (25) year periods, unless and until modified as is provided for in the Fauquier County Zoning Ordinance, as amended.

A. Design and Construction

1. No building, structure, fence or other improvements shall be placed, altered or remodeled on any lot until the building plans, specifications and plot plans showing the location of such improvements on the lot have been submitted to the EPB and approved thereby in writing or approved pursuant to Article III, Paragraph C hereof. All improvements shall be placed on the lot only in accordance with the plans and specifications duly submitted and approved by the EPB or approved pursuant to Article III, Paragraph C hereof. The EPB, in considering such improvements, shall take into consideration the location of such improvements with respect to natural amenities, finished ground elevations, color coordination, type of exterior materials, general aesthetic appearance and the intent and purposes of this Subdivision declared herein. In the event the EPB fails to approve or disapprove a duly submitted plan within thirty (30) days after the date of such submission, the submitted plans shall be deemed approved. No construction or modifications to a structure shall commence unless and until all plans are duly submitted and approved in accordance herewith or approved pursuant to Article III, Paragraph C hereof.

2. No structure shall be erected, altered, placed or permitted to remain on any lot other than one detached single family residence, not to exceed 2 1/2 stories

with a private garage, for not more than four nor less than two automobiles. Garages must either be an integral part of the dwelling or, if detached, must be connected to the dwelling with a breezeway with common roof-lines, i.e., roof-lines which are architecturally harmonious with both garage and dwelling. Where site conditions permit, garages should be entered from the side or rear of the house. Pool houses containing showers and changing facilities and mechanical devices serving the pool are also permitted. However, no wood or metal utility sheds (whether temporary or permanent) shall be permitted. Pools, tennis courts and all other structures must be harmonious with the main dwelling and landscaping and must be approved by the EPB. All structures must be constructed of the same or compatible exterior materials as is utilized on the main dwelling. No basement shall be constructed except in the integral process of the construction of the main dwelling which construction must proceed without interruption until completion of said dwelling. No dwelling shall be occupied until the same is completed and a Certificate of Occupancy is issued by the appropriate County agency. No garage or accessory building shall be constructed or erected upon the lots prior to the construction of the main dwelling. No trailer, tent, or other temporary structures shall be erected, placed or permitted to remain on any lot.

3. The lots of this Subdivision shall be used for residential purposes only. No purchaser, Owner or member shall be allowed to subdivide or resubdivide any lot herein so as to produce a greater number of lots than currently exist. However, more than one lot may be used for the erection or placement of a residential structure provided the same is duly approved by the EPB.

4. All residential structures shall have a living area, exclusive of porches, basements, breezeways and garages, of not less than:

(a) 2600 square feet of such living space for one story structures.

(b) 3000 square feet of such living space for structures of more than one story, which shall include split-level and bi-level structures.

5. Mobile, modular or pre-assembled homes shall not be permitted within the Subdivision.

6. In order to maintain architectural diversity throughout the neighborhood, duplications of exterior color schemes will not be permitted when structures are within visual range of each other.

7. Once approval is received for construction, except in unusual circumstances beyond the control of the Owner, the improvement must be under continuous construction and be completed within one year.

B. Siting and Landscaping

1. The cutting of live trees shall be held to a minimum with total clearing of trees being limited to areas for the building site, the drain field, gardens, driveways and parking areas. No fill dirt or rocks shall be removed from the premises nor shall the elevation thereof be changed in any manner, if by so doing, it shall result in a detrimental effect to an adjacent lot or the Subdivision in general. The balance of the property insofar as is practical, shall remain in forest floor to result in the minimal disruption of the immediate environment and to insure the prosperity of established trees and bushes. Owners are required to follow sound forestry management practices in caring for their property.

2. Erosion control practices as are prescribed by the appropriate government authority and/or the EPB shall be followed during and after construction.

3. During construction, the removal of mud and debris tracked onto the streets shall be the responsibility of the Owner of the lot under construction. Lot Owners shall immediately correct any damage caused by themselves, their contractors, their agents or employees, to the streets, ditches, shoulders, culverts, pipes, other street improvements or common areas.

4. All driveways shall be designed and constructed in accordance with the prevailing specifications of the Virginia Department of Transportation (VDOT). Not less than twenty-five feet (25') of stone driveway shall be installed prior to the commencement of any construction.

5. Walk or curb lights may be installed by the Owners at their own expense, subject to the prior approval of the EPB. All exterior lighting must be approved by the EPB and should have concealed light sources. Pole

lights shall not be erected to a height greater than ten feet (10').

