

DECLARATION
OF
“ _____ ”
(a planned community)

THIS DECLARATION is made as of _____, 20____, by _____, a Pennsylvania _____ (the "Declarant"), as grantor, to and in favor of _____ COMMUNITY ASSOCIATION, a Pennsylvania non-profit corporation (the "Association"), as grantee.

BACKGROUND

Declarant is the owner in fee simple of the land described on Exhibit "A" attached hereto and made a part hereof, situate in Westtown Township, Chester County, Pennsylvania (the "Land") which is being developed as shown on the Plans (as hereinafter defined) as a residential planned community known as "Saw Mill Estates." Declarant is recording this Declaration to create a planned community with respect to the Land and the Homes and other improvements to be constructed thereon pursuant to the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. §5101, et seq. (the "Act"), subject to all the terms and conditions hereof.

WITNESSETH:

NOW, THEREFORE, the Declarant hereby declares and covenants for itself and its successors and assigns that the Land and all buildings and improvements now or hereafter constructed thereon is and shall be held, transferred, sold, conveyed, used and occupied under and subject to the covenants, restrictions, easements and conditions in this Declaration, all of which shall run with the Land and each of the Homes and other improvements now or hereafter constructed thereon, as follows:

ARTICLE I - DEFINITIONS

1.01 Act Definitions. Capitalized terms used herein that are defined in the Act shall have the meanings ascribed to them in the Act; and any terms used herein that are defined in the Act and also defined herein shall have the general meanings ascribed to them in the Act and the specific meanings ascribed to them in this Declaration.

1.02 Defined Terms. In addition to the terms defined in the Act and elsewhere in this Declaration, the following terms, when used herein, shall have the meanings ascribed to them in this Section 1.02:

(a) "Alteration" - in the case of a Lot, the proposed construction of a new Improvement on that Lot, or any proposed exterior alteration, modification or removal of, or construction of an addition to, an existing Improvement.

(b) "Assessments" - amounts levied or assessed by the Association against the Lots and Unit Owners from time to time, pursuant to this Declaration and the Act, for the

purpose of paying or providing for the payment of, or establishing reserves for the future payment of, Common Expenses.

(c) "Association" – SAW MILL COMMUNITY ASSOCIATION, which has been organized as a Pennsylvania non-profit corporation.

(d) "Board" - the group of individuals elected from time to time to serve as and on the board of the Association pursuant to this Declaration, the Bylaws and the Act.

(e) "Bylaws" - the Bylaws of the Association as amended from time to time. The Bylaws shall bind the Association and all Unit Owners whether or not they are recorded.

(f) "Common Elements" - means Controlled Facilities and/or Common Facilities, as the context or circumstances require.

(g) "Common Expense Liability" - the liability appurtenant to each Lot to pay a share of Common Expenses and Assessments therefore imposed pursuant to this Declaration and allocated to such Lot hereunder.

(h) "Common Expenses" - includes the actual and estimated expenses incurred or to be incurred by the Association from time to time for the general benefit of the Association and all Unit Owners, including but not limited to (i) general overhead and administrative expenses of the Association, (ii) federal, state or local taxes or other impositions or charges that may be levied or assessed against the Association or its property or income, (iii) premiums for insurance and bonds carried by the Association, (iv) the costs of maintaining, managing, insuring and repairing the Common Elements and making any necessary replacements thereto or thereof, (v) amounts set aside as operating and capital reserves, (vi) expenses of prosecuting or defending any litigation or other proceedings by, against or affecting the Association which the Association may bring or defend pursuant to this Declaration, including (without limitation) the expenses of enforcing or attempting to enforce the Community Documents, (vii) the fees or other compensation payable to any manager that may be engaged by the Association to assist the Association in managing, operating or administering the Association or the Common Elements except the Common Expenses, and (viii) all other expenses and liabilities incurred or that may be incurred by the Association in carrying out or performing its rights, duties and functions.

(i) "Common Facilities" - means any facilities or property that may be conveyed to or acquired by the Association from time to time for the common use or benefit of some or all of the Unit Owners; but excluding any part of the Land, utility installations and other improvements that have been or are to be dedicated to the Township, or other governmental entities, conservancies or utility companies. The Common Facilities are intended to include all of the Land, and the improvements thereon, outside the title lines of the Units. The facilities and improvements intended to be constructed by the Declarant and conveyed to the Association as Common Facilities include (i) entrance signs, (ii) the interior street known as Saw Mill Lane (iii) SWM Facilities and (iv) Walking Trail

(j) "Community" - means the planned community created hereby known as "Saw Mill Estates", a Planned Community," consisting of all the Lots, Improvements and the Common Elements.

(k) "Community Documents" - means, as applicable, this Declaration, the Bylaws and the Regulations, as amended from time to time.

(l) "Controlled Facilities" – any facilities or property which are not owned by the Association, but which are maintained, improved, repaired, replaced, regulated, managed, insured or controlled by the Association including but not limited to certain improvements that serve or comprise a part of the Units themselves to the extent provided in this Declaration and in the Responsibility Chart and certain easements and Storm Water Management Facilities as shown on the Development Plans. The term shall also include any land, facilities and improvements that are intended to be conveyed to the Association by the Declarant (and that will then be Common Facilities) to the extent the Association is responsible, before such actual conveyance, for the management, maintenance, repair, upkeep and/or insurance thereof.

(m) "Declarant" - the Declarant originally named herein, and any successor Declarant.

(n) "Declarant Control Period" - the period of Declarant control of the Association, which begins on the date of the first transfer of a Unit to a Unit Owner (other than a Declarant) and ends on the last date provided for in the Act unless the Declarant relinquishes such control earlier as provided herein.

(o) "Declaration" - this Declaration, as amended from time to time, together with the Plans, as the same may be amended from time to time. The Plans are an integral part of this Declaration.

(p) "Development Plans" – the final, approved subdivision and land development plans relating to the development of the Community, entitled "Final Subdivision & Land Development Plan of "Saw Mill Estates" prepared by Inland Engineering, dated _____ as last revised and recorded in the Office of the Recorder of Deeds in Chester County, Pennsylvania, at Plan Book _____, Page _____, as the same may be amended from time to time.

(q) "Director" - a member of the Board.

(r) "Eligible Mortgage" - a first mortgage encumbering a Lot held by the Declarant, the seller of a Unit, or a Bank, Savings and Loan Association, Savings Bank or other federally or state chartered financial institution, or any guarantor or insurer of a first mortgage lien against a Unit that is a federally or state chartered financial institution or federal or state governmental agency or corporation (including, but not limited to, the Veterans Administration, the United States Department of Housing and Urban Development, the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation, or their successors).

(s) "Eligible Mortgagee" – the holder of an Eligible Mortgage which has given written notice to the Association, by certified mail, return receipt requested, of its name and address and the address and description of the Unit on which it holds, insures or guarantees an Eligible Mortgage. If an Eligible Mortgage is assigned by an Eligible Mortgagee to another person, the Association shall not be bound to recognize the assignee as an Eligible Mortgagee unless and until the Association shall have received written notice of such assignment and written notice of the name and address of the assignee.

(t) "Home" - a single family attached residential dwelling constructed on a Lot.

(u) "Improvement" - any Home, building or other improvement (including, but not limited to, any shed, outbuilding, fence, garage, deck, patio, recreation facility or other accessory improvement).

(v) "Land" - the real estate described on Exhibit "A" attached hereto, together with all easements, rights and privileges appurtenant to or otherwise benefiting said Land, and subject to the easements, restrictions and other matters of record described on Exhibit "B" attached hereto as well as the easements, covenants and restrictions set forth herein or created pursuant hereto.

(w) "Lot" - a separate and subdivided building lot within the Community, being one of the twenty (20) building lots, numbered 1 through 20, as shown on the Plans. Reference herein to a "Lot" includes the Home and other Improvements thereon. Each Lot, together with the Home and all other Improvements now or hereafter constructed thereon, shall constitute a separate Unit for purposes of this Declaration and the Act, and is synonymous with the term "Unit" as used in the Act.

(x) "Open Space" - those portions of the Land designated on the Plans as the open space of the Community, including the parcels designated and labeled as Open Space.

(y) "Person" - any individual, corporation, partnership, trust, limited liability company or any other legal entity

(z) "Plans" - the plats and plans depicting the Community as required by the Act, attached hereto as Exhibit "C" and made a part hereof, as the same may be amended from time to time.

(aa) "Property" - means the Land and all Improvements now or hereafter constructed thereon.

(aa) "Regulations" - the rules and regulations promulgated by the Association from time to time governing and regulating the Unit Owners' use and enjoyment of the Common Facilities and other matters pursuant to this Declaration and the Act.

(bb) "Special Assessment" – an Assessment, that is levied against (i) all or fewer than all of the Units for the purpose of defraying unforeseen Common Expenses, or (ii) one or more, but fewer than all, Units on account of damages or other costs incurred by the Association as a result of the wrongful act or omission of that Unit Owner or a violation of the Community Documents, (iii) all or fewer than all Units for any other purpose authorized by this Declaration or the Act.

(cc) "Special Declarant Rights" - has the meaning given to such term in the Act and includes, without limitation, the rights reserved for the benefit of the Declarant hereunder to (i) complete the improvements shown on the Plans, (ii) maintain offices, signs and models, (iii) change the boundary lines between Lots owned by the Declarant, and between Lots owned by the Declarant and the Open Space (subject in each case to the approval of the Township) (iv) appoint and remove Directors during the Declarant Control Period, and (v) any other rights reserved herein by the Declarant constituting "Special Declarant Rights" under the Act.

(dd) "Stormwater Management Facilities" - means any storm water drainage, management and retention facilities, and erosion and sediment control features, including

retention or detention basins, subsurface seepage or infiltration beds, berms, swales, pipes, spillways, culverts, end-walls, inlets, outlets, level spreaders and related facilities and components now or hereafter constructed on the Property and on adjacent parcels benefitting or serving the Property, and excluding stormwater management facilities constructed within the roadways serving the Property to the extent that the same are now or later become the responsibility of the Township or any municipal authority.

(ee) "Supplemental Declaration" – means a supplement or amendment to this Declaration executed and recorded by the Declarant for the purpose of exercising any of the Special Declarant Rights reserved herein or described in the Act.

(ff) "Township" - means Westtown Township, Chester County, Pennsylvania.

