

EXHIBIT A-71A

Prepared by:

Return to:
Westminster Abstract Company
250 Gibraltar Road
Horsham, PA 19044

_____ County Parcel Nos.:

**DECLARATION OF
A PLANNED COMMUNITY**

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**dDECLARATION OF
A PLANNED COMMUNITY**

This **Declaration** is made this _____ day of _____, 201__ by _____, for itself, its successors, grantees and assigns other than ultimate Unit-purchasers (the “Declarant”).

Article I - The Real Estate/Property

Section 1.01 The Real Estate/Property. The Declarant is the owner of the real estate located in _____ Township, _____ County, Pennsylvania as more fully described in Exhibit “1.01” (the “Real Estate”), together with the easements, rights and appurtenances belonging thereto (the “Property”).

Article II - Submission of Property to Uniform Planned Community Act; Name

Section 2.01 Submission of Property. The Declarant hereby submits the Property to the provisions of the Pennsylvania Uniform Planned Community Act, Act No. 1996-180, (68 Pa. Cons. Stat. Ann. §§5101 et seq.), as amended, (the “Act”) which is incorporated herein by reference, and the Declarant hereby creates a planned community with respect to the Property (the "Community").

Section 2.02 Name. The name by which the Community shall hereafter be identified is, a Planned Community.

Article III - Definitions

Section 3.01 Definitions. The following terms when used herein and in the Bylaws of _____ (the “Bylaws”) are to be defined according to the meanings ascribed to them by this Section 3.01. Any capitalized term used herein or in the Bylaws which is not defined in this Section 3.01, elsewhere in this Declaration or the Bylaws, but is defined in the Act, shall have the meaning ascribed to it by the Act.

a. “Additional Real Estate” shall have the meaning ascribed to it by the Act and for purposes of the Community shall mean the real property, if any, more particularly described in Exhibit “3.01.a.” attached hereto, incorporated herein and made a part hereof, as amended, from time to time.

b. “Assessments” shall mean those levies, charges, assessments or sums payable by the Unit Owners from time to time upon notification by the Association, as provided herein.

c. “Association” or “Community Association” shall mean an association of all Unit Owners within the Community organized under Section 5301 of the Act.

d. "Attached Unit" shall mean those Units on which an attached Dwelling is built and completed as evidenced by the issuance of a certificate of occupancy by the Township.

e. "BMPs" or "BMP" shall mean best management practices related to stormwater management.

f. "Building" shall mean those buildings within which Attached Units are located.

g. "Bylaws" are defined above and are the governing regulations of the Association as are adopted pursuant to the Act and this Declaration for the regulation and management of the Association by its Executive Board, including such amendments as may be adopted from time to time.

h. "Common Elements" shall mean the Common Facilities or Controlled Facilities.

i. "Common Expenses" shall mean expenditures made by or financial liabilities of the Association, together with any allocation to reserves, and shall include General Common Expenses and Limited Common Expenses and such other amounts as this Declaration shall designate as Common Expenses. The Component and Responsibility Chart also describes the allocation of Common Expenses.

j. "Common Facilities" shall mean all portions of the Community which are owned by or leased to the Association, other than the Units as shown and so designated on the Plats and Plans and Component and Responsibility Chart, which may include, but not be limited to, private streets (_____), sidewalks and on-street guest parking areas; Open Space Areas; Stormwater Management Facilities; privacy berms; retaining walls; entrance signage/features; street trees; walking trail; internal street signs not otherwise maintained by the Township; mailbox clusters; gazebo/pavilion with benches and a grilling station; a fountain with lights in the pond; and springhouse.

k. "Community Systems" shall mean and refer to any and all cable television, telecommunication, alarm/monitoring, internet, telephone or other lines, conduits, wires, amplifiers, towers, antennae, satellite dishes, equipment, materials, and installations and fixtures (including those based on, containing and serving future technological advances not now known), if installed by the Declarant or pursuant to any grant of easement or authority by the Declarant within the Property.

l. "Component and Responsibility Chart" shall mean the Component and Responsibility Chart attached hereto and made a part hereof as Exhibit "3.01.1."

m. "Controlled Facilities" shall mean all real estate within the Community that is not a part of the Common Facilities, and that is inspected, maintained, improved, repaired, replaced, regulated, managed, insured or controlled by the Association all as more particularly

set forth in greater detail in the Component and Responsibility Chart. Certain components of Units are Controlled Facilities and are described in the Component and Responsibility Chart.

n. "Convertible/Withdrawable Real Estate" shall have the meaning ascribed to it by the Act and shall mean the real property more particularly described in Exhibit "3.01.n." attached hereto, incorporated herein and made a part hereof, as amended, from time to time.

o. "Declarant" shall mean _____, its successors or assigns.

p. "Detached Unit" shall mean any Unit on which a single-family detached Dwelling is built and completed as evidenced by the issuance of a certificate of occupancy by the Township.

q. "Director" shall mean a member of the Executive Board.

r. "Dwelling" means any residence erected on or to be erected on a Unit. Dwellings shall include detached homes and attached homes.

s. "Eligible Mortgagee" means any holder, insurer or guarantor of a first mortgage lien on one or more Units in the Community who shall have provided to the Association both initially and every other year thereafter a statement of its name, address and the Unit(s) against which the mortgagee holds a mortgage.

t. "Executive Board" or "Board" shall mean a board of natural individuals of the number stated herein and in the Bylaws, who shall manage the business, operation and affairs of the Community on behalf of the Unit Owners and in compliance with and subject to the provisions of the Act, this Declaration, the Bylaws and Rules and Regulations.

u. "General Common Expenses" shall mean those expenditures for which the Unit Owners are liable as provided herein, including, but not limited to (see also Component and Responsibility Chart):

(i) Expenses of administration, management, operation, maintenance repair, replacement or insurance, together with any allocation to reserves, of the Common Facilities, and for the administration, management and operation of the Association;

(ii) Expenses or liabilities agreed upon by the Unit Owners as common; and

(iii) Expenses not designated as a Limited Direct Charge or Limited Common Expense by the provisions of the Act, this Declaration or the Bylaws.

v. "General Common Expense Percentage" shall have the meaning ascribed to it in Section 7.07.

w. "Limited Common Elements" or "Limited Common Facilities" shall mean any real estate within the Community that is a Common Facility which is designated for the use of that Unit or Units to which such Common Facilities are assigned or appurtenant (but fewer than all Units) and which are limited and restricted to the sole and exclusive use of the Owner or Owners of such Unit or Units. There are no Limited Common Elements contemplated for this Community.

x. "Limited Common Expenses" shall mean those expenses for which one Owner or several Owners, but not necessarily all Owners, are liable, as more particularly described on the Component and Responsibility Chart and which may include, without limitation:

- (i) Any Common Expense benefiting fewer than all Units;
- (ii) Trash removal, recyclable collection, yard waste collection and similar services for Units;
- (iii) Snow removal for Attached Units as more particularly described in the Component and Responsibility Chart; or
- (iv) Any Common Expense caused by the negligence or misconduct of any Owner.

Once all the Units that the Declarant reserves the right to create have been conveyed to Unit Owners other than Declarant, Limited Common Expenses charged to all Units shall become General Common Expenses.

y. "Limited Direct Charge" shall mean an Assessment against one or more Unit Owners for Limited Common Expenses that are charged directly to the Unit Owners receiving such services before, at or after the time such services are rendered, and that are not included in the annual budget of General Common Expenses or Limited Common Expenses.

z. "Open Space Areas" shall refer to the portions of the Common Facilities that are open space and which might be more particularly described as such on the Plats and Plans. Without limiting the generality of the foregoing, components of the Stormwater Management Facilities will be located in the Open Space Areas. The Open Space Areas shall also include, without limitation, a pond, entrance signage/features, landscaped perimeter berms and buffer plantings and interior soil berms containing contaminated soils.

aa. "Owner" or "Unit Owner" shall mean the record owner, whether one or more Persons, of fee simple title to any Unit which is or are part of the Community, but excluding those having an interest in any Unit merely as security for the performance of an obligation.

bb. "Person" shall mean any natural individual, corporation, partnership, association, trust or other legal entity or any combination thereof.

cc. "Plats and Plans" shall mean those plats or plans prepared in accordance with the requirements of Section 5210 of the Act, as amended from time to time, and attached hereto as Exhibit 5.01.

dd. "Private Streets" shall mean _____ as depicted on the Plats and Plans.

ee. "Public Streets" shall mean _____ as depicted on the Plats and Plans.

ff. "Recorded" shall mean that an instrument has been duly entered of record in the Office of the Recorder of Deeds in and for _____ County, Pennsylvania.

gg. "Rules and Regulations" shall mean the policies and procedures of the Association established from time to time by the Executive Board.

hh. "Special Assessment" shall mean the assessment made by the Association in a given year for the purpose of defraying, in whole or in part, the cost of any unexpected operational expenses that are significantly over budget as well as construction, reconstruction, expansion, repair, or replacement of the Common Elements.

ii. "Special Declarant Rights" shall mean all rights reserved for the benefit of the Declarant under the Act, which include, but are not limited to, the rights to:

- (i) Complete the improvements indicated on the Plats and Plans;
- (ii) Maintain offices, signs and models;
- (iii) Use and grant easements through the Common Facilities for the purpose of making improvements within the Community;
- (iv) Appoint or remove a member of the Executive Board during the period of time that the Declarant controls the Association;
- (v) Add the Additional Real Estate to the Community;
- (vi) Convert the Convertible/Withdrawable Real Estate into Units, Limited Common Elements or both;
- (vii) Withdraw the Convertible/Withdrawable Real Estate from the Community; and
- (viii) Relocate boundaries between Units owned by the Declarant, and the right to relocate the boundaries between Units and the Common Elements, together with the

right to record subsequent amendments to this Declaration and the Plats and Plans as may be necessary to show the altered boundaries, to the fullest extent permitted by the Act.

jj. "Stormwater Management Facilities" shall mean all of the stormwater management facilities located in the Community including, but not limited to, basins, infiltration trench, a pond, rain gardens, vegetated swales, amended soils, rooftop disconnections on Dwellings, stormwater pipes and inlets. All stormwater piping and related apparatus within the public rights-of-ways and various public roadways within the Community shall be offered for dedication to the Township and, if dedication is accepted, shall not be part of the Common Facilities. Any stormwater piping and related apparatus outside of the rights-of-ways of the various public roadways within the Community or within the public roadways, to the extent they are not accepted for maintenance by the Township, shall be maintained by the Association as either part of the Common Facilities or Controlled Facilities. All stormwater piping and related apparatus within the private streets (_____) shall be maintained by the Association as part of the Common Facilities.

kk. "Township" shall mean _____, Pennsylvania.

ll. "Unit" shall mean Attached Units and Detached Units both of which shall be part of the Community and designated for separate ownership. A Dwelling shall be located on each Unit. Each Unit shall be designed or intended for independent use, shall have a direct exit to a public street or way, or to a Common Facility or Common Facilities leading to a public street or way, and shall include the General Common Expense Percentage which is assigned to a Unit in this Declaration or any amendments thereto.

mm. "Unit Designation" shall mean the number, letter or combination thereof designating a Unit on the Plats and Plans. In the event that by amendment to this Declaration for the addition of any Additional Real Estate or creation of Units or Limited Common Elements in the Convertible/Withdrawable Real Estate, or the withdrawal of Convertible/Withdrawable Real Estate from the Community the foregoing definitions require amendment or supplement to appropriately reflect the characteristics of the added Additional Real Estate or newly created Units or Limited Common Elements in the Convertible/Withdrawable Real Estate or withdrawn portions of the Community, the Declarant shall have the unilateral right to amend and supplement the definitions in this Article III. Such amendments shall not require the approval of the Executive Board, the Owners or the Eligible Mortgagees.

Article IV - Applicability and Interpretation

Section 4.01 Applicability. The Property is subject to the provisions of this Declaration, the Act, the Bylaws and such Rules and Regulations as may be issued by the Executive Board from time to time to govern the conduct of the Association's members and the use and occupancy of the Property. All present and future Owners and tenants, their guests, licensees, servants, agents, employees and any other person or persons who shall be permitted to use the Common Facilities described in this Declaration shall be subject to this Declaration, the Bylaws and any Rules and Regulations. Ownership, rental or occupancy of any of the Units in the Community shall be conclusively deemed to mean that the Unit Owner, tenant or occupant

has accepted and ratified this Declaration, the Bylaws and such Rules and Regulations and will comply with them.

Section 4.02 Interpretation of Declaration and Bylaws. In the event of a conflict of interpretation between the provisions set forth in the Bylaws and this Declaration, this Declaration shall govern except to the extent this Declaration is inconsistent with the Act. In the event that the Internal Revenue Code is hereafter amended or changed, both this Declaration and the Bylaws shall be interpreted in a manner so as to conform to the provisions of the Internal Revenue Code with respect to non-profit entities, it being the intention to preserve the lawful status of the Association as a bona-fide non-profit entity.

Article V - Plats and Plans

Section 5.01 Plats and Plans. The Plats and Plans are attached hereto as Exhibit "5.01". The Plats and Plans describe the Property, the name of the Property, the location of the Units (including Unit Designation), Common Facilities, Additional Real Estate, Convertible/Withdrawable Real Estate and such other information as is required by the Act.

Article VI - Units and Maintenance Obligations for Units

Section 6.01 Number of Units. Subject to the provisions of this Declaration relating to the addition of Units within the Additional Real Estate and the conversion to Units within the Convertible/Withdrawable Real Estate, the Community consists of those Units shown on the Plats and Plans and designated on Exhibit "6.01" which is attached hereto and made a part hereof. The maximum number of Units shall not exceed _____. However, Declarant shall have no obligation to create or include such number of Units in the Community.

Section 6.02 Description of Units. Each Unit is as shown on the Plats and Plans, which Plats and Plans may be amended from time to time. Each Unit shall consist of the subdivided lot, the Dwelling (attached home or detached home) and all other improvements appurtenant thereto within the subdivided lot. With respect to Attached Units only, the center of the party wall separating one Dwelling from another shall be part of the Unit. Except as otherwise provided in the Declaration with regard to Special Declarant Rights, no Unit may be partitioned or subdivided or separated into Units different from that shown on the Plats and Plans. The location of the Buildings, Dwellings and Units on the Property represent the planned location of each Building, Dwelling and Unit; however, actual construction and site conditions may result in minor variations to the location of boundaries as shown on the Plats and Plans. Subject to Township approval, the Declarant reserves the right to modify the design, size and appearance of the Units. The Dwellings on the Units will be single-family attached homes or detached homes. Moreover:

a. Any water, sewer or other utility laterals located from the main (for water and sewer) and running under a Unit are considered part of the Unit and shall be the responsibility of the Unit Owner, not the Association.

b. A Unit shall not consist of supports of any pipes, ducts, wires, cables, conduits or other installations of and systems for all central services and utilities serving the Property; however, any pipes, ducts, wires, cables, conduits or other installations for services and utilities located within and serving only the particular Unit shall be part of that Unit.

c. Basements are proposed for all Units.

d. **Units Adjacent to Public Streets Within the Community.** Each Unit Owner whose Unit is on a public street within the Community shall be responsible for the maintenance, repair and replacement of his Unit and features in the public right of way contiguous to such Unit including, without limitation, the public sidewalk, landscaping, street trees, curb and driveway apron adjacent to the Unit. No structures such as fences or any other improvement shall be placed or constructed within the public right of way. Owners of Detached Units shall be responsible for snow removal within the Unit (Association responsible for snow removal for Attached Units) as well as the public sidewalk adjacent to the Unit.