6. The following may be erected on a lot only if approved by the EPB, and screened from view of adjacent lots, Common Open Space Areas, and street and roadways: fuel oil and propane tanks (if possible should be buried), clothes racks and pet houses. Each such improvement shall be screened by fencing or shrubbery of such height and construction deemed appropriate by the EPB.

7. Any boundary fences erected on the lots shall be subject to the approval of the EPB and shall be constructed of wood, stucco, brick, stone, shrubbery or other material approved by the EPB.

8. The erection of television antennas, satellite discs, radio antennas and similar forms of communication reception outside of a dwelling is not permitted.

9. The design and location of all exterior lights, mailboxes and newspaper receptacles will be approved by the EPB.

10. Since the establishment of standard, inflexible building set-back lines for locating houses on lots may have a detrimental impact on the appearance of the lot, no specific set-back lines are established hereby, subject only to prevailing Fauquier County Zoning Ordinances which may establish such requirements. The structures will be located with regard to the topography of each individual lot, taking into consideration special natural amenities, driveway access and drainfield locations and similar considerations.

C. DECLARANT APPROVAL

Notwithstanding any other provision of Sections A or B above, with respect to the construction of the initial improvements on a lot (including the primary dwelling), such construction may be approved by the Declarant taking into consideration the suggestions and/or advice and recommendations of the EPB. Further EPB approval shall not be required if such

improvements are constructed by the Declarant or with the approval of the Declarant, unless such improvements are later modified or altered.

D. GENERAL

1. All telephone, electric and other utility lines and connections between the main utility distributions lines and the residences or other improvements on each lot shall be concealed and located underground. Notwithstanding the foregoing, during periods of construction temporary utility lines may be installed above ground.

2. All septic systems shall be installed in complete compliance with the then prevailing requirements of the County Health Department. The Owner acknowledges that such Owner will obtain all necessary permits and comply with all prevailing code specifications and requirements.

3. Boats, trailers, campers and other recreational vehicles shall not be stored on any lot, Common Open Space Areas or right of way within the Subdivision. The only exception to the above shall be when such a vehicle is stored entirely within a garage.

4. The discharge of any firearm, regardless of size and calibre, is hereby prohibited within this Subdivision.

5. No noxious, illegal, or offensive trade or activity shall be carried on upon any lot, Common Open Space Areas or street, nor shall anything be done thereon which, in the judgment of the EPB, may be or become an annoyance or nuisance to the

neighborhood. No signs or billboards shall be erected or maintained on the premises unless approved by the EPB in advance.

The only signs which are permitted to be displayed are customary name and address identification signs, subject to the discretion of the EPB. "For Sale" and "For Rent" signs shall be of the approved, standard size. No trade materials or inventories may be stored upon the premises, nor trucks or tractors used in trade or otherwise, (except pick-up trucks and personal transportation vans), may be stored or regularly parked on the premises except entirely within a garage.

6. Adequate off street parking shall be provided by the Owner of each lot for the parking of motor vehicles owned by such Owner. Owners of all lots hereby agree that they shall not park their motor vehicles on the streets of the development.

7. No animals or poultry of any kind, other than household pets, shall be kept for boarding, breeding or maintained for commercial purpose whatsoever.

8. Each Owner shall keep such Owner's lot free of, trash and rubbish, and properly maintained so as to present a pleasing appearance, consistent with the policy and intent declared herein, and shall maintain the proper contour of the land in order to prevent erosion. In the event an Owner does not properly maintain such Owner's lot as provided above and in the opinion of the EPB the repair or maintenance of such lot is required to maintain the requisite aesthetic appearance, the EPB, then, may cause the required work to be done and the cost thus

incurred shall be forthwith paid by the Owner and in no event later than thirty days. In the event that the EPB determines that work is required to enforce the provisions of this paragraph, then entry upon the lot to perform such work shall not be deemed a trespass.

9. No mini-bikes, trail bikes, snow mobiles, go-carts, or other similar recreational vehicles not capable of being licensed, shall be operated on any right-of-way, lot or the Common Open Space Areas.

10. This Article shall not be construed as forbidding any work involved in the construction of improvements on the lots so long as such work is undertaken and carried out with the minimum practical disturbance to other Owners. The EPB or the Declarant may approve temporary structures for construction purposes or other temporary conditions which may otherwise be in violation of this Declaration or the rules and regulations of the Association.

