

DECLARATION OF COVENANTS, RESTRICTIONS  
AND EASEMENTS  
FOR  
THE CARRIAGE HOMES AT APPLEBROOK

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DECLARATION OF COVENANTS, RESTRICTIONS  
AND EASEMENTS  
FOR  
"THE CARRIAGE HOMES AT APPLEBROOK"  
A PLANNED COMMUNITY

THIS Declaration of Covenants, Restrictions and Easements for The Carriage Homes at Applebrook, a planned community, is made this 7<sup>th</sup> day of September, 2000, by POHLIG AT APPLEBROOK, L.P., a Pennsylvania limited partnership (the "Declarant") and APPLEBROOK ASSOCIATES, INC., a Pennsylvania corporation ("Titleholder").

BACKGROUND

Declarant is the developer and equitable owner, and Titleholder is the owner of record, of the land described on Exhibit "A" attached hereto and made a part hereof, situate in East Goshen Township, Chester County, Pennsylvania (the "Land") which Declarant intends to develop as shown on the Plats (hereinafter defined) as a residential planned community known as "The Carriage Homes at Applebrook". Declarant and Titleholder are recording this Declaration to establish a planned community with respect to the Land and all 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 and Titleholder hereby declare and covenant, for themselves and their 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 Units (hereinafter defined), and all buildings and other improvements now or hereafter constructed thereon, as follows:

ARTICLE I - DEFINITIONS; CONSTRUCTION

1.01 Act Definitions. Any capitalized terms used herein that are defined in the Act shall have the meanings ascribed to them in the Act. Terms used herein that are defined in the Act and separately 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) "Assessments" - amounts levied or assessed by the Association against the Units 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 Common Expenses, including Assessments for General Common Expenses, Limited Common Expenses, Special Assessments and amounts assessed against any Unit or Unit Owner as a special allocation of Common Expenses pursuant to the Act or as a Limited Direct Charge.

(b) "Association" - means "The Carriage Homes at Applebrook Community Association", which will be organized as a Pennsylvania non-profit corporation before the first Unit is transferred to a Unit Owner other than a Declarant.

(c) "Board" - the board of directors of the Association, consisting of those individuals elected from time to time to serve as such pursuant to this Declaration, the By-laws and the Act.

(d) "By-laws" - the By-Laws of the Association, as amended from time to time. The By-laws shall bind the Association and all Unit Owners whether or not they are recorded.

(e) "Common Elements" - Common Facilities and/or Controlled Facilities, as the context requires.

(f) "Common Expense Liability" - the liability appurtenant to each Unit to pay the share of Common Expenses and Assessments therefor allocated to such Unit hereunder.

(g) "Common Expenses" - General Common Expenses or Limited Common Expenses, as the context requires.

(h) "Common Facilities" - all land, buildings and improvements now or hereafter within the Community which are owned by or leased to the Association, other than the Units and Homes, and any land or improvements dedicated or intended to be dedicated to the Township, any other public body or authority, or any utility company.

(i) "Community" - the planned community created hereby known as "The Carriage Homes at Applebrook", consisting of all Units and Common Elements now existing or hereafter created.

(j) "Controlled Facilities" - any land, buildings or improvements within the Community (whether or not part of a Unit) that are maintained, improved, repaired, replaced, regulated, managed, insured or controlled by the Association, other than the Common Facilities.

(k) "Community Documents" - means, collectively, this Declaration, the By-laws, the Plats and the Regulations, each as amended from time to time according to their respective terms and in compliance with the Act.

(l) "Completion Date" - the later of (i) the date of conveyance or lease by the Declarant of the last Unit the Declarant reserves the right to include in the Community, or (ii) seven (7) years from the date of this Declaration.

(m) "Convertible Real Estate" - means that part of the Land (and the buildings or other improvements now or hereafter erected thereon) identified as "Convertible Real Estate" on the Plats, within which the Declarant reserves the right to create additional Units, Limited Common Facilities and/or Limited Controlled Facilities, or any combination thereof, pursuant to Article VIII hereof and the Act.

(n) "Declarant" - the Declarant originally named herein and any successor to any Special Declarant Rights.

(o) "Declarant Control Period" - the period of time beginning on the first transfer of a Unit to a Unit Owner (other than a Declarant) and ending on the earliest of (i) seven (7) years after the date thereof, (ii) sixty (60) days after the conveyance of seventy-five percent (75%) of the Units to Unit Owners other than the Declarant, or (iii) two (2) years after the Declarant has ceased to offer Units for sale in the ordinary course of business.

(p) "Declaration" - this Declaration together with the Plats (each as amended from time to time).

(q) "Director" - an individual member of the Board.

(r) "Eligible Mortgage" - a mortgage recorded as a first mortgage lien on a Unit that is held by an Eligible Mortgagee.

(s) "Eligible Mortgagee" - any Bank, Savings and Loan Association, Savings Bank or other federally or state chartered financial institution that is the holder of a first mortgage lien encumbering a Unit, 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), but only if (and only after) the Association has received from such holder, guarantor or insurer written notice of its name and address and the address and description of the Unit against which it holds, insures or guarantees an Eligible Mortgage. With respect to each Unit (and with respect to any Eligible Mortgage), there shall be no more than one (1) Eligible Mortgagee. If written notice is given to the Association by more than one (1) entity that qualifies as an Eligible Mortgagee with respect to the same Unit, the Association shall be entitled to rely on the last notice received. If an Eligible Mortgage is assigned by an Eligible Mortgagee to another Person that qualifies as an Eligible Mortgagee hereunder, the Association shall not be bound to recognize the assignee as an Eligible Mortgagee unless and until the Association receives written notice of such assignment and written notice of the name and address of the assignee.

(t) "Garage Unit" - an auxiliary garage not attached to any Home now or hereafter constructed on the Property.

(u) "General Common Expenses" - the actual and estimated expenses incurred from time to time for the general benefit of the Association and all Unit Owners, including but not limited to (i) general overhead, administrative and operating expenses of the Association, (ii) taxes or other governmental charges levied or assessed against the Association or its property, (iii) premiums for insurance and bonds carried by the Association, (iv) the costs of maintaining, repairing, replacing, managing and insuring the Common Elements, except to the extent such costs are included in Limited Common Expenses or Limited Direct Charges, (v) allocations to operating and capital reserves, (vi) expenses of prosecuting or defending litigation or other proceedings by, against or affecting the Association, the Unit Owners, the Property or any of the Units which the Association may bring, defend or otherwise participate in pursuant to this Declaration, including without limitation the expenses of enforcing or attempting to enforce this Declaration and the Regulations, (vii) the fees or other compensation payable to any manager that may be engaged by the Association from time to time to assist the Association in managing, operating or administering the Association or the Common Elements, 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 and that are not budgeted or charged as Limited Common Expenses or Limited Direct Charges.

(v) "Golf Course" - means the golf club and golf course which is being developed by Titleholder to which the Community will be adjacent. Nothing in this Declaration shall be deemed to confer on the Declarant or any Member or Unit Owner any rights in the Golf Course.

(w) "Home" - means the attached carriage home dwellings to be constructed as part of the Units.

(x) "Limited Common Expenses" - expenses of insuring, maintaining, repairing and/or replacing the Limited Common Facilities and Controlled Facilities, which shall be allocated to and shall be assessed against the Units benefitting therefrom as provided in this Declaration.

(y) "Limited Common Facility" - a part of the Common Facilities allocated pursuant to this Declaration or the Act for the exclusive use of one or more (but fewer than all) of the Units.

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

(aa) "Member"- a Unit Owner in his, her or its capacity as a member of the Association.

(bb) "Open Space" - those areas of the Land outside the title lines of the Units and designated or shown on the Plats as "Open Space".

(cc) "Person" - any individual, corporation, partnership, limited liability company, trust or any other legal entity (whether existing under common law or by statute).

(dd) "Plats" - means the plans depicting the Community, the development of the Land, and the buildings and improvements proposed to be constructed thereon, entitled "Planned Community Plats and Plans of The Carriage Homes at Applebrook" prepared by Chester Valley Engineers, Inc., dated July 17, 2000 and recorded or intended to be recorded contemporaneously with the recording of this Declaration, as the same may be amended from time to time. The Plats are a part of this Declaration.

(ee) "Property" - the Land described on Exhibit "A" attached hereto and on the Plan together with all improvements now or hereafter constructed thereon, all easements benefitting the Land, and all appurtenances thereto.

(ff) "Regulations" - means those rules, regulations and policies promulgated by the Association from time to time governing and regulating the Unit Owners' use and enjoyment of the Common Elements and other matters pursuant to this Declaration.

(gg) "Special Architectural Committee" - as defined in Section 7.14 hereof.

(hh) "Special Assessment" - an Assessment, either for General Common Expenses or Limited Common Expenses, as applicable, that may be made by the Association for the purpose of defraying unforeseen Common Expenses, or an Assessment made against one or more, but fewer than all, Unit Owners on account of damages or other costs incurred by the Association as a result of the wrongful act or omission of that or those Unit Owner(s) or for a violation of the Community Documents. Any fines, costs of enforcement, costs of collection, including reasonable attorney's fees, or amounts expended by the Association to remedy any violation of the Community Documents by a Unit Owner and that are assessed against such Unit Owner are a form of Special Assessment.

(ii) "Special Declarant Rights" - has the meaning given to such term in the Act and includes any rights reserved for the benefit of the Declarant hereunder to (i) complete the improvements shown on the Plats, (ii) maintain offices, signs and models, (iii) use easements through the Common Facilities for the purpose of making improvements within the Property, (iv) convert a Unit into Common Facilities, or change the boundary lines between Units and/or between Units and Common Facilities, (v) appoint and remove Directors during the Declarant Control Period, (vi) create additional Units, Limited Common Facilities and/or Limited Controlled Facilities within the Convertible Real Estate, as provided herein, and (vii) any other rights reserved unto the Declarant constituting "Special Declarant Rights" or "Development Rights" under the Act and reserved herein, whether or not expressly designated as such in this Declaration.

(jj) "Stormwater Management Facilities" - any surface or subsurface stormwater drainage facilities, including retention or detention basins, berms, swales, pipes, culverts, endwalls, inlets, outlets and related facilities and components on the Property, as shown on the Plats.

(kk) "Supplemental Declaration" - a supplement or amendment to this Declaration recorded pursuant to Article VIII by the Declarant for the purpose of exercising any of the Declarant's rights to create Units, Common Elements or both within any of the Convertible Real Estate.

(ll) "Township" - the Township of East Goshen, Chester County, Pennsylvania.

(mm) "Unit" - (i) the separate parcels of land on which Homes will be constructed, together with the Home and other improvements now or hereafter constructed thereon, or (ii) if applicable, a Garage Unit.

(nn) "Unit Owner" - means (i) with respect to a Unit owned by a Person other than the Declarant and Titleholder, the owner of the fee simple title to that Unit, and (ii) with respect to a Unit of which the Declarant is the owner, or the equitable owner pursuant to its agreement of sale with Titleholder (as amended from time to time, the "Land Purchase Agreement"), the Declarant. "Unit Owner" does not include Titleholder as long as the Land Purchase Agreement is in effect, or a Person holding title to a Unit solely as security for an obligation. All obligations imposed on Unit Owners hereunder (including without limitation the obligation to pay Assessments) are the joint and several obligations of all of the Unit Owners of that Unit, regardless of the manner in which they hold title, but Titleholder shall have no obligations under this Declaration by reason of its holding title to Units while the Land Purchase Agreement is in effect.