Section 6.03 Maintenance of Units. Except as otherwise provided in this Declaration and, in particular, the Component and Responsibility Chart, each Unit Owner shall be responsible for the maintenance, repair and replacement of his Unit including the Dwelling. Without limiting the generality of the foregoing:

a. **Stormwater Management Facilities and Easements on Attached Units.** The Association shall be responsible for all Stormwater Management Facilities located within an Attached Unit as well as for any easements within a Unit for such Stormwater Management Facilities. Moreover, as more particularly described in the Component and Responsibility Chart, the Association shall be responsible for the mowing of any drainage, stormwater or any other easements to the extent that all or a portion of these easements are located within a Unit. Otherwise, Unit Owners shall be responsible for the maintenance of any easements for drainage, stormwater, sanitary sewer, conservation or any other easements to the extent that all or a portion of these easements are located within a Unit. More specifically, a Unit Owner shall be responsible for the following within any easements on their Unit: controlling vermin and repairing damage from animals; keeping the area free of obstructions, structures, vegetation, or accumulated sediment that may block or hinder the function and purpose of the easement; keeping the area free from litter or garbage; repairing erosion and restoring vegetation as necessary to keep the easement in good repair. No plantings, buildings or other structures, including driveways may be placed in or on drainage, utility, conservation or sanitary sewer easements. Should a Unit Owner fail to properly maintain any portion of the drainage system, above provided, or place structures, plants or trees within an easement, after notification to such Unit Owner by the Association, the Association is authorized to enter upon the easement to perform such maintenance, improvements or repairs or to remove these plants or structures therefrom or to otherwise restore the easement to its original condition and thereafter recover the cost of performing such service from the Unit Owner.

b. **Stormwater Management Facilities and Easements on Detached Units.** The Association shall be responsible for all structural aspects of the Stormwater Management Facilities located within stormwater easements on Detached Units, i.e., pipes, inlets

and other structures. The Unit Owners shall be responsible for all passive and/or non-structural aspects of the Stormwater Management Facilities located on Detached Units, i.e., swales, berms, etc. Moreover, as more particularly described in the Component and Responsibility Chart, the Unit Owner shall be responsible for the mowing of any drainage, stormwater or any other easements to the extent that all or a portion of these easements are located within a Unit. Furthermore, Unit Owners shall be responsible for the maintenance of any easements for drainage, stormwater, sanitary sewer, conservation or any other easements to the extent that all or a portion of these easements are located within a Unit. More specifically, a Unit Owner shall be responsible for the following within any easements on their Unit: controlling vermin and repairing damage from animals; keeping the area free of obstructions, structures, vegetation, or accumulated sediment that may block or hinder the function and purpose of the easement; keeping the area free from litter or garbage; repairing erosion and restoring vegetation as necessary to keep the easement in good repair. No plantings, buildings or other structures, including driveways may be placed in or on drainage, utility, conservation or sanitary sewer easements. Should a Unit Owner fail to properly maintain any portion of the drainage system, above provided, or place structures, plants or trees within an easement, after notification to such Unit Owner by the Association, the Association is authorized to enter upon the Unit to perform such maintenance, improvements or repairs or to remove these plants or structures therefrom or to otherwise restore the Stormwater Management Facilities or easement area to its original condition and thereafter recover the cost of performing such service from the Unit Owner.

c. **Clear Sight Triangles.** Sight triangles on Units shall be kept free of all obstruction. More particularly, no wall, fence, structure, hedge, tree, shrub or other growth is allowed to be planted or maintained within the clear sight triangle which shall interfere with a free and unobstructed view within such triangles unless authorized by the Township. Sight triangles may be shown on the Plats and Plans.

d. **Roof Drains and Sump Pumps.** It shall be the Unit Owner's responsibility to ensure that all roof drains of the Dwelling and sump pumps do not discharge over sidewalks, driveways or streets or into the sanitary sewer system but shall be directed to properly graded overland yard areas or the stormwater BMPs.

e. **Rooftop Disconnections.** Unit Owners of Detached Units shall be responsible to ensure that all rooftop disconnections from the Dwelling discharge to vegetated areas on the Detached Unit and to maintain such vegetated areas in accordance with _____. The Association shall be responsible to ensure that all rooftop disconnections from the Dwelling on an Attached Unit discharge to vegetated areas on the Attached Unit and to maintain such vegetated areas in accordance with Exhibit _____.

f. **Retaining Walls.** Unit Owners are not to disturb, alter or remove any retaining walls installed by Declarant that may be located on or adjacent to their Unit. Unit Owners shall not place or erect any structures and/or trees near the retaining walls that interfere with or have the potential to interfere with the structural integrity of the retaining walls. If a retaining wall is installed by the Declarant on a Detached Unit, then the Unit Owner shall maintain and repair any such retaining walls located on their Detached Unit. If a retaining wall is installed by the Declarant on an Attached Unit, then the Association shall maintain and repair

any such retaining walls located on the Attached Unit. In the event that Unit Owners of Detached Units should fail to maintain or repair such retaining walls, the Association shall have the right, but not the obligation to maintain and repair such retaining walls and assess the Unit Owner(s) of those Detached Units involved for the expenses incurred by the Association.

Section 6.04 Township's Rights. In the event that a Unit Owner or the Association, as the case may be, shall at any time fail to maintain the Stormwater Management Facilities located within the boundaries of the Unit in reasonable order and condition, then the Township may enforce its easement rights as set forth in Article XI hereof. The Unit Owner or the Association, as the case may be, will be required to reimburse the Township for any repair, maintenance or replacement costs borne by the Township in connection with the Township's enforcement of its easement rights as set forth in Article XI hereof.

Section 6.05 Water Bodies. By acceptance of a deed to a Unit, each Unit Owner acknowledges that the water levels of all water bodies may vary. There is no guarantee by the Declarant or the Association that water levels will be constant or aesthetically pleasing at any particular time. In fact, water levels may be non-existent from time to time. Without limiting the generality of the foregoing, this applies to the waters within the Open Space Area as well as any aspects of the Stormwater Management Facilities.

Article VII - Common Elements

Section 7.01 Common Facilities. The Common Facilities are defined in Section 3.01 and shown on the Plats and Plans.

Section 7.02 Controlled Facilities. The Controlled Facilities are described in Section 3.01, the Component and Responsibility Chart and, where applicable, shown on the Plats and Plans. All Units shall receive the services identified in the Component and Responsibility Chart.

Section 7.03 Construction, Lease and Transfer of Common Facilities.

a. The Declarant shall construct the Common Facilities and convey same to the Association no later than conveyance of the last Unit in the Property or the expiration of the Declarant's Special Declarant Rights under Section 5211 of the Act, whichever occurs later. The Declarant reserves the right to convey the Common Facilities, in whole or in part, at any time prior to this event, and in the event the Common Facilities are not substantially complete at the time of conveyance, the Declarant covenants that it shall substantially complete the Common Facilities and shall guaranty completion for the benefit of the Association. In addition, the Declarant shall provide to the Township before such conveyance a third-party guaranty, escrow, letter of credit or other security acceptable to the Township assuring completion of the Common Facilities. The Common Facilities shall be deemed to be completed not later than the recording of a substantial completion certificate executed by an independent registered surveyor, architect or professional engineer in accordance with the Act. The obligations of the Declarant in this Section shall be a covenant running with the Property and shall be binding on the Declarant and any successor or assign who receives any Special Declarant Rights. Until such time as the Common Facilities are conveyed to the Association, they shall be owned by the Declarant but

may be treated as Controlled Facilities and the expenses associated therewith may be charged as General Common Expenses for Assessment and budgeting purposes subject to the Act.

b. The Declarant shall convey to the Association, and the Association shall accept, the Common Facilities by special warranty deed for no consideration. The Declarant shall be responsible for any realty transfer tax due, recording fees and title insurance, if any. Acceptance of the Common Facilities shall not constitute a waiver of the Declarant's obligation to complete the Common Facilities. The deed of conveyance shall be Recorded.

Section 7.04 Maintenance and Repair of Common Facilities.

a. The Association shall provide for the current, regular and periodic maintenance, repair and replacement of the Common Facilities in accordance with the terms and conditions of this Declaration as well as any Recorded agreements with the Township, if any. Subject to the terms of this Declaration, the cost and expense of the foregoing shall be a General Common Expense and the Executive Board shall include in the annual budget of the Association as part of the Assessments reasonable reserves for replacement of Common Facilities.

b. **Private Streets, Open Space Areas, NPDES Permit, Stormwater Management Facilities and BMPs.** The Association shall be perpetually responsible for operating and maintaining the Private Streets, Open Space Areas, Stormwater Management Facilities and BMPs located in the Open Space Areas and Private Streets, as well as those portions of the Stormwater Management Facilities located on Units as more particularly described in Section 6.03 above and the Component and Responsibility Chart in proper working order as detailed in this Declaration and in the approved post-construction stormwater management (PCSM) plans which are part of the approved Recorded plans for the development of this Community. The Association may not amend the Declaration and/or Bylaws in an attempt to circumvent its responsibilities and obligations under the NPDES permit and/or for Stormwater Management Facilities and BMPs. The Association shall also be responsible for replacement and/or rebuilding of the Stormwater Management Facilities and BMPs in the event of failure. It shall be unlawful to modify, fill, landscape, alter or remove any permanent Stormwater Management Facility or BMP required by the approved PCSM plans or to allow the Property to remain in a condition which does not conform to the approved PCSM plans unless an exception is granted in writing by the Township or appropriate government entity and it is part of an approved maintenance program. The Township reserves the right, but not the duty, to inspect the Private Streets, Open Space Areas, Stormwater Management Facilities and BMPs to insure they are working as designed. Such inspection by the Township may include, without limitation, an inspection of the Association's operation, maintenance and repair requirements for the Stormwater Management Facilities. The Association shall be subject to any operations and maintenance agreements with the Township and operations and maintenance declarations or agreements required by the Pennsylvania Department of Environmental Protection ("DEP") whether or not such agreements are Recorded. Without limiting the generality of the foregoing, the Association shall maintain the Stormwater Management Facilities in accordance with the NPDES permit obtained by the Declarant as said NPDES permit may be amended from time to time, the post-construction stormwater management and BMP provisions attached hereto and made a part hereof as Exhibit 7.04.b. and any stormwater management documents, plans, notes

or agreements with the Township or DEP (collectively, the “Stormwater Management Facilities Documents”). Declarant shall have the right to change or relocate any Stormwater Management Facilities, depending on site conditions or as otherwise determined by the Declarant subject only to such approvals as are required by the Township and/or DEP pursuant to applicable law, and shall have the right to record amendments to the Stormwater Management Facilities Documents and as-built plans of the Stormwater Management Facilities against the Property or any part thereof without the consent of the Association, the Unit Owners, the Board or any Eligible Mortgagees. Moreover, the Association and Unit Owners authorize the Declarant to execute any and all documents necessary to terminate the NPDES Permit and Declarant's duties and responsibilities under the NPDES permit upon completion of Declarant's obligations under the NPDES permit as determined by Declarant including, without limitation, a Notice of Termination, upon which the Association and/or Unit Owners, as the case may be, will thereafter assume all duties and responsibilities for the operation and maintenance of the Stormwater Management Facilities in accordance with the Stormwater Management Facilities Documents and as-built plans of the Stormwater Management Facilities. For this reason, the Declarant is hereby irrevocably appointed agent for the Association and each Owner for the purposes set forth in this Section 7.04.b.

c. **Public Streets, Street Signs, Water Main System, Sanitary Sewer System and Storm Sewer System To Be Offered For Dedication To Township.** The following streets within the Community as well as the sidewalks and curbs are to be offered for dedication to the Township: _____. The maintenance of the aforementioned curbs and sidewalks shall be the responsibility of the abutting property owner unless otherwise indicated in other sections of this Declaration. Additionally, the water main system is to be owned and maintained _____; and the sanitary sewer system and storm sewer system (located within the rights of way) are to be owned and maintained by the Township. The pump station located within the Community is also to be offered for dedication. Accordingly, these areas, improvements and systems (or portions thereof) will not be Common Facilities and will not be the responsibility of the Association except as might otherwise be provided in this Declaration or unless the Township or other agencies do not accept dedication. Moreover, the street signs are to be offered for dedication with the streets within the Community that are to be offered for dedication, the list of which is set forth above.

Section 7.05 Use of Common Facilities. Except as their use may otherwise be limited by this Declaration, the Bylaws, Rules and Regulations or otherwise by the Executive Board, or by the Recorded agreements with the Township, if any, each Unit Owner, tenant and occupant of a Unit, and the family members and guests of such Unit Owner, tenant and occupant, may use the Common Facilities in common with all other Unit Owners and tenants or occupants of other Units and their respective family members and guests in accordance with the purposes for which they are intended without hindering or encroaching upon the lawful rights of the other Unit Owners. Without limiting the generality of the foregoing, the Association shall not adopt and/or enforce any rule or regulation concerning the use of any Common Facilities that contravenes the Township's Zoning Ordinance, the Township's Subdivision and Land Development Ordinance, the Township's Stormwater Management Ordinance, or any other Township Ordinance without first obtaining the necessary relief from said ordinance from the Township or the Township's

Zoning Hearing Board. Moreover, the Open Space Areas shall not be further subdivided and no further land development shall be permitted within the Open Space Areas.

Section 7.06 Alteration to Common Elements by Unit Owners. No Owner may make any improvements or alterations or do any work which would impair the structural integrity or mechanical systems of any Common Element, lessen the support of any portion of the Community, or jeopardize the soundness or safety of the Property. No Owner shall impair any easement or hereditament within the Community. No Owner shall alter any of the Common Elements, change the appearance of the Common Elements or any other portion of the Community without the prior written approval of the Executive Board, the Township, if required, and, as long as the Declarant owns a Unit, the Declarant. None of the foregoing shall be applicable to or in any way impair or restrict construction, renovations and improvements in connection with development of the Community by the Declarant to create Units, Common Elements or Limited Common Elements in the Convertible/Withdrawable Real Estate, Additional Real Estate or to subdivide or convert Units.

Section 7.07 Liability for Common Expenses. Each Unit Owner covenants and agrees to pay the Association his share of the General Common Expenses and all Limited Common Expenses or Limited Direct Charges assessed against his Unit. Except as provided below, all General Common Expenses shall be assessed equally against all Units pursuant to the formula set forth in the next sentence. Each Unit's share of liability for General Common Expenses (the "General Common Expense Percentage") is determined by multiplying one hundred (100) and the quotient (rounded to nearest thousandth) resulting from dividing one (1) by the total of all Units in the Community. Units brought into the Community from the Additional Real Estate or Convertible/Withdrawable Real Estate for phasing/Recording purposes do not become subject to Assessments unless and until the Dwelling is completed on such Units as evidenced by the issuance of a certificate of occupancy by the Township.

Section 7.08 General Common Expense Percentage to Remain Undivided. The General Common Expense Percentage of a Unit shall be inseparable from each Unit, and any conveyance, lease, devise or other disposition or mortgage or other encumbrance of any Unit shall extend to and include the General Common Expense Percentage, whether or not expressly referred to in the instrument effecting the transfer. The General Common Expense Percentage and the fee titles to the respective Units conveyed therewith shall not be separately conveyed, transferred, alienated or encumbered and the General Common Expense Percentage appurtenant to each Unit shall be deemed to be conveyed, transferred, alienated or encumbered with its respective Unit notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may refer only to the fee title to the Unit.

Section 7.09 Amendment of General Common Expense Percentage. Except with respect to the subdivision or conversion of Units, the creation of Units in any Convertible/Withdrawable Real Estate or the Additional Real Estate, or as otherwise provided in the Act, the General Common Expense Percentage appurtenant to each Unit shall have a permanent character, shall be inseparable from each Unit and shall not be altered or changed except by the Recording of an amendment to this Declaration, with revised Plats and Plans, approved by all Unit Owners and by at least two-thirds (2/3) of the Eligible Mortgagees.

Section 7.10 Partition or Division of Common Facilities. The Common Facilities shall remain undivided and no action for partition or division of any part thereof shall be permitted, unless otherwise provided by law.

Section 7.11 Declarant's Right to Contribute to the Revenues of the Association. Declarant shall have the right, in its sole discretion and from time to time, to contribute to the revenues of the Association. The Declarant may reflect such contribution on the books and records of the Association as a loan, in which event it shall be repaid by the Association to the Declarant at the discretion of the Declarant. If treated as a loan, the contribution may accrue interest, compounded monthly, from the date Declarant requests payback of the loan until the date of its repayment, at the short term Applicable Federal Rate ("AFR"), as published by the Internal Revenue Service, and adjusted each month to reflect the AFR for such month.

Section 7.12 Obsolescence. Subject to the provisions of the Act and this Declaration, in the event that the Executive Board shall determine that any Common Facility is obsolete, the Executive Board may call for a vote of the Unit Owners to determine whether such Common Facility should be demolished, removed or replaced. In the event that eighty percent (80%) of the Unit Owners and at least two-thirds (2/3) of the Eligible Mortgagees shall determine that such Common Facility should be demolished, removed or replaced, the costs thereof shall be assessed equally against all of the Unit Owners.

Section 7.13 Power to Convey or Encumber. Subject to the limitations of the Act and the provisions of this Declaration, the Association may convey or encumber portions of the Common Facilities (other than those portions designated as Convertible/Withdrawable Real Estate or are otherwise prohibited under Section 5318(g) of the Act) if approved by the affirmative vote of at least eighty percent (80%) of the Owners, other than the Declarant; provided that the affirmative vote of one hundred percent (100%) of the Owners of Units to which any Limited Common Element is allocated is needed to convey or encumber any such Limited Common Element. An agreement to convey or encumber Common Facilities must be evidenced by the execution of an agreement or ratification thereof, in the same manner as a deed, by the requisite number of Owners. An interest in Common Facilities shall remain subject to this Declaration following conveyance or encumbrance, unless the deed or agreement to convey such Common Facilities or subject them to a security interest specifically provides otherwise.

Section 7.14 Township's Maintenance Rights. In the event that the Association or any successor thereto shall at any time fail to maintain the Common Facilities in reasonable order and condition, the Township may enforce its Township Codes, may exercise all rights the Township has at law or in equity and/or may enforce its easement rights as set forth in Article XI hereof. Moreover, all Stormwater Management Facilities, except those portions located on Units or within rights-of-ways of various roadways offered for dedication to the Township, shall be owned and maintained by the Association subject to the right, but not the responsibility, of the Township for ingress and egress, inspection, repair, maintenance and replacement of the facilities at the Township's sole discretion. The Association will be required to reimburse the Township for any repair, maintenance or replacement costs borne by the Township as set forth in Article XXV. Additionally, the Association shall be responsible for any payment of any fire

hydrant stand-by fees or similar fees if imposed by any public water utility company providing water to the Community.

Section 7.15 Limited Common Elements. There are no Limited Common Elements contemplated for this Community.

Section 7.16 Governmental Compliance. The Common Facilities shall be constructed, preserved, maintained and repaired in accordance with the Plats and Plans and all approvals, decisions, permits, ordinances and regulations of the Township and all governmental entities having jurisdiction over the Community.

