

DECLARATION OF COVENANTS,
CONDITIONS, RESERVATIONS, RESTRICTIONS AND EASEMENTS

PIEDMONT HILLS

THIS DECLARATION of covenants, conditions, reservations, restrictions and easements applicable to Piedmont Hills, Section One, made as of the 16th day of August, 1990, by SILVER COMMUNITIES, INC., a Virginia corporation, provides:

INTRODUCTION

1. The Declarant is the fee simple owner of certain real property, known as Piedmont Hills, Section One, located in Chancellor District, Spotsylvania County, Virginia, as shown on a plat of survey entitled "Plat of Subdivision, Section One, Piedmont Hills," prepared by Sullivan, Donahoe and Ingalls, dated October 11, 1989, a copy of which plat is recorded in the Clerk's Office of the Circuit Court of Spotsylvania County, in Plat File 2 at Page 569 (the Plat).

2. The property shown on the Plat is hereinafter referred to as the "Property" and with reference to the Plat, the Property is more particularly described as follows:

All that certain property containing 42.8328 acres, including 35.5223 acres of lots 1 through 64, 5.7295 acres of streets, and 1.5810 acres of common area.

3. The Declarant desires to create a general plan for the development and use of the Property. The Declarant further

desires to provide for the common use, by the members of the community, of certain facilities and to provide for the maintenance of the common facilities.

4. The Declarant shall cause to be incorporated under the laws of the Commonwealth of Virginia as a non-profit, non-stock corporation, Piedmont Hills Homeowners' Association, Inc. (the Association), organized for the purposes of maintaining, administering and owning the Common Properties (as hereinafter defined) and the improvements located thereon, and of enforcing and administering the architectural and lot use restrictions contained herein. Each Owner shall be a member of the Association and abide by the duties and obligations established by the Association.

5. The Declarant hereby declares that the Property and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, conditions, reservations, restrictions and easements hereinafter set forth for and during the period of time hereinafter specified.

ARTICLE I

Definitions

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall otherwise require) shall have the following meanings:

(a) "Association" shall mean Piedmont Hills

Homeowners' Association, Inc.

(b) The "Properties" shall mean the Property and all additions thereto as are subject to this Declaration and any Supplemental Declaration under the provisions of Article II, Section One hereof.

(c) "Lot" shall mean any lot shown on any recorded subdivision plat of the Properties and any improvements thereon with the exception of the Common Properties as herein defined.

(d) "Residence" shall mean one detached single-family dwelling not to exceed two and one-half stories in height.

(e) "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Residence, but notwithstanding any applicable theory of mortgages, shall not mean or refer to the mortgagee or any trustee therefor unless and until such mortgagee has acquired title pursuant to foreclosure or any transaction in lieu of foreclosure.

(f) "Common Properties" shall mean those areas of land and any improvements thereon owned by the Association for the common use and enjoyment of the Owners, or with respect to which the Association has an easement or a right to enjoyment as herein provided. The Common Properties are more particularly described as follows:

Parcel "A" on the Plat, containing 68,808 square feet, being a stormwater management area; an easement on lots 1 and 2 for construction and maintenance of an entrance wall and sign; and an easement on lots 1 through 7, inclusive, for construction and

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maintenance of a decorative fence along Piedmont Road.

(g) "Members" shall mean all members of the Association.

(h) "Declarant" shall mean Silver Communities, Inc., a Virginia corporation, and its successors and assignees for the purpose of development.

(i) "Architectural Control Committee" shall mean and refer to the committee established pursuant to Article III hereof.

ARTICLE II

Additions to Property Subject to this Declaration

1. Additional Property. The Declarant will have a right to bring within the scheme of this Declaration additional properties in future stages of development of Piedmont Hills provided that such properties will become subject to assessments for their share of the expenses of the Association. Such additional land is within the area designated as Section Two on the Piedmont Hills Preliminary Plan, containing 69 lots and will be annexed, if at all, before December 31, 1999. The Declarant is not bound to make any addition to Piedmont Hills.

Additions authorized under this Article may be made by filing of record a Supplemental Declaration with respect to the additional property which shall extend the scheme of the covenants, conditions, reservations, restrictions, and easements of this Declaration to such property. Such Supplemental Declarations may contain such additions and modifications of the

covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration.

2. Title to Common Properties. The Declarant agrees to convey the Common Properties in each section of development to the Association before the conveyance of the first Lot to an individual homeowner in that section. Such conveyance or conveyances may be subject to certain easements and reservations to be determined in the sole discretion of the Declarant provided that such Common Properties shall be conveyed to the Association free and clear of all liens and encumbrances.