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

1.04 Conflicts. If there is a conflict or inconsistency between this Declaration and the other Community Documents, this Declaration shall control except to the extent contrary to the Act.

1.05 Deemed Ownership by Declarant. For all purposes of this Declaration, the Declarant shall be deemed the owner of any Units that have been created or that the Declarant reserves the right to create within the Community, even though legal title thereto is held by Titleholder, unless and until the Land Purchase Agreement between Declarant and Titleholder is terminated and Titleholder assumes the obligations of Declarant accruing thereafter pursuant to Section 12.06 hereof.



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

2.01 Applicability of Declaration. The Declarant, with the consent of Titleholder, hereby creates a planned community with respect to the Property and submits the Property to the Act subject 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 Unit or the Common Elements shall comply with and be bound by the Community Documents.

2.02 Easements, Etc. The Property is subject to those recorded easements and other matters of record set forth on Exhibit "B" attached hereto and made a part hereof and to those other easements, notes, conditions and restrictions as are set forth herein and on the Plats.

2.03 Unit Ownership: Unit Boundaries.

(a) The Units shall be conveyed to and owned by the Unit Owners in fee simple absolute. The title lines and horizontal boundaries of each Unit are (or before conveyance will be) as described on the Plats. Each Unit shall consist of all land and air space located above, below and within the aforesaid title lines consistent with fee simple ownership thereof. The location and dimensions of the Units as initially shown on the Plats are approximate only. Before conveyance of a Unit, the Declarant shall prepare an as-built survey of such Unit and shall amend the Plats to reflect the actual location and dimensions thereof.

(b) Any heat pump, air conditioning unit or similar equipment serving only one Unit shall be deemed part of that Unit even though located partly or entirely outside that Unit. Any water or sewer lateral and any telephone, electric, cable television or other facility serving only one Unit shall be part of that Unit notwithstanding that such facility is located partly or entirely outside the boundaries of that Unit.

(c) The Units are identified by Unit numbers as shown on the Plats.

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 the Community Documents, including, without limitation, the following:

(a) The right and obligation to maintain the Common Elements and to make any necessary repairs or replacements thereof or thereto;

(b) The obligation to carry insurance and fidelity bonds required by this Declaration or the Act, and the right to carry additional insurance or bonds permitted hereunder;

(c) the power and obligation to adopt operating and capital budgets of the Association and to make amendments thereto as from time to time necessary or desirable;

(d) the power and obligation to compute, levy and collect Assessments, and the right to impose late charges for delinquencies in the payment thereof;

(e) the right and power to enter into contracts with third parties as may be 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) the right and power to adopt, amend and repeal, from time to time, reasonable Regulations as the Board may deem necessary or desirable;

(g) the right and power to enforce the Community Documents, and to impose reasonable fines upon any Unit Owner for violation thereof;

(h) the right and power to engage and compensate legal counsel, accountants and other professional advisors in connection with any matters affecting the Association;

(i) the right and power 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 By-laws, or pursuant to any separate contract between the Association and such Persons;

(j) the right and power to grant utility easements over, across, through or under the Common Facilities as may be necessary from time to time to facilitate electric, gas, water, sanitary sewer, telephone, cable television or other services for the benefit of any Units or Common Elements;

(k) the right and power to borrow money from banks or other financial institutions for the purpose of improving, adding to or replacing the Common Facilities, and to mortgage, pledge or otherwise encumber the Common Facilities or other assets of the Association as security therefor, provided that such borrowings have been approved by (i) Members entitled to cast at least sixty-seven percent (67%) of the votes that all Members are entitled to cast, and (ii) by the Declarant if such borrowing takes place during the Declarant Control Period;

(l) the right and power to prosecute or defend claims, suits and causes of action by or against the Association and to litigate, arbitrate, settle, compromise and/or release any such claims or suits all upon terms deemed advisable by the Board;

(m) the right and power to perform (or contract with others to perform) additional services for the benefit of the Community and the Unit Owners (including, by way of example only, collection of trash and recyclable materials);

(n) the right and power 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; and

(o) the right and power to dedicate or transfer all or any part of the Common Facilities 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 (i) Members entitled to cast at least sixty-seven percent (67%) of the votes which all Members of the Association are entitled to cast, (ii) the Declarant, if such proposed transfer takes place during the Declarant Control Period, and (iii) Eligible Mortgagees as required pursuant to Article X hereof. Notwithstanding any shorter notice period permitted by the By-laws, 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 and Eligible Mortgagee not less than thirty (30) days in advance of the scheduled meeting at which such action is to be considered.

3.02 Membership. Every Unit Owner is a Member of the Association.

Membership in the Association is appurtenant to and is not severable from ownership of a Unit, and transfers automatically upon conveyance of title to a Unit, and by no other means. No Unit Owner may disclaim, decline or resign from or otherwise terminate membership in the Association except by conveyance of his Unit.

### 3.03 Voting Rights of Unit Owners.

(a) Votes in the Association shall be allocated as follows:

(i) Each Unit (other than a Garage Unit) shall be allocated one (1) vote in the Association.

(ii) Garage Units shall not be allocated any votes in the Association, provided that no amendment to this Declaration that would adversely affect the Garage Units may be adopted without the requisite approval of the Unit Owners thereof as elsewhere provided herein.

(b) No action shall be taken or adopted by the Association which would in any way affect, alter or modify any of the Special Declarant Rights reserved for the benefit of the Declarant herein without the Declarant's written consent.

### 3.04 Powers of Board; Election of Board.

(a) Subject to the other provisions of this Declaration and the By-laws, the Board shall have the full and exclusive power to act on behalf of the Association. Except to the extent expressly required by the Community Documents or the Act, actions and decisions of the Board need not be submitted to or approved by the Members.

(b) Subject to Section 3.04(c) below, during the Declarant Control Period all Directors 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 or approval of the other Unit Owners or Directors.

(c) Within sixty (60) days after the conveyance of twenty-five percent (25%) of the Units to Unit Owners (other than a Declarant) at least one (1) Director (and not less than twenty-five percent (25%) of the Directors) shall be elected by Unit Owners other than the Declarant. Within sixty (60) days after conveyance of fifty percent (50%) of the Units to Unit Owners (other than a Declarant) thirty-three percent (33%) of the Directors shall be elected by Unit Owners other than the Declarant. Not later than the

end of the Declarant Control Period, the Unit Owners shall elect all Directors. For purposes of computing such percentages, the percentage of Units conveyed shall be determined by reference to the total number of Units that the Declarant reserves the right to create within the Community, including Units that may be created within any Convertible Real Estate and Units that may be created by subdividing Units as permitted hereunder.

(d) The Declarant reserves the right, in its sole and absolute discretion, to surrender voluntarily the right to appoint and remove Directors before the Declarant Control Period ends. The Declarant 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 Directors, reserving the right to exercise such rights at a later time upon giving thirty (30) days prior written notice to the Association.

### 3.05 Number and Qualification of Directors.

(a) The Board shall consist of such odd number of Directors, not less than three (3), as may from time to time be determined pursuant to the By-laws, except that while the Declarant reserves the right to appoint all Directors, the Board may consist of any number of Directors as determined by the Declarant.

(b) In addition to such other qualifications as may be set forth from time to time in the By-Laws, Directors shall be natural persons of full legal age and, except for Directors appointed by the Declarant, shall be Unit Owners, spouses or live-in companions of Unit Owners or adult members of a Unit Owner's household who are bona fide full-time residents of that Unit.

3.06 Election of Officers. Officers of the Association shall consist of such officers and subordinate officers as may be specified in or provided for in the By-laws. Officers of the Association shall be elected by the Board in the manner specified in the By-Laws.

3.07 Voting by Ballot or Proxy. To the extent provided in the By-laws and to the fullest extent permitted by the Act, Unit Owners may vote on and approve any matter on which Unit Owners are entitled to vote or that requires the approval of Unit Owners by proxy or by mail-in ballot in the manner specified in or provided for in the By-laws.

ARTICLE IV - COMMON FACILITIES  
AND CONTROLLED FACILITIES; MAINTENANCE  
AND REPAIR

4.01 Declarant's Rights and Obligations With Respect to Common Facilities.

(a) Declarant reserves the right to construct and convey (or lease) to the Association all existing and proposed Common Facilities as shown on the Plats and on the approved development plans of the Community. The Declarant has no obligation to construct, complete or convey Common Facilities to the Association except those designated on the Plats as "Must be Built", or those expressly required as a condition of subdivision or land development approval of the Community. The Declarant reserves the right to construct or install improvements not shown on the Plats and to designate them as Common Facilities or Limited Common Facilities.

(b) The Declarant shall complete and convey all required Common Facilities on or before the Completion Date. The Common Facilities shall be conveyed for no consideration. The Association shall be obligated to accept such Common Facilities without condition except the Declarant's obligation to complete the same. The Declarant may complete and convey the Common facilities to the Association in stages or phases as development of the Property progresses. Declarant may separately convey each Common Facility as and when the same is completed. Common Facilities shall be conveyed to the Association free and clear of all monetary liens and encumbrances, but subject to this Declaration, easements, restrictions and other matters of record described on Exhibit "B" attached hereto and such additional easements or other matters hereafter created by the Declarant pursuant to this Declaration or otherwise in connection with the development of the Community.

(c) The Association shall assume the obligation for maintenance, management, repair and insurance of each Common Facility once it has been 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. Pending the completion of a Common Facility, such Common Facility shall be owned by the Declarant (or Titleholder) and all real estate taxes and other expenses associated therewith shall be borne by the Declarant.

(d) The Declarant shall have the right to convey Common Facilities 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.

(e) The Declarant guarantees the completion of the Common Facilities shown on the Plats 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 thereof. 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 to guaranty the completion thereof. The amount of such financial security shall be as determined by the Township according to procedures set forth in the Pennsylvania Municipalities Planning Code.

(f) No provision hereof shall require the Declarant to construct, complete, lease or convey to the Association (i) any facilities or improvements not shown on the Plats and Plans; (ii) any improvements labeled "Need Not Be Built" on the Plats and Plans; or (iii) any improvements constructed or contemplated within the Convertible Real Estate, except for such improvements the Declarant agrees or becomes obligated to complete, provide and/or convey upon converting all or any part of the Convertible Real Estate pursuant to this Declaration or any Supplementary Declaration.

4.02 Common Facilities. The Common Facilities include, without limitation, the following, whether now existing or hereafter constructed (i) the interior undedicated streets, street lighting (if any), curbing and parking areas for the general use and benefit of the Unit Owners, (ii) areas of the Land outside the title lines of the Units, (iii) the Stormwater Management Facilities, (iv) sanitary sewer mains serving the Community (but not sewer laterals serving individual Units), and (v) such other improvements or facilities that the Declarant may, in its sole discretion, construct and convey (or lease) to the Association and designate as Common Facilities.