Section 7.17 Limited Warranty for Common Facilities.

a. In addition to the warranty against structural defects as provided under the Act (the “Statutory Warranty”), Declarant has caused to be provided to Unit Owners and the Association an express limited warranty (the “Limited Warranty”). Pursuant to the Limited Warranty, Declarant warrants that the Common Facilities described in the Limited Warranty will meet the standards of performance during the warranty periods (i.e., a limited one-year warranty on certain materials and workmanship; a limited two-year warranty on certain systems; and a limited ten-year warranty on certain structural elements) set forth in the Limited Warranty. The Statutory Warranty and the Limited Warranty are the sole and exclusive warranties provided to the Association by the Declarant. The limited express warranties contained in the Limited Warranty are specific and detailed as to the scope of the Association’s warranty coverage. **To the extent allowed by law, all other warranties, express or implied, including, but not limited to, any statutory warranties other than the Statutory Warranty or implied warranties of habitability, merchantability, good quality, workmanship, design and construction in a good, fit, and workmanlike manner, fitness for its intended purpose, or fitness for a particular purpose as well as any implied warranties that the Common Facilities are free from faulty materials, are free from any defect resulting from noncompliance with building codes or standards, or were constructed according to sound engineering standards are hereby expressly disclaimed and waived including with respect to latent defects.**

b. **Release.** As set forth in the Limited Warranty, upon completion of repairs to a warranted item or upon payment to the Association in lieu of repairs pursuant to the Limited Warranty, the Association shall sign a full release of Declarant’s obligation for the deviation from the standard of performance set forth under the Limited Warranty and any related damage. Unless otherwise agreed to by the Association, the release shall apply only to the claim that is resolved by the repair or payment (as the case may be) and does not prevent the Association from making a claim under the Limited Warranty for any other deviation from the standards of performance for other claims during the warranty periods.

c. **Limitation of Liability.** The Declarant’s liability with respect to the warranties set forth in this Section, whether in contract, tort, statute, negligence or otherwise, is limited to the remedies provided in the Statutory Warranty and the Limited Warranty.

Article VIII - Additional Real Estate and Convertible/Withdrawable Real Estate

Section 8.01 Right to Create Units and Common Elements in the Additional Real Estate. Subject to the provisions of this Article VIII, the Declarant reserves the option, until the expiration of ten (10) years from the date this Declaration is first Recorded, to create Units, Common Elements, Limited Common Elements or Convertible/Withdrawable Real Estate, from time to time, in all or any portion of the Additional Real Estate (if there is any) in any order and without limitation (other than limitations created or imposed by the Act, any other governing law or the Township). This option shall not terminate prior to its expiration except by amendment to this Declaration Recorded by the Declarant. This option may be exercised by the Declarant without the consent or approval of any Unit Owner, Eligible Mortgagee or the Executive Board. The maximum number of Units that may be created in the Additional Real Estate cannot exceed the maximum number stated in Section 6.01. The maximum number of Units per acre that may be created in the Additional Real Estate shall be determined by, among other things, the Township in accordance with applicable law as part of any land development approval process.

Section 8.02 Procedure for Adding the Additional Real Estate. Upon the Declarant's election to create Units, Common Elements, Limited Common Elements or Convertible/Withdrawable Real Estate in all or any portion of the Additional Real Estate, the Declarant shall, at its own cost and expense, prepare and record an amendment to this Declaration and the Plats and Plans. The Declarant's right to record the amendment to add all or any portion of the Additional Real Estate to the Community does not require the prior approval of the Executive Board, Eligible Mortgagees or the Unit Owners.

Section 8.03 Right to Create Units and Limited Common Elements in the Convertible/Withdrawable Real Estate. Subject to the provisions of this Article VIII, the Declarant reserves the option, until the expiration of ten (10) years from the date this Declaration is first Recorded, to create Units and Limited Common Elements, from time to time, in all or any portion of the Convertible/Withdrawable Real Estate in any order and without limitation (other than limitations created or imposed by the Act, any other governing law or the Township). This option shall not terminate prior to its expiration except by amendment to this Declaration Recorded by the Declarant. This option may be exercised by the Declarant without the consent or approval of any Unit Owner, Eligible Mortgagee or the Executive Board. The maximum number of Units that may be created in the Convertible/Withdrawable Real Estate cannot exceed the maximum number stated in Section 6.01. The maximum number of Units per acre that may be created in the Convertible/Withdrawable Real Estate shall be determined by, among other things, the Township in accordance with applicable law as part of any zoning and land development approval process.

Section 8.04 Procedure for Converting the Convertible/Withdrawable Real Estate. Upon the Declarant's election to create Units or Limited Common Elements in all or any portion of the Convertible/Withdrawable Real Estate, the Declarant shall, at its own cost and expense, prepare and record an amendment to this Declaration and the Plats and Plans. The Declarant's right to record the amendment to create Units or Limited Common Elements in the Convertible/Withdrawable Real Estate does not require the prior approval of the Executive Board, Eligible Mortgagees or the Unit Owners.

Section 8.05 Right to Withdraw the Convertible/Withdrawable Real Estate.

Subject to the provisions of this Article VIII, the Declarant reserves the option, until the expiration of ten (10) years from the date this Declaration is first Recorded, to withdraw, from time to time, all or any portion of the Convertible/Withdrawable Real Estate in any order and without limitation (other than limitations created or imposed by the Act, any other governing law or the Township). This option shall not terminate prior to its expiration except by amendment to this Declaration Recorded by the Declarant. This option may be exercised by the Declarant without the consent or approval of any Unit Owner, Eligible Mortgagee or the Executive Board.

Section 8.06 Procedure for Withdrawing the Convertible/Withdrawable Real Estate.

Upon the Declarant's election to withdraw all or any portion of the Convertible/Withdrawable Real Estate, the Declarant shall, at its own cost and expense, prepare and record an amendment to this Declaration and the Plats and Plans. The Declarant's right to record the amendment to withdraw Convertible/Withdrawable Real Estate does not require the prior approval of the Executive Board, Eligible Mortgagees or the Unit Owners.

Section 8.07 Assurances. The Declarant makes no assurances:

- a. That either the Additional Real Estate or Convertible/Withdrawable Real Estate will be added, converted or withdrawn in any particular order or with any particular boundaries;
- b. That, if any portion of the Additional Real Estate is added, any other Additional Real Estate will be added;
- c. That, if any portion of the Convertible/Withdrawable Real Estate is converted, any other Convertible/Withdrawable Real Estate will be converted;
- d. That any Dwelling erected on any Unit within any portion of the Additional Real Estate or Convertible/Withdrawable Real Estate will be compatible with other Dwellings in the Community in terms of architectural style, quality of construction, principal materials or size;
- e. As to the improvements and Limited Common Elements that may be made or created within any portion of the Additional Real Estate or Convertible/Withdrawable Real Estate;
- f. As to locations of any Dwellings or other improvements that may be made within any portion of the Additional Real Estate or Convertible/Withdrawable Real Estate;
- g. That any Limited Common Elements created within any portion of the Additional Real Estate or Convertible/Withdrawable Real Estate will be (i) of the same general type and size as those within other parts of the Community; or (ii) approximately equal to the proportion existing within other parts of the Community;

h. That the Convertible/Withdrawable Real Estate will be withdrawn in any particular order or with any particular boundaries; and

i. That, if any portion of the Convertible/Withdrawable Real Estate is withdrawn, any other Convertible/Withdrawable Real Estate will be withdrawn.

Section 8.08 Reallocation of Allocated Interests. Upon the creation of Units within the Additional Real Estate or the Convertible/Withdrawable Real Estate, or upon the withdrawal of any Convertible/Withdrawable Real Estate, the General Common Expense Percentage will need to be reallocated among all of the existing and additional Units in the Community in accordance with the formula set forth in Section 7.07. Votes in the Association associated with existing Units in the Community shall not be reallocated upon the creation of additional Units in the Additional Real Estate or Convertible/Withdrawable Real Estate or upon the withdrawal of any Convertible/Withdrawable Real Estate. Each Unit in the Community shall have one (1) vote in the Association.

Section 8.09 Uses. All restrictions in this Declaration affecting use, occupancy and alienation of Units shall apply to all Units created within any portion of the Additional Real Estate or Convertible/Withdrawable Real Estate. All Units created within the Additional Real Estate or Convertible/Withdrawable Real Estate shall be used for residential purposes only.

Section 8.10 Phasing. This Community is a flexible planned community defined under the Act and thus requires phasing. Phasing is also necessary for financing purposes. Declarant reserves the right to add additional phases in its sole discretion. Each phase shall be created by the Recording of an amendment to this Declaration which shall extend the terms and conditions of this Declaration to the newly added phase. The number of phases is subject to change by the Declarant in its sole discretion. There shall be no requirement that any party other than the Declarant consent to, approve or execute any document related to the creation of and subsequent recordation of amendments to this Declaration for additional phases.

Article IX - The Association

Section 9.01 The Association. The Association is the governing body for all of the Unit Owners and, except as otherwise provided in this Declaration, is responsible for the maintenance, repair, replacement, insurance, cleaning, sanitation, management, regulation, operation and administration of the Common Elements and the making of any additions or improvements thereto. The duties of the Association shall be undertaken as provided herein and in the Bylaws, but nothing herein contained shall be construed so as to preclude the Association from delegating any of these duties to a manager or agent or to another Person subject to the authority of the Association. In the event that the Association, having delegated its duties, decides to terminate professional management for the Community, this termination shall be subject to the provisions of Subsection 23.03c. hereof.

Section 9.02 Membership in Association.

a. Unit Owners upon acceptance of a deed to a Unit become members of the Association. Membership in the Association shall be limited to the Unit Owners of the Community.

b. Every Unit Owner who shall be a member of the Association shall be entitled to all of the rights and shall be bound by all of the obligations accompanying membership, provided that any party who is holding the interest in a Unit merely as a security for the performance of an obligation shall not be a member of the Association.

c. Each Unit in the Community shall have one (1) vote associated with such Unit. When more than one person holds an interest or interests in any Unit, all such persons shall be members, and the vote for such Unit shall be exercised as provided in this Declaration and in the Bylaws, but in no event shall more than one (1) vote be cast with respect to any such Unit.

d. Only those Unit Owners in good standing and entitled to vote shall be considered "Unit Owners" for purposes of obtaining a quorum, or determining the percentage of Unit Owners voting on a matter, or for purposes of being eligible to run for or serve on the Executive Board. A Unit Owner shall be deemed to be "in good standing" and "entitled to vote" at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all Assessments made or levied against the Unit Owner and against his Unit by the Executive Board together with all interest, costs, attorneys' fees, penalties and other expenses, if any, properly chargeable to the Unit Owner and against his Unit, at least five (5) days prior to the date fixed for such annual or special meeting; and (ii) he has cured to the Association's sole and reasonable satisfaction any outstanding violations of the Rules and Regulations or architectural review standards at least five (5) days prior to the date fixed for such annual or special meeting.

e. In the event that a Unit Owner shall lease or permit another to occupy his Unit in accordance with the provisions of this Declaration, then only the tenant or occupant shall be permitted to use the Common Facilities (subject however to such limitations on such use as would be applicable to the Unit Owner) but shall not vote in the affairs of the Association.

f. Every lawful transfer of title to a Unit shall include membership in the Association and, upon making such transfer, the previous Unit Owner's membership shall automatically terminate. Except as otherwise expressly provided, membership in the Association may not be assigned or transferred without the transfer of legal title to a Unit and any attempt at such assignment or transfer thereof shall be void and of no effect.

g. Membership in the Association shall automatically terminate when such Unit Owner sells, transfers or otherwise conveys his Unit.

Section 9.03 Certificate of Voting. If a Unit is owned by one person, the Unit Owner's right to vote shall be established by the recorded title to the Unit. If a Unit is owned by more than one Person, the Person entitled to cast a vote for the Unit shall be designated in a certificate signed by all of the record Owners of the Unit and filed with the Secretary of the Association, or in the absence of such named person from the meeting or the failure to sign and

file the certificate, the person entitled to cast the votes of such Unit shall be the person owning such Unit who is present at the meeting or, if not voting in person, identified on a mail-in ballot or the like. If a Unit is owned by a corporation, joint venture, partnership, unincorporated association or the like, the officer, partner or employee thereof who shall be entitled to cast the votes of that Unit shall be designated in a certificate for this purpose, signed by that entity in accordance with its governing documents, and filed with the Secretary of the Association. If the Owner of a Unit is a trust, the trustee or trustees shall be deemed the Owner for voting purposes. The natural Person designated in such certificate, who is entitled to cast votes for a Unit, shall be known as the “Voting Member.” In the absence of such Voting Member from the meeting or the failure to sign and file the certificate, the person entitled to cast the votes of such Unit shall be the representative of the entity owning such Unit who is present at the meeting or, if not voting in person, identified on a mail-in ballot or the like. If such a certificate is not on file with the Secretary of the Association for a Unit owned by more than one natural Person or by a corporation, joint venture, partnership, unincorporated association or the like, the procedures set forth in Section 5310 of the Act shall apply.

Section 9.04 Executive Board.

a. Subject to the provisions of this Declaration and the Bylaws, the Executive Board shall have the power to act on behalf of the Association. The initial Executive Board shall consist of three (3) Directors and shall increase to five (5) Directors upon transition to Unit Owner control as set forth below. The initial Directors shall be appointed, removed and replaced from time to time by the Declarant without the necessity of obtaining resignations. Except as modified below, the period of Declarant control of the Association shall extend from the date of the first conveyance of a Unit to a Unit Owner other than Declarant for a period of not more than seven (7) years. The Declarant-appointed Directors shall be replaced with Directors elected by the Unit Owners in accordance with the provisions of this Section. The Executive Board after replacement with Owners elected in accordance with this Section shall be comprised of five (5) members.

b. For purposes of this Declaration, the term “First Election Meeting” shall mean the first meeting of the Association which shall occur no later than sixty (60) days after twenty-five percent (25%) of the Units (including all Units which the Declarant has reserved the right to create or build) are conveyed to Unit Owners, other than the Declarant. The term “Transitional Meeting” shall mean the meeting of the Association which shall be held no later than the earlier of (i) sixty (60) days after seventy-five percent (75%) of all Units (including all Units which the Declarant has reserved the right to create or build) are conveyed to Unit Owners, other than the Declarant, or (ii) two (2) years after the Declarant has ceased to sell Units in the ordinary course of its business or after any development right to add new Units was last exercised.

c. Subject to the right of the Declarant to alter the following procedure so as to have all or part of the transition process occur earlier than as hereafter described, the transition from an Executive Board comprised solely of Directors appointed by the Declarant to an Executive Board comprised solely of Directors elected by the Unit Owners shall occur as follows:

(i) At the First Election Meeting, the Unit Owners, other than the Declarant, shall elect two (2) Unit Owners to serve as Directors who shall join the initial Declarant-appointed Directors. The candidate receiving the most votes ("Director A") shall serve a three (3) year term and shall continue to serve for three (3) year terms until the annual meeting of Unit Owners ("Annual Meeting") after the Transitional Meeting. From Director A or his successor's seat election at the Annual Meeting after the Transitional Meeting, the term shall be for three (3) years. The candidate receiving the second most votes ("Director B") shall serve a two (2) year term and shall continue to serve for two (2) year terms until the second Annual Meeting after the Transitional Meeting. From Director B or his successor's seat election at the second Annual Meeting after the Transitional Meeting, the term shall be for three (3) years.

(ii) At the Transitional Meeting, the Unit Owners, other than the Declarant, shall elect three (3) Unit Owners ("Director C", "Director D" and "Director E") to serve as Directors who shall replace the three (3) Directors appointed by the Declarant. The Unit Owners may also elect Unit Owners to replace Director A and Director B if they are not re-elected. Director C shall be the person who receives the most votes at the Transitional Meeting and shall serve a three-year term until the third Annual Meeting after the Transitional Meeting. Each successor to Director C shall serve a three-year term. Director D is the person elected at the Transitional Meeting who receives the second most votes at the Transitional Meeting and shall serve for a two-year term until the second Annual Meeting after the Transitional Meeting. Each successor to Director D shall serve a three-year term. Director E shall be the person who receives the third most votes at the Transitional Meeting and shall serve a one-year term until the first Annual Meeting after the Transitional Meeting. Each successor to Director E shall serve a three-year term. In addition to the above, as a result of the Transitional Meeting and thereafter, the Executive Board shall consist of three (3) Directors who are Owners of Attached Units and two (2) Directors who are Owners of Detached Units.

(iii) Notwithstanding the foregoing, the Declarant shall have the right to appoint one additional non-voting member to the Board to serve until sixty (60) days after the Declarant conveys the last Unit, for which the Declarant reserves the right to build in the Community, to a Unit Owner.

d. For purposes of determining whether the period of Declarant control has terminated or whether Unit Owners other than the Declarant are entitled to elect members of the Executive Board, the percentage of Units conveyed is presumed to be that percentage of the maximum number of Units the Declarant has reserved the right to create in the Community as set forth in Section 6.01.

e. After the election held pursuant to Subsection 9.04c.(ii) above and until the Declarant has conveyed the last Unit in the Community for which the Declarant reserves the right to build in the Community, the Executive Board shall notify the Declarant in advance of all meetings of the Executive Board and the Association at the same time as notices are given to the Executive Board members or the Unit Owners as the case may be. Until the Declarant conveys the last Unit in the Community for which the Declarant reserves the right to build in the

Community, the Declarant shall be entitled to send a representative to observe all meetings of the Executive Board and Association.

f. Not later than sixty (60) days (or any other time period set forth in the Act) following the Transitional Meeting, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by the Declarant including, without limitation, the items required by Section 5320 of the Act.

g. Despite any assumption of control of the Board by Unit Owners other than the Declarant, no action shall be taken by the Association or the Board that would affect any rights, privileges, powers and options of the Declarant under this Declaration, the Bylaws or the Act, including any action which would discriminate against the Declarant, or would be detrimental to the sale or leasing of Units owned by the Declarant, without the prior written approval of the Declarant. The Board will be required to continue at least the same level and quality of maintenance, operations and services as provided immediately prior to the assumption of control of the Association by the Unit Owners other than the Declarant until the Declarant sells the last Unit owned by it in the ordinary course of business.