ARTICLE III

Architectural Control and General Restrictions

Section I. Architectural Control. Except for construction or development by, for or under contract with the Declarant, and except for any improvements to any Lot or to the Common Areas accomplished by the Declarant concurrently with said construction and development, and except for purposes of proper maintenance and repair, no building, fence, wall, swimming pool, deck, porch, storage shed, or other improvements or structures (hereinafter referred to as "Proposed Improvements") shall be commenced, directed, placed, moved, altered or maintained upon the Property, nor shall any exterior addition to or change (including, but not limited to, any change of color) or other alteration thereupon be made until the complete plans and specifications showing the

location, nature, shape, dimensions, material, color, type of construction and any other proposed form of change (including, without limitation, any other information specified by the Architectural Control Committee, as hereinafter defined) shall have been submitted to and approved in writing as to harmony of external design, color, location in relation to surrounding structures and topography, and conformity with the design concept for the community by the Architectural Control Committee. All builders and owners must submit their plans for approval. Plans and specifications submitted to the Architectural Control Committee shall include but not be limited to one copy of the following:

- (a) A site plan showing the location of all Proposed and existing Improvements on the Lot, all existing improvements on adjoining Lots, and the limits of any proposed clearing of trees.
- (b) Exterior elevations for the Proposed Improvements;
- (c) Specifications of materials, color scheme and other details affecting the exterior appearance of the proposed buildings;
- (d) Description of the plans or provisions for grading, drainage, erosion control and landscaping.

Section 2. Approvals. In the event the Architectural Control Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within 45 days after such plans and

specifications (and all other materials and information required by the Architectural Control Committee) have been submitted to it in writing, then approval will not be required, and this Article will be deemed to have been fully complied with. Plans submitted by builders shall be reviewed and acted on within 30 days of submission.

In the event that the Architectural Control Committee disapproves any proposal as provided hereinabove, the Architectural Control Committee shall suggest those changes that will permit approval. The Architectural Control Committee may base refusal of approval of such plans and specifications upon any ground, including purely aesthetic considerations, which, in the discretion of the Architectural Control Committee, shall seem sufficient.

Section 3. Land Use and Building Type. No principal structure shall be erected, altered or permitted to remain on any Lot other than a single Residence not to exceed two and one-half stories in height and a private garage for not more than three automobiles. All ranch style Residences must have a first floor living area of at least 1,050 square feet. All split foyer (bi-level) style Residence must have an upper level floor finished living area of at least 875 square feet. All split-level Residences (tri-level) must have a total finished living area of 1,000 square feet on the upper and mid-level combined, exclusive of the lower level. The term "split-level Residence (tri-level)" shall mean a Residence with an upper level above a lower level.

with a mid-level to the side. All two-story Residences must have a finished living area of at least 1,350 square feet on the first two levels, exclusive of basements and third levels. All one and a half story Residences must have a total finished living area of at least 1,200 square feet, exclusive of basements. All of the foregoing dimensions are exclusive of porches, carports and garages. Modular homes are permitted, provided they are approved by the Architectural Control Committee. All Residences, including modular homes when approved by the Architectural Review Committee, and garages, shall have at least a 5/12 roof pitch unless the Architectural Control Committee expressly states otherwise in its approval of the plans and specifications.

Section 4. Construction Materials. (a) Exterior Walls.

The exterior walls of all buildings constructed on any Lot, including Residences, garages and outbuildings, shall be (i) constructed of brick or stone, (ii) covered with solid wood siding, (iii) covered with horizontal hardboard type siding, (iv) covered with horizontal aluminum siding, (v) covered with horizontal vinyl siding, or (vi) constructed or covered with any other material approved in writing by the Architectural Control Committee. Any vertical siding must be specifically approved by the Architectural Control Committee. The exposed portion of any horizontal siding may be no more than eight inches in width. The use of any exterior metal materials for construction purposes other than metal window frames and aluminum siding is prohibited provided that the Architectural Control Committee may permit the

use of such material by express written approval.

(b) Roofs. The roofs of all Residences and other improvements to be constructed on the Property shall consist of either slate or shake or of a hardboard material fashioned to resemble slate or shake, or fiberglass or asphalt shingles.

(c) Foundations. All exposed fronts of block foundations and all exposed front piers on front porches must be covered with a stone or brick veneer. The exposed sides and rear of foundations must be parged and painted. If poured foundations are used, the exposed front must be brick-patterned concrete and all sides are to be painted.

(d) Garages. Any garage or carport located on any Lot must conform architecturally to the Residence that it serves.

Section 5. Completion of Construction. The exterior of all Residences and other improvements must be completed within nine months after construction commences, unless such completion is impossible or would result in great hardship to the Owner or builder due to strike, fire, national emergency, natural calamity, or other reason which the Architectural Control Committee may approve. Residences may not be temporarily or permanently occupied until the occupancy permit is issued by Spotsylvania County. A crushed rock construction entrance to each Lot with an appropriate culvert pipe shall be installed prior to the commencement of lot clearing, grading or construction of a Residence thereon. Such construction entrance shall be properly maintained by the Owner or contractor so as to

prevent the depositing or accumulation of mud, dirt, rock, or debris upon the streets of the subdivision. During the continuance of construction, the Owner shall require the contractor to maintain the building site in a reasonably clean and uncluttered condition. Within one month after the completion of any construction, all debris, waste material, excess material and equipment shall be removed. Within one month after completion of a Residence, the Lot shall be landscaped and any bare earth properly seeded, weather and growing seasons permitting.