#### 4.03 Limited Common Facilities.

(a) The Limited Common Facilities consist of (i) driveways serving individual Homes to the extent not located within the title lines of the Units they serve, (ii) sanitary sewer, water and other utility lines serving an individual Home to the extent located outside the title lines of the Unit that they serve, and (iii) sidewalks or walkways

to individual Homes, to the extent located outside the title lines of the Unit served thereby. Such Limited Common Facilities are allocated solely to the Units they serve.

(b) The responsibility of the Association and the Unit Owners for maintenance, repair and replacement of Limited Common Facilities shall be as shown on the Component Responsibility Chart attached hereto as Exhibit "C" and made a part hereof (the "Responsibility Chart"). Expenses incurred by the Association for maintenance, repair, replacement or other services with respect to the Homes and their Limited Common Facilities shown on the Responsibility Chart as being provided by the Association shall be assessed against the Units (other than Units owned by the Declarant) either as budgeted Limited Common Expenses or as Limited Direct Charges, as generally shown on the Responsibility Chart. However, notwithstanding any statement on the Responsibility Chart indicating whether an expense is charged as a Limited Common Expense or as a Limited Direct Charge, the Board may, in its sole discretion, change the manner in which costs for such services are budgeted for and billed to Unit Owners.

(c) Upon construction thereof, Limited Common Facilities of the type described in Section 4.03(a) shall automatically be allocated as Limited Common Facilities for the exclusive use and benefit of the Units they are designed and constructed to serve without any further action or document required on the part of the Association or Declarant.

(d) Units owned by the Declarant shall not be entitled to receive the services from the Association with respect to the Limited Common Facilities provided for in this section, and any maintenance and repair service that would otherwise be performed by the Association with respect to any Unit owned by the Declarant shall be performed by the Declarant at its expense.

4.04 Controlled Facilities. The Controlled Facilities include all exterior surfaces of a Home and other exterior improvements on a Unit including the roof and exterior siding of such Home as well as all lawns, shrubs, trees, patios, porches, decks and personal property outside a Home but within the title lines of a Unit. The Association shall have the authority to promulgate reasonable Regulations concerning the Controlled Facilities and the maintenance, repair or alteration thereof. Responsibility for the Controlled Facilities shall be as set forth on the Responsibility Chart. Except for maintenance, repairs or other services provided by the Association as shown on the Responsibility Chart, each Unit Owner is responsible for all other maintenance, repair or replacement of the Controlled Facilities located on or comprising a part of his Unit or Home. The costs incurred by the Association for repair, maintenance, replacement or other services with respect to the Controlled Facilities shall be charged to Homes



conveyed to Unit Owners (other than a Declarant) either as Limited Common Expenses or as Limited Direct Charges, as generally shown on the Responsibility Chart. However, notwithstanding the manner in which such charges are to be levied as shown on the Responsibility Chart, the Board shall have the right, in its sole discretion, to change the manner in which such costs or expenses are budgeted for and billed to Unit Owners. With respect to Units owned by the Declarant, the Association shall not provide maintenance, repair or other services that the Association would otherwise provide with respect to Controlled Facilities that are located on or are parts of such Units. Any such services with respect to Units owned by the Declarant shall be performed by the Declarant at its expense.

4.05 Parking Spaces. Automobile parking spaces or stalls situated on or along the undedicated streets within the Property shall be Common Facilities available for the common use and enjoyment of all Unit Owners (and their family, guests and visitors), on a first-come-first-served basis; provided that the Board may adopt Regulations that (i) restrict the use of some or all parking spaces for specific purposes, (ii) allocate specific parking spaces for the exclusive use of one or more Units, and/or (iii) restrict or limit the use thereof during specified periods of time or for maximum periods of time. During the Declarant Control Period, the Declarant shall have the right to designate parking spaces as solely for the use of the Declarant, its agents, personnel, contractors and subcontractors, in connection with the construction, sale, management and marketing of Units, Homes and other improvements within the Property.

4.06 Use and Enjoyment of Common Facilities. Subject to Regulations in effect time to time, the Common Facilities (except the Limited Common Facilities) shall be for the exclusive use, enjoyment and benefit of the Unit Owners, members of their households and guests; provided, however, that the Association shall have the right to suspend the right of any Unit Owner to use the Common Facilities (other than for access) if such Unit Owner is delinquent in the payment of Assessments or in material violation of this Declaration. The Limited Common Facilities shall be for the exclusive use and enjoyment of the Unit Owners owning the Unit(s) to which such facilities are allocated hereunder, and their family, guests, tenants, visitors and invitees.

4.07 Maintenance, Repair and Replacement of Homes. Except as otherwise expressly provided in this Declaration, each Unit Owner is responsible for the maintenance, insurance, repair and replacement of his or her Unit and Home and other improvements located thereon and therein, including any part of such Home or other improvements constituting Controlled Facilities. The Board may promulgate 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 Units.

4.08 Allocation of Common Facilities as Limited Common Elements. The Board may, by resolution or by Regulation, allocate certain Common Facilities for the exclusive use and benefit of one or more, but fewer than all, of the Units. Upon such allocation, such Common Facilities shall constitute Limited Common Facilities. Such allocation shall be made by an amendment to this Declaration executed by the authorized officers of the Association, and recorded in the manner required pursuant to the Act.

4.09 Conveyance and Encumbrance by the Association.

(a) Except as hereinafter expressly provided, the Association shall not convey, mortgage, pledge or encumber the Common Facilities owned by it without the approval of (i) Members entitled to cast at least eighty percent (80%) of the votes that all Members are entitled to cast, (ii) the Declarant, if such conveyance or proposed conveyance occurs during the Declarant Control Period, and (iii) the required approval of Eligible Mortgagees, to the extent required pursuant to Article X hereof.

(b) The Association shall have the right without the consent or approval of Eligible Mortgagees, but with the consent of Members and the Declarant as required above, to convey and dedicate the interior streets, sidewalks and related curbing, common parking areas, street lighting, as well as stormwater management systems and sanitary sewer and water systems, to (i) the Township, in the case of roads, sidewalks and related improvements, and (ii) the applicable utility company or municipal authority, in the case of sanitary sewer, public water or utility facilities.

4.10 Disposition of Common Facilities Upon Termination. If the Community is terminated as provided for in the Act, all Common Facilities necessary for the common use, enjoyment and benefit of the Units including, without limitation, interior streets, sidewalks, street lighting, curbing, stormwater management facilities and common utility facilities (to the extent not otherwise dedicated or conveyed to a public or private utility company) shall be conveyed solely to a governmental or quasi-governmental entity charged with the responsibility of the maintenance and repair thereof for the benefit of the Units, or a private non-profit organization established for the purpose of maintaining and managing similar facilities, and in either such case such conveyance shall be subject to the approval of the Township and the required vote of Eligible Mortgagees as hereinafter provided.

4.11 Garage Units. The provisions of Sections 4.03, 4.04 and 4.07 shall apply as well as to the Garage Units, to the extent applicable to the improvements comprising the Garage Units, once the applicable Garage Unit(s) are built.

4.12 Warranty of Community Facilities.

(a) The Declarant makes the structural warranty as to Common Facilities to be constructed by it set forth in the Act. To the fullest extent permitted by law, the Declarant disclaims any warranty except with respect to Common Facilities actually constructed by or for the Declarant.

(b) THE EXPRESSED WARRANTY HEREIN IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE WARRANTY GIVEN HEREIN WITH RESPECT TO THE COMMON FACILITIES IS THE SOLE AND EXCLUSIVE WARRANTY WITH RESPECT THERETO. DECLARANT'S WARRANTY WITH RESPECT TO THE COMMON FACILITIES SHALL APPLY SOLELY TO IMPROVEMENTS, STRUCTURES OR COMPONENTS THEREOF CONSTRUCTED BY THE DECLARANT AND SHALL NOT APPLY TO ANY PART OF THE COMMON FACILITIES CONSTRUCTED BY OR UNDER THE DIRECTION OF THE ASSOCIATION.

ARTICLE V - COVENANT FOR ASSESSMENTS; LIENS; COLLECTION

5.01 Assessments; Allocation of General Common Expense Liability.

(a) Each Unit Owner is obligated to pay all Assessments levied against such Unit Owner or his or her Unit. Assessments for General Common Expenses shall be allocated equally among all Units (including Units owned by the Declarant) other than the Garage Units. Assessments for Limited Common Expenses that are included in the annual budget of the Association (and not levied as Limited Direct Charges) shall be levied and assessed equally among all Units owned by Unit Owners other than the Declarant. Limited Direct Charges shall be levied only on Units owned by Unit Owners other than a Declarant which receive the services for which such Limited Direct Charges

are levied. The Garage Units shall be subject to Assessments for Limited Common Expenses and Limited Direct Charges with respect to those services provided for the benefit of the Garage Units. The Garage Units shall be subject to Assessments for General Common Expenses, but only for General Common Expenses incurred directly in connection with the maintenance, repair, replacement and snow removal for the interior streets, including the guest and garage parking areas, but excluding expenses associated with driveways and walkways serving individual Units. The Common Expense Liability appurtenant to each Garage Unit for such General Common Expenses shall be equal to one hundred twenty-five thousandth of a percent (.125%) of the total annual General Common Expenses for such items. A Garage Unit shall not be subject to Assessments until it is completed and a certificate of occupancy therefor (if applicable) has been issued by the applicable governmental authority.

(b) Assessments against a Unit are a lien and charge against the Unit and the personal obligation of the Unit Owners thereof at the time the Assessment (or any installment thereof) falls due. The obligation to pay Assessments is the joint and several personal obligation of all Unit Owners of the Unit with respect to which such Assessment is levied.

(c) The obligation to pay Assessments shall not be subject to deduction or set-off or otherwise be diminished, discharged, suspended or abated because of: (i) any claim which such Unit Owner(s) may have against the Association or the Declarant arising out of any matter; (ii) the failure or purported failure of the Association to provide services required hereunder; (iii) the fact that there is no Home on such Unit Owner's Unit or that the Home thereon has been demolished, destroyed or removed, in whole or in part, or is unoccupied or uninhabitable for any reason; or (iv) the failure or refusal of any other Unit Owners(s) to pay Assessments.

(d) The obligation of a Unit Owner to pay Assessments shall not be affected by leasing the Unit, and the Unit Owner shall remain personally liable therefor. If a lease imposes the obligation to pay Assessments or any part thereof on the tenant, the Association shall be deemed a third party beneficiary of such covenant and shall have the right (but not the obligation) to enforce such obligation directly against the tenant.

5.02 Time for Payment. Except as otherwise provided in this Declaration, the due date for payment of Assessments or installments thereof by each Unit Owner shall be determined by the Board, but shall not be more frequent than monthly. Unless otherwise determined by the Board, the regular Assessment for General Common Expenses and Limited Common Expenses for each fiscal year shall be due and payable in monthly installments on the first day of each calendar month. Limited Direct Charges

shall be due and payable within such period of time after the same are levied as shall be determined by the Board or as otherwise set forth in the notice levying such charges.

5.03 Late Charge; Interest; Cost of Collection. 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 established by the Board from time to time. Interest on any Assessment (or installment thereof) not paid within thirty (30) days after the due date thereof shall accrue from the due date 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), both before and after any judgment is entered in favor of the Association, until full payment of the delinquent amount is actually received by the Association. Any costs of collection, including reasonable attorney's fees, incurred by the Association in collecting or attempting to collect delinquent Assessments may be assessed and collected in the same manner as any other Assessments hereunder against the delinquent Unit Owner and shall be secured by the Association's lien therefor.