ARTICLE IV

ASSESSMENTS

Declarant hereby covenants for each lot within the Subdivision, and each Owner, by acceptance of a deed for said lot, is hereby deemed to covenant to pay to the Association any and all assessments levied by the Association as herein provided.

1. Regular Assessments. Regular assessments shall be established by the Board of Directors as to amount and method of collection and may be adjusted by them on an annual basis depending upon the financial requirements of the Association

subject to the approval by a two-thirds majority of the Members as set forth below. Regular assessments are hereby fixed at \$200.00 per annum for each lot, except as otherwise provided in Section 4 hereof for lots owned by the Declarant, until such time as a different rate is established by the Board and approved by a two-thirds majority of the Members.

2. Special Assessments. Special assessments shall be those in addition to those authorized above, and may be for any purpose, including but not limited to defraying, in whole or in part, the cost of any acquiring additional Common Open Space Areas or of any construction, repair or replacement of a capital improvement on the Common Open Space Areas or streets, including fixtures and personal property related thereto. Such special assessment shall be assessed in the same amount against all lots and shall be limited to one assessment per year, which must be approved by a two-thirds majority of the Members.

3. General Assessment Provisions. (a) All assessment funds shall be used exclusively to promote the health, safety, welfare or recreation of the Members or for the improvements of the Common Open Space Areas.

(b) Each assessment must be fixed at the same rate and method of collection for all lots, except as otherwise provided in Section 4 hereof for lots owned by the Declarant.

(c) Written notice of all assessments shall be sent to every Owner subject thereto at least thirty (30) days before such assessment becomes due and payable. Any assessment not paid

within fifteen (15) days after its due date shall be deemed in default and shall be subject to interest and penalty as provided for in the By-laws.

(d) Each assessment, together with any applicable costs and reasonable attorney's fees, at twenty percent (20%), shall be the personal obligation of the record owner at the time such assessment fell due. No Owner may avoid liability for any assessment by waiver, non use or abandonment of any right or real estate. Except as otherwise provided, the new Owner shall be jointly and severally liable for any and all unpaid assessments.

(e) The total assessment against each lot, including on any regular assessment or special assessment or any other sum duly levied (including without limitation charges, interest, late charges, contractual charges, etc.), made pursuant to this Declaration, is hereby declared to be a lien against such lot. Until fully paid and satisfied, the lien shall apply to and encumber all of the lots that were owned, as of the date when payment was due, by the Owner from whom payment was due, and shall also apply to and encumber any and all lots thereafter acquired by that Owner from the time such Owner becomes the Owner thereof. With respect to regular assessments, the lien is effective on the first day of each fiscal year of the Association and, as to specific assessments and other sums duly levied, the lien is effective ten days after the date of notice to the Owner of such assessment or levy. The Board of Directors or the managing agent may file or record such other or further notice of

any such lien, or such other or further document, as may be required to confirm the establishment and priority of such lien by Section 55-516 of the Virginia Property Owners' Association Act or otherwise by law. The lien created by this section shall be prior to all liens and encumbrances hereafter recorded except first mortgagees or first deeds of trust encumbering a lot, real estate taxes and other charges levied by governmental authority and made superior by law. The personal obligation of the Owner to pay such assessment shall, in addition, remain such Owner's personal obligation and a suit to recover a money judgment for non-payment of any assessment or installment thereof, levied pursuant hereto, may be maintained without foreclosing or waiving the lien herein created to secure the same. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

(f) Notwithstanding any other provision hereof to the contrary, the lien of any assessment or other sum levied pursuant to this Declaration upon any lot (and any interest, late charges or the like) shall be subordinate to, and shall in no way affect the rights of the holder of a first mortgage or first deed of trust made in good faith for value received nor shall such person or entity be personally liable for such assessment; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of

~~such lot pursuant to foreclosure or any proceeding in lieu of~~
foreclosure. Such sale or transfer shall not relieve the holder of a mortgage or deed of trust or the purchaser of the lot at such sale from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment, which lien shall have the same effect and be enforced in the same manner as provided herein. Each holder of a first mortgage or first deed of trust on a lot who comes into possession of a lot by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the lot free of any claims for unpaid assessments or charges against such Lot which accrue prior to the time such person comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all lots including the mortgaged lot assessed after the mortgagee or purchaser takes possession. The lien created hereby shall cease to exist with respect to assessments and charges levied prior to the time title is transferred by foreclosure or by deed or assignment in lieu thereof; provided, however, that if the proceeds of a foreclosure exceed the total amount due to the holder of the first mortgage or deed of trust, the excess shall first be paid to the Association and applied to the satisfaction of the Association's lien.