(gg) "Unit" - has the same meaning as the term "Lot".

(hh) "Unit Owner" - the owner(s) of the fee simple title to any Lot (including the Declarant as to any Lots owned by the Declarant), other than a Person holding title only as security for an obligation. All obligations imposed on a "Unit Owner" hereunder (including, without limitation, the obligation to pay Assessments) are the joint and several obligations of all Persons who are the "Unit Owners" of a Lot regardless of the manner in which they hold such title.

ARTICLE II - SUBMISSION OF PROPERTY TO ACT; UNIT BOUNDARIES; APPLICABILITY OF DECLARATION; CONSTRUCTION AND INTERPRETATION

2.01 Applicability of Declaration. Declarant hereby creates a planned community with respect to the Property and submits the Property to the Act, pursuant to this Declaration. All present and future Unit Owners, and their respective tenants, subtenants, family members, guests, agents, servants, employees and any other persons occupying or using any Lot or the Common Elements shall be bound by the Community Documents.

2.02 Construction. If there is any conflict or inconsistency between this Declaration and the other Community Documents, this Declaration shall control except to the extent contrary to the Act or other applicable law.

2.03 Easements, Etc. The Property is, and the Lots are and will be conveyed (to the extent they are actually affected thereby) subject to (a) those recorded easements and other matters of record set forth on Exhibit "B" attached hereto and made a part hereof, (b) those other easements, notes, conditions and restrictions as are set forth herein and on the Plans, and (c) such other easements as the Declarant may hereafter create in favor of utility companies or others in connection with the development of the Community.

2.04 Lot/Unit Boundaries; Unit Numbers. There are a total of twenty(20) Lots in the Community. The title lines and boundaries of each Lot are as set forth on the Plans. Each Lot consists of all land and air space located within the aforesaid title lines consistent with fee simple ownership thereof, and the Improvements now or hereafter constructed thereon or therein. Each Lot shall have the identifying Unit or Lot number as shown on the Plan.

ARTICLE III - ASSOCIATION; MEMBERSHIP; VOTING

3.01 The Association; Powers. The Association shall be an association of and among all Unit Owners and shall have all duties, rights, privileges, functions and responsibilities set forth in the Act and this Declaration, including, without limitation, the following:

(a) Subject to any limitations set forth herein on the Association's responsibilities therefor, to maintain, repair and replace, as necessary from time to time, the Common Elements;

(b) To purchase any insurance or fidelity bonds required or permitted to be obtained for or on behalf of the Association hereunder;

(c) To adopt (and amend) operating and capital budgets of the Association;

(d) To compute, levy, assess and collect Assessments, and impose and collect late charges and interest for delinquencies in the payment thereof;

(e) To enter into contracts with third parties as necessary or appropriate from time to time in connection with the performance of the Association's rights, duties and obligations hereunder, and to pay for goods and services furnished to the Association pursuant to such contracts;

(f) To adopt, amend and repeal reasonable Regulations as the Board may deem necessary or desirable from time to time;

(g) To enforce the Community Documents and impose reasonable fines for violations thereof;

(h) To engage and compensate lawyers, accountants, management companies, and other advisors in connection with any matters affecting the business or affairs of the Association;

(i) To indemnify present and former Directors, officers and other agents of the Association, and to advance (or reimburse them for) costs incurred in connection with or as a result of any liability, suit or proceeding which they or any of them may incur, or to which they may be subject, as a result of serving on behalf of the Association, to the extent required or permitted by applicable law, the Bylaws or any separate contract between the Association and such Persons;

(j) To prosecute or defend claims, suits and causes of action by, against or affecting the Association and to litigate, arbitrate, settle, compromise and/or release any such claims or suits; and

(k) To dedicate or transfer all or any part of the Common Elements (other than Limited Common Elements) to any municipal, county, state, federal or other public agency, authority or utility, for such purposes and subject to such conditions as may be agreed upon by the Unit Owners, provided that no such dedication or transfer shall become effective unless the same has been authorized by the vote or consent of Members entitled to cast at least sixty-seven percent (67%) of the votes which all Members of the Association are entitled to cast, and provided further that notwithstanding any shorter notice period permitted by the Bylaws, written notice of such

proposed action (specifying in reasonable detail the property to be transferred, the proposed transferee and the purposes of such transfer) shall be mailed to each Unit Owner not less than thirty (30) days in advance of the scheduled meeting at which such action is to be considered.

(l) To do all other things necessary or expedient in order to carry out all the powers, rights, privileges, duties and functions of the Association and exercise all powers incidental thereto.

3.02 Membership. Every Unit Owner is required to be, and is automatically, a member of the Association. Membership in the Association is appurtenant to, and cannot be severed from, ownership of a Lot. Membership in the Association transfers automatically upon conveyance of title to a Lot and cannot be assigned or transferred by any other means. No Unit Owner can or will be relieved of the obligation to pay Assessments or to satisfy any other obligations arising hereunder by any waiver or purported waiver of any benefits of membership in the Association, or by any purported abandonment of a Lot.

3.03 Voting Rights of Unit Owners. There shall be one (1) vote allocated and appurtenant to each Lot. The vote appurtenant to a Lot may be cast by any one of the Unit Owners thereof at a meeting of Members, but if there is a conflict among such Unit Owners present as to how such vote shall be cast on any matter, such vote shall not be counted, except as may otherwise be provided in the Bylaws.

3.04 Election of Board.

(a) Subject to the other provisions of the Community Documents, the Board shall have the full and exclusive power and authority to act on behalf of the Association. The initial Board shall consist of at least three (3) Directors, and the Board may consist of such greater number as may be provided in the Bylaws.

(b) Subject to Section 3.04(c) hereof, during the Declarant Control Period, all members of the Board shall be appointed and may be removed and replaced by the Declarant from time to time, with or without an actual meeting, without the necessity of obtaining resignations from Directors replaced or removed, and without prior notice to the other Unit Owners.

(c) At such times and in such manner as required by the Act, Directors appointed by the Declarant shall be replaced with Directors appointed by the Unit Owners (other than the Declarant). The Declarant reserves the right, in its discretion, to surrender voluntarily the right to appoint and remove Directors before the Declarant Control Period ends, or to accelerate the time for appointment of Directors by the other Unit Owners; and may, as a condition thereof, require that specified actions of the Association or the Board be approved by the Declarant before they become effective. Such actions shall be specified in an instrument executed and recorded by the Declarant. The Declarant may conditionally surrender the right to appoint and remove members of the Board, reserving the right to exercise such rights at a later time upon giving thirty (30) days prior written notice to the Association.

(d) On or before the end of the Declarant Control Period, all Directors who have been appointed by the Declarant shall resign and shall be replaced with Directors elected by the Unit Owners (including the Declarant who shall have the right to cast any votes appurtenant to Lots still owned by the Declarant in such election).

3.05 Election of Officers. Officers of the Association shall consist of such executive and subordinate officers as may be specified (or provided for) in the Bylaws. Officers of the Association shall be appointed by the Board in the manner specified in the Bylaws, provided that the Declarant reserves the right to appoint and remove all officers of the Association during the Declarant Control Period to the fullest extent permitted by the Act, and thereafter by the Board in the manner specified in the Bylaws.

3.06 Voting by Ballot or Proxy. To the extent provided in the Bylaws and to the fullest extent permitted by the Act, the Unit Owners may vote on any matter on which Unit Owners are entitled to vote under the Community Documents (including, but not limited to, election of Directors and amending the Community Documents), by proxy, by partial or unanimous written consent, or by mail-in ballot, in lieu of casting votes at a formal meeting of Unit Owners.

ARTICLE IV -COMMON ELEMENTS; MAINTENANCE AND REPAIR

4.01 Management and Maintenance of Common Elements. The Association shall manage and maintain the Common Elements and shall make any necessary repairs thereto or replacements thereof, except to the extent the Association's responsibilities are limited as provided in this Declaration. The Association, and its agents, representatives, contractors and subcontractors shall have an easement across any Lot on which a Common Element is located, for the purposes of inspecting, repairing, replacing or maintaining that Common Element.

4.02 Use and Enjoyment of Common Elements. Subject to Regulations promulgated by the Association from time to time, the Common Elements (other than the Limited Common Elements, if any) shall be for the exclusive use and benefit of the Unit Owners. The Board has the power to make reasonable Regulations regulating the use of the Common Elements by Unit Owners, their family members and guests.

4.03 Open Space. Except as may be required in connection with the Declarant's development of the Community according to the Plans, no Improvements shall be constructed on the Open Space except Stormwater Management Facilities, and improvements that the Declarant or the Association may elect to construct for the benefit of the Unit Owners, subject to limitations thereon imposed by the Development Plans and applicable Township ordinances. The Open Space shall not be subdivided or developed, and except as provided in the preceding sentence shall be preserved in perpetuity as open space for the benefit of the Community. The Association shall maintain the Open Space in accordance with the Development Plans and any open space management plan or agreement required by the Township.

4.04 Maintenance, Repair and Replacement of Lots and Homes. Each Unit Owner is responsible for the maintenance, repair, replacement and insurance of his or her own Lot and Improvements thereon. The Board may make reasonable Regulations with respect to the maintenance, mowing, trimming, placement, addition and replacement of lawns, landscaping, trees, shrubbery and other plantings in the yards within the title lines of the Lots, but such Regulations shall not create any obligation on the part of the Association to maintain, repair, replace or incur any expense regarding the Lots or any Improvements or landscaping thereon.

4.05 Declarant's Right to Construct Common Elements.

(a) Declarant reserves the right to construct Common Elements and other improvements, existing or proposed, as shown on the Plans and the Development Plans, including (without limitation) the Storm Water Management Facilities, common utility systems, roads, landscaping and the like. Except for improvements identified on the Plans as "must be built", and except for improvements required to be installed as a condition of subdivision and land development approval of the Development Plans by the Township or other governmental authorities, the Declarant has no obligation to construct or convey any Common Elements to the Association.

(b) The Declarant reserves the right, without the consent or approval of the Unit Owners or the Association, and subject only to obtaining any required governmental permits or approvals, (i) to vary, modify, reconfigure, expand, contract, reroute or relocate any Common Elements shown on the Plans or the Development Plans, and (ii) to modify grading, add, eliminate or modify berms and swales, alter drainage patterns, and otherwise do that which is necessary, appropriate or expedient in connection with the orderly development of the Property and the Community.