5.04 Acceleration of Installments. If any Assessment (or installment or part thereof) remains unpaid for more than forty-five (45) days after the due date thereof, the Board 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 period of time as the Board may reasonably determine. Notice of acceleration shall be given to the delinquent Unit Owner and shall be effective unless the delinquent Unit Owner shall have paid to the Association, within ten (10) days after the date of such notice, all delinquent Assessments or installments thereof, and all interest thereon, and all late charges, and costs of collection incurred by the Association in connection with such delinquency.

5.05 Lien for Assessments. There shall be a lien in favor of the Association against each Unit for the full amount of all Assessments levied against such Unit from time to time, together with all late charges, interest and collection costs (including attorney's fees) incurred or charged by the Association with respect to delinquent Assessments hereunder. Such lien shall have the priority and may be enforced in the manner provided for in the Act. The Association's lien on a Unit shall be subordinate to the lien of an Eligible Mortgage encumbering that Unit. 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 Association's lien shall also secure, all amounts paid or expended by the Association in order to protect or preserve the Unit or the priority of the Association's claim or lien including, without limitation, amounts paid or incurred to discharge real estate taxes or other liens senior in priority to the Association's lien.

5.06 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.

5.07 Collection Upon Sale of a Unit.

(a) If title to a Unit is transferred in connection with the foreclosure or execution sale of a Unit, the Board may give notice in writing to the officer conducting such sale of any unpaid Assessments. All unpaid Assessments of which the Sheriff or other officer 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 Home pursuant to foreclosure of an Eligible Mortgage, or by deed in lieu of foreclosure, the transferee shall not be liable for unpaid Assessments due before the date of such conveyance, but 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 Unit or any other transfer (including transfers by operation of law), except as provided in subparagraph (a) above, the transferor and the transferee shall be jointly and severally liable for all unpaid Assessments levied against such Unit or due from the Unit Owner thereof to the Association and outstanding as of the date of conveyance, except as otherwise provided in the Act.

5.08 Assessments on Purchasers of Units.

(a) Each Unit Owner who purchases a Unit directly from the Declarant shall pay, at the time of conveyance, a one time assessment in the amount of \$500.00 (which sum shall be subject to increase in the sole discretion of Declarant) which shall be in addition to, and not in lieu of, the regular Assessments for Common Expenses payable with respect to the year or other period in which such conveyance takes place.

(b) The Board shall have the power, by resolution, to impose a reasonable one-time Assessment on each Person who purchases a Unit from a Unit Owner (other than a Declarant) in an amount not more than three (3) times the then-current regular Common Expense Assessment for General Common Expenses and Limited Common Expenses.

(c) Assessments collected under this Section 5.08 shall be used by

the Association to pay Common Expenses (including, if applicable, Limited Common Expenses) and/or to set up, replenish or increase such reserves as the Board deems appropriate.

5.09 Discretion of Board of Directors. In connection with the collection of delinquent Assessments, the Board shall have the power, in its discretion, to waive or compromise the obligation of an Unit Owner to pay interest, late charges and/or costs of collection, and to compromise or settle the obligation of one or more Unit Owners to pay delinquent Assessments or other sums payable by them hereunder, if the Board reasonably 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 likelihood of collecting the full amount due.

5.10 Basis and Computation of Common Expense Assessments.

(a) Approximately forty-five (45) days before each fiscal year of the Association, the Board shall adopt a budget for such fiscal year setting forth estimated Common Expenses, segregating, to the extent practicable, General Common Expenses and Limited Common Expenses. Further, there shall be segregated the Common Expenses for which Garage Units are assessed from those for which the Garage Units are not subject to Assessments. Once all Units are owned by Unit Owners other than the Declarant and are receiving the same services, the Board need not, unless it deems necessary or is required by law to do so, segregate General Common Expenses from Limited Common Expenses. The total Assessment for General Common Expense on all Units for that fiscal year shall then be computed based on the total estimated General Common Expenses set forth in such budget (in excess of any surplus from a prior year or years not allocated to or set aside as reserves by the Board). The Assessment for General Common Expenses against each Unit shall be determined by dividing the total amount to be assessed to all Units by the number of Units, after determining the amount to be assessed against the Garage Units based on the Common Expense Liability allocated to the Garage Units hereunder. 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 uncollectible Assessments, as well as such allocations to reserves as the Board deems appropriate.

(b) The total Assessment for Limited Common Expenses for a fiscal year shall be computed based on the total estimated Limited Common Expenses set forth in the proposed budget (including allocations to reserves), taking into account any expected increase in services covered by Limited Common Expenses due to construction and sale of additional Units by the Declarant. The Assessment for Limited Common

Expenses shall not include expenses of a nature that are charged as Limited Direct Charges, unless the Board determines to change the manner in which the costs for such services are budgeted for and billed pursuant to the authority of the Board set forth herein.

(c) 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 the Assessments for Common Expenses accordingly. Such increase or decrease will be effective not earlier than thirty (30) days after the date of the notice thereof been given to the Unit Owners.

(d) Within thirty (30) days after adoption of the budget for a fiscal year, the Board shall cause notice of the new Assessment for General Common Expenses and Limited Common Expenses 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. Once a budget is adopted, it shall be effective for the fiscal year which it was adopted and until a new budget is adopted by the Board. If the Board fails or delays in adopting a new budget and a new Assessment for any fiscal year, Unit Owners shall continue to pay Assessments for General Common Expenses and Limited Common Expenses in accordance with the most recently adopted budget, until such budget and the Assessments imposed in accordance therewith have been changed by the Board.

#### 5.11 Limited Direct Charges: Insurance Assessments.

(a) Any expenses of services provided by the Association with respect to Controlled Facilities or Limited Common Facilities that are not included in budgeted Limited Common Expenses shall be charged as Limited Direct Charges as and when the services resulting in such expenses are incurred by the Association. Such Limited Direct Charges may be levied and assessed, by written notice from the Association to the applicable Unit Owners, either before or after performance of the service for which such expense has been or will be incurred. Limited Direct Charges shall be due and payable at such time as shall be specified in the notice levying the same or, in case of the failure of such notice to specify the due date thereof, within forty-five (45) days after the date of the notice levying such Limited Direct Charge.

(b) In the sole discretion of the Board, if and so long as the Association carries property or casualty insurance insuring the Homes, the Board may elect to exclude the cost of such insurance coverage from the Assessment for General Common Expenses or Limited Common Expenses and instead charge the cost thereof as



a separate insurance Assessment against the Unit Owners receiving such insurance coverage on a monthly, quarterly, semi-annual or annual basis, as the Board shall elect by written notice to the Unit Owners. In all other respects, any such Assessment for insurance costs shall be treated as all other Assessments payable hereunder.

5.12 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 for unanticipated maintenance, repairs or replacements of the Common Elements. Special Assessments benefitting all Unit Owners shall be levied equally on all Units, and shall be due and payable in a lump sum or in such installments as the Board shall determine.

5.13 Commencement of Assessments. Each Unit in existence as of the date on which the first Assessment for General Common Expenses is made shall be subject to Assessments automatically and shall be subject to Assessments at all times thereafter until the Community is terminated as provided in the Act. Any Units thereafter created shall be subject to Assessments beginning on the first day of the first full calendar month after recording of the Supplemental Declaration creating such additional Units. At the time of conveyance of a Unit by the Declarant, the purchaser thereof shall reimburse the Declarant for the prorated amount of the then-current General Common Expense and Limited Common Expense Assessments applicable to that Unit, based upon the number of days remaining in the payment period for which such Assessment has been levied. The first Assessment for General Common Expenses shall be made on or after the conveyance of the first Unit to a Unit Owner other than a Declarant, as determined by the Declarant. No Unit shall be subject to Assessments for Limited Common Expenses or Limited Direct Charges until such Unit has been conveyed by the Declarant to a Unit Owner other than a Declarant, or until such Unit first begins receiving services from the Association for which costs included in the Limited Common Expenses or Limited Direct Charges are incurred, whichever first occurs.

5.14 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 caused by the act, omission or negligence of such Unit Owner or his tenants, agents, guests, family members, licensees, contractors or subcontractors. Such damages may be assessed and collected as a Special Assessment against such Unit Owner.

## ARTICLE VI - INSURANCE

6.01 Property Casualty Insurance/Common Facilities. Beginning no later than the first conveyance of a Unit to a Unit Owner other than a Declarant, the Association shall maintain "all risk" property and casualty insurance insuring the Common Facilities 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. 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).

6.02 Property Casualty Insurance - Homes. Unless and until otherwise determined by the Board of Directors, the Association shall maintain and carry "all risk" property and casualty insurance insuring the Homes (but not the contents thereof) against all common risks of direct physical loss, naming the Association and the Unit Owners as their interest may appear. Such insurance shall be on a replacement-cost basis and shall contain, if available at reasonable cost, inflation protection endorsements and such other endorsements as the Association may require. The casualty insurance on the Homes carried by the Association shall cover all parts of the Homes as originally constructed by the Declarant, exclusive of foundations, improvements or betterments constructed by the Unit Owners, and personal property and other contents in the Homes. The Board may, upon one hundred twenty (120) days' prior written notice to the Unit Owners, elect to discontinue maintaining blanket casualty insurance on the Homes, in which event the Unit Owners shall be responsible for obtaining their own property casualty insurance insuring the Homes and all personal property therein and contents thereof and the Association shall have no further responsibility whatsoever for the insurance of the Units or any part thereof. The insurance expense for casualty insurance on the Homes shall be a Limited Common Expense and, in the discretion of the Board of Directors, may be assessed against the Unit Owners as a separate insurance Assessment.

6.03 Association Liability Insurance. The Association shall obtain and maintain comprehensive general public liability insurance, including medical payments insurance, in an amount determined by the Board, but not less than \$1,000,000.00 for bodily injury or death arising from a single occurrence.

6.04 Other Insurance. The Association may carry any other insurance including, but not limited to, directors and officers liability insurance, workers' compensation insurance, fidelity bonds, and the like, as the Board may determine from time to time or as may be required by law.

6.05 Policy Terms; Waiver of Claims.

(a) Property, casualty and liability insurance carried by the Association pursuant to Sections 6.01, 6.02 and 6.03 hereof 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.

(b) Each Unit Owner, for himself and members of his or her household, hereby waives any claims the Unit Owner may have against the Association or against any other Unit Owner arising out of any damage to or destruction of his Unit or the Home thereon, and any claims for personal injury or property damage, to the extent such damages are covered by insurance maintained by the Association hereunder, including any claims for personal injury and property damage.

6.06 Failure to Obtain Insurance. If the insurance described in Sections 6.01, 6.02 and 6.03 hereof is not maintained, the Association shall promptly cause notice of that fact to be given to all Unit Owners in the manner prescribed by the Act.