Article X - Insurance

Section 10.01 Liability. The Executive Board shall obtain or cause to be obtained “broad-form” comprehensive general liability insurance and property damage insurance, including medical payments, insurance, insuring the Association, Owners, in their capacity as Unit Owners and Association members, and any managing agent retained by the Association, against any liability to the public or to other Unit Owners, their occupants or invitees, relating in any way to the ownership, use and/or maintenance of the Common Facilities and any part thereof, covering liability for loss or damage to persons or property in those amounts, against those risks and in those insurance companies which the Executive Board shall from time to time determine, but in no event less than One Million (\$1,000,000) Dollars for bodily injury, including deaths of persons and property damage arising out of a single occurrence. This insurance shall include protection against death, bodily injury and property damage that results from the operation, maintenance, repair, replacement or use of the Common Facilities and all other risks which are customarily covered in insurance policies for similar communities. All liability insurance contracts shall contain severability of interest provisions or endorsements precluding the insurer’s denial of an Owner’s claim because of negligent acts of the Association or other Owners and cross liability endorsements to cover liabilities of the Association or the Owners as a group to a single Owner. Any allocable share of liability coverage attributable to a Limited Common Element appurtenant to a Unit shall be allocated as a Limited Common Expense to such Unit, as applicable.

Section 10.02 Property.

a. The Executive Board shall obtain or cause to be obtained blanket “all-risk” hazard insurance coverage covering damage to and insuring all of the Common Facilities, including fixtures and equipment therein and thereof, and including all personal property owned by the Association (the “Insured Property”). The Insured Property shall be insured in and for the

interest of the Association or the Executive Board, all Owners and their Eligible Mortgagees, as their interests may appear, in a company or companies acceptable to the standards set by the Executive Board in an amount equal to the maximum insurable replacement value, as determined annually by the Executive Board, with an “agreed amount endorsement” or its equivalent and an “Inflation Guard Endorsement” (provided these two endorsements are commonly available and required by prudent institutional mortgage investors in the area in which the Community is located) exclusive of land, excavation, foundations and other items normally excluded from property insurance policies.

b. In the event any portion of the Community is situated within an area having special flood hazards and for which insurance has been made available under the National Flood Insurance Program (the “NFIP”), or any other successor agency providing this insurance, the Association shall maintain and pay the cost of the premiums for a “master” or “blanket” policy of flood insurance on any property covered by the Association’s “all-risk” property insurance described in the Subsection above situated within a flood hazard area and shall allocate the cost thereof as a General Common Expense. This flood hazard insurance coverage shall be in an amount not less than the lesser of: (1) the maximum coverage available under the NFIP, or successor agency, for all Insured Property within any portion of the Community located within a designated flood hazard area; or (2) 100% of current “replacement cost” of all of the Insured Property.

Section 10.03 Unit Owner Obligation to Maintain Insurance.

a. **Liability.** Each Unit Owner shall be responsible for obtaining liability insurance for his Unit.

b. **Property.** Each Unit Owner shall insure his Dwelling and Unit in an amount equal to the maximum insurable replacement value.

c. The Association has the authority, but not the obligation, to request that the Unit Owner provide annual written proof of the proper property and liability coverage for the Unit and that the Unit Owners of Attached Units have had the fire safety system in their Attached Units inspected and repaired and replaced as required.

d. See Section 10.06 for additional Unit Owner Obligations.

Section 10.04 General Insurance Provisions.

a. All policies required to be obtained by the Association shall be purchased by the Association for the benefit of the Association, the Executive Board, all Owners and all Eligible Mortgagees, as their interests may appear; however, the Association and the Owners shall be the named insureds and it shall not be necessary to name the Executive Board or each individual Owner. Mortgagee endorsements may be issued upon request.

b. Any property or comprehensive general liability insurance carried by the Association may contain a deductible provision.

c. The Association shall maintain the appropriate insurance coverage as is required under applicable law and under the guidelines and regulations promulgated, and amended from time to time, by the Federal National Mortgage Association (“FNMA”), the Federal Home Loan Mortgage Corporation (“FHLMC”), the Department of Housing and Urban Development (“HUD”) and the Veterans’ Administration (“VA”) or their successors, including, without limitation, all fidelity bond coverage as is described in the Bylaws.

d. The company or companies with whom the Executive Board shall place its insurance coverage, as provided in this Declaration, must be qualified and reputable companies, authorized to do business in the Commonwealth of Pennsylvania and rated A, with a V financial size category, by A. M. Best Company, Inc. in its “Key Rating Guide: Property Casualty” or a comparable rating if A.M. Best Company, Inc. shall no longer be in existence.

e. Subject to the provisions of this Declaration and the Act, premiums for insurance coverage and other expenses related to insurance shall be paid by the Executive Board and charged as a Common Expense. The Executive Board shall determine in its sole discretion whether any deductible paid by the Association is to be assessed as a General Common Expense or Limited Common Expense. Except for the costs of repair or replacement which are not covered due to deductibles, the cost of repair or replacement in excess of insurance proceeds and reserves which has not been identified by the Executive Board to fund costs of capital expenditures for the current fiscal year of the Association is a Common Expense.

f. An insurer that has issued an insurance policy under this Declaration shall issue certificates of insurance to the Association and, upon request, to any Owner, Eligible Mortgagee or beneficiary under a deed of trust. All insurance policies shall provide that they may not be canceled or substantially modified, by any party, without at least thirty (30) days prior written notice to the Association, each Unit Owner and to each Eligible Mortgagee or beneficiary under a deed of trust to whom certificates of insurance have been issued.

g. All insurance policies obtained by the Association shall provide for the following, if available and where applicable: recognition of any Insurance Trust Agreement should the Board decide to create one; waiver of the right of subrogation as to any claims against Unit Owners and members of their households, the Association, the Executive Board and their respective servants, agents and guests; that the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of these Owners collectively; and that the policy is primary in the event the Owner has other insurance covering the same loss (all of which are generally provided by an insurer in the form of a “Special Community Endorsement” or its equivalent).

h. All insurance policies purchased by the Association shall be deposited with the Executive Board.

i. The types and amounts of insurance coverage obtained by the Association described in this Article are minimum amounts for the first year in which the Association is created based upon the requirements of the Act and the standards established by FNMA,

FHLMC and/or HUD. The Executive Board shall review periodically all insurance coverage carried pursuant to this Declaration to evaluate this coverage with respect to its compliance with the Declaration and with respect to the then current requirements of the Act and, to the extent the Community is or will be subject to the approval of FNMA, FHLMC, HUD or VA, standards set by FNMA, FHLMC, HUD and VA, as well as with respect to what is reasonably appropriate coverage for communities comparable to the Property. In the event the Executive Board determines after this review and evaluation that the insurance coverage required hereunder is not consistent with the requirements of the Act, the standards set by FNMA, FHLMC, HUD or VA or otherwise reasonably appropriate coverage when compared to coverage for communities comparable to the Property, the Executive Board shall have the power to deviate from the specific provisions of this Article only to the extent of providing such consistent and reasonably appropriate coverage; provided the Executive Board shall give the Owners and the Eligible Mortgagees at least thirty (30) days prior written notice of any deviation.

j. In the event it shall be impossible or extremely difficult for the Association to obtain insurance coverage in accordance with the provisions of this Section, the Board, subject to the terms of the Act, shall have the power to deviate from these provisions but only to the extent necessary to obtain adequate insurance coverage. Any deviation shall not occur without thirty (30) days advance written notice to all Owners and all Eligible Mortgagees.

Section 10.05 Proceeds From Property Insurance. Proceeds from property insurance policies maintained by the Association shall be paid to the Association or a designated insurance trustee. The duty of the Executive Board, or any insurance trustee so designated, shall be to receive the proceeds which are paid pursuant to any insurance policy and hold the same for the purposes elsewhere stated herein, and for the benefit of the Association, the Owners and their respective Eligible Mortgagees, as their interests may appear.

Section 10.06 Disposition of Insurance Proceeds.

a. Any portion of the Community for which the Association or any Unit Owner is required to maintain insurance hereunder is damaged or destroyed shall be repaired or replaced promptly by the Association or such Unit Owner, as the case may be, unless:

- (i) the Community is terminated;
- (ii) the repair or replacement would be illegal under applicable law; or
- (iii) eighty percent (80%) of the Unit Owners, provided one hundred percent (100%) of the Unit Owners who own a Unit to which a Limited Common Element is appurtenant which will not be rebuilt, vote not to rebuild.

b. In the event the damage or destruction is repaired or replaced, the following provisions shall apply:

- (i) If the Association is responsible for making the repair or replacement, the Executive Board shall promptly obtain reliable and detailed estimates of the

costs of repairing or replacing the damage or destruction and shall negotiate the contract for the repair or replacement.

(ii) If the net proceeds of the insurance are insufficient to pay for the estimated cost of repair and restoration of any Common Facilities, or for the actual cost thereof if the work has been done, the Executive Board shall promptly, upon the determination of a deficiency, levy a Special Assessment against all Unit Owners based on the Unit Owners' General Common Expense Percentage for that portion of the deficiency as is attributable to the Common Facilities.

(iii) Any insurance proceeds received by the Association remaining after paying all of the costs of the repairs and the replacements shall be distributed to the Unit Owners.

c. If any part of the Common Facilities is damaged or destroyed and is not repaired or replaced the following shall apply:

(i) The insurance proceeds attributable to the damaged Common Facilities shall be used to restore the damaged area to a condition compatible with the remainder of the Community, as determined by the Executive Board.

(ii) The remainder of the proceeds shall be distributed to the Unit Owners in proportion to their respective General Common Expense Percentage.

Section 10.07 Association's Power to Compromise Claim. The Executive Board is hereby irrevocably appointed agent for the Association and each Owner and Eligible Mortgagee for the purpose of compromising and settling claims arising under insurance policies purchased by the Association, and to execute and deliver releases therefore upon the payment of claims.

Section 10.08 Other Insurance. The Executive Board shall also cause the following insurance coverage as may be applicable to the Community to be obtained. All premiums for insurance coverage shall be charged as General Common Expenses:

a. Workmen's Compensation Policy to meet the requirements of law.

b. Directors' and Officers' Liability and such other insurance as the Executive Board shall deem necessary to satisfy the indemnification obligations of the Association as provided in this Declaration.

c. Blanket fidelity bonds as required in the Bylaws for all members of the Executive Board, officers and employees of the Association and all other persons who handle or are responsible for funds of or administered by the Association.

d. Such other insurance as the Executive Board shall determine from time to time to be necessary or desirable.

Section 10.09 Limitation of Liability. The Executive Board shall not be liable for injury or damage caused by the failure of the Executive Board to maintain or repair parts of the Community, except to the extent of the proceeds of insurance carried, collected and received by the Executive Board.

Section 10.10 Use of Unit and Insurance Premiums. No Unit shall be used, occupied or kept in a manner which will in any way increase the insurance premiums payable by the Association, without the prior written permission of the Executive Board, which permission, if given at all, shall be conditioned upon the Unit Owner of such Unit being required to bear the full amount of such increase as a Limited Direct Charge or Limited Common Expense. To the extent that the use or occupancy of a Unit or appurtenant Limited Common Element or the Common Elements (whether permitted or without the permission of the Association) increases any insurance premium payable by the Association, the Association shall have the right to charge the amount of such increase to the Unit Owner of the Unit to which such increase is attributable as a Limited Direct Charge or Limited Common Expense. No Unit, Limited Common Element or any part of the Common Elements shall be used, occupied or kept in any manner which would violate any law, statute, ordinance or regulation of any governmental body or which would lead to the cancellation of any insurance policy or policies on the Property.

Section 10.11 Master Insurance Program. Notwithstanding anything to the contrary contained herein, for so long as the Declarant controls the Executive Board, the Declarant reserves the right to include the insurance obligations of the Association within a master insurance program controlled by the Declarant.

Article XI - Easements and Declarant Rights

Section 11.01 Utility Services Easements. The Declarant or the Executive Board may grant easements for the present and future installation and maintenance, including the right to read meters, service or repair lines and equipment, and to do everything and anything necessary to properly maintain and furnish the following services, which, for purposes of this Declaration, are defined as "Utility Services"; electric, water, sewer, gas, telephone, cable and other utilities and their respective facilities and appurtenances necessary to the same, which shall apply to the Property (including Units). The easement is also granted for the purpose of placement and maintenance of electric transformers and telephone and cable terminal boxes which will be engineered for specific locations on Units per the utility companies design criteria and shall not be relocated. Unit Owners shall not put any plantings or structures within any utility easements. Nothing contained in this Section is intended to create public easements over the Property. The easements provided for in this Section, if granted, shall be limited to the Person identified in each grant of easement.

Section 11.02 Entrance Signage Easement. The Declarant or the Executive Board shall have an easement for the maintenance, repair or replacement of the entrance signage and features and to do everything and anything necessary to properly maintain the entrance signage and features.

Section 11.03 Assignment of Rights. The rights granted herein to the Declarant may be assigned by the Declarant in whole or in part, as determined in the sole discretion of Declarant and as otherwise permitted under the Act.

Section 11.04 Owners Easements. Each Unit Owner shall have an easement in common with all other Unit Owners to use all pipes, wires, ducts, cables, conduits and Utility Services lines servicing that Unit and located in any of the Common Facilities.

Section 11.05 Community Systems Easement. The Property shall be subject to a perpetual non-exclusive easement for the installation and maintenance, including the right to read meters, service or repair lines and equipment, and to do everything and anything necessary to properly maintain and furnish the Community Systems and the facilities pertinent and necessary to the same, which easement shall run in favor of the Declarant. The Declarant shall have the right, but not the obligation, to install and provide the Community Systems and to provide the services available through the Community Systems to any and all Units within the Property. Neither the Association nor any Unit Owner shall have any interest therein. Any or all of such services may be provided either directly through the Association and paid for as part of the Assessments or through the Declarant or any affiliate of the Declarant. The Community Systems shall be the property of the Declarant unless transferred by the Declarant, whereupon any proceeds of such transfer shall belong to the Declarant. The Declarant shall have the right but not the obligation to convey, transfer, sell or assign all or any portion of the Community Systems or all or any portion of the rights, duties or obligations with respect thereto, to the Association or to any Person. The rights of the Declarant with respect to the Community Systems installed by the Declarant and the services provided through such Community Systems are exclusive, and no other Person may provide such services through the Community Systems installed by the Declarant without the prior written consent of the Declarant. In recognition of the fact that interruptions in cable and other Community Systems services will occur from time to time, no person or entity described above shall in any manner be liable, and no user of any Community System shall be entitled to any refund, rebate, discount or offset in applicable fees, for any interruption in Community Systems services, regardless of whether or not same is caused by reasons within the control of the then-provider of such services. However, the provision of the services available through the Community Systems installed by the Declarant shall be non-exclusive, and the Association may permit any third party to install and provide Community Systems and services within the Community provided the Community Systems shall be constructed and installed by such third party and on such non-exclusive terms and conditions as the Association may determine; provided, however, that such other Community Systems and services shall not affect or modify the rights of the Declarant.

Section 11.06 Ingress, Egress and Regress. Each Unit Owner shall have an easement, subject to any Rules and Regulations of the Association, in common with all other Unit Owners to use the Common Facilities as a means of ingress, egress and regress to and from the Property and the adjoining public streets.

Section 11.07 Public Easements. Fire, police, health, school buses and sanitation and other public service personnel vehicles shall have a permanent perpetual easement for ingress

and egress over and across the private roads and within the Community in the performance of their respective duties.

Section 11.08 Association, Executive Board and Declarant.

a. The Association and its Executive Board as well as the Declarant and their respective officers, agents, contractors, sub-contractors, management company and employees, shall have the irrevocable right and easement to have access to each Unit as may be necessary for the inspection, maintenance, repair or replacement of the Common Elements (including, without limitation, Controlled Facilities for the purposes described elsewhere in this Declaration) or the making of any additions or improvements thereto; or to make repairs to the Unit, the Common Elements or the Controlled Facilities if such repairs are reasonably necessary for public safety or to prevent damage to the Unit, any other Unit(s), the Common Elements or to abate any violation of law, orders, Rules or Regulations of the Association or of any governmental authorities having jurisdiction thereof or for emergencies.

b. The Association, Executive Board and Declarant shall have the right to grant permits, licenses and easements over and through the Common Elements for the necessary, useful or proper maintenance and operation of the Community provided, however, that grants shall not impair any rights of the Declarant under this Declaration (including, without limitation, rights with respect to any Convertible/Withdrawable Real Estate or Additional Real Estate) and if such permit, license or easement materially impairs any right or benefit that one or more Owners may have with respect to the Common Elements, then such permit, license or easement shall not be granted without the prior written approval of those Owners. This Section shall not be amended without the prior written consent of the Declarant.

c. The Declarant and the Association shall have the right within their reasonable discretion, to connect or tie in to Unit Owners' outdoor water spigots and to use reasonable amounts of water therefrom without cost or charge.

d. **Drainage Easements on Units.** Without limiting the generality of this Section, the Association and Declarant shall have an easement over Units to ensure that Unit Owners are properly maintaining any drainage easements, storm easements or the like that are located on a Unit as required by Article VI above as well as to allow the Declarant or the Association to maintain the Stormwater Management Facilities within any Unit should the Unit Owner fail to do so.

Section 11.09 Declarant's Offices, Models, Construction Trailers and Signs. The Declarant reserves the right with respect to its marketing and construction of Units to use the Common Facilities for the ingress and egress of itself, its officers, employees, agents, contractors and subcontractors and for prospective sale or rental of Units, including the right to park in common parking spaces, if any. The Declarant shall also have the right, until the conveyance of the last Unit it owns, to erect signs in the Common Facilities and on its Units advertising such Units for sale or lease. The Declarant shall have the right from time to time to locate and relocate model Units and sales or rental offices or construction trailers in connection with the marketing and construction of Units. In addition, the Declarant shall have the right to locate,

relocate and maintain models, manager's offices, sales offices, rental offices, construction offices and Association offices in Units created in the Convertible/Withdrawable Real Estate or the Additional Real Estate as the Declarant shall designate from time to time in the amendments to this Declaration recorded by the Declarant pursuant to Sections 5211 and 5215 of the Act. This Section shall not be amended without the prior written consent of the Declarant.