(c) The Association shall assume the obligation for maintenance, management, repair and insurance of each Common Element once it has been substantially completed and shall be obligated to include in its budget (and, if necessary, amend the then-current budget and increase the then-current Assessments) to pay the costs of maintaining, repairing and insuring the same, subject in all cases to the Board's right to modify such responsibilities from time to time.

(d) A Common Element shall be deemed "complete" when it has been substantially completed according to the plans and specifications relating thereto and, if applicable, Township ordinances, so that such Common Element can be used for the purposes for which it was intended, even though such Common Element may require additional finish work that does not impair the functioning thereof. In the case of a Common Element that was required by the Development Plans or otherwise as a condition of final subdivision and land development approval, such Common Element shall be deemed to have been completed no later than the date on which it has been approved as being substantially complete in accordance with the applicable Development Plans and specifications relating thereto by the Township or applicable agent thereof (e.g., the Township Engineer), even if minor punch-list items remain to be completed. As between the Association and the Declarant, the approval of improvements by the Township or other governmental authorities having jurisdiction thereof shall be conclusive evidence of their compliance with applicable provisions of the Development Plans and applicable Township ordinances, and other applicable laws and regulations.

(e) All Common Elements which the Declarant reserves the right to construct or is required to construct shall be completed by the Declarant at or before the time such Common Element is necessary for the use and occupancy of the Lots and Homes, but no later than the date of conveyance (or lease) of the last Unit owned by the Declarant (or, if earlier, upon the termination of the Special Declarant Rights reserved by the Declarant). The Open Space may be conveyed to the Association at any time, subject only to the obligation of the Declarant to complete the Stormwater Management Facilities and other improvements therein. Conveyance of the Open Space before completion of the Stormwater Management Facilities or other improvements therein shall not be construed as conveyance of an incomplete Common Facility, and the Declarant shall continue to be responsible for the completion of such improvements and for all costs of maintenance and repair of such incomplete improvements pending completion thereof.

(f) Declarant may convey each Common Facility separately from other Common Facilities, existing or proposed. When a Common Facility is complete, the Association shall accept conveyance thereof without condition. The Declarant may, in its discretion, lease (for no consideration) any Common Facility to the Association prior to conveyance of title thereto.

(g) In the case of portions of the Land that comprise or have constructed thereon Open Space, Storm Water Management Facilities, or other areas for the common use and enjoyment of the Unit Owners that are designated and intended to become Common Facilities, the following additional provisions shall apply:

(i) Once an improvement is substantially complete, but before title to the Land on which such improvement is constructed is conveyed to the Association, such improvement shall be a Controlled Facility for which the Association is responsible as provided in Section 4.05(c) hereof;

(ii) any part of the Land comprising Open Space, recreational areas, or the like and that are available for the use and enjoyment of the Unit Owners and do not require further material improvement shall be Controlled Facilities prior to conveyance of title to the Association and the Association shall be responsible for mowing and maintenance thereof;

(iii) the Declarant may, to the maximum extent permitted by law, convey title to the Association of any portion of the Land that will be a Common Facility even though certain improvements to portions thereof have not yet been completed; in which case such conveyance shall not be construed to be a conveyance of any such improvement that is not yet substantially complete, the Association shall have no liability or obligation with respect to such incomplete improvements, and the Declarant shall remain solely responsible for the costs and expenses of such incomplete improvement until it has been substantially completed.

(h) The Declarant shall have the right to convey a Common Facility to the Association before the completion thereof if a third party guarantee, bond, escrow or letter of credit or other reasonable financial security is provided by the Declarant for the benefit of the Association complying with the applicable provisions of the Act, but otherwise shall not convey any Common Facility to the Association prior to its substantial completion.

(i) The Declarant guarantees the completion of the Common Elements shown on the Plans and designated as "must be built". The obligation of the Declarant to complete and convey improvements required to be constructed shall be binding on the Declarant and any successor in interest of the Declarant therein, whether or not such successor in interest succeeds to any Special Declarant Rights. The Declarant is not providing any security for the direct benefit of the Association to secure the completion of any Common Elements. The Declarant has entered into or will enter into agreements with the Township pursuant to which the Declarant shall be obligated to complete certain improvements within the Community and will post financial security with the Township to secure the completion thereof. The amount of such financial security and the procedure for its delivery and release shall be as determined by the Township according to procedures set forth in the Pennsylvania Municipalities Planning Code.

4.06 Once substantially completed in accordance with the NPDES and other applicable permits relating thereto, the Association will be solely responsible for the maintenance, upkeep and operation of the Storm Water Management Facilities in compliance with applicable federal, state and local laws, regulations and ordinances, including but not limited to Pennsylvania Department of Environmental Protection ("DEP") regulations. The Declarant shall have the right to

record, and the Association shall be obligated to join in and enter into (and the Declarant shall have the right to execute and record, on the Association's behalf) such documents and instruments including but not limited to operations, maintenance and/or management agreements, declarations of restrictions and easements with respect to the Storm Water Management Facilities in such form as may at the relevant time be required by the Township, DEP the County Conservation District, or other applicable governmental authority setting forth the responsibilities of the Association with respect to post construction storm water management ("PCSM") including ongoing monitoring, inspection, maintenance, upkeep and operation of the Storm Water Management Facilities. Such documents shall comply with DEP regulations in 25 Pa. Code, Chapter 102, including without limitation Sections 102.7 and 102.8 (or the corresponding sections of any successor regulations) and any other applicable laws and regulations. Should the Association fail or refuse to enter into or accept responsibility as the party solely responsible for PCSM with respect to the Storm Water Management Facilities, the Association shall indemnify, defend and hold the Declarant harmless from all liability, losses, costs and expenses that Declarant may incur or to which it may be subject by reason of any continuing liability of the Declarant for the management, operation, maintenance, upkeep or repair of the Storm Water Management Facilities.

4.07 Dedication and Easement.

(a) Saw Mill Lane to be constructed within the Community is intended to be offered for dedication to the Township. Certain other improvements may be dedicated to the Township, or other public body, authority or utility company. If, however, the applicable municipal body or utility company fails or refuses for any reason to accept dedication or ownership of an improvement or facility upon completion, the Declarant reserves the right to convey or cause such facilities and improvements to be conveyed to the Association and to designate such facilities as "Common Elements" in which event the Association, as the case may be, shall accept conveyance thereof to it and shall assume the responsibility for maintenance, repair, replacement, insurance and management thereof according to the terms of this Declaration. Such designation may be by deed, or by means of an amendment to this Declaration and/or the Plans, as the Declarant shall elect. If that occurs, the Association may need to amend its budget to take into account the additional Common Expenses that will be incurred in connection with such additional Common Elements, and will need to increase the Assessments against the Units accordingly.

(b) If requested or required by the Township or the Declarant, or as shown on the Development Plans, the Association (and the Unit Owner(s) of any Unit (s) affected thereby) shall dedicate or join with the Declarant in dedicating to the Township or applicable municipal authorities or utilities, an easement over and across such portion of such Unit or Common Element on which any Storm Water Management Facilities, drainage easements, water lines, sewer lines or other facilities serving the Community or any part thereof are located. However, such dedication shall not be necessary for the utilization of such easements, and any drainage, storm water management, storm sewer, sanitary sewer and/or other easements shown on the Plan shall be and are hereby reserved for the benefit of the Declarant, the Association, the Township and the applicable service provider, as applicable, without any further documents or instruments being required

4.08 Warranty as to Common Elements.

(a) The Declarant will warrant the Common Elements constructed by it against Structural Defects for two (2) years after completion thereof as required by the Act. To the

fullest extent permitted by law, the Declarant disclaims any warranty except with respect to Structural Defects in Common Elements actually constructed by or for the Declarant.

(b) **THE WARRANTY AGAINST STRUCTURAL DEFECTS IN THE ACT IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE WARRANTY PROVIDED IN THE ACT WITH RESPECT TO THE COMMON ELEMENTS IS THE SOLE AND EXCLUSIVE WARRANTY WITH RESPECT THERETO. DECLARANT'S WARRANTY WITH RESPECT TO THE COMMON ELEMENTS SHALL APPLY SOLELY TO IMPROVEMENTS, STRUCTURES OR COMPONENTS THEREOF CONSTRUCTED BY THE DECLARANT AND SHALL NOT APPLY TO ANY PART OF THE COMMON ELEMENTS CONSTRUCTED BY OR UNDER THE DIRECTION OF THE ASSOCIATION. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE WARRANTY AGAINST STRUCTURAL DEFECTS SHALL NOT EXTEND OR APPLY TO (I) ANY NATURAL OR PRE-EXISTING FEATURES, OR (II) TREES, SHRUBBERY, LAWN OR LANDSCAPING, WHETHER EXISTING OR PLANTED BY THE DECLARANT.**

TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE LIABILITY OF THE DECLARANT FOR ANY BREACH OF WARRANTY SHALL BE STRICTLY LIMITED TO THE REASONABLE COST OF REPAIR OR REPLACEMENT OF THE DEFECTIVE COMMON ELEMENT, AND IN NO EVENT SHALL THE DECLARANT BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES.

ARTICLE V - COVENANT FOR ASSESSMENTS; LIENS; COLLECTION

5.01 Assessments; Allocation of Common Expense Liability.

(a) Each Unit Owner must pay all Assessments levied against such Unit Owner or his Lot. The Common Expense Liability appurtenant and allocated to each Lot shall be one-twentieth (1/20th) or 5%.

(b) Assessments levied against a Lot are also the joint and several personal obligation of the Unit Owners thereof at the time the Assessment (or any installment thereof) falls due.

(c) The Unit Owner's obligation to pay Assessments is not subject to deduction or set-off, and is not otherwise diminished, discharged, suspended or abated, because of: (i) any claim that any Unit Owner(s) may have against the Association or the Declarant; (ii) the failure or alleged failure of the Association to provide services required hereunder; (iii) the fact that there is no Home on such Unit Owner's Lot or that the Home is unoccupied or uninhabitable for any reason; (iv) the default of any other Unit Owners(s) in the payment of Assessments; or (v) any other circumstance.