6.07 Insurance Obligations of Unit Owners. Each Unit Owner is responsible to obtain liability insurance insuring the Unit Owner and members of his household for liability for bodily injury (including death) or property damage occurring on or about his Unit and Home. Each Unit Owner shall be responsible for obtaining, at his or her own expense, property and casualty insurance with respect to all personal property and other contents of the Home and any improvements or betterments to the Home constructed by the Unit Owner and not provided as part of the initial construction by the Declarant. If the Association elects to discontinue blanket casualty insurance coverage for the Units, then after the effective date of such discontinuance each Unit Owner shall be individually and solely responsible to obtain, at his or her own expense, property and casualty insurance insuring all parts of the Home against physical loss by fire, storm and other damages customarily insured against. The Association may promulgate Regulations setting forth requirements to be satisfied by any insurance policies obtained by individual Unit Owners. The Association shall have no insurance responsibility with respect to any Unit or Home except as expressly provided herein.

6.08 Adjustment of Losses. Any losses covered by any property insurance

policy maintained by the Association shall be adjusted solely by and with the approval of the Association and proceeds thereof shall be payable to the Association and not to any mortgagee or Unit Owner. The Association shall hold such proceeds in trust for the benefit of the Association, the Unit Owners and lien holders, as their interests may appear. Subject to Section 6.09 below, such proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements or Units, 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 and, if insured, the Units and Homes have been completely repaired or restored, or the Community is terminated.

#### 6.09 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 General Common Expense or, with respect to Limited Common Elements repaired or replaced, a Limited Common Expense. Notwithstanding any provision hereof to the contrary, the Association may not vote not to rebuild a Common Element if the construction or installation of that Common Element was required as a condition of any governmental approvals necessary to construct the Community, without the prior written approval of the Township or other applicable governmental agency.

(b) Any part of a Home for which insurance is maintained by the Association and which is damaged or destroyed shall be repaired or replaced promptly except in the case of events described in subsection (a)(i), (ii) or (iii) above. Any cost of repair or replacement in excess of available insurance proceeds shall be borne by the Unit Owner. Any cost of repair or replacement incurred by the Association in excess of available insurance proceeds shall be a Limited Direct Charge allocated solely to the Unit Owner(s) whose Homes are being repaired or replaced.

(c) If the entire Community is not repaired or replaced, the insurance proceeds shall be distributed and disbursed pursuant to the requirements of the Act.

6.10 Other Insurance Requirements. The Association shall maintain, to the extent reasonably available, any insurance coverages 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 coverages and obtain additional insurance coverages not specifically stated herein as the Board may from time to time determine, in its discretion, and the premiums for such additional or different insurance coverages shall be deemed to be Common Expenses of the Association. Policies of insurance shall be deposited with and shall be maintained by the Board.

6.11 Powers of Board. The Board shall have full and exclusive power and authority to negotiate, adjust and compromise all claims for insurance coverages, and to execute and deliver releases therefor upon payment of the agreed settlement for such claims.

## ARTICLE VII - BUILDING AND USE RESTRICTIONS

7.01 Subdivision or Partition. Once a Unit has been conveyed to a Unit Owner (other than a Declarant), such Unit may not be further subdivided or partitioned, directly or indirectly; provided that the foregoing shall not be deemed to prevent minor boundary line changes between Units which are approved by the Township and which are for the purpose of (i) correcting or eliminating any encroachment, set-back violation or engineering error, and/or (ii) causing the title line dividing Units to conform with the party walls between Homes on such Units. The Declarant may, in its sole discretion (x) relocate boundaries between Units owned by the Declarant, and (y) change the boundary line between Units owned by Declarant and the Common Facilities, provided that in either such case the approval of the Township has been obtained. In no event shall any such relocation or change of boundary lines result in an increase in the number of Units.

7.02 Residential Use. Except for the Garage Units, the Units shall be used exclusively for residential purposes, provided that home occupations shall be permitted if they are allowed by applicable local ordinances, are incidental and/or accessory to the primary residential use of the Unit, and do not involve regular visits to the Unit by customers, clients, vendors or suppliers.

7.03 Above-Ground Utilities. No above-ground conduits, pipelines, electric, telephone, cable television, radio and other utility transmission lines or antennae shall be

installed outside any Home. Satellite dishes or other free-standing or roof-mounted antennae or reception devices shall not be constructed or erected on any Units except as may be permitted by architectural policies or Regulations promulgated by the Board.

7.05 Changes to Existing Homes. No exterior additions, modifications or alterations of any Home or other improvements on a Unit (including exterior color changes) shall be made or constructed unless:

(a) The exterior materials and colors to be used in connection therewith are the same as or consistent with the exterior materials and colors used in connection with the original construction of the Home on such Unit, or are otherwise approved by the Board, and

(b) The plans, specifications and elevations therefor have been approved by the Board.

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 structure, unless otherwise approved in writing by the Board. Any new Home to be constructed as a replacement to a Home which has been damaged, destroyed or razed shall be of the same architectural style, size and exterior design as the Home it is replacing, unless otherwise approved by the Board.

7.06 Appearance; Nuisances; Maintenance. Each Unit Owner shall keep his Unit in a clean, neat, sanitary and safe condition, and, except to the extent the Association provides such services, shall maintain the lawn, shrubbery, landscaping and trees on his Unit in a neat condition and in compliance with any Regulations promulgated by the Association relating thereto. Each Unit Owner shall refrain from any activity that unreasonably interferes with the quiet and peaceful enjoyment of other Units and other Unit Owners.

7.07 Architectural Approval.

(a) When any provision of this Declaration requires the approval of the Board before the construction, reconstruction, alteration or modification of any Home or other improvements, the Unit Owner shall submit to the Board appropriate plans, specifications and elevations depicting the style, size and height of the proposed

improvements, the exterior building materials and colors to be used in connection therewith (including roofing materials) and the proposed location thereof on the Unit.

(b) The Board may in its discretion disapprove any proposed new improvements, or alterations or modifications to existing improvements, which the Board determines are undesirable based upon the nature, size, style and colors of other Homes and improvements located (or planned for construction) within the Community, the proximity of the proposed improvements to neighboring Homes and the general architectural and aesthetic compatibility of the proposed improvements with other similar improvements constructed or planned for construction on the other Units. The Board may also consider the visual impact that such proposed improvements may have on other Units.

(c) All plans submitted to the Board for review may be retained by the Board regardless of whether the proposed improvement has been approved or disapproved. The Board may, in accordance with the By-laws, delegate all or a part of the Board's architectural review and approval responsibilities under this Article VII to an architectural review committee.

(d) The Board may promulgate Regulations establishing procedures to be followed with respect to matters requiring the approval of the Board or the architectural review committee hereunder, and may also adopt a schedule of reasonable fees that may be charged for review of proposals submitted by Unit Owners that are subject to approval under this Article VII. The Board may promulgate Regulations and/or architectural policies setting forth general architectural and aesthetic standards or policies to be met for all or specified types of improvements, and may, by resolution or pursuant to Regulations, establish modified procedures for the review and approval of certain types of improvements (or alterations or modifications thereof) if the Board, in its sole discretion, determines that strict adherence to the procedures set forth herein is not necessary in order to protect the interests of the Association and the Unit Owners.

(e) The Board shall render its decision, in writing, with regard to the proposed improvements within sixty (60) days after receipt of the applicant's request for approval accompanied by all plans and specifications required to be submitted hereunder. If additional information regarding the proposal is requested, the aforesaid sixty (60) 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, plus fifteen (15) days. If such proposed improvement is not approved, the reasons for disapproval shall be set forth in the written decision. If a written decision is not mailed within the aforesaid sixty (60) day period (as the same may be extended as

aforesaid), then the Unit Owner submitting such proposal may give further written notice ("Second Notice") to the Association requesting a decision on such matter, which Second Notice shall be sent by certified mail, return receipt requested. If a written decision has not been made within fifteen (15) days after the Association's receipt of the Second Notice, 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. The disapproval of such proposed improvement shall be without prejudice to the right of the Unit 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 such conditional approval, in which event the proposed improvement shall be deemed to have been approved subject to the Unit Owner's compliance with such conditions.

(f) In rendering its decision, the Board (or the architectural review committee, as the case may be) shall have the power to interpret this Declaration and the Board's Regulations and policies relating to architectural and aesthetic standards, and to grant reasonable variances from specific requirements of this Declaration or the Rules and Regulations if, in the Board'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 Unit or Home or other existing improvements or features on the Unit, (ii) the particular requirement to be varied would not render the proposed improvements aesthetically incompatible or inconsistent with other existing improvements on the applicant's Unit or existing improvements on neighboring or nearby Units, or (iii) the particular requirement, as applied to the proposed improvements, is impractical or would increase the cost of the proposed improvement by an unreasonable amount. The granting of such variances shall be within the sole and absolute discretion of the Board, and no variance granted in any one instance shall create any obligation on the Board to grant a variance in any other instance. Such variances may be granted subject to such conditions as the Board may require in its sole discretion.

7.08 Compliance with Zoning, Etc. Neither the Declarant, the Association, the Board nor any agent, officer or committee thereof shall be responsible for determining whether or not any improvement proposed by a Unit Owner complies with applicable zoning or other land use regulations or building codes. Each Unit Owner shall obtain (at the Unit Owner's expense) all necessary governmental approvals and permits for any proposed improvements and shall provide true and correct copies thereof to the Association before constructing the proposed improvement and, upon issuance thereof, certificates of occupancy. Any improvement or thing permitted to be constructed or maintained on any Unit 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.

7.09 Liability for Approval or Disapproval. The Declarant, the Titleholder, the Association, the Board (and any committee thereof), the Special Architectural Committee, the members of any committee, and the officers or agents thereof shall not be liable, in damages or otherwise, to anyone in connection with the approval or disapproval of any plan or request for the construction, reconstruction, alteration, modification or addition of any improvement, or for the consequences of such approval or disapproval. Neither the Declarant nor the Association nor any other Person listed in the preceding sentence shall be responsible for determining the safety or structural soundness of any proposed building or improvement or its compliance with applicable laws, regulations, ordinances and building codes. The establishment of a mechanism for the approval of plans and specifications for certain improvements hereunder is for the sole purpose of protecting certain aesthetic standards within the Community for the benefit of the Unit Owners, Declarant and Titleholder, and is not intended for the protection of the health or safety of Unit Owners or any other Persons.

7.10 Leasing of Homes. A Unit Owner may lease or sublease no less than his entire Home at any time and from time to time provided that the following conditions are satisfied (which shall not be applicable to leases entered into by the Declarant with respect to Units owned by the Declarant): (i) such lease is in writing and is for a term of at least six (6) months (provided that a shorter term is permitted in a lease with a person who has entered into a written agreement to purchase the Unit), (ii) a true copy thereof (and any subsequent amendments or modifications thereto) is delivered to the Association within ten (10) business days after it is signed by all parties thereto, (iii) the lease shall expressly obligates the lessee(s) to comply with this Declaration and the Regulations and, to the extent applicable to the lessee, the By-laws (which shall be binding on the lessee whether or not the lease so states), (iv) the Association shall be deemed (whether or not it is so stated in the lease) a third party beneficiary of any provision of the lease governing the lessee's obligations to comply with the Community Documents, (v) the Association shall be entitled to demand payment directly from the lessee of any Assessments, fines or other sums payable by the Unit Owner which are delinquent, if requested by the Association, and the lessee shall pay such sums to the Association (not in excess of amounts due to the Unit Owner) and shall have the right to deduct sums so paid to the Association from amounts due the Unit Owner under the lease, and (vi) the Association shall have the right to require that the Unit Owner terminate such lease within thirty (30) days after written notice from the Association as a result of any violations by the lessee (or his family, guests or invitees) of the Community Documents which have continued uncured

for fifteen (15) days after written notice thereof is given by the Association to the Unit Owner or the lessee.