Section 6. Model Homes. No commercial builder of Residences on the Properties will be permitted to have a model home on the Properties for purposes of promoting sales unless he is actively building Residences on the Properties. Any builder who breaches this condition will be liable to the Declarant for consequential damages.

Section 7. Subdivision of Lots Prohibited. No more than one Residence shall be erected on any Lot. However, a Residence may be erected on one or more Lots, or a Lot and a part of another Lot. The purpose of this exception is to allow one or more Lots to be combined, provided that the building site for any one Residence is enlarged and not reduced in size. Nothing herein contained shall be construed to prohibit the use of more than one Lot for the construction of a single Residence.

Section 8. Other Buildings. No structure or building of any kind, including storage sheds, shall be erected on, or moved

onto, any Lot unless it is in general conformity and harmony with the class of existing structures on the surrounding Lots and approved by the Architectural Control Committee as provided in Section 1 of this Article. The architectural style, color and building materials of any storage shed, garage or other such structure or building shall conform to the Residence which it serves. No such building or structure, other than an attached or semi-attached garage, shall exceed 140 square feet in area or 12 feet in height.

Section 9. Building Location. No Residence or other improvement shall be located on any Lot less than 30 feet from the front lot line, or nearer to a side street line or an interior lot line than is permitted by their applicable County ordinance.

Section 10. Nuisances. No noxious or offensive activity, including unduly loud noise, shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. In particular, no trash or garbage shall be permitted to be burned on any Lot. The burning of leaves and other yard debris is permitted, subject to applicable County and State regulations, as long as such burning does not become a nuisance to the neighborhood.

Section 11. Parking and Vehicles. Each owner shall construct and maintain suitable and adequate parking spaces on his Lot for the parking of motor vehicles prior to the occupancy of the Residence to be constructed thereon. No trucks or heavy

equipment shall be permitted to be parked on the streets servicing the Properties or in the driveway of any Residence, except that each Owner shall be allowed to park one pickup truck, jeep or passenger van in the driveway of his Lot. Subject to the approval of the Architectural Control Committee, recreational vehicles and campers weighing up to 18,000 pounds gross vehicle weight may be maintained on a Lot, provided that any such recreational vehicle (i) must be parked on a driveway located on the side of the Residence so that the vehicle is no closer to the street than the front of the Residence and (ii) shall be subject to such other requirements as the Architectural Control Committee may impose. Boats and boat trailers weighing up to 7,500 pounds gross vehicle weight may be parked on any Lot. No boats, boat trailers or other equipment or vehicles weighing in excess of 7,500 pounds gross vehicle weight may be parked on any Lot other than (i) commercial vehicles temporarily located on the Properties to furnish necessary services to an Owner or (ii) temporary construction trucks and heavy equipment located on the Properties for construction purposes. No disabled, unlicensed or inoperable vehicle may be parked on the Properties. All vehicles parked on the Property must have current State inspections and State licenses at all times. For purposes of this section, there shall be deemed to be only one Owner per Residence.

Section 12. Fences and Retaining Walls. Construction, location and design of any fence or retaining wall (built for landscaping purposes) must be approved by the Architectural

Control Committee. Fences must be constructed of wood, brick, or stone; provided, however, that chain link fences shall be permitted along the rear property line and along the side property lines to a distance parallel to the rear corners of the house. No chain link fences shall be permitted running from the side lot line to any corner of the house. Fences shall not extend beyond the front building line of the dwelling. No fence shall be more than six feet in height. All retaining walls built for landscaping purposes shall be composed of brick, stone or wood timbers.

Section 13. Natural Vegetation. It is declared to be the purpose and intent of the Declarant and the Lot owners to generally establish the Property as a development of homesites, utilizing the existing natural vegetation, topography and storm water drainage system as much as practical. Existing trees shall remain undisturbed as much as possible. Exceptions to the foregoing shall be permitted where necessary to meet Spotsylvania County requirements, and for the construction and reasonable clearing adjacent to homes, driveways and other improvements, for assuring necessary vehicular sight distances, for fences and storage sheds, and for placement of utility services with related and required easements.

Where clearing is proposed, excluding areas specifically authorized to be cleared, more latitude will be permitted in the clearing of soft wood species than in the case of hard wood species such as oak, poplar, hickory and similar species. In

addition, this section shall not apply to the clearing or grubbing of trees and shrubs under three inches in diameter at a point one foot above the ground.

To assure compliance with the above, no clearing shall be commenced on any lot until a plot plan showing proposed limits of clearing is submitted to and approved by the Architectural Control Committee.

Section 14. Variances and Exceptions. Notwithstanding any provision to the contrary, the Architectural Control Committee may, in its sole discretion, make exceptions to and grant variances from any restrictions provided in this Article III provided that such exception or variance is in writing.