5.02 Damages. Each Unit Owner shall reimburse and indemnify the Association upon demand for any losses, expenses, costs or damages incurred by the Association as a result of any damage to Common Elements or Limited Common Elements caused by the act, omission or negligence of such Unit Owner or his tenants, agents, guests, family members, licensees, contractors or subcontractors, or any other damages, losses, costs or expenses that the Association incurs as a result of the act or omission of a Unit Owner, including any violation of any applicable law or ordinance. Such damages may be assessed and collected as a Special Assessment against such Unit Owner.

5.03 Time for Payment. The due date for payment of Assessments or installments thereof shall be determined by the Board, but shall not be more frequent than monthly. Unless otherwise determined by the Board, the Assessment for each fiscal year shall be due and payable in substantially equal monthly installments on the first day of each calendar month.

5.04 Non-Payment; Late Charges; Lien.

(a) Any Assessment (or installment thereof) that is not paid within ten (10) days after the due date thereof shall be considered delinquent and shall be subject to a late charge in an amount established by the Board from time to time.

(b) In addition to the aforesaid late charge, the Board shall have the right to charge interest on any Assessment (or installment thereof) that is not paid within thirty (30) days after the due date thereof, at the rate of fifteen (15%) percent per annum (or such other rate, not to exceed the highest rate permitted by law, as the Board may from time to time determine), commencing on such date (but not sooner than thirty (30) days after the due date) as the Board may determine in its discretion. Interest at that rate shall accrue after any judgment is entered in favor of the Association and until full payment of the delinquent amount is actually received by the Association.

(c) Any costs of collection, including reasonable attorneys' fees, incurred by the Association in collecting or attempting to collect any delinquent Assessment (whether or not suit is commenced) may be assessed and collected in the same manner as any other Assessments hereunder against the delinquent Unit Owner, and such amount shall be secured by the Association's lien for Assessments.

(d) If a Unit Owner is delinquent in the payment of any Assessment (or installment thereof) for more than forty-five (45) days after the due date thereof, the Association shall have the right to accelerate all future installments of such Assessments with respect to the delinquent Unit Owner (if Assessments are payable in installments), and to suspend such Unit Owner's privilege to pay future Assessments in installments for such reasonable period of time as the Board may determine. Notice of acceleration shall be given to the delinquent Unit Owner and shall become effective unless the delinquent Unit Owner pays to the Association, within ten (10) days after the date of mailing such notice, all delinquent Assessments or installments thereof, all interest thereon, and all late charges, and costs of collection incurred by the Association in connection with such delinquency.

(e) The Association shall have a lien on each Unit for all Assessments levied against a Unit or the Unit Owner thereof, to the maximum extent provided in and with the maximum protection afforded by, the Act. Such lien shall have the priority and may be enforced in the manner provided for in the Act, and by any other remedies available at law or in equity. The recording of this Declaration constitutes notice and perfection of the Association's lien. The Association shall have the right to collect from a Unit Owner, and the lien of the Association shall secure, all amounts paid or expended by the Association to collect unpaid Assessments (including reasonable attorneys' fees) and/or to protect or preserve the Unit or the priority of the Association's claim or lien including, without limitation, amounts paid or incurred by the Association to pay or discharge real estate taxes or other liens senior in priority to the Association's lien.

5.05 Other Remedies. Assessments and other amounts payable by any Unit Owner may also be recovered by a lawsuit brought by the Association against the Unit Owner and

any other person personally obligated to pay the same, and the Association shall have all other rights and remedies available at law or in equity.

5.06 Collection Upon Sale of a Lot.

(a) If a Lot is transferred in connection with the foreclosure or execution sale of a Lot, any unpaid Assessments of which the Sheriff has notice shall be paid out of the proceeds of such sale after payment of other claims required by law to be paid first, but before any distribution of proceeds to the Unit Owner. If an Eligible Mortgagee or other purchaser acquires title to a Unit pursuant to foreclosure of an Eligible Mortgage, or by deed in lieu of foreclosure, the purchaser shall not be liable for unpaid Assessments accrued through the date of foreclosure sale, but such Eligible Mortgagee or other purchaser shall be liable to the Association for the payment of any Assessments (or installments thereof) coming due after the date of such sale.

(b) Upon the voluntary sale or conveyance of a Lot or any other transfer (including transfers by operation of law), except as provided in subparagraph (a) above, and subject to §5407 of the Act, the transferor and the transferee shall be jointly and severally liable for all Assessments or installments thereof that have been assessed or levied against such Lot and which are unpaid as of the date of conveyance, except as otherwise provided in the Act.

5.07 Assessments on First Time Buyers; Re-sales.

(a) Each Unit Owner who purchases a Unit directly from the Declarant shall pay, at the time of conveyance, a one-time capital contribution to the Association in the amount of \$500 Dollars (\$500.00) for each Unit, which is in addition to, and not in lieu of, the regular Assessments payable with respect to the year in which such conveyance takes place. Such amounts collected may be used to pay Common Expenses, to set up reserves or for such other purposes as the Board may determine.

(b) The Association may, at any time, and from time to time, require that upon the purchase of a Unit from a Unit Owner other than a Declarant such purchaser shall pay to the Association at the time of such purchase a one-time capital improvement contribution, which contribution shall be in addition to the then current Common Expense Assessment allocable to such Unit, and which shall be used to set up or augment capital reserves or applied to payment of capital expenditures of the Association, as the Board shall determine in its discretion. The Board shall have the authority to set, increase and decrease such amounts due on re-sales from time to time, by resolution of the Board.

(c) The Board shall have the authority to charge a reasonable fee to the Unit Owner or potential purchaser of a Unit (other than in a purchase from the Declarant) for furnishing the certificate required by Section 5407 of the Act.

5.08 Discretion of Board of Directors. In connection with the collection or attempted collection of delinquent Assessments, the Board shall have the power, in its discretion, to waive, settle and/or compromise the obligation of a Unit Owner to pay delinquent Assessments, interest, late charges, and/or costs of collection, if the Board determines that it is in the best interests of the Association to do so based upon such factors as the Board deems relevant, including, without limitation, the anticipated costs and likelihood of collecting the full amount due.

5.09 Basis and Computation of Regular Assessments.

(a) At least thirty (30) days before the beginning of each fiscal year of the Association, the Board shall adopt a budget for such fiscal year setting forth estimated Common Expenses and the Assessments necessary to pay the same, and shall in such budget segregate Limited Common Expenses from other Common Expenses. The total Assessments (taking into account general Common Expense Assessments and Limited Common Expense Assessments) for that fiscal year shall be computed based on and shall be in an amount sufficient to pay the estimated Common Expenses set forth in such budget (in excess of any surplus from a prior year or years that has not been set aside as reserves by the Board). In determining Assessments for any year, the Board shall have the right to include in the Budget for such year a reasonable allowance for delinquent or un-collectible Assessments, as well as such allocations to reserves as the Board deems appropriate. The Association shall adopt a balanced budget in each fiscal year and shall levy Assessments sufficient to pay all budgeted Common Expenses.

(b) The budget of the Association may be modified from time to time by the Board to reflect any material change in the Common Expenses incurred or expected to be incurred by the Association for such fiscal year, and the Board shall have the power to increase or decrease Assessments based on such changes in the budget. Such increase or decrease will be effective not earlier than thirty (30) days after the date of the notice thereof has been given to the Unit Owners.

(c) Promptly after the Board adopts a budget for a fiscal year, the Board shall cause notice of the Assessment and a copy of the budget to be mailed to each Unit Owner. Such budget shall become effective as of the first day of the fiscal year to which such budget relates, without the necessity of obtaining the approval of the Members. If the Board fails to adopt or delays adopting a Budget or a new Assessment for a fiscal year, the Unit Owners shall continue to pay Assessments and installments thereof based upon the Budget and Assessment in effect for the preceding year. Once an Assessment has been made by the Board, it shall automatically continue in force for the fiscal year for which it was initially adopted, and during each subsequent fiscal year, until a new budget and a new Assessment is adopted by the Board. If Owners pay an assessment based on a prior year's budget pursuant to the preceding sentences and the Board then adopts a new budget and a new Assessment for the current fiscal year, then such new Assessment shall be payable as set forth in the notice of such Assessment, and the amount by which the new Assessment exceeds the amount previously paid based on the prior Assessment shall be due and payable within thirty (30) days following notice of the new Assessment (if Assessments are payable in a single lump sum payment) or, if such Assessments are payable in installments, in the manner approved by the Board.

5.10 Special Assessments. The Board shall have the power to levy Special Assessments for such purpose or purposes as the Board from time to time deem necessary or appropriate, including, but not limited to, paying the costs of unanticipated maintenance, repairs or replacements of the Common Elements. Special Assessments benefiting all Unit Owners shall be levied equally on all Lots, and shall be due and payable in a lump sum or in such installments as the Board shall determine.

5.11 Commencement of Assessments. Assessments shall commence at such time as the Board determines and from and after the date the first Common Expense Assessment is made, all Lots shall be subject to Assessments for Common Expenses thereafter. Until the first Common Expense Assessment is levied, the Declarant shall pay all of the Common Expenses of the Community.

5.12 Offset For Certain Declarant Expenses. Declarant shall be entitled to deduct from any Assessments of any kind to which the Declarant's Units may be subject any expenses incurred and paid by the Declarant directly for the maintenance, upkeep, repair, or replacement of Common Elements that would otherwise have properly been Common Expenses of the Association, and for any voluntary contribution to the Association to subsidize the payment of any Common Expenses.

ARTICLE VI – INSURANCE

6.01 Insurance Obligations of Unit Owners. Each Unit Owner is responsible for carrying hazard, fire, flood and liability insurance with respect to his Lot and Home, and the contents thereof and any personal property thereon, and against losses, damages or injuries occurring on his Lot, at the Unit Owner's expense. The Association has no insurance responsibility with respect to any Lot or the Improvements thereon.

6.02 Association Insurance.

(a) Property/Casualty. Beginning no later than the first conveyance of a Lot to a Unit Owner other than a Declarant, the Association shall maintain, to the extent reasonably available, "all risk" property and casualty insurance insuring the Common Elements against all common risks of direct physical loss, covering the interests of the Association, the Board and the Unit Owners, as their interest may appear; provided that such insurance shall only be obtained if reasonably available for the type of Common Elements owned, managed or maintained by the Association. The total amount of insurance (after application of any deductibles) shall be not less than eighty percent (80%) of the actual value of the insured property (exclusive of land, excavations, foundations and other items normally excluded from such casualty policies).