Section 11.10 Easements for Construction. The Declarant, for its own benefit and the benefit of its officers, employees, agents, contractors and subcontractors reserves the right and privilege without let or hindrance with respect to construction of the Units and Common Elements of the Community, to go upon any and all of the Units and Common Elements for purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Units or Common Elements (including, without limitation, to change the grade of grounds or to install drainage control devices so as to control possible drainage or run off of stormwater in connection with the development of the Property or adjacent land). This Section shall not be amended without the prior written consent of the Declarant.

Section 11.11 Encroachments. If any portion of the Common Facilities hereafter encroaches upon any Unit, or if improvements on any Unit hereafter encroaches upon any other Unit or upon any portion of the Common Facilities, as a result of settling or shifting of any Dwelling or for other reasons, other than as a result of the purposeful or negligent act or omission of the Unit Owner of the encroaching Unit, or of the Association in the case of encroachments by the Common Facilities, a valid easement appurtenant to the encroaching Units or Common Facilities for the encroachment and for the maintenance of the same shall exist for so long as the encroachment shall exist.

Section 11.12 Easement in Favor of Township.

The Township, its agents and employees, shall have the irrevocable right and easement to have access to the Common Facilities to perform such obligations as may be necessary to complete, maintain, repair or replace the Common Facilities in the event that the Declarant or Association fails to do so. In addition, the Township, its agents and employees, shall have the irrevocable right and easement to have access to the Community to carry out the corrective or remedial orders of any governmental authority having jurisdiction over the Community, upon at least seventy two (72) hours prior written notice of any such order to the Association, in the case of a corrective or remedial order affecting the Common Facilities, or to a Unit Owner, where such corrective or remedial order affects a Unit, except in the case of an emergency. Moreover, the Township shall have an easement in order to conduct its maintenance rights as set forth in Articles VI and VII above. Without limiting the generality of the foregoing, the Township shall have easement rights over the Stormwater Management Facilities for access, inspection and maintenance purposes. In the event the Declarant or Association shall fail to properly maintain the Stormwater Management Facilities, the Association shall be required to reimburse the Township for any repair, maintenance or replacement costs borne by the Township.

Section 11.13 Easement for Party Walls. The Unit Owners owning adjacent Attached Units have an easement in common with each other for the use and support of and by the party walls dividing such Attached Units.

Section 11.14 Recorded Easements and Licenses. Attached to and made a part of this Declaration as Exhibit _____ is a list of the recording data for Recorded easements and licenses appurtenant to or included in the Community or to which any portion of the Community is or may become subject.

Section 11.15 Light, Air and View. No Unit Owner shall have an easement for light, air or view over the Unit of another Unit Owner and no diminution of light, air or view by any building or improvement now existing or hereafter erected shall entitle the Unit Owner or any other Person to claim any easement for light, air or view within the Community.

Section 11.16 Plats and Plans and Recorded Subdivision/Land Development Plan. The Plats and Plans (as amended from time to time) as well as any Recorded record plan, subdivision plan, land development plan or post construction Stormwater Management Facility best management practices covenant, declaration or agreement may include notes, easements and licenses appurtenant to or included in the Community or to which any portion of the Community is or may become subject and are incorporated herein by reference. By way of example and without limitation, the Plats and Plans and Recorded record plan include drainage easements and storm sewer easements throughout the Community, some of which will be on Units.

Section 11.17 Continuing Easements and Declarant Rights. The easements and Declarant's rights set forth herein shall run with the land and inure to the benefit of and be binding upon (as applicable) the Declarant, the Association, each Unit Owner, the Township, and each Eligible Mortgagee, lessee, occupant or other person having any interest in any Unit or in the Common Elements at the time of reference.

Article XII - Assessment of Taxes

Section 12.01 Assessment of Taxes. Each Unit shall be assessed and taxed as a separate parcel of real estate entirely independent of the Property of which the Unit is a part, and each Owner is charged with the payment of all taxes, municipal claims and liens assessed, liened or filed against his Unit. In the event that for any year the taxes are not separately taxed to each Unit, but are taxed on the Property as a whole, then each Owner shall pay a proportionate share thereof in accordance with the Unit's respective General Common Expense Percentage. The Executive Board shall determine the amount due and notify each Owner as to the proportionate share thereof due for each Unit.

Article XIII - Unit Owner Obligations

Section 13.01 Assessment Obligations.

a. Each Unit Owner by acceptance of the deed for the Unit, whether or not it shall be so expressed in the deed or other conveyance, covenants and agrees to pay to the Association all Assessments including, but not limited to: (i) regular Assessments for General Common Expenses and Limited Common Expenses to be made due and payable on a periodic basis based upon the budget of the Association; (ii) Limited Direct Charges; (iii) Special

Assessments, such assessments to be fixed, established and collected from time to time as hereinafter provided; (iv) delinquency Assessments, as established from time to time by the Executive Board, against any Unit Owner whose Assessments are delinquent for a period exceeding ten (10) days after the due date (“Delinquency Assessment”); (v) Assessments for other Limited Common Expenses or Limited Direct Charges as provided in this Declaration; (vi) any fines or interest charges; and (vi) Assessments for what may from time to time be determined by the Association to be Common Expenses including fines and penalties imposed by the Executive Board.

b. The obligation to pay Assessments is a covenant running with the land. Each Assessment shall be separate for each Unit and payable by the Owner thereof. The Assessments and costs of collection (including attorneys’ fees) shall be a charge on the Unit and shall be a continuing lien upon the Unit from the time each Assessment or costs of collection become due. Each Assessment, Special Assessment, Delinquency Assessment and costs of collection as hereinafter provided and pursuant to the Act, shall be the personal obligation of the Unit Owner at the time when the Assessment first became due. No Owner may exempt himself from liability with respect to the payment of Assessments by waiver of the enjoyment of the right to use any of the Common Facilities or by abandonment of his Unit or otherwise. The obligation to pay Assessments is absolute and unconditional and shall not be subject to setoffs or counterclaims.

c. Each Owner shall be assessed for Limited Common Expenses or Limited Direct Charges and is legally obligated to pay for such Limited Common Expenses or Limited Direct Charges assessed against the Owner’s Unit in accordance with the Component and Responsibility Chart as well as the following:

i. any Common Expense benefiting, or any service provided to, fewer than all of the Units may be assessed exclusively against those Units benefited in proportion to the relative General Common Expense Percentages assigned to the Units or in any other reasonable manner as determined by the Board; and

ii. if any Common Expense is caused by the negligence or intentional misconduct of any Owner or his tenants, guests, agents or licensees, such Common Expense shall be assessed exclusively against the Unit of such Owner.

Except for the Assessments for Limited Common Expenses or Limited Direct Charges which are assessed at the same time as Assessments for General Common Expenses, all Assessments for Limited Common Expenses or Limited Direct Charges shall be paid by each Owner within thirty (30) days of his receipt of notice from the Association.

Section 13.02 Non-refundable Contribution. The Association shall collect from each purchaser of a Unit conveyed by the Declarant One Thousand Five Hundred Dollars (\$1,500.00) as a one-time nonrefundable contribution to the Association which amount shall be used by the Association as the Executive Board shall determine.

Section 13.03 General Common Expense Percentages. Each Unit in the Community shall be assigned a General Common Expense Percentage which represents such Unit's proportionate share of the General Common Expenses of the Association. The General Common Expense Percentage, as allocated to each Unit in the Community on Exhibit "6.01", is established pursuant to the formula set forth in Section 7.07.

Section 13.04 Amount of Assessments. Each Unit Owner is legally obligated to contribute to the General Common Expenses of the Association providing for the administration and maintenance, replacement and repair of the Common Facilities, the administration and maintenance of the Association and all of its real and personal property, in such amount as shall be determined by multiplying the General Common Expense Percentage of the Unit by the total General Common Expenses for the Community computed on an annual basis based upon amounts established in the budget prepared by the Executive Board. Limited Common Expenses and Limited Direct Charges shall be assessed in accordance with this Declaration. The creation of Units in the Convertible/Withdrawable Real Estate and the addition of any Units in any Additional Real Estate added to the Community will have an impact on the budget and will also have an impact on each Owner's General Common Expense Percentage.

Section 13.05 Time of Payment. Except as otherwise provided in this Declaration, payment by the Unit Owner of his share of the expenses aforesaid shall be made at the discretion of the Executive Board, provided that all regular Assessments shall be declared by the Executive Board annually and payable on a monthly basis or as otherwise determined by the Executive Board. The failure of the Executive Board to formally declare any such annual Assessment shall result in the regular Assessment for the immediately preceding period being the payment of the Assessment due and payable for the next period. In the event Assessments are not paid as required, the Executive Board may assess fines, Delinquency Assessments, the costs of collection (including attorneys' fees) and may charge interest on any unpaid Assessment at the maximum rate permitted under the Act or other applicable law, whichever is greater.

Section 13.06 Effect of Non-Payment of Assessment.

a. Any Assessment or installment thereof (whether for General Common Expenses or Limited Common Expenses) not paid within thirty (30) days after the due date may, in the reasonable discretion of the Executive Board, bear interest from the due date at the rate not greater than (a) fifteen percent (15%) per annum or (b) the highest rate permitted by the Act or other applicable law. The Association shall also have the right to assess a late fee if any payment of an Assessment or installment thereof is not received within fifteen (15) days after the due date. Moreover, the Association shall have the right to accelerate payment of all remaining proposed monthly, or as otherwise scheduled, payments of any Assessments for a period of twelve (12) months including the amount of any Special Assessments. The Association may bring an action at law or in equity against the Unit Owner personally obligated to pay the same, or foreclose the lien described in this Article against the Unit or do both, or it may seek and obtain any other remedy provided at law or in equity.

b. For any period during which Assessments or Special Assessments are delinquent or violations of the Declaration, Bylaws or Rules and Regulations remain uncured,

the Association may suspend a Unit Owner's rights and privileges including, without limitation, the right to vote, the right to serve on the Executive Board or committees and the right to use of Common Facilities during any period of delinquency, provided the Association has first given written notice and an opportunity to be heard.

Section 13.07 Lien of Assessments. All Assessments and charges to any Unit, including, but not limited to, all fines, fees, charges, Limited Direct Charges, Delinquency Assessments, late charges, interest and costs of collection thereof (including attorneys' fees), fines and penalties shall constitute a lien against said Unit in favor of the Association; provided that the above shall be subordinate to the lien of any first mortgage on a Unit in accordance with the Act. Such lien shall be effective from and after the time the Assessment or charges described above become due. If the Assessment is payable in installments and one or more installments is past due, the entire unpaid balance of the Assessment becomes effective as a lien from the due date of the delinquent installment. Upon full payment of all sums secured by the lien and a preparation fee, the party making payment shall be entitled to a recordable satisfaction of lien to be recorded at his sole expense. Such lien of the Association shall have the priority accorded Association liens by Section 5315 of the Act.

Section 13.08 Method of Enforcing Collection of Assessments. Any Assessment charged against a Unit, may be enforced by a lawsuit brought by the Executive Board on behalf of the Association or of the members of the Association in an action at law or equity against the Unit Owner or the Unit. Any judgment against the Unit Owner and his Unit shall be enforceable in the same manner as is otherwise provided by law. Reasonable attorneys' fees and court costs incurred by the Executive Board incident to the collection of any Assessments or the enforcement of any lien, together with all sums advanced and paid by the Executive Board for taxes and payments on account of superior liens which may be required to be advanced by the Executive Board in order to protect its lien, shall be payable by the Unit Owner and secured by such lien.

Section 13.09 Unpaid Assessments at the Time of Execution Sale Against a Unit. In the event that title to a Unit is transferred by Sheriff's sale pursuant to execution upon any lien against the Unit, the Executive Board may give notice in writing to the Sheriff of any unpaid Assessments which are a charge against the Unit, but have not been reduced to a lien, and the Sheriff shall pay the Assessments of which he has such notice out of the proceeds of the sale which remain in his hands for distribution after payment of all other claims which he is required by law to pay (including any claims of the Association given priority by the Act), but prior to any distribution of the balance to the former Unit Owner against whom the execution issued. The purchaser at such Sheriff's sale and the Unit involved shall not be liable for unpaid Assessments which became due prior to the Sheriff's sale of the Unit (except as provided under the Act). Any such unpaid Assessments which cannot be collected from the former Unit Owner may be reassessed by the Executive Board as a General Common Expense to be collected from all of the Unit Owners, including the purchaser or acquirer of title at the Sheriff's sale, his successors and assigns. To protect its right to collect unpaid Assessments which are a charge against a Unit, the Executive Board may, on behalf of the members of the Association, purchase the Unit at Sheriff's sale provided such action is authorized by the affirmative vote of all

members of the Executive Board, and if it does so purchase, the Executive Board shall thereafter have the power to sell, convey, mortgage or lease such Unit to any person whatsoever.

Section 13.10 Voluntary Sale of a Unit. Upon the voluntary sale or conveyance of a Unit, or any other transfer of the Unit, by operation of law or otherwise, except a transfer described in Sections 13.09 or 13.11 and a transfer by deed in lieu of foreclosure to an Eligible Mortgagee, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments which are charges against the Unit as of the date of the sale, conveyance or transfer, but such joint and several liability shall be without prejudice to the right of the grantee to recover from the grantor, in the amount of any such unpaid Assessments which the grantee may pay, and until any such Assessments are paid, they shall continue to be a charge against the Unit, which may be enforced in the manner set forth in this Article; provided, however, any Person who shall have entered into a written agreement to purchase a Unit shall be entitled to obtain a written statement from the Association setting forth the information required by Section 5407 of the Act including, without limitation, the amount of unpaid Assessments charged against the Unit Owner and its Unit, and if such statement does not reveal the full amount of the unpaid Assessments as of the date it is rendered, neither the purchaser nor the Unit after transfer thereof, shall be liable for the payment of the amount in excess of the unpaid Assessments shown on such statement.

Section 13.11 Mortgage Foreclosure. If an Eligible Mortgagee or other purchaser of a Unit acquires title to such Unit as a result of foreclosure of the first mortgage, or by deed in lieu of foreclosure, such acquirer of title, his successors and assigns, shall be liable only for the share of Common Expenses or other charges by the Association pertaining to such Unit or chargeable to the former Unit Owner which accrued during the six (6) month period immediately preceding the commencement of the foreclosure proceeding by such holder and are not paid out of the proceeds of the judicial sale and for all Assessments accruing thereafter. Such unpaid share of the charges may be deemed to be General Common Expenses collectible from all of the remaining Unit Owners, including such acquirer, his successors and assigns.

Section 13.12 Assignment of Assessments. The Association may pledge or assign its right to collect and receive Assessments to a financial institution in order to secure a loan for the financing of the costs of maintaining, repairing or replacing any portion of the Common Elements if the Association does not have sufficient reserves to pay the costs of such maintenance, repair or replacement.

Section 13.13 Unit Owners' Negligence. Each Unit Owner shall be obligated to reimburse the Association for any expenses incurred by it in repairing or replacing any part or parts of the Common Elements or Limited Common Elements damaged by his act, omission or negligence or by the act, omission or negligence of his tenants, agents, guests or licensees, promptly upon receipt of the Association's statement therefore. Such reimbursement shall be considered an unpaid Assessment collectable in any manner provided herein in the case of unpaid and past due annual Assessments.

Section 13.14 Surplus Revenues. If, after the conclusion of any fiscal year, the Association income exceeds its expenses for that fiscal year, the Executive Board may carry forward the surplus income to the following fiscal year. This carry forward of surplus revenues

may be either applied by the Executive Board as a credit against current Assessments, set aside as a contingency reserve, set aside as a capital reserve or any combination of these choices as the Executive Board shall so elect.

Article XIV - Transfer of Units

Section 14.01 Transfer of Units. Any Unit Owner may, at any time, transfer all of his ownership in his Unit to any other person, and it shall not be necessary to secure the prior consent of the Association, the Executive Board or any other Unit Owner. However, all Unit Owners shall comply with the appropriate provisions of Act, including Section 5407, as shall apply to the sale or transfer of a Unit.

Section 14.02 Non-Refundable Contributions. The Association may impose a capital improvement fee on the resale or transfer of any Unit by an Owner other than the Declarant in accordance with the Act.