(g) The Association shall, on or before the 30th day of January of each and every year, cause a list of Owners in

default and the amount of their respective delinquent assessments to be recorded among the land records of the Circuit Court of Fauquier County, Virginia. Upon demand and for a reasonable charge, the Association will provide a signed certificate which will set forth the status of an individual Owner's payment of assessments levied against such Owner's lot.

4. Assessments Against Lots Owned by Declarant. Lots owned by the Declarant shall be assessed as follows:

(a) - The Declarant shall pay \$100.00 per lot to the Association upon submission of such lot to this Declaration. Such lot shall not be subject to further regular annual assessment in the fiscal year such lot is submitted to this Declaration. Thereafter, lots owned by the Declarant which have never been occupied or for which no building permit has been issued shall be subject to an annual assessment of \$100.00 per lot and any special assessment levied by the Association.

(b) Upon conveyance of a lot which has never been occupied from the Declarant to another Owner or upon the Declarant obtaining a building permit for a dwelling on such Lot, such Owner or the Declarant, as the case may be, shall pay the Association the amount of the annual assessment for such fiscal year less \$100.00 per such lot. Such lot shall not be subject to further regular annual assessment in the fiscal year the foregoing payment is made. Thereafter, such lot shall be subject to assessment pursuant to paragraphs 1 through 3 above, beginning

the first full fiscal year following conveyance of the lot from
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the Declarant or the issuance of a building permit.

(c) Notwithstanding paragraphs (a) and (b) above, all lots shall be subject to assessment for special assessments levied pursuant to paragraph 2 above.

ARTICLE V

COMMON AREA

1. Title and Upkeep. The Declarant, on behalf of itself and its successors and assigns, hereby covenants that Common Open Space Areas will be conveyed to the Association in fee simple, subject to all easements, agreements, restrictions and such encumbrances then of record. Upon conveyance, upkeep of the Common Open Space Areas shall be the responsibility of the Association, clearing or maintenance in the Common Open Space Areas shall be restricted to underbrush and/or dead or felled trees, except for the Common Open Space Areas carrying running water, which are to be maintained in a state of nature for a distance of fifty feet (50') on each side of said running water. Any BMP ponds in Common Open Space Areas shall be maintained by the Association in accordance with the provisions of Article II-602 of the Fauquier County Zoning Ordinance. BMP's shall include all ponds, dams and spillways. For maintenance purposes, an easement is established to include such ponds, dams and spillways. The BMP's shall be properly maintained in order to insure operation in accordance with design specifications. The County

shall, in no event, be responsible for maintenance except as is provided for in Article II-602 of the Zoning Ordinance.

2. Right of Use and Enjoyment. Appurtenant to each lot, whether or not mentioned in the deed thereto, shall be an easement which is hereby created, entitling all persons lawfully occupying or residing on a lot in Snow Hill to use and enjoy the Common Open Space Areas in common with all persons lawfully residing on other lots for purposes of ingress and egress and for recreation uses as are approved by the Association. Any purported conveyance or other transfer of that easement without the lot to which it is appurtenant shall be void. The easement created is subject to the powers of the EPB and the Board of Directors; to reasonably regulate the use and enjoyment of such Common Open Space Areas; to place a lien against such Common Open Space Areas to secure repayment of an indebtedness incurred by the Association; to suspend the rights of any person or persons delinquent in the payment of any lawful assessment; to dedicate, convey or otherwise transfer the Common Open Space Areas or any portion thereof to any governmental body or authority or utility as may be agreed by a two-thirds majority vote of the Members.

3. The Declarant reserves unto itself any and all ownership interest in any treasure trove in the land which comprise Snow Hill Subdivision. Should any person find a treasure in this land, such person shall forthwith notify the Declarant and it shall have the right to remove said treasure trove without recourse to the Owner of any lot herein or to the

inder of said treasure. Declarant reserves any remedy, either at law or in equity, to enforce such interest.

ARTICLE VI

EASEMENTS

1. Declarant reserves for itself, its successors and assigns, the right to grant easements for the installation and maintenance of utilities and drainage facilities as it may deem reasonable and for ingress and egress across Common Open Space Areas and lots. Easements are reserved on and across all Common Open Space Areas and lots in the Subdivision for the benefit of the Association for the purposes of such maintenance activities as the Association shall undertake.