(b) Liability Insurance. The Association shall obtain and maintain, to the extent reasonably available, comprehensive general public liability insurance, including medical payments insurance, in an amount determined by the Board, but not less than \$500,000.00 for bodily injury or death arising from a single occurrence.

(c) Other Insurance. The Association may carry any other insurance including, but not limited to, Directors and officers liability insurance, fidelity bonds, and the like, as the Board may determine from time to time. The Association shall also maintain, to the extent reasonably available, any insurance coverage that may be required under applicable law or under applicable guidelines and regulations promulgated by the Department of Housing and Urban Development, the Veterans' Administration, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and/or their successors or assigns. The Board shall have the right to increase insurance coverage and obtain additional insurance coverage not specifically required hereunder as the Board may from time to time determine, in its discretion, and the premiums for such additional or different insurance coverage shall be Common Expenses.

(d) Policy Terms. Insurance carried by the Association shall contain any policy terms required by the Act. Each Unit Owner shall be an insured person under the Association's liability insurance with respect to liability arising out of his membership in the Association. Each policy shall provide that the insurer waives its right of subrogation under the policy against any Unit Owner or member of the Unit Owner's household, and shall provide that no act or omission by a Unit Owner (unless acting within the scope of his authority on behalf of the

Association) will void the policy or be a condition of recovery under the policy. Policies of insurance shall be deposited with and shall be maintained by the Board.

(e) Failure to Obtain Insurance. If the insurance described in Section 6.02 hereof is not maintained, the Association shall promptly cause notice of that fact to be given to all Unit Owners.

6.03 Adjustment of Losses. The Board shall have full and exclusive power and authority to negotiate, adjust and compromise all claims for insurance coverage, and to execute and deliver releases therefor upon payment of the agreed settlement for such claims. The Association shall hold proceeds in trust for the benefit of the Association, the Unit Owners and lien holders, as their interests may appear. Subject to Section 6.04 below, such proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements and no Unit Owners or lien holders shall be entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements have been completely repaired or restored and the Board elects to pay such surplus, or the Community is terminated.

6.04 Use of Proceeds.

(a) Any part of the Common Elements for which the Association maintains property insurance which is damaged or destroyed shall be repaired or replaced promptly by the Association unless (i) the Community is terminated in the manner provided under the Act, (ii) repair or replacement would be illegal under any state or local health or safety statute, law, regulation or ordinance, or (iii) eighty percent (80%) of the Unit Owners (including every Unit Owner to whose Unit any Limited Common Element which will not be rebuilt is allocated), vote not to rebuild. The cost of the repair or replacement in excess of available insurance proceeds and reserves shall be a Common Expense.

(b) Any part of a Lot or Home damaged or destroyed shall either be repaired or replaced promptly by the Unit Owner (in which case any cost of repair or replacement in excess of available insurance proceeds shall be borne by the Unit Owner), or the Home shall be demolished and the Lot cleared and graded to a clean and level surface, and in all events the Unit Owner shall take all appropriate measures to secure the Lot and Improvements and to prevent the development of any unsafe condition or nuisance thereon.

ARTICLE VII - BUILDING AND USE RESTRICTIONS

7.01 Subdivision or Partition. Once a Lot has been conveyed by Declarant to a Unit Owner, such Lot may not be further subdivided or partitioned, directly or indirectly; provided that the foregoing shall not be deemed to prevent minor lot line changes between Lots which are approved by the Township and which are for the purpose of correcting or eliminating encroachments. The Declarant may, in its sole discretion relocate boundaries between Lots owned by the Declarant, and between the Declarant's Lots and the Open Space, provided that the approval of the Township has been obtained. In no event shall any relocation or change of boundary lines result in an increase in the number of Lots.

7.02 Residential Use. The Lots and Homes shall be used only for residential purposes; provided that home occupations are allowed if they (i) are permitted by applicable laws and ordinances, (ii) are incidental and/or accessory to the primary and principal residential use of the Home, (iii) do not unreasonably interfere with the use and enjoyment of other Units, and (iv)

comply with any Regulations adopted by the Board. No such home occupation shall entail parking for employees or visitors, or delivery by trucks or other commercial vehicles other than ordinary parcel delivery vehicles (e.g., UPS trucks).

7.03 Leasing. A Unit Owner may lease his Unit (but only his entire Unit) at any time and from time to time subject to the terms and conditions of this Section 7.03, which limitations and conditions shall only apply to Units owned by Unit Owners other than the Declarant. Each lease shall be in writing, and shall be for an initial term of no less than six (6) months, unless the tenant has entered into a written agreement to purchase the Unit, in which event such lease may be for a shorter period of time, ending on the scheduled date of settlement on the conveyance of the Unit. A true copy of each lease shall be delivered to the Association, and the Unit Owner and tenant shall supply to the Association such information concerning the tenant including his or her name and contact information, and number of occupants of the Unit, as well as identification of the Unit Owner's vehicles, as the Association may reasonably request from time to time. Whether or not so stated in any lease, all tenants and occupants of a Unit shall be bound by this Declaration and the Regulations, and the Association shall be entitled to enforce the provisions hereof and thereof against such persons directly, provided further that the Unit Owner leasing such Unit shall at all times be responsible to ensure that the tenants and occupants of his or her Unit comply with this Declaration and the Regulations. The Association shall have the right to require that the Unit Owner take all necessary steps to terminate such lease and evict such tenant(s) within thirty (30) days after written notice from the Association as a result of violations by the lessee (or his family, guests or invitees) of this Declaration or the Regulations which continue or recur after written notice thereof is given by the Association to the Unit Owner or the lessee.

7.04 Above-Ground Utilities. No Unit Owner or occupant shall erect or maintain an antenna or satellite reception device greater than one meter in diameter on any Unit, except as may be protected by law. To the extent permitted by law, the location and placement of permitted devices shall be subject to review and approval under this Article VII. Such devices shall be placed, to the extent feasible, at locations which will minimize the visual impact thereof on other Units, and shall be reasonably screened.

7.05 Animals. No Lot shall be used for stabling, housing, raising, breeding, boarding or keeping of horses, cattle, hogs, goats, sheep, fowl, birds or other animals or livestock of any nature for personal or commercial purposes, except for a reasonable number of personal domestic household pets, such as dogs and cats. The Board may adopt reasonable Regulations limiting the number of household pets that may be kept on any Lot or Home. No Unit Owner, occupant, tenant or sub-tenant of any Lot shall permit or allow any pets to run loose on or about any other Lot or the Common Elements. Each Owner, tenant or other occupant of a Lot shall be responsible for immediately collecting, removing and properly disposing of any and all animal waste left by his or her pets on or about the streets, walkways, driveways or Common Elements. All pets shall be kept inside the Home, except when being walked or exercised outside, on a leash and in the company of the owner or his or her designee.

7.06 Pools. No swimming pools shall be constructed or shall be permitted on any Lot.

7.07 Outdoor Storage; Vehicles. Outdoor storage of appliances, lumber, wood or building materials or other materials or objects shall not be permitted except during the construction of a Home or other permitted Improvement. No camper, travel trailer or mobile home, recreational vehicle, all terrain vehicle, boat, boat trailer, or other trailer, nor any unlicensed motor vehicle shall be kept or stored outside on any Lot or on or along the streets within the Community except for

reasonable periods of time when the same is in use. Outdoor storage or parking of tractors, equipment or commercial vehicles on or about a Lot is prohibited, except for motor vehicles used by occupants of a Home in the course of his or her business which are passenger vehicles, sport/utility style vehicles, pickup trucks and/or vans, subject to such Regulations as the Board may adopt. Garages shall not be used for storage of personal property to an extent that they cannot be used for parking of motor vehicles and may not be converted to living space.

7.08 Storage of Debris, Etc. No storage, depositing, dumping, burial, burning or abandonment of any solid waste, debris, trash or refuse of any nature shall be permitted, except for trash or refuse placed outdoors (not more than twenty-four (24) hours in advance) for trash collection purposes, in which case such trash or refuse shall be kept in enclosed containers or approved recycling bins or containers. Trash receptacles shall be removed and placed indoors promptly after the contents thereof have been collected.

7.09 Out Buildings. No outbuildings or storage sheds may be constructed on any Lot unless such Improvements are approved pursuant to this Article VII and/or comply with any Regulations relating thereto promulgated by the Board.

7.10 Fencing. Fencing on a Lot (including decorative "accent fencing") shall satisfy all of the following requirements:

(a) fencing shall not exceed four (4) feet in height.

(b) fencing shall be constructed of wood post and rail or split rail or such other construction as may be approved pursuant to this Article VII. Wood post and rail or split rail fencing may incorporate wire, vinyl or other mesh between the rails, as long as such mesh is black or dark hunter green in color.

(c) fencing shall not interfere with or impair any easement created or reserved pursuant to this Declaration or the Development Plans.

(d) fencing may only be located within and/or enclose the backyard of the Lot, and no part of such fence may be located in the front yard of the Home or closer to the road or street toward which the front of the Home faces than the two rear corners of the Home.

(e) The plans for such fencing shall have first been submitted to and approved pursuant to this Article VII.

7.11 Changes to Improvements. No new Improvement and no Alteration shall be constructed on a Lot unless:

(a) The exterior materials and colors to be used in connection therewith are consistent and harmonious with the exterior materials and colors used in connection with the original construction of the Home on such Lot and on other Lots, or are otherwise approved pursuant to this Article VII, and

(b) The plans, specifications and elevations therefore have been approved pursuant to the procedures set forth in this Article VII.

If any Home is partially or entirely destroyed by fire, storm or other casualty and is partially or completely reconstructed following such damage or destruction, it shall be constructed or

reconstructed utilizing the same exterior materials and colors as were used in the original construction, unless otherwise approved. Any new Home to be constructed to replace a Home that has been damaged, destroyed or razed shall be substantially the same architectural style, size and design as the Home it is replacing unless otherwise approved by the Board.

7.12 Appearance; Nuisances; Maintenance. No part of any Home or Lot shall be used in whole or in part for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye. No noxious or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to interfere with the quiet enjoyment of other Lots or Homes. Each Owner shall be responsible for maintaining the lawn, shrubbery, landscaping and trees on his Lot in a neat condition and shall also conduct all necessary maintenance, repairs and replacements to the exterior of his Home. Each Owner shall refrain from any activity, including unreasonable noise or other disturbance that interferes with the quiet and peaceful enjoyment of other Owners and other residents of the Township.