Section 15. Architectural Control Committee. The Board of Directors of the Association shall appoint an Architectural Control Committee consisting of at least three members, and such committee shall be entitled to enforce the foregoing architectural restrictions as provided above.

ARTICLE IV

Lot Maintenance

Section 1. Mowing, Weed and Erosion Control. All Owners shall keep their Lots free of weeds, undergrowth, garbage, trash, debris and litter. It shall be the responsibility of each Owner to prevent the development of any unclean or unsightly conditions of the grounds on the Property which would tend to decrease the attractiveness of the neighborhood as a whole or the specific area. The height of the ground cover on a Lot (not including

landscaping, shrubbery or flowers unless used for ground cover) shall be mowed to a height not exceeding six inches. All owners shall maintain adequate ground cover on all cleared areas to prevent erosion.

Section 2. Ditches and Swales. It shall be the responsibility of every Owner of every Lot on which any part of an open storm drainage ditch or swale is situated to keep such portion thereof as may be situated upon his Lot continuously unobstructed and in good repair, including trimming of grass, weeds and other vegetation.

Section 3. Upkeep of Improvements. All improvements on the Property shall be kept in good repair, and where necessary, painted on a regular basis. The Owner shall prevent the development of any unsightly or unclean conditions of the improvements.

Section 4. Temporary Structures. No structure of a temporary character, nor any trailer, shack, or any other temporary outbuilding shall be placed on any Lot at any time provided that construction trailers are allowed on the Properties for the purpose of sales or construction supervision.

Section 5. Animals. No livestock or poultry of any kind shall be raised, bred or kept on any Lot. No animals shall be kept, bred or maintained for commercial purposes. All dogs must be fenced or leashed.

Section 6. Signs. No sign of any kind shall be displayed to the public view on any Lot except (i) one sign of not more

than six square feet advertising the Lot or Residence for sale or rent and (ii) signs used by a builder to advertise the Lot during the construction and sale of any Residence.

Section 7. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste must be kept in sanitary metal or plastic cans. All equipment for the storage or disposal of trash, garbage or other waste shall be kept in a clean and sanitary condition at all times.

Section 8. Sight Distances at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations greater than three feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at 25 feet from the intersections of the street lines, or in case of a rounded property corner from the intersection of the street property lines extended. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 9. Driveways. All driveways and private roads must be covered with a commercial aggregate base or more resistant surfacing material. All driveway pipes must be constructed of concrete or corrugated pipe. Each Owner shall be responsible for placing the pipe and entrance at the street in accordance with the standards of the Virginia Department of

Transportation (VDOT). In the event that VDOT requires replacement of any pipe or paved entrance prior to the acceptance of the public streets located on the Property into the state secondary system, such pipe must be replaced at the Owner's expense.

Section 10. Antennas and Solar Collectors. No exterior antenna or satellite dishes shall be permitted on the Property. Solar collectors or panels which are not visible from a street may be installed and maintained on a Lot.

Section 11. Swimming Pools. (a) No Owner shall be allowed to construct an above-ground swimming pool on any Lot.

(b) One below-ground swimming pool may be constructed and maintained on a Lot provided that the following conditions are met:

(i) the design, excavation and building plans are first approved by the Architectural Control Committee in accordance with Article III of this Declaration;

(ii) any mechanical equipment used to operate and maintain the swimming pool shall be screened from the view of adjacent Lots by appropriate landscaping or fencing; and

(iii) the swimming pool is located in the yard behind the Residence, not facing any street.

(iv) the pool is properly fenced.

Section 12. Mail and Newspaper Boxes. All mail and newspaper boxes shall follow the standard design prescribed by the Architectural Control Committee.

Section 13. House Numbers. House numbers are required for each Residence and shall be placed where lighting illuminates the house number. The height of the house numbers shall be no less than three inches and no more than six inches.

ARTICLE V

Membership and Voting Rights

Section 1. Membership. Every Owner shall be a member of the Association and abide by the duties and obligations established by such Association provided that any person or entity who holds such interest merely as security for the performance of an obligation or as a trustee under any instrument securing such an obligation shall not be a Member. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to this Declaration.

Section 2. Voting Rights. The Association shall have two classes of voting memberships:

Class A. Class A Members shall be all Owners with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot owned. When more than one person or entity holds an interest in any Lot, all such persons and entities shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast on behalf of any Lot.

Class B. The Class B Member shall be the Declarant or its successor in the development of the Property and shall be entitled to three votes for each Lot owned. The Declarant's

Class B membership and its accompanying voting rights shall cease and be converted to Class A membership on the happening of either of the following events, whichever event occurs earlier:

(a) When the total number of votes outstanding in Class A membership equals the total votes outstanding in Class B membership, or

(b) On December 31, 1999.

Section 3. Board of Directors. The Association shall elect a Board of Directors which will manage the business and affairs of the Association in accordance with this Declaration. The Board of Directors shall establish an Architectural Control Committee. In addition, the Board of Directors is hereby granted the following powers: (i) the power to establish any other committees as it deems appropriate; (ii) the power to adopt, publish and modify rules and regulations governing the use and maintenance of the Property and to establish penalties for infractions thereof, and (iii) all other powers necessary to further the general scheme of these Declarations.