Article XV - Leasing of Units

Section 15.01 Leasing of Units.

a. No Unit Owner except the Declarant, shall be permitted to lease his Unit unless such Unit Owner has complied with the relevant provisions of this Declaration, the Bylaws and any applicable Rules and Regulations. All leases must provide that the lessee shall be subject in all respects to the provisions of this Declaration, the Bylaws and the Rules and Regulations, as may from time to time be promulgated by the Executive Board. The leasing of a Unit shall not affect the liability of the Unit Owner with respect to his obligations under this Declaration, the Bylaws and such Rules and Regulations. The second sentence of this paragraph shall not apply to an Eligible Mortgagee. All leases shall be for single family purposes only, shall be for an initial period of not less than one year and shall not be for less than the whole Unit. Fully executed copies of all leases shall be provided to the Association for its records. Under no circumstances shall individual rooms or portions of the Unit be leased, either on a long term or temporary basis.

b. In the event the Unit Owner shall fail to pay any Assessment levied by the Executive Board against a leased Unit, and such failure to pay continues for ten (10) days, the Executive Board shall so notify the lessee of such Unit in writing of the amount due and, within fifteen (15) days after the date of such notice, the lessee shall pay to the Association the amount of such unpaid Assessment, subject however to Section 15.01c. The amount of such unpaid Assessment paid to the Association by lessee after the nonpayment by the Unit Owner shall be credited against and shall offset the next monthly rental installment due to the Unit Owner following the payment by the lessee of such Assessment to the Association.

c. In no event shall the lessee be responsible to the Association for any amount of unpaid Assessment during any one month in excess of one monthly rental installment.

d. In addition to any and all lease restrictions that may be part of the Rules and Regulations, further restrictions for leasing of Units are as follows: (i) no Unit may be leased for transient or hotel purposes, i.e. AirBnB or the like; (ii) no Unit may be subleased; (iii) a Unit Owner may not lease less than the entire Unit; (iv) Unit Owners may only lease to natural persons (not entities); and (v) the Community shall comply with any and all leasing/owner occupancy requirements of FNMA, FHLMC, FHA, HUD or VA.

Article XVI - Use Restrictions

Section 16.01 Use Restrictions. Each Unit shall be subject to the following restrictions:

a. Except as used by the Declarant in connection with construction and marketing of Units in the Community, each Unit shall be used for residential single-family purposes only; provided (subject to Subsection k. below) that occupations carried on in the Unit are permitted only if such use is incidental to the Unit's primary residential use; provided further that Unit Owners who pursue such incidental occupational use of their Unit shall have no employees, customers or clients at the Unit and shall obtain prior written approval from the Township and all other authorities having jurisdiction over the use of the Unit.

b. Units shall be occupied by no more persons than the maximum permitted by law for the Unit.

c. No Unit Owner may alter the exterior of his Dwelling except in compliance with Article XVII of this Declaration. Without limiting the foregoing, and by way of example, no awnings, canopies or shutters shall be affixed or placed upon the exterior walls or roofs of Dwellings, or any part thereof, nor relocated or extended, without the prior written consent of the Executive Board as required by Article XVII of this Declaration. Moreover, no Unit Owner shall erect or permit to be erected on any Unit any outdoor game court, fountains, ponds, waterfalls, storage shed, generator or other exterior building, addition or improvement, without compliance with the Architectural Review requirements set forth below.

d. Except for work done by the Declarant in connection with the construction and marketing of Units, nothing shall be built, caused to be built or done in or to any part of the Property which will alter or cause any alteration to the Common Facilities. Without limiting the foregoing, Unit Owners or occupants may not obstruct the Common Facilities in any way. Moreover, Unit Owners or occupants may not store anything in or on the Common Facilities.

e. Each Unit Owner or occupant shall maintain his Unit in a safe, clean and sanitary manner and condition, in good order and repair and otherwise in a manner satisfactory to the Association and in accordance with the Declaration, all applicable restrictions, conditions, ordinances, codes and any Rules or Regulation which may be applicable hereunder or under law. In the event that a Unit is not so maintained, the Association shall have the right to enter upon the Unit to maintain the same, after giving the Unit Owner at least fifteen (15) days' written notice to cure any maintenance problems or deficiencies. In the event that the Association exercises its right of entry for maintenance purposes, the Association shall have the right to assess the particular Unit Owner for the cost of such maintenance. The Association, by its

Executive Board, shall have the right to establish Rules and Regulations governing the maintenance of any Unit.

f. No Unit Owner or occupant of any Unit shall carry on, or permit to be carried on, any practice on his Unit or on the Property which unreasonably interferes with the quiet enjoyment and proper use of another Unit or the Common Facilities by the Unit Owner or occupant of any other Unit, or which creates or results in a hazard or nuisance on the Property.

g. Flags of the United States not exceeding fifteen (15) square feet are permitted. All other signs, banners, flags, billboards or advertisements of any kind, including, without limitation informational signs, "for sale" or "for rent" signs and those of contractors and subcontractors, shall not be erected on the Unit, unless permitted by the Rules and Regulations.

h. Unit Owners may not interfere with any Stormwater Management Facilities or drainage whether such Stormwater Management Facilities or a portion thereof is on the Unit or part of the Common Facilities.

i. No clothes lines and no outdoor clothes drying or hanging shall be permitted in the Community, nor shall anything be hung, painted or displayed on the outside of the windows (or inside, if visible from the outside) or placed on the outside walls or outside surfaces of doors of any of the Dwellings. This restriction shall not apply to certain holiday decorations, which are permitted subject to the Rules and Regulations but must be removed in accordance with the Rules and Regulations.

j. Window air conditioners are not permitted.

k. No commercial, industrial, recreational, multifamily (non-related people), rooming houses or professional activity not permitted by the present zoning or other applicable laws or ordinances, shall be pursued on any Unit at any time. If zoning regulations change to expand the scope of activities that Unit Owners may pursue lawfully within the Unit, a Unit Owner may apply to the Executive Board for approval to commence the permitted use of his Unit as incidental to the Unit's primary residential use as set forth in Subsection a. above. Each application shall be considered by the Executive Board on an individual basis. Once the Executive Board has given its approval to a particular use of a Unit, it may not revoke the approval as long as the nature and scope of the approved use remains unchanged. No Unit Owner shall permit his Unit to be used or occupied for any prohibited purpose.

l. Unit Owners shall not keep in any Unit animals, wildlife, livestock, reptiles or poultry of any kind, other than domesticated household birds and fish, house dogs or domesticated house cats or other domesticated household animals. With respect to house dogs or domesticated house cats, a Unit Owner shall be permitted to have no more than an aggregate of three (3) dogs and/or cats, with no more than two (2) dogs. Pets shall not be permitted to run loose or uncontrolled on their Unit or the Common Facilities. The Association may restrict the walking of pets to certain areas. Unit Owners shall immediately clean up any waste left by their pets anywhere on the Property. No dog houses or invisible dog fences shall be permitted. Commercial activity involving pets, including, without limitation, boarding, breeding, grooming

or training is not allowed. The ability to keep a pet is a privilege, not a right. If, in the opinion of the Board, any pet becomes a source of unreasonable annoyance to others, or the owner of the pet fails or refuses to comply with these restrictions, the owner, upon written notice, may be required to remove the pet from the Community. Pets may not be left unattended or leashed in yards or garages or on porches or lanais. Any Unit Owner who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, each Unit Owner, and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Community.

m. No portion of the Property shall be used or maintained as a dumping ground for rubbish, trash, new or used lumber or wood, metal scrap, garbage or other waste, except that such material may be kept in the Unit or in areas of the Property designated for this purpose by the Declarant (in connection with its construction) or by the Executive Board, provided that these materials are kept in sanitary containers in a clean and sanitary condition. Unit Owners shall place these containers for collection only in the designated areas and only on the day these refuse materials are to be collected.

n. Installation of antennae, including satellite dishes (but only to the extent such satellite dishes exceed dimensions currently permitted by Federal law) shall not be permitted without the prior approval of the Executive Board. The Executive Board shall make all reasonable effort to accommodate such requests and shall make prompt decisions upon proper application submitted by Unit Owners in accordance with Article XVII and any Rules and Regulations all of which shall be in compliance with federal law. No antenna may be erected on Common Facilities.

o. Above-ground pools, as that term may be more particularly defined in the Rules and Regulations, are not permitted.

p. No Unit Owner may plant bamboo on his Unit, in the Common Facilities or anywhere else on the Property.

q. No Unit Owner shall perform or permit to be performed any work to any portion of his Unit, which work may require access to, over or through Common Facilities or other Units without compliance with the Rules and Regulations.

Section 16.02 Parking Restrictions. Each Unit shall be subject to the following restrictions:

a. Garages of Units shall be used for parking of vehicles only. Garages shall not be converted for living, recreational activities, business or storage that would prevent the ability of an Owner, tenant or lessee to park the number of vehicles in the garage for which the garage was designed.

b. Driveways, private streets (meaning Common Facilities) and any on-street (private) parking areas (meaning Common Facilities) on the Property shall be used by Owners,

occupants and guests for fully operable, inspected and registered four wheel passenger vehicles, motorcycles, and standard bicycles only. Parking is not permitted on the private streets within the Community (Common Facilities) except in the designated on-street parking spaces, if any. Moreover, no recreational vehicles, van (other than non-commercial passenger vans), mobile homes, trailers, boats or trucks (unless licensed as a passenger vehicle and less than three-quarter ton capacity) shall be permitted to be parked within the private streets within the Community unless any of the above can be entirely enclosed in a Unit Owner's garage. Notwithstanding the foregoing, commercial vehicles (whether or not registered as a commercial vehicle with the State Department of Transportation) used in conjunction with repairs, maintenance or construction work on a Unit shall be permitted on a Unit's driveway on a day-to-day temporary basis.

c. The Board, or its designee, shall have the power to impose enforcement measures for, among other things, illegally or improperly parked vehicles including, without limitation, the ability to have vehicles towed at the Unit Owner's expense without advance notice.

Section 16.03 General Restrictions. The provisions of this Article are intended to restrict certain uses that may be harmful or affect the ambience or aesthetic appeal of the Community to be constructed by Declarant. The restrictions are not intended to prohibit Declarant from performing such work as may be necessary in the completion of the work in the Community. The Board shall have the power to, among other things, set and amend from time to time "Due Process Resolutions" which detail fines and other administrative charges which can be imposed by the Association for covenants violations. Nevertheless, the restrictions are not intended to prohibit Declarant from performing such work as may be necessary in the completion of the work in the Community. The restrictions of this Article shall therefore not be binding upon Declarant in the performance of any of the work required in order to complete construction of the Community.

Section 16.04 Township Zoning Code. The foregoing use restrictions are not intended to and do not expand permitted uses under the applicable zoning code of the Township.

Article XVII - Architectural Review

Section 17.01 Improvement, Alterations and Additions. No external improvement, alteration (including landscaping and change of exterior finish or color, other than during the normal course of maintenance) or addition to a Unit shall be commenced, erected, installed or maintained upon the Unit before the Unit Owner submits to the Executive Board a request and obtains prior written approval of such improvement, addition or alteration. The Board shall have the flexibility to determine whether such request requires compliance with this Article XVII, Rules and Regulations, or both. Nevertheless, all proposed changes to the exterior of a Dwelling shall require compliance with this Article XVII and Rules and Regulations. Requests involving a Unit's landscaping shall be subject to the Rules and Regulations and not the provisions of this Article XVII.

Section 17.02 Application Contents and Process.

a. The Executive Board shall have the right to establish design criteria and standards for improvements, alterations and additions within the Community.

b. To the extent the Board determines that the request of the Unit Owner requires compliance with this Article XVII, each Unit Owner shall submit to the Executive Board by mail or personal delivery to the manager, plans and specifications showing the nature, kind, shape, height, materials, finish, colors and location of the Unit Owner's proposed change, alteration or addition to the Unit. The submission shall contain proof of compliance with all applicable codes, laws and ordinances, including, without limitation, impervious coverage requirements. The Executive Board shall review the plans and specifications to determine, *inter alia*, whether they are harmonious and compatible with the Units and other Common Elements in the Community and consistent with the design criteria, if any, developed by the Executive Board. The Executive Board has the right to approve or disapprove any proposed construction or other change to exterior aspects of a Unit for any reason, whether subjective or objective, including judgments based in whole or in part upon a sense of taste, aesthetics, harmony, suitability or compatibility with the Community.

c. If the submission is for the repair or restoration of damage or destruction to a Dwelling, then the purpose of the review by the Executive Board under this Article is only for the purpose of confirming that the proposal described in the submission will restore the exterior aspects of the Dwelling to the condition and appearance preceding the damage or destruction without material change. The approval of the Executive Board is required for any change to the exterior aspects of the Dwelling from the condition and appearance preceding the damage or destruction.

d. The Executive Board shall issue a written decision to the Owner within forty-five (45) days after the date the Owner's submission, complete in compliance with the requirements of this Article and the Rules and Regulations, is received by the Executive Board. The 45-day period can be extended by mutual agreement of the Owner and the Executive Board and, if the Executive Board requires additional information to make its decision, the 45-day period will be extended for the period of time equal to the number of days between the date the request for additional information was made to the Owner and the date the additional information was received by the Executive Board. If no decision is issued within the 45-day period (as it may have been extended), the proposal described in the submission is deemed denied. The decision of the Executive Board is final, conclusive and binding upon all Owners. No Owner shall commence work or make a commitment for work requiring approval under this Article unless and until the Owner receives written confirmation of approval under this Article and receives all necessary approvals and/or permits from the Township.

e. If the submission is disapproved, the reasons for disapproval shall be included in the written decision. A decision of disapproval is final but without prejudice; the Owner is permitted to resubmit the Owner's submission, modified or amended, for review by the Executive Board in accordance with the provisions of this Article.

f. If a conditional approval is given, commencement of the work described in the submission constitutes an acceptance by the Owner of all conditions of approval set by the Executive Board.

Section 17.03 Declarant's Exclusion from Architectural Review. This Article does not apply to the Declarant and the provisions of this Article do not give the Executive Board authority to regulate, control or determine external design, appearance, use or location of Common Elements under development, or to be developed, or Units under construction, or to be constructed, marketed or sold by the Declarant.

Section 17.04 Architectural Review Committee. The Executive Board may delegate its rights and duties under this Article in whole or in part to an architectural review committee under the applicable provisions of the Bylaws. If delegation has been made to an architectural review committee, the architectural review committee shall exercise the rights and carry out the responsibilities as may be delegated by the Executive Board.

Section 17.05 Fees. The Executive Board may adopt a schedule of fees that may be charged for the review of submissions under this Article.

Section 17.06 Waiver. The Executive Board is authorized to interpret the requirements affecting Units under this Article and the applicable provisions of the Rules and Regulations. The Executive Board is authorized to grant reasonable waivers from these requirements but only upon a finding by the Executive Board that the Owner has furnished sufficient evidence to substantiate to the satisfaction of the Executive Board the standards set forth below. The authority to grant waivers may not be delegated by the Executive Board to the architectural review committee. If the Executive Board grants to any Unit a waiver from any requirement, the decision applies only to that Unit for that specific request and only so long as the Unit remains in compliance with the conditions of the waiver. The grant of a waiver as to any Unit does not create or imply any obligation on the part of the Executive Board to grant another waiver to such Unit or another Unit whether or not similar circumstances apply. The following standards must be met for the granting of a waiver:

- a. The requirement creates an unreasonable hardship to the Owner due to unique physical features of the Unit.
- b. Compliance with the requirement would result in an unreasonable economic burden on the Owner that would be alleviated by the requested waiver.
- c. The waiver requested would not materially alter the Unit so that it would not be compatible or harmonious with other Units and other Common Elements in the vicinity of the applicant's Unit.
- d. The waiver must comply with Township ordinances and regulations.

Section 17.07 Limited Review. The Executive Board may, in rendering any decision or responding to any request for waiver, consider whether the proposal is in compliance with

applicable laws and may request the Owner to furnish evidence that substantiates compliance. However, neither the Executive Board nor Declarant nor any other Person or Persons exercising or participating in the right of review or approval under this Article, whether or not the Person is qualified to render advice as an architect, engineer, attorney or other professional, has any responsibility or obligation to review submissions for, or bears any liability for:

- a. Compliance of submissions with applicable law or advising any Person of the need for any approvals, permits or licenses under the applicable law.
- b. Conformity of submissions to architectural or engineering design standards or advising upon the suitability of construction materials or methods.
- c. Compliance with requirements of Eligible Mortgagees or insurance companies.
- d. Any health, safety, liability or other issues.

Section 17.08 No Liability. Neither the Association, Executive Board, Declarant, officers or committee members of the Association, manager or management company nor any other Person or committee exercising rights of review or approval under this Article shall have any liability to any Person arising from or related to the exercise of or failure to exercise the rights of review under this Article, the issuance of or failure to issue any decision under this Article, or the grant of or failure to grant any waiver under this Article.

Article XVIII - Compliance and Default; and Dispute Resolution

Section 18.01 Compliance and Default.

- a. Each Unit Owner shall be governed by and shall comply strictly with the terms, covenants, conditions and restrictions of the Act, this Declaration, the Bylaws and the Rules and Regulations adopted pursuant thereto, and the same as they may be amended from time to time.
- b. The Executive Board shall have the power to adopt, amend and enforce compliance with such reasonable Rules and Regulations relative to the operation, use and occupancy of the Units and the Common Elements consistent with the provisions of this Declaration and the Act, including, but not limited to such enforcement procedures, fines and penalties for violations as the Executive Board shall deem appropriate. Any such Rules and Regulations shall be adopted or amended, from time to time, by means of appropriate resolutions duly approved by the Executive Board in accordance with the Bylaws. A copy of such Rules and Regulations and copies of any amendments thereto shall be delivered or mailed to each Unit Owner or occupant of a Unit promptly after the adoption thereof and shall become binding upon all Unit Owners, their successors in title and assigns, and occupants.
- c. Failure of any Unit Owner, other than the Declarant to the extent permitted by the Act, to comply with any provisions of the Act, this Declaration, the Bylaws or

any Rules and Regulations shall entitle the Association or the other Unit Owners to the remedies provided in this Declaration and the Act, and also to the following relief, none of which remedies shall be exclusive of any other remedies:

(i) To sue for the recovery of damages or for injunctive relief, or both, subject to compliance with Section 18.02 if applicable and Section 18.03.

d. The failure of the Declarant, Executive Board, or any Unit Owner to enforce any covenant, restriction or other provision of the Act, this Declaration, the Bylaws or the Rules and Regulations, shall not constitute a waiver of the right to do so thereafter.