2. There is hereby created and granted an easement over the Subdivision for the lawful performance of their functions in the event of emergencies by all police, fire, ambulance and other rescue personnel.

ARTICLE VII

ROADS AND STREETS AND CENTRAL WATER

1. Declarant shall be responsible for the design and construction of all public streets as shown on the recorded Subdivision plat. Said design and construction shall be in accordance with the then prevailing specifications of the Virginia Department of Transportation (VDOT). Declarant shall post sufficient bond to insure completion of said streets to State and county standards. Upon completion of said streets, Declarant shall dedicate the same to public use. Any damage to

said streets by Owners as is mentioned in Article III, Section B, paragraph 3, shall be repaired at the expense of such Owner.

2. Driveways are to be maintained by the Owner whose lot is served thereby. Driveways are to be used as access to and from cul-de-sacs and other connecting streets only and not as direct access to Snow Hill Drive.

3. The Declarant shall construct a central water system for the supply of water to all dwellings within the Subdivision. Said system shall be constructed to the applicable standards of the Virginia Department of Health and the Fauquier County Water and Sanitation Authority ("WSA"). Upon completion of said system, Declarant is to transfer ownership thereof to the Fauquier County Water and Sanitation Authority and, upon its acceptance, Declarant will relinquish all responsibility and liabilities for the operation and maintenance of said system.

ARTICLE VIII

GENERAL PROVISIONS

1. Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, and charges now or hereafter imposed by the provisions of this declaration. Failure by Declarant, the Association, or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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2. Invalidation of any of these covenants or restrictions by judgment or Court order shall in no way affect any other provision, which shall remain in full force and effect.

3. Covenants and restrictions of this declaration may be amended by duly recording an instrument executed and acknowledged by the Board of Directors, and approved by not less than two-thirds of the Association's membership. In no event may Article V, Section 1 of these Covenants be changed or amended absent prior approval by the Board of Supervisors of Fauquier County, Virginia. In no event shall Article V, Section 3 be changed or amended.

4. No breach of any conditions herein contained or reentry or reason of such breach shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith, and for value as to the Subdivision or any lot therein; provided, however, that such conditions shall be binding on any Owner whose title is acquired by foreclosure, trustee's sale, or otherwise.

5. Notice, where required to an Owner, shall be deemed to have been given, (i) when delivered in hand to any person or persons who, alone or with others, constitutes an Owner, or (ii) when mailed by first class postage, to any such person at their last known address. Where an Owner may be more than one person or entity, it shall be the responsibility of the persons or entity so notified, to inform such other person or entities affected.

6. Nothing contained herein or in any Association documents shall be deemed to impose on Declarant or Association any obligation to construct or provide any dwellings or improvements whatsoever.

7. Any cost, expense or charge incurred by the Board of Directors or the EPB in the enforcement of any of these covenants, restrictions or reservations, shall be billed to the Owner causing such violation. Any charges so incurred shall be paid by the violating lot owner in full within thirty days from the date of billing. Failure to so pay will entitle the Association to place and enforce a lien on the violator's lot as is prescribed in Article IV.

8. Irrespective of any other provision herein contained, the Board of Directors, on behalf of the Association and with its two-thirds majority approval, and with the approval of the Declarant for a period of five years after the recordation of this declaration, reserves the right, from time to time, to amend or correct these covenants, restrictions and reservations, or permit resubdivision of any lot or lots shown on the plat of the Subdivision so long as such amendment, correction or resubdivision is, in the opinion of the Board of Directors, in keeping with the original intent and purposes of these declarations.

9. Plans for improvements to be acted upon by the EPB as is herein required shall be submitted, processed and acted upon in the manner prescribed by the EPB. The guidelines for such

procedure of approval, including application forms and specifications requirements, shall be obtained from any member of the EPB.

10. Each Owner shall be responsible for obtaining any and all necessary and proper, State or County, permits or licenses prior to making any improvements on the lots of this Subdivision.

11. In the event of default by the Association in the maintenance of Common Open Space Areas, improvements, or easements, as provided herein, the County of Fauquier may undertake the responsibility for maintenance of the Association and assess reasonable charges for the same in the manner and after notice as is provided for in the applicable sections of the Fauquier County Zoning Ordinance, as amended. Said Ordinance and amendments being specifically incorporated herein by reference.