ARTICLE VI

Property Rights

Section 1. Members' Right of Enjoyment. Every Member shall have a right of enjoyment in and to the Common Areas and such right shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Limitations. The rights of enjoyment created hereby shall be subject to the following:

(a) the right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Areas and any facilities and, in aid thereof, to mortgage such property provided that the rights of such mortgagee in the Common Areas shall be subordinate to the rights of the Members hereunder;

(b) the right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by Members provided that no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds of each class of Members has been recorded.

ARTICLE VII

Covenant for Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessment. Each Owner of any Lot by acceptance of a deed thereof, whether or not it shall be so expressed in any such deed, covenants and agrees to pay to the Association: (i) annual assessments or charges and (ii) special assessments for capital improvements. The annual and special assessments, together with such interest thereon and costs of collection thereof, shall be a charge on the land and shall be a continuing lien upon each lot against which each such assessment is made. Each such assessment, together with interest thereon and the cost of including reasonable attorneys' fees, shall also be the

personal obligation of the person who was the Owner of such Lot at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of Piedmont Hills and in particular for the maintenance of the Common Areas, including but not limited to the payment of taxes and insurance on the Common Areas, the repair, replacement and additions to the Common Areas, and the cost of labor, equipment, materials, management and supervision thereof, and any other reasonable expenses of the Association.

Section 3. Basis and Maximum of Annual Assessments. The annual assessment for each Lot on the Properties shall be payable in advance to the Association in equal quarterly installments and the amount thereof shall be determined as follows:

(a) Subject to the provisions of Section 4 of this Article, until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum initial annual assessment shall be \$60.00 for each Lot.

(b) From and after such January 1, the maximum annual assessment may be increased each year (i) by not more than ten per cent above the maximum assessment for the previous year without a vote of the Members as provided in paragraph (c) below or (ii) by the increase in the Consumer Price Index of all items

for the United States, whichever is greater.

(c) From and after such January 1, the maximum annual assessment may increase above the maximum stated above by a vote of two-thirds of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

(d) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

(e) When the Board of Directors establishes the maximum annual assessment for each calendar year, the Board shall at the same time and in connection therewith, prepare an annual budget indicating the services furnished by the Association and the costs thereof per Lot.

Section 4. Unoccupied Lots. Unoccupied Lots will not be furnished with all of the services available to Lots which are acquired by resident Owners. Accordingly, the Class B Member and any Owner of an unoccupied Lot, including any professional builder or contractor constructing residential dwellings on the Properties, shall pay to the Association an annual assessment equal to 25 per cent of the annual assessment payable by an Owner of an "occupied" Lot. Notwithstanding the foregoing, such reduced assessment shall not apply to any Lots on which model homes have been constructed. Lots with model homes shall be assessed the same as "occupied" Lots. In addition, so long as there is a Class B Member, the Class B Member agrees to pay to the Association at the end of its annual accounting period a sum of money equal to the operating deficit experienced by the

Association during such accounting period. The existence of any such deficit shall be determined by subtracting the cash expenses of the operation of the Association from the total amount of assessments received by the Association. A Lot shall be deemed "unoccupied" within the meaning of this section if no person has begun to use such Lot as a permanent or temporary place of residence.

Section 5. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized by Section 3 hereof, 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 of or unexpected repair or replacement of any capital improvement on the Common Areas, including the necessary fixtures and personal property related thereto, provided that, any such assessment shall have the assent of two-thirds of the votes of each class of Members who are entitled to vote and who are voting in person or by proxy at a meeting duly called for this purpose. Written notice shall be sent to all Members at least ten days in advance and shall set forth the purpose of the meeting.

Section 6. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following conveyance of the Common Areas. One-twelfth of the annual assessment shall be deemed payable in advance to the Association on the first day

of each month. The first annual assessment payment shall be prorated according to the number of whole months remaining in the calendar year and the first monthly payment shall become due and payable on the first day of the first month following conveyance. The Board of Directors shall fix the amount of annual assessment against each Lot at least thirty days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates of annual assessments may be fixed by the Board of Directors. The due date of any special assessment under Section 5 hereof shall be fixed in the resolution authorizing such assessment.

Section 7. Compliance With Act and Certificate as Evidence of Payment. (a) The Association will be governed by the provisions of the Property Owner's Association Act (Code of 1950 as amended, of Virginia, Section 55-508 et seq.).

(b) The Association shall upon demand at any time furnish a certificate in writing, signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Nonpayment of Assessment; the Lien Remedies of the Association. In the event that any assessment is not paid when it is due, such assessment shall be delinquent and shall, together with interest thereon and costs of collection

thereof as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them. Any assessment which is not paid within thirty days after the due date shall bear interest from the date of delinquency at the lesser of (i) the then rate of interest on loans guaranteed by the Veterans Administration or (ii) the maximum rate permitted by law. The Association may bring such action at law or in equity against the Owner personally obligated to pay such assessment and interest, or against the property subject thereto, or both. Costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust financing. Sale or transfer of any Lot shall not affect the lien of any assessment. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the liens thereof.