7.13 Use of Common Elements. The Common Elements (other than the Limited Common Elements) shall be for the common use and enjoyment of the Unit Owners. However, neither the Unit Owners nor their family, guests or others shall have the right to use the Common Elements except as permitted by this Declaration and by Regulations adopted by the Board from time to time. No Person (other than as authorized by the Association) shall place, construct, erect, deposit or store any structure, improvement, refuse, rubbish, or other property of any kind on any Common Elements. No construction, improvement, modification, maintenance, alteration or similar activities with respect to the Common Elements shall be undertaken except by or under the direction of the Declarant or the Association.

7.14 Signs; Mail Boxes. No signs shall be placed on the exterior of a Home or on a Lot, except (i) reasonable "for sale" or "for rent" signs after the Declarant Control Period ends, and (ii) one (1) small sign affixed to the exterior of a Home (complying with such Regulations as the Association may adopt) stating the Unit Owner's name, house number and/or street address. Mailboxes shall comply with such Regulations as may from time to time be promulgated by the Board and regulations of the United States Postal Service.

7.15 Outside Ornaments and Decorations. No Unit Owner shall place or maintain on or about his or her Unit or affix to the exterior of any Improvement any lawn ornaments or other decorations (including, but not limited to, likenesses of animals or birds, lawn balls, bird baths, statues or fountains) unless such proposed ornament or decoration is approved pursuant to this Article VII or permitted by the Regulations. The preceding shall not be deemed to prohibit or require prior approval of temporary placement and use of reasonable seasonal and holiday decorations, ornaments and lighting, subject to such limitations as the Board may prescribe by Regulations.

7.16 Recreational Equipment. Swing sets, sandboxes and other recreational equipment are permitted in backyards. The proposed location, materials and color schemes of such improvements shall be subject to prior review and approval pursuant to this Article VII.

7.17 Outdoor Lighting. Unit Owners must maintain the operation of the post light on each lot with like kind fixtures, bulbs and dusk to dawn sensors as noted on the approved plans. No floodlights, halogen or mercury vapor lights are permitted on the exterior of any building without the express written consent of the Board. Floodlights may not be directed upon or otherwise impact neighboring Lots or Homes.

7.18 Architectural Approval; Procedures; Regulations and Policies.

(a) When any provision of this Declaration requires approval of any Alteration or Improvement, the Owner shall submit to the Approval Party (hereinafter defined) plans, specifications, elevations, material and color descriptions and a narrative description of the proposed Alteration (as appropriate under the circumstances), all in sufficient detail to depict and describe the style, size, height and proposed location of the proposed Improvement or Alteration, and the exterior materials and colors to be used in connection therewith (including roofing materials). All plans and other materials submitted in connection with any request for approval may be retained by the Approval Party whether or not the proposed Alteration or Improvement is approved.

(b) The Declarant shall have the exclusive right of approval of any Alterations or Improvements for which approval is required pursuant to this Declaration or pursuant to any Regulations until the last Lot owned by the Declarant has been sold. Thereafter (or at such earlier time as the Declarant may relinquish in writing its rights as the Approval Party hereunder), the Board shall have the exclusive authority to exercise the rights and power of approval under this Article VII, provided that the Board shall have the power to delegate all or any part of its review and approval responsibilities under this Article VII to a committee, in the manner specified or provided for in the Bylaws. For purposes hereof, the term "Approval Party" shall mean the Declarant, the Board or a committee established by the Board, as applicable, which is then exercising the review and approval functions provided for in this Article VII.

(c) The Approval Party shall have the discretion to disapprove any proposed Alterations which it determines are undesirable based upon the nature, size, style and colors of other Homes and Improvements located (or planned for construction) within the Property, the proximity of the proposed Alteration to neighboring Homes and the general architectural and aesthetic compatibility of the proposed Alteration with other similar Improvements constructed or planned for construction on other Lots. The Approval Party may also consider the visual impact that such proposed Alterations may have on the Owners or occupants of neighboring or nearby Homes within the Property.

(d) The Owner or occupant of any Lot proposing any Alteration shall endeavor to maximize the aesthetic appeal thereof and minimize the negative visual impact thereof from Homes on adjacent or nearby Lots within the Property, and shall endeavor to minimize the cutting and removal of trees and the disturbance of other natural features of the Lot.

(e) The Approval Party shall render its decision in writing within thirty (30) days after receipt of the applicant's request for approval accompanied by all plans, specifications and other materials required to be submitted hereunder. If additional information regarding the proposal is requested by the Approval Party, the aforesaid thirty (30) day period shall be extended for the period of time between the date of such request for additional information and the date such additional information is submitted by the applicant. If the proposed Alteration is not approved, the reasons for disapproval shall be set forth in the written decision. If a written decision is not rendered within the aforesaid thirty (30) day period (as the same may be extended as aforesaid), the Unit Owner requesting such approval may submit a written demand to the Approval Party to make a decision (a "Second Request"), and if the Approval Party fails to render its written decision within thirty (30) days after its receipt of the Second Request, then the proposed Improvement shall be deemed to have been approved as submitted, but no change to the plans or specifications submitted may be made without submission of such changes for approval in accordance with the procedures set forth herein. EACH REQUEST FOR APPROVAL OF AN ALTERATION,

TOGETHER WITH ANY PLANS AND SUPPORTING DOCUMENTATION, SHALL BE SUBMITTED IN WRITING, BY PERSONAL DELIVERY, OR BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY REPUTABLE COURIER SERVICE. REQUESTS SUBMITTED ELECTRONICALLY SHALL NOT BE CONSIDERED TO HAVE BEEN DELIVERED UNLESS EXPRESSLY ACKNOWLEDGED IN WRITING AS RECEIVED BY AN AUTHORIZED REPRESENTATIVE OF THE ASSOCIATION. The disapproval of a proposed Improvement shall be without prejudice to the right of the Owner to resubmit an application for approval in which the reasons for disapproval have been addressed by the applicant. Approval may be granted subject to conditions specified in the written decision granting the approval, in which event the proposed Alteration shall be deemed to have been approved subject to compliance with such conditions.

(f) In rendering its decision with regard to a proposed Alteration, the Approval Party shall have the power to interpret this Declaration and any Regulations relating to architectural and aesthetic standards, and to grant reasonable variances from specific requirements of this Declaration or the Regulations if, in the Approval Party's opinion (i) the particular requirement to be varied poses unreasonable hardship on the applicant as a result of the peculiar features of the applicant's Lot or Home or other existing features on the Lot, (ii) the particular requirement to be varied would not render the proposed Alteration aesthetically incompatible or inconsistent with other existing structures on the applicant's Lot or existing structures on neighboring or nearby Lots, and/or (iii) the particular requirement, as applied to the particular proposed Alteration, is impractical or would increase the cost of the proposed Alteration by an unreasonable amount when compared to the benefit to the Community of literal enforcement of the applicable restriction. The granting of such variances shall be within the sole and absolute discretion of the Approval Party, and no variance granted in any one instance shall create any obligation on the Approval Party to grant a variance in any other instance, whether similar or dissimilar. Such variances may be granted subject to such conditions as the Approval Party may require in its sole discretion. The Approval Party's decision to grant any such variance, and the conditions thereof, shall be binding and conclusive on all parties in interest.

(g) The Association and the Approval Party shall keep records of all Alterations approved and disapproved hereunder, and decisions rendered in connection therewith, for a period of not less than five (5) years after the particular approval or disapproval was rendered. The Association and/or the Approval Party shall have the power (but not the obligation) to inspect any Alteration in the course of or upon construction thereof to ensure that such Alteration is being constructed and has been completed in accordance with the approval granted therefore. If an Alteration has been constructed in a manner that deviates from the plans and specifications as approved, the Association or the Approval Party shall have the power to compel compliance with the terms of approval by any legal means including a suit in equity to require that the Alteration, as constructed be modified or removed in order to comply with the terms on which approval thereof was granted.

(h) In connection with and in order to facilitate the administration of this Article VII, the Approval Party may: (i) promulgate Regulations that establish procedures to be followed with respect to matters requiring approval under this Article VII; (ii) establish and charge reasonable fees for review of proposed Alterations, subject to any limitations thereon set forth in the Act; (iii) promulgate Regulations and/or architectural standards or policies that are intended as requirements or guidelines for particular types of Improvements or Alterations; (iv) promulgate standards for particular types of Alterations or Improvements which, if met, will not require prior approval by the Approval Party; and/or (v) establish modified and/or informal procedures for the review and approval of certain types of Improvements or Alterations with respect to which the

Approval Party determines that strict adherence to the procedures and requirements of this Article VII is unnecessary to protect the interests of the Association and the Unit Owners.

Any Regulations or policies promulgated pursuant to the authority set forth in this Section that are intended to be effective prior to the date on which the Declarant has sold the last Lot owned by the Declarant shall be subject to the Declarant's prior review and approval.

(i) Neither the Declarant, the Association, the Board (or any committee thereof) nor any director, officer, employee, agent or representative thereof shall be liable, in damages or otherwise, to anyone in for approval or disapproval of any plan or proposal for the construction, reconstruction, alteration, modification or addition of any Improvement, or for the consequences of such approval or disapproval. The establishment of a mechanism for the approval of plans and specifications for certain Alterations and Improvements is for the limited purpose of protecting aesthetic standards for the benefit of the Unit Owners and Declarant, and is not for the purpose of protecting the health or safety of Unit Owners or others. Accordingly, neither the Declarant nor the Association, nor any of their directors, officers, representatives or agents thereof, are responsible for determining the safety or structural soundness of any Improvement or its compliance with applicable laws, regulations, ordinances or building codes.

7.19 Compliance with Zoning, Etc. Neither the Declarant, the Association, the Board nor any officer, director, employee, agent or representative thereof shall be responsible for determining if a proposed Alteration complies with applicable zoning, building, health, safety or other laws or ordinances. Each Lot Owner constructing any improvement or Alteration shall obtain (at his sole cost) all necessary governmental approvals and permits before commencing the Alteration or Improvement and shall deliver copies thereof to the Association upon request. Any Improvement or thing permitted by this Declaration (or by approval of the Board) shall be subject to and limited by applicable zoning ordinances and other land use laws, ordinances and regulations.