Section 18.02 Agreement to Encourage Resolution of Disputes Without Arbitration/Litigation (as applicable).

a. The Association, the Declarant, all Owners and all Persons subject to this Declaration (and any Person not otherwise subject to this Declaration who agrees to submit to this Article) (collectively, “Bound Parties” and each a “Bound Party”), agree to attempt to resolve disputes against other Unit Owners, the Declarant and/or the Association without the emotional and financial costs of arbitration/litigation (as applicable). Accordingly, each Bound Party agrees not to file arbitration/suit (as applicable) against another Unit Owner, the Association and/or the Declarant in any tribunal with respect to a Claim described in subsection (b), unless and until he has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 18.03(a), (b), and (c) in a good faith effort to resolve the Claim. The provisions of this Section 18.02 and Section 18.03 shall not apply to any efforts of the Association to collect Assessments or other amounts owed to the Association from any Owner (but not including Declarant).

b. As used in this Article, the term “Claim” shall refer to any claim, grievance, or dispute arising out of or relating to:

(i) The interpretation, application, or enforcement of this Declaration, the Bylaws and/or any Rules and Regulations or architectural guidelines;

(ii) The rights, obligations, and duties of any Bound Party under this Declaration, the Bylaws and/or Rules and Regulations or architectural guidelines;

(iii) The design or construction of improvements within the Community, including, without limitation, any improvements located within the Limited Common Facilities or Common Facilities; and/or

(iv) Any actions taken or untaken by the Executive Board or by the Declarant.

The foregoing notwithstanding, the following shall be considered Claims and shall be subject to the binding arbitration procedure set forth in Section 18.03(d), but shall not be subject to the procedures set forth in Section 18.03(a), (b) or (c):

(i) Any action to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the arbitrator may deem necessary in order to maintain the status quo and preserve the ability to enforce the provisions of this Declaration; and

(ii) Any suit as to which the applicable statute of limitations would expire within ninety (90) days of giving the Notice required by Section 18.03(a), unless the party or parties against whom the Claim is made agree in writing to toll, or extend, the Claim's statute of limitations to comply with this Article.

The foregoing notwithstanding, the following shall not be considered a Claim unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 18.03: Any suit that does not include Declarant and/or the Association as a party if such suit asserts a Claim that would constitute a cause of action independent of the Declaration.

Section 18.03 Dispute Resolution Procedure.

a. Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice ("Notice") to each Respondent and Declarant (if the Declarant itself is not the Respondent and is still selling Units in the Community) stating plainly and concisely:

(i) The nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

(ii) The legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises);

(iii) The Claimant's proposed resolution or remedy; and

(iv) The Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

b. Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.

c. Mediation. If the parties have not resolved the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other agreed upon period), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with an entity designated by Declarant if Declarant is not a party to the Claim and if the Declarant is still selling Units in the Community or, if Declarant is a party to the Claim, to an independent agency providing dispute resolution services in the County in which the Property is located. Each Bound Party shall present the mediator with a written summary of the Claim.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the parties do not settle the Claim within thirty (30) days after submitting the matter to mediation, or within such time as determined reasonable by the mediator, (i) the mediator may issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated; or (ii) either party may deem the mediation terminated. The Claimant shall thereafter be entitled to file arbitration as set forth below.

Each Bound Party shall bear its own costs hereunder, including attorneys' fees, and each Party shall pay an equal share of the mediator's fees.

d. Binding Arbitration. If parties to such Claim cannot resolve the Claim as set forth in sub-Section (c) above, or the Claim is exempt from the above resolution process as set forth in Section 18.02.b, then such Claims shall be resolved by binding arbitration. Each Bound Party shall bear its own costs hereunder, including attorney's fees and each Bound Party shall pay an equal share of the arbitrator's fees.

(i) Such binding arbitration shall be before a single arbitrator selected through the American Arbitration Association ("AAA"), unless a single arbitrator is otherwise mutually agreed upon by the Respondent(s) and Claimant(s). Absent a mutual agreement to the contrary, the arbitration shall be conducted in accordance with its Expedited Procedures of the Commercial Arbitration Rules, which rules can be viewed at www.adr.org. If AAA is unable to arbitrate a particular Claim, then that Claim shall be resolved by binding arbitration by a single arbitrator selected through AAA's successor or an equivalent organization, or by any other single arbitrator mutually agreed upon by the parties. **The arbitrator may not preside over any form of representative, collective or class proceeding, all of which are hereby expressly waived and precluded by this paragraph. Absent agreement of the parties, no arbitration between the parties or any claims asserted in an arbitration between the parties shall be consolidated with another arbitration for any purposes.** Notwithstanding anything in the Commercial Arbitration Rules to the contrary, and except as provided for in the Act or as provided for in state or federal statutory law that may not be waived, in no event shall any Bound Party be entitled to recover its attorney's fees or costs in any arbitration.

(ii) The provisions of this sub-Section shall be governed by the provisions of the Federal Arbitration Act, 9 U.S.C. §1, et seq.

(iii) Each Bound Party agrees that Declarant may include in any arbitration Declarant's claims against its design professionals, contractors, subcontractors and suppliers for contribution, indemnity or any other contractual or common law relief.

(iv) **EACH BOUND PARTY HEREBY WAIVES THE RIGHT TO A PROCEEDING IN A COURT OF LAW (INCLUDING WITHOUT LIMITATION A**

**TRIAL BY JURY) FOR ANY CLAIMS OR COUNTERCLAIMS BROUGHT
HEREUNDER.**

e. Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file arbitration without the need to again comply with the procedures set forth in 18.03(a) – (c) of this section.

Section 18.04 Resolving Disputes Under the Limited Warranty Involving Common Facilities. The Association and Declarant must use the procedures set out in the Limited Warranty to resolve any and all disputes that the Association may have with the Declarant involving the Limited Warranty. This includes, without limitation, following the mandatory mediation and mandatory, binding arbitration provisions set forth in the Limited Warranty.

Section 18.05 Dispute Resolution Provisions and Procedure Not Applicable to Township. The provisions of this Article XVII shall not be applicable to the Township nor limit in any manner the Township’s enforcement rights set forth in this Declaration. The Township shall not be deemed to be a Bound Party under the provisions of this Article XVIII.

Article XIX - Indemnification of Officers, Executive Board, Committee Members

Section 19.01 Indemnification.

The Association shall indemnify every Executive Board member, officer and committee member, his heirs, executors and administrators, against all losses, costs and expenses, including attorneys’ fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been an Executive Board member, officer or a committee member, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matter covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been found liable for gross negligence or willful misconduct in the performance of his duty as such Executive Board member, officer or committee member in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Executive Board member, officer or committee member may be entitled. All losses, costs and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as General Common Expenses; provided, however, that nothing contained in this Article shall be deemed to obligate the Association to indemnify any member, who is or has been an Executive Board member, officer or a committee member of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Association.

Article XX - Amendments

Section 20.01 Generally. Subject to the other provisions of this Declaration and the Act relative to amendments, this Declaration may be amended in the following manner:

a. Prior to the first transfer of any Unit by the Declarant to a Unit Owner, the Declarant may amend this Declaration in any legal fashion as the Declarant may deem appropriate. After such first transfer of title, the terms of the following subsections shall apply; provided, however, that any other provisions of this Declaration setting forth other conditions of amendment shall take precedence.

b. An amendment may be proposed by either the Executive Board or twenty percent (20%) of the Unit Owners. No resolution of the Executive Board adopting a proposed amendment shall be effective unless it has been adopted by the affirmative vote of at least sixty-seven percent (67%) of the Unit Owners. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the Executive Board in which a proposed amendment is considered, and shall be served upon all Unit Owners (and the Township with respect to Section 20.01.d. below) in the manner hereinafter provided for service of notices.

c. An amendment may be made by an agreement signed and acknowledged by at least sixty-seven percent (67%) of the Unit Owners in the manner required for the execution of a deed, and such amendment shall be effective when Recorded.

d. Except as otherwise permitted by the Act and provided in this Declaration, no amendment may increase the number of Units or change the boundaries of any Unit, General Common Expense Percentage or voting strength in the Association allocated to a Unit, or the uses to which any Unit is restricted without the unanimous consent of the Unit Owners and the consent of the Eligible Mortgagees of Units to which at least two-thirds (2/3) of the votes in the Community are allocated. No amendment of this Declaration or any action taken by the Association or its Executive Board, shall be made or taken which, in any way would affect any of the rights, privileges, powers and options of the Declarant, its successors or assigns, or the Township unless the Declarant, or its successors or assigns, or the Township, as the case may be, shall join in the execution of such amendment or consent, in writing, to the action of the Association or Executive Board.

e. A copy of each amendment shall be attached to or included with a certificate, certifying that the amendment was duly adopted, which certificate shall be executed and acknowledged by the officers of the Executive Board with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are Recorded.

f. If any amendment to this Declaration, Plats and Plans or the Bylaws is necessary in the judgment of the Executive Board to change, correct or supplement anything appearing or failing to appear therein which is ambiguous, incorrect, defective or inconsistent with anything in either this Declaration, the Bylaws or the Act, or if such amendment is necessary to conform to the requirements of FNMA or FHLMC, HUD or VA, to comply with any statute, regulation, code or ordinance which may now or hereafter be made applicable to the Community or the Association or to make a reasonable accommodation or permit a reasonable modification in favor of a person with special needs, as may be defined by prevailing Federal or

State laws or regulations applicable to the Association, Owner, residents, tenants or employees, or as otherwise permitted by the Act, the Executive Board may, at any time and from time to time effect an appropriate corrective amendment without the approval of the Unit Owners or Eligible Mortgagees upon receipt by the Executive Board of an opinion from independent counsel to the effect that the proposed amendment is permitted by the terms of this Subsection and by the Act, together with an opinion from an independent registered architect or licensed professional engineer, in the case of an amendment to the Plats and Plans.

g. No amendment of this Declaration which affects the provisions benefiting the Township shall be effective without the written consent of the Township.

h. No amendment of this Declaration which affects the provisions benefiting the Declarant shall be effective without the written consent of the Declarant.

Article XXI - Termination

Section 21.01 Statute. The Declaration and, thus, the Community may be terminated as provided by Section 5220 of the Act subject to the provisions of Section 21.03 and Section 23.04.a. below.

Section 21.02 Destruction. In the event it is determined in the manner provided in the Act and the Bylaws that any Unit or Common Elements shall not be reconstructed after casualty, the Community will be thereby terminated as to such Unit or Common Elements and the vote in the Association and General Common Expense Percentage of any Unit or Units not rebuilt shall be reallocated as provided in the Act. The determination not to reconstruct after casualty shall be evidenced by a certificate of the Executive Board executed by the President and Secretary or Treasurer certifying as to the facts effecting the termination, which certificate shall become effective upon being Recorded.

Section 21.03 By Agreement. The Declaration may be terminated at any time by agreement, in writing, in the form of a Deed of Revocation, executed by one hundred percent (100%) of the Unit Owners. Such Deed of Revocation shall become effective upon being Recorded.

Section 21.04 General Provisions. Upon termination of the Community, each Unit Owner shall thereby become a tenant-in-common of the Property as provided in Section 5220 of the Act, and the Eligible Mortgagee and lienor of a former Unit shall have a mortgage and lien solely and exclusively upon the respective interest of the Owner of the Unit in the Property after the termination. If the Property is to be sold following termination, title to the Property vests in the Association as trustee for the holders of all interests in the Units.

Section 21.05 Township Consent. The Community shall not be terminated as provided in the Act or in this Article without the written consent of the Township.

Article XXII - Notice

Section 22.01 Notice. All notices required to be served upon Unit Owners pursuant to the Act, this Declaration or the Bylaws shall be sufficient if delivered to the Unit or mailed to the Unit Owner at the Unit mailing address by regular mail. The effective date of a notice shall be the date of delivery to the Unit in the case of actual delivery and a date two (2) days after deposit in the mail in the case of notice sent by mail.

Article XXIII - Rights of Eligible Mortgagees

Section 23.01 Eligibility. An Eligible Mortgagee shall be required to provide to the Community Association a statement of its name, address and the Unit against which it holds, insures or guarantees a first mortgage lien in order to be an Eligible Mortgagee as this term is used in this Declaration and thereby entitled to the rights set forth for its benefit in this Article and elsewhere in this Declaration. Eligible Mortgagees shall be required to update the information provided every two years in order to remain an Eligible Mortgagee.

Section 23.02 Notices to Eligible Mortgagees. Upon written request to the Community Association, identifying the name and address of the Eligible Mortgagee and the designation of the particular Unit, any Eligible Mortgagee shall be entitled to timely notice of any of the following:

- a. Any condemnation loss or any casualty loss which affects a material portion of the Community or any Unit against which it holds, insures or guarantees a first mortgage lien;
- b. Any delinquency in the payment of Assessments or charges owed by any Owner of a Unit subject to a first mortgage held, insured or guaranteed by the Eligible Mortgagee, or any other default in the performance by any Owner of the Unit against which the mortgage lien applies of any obligation under this Declaration, the Bylaws or any Rules and Regulations which delinquency or other default continues for a period of sixty (60) days;
- c. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and/or
- d. Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Sections 23.03 and 23.04 below.

Section 23.03 Approval of Eligible Mortgagees.

- a. Any restoration or repair of the Community, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Plats and Plans, and the original plans and specifications, unless other action is approved by at least fifty-one percent (51%) of the Eligible Mortgagees.
- b. Any election to terminate the legal status of the Community after substantial destruction or a substantial taking in condemnation of any of the Property shall require the approval of at least fifty-one percent (51%) of the Eligible Mortgagees. Any other

abandonment or termination of the Community by act or omission shall require the prior written approval of at least sixty-seven percent (67%) of the Eligible Mortgagees.

c. Any decision to establish self-management by the Community Association shall require the prior consent of at least sixty-seven percent (67%) of the Owners of Units and the approval of at least fifty-one percent (51%) of the Eligible Mortgagees.

d. Any partition, abandonment, subdivision, encumbrance, sale or transfer of any of the Common Facilities (except for granting easements for utilities or other public purposes consistent with the intended use of the Common Facilities) by act or omission shall require the prior written approval of at least sixty-seven percent (67%) of the Eligible Mortgagees.

Section 23.04 Document Amendments.

a. Other than amendments to this Declaration or the Bylaws or termination of the Community made as a result of destruction, damage or condemnation, the consent of one hundred percent (100%) of the Owners of Units and the approval of at least sixty-seven percent (67%) of the Eligible Mortgagees shall be required to terminate the Community.

b. The consent of at least sixty-seven percent (67%) of the Owners of Units and the approval of at least fifty-one percent (51%) of the Eligible Mortgagees shall be required to add or amend any material provision of this Declaration or the Bylaws which establish, provide for, govern or regulate any of the following:

- (i) Voting;
- (ii) Assessments, assessment liens or subordination of these liens;
- (iii) Reserves for maintenance, repair and replacement of the Common Elements;
- (iv) Insurance or fidelity bonds;
- (v) Rights to the use of the Common Facilities;
- (vi) Responsibility for maintenance and repair of the Common Elements;
- (vii) Expansion or contraction of the Community or the addition, annexation or withdrawal of property to or from the Community (this provision is not applicable to Declarant's rights with respect to the Additional Real Estate or Convertible/Withdrawable Real Estate);
- (viii) Boundaries of any Unit already included in the Community;

- (ix) Leasing of Units;
 - (x) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his Unit; and
 - (xi) Any provisions which are for the express benefit of Eligible Mortgagees.
- c. An addition or amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors, or for clarification as described in Section 20.01f. hereof.

Section 23.05 Notice to Eligible Mortgagees and Deemed Approval.

- a. If the notice to an Eligible Mortgagee states that the Eligible Mortgagee will be deemed to have approved the actions specified in the written notice if it does not respond to the request within 60 days, and the Eligible Mortgagee does not respond in writing within 60 days, then the Eligible Mortgagee will be deemed for all purposes to have approved the actions specified in the notice.
- b. Written notice to the Eligible Mortgagee shall be given by certified, registered or first-class mail, as evidenced by United States Postal Service certificate of mailing, postage prepaid, at the address provided by the Eligible Mortgagee, or in the absence thereof, at the address of the Eligible Mortgagee endorsed on any mortgage or deed of trust of record and at the address to which the Owner mails any periodic payment paid to the Eligible Mortgagee. The notice to the Eligible Mortgagee shall include a statement of the specified action and a copy of the full text of any proposed amendment and a form prepared by the Association upon which the Eligible Mortgagee may indicate its approval or rejection of the specified action or amendment.

Article XXIV - Miscellaneous Provisions

Section 24.01 Severability. If any provisions of this Declaration are determined to be invalid, that determination shall not affect the validity or effect of the remaining provisions hereof or the Bylaws or any Rules and Regulation, all of which shall continue in effect as if such invalid provisions had not been included herein.

Section 24.02 Headings. The headings herein are for reference purposes only and shall not affect the meaning or interpretation of this Declaration.

Section 24.03 Effective Date. This Declaration shall become effective when it has been Recorded.

Section 24.04 Binding. This Declaration shall inure to the benefit of and shall be binding upon the Declarant's successors or assigns.

Section 24.05 Construction. Number and gender, as used in this Declaration, shall extend to and include both the singular and plural and all genders as the context and construction require.