Section 10. Exempt Property. The following property

subject to this Declaration shall be exempt from the assessments created therein:

(a) All properties dedicated to and accepted by an governmental authority;

(b) The Common Areas; and

(c) All properties owned by a charitable or non-profit organization exempt from taxation by the laws of the Commonwealth of Virginia. However, no land or improvements devoted to dwelling use shall be exempt from such assessments.

ARTICLE VIII

General Provisions

Section 1. Application. The covenants 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 or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns.

Section 2. Utility Easements. (a) The Declarant reserves in perpetuity for itself, its successors in interest, grantees and assigns (including, but not limited to, Continental Telephone Company of Virginia, Virginia Electric and Power Company, Commonwealth Gas, and Prestige Cable TV), the following perpetual and alienable easements.

(i) an easement of 15 feet on the front and rear lines of all Lots and five feet on the sidelines of all Lots for the purposes of (1) laying, operating and maintaining underground electric, telephone, natural gas and cable television lines

including usual above-ground fixtures and appurtenances within such easements. Cable television lines must be buried within 30 days from the time such lines are installed;

(ii) a temporary easement of ten feet for the purpose of placing lines or cables underneath streets located in the Properties provided that such easement shall terminate at such time as the streets are accepted by the Virginia Department of Transportation.

(b) These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility or other such installations and to maintain reasonable standards of health, safety and appearance, provided that any disturbed landscaping will be relandscaped within a reasonable time. Such rights may be exercised by a licensee of the Declarant, but this reservation shall not be considered an obligation of the Declarant to provide or maintain any such utility or service. No structures, including walls, fences, paving and planting, which will interfere with the rights of ingress and egress and maintenance of facilities provided for in this paragraph, shall be erected upon any part of the Properties. Should any wall, fence or other improvement within such easement area obstruct the required maintenance of utility lines and fixtures, it shall be the property owner's responsibility to remove and appropriately replace such improvement.

Section 3. Entrance Wall and Fence Easement. The Declarant hereby reserves unto itself, its successors and assigns, including all Owners and the Association, an easement on Lots 1 and 2 as shown on the plat for the construction and maintenance of an entrance wall and sign, and a ten-foot-wide easement on Lots 1 through 7, inclusive, adjacent to Piedmont Road for a decorative wooden fence. The easement for maintenance and preservation of the wall, sign and fence shall include the right to enter on the lot from the adjacent public streets by workmen and the use of tools and materials as are necessary to maintain and preserve the wall, sign and fence in their condition upon initial completion.

Section 4. Median in Entrance; Maintenance. The Association shall be responsible for mowing the grass and otherwise maintaining in good and proper condition the median strip in Royal Oaks Drive at the entrance.

Section 5. Driveway Restriction. For Lots 1 through 7, inclusive, no driveways or points of access shall be permitted which enter onto Piedmont Road.

Section 6. Reservation of Easement Rights by the Declarant. The Declarant hereby reserves a non-exclusive easement and right-of-way in, through, over and across the Properties for the purpose of the storage of building supplies and materials, the installation, construction, maintenance, reconstruction and repair of sanitary sewer lines, water lines, cables, storm drains and appurtenances to any of the same, and for all other purposes

reasonably related to the completion of construction and the provisions of utility services, whether public or private, to the community and to other property adjacent to, or in the vicinity of, the community.

Section 7. Limited Liability. In connection with all reviews, acceptances, permissions, consents or required approvals by or from the Architectural Control Committee, neither the Committee members nor the Association shall be liable to any Owner or to any other person or entity on account of any claim, liability, damage, or expense suffered or incurred by or threatened against an Owner or such other person or entity arising out of or in any way relating to the subject matter of any such reviews, acceptances, permissions, consents or required approvals, whether granted or withheld.

Section 8. Enforcement. The Association or any Owner, including the Declarant, 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. The failure to enforce any right, reservation, restriction or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

Section 9. Severability. Invalidation of any one of these covenants or restrictions by judgment, court order or legislative

mandate shall in no way affect any other provisions, which shall remain in full force and effect.

Section 10. Amendment. (a) Unless amended as herein provided, the covenants, conditions and restrictions of this Declaration shall run with and bind the land, for a term of twenty years from the date this Declaration is recorded. After the initial twenty-year term, the covenants and restrictions of this Declaration shall be automatically extended for successive periods of ten years.

(b) Prior to the conveyance of the first Lot, the Declarant may unilaterally amend this Declaration. After such conveyance, the Declarant may unilaterally amend this Declaration at any time and from time to time if such amendment is (i) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots; or (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots; provided, however, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing. So long as it still

owns property described in Article II above for development as part of the Properties, the Declarant may unilaterally amend this Declaration for purposes of correction or clarification, provided the amendment has no material adverse effect upon any right of any Owner.