7.20 Certain Declarant Rights. Notwithstanding any provision hereof to the contrary, while Declarant owns any Lots, Declarant shall be entitled to maintain one (1) or more model homes, sales offices and construction offices (including mobile offices) and to maintain on Lots owned by the Declarant and on Walton Lane or on the Common Elements, such construction equipment, vehicles, lumber and building materials as are necessary from time to time in connection with the development of the Property, the construction of Homes and the Common Elements. Unless otherwise expressly provided in this Article VII, the restrictions and obligations set forth in this Article VII apply only to Unit Owners other than the Declarant. Homes and other Improvements constructed by the Declarant or any affiliate thereof or any builder(s) designated by the Declarant are not be subject to the restrictions or review or approval provisions in this Article VII. Declarant reserves the right to change, from time to time, the style, models, configuration, elevations, pricing and other features of the Homes that the Declarant or its affiliates or designated builders may build on the Lots, without notice and without approval by the Association or the Unit Owners.

7.21 Additional Regulations. The Board may promulgate reasonable additional Regulations and policies governing the use and enjoyment of the Community, including Regulations regarding activities on or about the Units, for the safety of the Unit Owners.

ARTICLE VIII - EASEMENTS; SPECIAL DECLARANT RIGHTS

8.01 Easement to Construct and to Dedicate Improvements. Declarant hereby reserves for itself, its successors and assigns, and the Association, the following easements, rights and privileges, in addition to those rights and easements provided for in the Act:

(a) All easements, whether general or specific, shown on the Plans;

(b) An easement over, under, through and across the Property for the construction, installation, repair, inspection, alteration, maintenance and use of utilities and utility facilities including, without limitation, electrical, telephone, cable television, water, sewer, and similar facilities;

(c) The right to grant easements through, over, across and under the Property and all parts thereof to public or private entities for utility services and facilities (including electric, telephone, cable television, public water, sanitary sewer, storm sewer, natural gas or other utility services);

(d) The right to alter the location of any easements shown on the Plans in a manner which will reflect the actual "as-built" location of any Common Elements or utility facilities constructed thereon, and to amend this Declaration and/or the Plans and/or record one or more separate easement agreements setting forth metes and bounds descriptions of such easement areas; and

(e) The right to dedicate or offer for dedication to the Township or other appropriate municipal or quasi-governmental entity (i) Open Space 3 shown on the Development Plans, (ii) all roads and road right-of-ways with respect to roads constructed within the Property pursuant to the Plan, (iii) all drainage easements and other easements necessary or appropriate to provide access to and from any Stormwater Management Facilities or other Common Elements, and (iv) any other facilities or easements required or that may be required to be dedicated or offered for dedication to the public.

8.02 General Easements. The Declarant and the Association shall each have the authority to grant to third parties additional utility easements that are deemed reasonable by the Declarant or the Board to supply utility services to the Units or the Common Elements. Declarant, while it owns any of the Property shall have the right and authority to grant, and the Association shall be obligated to consent and join in, such additional utility, access, drainage, and other easements in favor of adjacent properties owned by the Declarant or its affiliated entities subject to such cost sharing, usage and restoration obligations as Declarant deems reasonable.

8.03 Easement for Inspection and Abatement. The Declarant and the Association (and their respective representatives and agents) shall have the right and easement to have access to each Lot as may be necessary in order to inspect, maintain, repair or replace any Common Elements therein or accessible therefrom, or to inspect for or abate any violation of this Declaration or the Regulations of the Association.

8.04 Easement of Access and Use of Street. Each Unit Owner shall have an easement of use, access, ingress, egress and regress, in common with all other Unit Owners and the Declarant, and others claiming under them, over undedicated street within the Community for the purpose of providing vehicular and pedestrian access to and from the Unit Owners' respective Lots. Such easements shall also be for the benefit of tenants and occupants of the Homes, and the family members, guests and permittees of such Unit Owners, tenants and occupants.

8.05 No Obstruction. No Unit Owner shall conduct any activities on or about his Lot or the Common Elements, or construct or place on his Lot any building, structure, trees or other obstruction which may interfere with or obstruct the Declarant's, the Association's or any other persons' right of use or enjoyment of the Common Elements or any of the easements created, granted or reserved herein or on the Plan, or any other easement affecting the Property or any part thereof. No trees shall be planted on or within any sanitary or storm sewer easements shown on the Plans or created subsequent to the recording hereof.

8.06 Easement for Encroachments. If any part of the Common Elements now or hereafter encroaches on any Lot, or if any Lot or Home or improvement thereon hereafter encroaches upon any Common Elements (other than as a result of the intentional or negligent act or omission of a Unit Owner other than the Declarant), a valid easement appurtenant for such encroachment shall exist.

8.07 Reservation of Special Declarant Rights. Declarant hereby reserves for itself, and any successor Declarant, the following rights:

(a) The right to maintain and relocate, from time to time, one (1) or more construction offices and/or sales offices on Lots owned by the Declarant;

(b) The right to maintain signs on Lots owned by the Declarant and on the Common Elements advertising Lots owned by the Declarant for sale or lease, and such other signs, including directional, promotional and informational signs, as the Declarant, its contractors or agents may desire to place on its Lots or on the Common Elements in connection with the marketing and/or sale of Lots and the construction of Homes and other improvements on the Property;

(c) The right to maintain, locate and relocate offices and models used in connection with the management of and sale or rental of Lots and Homes owned by the Declarant on Lots owned by the Declarant;

(d) The right and easement to complete all improvements, Common Elements and Homes planned for construction within the Property;

(e) Subject to approval of the Township, the right to relocate boundaries between Lots owned by the Declarant, and between the Declarant's Lots and the Open Space, together with the right to prepare, execute and record such amendments to this Declaration and the Plans as may be necessary to show the altered boundaries, to the fullest extent permitted by Section 5214 of the Act;

(f) The right to use and enjoy any and all easements through the Common Elements for the purpose of constructing, maintaining and/or repairing any improvements within the Property.

(g) The right to appoint, remove and replace officers and Directors of the Association during the Declarant Control Period, to the fullest extent permitted hereunder and by the Act;

(h) The right to convey or cause to be conveyed to the Association, as Common Facilities, the interior roads to be constructed within the Community in the event that the Township or applicable municipal body fails or refuses to accept dedication thereof, as elsewhere provided for herein, and the similar right to convey or cause to be conveyed to the Association, as

Common Elements, any other improvements intended to be dedicated to applicable municipal authorities or public utilities if the same fail or refuse to accept dedication of such facilities; and

(i) The right to transfer, in the manner set forth in the Act, any or all of the Special Declarant Rights reserved unto the Declarant herein.

ARTICLE IX – PROVISIONS BENEFITTING ELIGIBLE MORTGAGEES

9.01 Notice of Certain Events and Actions. Each Eligible Mortgagee shall have the right to timely written notice from the Association of:

(a) Any condemnation or casualty loss that affects either a material part of the Community or the Unit secured by a mortgage held by such Eligible Mortgagee;

(b) Any delinquency of more than sixty (60) days and the payment of assessments or charges owed by the Unit Owner of a Unit on which it holds an Eligible Mortgage;

(c) A lapse, cancellation or material modification of any insurance policy maintained by the Association; and

(d) A proposed action that requires the consent of Eligible Mortgagees or a specified percentage thereof pursuant to the Bylaws or this Declaration.

9.02 Financial Statements. Any Eligible Mortgagee who submits a written request to receive annual financial statements of the Association shall have the right to receive copies of such annual financial statements from the Association. An Eligible Mortgagee shall have the right to audit the financial statements of the Association, upon reasonable prior notice, at its expense.

9.03 Approval of Amendments by Eligible Mortgagees.

(a) Material amendments to the Articles of Incorporation of the Association, the Declaration or the Bylaws shall require the approval (or deemed approval) of Eligible Mortgagees representing at least fifty-one percent (51%) of the votes allocated to Units that are subject to Eligible Mortgages.

(b) For purposes of Section 9.03(a) above, a "material amendment" shall mean an amendment to the Declaration or Bylaws that would (i) change the manner in which votes are allocated among the Units;(ii) change the priority of liens for assessments;(iii) change the responsibility for maintenance and repairs;(iv) reallocate rights to the use of Common Elements except as otherwise expressly provided herein;(v) a material change in the description of Unit boundaries that affects the Unit upon which such Eligible Mortgagee holds a mortgage; (vi) expand or contract the Community or add to or withdraw real estate to or from the Community except as provided herein; (vii) change the requirements for insurance maintained by the Association; (viii) impose any additional restrictions on leasing of Units; (ix) impose any additional restrictions on a Unit Owner's right to sell, transfer or encumber his or her Unit; (xi) change any provision expressly benefiting Eligible Mortgagees.

9.04 Eligible Mortgagee's Approval of Certain Decisions. The following decisions of the Board of Directors and/or the Unit Owners shall be subject to the approval of Eligible

Mortgagees representing at least fifty-one percent (51%) of the votes allocated to Units that are subject to Eligible Mortgages:

(a) A decision by the Association to establish self-management if professional management was previously required by the Community Documents or Eligible Mortgagees;

(b) A decision to restore or repair the Units or the Common Elements after damage or partial condemnation in a manner other than that specified in the Community Documents;

(c) A decision by the Board to increase Common Expense Assessments to an amount that would increase the previous Common Expense Assessment by more than twenty-five percent (25%), or a decision by the Board to reduce reserves for maintenance, repair and replacement of Common Elements; and

(d) A decision to terminate the legal status of the Community after substantial destruction or condemnation occurs.

(e) A decision to terminate the Community for reasons other than substantial destruction or condemnation, which shall require the approval of Eligible Mortgagees representing at least sixty-seven percent (67%) of the votes allocated to Units subject to Eligible Mortgages.

9.05 Deemed Approval. Any Eligible Mortgagee to whom notice of any proposed amendment of the Community Documents or decision as described in Sections 9.03 and 9.04 above shall be deemed to have approved such amendment or action if notice thereof has been given to the Eligible Mortgagee at the address set forth in the last notice received from the Eligible Mortgagee, by certified or registered mail, return receipt requested, and such Eligible Mortgagee fails to respond within thirty (30) days after its receipt of such notice as indicated on the return receipt.