7.11 Certain Declarant Rights. Notwithstanding any provision hereof to the contrary, while Declarant owns any Units, Declarant shall be entitled to maintain one (1) or more model homes, sales offices and construction offices (including mobile offices) and to maintain on or about the Common Facilities and on Units owned by the Declarant 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 covenants, restrictions and prohibitions set forth in this Article VII shall be applicable only to Unit Owners other than the Declarant. Homes and other improvements constructed by the Declarant shall not be subject to the restrictions and architectural review provisions set forth in this Article VII. Declarant reserves the right to change, from time to time, the style, models, configuration, elevation and other features of the Homes which the Declarant reserves the right to build on the Property.

7.12 Signs; Mailboxes. Unless otherwise approved by the Board, no signs shall be placed on the exterior of a Unit except (i) reasonable "for sale" or "for rent" signs after the Declarant Control Period ends, and (ii) one small sign affixed to the exterior of a home (complying with such Regulations as the Association may adopt from time to time) stating the Unit Owner's name, street number and/or street address. Mail boxes shall comply with such Regulations as may from time to time be promulgated by the Board.

7.13 Drainage. No Unit Owner shall modify or alter the stormwater drainage patterns or grade established on his Unit by the Declarant in connection with the construction of the Home and other improvements thereon, in any manner that may adversely affect other Units or the functioning of the Stormwater Management Facilities.

7.14 Special Architectural Provisions - Units Adjacent to Golf Course. With respect to any Unit that is located adjacent to the golf course or that is separated from the Golf Course only by Open Space (each, a "Golf Course Unit"), the following additional restrictions shall apply:

(a) No playground equipment or similar structures (other than Homes and other improvements originally constructed by or for the Declarant) shall be constructed on or about such Golf Course Units unless such items are constructed primarily of natural wood exterior (with a colorless preservative or muted transparent colored stain) and approved by the Special Architectural Committee.

(b) Any accessory structures proposed to be placed in the rear yard of such Golf Course Unit or changes to the exterior of a Home on a Golf Course Unit that will be visible from the Golf Course, or replacement of a Home thereon initially constructed by Declarant, shall be subject to review and approval (such approval not to be unreasonably withheld) of the Special Architectural Committee. For purposes hereof, the Special Architectural Committee shall be composed of three (3) individuals, (i) one of whom shall be a representative of the Declarant until seven (7) years after the Declarant has sold the last Home; and thereafter a representative appointed by the Board, (ii) a representative appointed by the owner or operator of the Golf Course, and (iii) a registered Pennsylvania architect who is a member or employee of the firm of Capron, McIntyre & Batchelor, or such other architectural firm as may be mutually agreed by the Declarant (or the Board, once the Declarant no longer owns any Units) and the owner or operator of the Golf Course. The provisions of Section 7.07 hereof shall apply and govern the procedures for submission of any proposed plans that are subject to approval by the Special Architectural Committee. Unless otherwise approved by the owner of the Golf Course (such approval not to be unreasonably withheld), the Declarant's representative on the Special Architectural Committee shall be W. Todd Pohlig, Donald J. Pohlig or Wayne Leighton.

7.15 Fencing. No fencing shall be permitted on or about the Units.

7.16 Garage Units. The Garage Units, if and when constructed by the Declarant, shall be subject to the following restrictions:

(a) Garage Units may be owned only by the Declarant, an affiliate of the Declarant, the Association or one or more Unit Owners.

(b) The Garage Units may be used solely for storage of vehicles and other personal property of the Declarant, the Association, the Unit Owners or their tenants, the owners or operators of the Golf Course and residents of the community known as "The Manor Homes at Applebrook" which is being developed by Declarant.

(c) Garage Units may be leased for any period of time but only to the Association, the Owners or occupants of a Unit, the Owners or operators of the Golf Course and residents of The Manor Homes at Applebrook.

## ARTICLE VIII - EASEMENTS; SPECIAL DECLARANT RIGHTS

8.01 Easement to Construct and to Dedicate Improvements. Declarant reserves for itself, its successors and assigns and the Association, the following easements, rights and privileges:

(a) All easements, whether general or specific, shown on the Plats and on the final approved subdivision and land development plans of the Community;

(b) An easement for the construction, installation, repair, inspection, alteration and maintenance of surface and subsurface utilities and utility facilities including, without limitation, electrical, telephone, cable television, water, sewer and similar facilities to serve the Community and all Units the Declarant reserves the right to construct hereunder;

(c) The right to grant easements through, over, across and under the Property and all parts thereof to public or private entities furnishing or providing facilities for the transmission of 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 Plats in a manner which will reflect the actual "as-built" location of any Common Facilities or utility facilities constructed thereon, and to amend this Declaration and/or the Plats 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) all roads (and related road rights-of-way) constructed within the Property pursuant to the Plan, (ii) all drainage easements and other easements necessary or appropriate to provide access to and from any Stormwater Management Facilities or other Common Facilities, and (ii) any other facilities or easements required or that may hereafter be required to be dedicated or offered for dedication to the public.

8.02 General Utility Easements. The Declarant and the Board shall each have the authority to grant to third parties additional utility easements that are deemed reasonable by the Declarant or the Board in connection with supplying such utility services to the Units or the Common Facilities.

8.03 Easement for Inspection and Abatement. The Declarant and the Association (and its Board, officers and agents) shall have the right and easement to have access to each Unit 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 the Community Documents.

8.04 Easement of Access and Use of Streets and Sidewalks. Each Unit Owner shall have an easement of use, access, ingress, egress and regress, in common with all other Unit Owners over undedicated streets within the Community for the purpose of providing vehicular and pedestrian access to and from the Unit Owners' respective Units, and over and across all sidewalks placed within the Community, except those walkways designated as Limited Common Facilities. 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 Unit or the Common Elements, or construct or place on his Unit or on any Common Elements 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.

8.06 Easement for Encroachments. If any part of the Common Facilities or Limited Common Facilities now or hereafter encroaches on any Unit, or if any Unit or Home or improvement thereon hereafter encroaches upon any Common Facilities or Limited Common Facilities (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 Easement for Party Walls. The Unit Owners owning adjacent Homes and Garage Units shall have an easement for the use, enjoyment, maintenance, repair and replacement of the party walls dividing such Homes and Garage Units. Any such wall shall be considered a party wall whether or not such wall exactly corresponds with the title line dividing the Units and even if such wall, through construction or engineering error, is located entirely within the title lines of a single Unit.

8.08 Reservation of Special Declarant Rights. Declarant and Titleholder hereby reserve for Declarant, and any successor Declarant the following rights:

(a) The right to maintain and relocate, from time to time, one (1) or more (but not more than ten (10)) construction and/or sales offices on the Open Space (without limitation as to size or location);

(b) The right to maintain signs on Units owned by the Declarant and on the Common Facilities advertising Units owned by the Declarant for sale or lease, and such other signs, including directional signs, as the Declarant may desire to place on its Units or on the Common Facilities in connection with the marketing and/or sale of Units 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 Units owned by the Declarant on the Declarant's Units;

(d) The right and easement to complete all improvements and Homes planned or contemplated for construction within the Property;

(e) Subject to approval of the Township, the right to relocate boundaries between Units owned by the Declarant, and the right to relocate the boundaries between Units and Common Facilities, together with the right to prepare, execute and record such amendments to this Declaration and the Plats 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 all easements through the Common Facilities for the purpose of constructing, maintaining and/or repairing any improvements including, but not limited to, the Stormwater Management Facilities, 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 convert the Convertible Real Estate as hereinafter set forth; 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.

8.09 Declarant's Rights as to Convertible Real Estate.

(a) Declarant hereby reserves the right to create additional Units and Limited Common Elements (or both) within the Convertible Real Estate. Such right may be exercised at any time within seven (7) years after this Declaration is recorded, after which time said option shall lapse as to any part of the Convertible Real Estate with respect to which the Declarant has not, on or before that date, exercised its option hereunder. There are no limitations on the options reserved by the Declarant hereunder, except those created by or imposed by operation of law and those expressly set forth in this Declaration.

(b) If additional Units are created within the Convertible Real Estate, the voting power in the Association and the Common Expense Liability appurtenant to each Unit shall be reallocated on the basis of one (1) vote per Unit.

(c) The Declarant reserves the right to convert or withdraw parts of the Convertible Real Estate at different times and in any order the Declarant may determine, and no assurances are made with regard to the order in which, or boundaries of, parts of the Convertible Real Estate that may be converted or added at any time.

(d) The maximum number of Units that may be created within the Property, including the Convertible Real Estate, is sixty-four (64) Units with Homes thereon and no more than thirty (30) Garage Units. All Units (other than Garage Units) created within the Convertible Real Estate shall be restricted exclusively to residential use.

(e) No assurances are made with respect to the compatibility of buildings or Units created within the Convertible Real Estate to existing buildings or Units within the Community in terms of architectural style, quality of construction, principal materials employed, size or price range.

(f) All restrictions in this Declaration affecting use, occupancy and alienation of the Units shall apply to Units created within the Convertible Real Estate, subject to such differentiations as the Declarant may deem appropriate based on the different character, style or type of Units created within the Convertible Real Estate, which differentiation the Declarant reserves the right to make in the Declarant's sole and absolute discretion.

(g) No assurances are made with respect to other improvements or Limited Common Elements that may be made or created within the Convertible Real Estate. However, the Declarant intends that the type of improvements and Limited

Common Elements that will be created within the Convertible Real Estate (if, as and when the same is converted) will be substantially similar to those made within the Community initially subject to this Declaration, including interior private streets, parking spaces, street lighting, sidewalks and the like. No assurances are made as to location of any buildings or other improvements that may be made within the Convertible Real Estate. However, the Declarant intends that the location of buildings, Homes, streets and other improvements will be substantially as depicted on the Plats (provided, however, that such intention shall not be construed as an assurance and the Declarant reserves the absolute right to change the location of such improvements and buildings from time to time at or prior to the time of conversion).

(h) No assurance is made that (i) the Limited Common Elements created within the Convertible Real Estate will be of the same general types, sizes or character as those located within other parts of the Community, or (ii) that the proportion of Limited Common Elements to Units created within the Convertible Real Estate will be approximately equal to the proportion existing within other parts of the Community.

8.10 Declarant's Right to Withdraw Convertible Real Estate. The Declarant reserves the right, in its sole and absolute discretion, to withdraw all or any part of the Convertible Real Estate at any time prior to the expiration of seven (7) years from the initial recording of this Declaration, subject to the following:

(a) If the Declarant has previously exercised its option to convert any part of the Convertible Real Estate by adding Units or Limited Common Elements therein, the Declarant may not thereafter withdraw such part of such land from the Community.

(b) Except as hereinabove set forth, there are no limitations on the option reserved to the Declarant to withdraw the Convertible Real Estate. The Declarant reserves the right to withdraw the Withdrawable Real Estate not previously converted at different times, and no assurances are made with regard to the boundaries or order in which such parts of the Convertible Real Estate may be withdrawn. If any part of the Convertible Real Estate is withdrawn, no change in the allocation of voting rights or Common Expense Liability shall be made with respect to the Units previously created within the Community.