(c) Thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 75 per cent of the total Class "A" votes in the Association, including 75 per cent of the Class "A" votes held by Members other than the Declarant, and the consent of the Class "B" Member, so long as such membership exists.

(d) No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Section 11. Condemnation. In the event that any part of the Common Areas is appropriated or otherwise taken under the power of eminent domain, the proceeds of the condemnation action shall be used as the Board of Directors deems proper under the circumstances and in accordance with the purposes for which the Association is incorporated, including the acquisition of additional land (if available) to be used in the place and stead of the lands so condemned. Nothing herein contained shall prevent any Owner whose Lot is directly damaged by such condemnation from contesting such condemnation and seeking an award for the impairment of the rights and easements immediately

appurtenant to such Lot.

AMOUNT DUE AND UNPAID

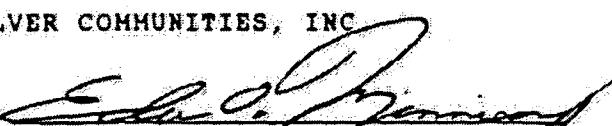
Section 12. VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Veterans Administration (provided that a Lot on the Property is subject to a mortgage loan guaranteed by the applicable agency): Dedication of Common Areas and Amendment to this Declaration.

WITNESS the following signatures this 16th day of

August, 1990.

SILVER COMMUNITIES, INC.

By:



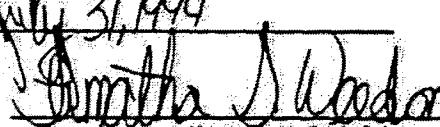
Title: President

STATE OF VIRGINIA

COUNTY OF SPOTSYLVANIA, to-wit:

The foregoing instrument was acknowledged before me in this jurisdiction aforesaid this 16th day of August, 1990, by Edward O. Minniear, Jr. as President of Silver Communities, Inc., a Virginia corporation.

My commission expires: Aug 31, 1994


Smith J. Wadon

Notary Public

SPOTSYLVANIA COUNTY CLERK'S OFFICE, RICHMOND, VA.
1990 This Deed is acknowledged before me this day received in good order together with the County Tax _____
this day received in good order together with the City Tax _____
certificate thereof admitted to record at 1:42 o'clock P.M. _____
Recording 41.00
Add. Tax 41.00
Total 41.00

Teste: Mary M. Baker


Mary M. Baker, Clerk

6421

PIEDMONT HILLS, SECTION TWO

Supplementary Declaration

THIS SUPPLEMENTARY DECLARATION to the Declaration of Covenants, Conditions, Easements, Reservations, and Restrictions applicable to Piedmont Hills, Section Two, made as of the 23rd day of April, 1991, by Silver Communities, Inc., a Virginia corporation (hereinafter referred to as the Declarant), provides:

1. Recitals. The Declarant caused to be recorded a certain Declaration of Covenants, Conditions, Easements, Reservations and Restrictions made as of the 16th day of August, 1990, recorded in the Clerk's Office of the Circuit Court of Spotsylvania County, Virginia in Deed Book 930 at Page 124 (the Declaration). Pursuant to Article II of the Declaration, the Declarant wishes to bring within the scheme of the Declaration "Additional Property" (as hereinafter defined), and to extend the covenants, conditions, easements, reservations and restrictions of the Declaration to such Additional Property, subject to such additions and modifications of the covenants, conditions, easements, reservations and restrictions as necessary to reflect the different character of such additional property.

2. Additional Property Subject to the Declaration. As the sole fee simple owner of the "Additional Property" (as hereinafter defined), the

Declarant hereby declares that the Additional Property shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, conditions, easements, reservations and restrictions set forth in the Declaration, for and during the time provided therein. The "Additional Property" is hereby defined as follows:

ALL THAT certain property containing 29.2115 acres (0.7383 acre common area, 4.1692 acres streets and 24.3040 acres lots) shown as lots 65-133, inclusive, and Parcel "B", located in the Chancellor Magisterial District, Spotsylvania County, Virginia, shown on a plat entitled "Plat of Subdivision, Piedmont Hills, Section Two", dated October 11, 1989, prepared by Sullivan, Donahoe and Ingalls, a copy of which plat is recorded in the Clerk's Office of the Circuit Court of Spotsylvania County, Virginia, in Plat File 3, Page(s) 211-213.

Such "Additional Property" is hereby declared to be part of the property burdened and benefited by the Declaration, and all of the covenants, conditions, easements, reservations and restrictions set forth in the Declaration shall be binding upon and shall run with the Additional Property.

3. Common Areas. The Common Areas (as defined in the Declaration) located within the Additional Property are described as follows:

Parcel "B" containing 0.7383 acres, being a stormwater management area.