Section 24.06 Disclaimer as to Alarm/Monitoring Services. Declarant, its affiliated entity and the Association, their respective successors or assigns may enter into contracts for the provision of alarm/monitoring services through the Community Systems. DECLARANT, ITS AFFILIATED ENTITY, THE ASSOCIATION, THEIR RESPECTIVE SUCCESSORS OR ASSIGNS DO NOT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH ALARM/MONITORING SERVICES, OR THAT ANY SERVICES WILL PREVENT INTRUSIONS, NOTIFY AUTHORITIES OF FIRES OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SERVICES ARE DESIGNED TO MONITOR SAME; AND EVERY OWNER OR OCCUPANT OF PROPERTY RECEIVING ALARM/MONITORING SERVICES THROUGH THE COMMUNITY SYSTEMS ACKNOWLEDGES THAT DECLARANT, ITS AFFILIATED ENTITY, THE ASSOCIATION, ANY SUCCESSOR OR ASSIGN ARE NOT INSURERS OF THE OWNER OR OCCUPANT'S PROPERTY OR THE PROPERTY OF OTHERS LOCATED IN THE UNIT AND WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES OR DEATHS RESULTING FROM SUCH OCCURRENCES. It is extremely difficult and impractical to determine the actual damages, if any, which may proximately result from a failure on the part of an alarm/monitoring service provider to perform any of its obligations with respect to alarm/monitoring services and, therefore, every owner or occupant of property receiving alarm/monitoring services through the Community Systems agrees that Declarant, its affiliated entity, the Association, any successor or assign assumes no liability for loss or damage to property or for personal injury or death to persons due to any reason, including, without limitation, failure in transmission of an alarm, interruption of alarm/monitoring service or failure to respond to an alarm because of (a) any failure of the Owner's alarm/monitoring system, (b) any defective or damaged equipment, device, line or circuit, (c) negligence, active or otherwise, of the alarm/monitoring service provider or its officers, agents or employees, or (d) fire, flood, riot, war, act of God or other similar causes which are beyond the control of the alarm/monitoring service provider. Every owner or occupant of a Unit obtaining alarm/monitoring services through the Community Systems further agrees for himself, his grantees, tenants, guests, invitees, licensees and family members that if any loss or damage should result from a failure of performance or operation, or from defective performance or operation, or from improper installation, monitoring or servicing of the system, or from negligence, active or otherwise, of the alarm/monitoring service provider or its officers, agents, or employees, the liability, if any, of the Declarant, its affiliated entity, the Association, their respective successors or assigns for loss, damage, injury or death shall be limited to a sum not exceeding Two Hundred Fifty U.S. Dollars (\$250.00), which limitation applies irrespective of the cause or origin of the loss or damage and notwithstanding that the loss or damage results directly or indirectly from negligent performance, active or otherwise, or non-performance by an officer, agent or employee of Declarant, its affiliated entity the Association, their respective successors or assigns of any of same. Further, in no event will Declarant, its affiliated entity, the Association, their respective successors or assigns be liable for consequential damages, wrongful death, personal injury or commercial loss.

In recognition of the fact that interruptions of Community Systems services will occur from time to time, no Person described above shall in any manner be liable, and no user of the Community Systems shall be entitled to any refund, rebate, discount or offset in applicable fees, for any interruption in Community Systems services, regardless of whether or not same is caused by reasons within the control of the then-provider of such services.

Section 24.07 Governing Law. This Declaration shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

Section 24.08 Compliance With Law. The Association shall comply with all governmental laws, ordinances, rules, regulations, licenses, permits and approvals.

Section 24.09 Excusable Delays. Whenever performance is required of any Person under this Declaration, the Person shall use all due diligence to perform and take all necessary measures in good faith to perform; provided, however, that if completion of performance shall be delayed at any time by reason of acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, unavailability of labor or materials, damage to work in progress by reason of fire or other casualty, inability or delays in receiving approvals or permits, provided such Person has used all due diligence and good faith in seeking such approvals or permits in a timely manner, unforeseen site conditions, or any cause beyond the reasonable control of such Person, then the time for performance as specified in this Declaration shall be appropriately extended by the amount of the delay actually so caused. This provision shall not operate to excuse any Person from the prompt payment of Assessments or other sums required to be paid under this Declaration.

Section 24.10 Approval Rights. Nothing contained in this Declaration shall limit the right of the Declarant, the Association and the Executive Board to exercise its business judgment or act in a subjective manner with respect to any matter as to which it has been granted such right and any such exercise shall not be deemed inconsistent with any covenant of good faith or fair dealing implied by law to be a part of this Declaration. The Declarant, the Executive Board and the Association may each act in its sole, commercially reasonable discretion and business judgment and, with respect to any requested consent and any such exercise, such action shall not be deemed to be inconsistent with any covenant of good faith and fair dealing otherwise implied by law to be a part of this Declaration.

Section 24.11 Continuation. No breach of this Declaration shall (a) entitle any Owner or other Person to cancel, rescind or otherwise terminate this Declaration or the Person's duties and liabilities under this Declaration; or (b) defeat or render invalid the lien of any mortgage or other lien made in good faith and for value as to any Units or the Common Facilities; however, this limitation does not impair any other rights or remedies for the breach that a Person may have under this Declaration or otherwise under applicable laws.

Section 24.12 Binding Effect. This Declaration, unless otherwise provided, shall upon Recording run with the Property and the Declarant, Association, Executive Board, all Unit Owners, their successors and assigns shall be bound thereby.

Section 24.13 Prohibited Actions. Despite any assumption of control of the Board by owners other than the Declarant, until the Declarant has conveyed every Unit in the Community, the Board is prohibited from taking any action which would discriminate against the Declarant, or which would be detrimental to the sale or leasing of Units owned by the Declarant, in the Declarant's sole discretion. The Board will be required to continue at least the same level and quality of maintenance, operations and services as that provided immediately prior to the assumption of control of the Association by owners other than the Declarant until the Declarant conveys the last Unit owned by it in the ordinary course of business.

Section 24.14 Declarant's Power of Attorney. The Declarant hereby reserves for itself, its successors and assigns, the right to execute on behalf of all contract purchasers, Owners, mortgagees, other lienholders or other parties claiming a legal or equitable interest in the Common Elements, and by any such agreements, documents, amendments or supplements to this Declaration, the Bylaws, the Articles of Incorporation of the Association or the Rules and Regulations of the Association (collectively, the "Governing Documents") which may be so required by any such institutional lender, governmental or quasi-governmental agency, or title insurance company designated by the Declarant to insure title to any portion of the Common Facilities. By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Common Elements, each and every such contract purchaser, Owner, mortgagee, or other lienholder, or any party having a legal or equitable interest in the Common Elements does automatically and irrevocably name, constitute, appoint and confirm Declarant, its successors and assigns, as attorney-in-fact for the purpose of executing the Governing Documents as described above necessary to effect the foregoing, subject to the limitations set forth herein. The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors and assigns, of any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said powers. Said power of attorney shall be vested in the Declarant, its successors and assigns, for a period of twenty-five (25) years from the date the first Unit is conveyed to an individual purchaser, or until it conveys title to the last Unit within the Community, whichever occurs first. Thereafter, said power of attorney shall automatically vest in the Association and may be exercised by the Board.

Article XXV - Provisions Benefitting the Township

Section 25.01 Rights of Township.

a. The Township shall be a third party beneficiary of the provisions of this Declaration that require the Declarant to substantially complete the Common Facilities and require the Association to maintain, repair and replace the Common Facilities. In addition to those rights which the Township may have under law, the Township shall have the right (subject to the notice and grace periods set forth below), but not the obligation, to enforce the restrictions, conditions and covenants of this Declaration regarding the Common Facilities in the event that the Association or Declarant shall fail to do so. The Township shall have the right to compel the

substantial completion, maintenance, repair and replacement of the Common Facilities under this Declaration in the event of the Association's or Declarant's, as the case may be, failure to fulfill their respective obligations. In the event that the Township reasonably believes that the Association or Declarant, as the case may be, has failed to properly maintain, repair or replace any of the Common Facilities, the Township shall give the Association or Declarant, if and where applicable, written notice of such default and if the Association or Declarant, as the case may be, fails to cure such default within fifteen (15) days after receipt of such notice (or if the default cannot reasonably be cured within fifteen (15) days after receipt of such notice, if the Association or Declarant, as the case may be, fails to commence such cure within fifteen (15) days of such written notice or fails to diligently pursue such cure to completion thereafter), the Township may take such steps as the Township deems reasonably necessary to cure such default, and the cost of such cure shall be borne by the Unit Owners pursuant to this Declaration as a "Special Assessment" or by the Declarant if the Declarant is responsible; provided, however, in the event of emergencies which present a danger to life or property, the Township shall not be required to give the Association or Declarant, as the case may be, prior written notice to commence work to cure a default by the Association or the Declarant under this Declaration. In the event the Township takes any action under this provision, it shall invoice the Association or Declarant for the costs incurred by Township, and the Association or Declarant, as the case may be, shall reimburse the Township within thirty (30) days of receipt of such invoice for all reasonable costs incurred by the Township. If such invoice is not paid within the aforesaid thirty (30) day period, the Township may enter a lien against the Property in the amount of such costs or may proceed to recover its costs through proceedings in equity or at law to collect the costs incurred by the Township to cure such default.

b. The Association and the Declarant shall indemnify and hold the Township harmless from and against all loss, costs, and expenses, including reasonable counsel fees, reasonably incurred by the Township in connection with any action, suit or proceeding to which the Township may be made a party by reason of the location, design, installation, construction and maintenance of the Common Facilities.

c. The Township shall be a third party beneficiary of the provisions of this Declaration requiring the Association to preserve, protect and maintain the Open Space Areas. The Township shall have the right to compel the preservation, protection and maintenance of the Open Space Areas as defined in the Pennsylvania Municipalities Planning Code, the Township zoning ordinance, the Township subdivision and land development ordinance and as shown on the Recorded plans for this Community. In the event of the Association's failure to fulfill these obligations, the Township, after notice and opportunity to cure, shall have the right to perform these obligations and be reimbursed for all expenses actually incurred. The Township shall have the right to exercise any rights and remedies it may have at law or in equity to collect the amounts disbursed by the Township to cure such default.

d. Restrictions on Use of the Open Space Areas. In addition to those provided elsewhere in this Declaration, the following covenants, conditions and restrictions shall be for the benefit of the Township, its successors and assigns and shall be construed to be covenants running with the land:

i. Open Space Areas and Stormwater Management Facilities shall not be separated, sold or transferred.

[SIGNATURES APPEAR ON NEXT PAGE.]

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed the day and year first above written.

By:
Name: _____
Title: _____

ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA :
 : s.s.
 :

Be it Remembered, that on this _____ day of _____, 201__, before me, a Notary Public in and for the Commonwealth and County aforesaid, personally appeared _____, who acknowledged himself to be the _____ of _____, and that he, as such _____, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as _____.

Notary Public

My Commission Expires:

EXHIBIT 1.01

DESCRIPTION OF THE REAL ESTATE/PROPERTY

[INSERT LEGAL DESCRIPTION]

The Real Estate shall not include the rights of way when they are accepted for dedication by the Township.

EXHIBIT 3.01.a.

ADDITIONAL REAL ESTATE

[INSERT LEGAL DESCRIPTION]

The Additional Real Estate does not include the Units, Common Facilities, Convertible/Withdrawable Real Estate and rights of way when they are accepted for dedication by the Township all as more particularly described and shown on the Plats and Plans, as amended from time to time.

EXHIBIT 3.01.I.

COMPONENT AND RESPONSIBILITY CHART

EXHIBIT 3.01.n.

CONVERTIBLE/WITHDRAWABLE REAL ESTATE

[INSERT LEGAL DESCRIPTION]

The Convertible/Withdrawable Real Estate does not include the Units, Common Facilities and rights of way when they are accepted for dedication by the Township all as more particularly described and shown on the Plats and Plans, as amended from time to time.

EXHIBIT 5.01
PLATS AND PLANS

EXHIBIT 6.01

LIST OF UNITS, GENERAL COMMON EXPENSE PERCENTAGES AND VOTING INTERESTS

| Unit Designation* | General Common Expense Percentages | Votes |
|--------------------------|---|--------------|
| | | 1 |
| | | 1 |
| | | 1 |
| | | 1 |
| | | 1 |
| | | 1 |
| | | 1 |
| | | 1 |
| Totals: | 100% | |

* Even though this table lists "Units" for phasing/Recording purposes, they do not actually become Units unless and until a Dwelling is built and completed as evidenced by the issuance of a certificate of occupancy by the Township. As per Section 7.07, Units brought into the Community from the Additional Real Estate or Convertible/Withdrawable Real Estate for phasing/Recording purposes do not become subject to Assessments unless and until the Dwelling is completed on such Units as evidenced by the issuance of a certificate of occupancy by the Township.

EXHIBIT 7.04.b.
POST CONSTRUCTION STORMWATER MANAGEMENT AND BMPs

1. GENERAL BMP OPERATION, MAINTENANCE, INSPECTION AND CERTIFICATION NOTES:

At such time that the site is stabilized and the temporary during construction erosion and sediment controls are removed, the permanent non-structural and structural BMP's will be installed and functioning. The structural BMP's are intended to be permanent facilities that mitigate peak flows and address minimal volume control in addition to promoting water quality.

General Maintenance - The stormwater management BMP's shall be owned and maintained by the established Homeowner's Association (HOA) in perpetuity. The HOA shall conduct maintenance on a short-term and long-term schedule in accordance with the maintenance procedures outlined in this narrative and on the PCSM plans. Until such time that the HOA is fully established and operational, the developer and/or permittee shall perform the required maintenance of the stormwater management BMP's. In addition to the procedures outlined in the narrative and on the plans, a member of the HOA Board of Directors or HOA Management Company shall be responsible to make a visual inspection of the BMP facilities after all major storm events to verify their integrity and to note any damage requiring corrective action. Furthermore, said party shall be responsible to perform an annual inspection of the facilities and generate a report to document the condition of the facilities. Copies of the annual report shall be submitted to the HOA for review and, where required, corrective action. If significant repairs are required, the Township Engineer shall be consulted prior to repair. The Municipality shall have the right, but not the duty, to inspect the stormwater management facilities, and if the HOA fails to do so, perform necessary maintenance.

Final Certification - the permittee shall include with the Notice of Termination "Record Drawings" with a final certification statement from a licensed professional, which reads as follows:

"I, (name), do hereby certify pursuant to the penalties of 18. PA.C.S.A. § 4904 to the best of my knowledge, information and belief, that the accompanying record drawings accurately reflect the as-built conditions, are true and correct, and are in conformance with Chapter 102 of the Rules and Regulations of the Department of Environmental Protection and that the project site was constructed in accordance with the approved PCSM Plan, all approved plan changes and accepted construction practices."

The permittee shall retain a copy of the record drawings as a part of the approved PCSM Plan and shall provide a copy of the record drawings as a part of the approved PCSM Plan to the person identified in this section as being responsible for the long-term operation and maintenance of the PCSM BMP's.

Upon permanent stabilization of the earth disturbance activity under § 102.22(a)(2) (relating to permanent stabilization), and installation of BMP's in accordance with an approved plan prepared and implemented in accordance with § 102.4 and 102.8 (relating to erosion and sediment control requirements; and PCSM requirements), the permittee or co-permittee shall

submit a Notice of Termination (NOT) to the Department of Environmental Protection (the “Department”) or Chester County Conservation District. Prior to accepting the NOT, the Department and/or Conservation District staff will perform a final inspection and approve or deny the NOT.

2. SPECIFIC BMP OPERATION AND MAINTENANCE NOTES:

Short Term:

Inspect BMP's after major storm events for damage and/or erosion activity, paying close attention to the embankments, spillway, and berm. Repair erosion with appropriate measures immediately.

Inspect BMP plantings installed from containers on a monthly basis during the growing season for the first two years to evaluate plant establishment and mortality - replace dead plants with same or like plants able to establish in the cultural conditions present. If necessary, replace plants with a different species suitable to any microclimatic effects that might develop.

Long Term:

Until the permittee or co-permittee has received written approval of a Notice of Termination, the permittee or co-permittee will remain responsible for compliance with the permit terms and conditions including long-term operation and maintenance of all PCSM BMP's on the project site and responsibility for violations occurring on the project site.

The permittee or co-permittee shall be responsible for long-term operation and maintenance of PCSM BMP's unless a different person is identified in the Notice of Termination and has agreed to long-term operation and maintenance of PCSM BMP's.

For any property containing a PCSM BMP, the permittee or co-permittee shall record an instrument with the recorder of deeds, which will assure disclosure of the PCSM BMP and the related obligations in the ordinary course of a title search of the subject property. The recorded instrument must identify the PCSM BMP, provide for necessary access related to long-term operation and maintenance for PCSM BMP's and provide notice that the responsibility for long-term operation and maintenance of the PCSM BMP is a covenant that runs with the land that is binding upon and enforceable by subsequent grantees, and provide proof of filing with the Notice of Termination under § 102.7(b)(5) (relating to permit termination).

The person or entity responsible for performing long-term operation and maintenance may enter into an agreement with another person including a conservation district, non-profit organization, municipality, authority, private corporation or other person to transfer the responsibility for PCSM BMP's or to perform long-term operation and maintenance and provide notice thereof to the department.

A permittee or co-permittee that fails to transfer long-term operation and maintenance of the PCSM BMP or otherwise fails to comply with this requirement shall remain jointly and severally

responsible with the landowner for long-term operation and maintenance of the PCSM BMP's located on the property.

A written report must be completed to document each inspection and all BMP repair and maintenance activities.

The PCSM Plan, inspection reports and monitoring records shall be available for review and inspection by the Department or the Conservation District.

Specific BMP Long-Term Maintenance Notes:

GENERAL:

1. Catch basins and inlets should be inspected and cleaned at least two times per year and after runoff events.
2. Vehicles should not be parked or driven over infiltration BMP's.
3. Structural BMP's should be inspected for accumulation of sediment, damage to outlet structures, signs of contamination or spills, and berm stability.

EXHIBIT 11.14

RECORDED INFORMATION