8.11 Easement for Golf Balls and Golf Carts. The Community is located adjacent to the Golf Course. The Property (including each Unit, whether or not contiguous to said golf course) shall be subject to an easement for golf balls landing in, on or about the Units, Homes and Common Elements. Furthermore, parts of the Community are



subject to easements for use by golf carts and pedestrian golfers using such golf course as shown on the Plats. Without limiting the foregoing, such easement shall include, without limitation, the right of golfers on and guests of the Golf Course to enter upon the lawn areas (but not into any Home or onto any porch, patio, deck or similar structure, and without damaging any garden, landscape or other planning) and Common Elements for the purpose of retrieving errant golf shots. In addition, each Unit Owner, by taking title to a Unit subject to this Declaration, acknowledges and agrees that residing in a community with proximity to the Golf Course involves a risk of injury to persons or property by reason of the normal operation of a golf course, and each Unit Owner, on behalf of himself and his heirs, successors and assigns, to the fullest extent permitted by law (a) releases the Declarant, the Association and the Golf Course, and their respective directors, officers, partners, members, guests and invitees (other than the golfer or other person whose acts give rise to a Released Claim), and each of their respective heirs, successors and assigns (collectively, the "Released Persons") from any claims, damages, injuries to person or property, costs and expenses suffered by a Unit Owner, members of his or her family and any of their guests or invitees, arising from acts or omissions of the Released Persons, including their negligence, in connection with operations and activities relating to the Golf Course (the "Released Claims"); (b) covenants not to sue or bring any action for damages or otherwise against the Released Persons to recover any Released Claims; (c) ASSUMES THE RISK OF ALL RELEASED CLAIMS; and (d) agrees to indemnify, defend and hold the Released Persons harmless from and against all damages, injuries, costs and expenses (including reasonable attorney's fees and expenses) incurred or suffered by the Released Persons by reason of a Released Claim suffered by such Unit Owner, members of his or her family and any of their guests and invitees. Nothing herein, however, shall (i) constitute a release of or indemnification against any claim that a Unit Owner may have against the person or persons entering upon such Unit Owner's Unit for damages to lawn, landscaping or other property of a Unit Owner caused by such entry, (ii) constitute authorization of any person to enter upon a Unit or any Common Elements with a golf cart or other vehicle of any kind or to make or attempt to make any golf shot while positioned on a Unit or on the Common Elements, or (iii) constitute a release of any golfer or other person who personally causes any damage or injury that would otherwise constitute or give rise to a Released Claim pursuant to the preceding provisions.

8.12 Easement for Use of Common Facilities. The Unit Owners shall have an easement and right of use, in common with the Declarant (for so long as the Declarant owns any Unit and until all facilities to be constructed by the Declarant have been constructed and completed) to use and enjoy the Common Facilities (except Limited Common Facilities) provided that such easement and right of use and enjoyment shall be subject to reasonable Regulations promulgated by the Board from time to time. No person

other than the Declarant or the Association shall have the right or power to construct any improvements on or about the Common Facilities.

#### ARTICLE IX - PROVISIONS BENEFITTING EAST GOSHEN TOWNSHIP

9.01 Township's Right to Enforce. The Township shall be a third party beneficiary of the provisions of this Declaration requiring the Association to maintain the Common Facilities. The Township shall have the right (but not the obligation) to compel the maintenance of the Common Facilities if 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. The Township shall have all rights provided in the Township's ordinances. The cost of any maintenance and enforcement proceedings by the Township, together with interest, penalties, costs and reasonable attorney's fees, shall be assessed ratably against the Units that have a right of enjoyment of the Common Facilities affected thereby, and shall become a lien on such Units from the time such lien may be filed by the Township. Where a lien is placed by the Township against Units because of the failure of the Declarant, the Association or any successor organization to maintain the Common Facilities in reasonable order and condition as provided herein, the Township shall, upon conveyance of a Unit, or securing any home equity loan by any Unit Owner, release its lien as to the affected Unit upon payment of the amount due which was ratably assessed to that Unit, based upon the applicable Common Expense liability allocated to that Unit for General Common Expenses. Without limiting the foregoing, if the Association fails to maintain the Common Facilities, the Township shall have the right to proceed as provided in Section 705(f)(2)-(6) of the Pennsylvania Municipalities Planning Code. The rights and remedies of the Township set forth herein shall be cumulative and shall not be exclusive, and are in addition to any other rights or remedies that the Township may have at law or in equity.

#### ARTICLE X - PROVISIONS BENEFITTING ELIGIBLE MORTGAGEES

10.01 Required Consents. The following actions shall require the approval of Eligible Mortgagees holding Eligible Mortgages on at least fifty-one percent (51%) of the Units owned by Unit Owners other than the Declarant:

- (a) Voluntary termination of the Community pursuant to the Act;

(b) Annexation of additional property or any merger or consolidation of the Association with or into any other similar association, any dissolution of the Association or any amendment of the Articles of Incorporation of the Association as during the Declarant Control Period;

(c) Any amendment to this Declaration which would materially alter the rights and powers of the Association or obligations of the Association with respect to the maintenance and repair of Common Facilities; and

(d) Any conveyance or encumbrance of the Common Facilities by the Association during the Declarant Control Period.

#### ARTICLE XI - COMPLIANCE AND ENFORCEMENT

11.01 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 with the Community Documents, to restrain or abate any violation of the Community Documents, or to recover damages for such violation. The Association shall be entitled to recover the reasonable costs of enforcement, including attorney's fees, from any Unit Owner or other person violating the Community Documents.

#### 11.02 Enforcement by Unit Owners: Procedures.

(a) The Board shall have the exclusive right and authority on behalf of the Association to enforce the covenants in this Declaration relating to the payment of Assessments by Unit Owners; provided that nothing herein shall be construed to prohibit the Board from delegating such authority to third parties including any management company retained to manage the affairs of the Association, one or more attorneys at law and/or one or more collection agencies.

(b) If the Board, any committee of the Board or the Special Architectural Committee, as applicable, approves the construction, alteration or modification of any structure or improvement under Article VII hereof, such decision shall be final, binding and conclusive on all Unit Owners. No Unit Owner shall have the right to bring any action at law or in equity to contest such approval or to compel the removal, modification or alteration of any structure or improvement built, made or altered in compliance with the terms of 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 the Community Documents, unless such Unit Owner first complies with the procedures in Section 11.03 hereof.

11.03 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 the Community Documents, 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 a violation of the Community Documents before commencing any action or suit based thereon.

(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 conclusion 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 shall have the authority from time to time to promulgate Regulations relating to the procedure to be followed in cases where an 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 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 may be represented by legal counsel at their own 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 of the Community Documents, 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 covenants, restrictions or provisions of the Community Documents.

11.04 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 delay or forbearance in the enforcement of any provision of the Community Documents shall be construed as or constitute a waiver of the right to do so. Neither the Association or 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 writing.

## ARTICLE XII - MISCELLANEOUS

12.01 Assignment of Declarant's Rights and Obligations. Declarant shall have the right, in its sole discretion, 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.

12.02 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 any amendments to this Declaration and giving notice to Unit Owners thereof, shall be the same as the procedure set forth in the By-laws for the proposal of amendments to the By-laws, and the giving of notice thereof to members of the Association.

(b) The Declaration (including the Plats) may be amended only with the affirmative vote or written consent of Unit Owners entitled to cast sixty-seven percent (67%) or more of the votes that all Unit Owners are entitled to cast, except as provided in the other subsections hereof.

(c) This Declaration can be amended without the approval of the Unit Owners in any manner and for any purpose set forth in Section 5219(a)(3) and (f) 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) No amendment to this Declaration that would in any way alter, modify or affect any of the rights, easements or powers granted to the Township (including, without limitation, Article IX of this Declaration) or otherwise provided for in Articles IV, VII and VIII hereof, may be made except by an instrument approved in writing by the governing body of the Township or joined or executed by the governing body of the Township.

(f) No amendment to any provision of this Declaration granting any rights to the record owner of the Golf Course including, without limitation, Sections 7.14, 8.08 and 8.11, may be made except by an instrument in writing signed by the then record owner of the Golf Course.

(g) No amendment to this Declaration that would adversely affect the Unit Owners of the Garage Units, or that would change the basis on which Assessments are made against the garage Units, shall be made or adopted without the approval of the Unit Owners thereof who own least sixty-seven per cent (67%) of the Garage Units.

(h) Each amendment to the Declaration shall be effective upon recording.

12.03 Severability. If any provisions of this Declaration are determined by a court to be invalid or unenforceable, such invalid or unenforceable provisions shall be deemed stricken and shall not affect the validity or enforceability of any other provisions of this Declaration. If any provisions of this Declaration are unenforceable or invalid as written, but may be reformed so as to make the same valid and enforceable in accordance with the reasonable intent of the Declarant as specified herein, it is the intent of the Declarant that any court interpreting such provisions shall to the extent permitted by law, reform the same so as to make the same valid and enforceable in accordance with the reasonable intent of the Declarant expressed therein.

12.04 Governing Law. This Declaration shall be governed by the laws of the Commonwealth of Pennsylvania.

12.05 Covenants, Restrictions and Easements Running with the Land. This Declaration, and all covenants, restrictions and easements set forth herein, shall constitute covenants, restrictions and easements running with the Property, in perpetuity, whether

or not any deed conveying the Property or any Unit shall expressly refer to this Declaration, and all such covenants, restrictions and easements, shall, except as otherwise expressly provided herein, be binding upon the Property, the Units and the Common Facilities, and shall be binding upon and shall inure to the benefit of the Declarant and all Unit Owners, and their respective heirs, executors, administrators, successors and assigns.

12.06 Titleholder's Liabilities. Titleholder has executed this Declaration solely for the purpose of subjecting the Property to this Declaration. Titleholder is neither the developer of the Community nor the builder of any Homes or Common Elements, and shall have no liability therefor by reason of the execution hereof. Notwithstanding the preceding, if the Land Purchase Agreement is terminated, Titleholder shall automatically thereafter be deemed the "Declarant" for purposes hereof and shall thereafter have all obligations and liabilities imposed on the Declarant pursuant to this Declaration, and all rights, benefits and privileges inuring to the benefit of the Declarant hereunder, provided that Titleholder shall have no liability or obligation with respect to events, acts or omissions occurring prior to the date on which Titleholder assumes the obligations of the Declarant hereunder.

IN WITNESS WHEREOF, the Declarant and Titleholder have executed this Declaration the day and year first above written.