ARTICLE IX

INSURANCE

1. Physical Damage and Liability Insurance. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Areas. This insurance shall cover loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, and shall be in amounts sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board of Directors shall obtain a public liability policy covering the Association and its Members for all damage or injury caused by

the negligence of the Association or any of its Members or agents arising from the operation, maintenance or use of the Common Areas. The public liability policy shall have a combined single limit of at least one million dollars. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall be obtained in an amount not less than two million dollars. If reasonably available, the Board of Directors shall obtain directors' and officers' liability insurance for the directors, officers and EPB members. Premiums for all insurance shall be a Common Expense.

2. Fidelity Insurance. In addition to the other insurance required by this Article, the Board of Directors is authorized to obtain a fidelity insurance or bonds on directors, officers, employees and other persons handling or responsible for the Association's funds naming the Association as the obligee. The premium for any fidelity insurance obtained by the Association shall be a Common Expense. The amount of fidelity coverage shall be in an amount equal to the maximum funds that will be in the custody of the Association at any time, but not less than an amount equal to the sum of twenty-five percent of the annual general Assessment and the Association's reserve funds, unless the Board determines in the exercise of its business judgment that such amount is unwarranted and that a lower amount is appropriate. The fidelity insurance shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified

without at least ten days prior written notice to the Association.

IN WITNESS WHEREOF, the undersigned have caused the foregoing Declaration to be signed pursuant to due and proper authority as of May 6, 1993.

SNOW HILL CORPORATION
a Virginia corporation

By: Richard A. Sanders [SEAL]
Richard A. Sanders
President

_____[SEAL]
WILLIAM WALLACE SANDERS, JR.

_____[SEAL]
PATRICIA P. SANDERS

SNOW HILL HOMEOWNER'S ASSOCIATION, INC.
a Virginia nonstock corporation

By: [Signature] [SEAL]
Name: [Signature]
Title: President

STATE OF VIRGINIA

COUNTY OF FAUQUIER, to-wit:

The foregoing document was acknowledged before me in the aforesaid jurisdiction this ___ day of _____, 19___, by SNOW HILL CORPORATION by its President, Richard A. Sanders.

NOTARY PUBLIC

commission expires: _____

without at least ten days prior written notice to the Association.

IN WITNESS WHEREOF, the undersigned have caused the foregoing Declaration to be signed pursuant to due and proper authority as of May 6, 1993.

SNOW HILL CORPORATION
a Virginia corporation

By: [Signature] [SEAL]
Richard A. Sanders
President

[Signature] [SEAL]
WILLIAM WALLACE SANDERS, JR.

[Signature] [SEAL]
PATRICIA P. SANDERS

SNOW HILL HOMEOWNER'S ASSOCIATION, INC.
a Virginia nonstock corporation

By: _____ [SEAL]
Name: _____
Title: President

STATE OF VIRGINIA

COUNTY OF FAUQUIER, to-wit:

The foregoing document was acknowledged before me in the aforesaid jurisdiction this 6 day of May, 1993, by SNOW HILL CORPORATION by its President, Richard A. Sanders.

[Signature]
NOTARY PUBLIC

My commission expires: April 30, 1994

STATE OF VIRGINIA

COUNTY OF FAUQUIER, to-wit:

The foregoing document was acknowledged before me in the aforesaid jurisdiction this 6 day of May, 1993, by WILLIAM WALLACE SANDERS, JR. as his act and deed.

Karin C. Casner

NOTARY PUBLIC

My commission expires: April 30, 1994

STATE OF VIRGINIA

COUNTY OF FAUQUIER, to-wit:

The foregoing document was acknowledged before me in the aforesaid jurisdiction this 6 day of May, 1993, by PATRICIA P. SANDERS as her act and deed.

Karin C. Casner

NOTARY PUBLIC

My commission expires: April 30, 1994

STATE OF VIRGINIA

COUNTY OF FAUQUIER, to-wit:

The foregoing document was acknowledged before me in the aforesaid jurisdiction this 4th day of May, 1993, by SNOW HILL HOMEOWNER'S ASSOCIATION, INC., by its President, Ken

Holmberg

[Signature]
NOTARY PUBLIC

My commission expires: 9/30/93

VIRGINIA: IN THE CLERK'S OFFICE OF FAUQUIER CIRCUIT COURT, MAY - 7, 1993

This instrument was this day received in said office and with certificate admitted to record at 2:19 P.m.

Tax of \$ _____ Imposed by Section 58.1-802 Paid

State Tax _____ County Tax _____

Transfer Fee _____ Clerk's Fee 37.00 Total 37.00

Teste: Wm D Harris Clerk