9.06 Limitation on Approval Rights. Nothing herein shall be construed to create any right of approval or disapproval on the part of Eligible Mortgagees as a condition of Declarant's exercise of any Special Declarant Rights expressly reserved by the Declarant in the Declaration, all of which rights may be exercised by the Declarant without giving notice to or receiving the approval of Eligible Mortgagees.

ARTICLE X - COMPLIANCE AND ENFORCEMENT

10.01 Compliance and Breach. The Board shall have the authority to exercise any and all remedies provided in this Declaration, or as otherwise may be provided by law, to enforce compliance with or remedy any violation of the Community Documents, including the right to bring a suit at law or in equity to compel compliance therewith, to restrain or abate any violation thereof or to recover damages for such violation. The Association has the right to recover the reasonable costs of enforcement, including attorneys' fees, from any Unit Owner or other person violating the Community Documents.

10.02 Enforcement by Unit Owners; Procedures.

(a) Except as provided in Section 9.01 hereof, the Association shall have the sole and exclusive right and authority to enforce the covenants in this Declaration relating to the payment of Assessments by Unit Owners.

(b) If the Declarant, the Board (or the architectural review committee, as the case may be), approves any Alteration or Improvement under Article VII hereof, such approval shall be final, binding and conclusive on all Unit Owners, and no Unit Owner shall have the right to bring any action at law or in equity to contest or appeal such approval or to compel the removal, modification or alteration of any Alteration or Improvement that complies with such approval.

(c) No Unit Owner shall have the right to bring any action at law or in equity to enforce any of the other terms, covenants, restrictions or provisions of this Declaration, or of the Bylaws or the Rules and Regulations, unless such Unit Owner shall have first complied with the procedures in Section 10.03 hereof, provided that nothing herein shall prevent a Lot Owner from commencing an action by the filing of a Writ of Summons or otherwise if necessary in order to toll a statute of limitations that may soon expire, pending compliance with the grievance procedure set forth in Section 10.03 hereof.

10.03 Grievance Procedure.

(a) If any Unit Owner alleges that one or more other Unit Owners or occupants of any Home has violated or is violating any provision of the Community Documents, before commencing any action or suit relating thereto such Unit Owner shall first give written notice thereof to the Board and the affected Unit Owner(s) specifying with reasonable particularity the name and address of the alleged violator and the nature of the activities constituting such violation.

(b) Within forty-five (45) days after the receipt of such notice, the Board, or a Committee of the Board, shall hold a hearing with respect to such complaint. Notice of the time, date and place of such hearing shall be given to the complainant and the person or persons against whom such complaint is made. Within fifteen (15) days after the date of such hearing, the Board or a Committee thereof, as the case may be, shall render a decision as to whether or not the actions complained of constituted a violation of the Community Documents and, if a violation has been determined to exist, a determination of what, if any, relief or remedies the Board deems appropriate under the circumstances. The Board may promulgate Regulations relating to the procedure to be followed in cases where a Unit Owner complains of the acts or omissions of other Unit Owners or occupants, and to govern procedures that shall apply at any hearing or hearings. If deemed necessary by the Board, any hearing with respect to an alleged violation of the Community Documents may be continued from time to time until the Board of Directors has obtained all information and/or testimony necessary in order to render its decision.

(c) In all hearings before the Board or any Committee thereof, all parties thereto shall be entitled to be represented by legal counsel, at their expense.

(d) In connection with any suit at law or in equity by one or more Unit Owners against one or more other Unit Owner(s) or occupants of any Unit alleging any violation hereof, the Association shall have right to intervene in such proceedings if deemed to be in the best interests of the Association, including without limitation any proceeding calling into question the validity, enforceability or interpretation of any provisions of the Community Documents.

10.04 Remedies Cumulative; No Waiver. All rights and remedies provided for herein, or as otherwise may be available at law or in equity, shall be cumulative and may be

pursued individually, together, at one time or from time to time, as the Board of the Association deems appropriate in its sole discretion. No waiver of and no delay or forbearance in the enforcement of any provisions of the Community Documents shall constitute a waiver of the right to do so. Neither the Association nor any Unit Owner shall be deemed to have waived any right of enforcement or any breach or default of the provisions of this Declaration on the part of any Unit Owner or occupant unless such waiver shall be in writing, and then only to the extent expressly set forth in such waiver.

10.05 Township's Right to Enforce. The Township shall have the right, but not the obligation, to enforce the provisions of this Declaration, requiring the Association to maintain the Common Elements. The Township shall have the right (but not the obligation) to compel the maintenance of the Common Elements in the event that the Association fails to do so, provided that the Township shall give notice to the Association of such failure and provide the Association with a reasonable opportunity to cure such failure (not less than 30 days). The Township may enforce the obligations of the Association or its Members by an action in law or equity, or by other proceedings authorized by the Pennsylvania Municipalities Planning Code or applicable and lawful Township ordinances. The Township shall have the right to enter upon the Open Space, and if applicable any Lot, if necessary in order to remedy the Association's failure to perform its obligations under this Declaration. The cost of such maintenance and enforcement proceedings by the Township, together with interest, penalties, costs and reasonable attorneys' fees, shall be assessed ratably against the Lots that have a right of enjoyment of the Common Elements affected thereby, and shall become a lien on such Lots from the time such lien may be filed by the Township. If a lien is placed by the Township against Lots because of the failure of the Declarant, the Association or any successor organization to maintain the Common Elements in reasonable order and condition as provided herein, the Township shall release its lien as to the affected Lot upon payment of the amount due which was ratably assessed to that Lot, based upon the applicable Common Expense Liability allocated to that Lot. This provision may not be amended without the prior consent of the Township.

ARTICLE XI - MISCELLANEOUS

11.01 Assignment of Declarant's Rights and Obligations. Declarant has the right to assign its rights, privileges and obligations hereunder to a successor by a written instrument executed by the Declarant and such successor in compliance with the Act.

11.02 Amendment. Subject to the other provisions of this Declaration and the Act, this Declaration may be amended in the following manner:

(a) Any amendment to this Declaration may be proposed by the Declarant, the Board or by Unit Owners entitled to cast at least twenty percent (20%) of the votes which all Unit Owners are entitled to cast with respect to the Association. The manner of proposing amendments to this Declaration and giving notice to Unit Owners thereof shall be the same as the procedure set forth in the Bylaws for amending the Bylaws.

(b) This Declaration may be amended only with the affirmative vote or written consent of at Unit Owners entitled to cast sixty-seven percent (67%) of the votes which all Unit Owners are entitled to cast, except as provided in the other subsections hereof and except as otherwise permitted by the Act.

(c) The Declaration can be amended by the Declarant without the approval of the Unit Owners in any manner or for any purpose set forth in Section 5219(a)(3) of the Act, to the extent applicable to this Declaration and the Association.

(d) No amendment to this Declaration shall make any change that would in any way alter, modify or affect any of the rights, easements or privileges of the Declarant, including Special Declarant Rights, without the written consent of the Declarant.

(e) Each amendment to the Declaration shall be executed by or on behalf of the Association or the Declarant, as the case may be, in the manner provided in the Act, and shall be effective upon recording.

11.03 Severability. If any provision of this Declaration is determined by a court to be invalid or unenforceable, such provision shall be deemed stricken therefrom and shall not affect the validity or enforceability of the remaining provisions of this Declaration. If any provision of this Declaration is unenforceable or invalid as written, but may be reasonably reformed to make the same valid and enforceable and carry out the reasonable intent of the Declarant as specified herein, it is the intent of the Declarant that any court interpreting such provision shall, to the extent permitted by law, reform the same so as to make the same valid and enforceable in order to most closely effectuate the reasonable intent of the Declarant expressed therein.

11.04 Governing Law. This Declaration and all substantive rights, obligations and liabilities of the Declarant, the Association and the Unit Owners shall be governed by Pennsylvania law.

11.05 Number and Gender. Wherever any provision of this Declaration refers to the singular, such provision shall be deemed to include the plural whenever necessary or appropriate to give effect to such provisions, and the use of any gender shall be deemed to include any other gender.

11.06 Covenants, Restrictions and Easements Running with the Land. This Declaration, and all covenants, restrictions and easements set forth herein, shall run with the Land, in perpetuity, whether or not any deed conveying the Property or any Lot shall expressly refer to this Declaration; and all such covenants, restrictions and easements, shall, except as otherwise expressly provided herein, shall be binding on and shall benefit the Declarant, the Association and all Unit Owners, and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the Declarant has executed this Declaration the date set forth above.

DECLARANT:

By: _____

EXHIBIT "A"

LEGAL DESCRIPTION

[to be attached before recording]

EXHIBIT "B"

LIST OF TITLE EXCEPTIONS

EXHIBIT "C"

PLATS/PLANS

[to be attached before recording]

MORTGAGEE JOINDER

The undersigned ("Mortgagee") is the holder of one or more mortgages executed by the Declarant and encumbering the real property subject to the Declaration of Covenants, Restrictions and Easements ("Declaration") to which this is attached, recorded or about to be recorded in the office of the Recorder of Deeds in and for Delaware County, Pennsylvania (as heretofore or hereafter amended, collectively the "Mortgage"), and Mortgagee is or may also be the holder of certain other documents and instruments securing the indebtedness to Mortgagee that is secured by the Mortgage including, but not limited to, one or more UCC-1 Financing Statements, assignments of leases and other security documents (together with the Mortgage, herein collectively called the "Security Documents"). By executing this consent, Mortgagee hereby (i) consents to the execution and recording of the Declaration, and (ii) agrees that Mortgagee's interest in the property subject to the Declaration is subordinate to the easement rights created thereunder, and (iii) in the event of any foreclosure of the Mortgage or any other action to enforce the Security Documents, any sale of such property at foreclosure or other sale, or the acceptance of any deed or other conveyance in lieu of foreclosure, shall be under and subject to the easements and other rights described in the Declaration, and no such foreclosure or other enforcement action brought under any of the Security Documents shall discharge, alter, modify or affect the Declaration or result in the legal or equitable extinguishment of the same, and such Declaration shall survive any such foreclosure, deed in lieu of foreclosure or other action to enforce Mortgagee's rights under any of the Security Documents.

Intending to be legally bound, Mortgagee has executed this Mortgagee Consent this _____ day of _____, 20____.

[name of institution]

By: _____