DECLARANT:

POHLIG AT APPLEBROOK, L.P.  
By: FORESITE LAND CORPORATION, Its  
General Partner

By: 

Donald J. Pohlig, President

TITLEHOLDER:

APPLEBROOK ASSOCIATES, L.P.,  
By: APPLEBROOK ASSOCIATES, INC., Its  
Sole General Partner

By: 

President





COMMONWEALTH OF PENNSYLVANIA

: SS

COUNTY OF CHESTER

On the 7<sup>th</sup> day of September, 2000, before me the undersigned, a notary public for the Commonwealth of Pennsylvania residing in the County of Chester, personally appeared Donald J. Pohlig, who acknowledged himself to be the President of Foresite Land Corporation, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes herein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Barbara L. Saville  
Notary Public

NOTARIAL SEAL  
BARBARA L. SAVILLE Notary Public  
Willistown Twp Chester County  
My Commission Expires Dec. 17, 2001

COMMONWEALTH OF PENNSYLVANIA

: SS

COUNTY OF CHESTER

On the 24<sup>th</sup> day of October, 2000, before me the undersigned, a notary public for the Commonwealth of Pennsylvania residing in the County of Chester, personally appeared Henry S. Belber II, who acknowledged himself to be the President of Applebrook Associates, Inc., and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes herein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Barbara L. Saville  
Notary Public

NOTARIAL SEAL  
BARBARA L. SAVILLE Notary Public  
Willistown Twp Chester County  
My Commission Expires Dec. 17, 2001

# CHESTER VALLEY ENGINEERS, INC.

Civil Engineers & Land Surveyors

83 Chestnut Road • P.O. Box 447 • Paoli • Pennsylvania • 19301  
(610) 644-4623 • Fax (610) 889-3143 • www.chesterv.com

#15300 - Applebrook

Lot 5

January 22, 2000

ALL THAT CERTAIN parcel of land SITUATE in East Goshen Township, Chester County, Pennsylvania, being shown as Lot 5 on Plan of Subdivision for Applebrook (the "Plan") dated September 17, 1999 and last revised October 15, 1999 by Chester Valley Engineers, Inc., Paoli, Pennsylvania, and being more fully described as follows:

**BEGINNING** at the northwesterly corner in common of Lots 2 and 5 on the Plan on the title line through the bed of Line Road (T-462), said beginning point being measured the following three (3) courses and distances along said title line from the intersection of the title lines through the beds of said Line Road and Paoli Pike (S.R. 2014) and a corner of Lot 1 on the Plan: (1) South 33 degrees 32 minutes 22 seconds East 372.74 feet; (2) South 33 degrees 02 minutes 52 seconds East 1,029.60 feet; (3) South 33 degrees 32 minutes 42 seconds East 782.29 feet to the point of beginning; thence from the point of beginning, continuing along said title line the following four (4) courses and distances: (1) South 33 degrees 32 minutes 42 seconds East 432.21 feet; (2) South 48 degrees 22 minutes 42 seconds East 180.15 feet; (3) South 40 degrees 30 minutes 02 seconds East 161.18 feet; (4) South 33 degrees 17 minutes 42 seconds East 714.25 feet to a corner of said Lot 2; thence leaving said title line and along said Lot 2, the following nine (9) courses and distances: (1) North 81 degrees 42 minutes 04 seconds West 424.44 feet; (2) North 75 degrees 36 minutes 07 seconds West 201.12 feet; (3) South 89 degrees 43 minutes 06 seconds West 382.30 feet; (4) North 70 degrees 50 minutes 00 seconds West 151.62 feet; (5) North 33 degrees 17 minutes 19 seconds West 182.16 feet; (6) North 04 degrees 15 minutes 23 seconds East 215.46 feet; (7) North 33 degrees 54 minutes 35 seconds West 191.18 feet; (8) North 11 degrees 08 minutes 06 seconds East 248.28 feet; (9) North 56 degrees 43 minutes 27 seconds East 493.68 feet to the said title line through the bed of Line Road and the point and place of beginning; and **CONTAINING** 19.277 acres of land, be the same, more or less.

Exhibit A - Legal Description

BK 856 PG 0658

## PROPOSED EXCEPTIONS FOR CARRIAGE HOMES AT APPLEBROOK

The lien of all taxes for the year 2000 and thereafter

Any lien, or right to a lien for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public record.

Any encroachment, easements, measurements, area, content, party walls or other facts which a correct survey of the premises would show.

Any facts or encumbrances which would be apparent from an inspection of the premises.

Roads, ways, streams or easements, if any, not shown of record, riparian rights and the title to any filled-in lands.

Possible additional assessments for taxes for new construction or for any major improvements pursuant to provisions of Acts of Assembly relating thereto.

That part of premises in question in the bed of all bounding, abutting and intersecting streets, roads, highways and lanes is subject to the public and private rights therein.

Easements for highway purposes as in Highway Plan Book 1 pages 13 and 15 and Highway Plan Book 7 page 7.

Stream of water flows through premises; rights of others therein.

Rights granted to public utility companies as in Deed Books 39 page 71, 39 pages 349 and 350, 94 page 50, 119 page 306, 124 page 307, 169 page 653, 295 page 112, 374 page 39, 379 page 558, 523 page 52 and in Record Books 837 page 560 and 2028 page 450.

Rights granted to East Goshen Municipal Authority as in Record Books 376 page 199 and 3422 page 224.

The amount or computation of area or acreage covering premises is not insured.

Easements, including, but not limited to, a 20 feet wide Sanitary Sewer Easement through Lot No. 2, Notes, Conditions, including, but not limited to, Wetlands and a 100 year Flood Plain on Lots Nos. 2 and 5, and Building Set Back lines as noted on Subdivision Plan of Applebrook made by Chester Valley Engineers, Inc., dated 9/17/1999 and last revised 10/15/1999 and recorded in Plan File No.



<u>Component</u>	<u>Ownership</u>	<u>Community Association Responsibility</u>	<u>Charged As</u>	<u>Homeowner Responsibility</u>
Roofing Flashing	H-CTF	Repair Replacement	LCE LCE	None
Skylights	H-CTF	Repair Replacement	LDC LDC	None
Gutters Downspouts	H-CTF	Cleaning Repair Replacement	LCE LCE LCE	None
Stucco exterior	H-CTF	Repair Cleaning Eventual replacement	LDC LDC	None
Stone exterior treatment	H-CTF	Repair Eventual replacement	LDC LDC	None
Other exterior treatments	H-CTF	Painting, if required Repair Replacement	LCE LDC LDC	None
Shutters	H-CTF	Repair Replacement	LDC LDC	None
Chimney Exteriors (stone or stucco)	H-CTF	Repair Eventual replacement	LDC LDC	None

<u>Component</u>	<u>Ownership</u>	<u>Community Association Responsibility</u>	<u>Charged As</u>	<u>Homeowner Responsibility</u>
Chimney Flues	H	None		Cleaning Repair Maintenance
Fireplaces, hearths	H	None		Repair
Windows Window glass, Sliding glass doors, Patio doors	H	Repainting exterior trim	LCE	Cleaning Repair Replacement (1)
Front Entrance Door Patio or Balcony Door	H-CTF	Repainting exterior side	LCE	Repair Replacement (1)
Locks, hinges or other hardware on windows and doors	H	None		Repair Replacement
Garage Door	H-CTF	Repainting exterior side	LCE	Repair Replacement (1)
Garage door lock, hardware, mechanicals	H	None		Maintenance Repair Replacement
Front Porch, entranceway, landing	H-CTF	Snow clearing Replacement	LCE LDC	Clearing Ice melting

<u>Component</u>	<u>Ownership</u>	<u>Community Association Responsibility</u>	<u>Charged As</u>	<u>Homeowner Responsibility</u>
Exterior entrance lighting, controlled inside Home	H	None		Repair Maintenance Electricity Replacement (1)
Front entrance fencing treatment	H-CTF	Repainting Repair Replacement	LCE LDC LDC	None
Patio, Terrace, Decks	H-CTF	Replacement	LDC	Cleaning Maintenance Snow clearing Ice melting
Foundation Walls	H	None		Repair, if ever needed
Basement, internal structural components	H	None		Repair, if ever needed
Interior components or everything inside "exterior surface side" or having an "interior aspect"	H	None		Repair Maintenance Replacement Operation
Attic space, non-structural components beneath roof sheathing, including insulation	H (access only with <u>Board approval</u> )	None		Cleaning Repair

<u>Component</u>	<u>Ownership</u>	<u>Community Association Responsibility</u>	<u>Charged As</u>	<u>Homeowner Responsibility</u>
Sanitary sewer, water, and other utility lines outside the Lot which run to public mains	LCF	Maintenance Replacement	LDC LDC	None
Sidewalks to individual homes	H-CTF & LCF	Snow clearing <sup>(2)</sup> Repair Replacement	LCE LCE LCE	Cleaning Ice melting
Driveways	H-CTF & LCF	Snow clearing <sup>(2)</sup> Resealing Resurfacing	LCE LCE LCE	Cleaning Ice melting
Planted beds adjacent to homes	H-CTF	Maintenance	LCE	Watering Planting of annual or perennials within guideline
Landscape (turf, trees, shrubs, bushes) located on Lots or near Homes	H-CTF & LCF	Maintenance Limited Replacement	LCE LCE	Watering near home
Sprinkler irrigation system in turf only	CF	Maintenance Repair Replacement Water	GCE GCE GCE GCE	None
All other landscape located on the property	CF	Maintenance Replacement	GCE GCE	None

BK 856PG0664



<u>Component</u>	<u>Ownership</u>	<u>Community Association Responsibility</u>	<u>Charged As</u>	<u>Homeowner Responsibility</u>
Applebrook Drive And parking spaces	CF	Repair	GCE	None
		Resurfacing	GCE	
		Snow clearing <sup>(2)</sup>	GCE	
		Ice melting	GCE	
Curbing	CF	Repair	GCE	None
		Replacement	GCE	
Street Lighting	CF	Electricity	GCE	None
		Repair	GCE	
		Maintenance	GCE	
		Replacement	GCE	
Common walkways	CF	Snow clearing <sup>(2)</sup>	GCE	None
		Repair	GCE	
		Replacement	GCE	
Signage	CF	Maintenance	GCE	None
		Replacement	GCE	
Independent Garage Buildings	H	Maintenance	LDC	None
		Repair	LDC	
		Replacement	LDC	

(1) Items to be replaced by Homeowner which must first be approved by the Association.

(2) Snow will be cleared per the service guidelines of the Board and only where there are vehicles parked in such a way that the area can be cleared when contractor is present to do the work.

003-080


BK 856PG0665

MORTGAGEE JOINDER

The undersigned ("Mortgagee") is the holder of a mortgage encumbering the real property subject to the Declaration of Covenants, Restrictions and Easements ("Declaration") to which this is attached, which mortgage is recorded in the office of the Recorder of Deeds in and for Chester County, Pennsylvania at Record Book \_\_\_\_\_, page \_\_\_\_\_ (as heretofore or hereafter amended, 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 27<sup>th</sup> day of October, 2000.

THE FIRST NATIONAL BANK OF WEST  
CHESTER

By:   
David Glarner, Vice President

COMMONWEALTH OF PENNSYLVANIA :  
 : SS  
COUNTY OF CHESTER :

On the 27<sup>th</sup> day of October, 2000, before me the undersigned, a notary public for the Commonwealth of Pennsylvania residing in the County of Chester, personally appeared David Glarner, who acknowledged himself to be the Vice President of The First National Bank of West Chester, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes herein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Kathleen S. Craig  
Notary Public

Notarial Seal  
Kathleen S. Craig, Notary Public  
West Chester Boro, Chester County  
My Commission Expires Feb. 25, 2002  
Member, Pennsylvania Association of Notaries