4. Additional Covenants and Easements. As permitted in Article II, the following additional covenants, easements and restrictions are applicable to the Additional Property:

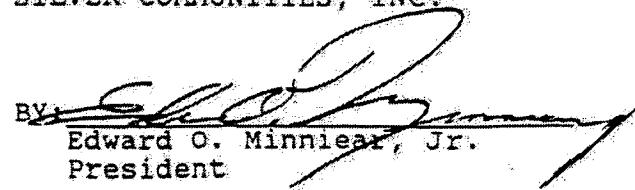
a. As shown on the plat, there is a sight distance easement across a portion of lots 93, 94 and 117. The Owners of these respective lots shall not place any object, including shrubbery, trees, fences, structures, etc., over six (6) inches in height, within the sight distance easement so as not to obstruct the line of sight of or for motorists.

b. The Declarant hereby grants unto the Association an easement ten feet in width on lots 65 through 69, inclusive, adjacent to Piedmont Road (State Route 673) for the construction and maintenance of a decorative wooden fence. The fence easement is the same area as shown on the plat as existing ten foot slope, drainage and utilities easement. The easement for construction, maintenance and preservation of the fence shall include the right to enter on the lots from the adjacent public streets by workmen and the use of tools and materials as are necessary to construct, and then maintain and preserve the fence upon its initial completion. The Declarant is in no way obligated to construct the said decorative fence along Piedmont Road.

c. For lots 65 through 69, inclusive, no driveways or points of vehicular access shall be permitted which enter onto Piedmont Road.

WITNESS the following signature.

SILVER COMMUNITIES, INC.

BY: 
Edward O. Minniear, Jr.
President

COMMONWEALTH OF VIRGINIA
COUNTY OF SPOTSYLVANIA, to-wit:

I, Gloria S. Winkler, a Notary Public in and for the jurisdiction aforesaid, hereby certify that Edward O. Minniear, Jr., whose name is signed to the foregoing instrument, as President of Silver Communities, Inc., has acknowledged the same before me in the aforesaid jurisdiction this 23rd day of April, 1991.

Gloria S. Winkler
Notary Public
Commissioned as Gloria S. Jones

My commission expires: 9-16-91

RECORDED PLAT FILE #3

NO. 211-213

SPOTSYLVANIA COUNTY CIRCUIT COURT CLERK'S OFFICE, VIRGINIA, 5-7
1991, This Deed supp. Deed recd. recd. was State Tax
this day received in this office together with the cer- County Tax
ificate thereon admitted to record at 1:38 o'clock. Transfer
Recording 43.00
Add. Total 43.00
Test: Linda Johnson, Deputy, Clerk. Total 43.00

GUIDELINES FOR OWNERS OF RECREATIONAL VEHICLES,
MOTOR HOMES, AND CAMPERS IN PIEDMONT HILLS

Article III of The Declaration of Covenants, Conditions, Reservations, Restrictions and Easements is entitled "Architectural Control and General Restrictions." Section 11 of Article III deals with "Parking and Vehicles", and indicates generally, that if all requirements are met and approval is obtained from the Architectural Control Committee, an Owner may park or store a recreational or similar vehicle on his lot.

Before granting approval, the Architectural Control Committee must confirm several important factors, in addition to those outlined in Section 11 of Article III, to include for example:

- a) Recreational or similar vehicle will not be used as a residence.
- b) Recreational or similar vehicle has current inspection and registration.
- c) Recreational or similar vehicle is owned by the recorded owner (one or more persons) of the fee simple title to the residence.
- d) The location of the recreational or similar vehicle on the lot will not detract from the natural or common aesthetic conditions that abound, and
- e) Nearby owners do not object to the location of the recreational or similar vehicle.

An overriding consideration of the Architectural Control Committee is to maintain harmony among all owners and residents of Piedmont Hills. For that reason, we tend to discourage the parking or storing of recreational or similar vehicles on any lot; however, we can conceive that certain situations or circumstances would enable the Architectural Control Committee to approve such a request.

GUIDELINES FOR OWNERS OF RECREATIONAL VEHICLES,
MOTOR HOMES, AND CAMPERS IN PIEDMONT HILLS
(Continued)

If approval is granted, it must be clearly understood and agreed that if any nearby owner, at any time, objects to the location of a recreational or similar vehicle on property that is regularly visible from said owners' dwelling, and if said owner provides the Architectural Control Committee with the written reason(s) for such objection, the merit of the request will be reviewed to determine if the Architectural Control Committee should revoke permission to continue the parking or storing of the recreational or similar vehicle on said property.

Further, the Architectural Control Committee can revoke permission now or at any time in the future, for such other reasons as may appear.

If you are currently parking or storing a recreational or similar vehicle on your lot, said vehicle must be removed unless you have received approval from the Architectural Control Committee, or are awaiting a response from the Architectural Control Committee to your request for approval.

We trust that you can appreciate our concerns and desire to serve the interests of all members of the Piedmont Hills Homeowners' Association. For that reason, the Architectural Control Committee was given broad discretion to approve or disapprove any request upon any ground which seems sufficient, including purely aesthetic considerations.

* As used in Section 11 of Article III, "May" is defined to mean that each owner is to some degree likely to receive permission.