

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CROSSGATES

THIS DECLARATION (hereinafter "Declaration"), made on the date hereinafter set forth by Murry Development Corporation, hereinafter referred to as "Declarant". (Declarant's address - 1899 Lititz Pike, Lancaster, Pennsylvania).

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the Borough of Millersville, Lancaster County, Pennsylvania, which is more particularly described in Exhibit "A" attached hereto and made a part hereof.

WHEREAS, Declarant intends to establish a Residential Cluster Development on the property described in Exhibit "A", to be known as Crossgates.

NOW THEREFORE, Declarant hereby declares (subject to the provisions of this Declaration) that all of the properties described in Exhibit "A" shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to Crossgates Homeowner's Association, Inc., a Pennsylvania non-profit corporation, its successors and assigns, to be as constituted and defined in Article III hereof.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain property described in Exhibit "A", and such additions thereto as may hereafter be brought within the jurisdiction of the Association. This Declaration shall affect only those portions of Properties described in Exhibit "A" as are now or hereafter included in a duly recorded, final subdivision/land development plan for Crossgates; and this Declaration shall not affect in any manner whatsoever any Lot or any portion or part of the Properties unless and until such Lot or portion or part has been subdivided into individual Lots, pursuant to a duly recorded, final subdivision/land development plan for Crossgates.

Section 4. "Common Area" shall mean that portion of the Properties including the improvements thereon owned, operated and maintained by the Association for the common use and enjoyment of Owners. The Common Area to be owned by the Association prior to the completion of the development of the Properties is described in Exhibit "B" attached hereto and made a part hereof, and in addition, shall specifically include the certain landscaped cul-de-sac areas and adjacent parking areas in the cul-de-sac

streets shown on the duly recorded, final subdivision/land development plan for Crossgates as approved by the Borough of Millersville, said cul-de-sac streets to include Briargate, Laurelgate, Stonegate, Thorngate and Windgate. The term "Common Area" shall include only that portion of the Properties as are now or hereafter included and designated as "Common Area" on a duly recorded, final subdivision/land development plan for Crossgates; and the term "Common Area" shall not include any portion of the Properties unless and until such portion of the Properties has been included and designated as "Common Area" on a duly recorded, final subdivision/land development plan for Crossgates.

Section 5. "Dwelling Unit" shall mean and refer to one (1) or more living and/or sleeping rooms arranged for the use of one (1) or more individuals living as a single house keeping unit with cooking, living and sanitary facilities.

Section 6. "Lot" shall mean and refer to any plot of land (whether improved or unimproved) now or hereafter included on a duly recorded, final subdivision/land development plan for Crossgates and any amendment to such plan. "Lot" shall also mean and refer to any Unit in a subsequently created Condominium. The terms "Unit" and "Condominium" shall have the meaning as set forth in the Pennsylvania Uniform Condominium Act.

Section 7. "Declarant" shall mean and refer to Murry Development Corporation, or any successor and/or assign which Murry Development Corporation shall by recorded instrument specifically designate as the Declarant. A purchaser from the Declarant is not a successor and/or assign of the Declarant unless specifically designated as the Declarant in a recorded instrument. A purchaser of less than all of the remaining Lots owned by the Declarant is not a successor and/or assign of the Declarant. A purchaser of all of the remaining Lots owned by the Declarant, other than the purchaser of the last Lot, will be considered a successor and/or assign of the Declarant and will specifically be designated as the Declarant in a recorded instrument.

ARTICLE II PROPERTY RIGHTS; RESTRICTIONS

Section 1. Owners' Easements of Enjoyment. Every Lot Owner shall have a right and easement of enjoyment in and to all of the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to adopt reasonable rules and regulations for the use of the Common Area, including but not limited to, the right to place limitations on the number of guests and, to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights of and right to use of the recreational facilities by an Owner (i) for any period during which any assessment against such Owner's Lot remains unpaid, and (ii) for a period not to exceed (60) days for any infraction of the Association's published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area or any interest therein to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws and this Declaration, such Owner's right of enjoyment of the Common Area to the members of such Owner's family, tenants, or contract purchasers who reside on the Lot.

Section 3. General Restrictions. The following restrictions are hereby placed on all Lots in the Properties.

(a) No exterior antennae or receiving device shall be erected or maintained on any Lot or improvement thereon.

(b) Nothing shall be done or kept on any Lot which will increase the rate of insurance on any Association property without the approval of the Board of Directors of the Association, nor shall anything be done or kept on any Lot which would result in the cancellation of insurance on any Association property or which would be in violation of any law.

(c) Except as shown in the plans for tentative and final approval of Crossgates, no building or structure shall be constructed, erected and maintained, used or altered to be used, upon any part of the Properties for any purpose than that of (i) residential dwellings and private garages, (ii) facilities related to and accessory to residential use of the Properties and (iii) such other uses as are approved by the Borough of Millersville at the request of Declarant. A private garage may be built separately or attached to and made a part of the Dwelling Unit, shall be of the same material (or other material approved by the Declarant) and conform in construction to the dwelling on the Lot upon which the garage is erected, and shall not precede the construction of the Dwelling Unit. The Properties shall be used for residential purposes only, facilities related to and accessory to residential use of the Properties and such other uses as are specifically approved by the Borough of Millersville at the request of Declarant; and (unless permitted pursuant to this Declaration) no store, tavern or other public, commercial, industrial or professional business shall at any time be maintained thereon. The Declarant may maintain a sales office, construction office (at such location and of such type and maintenance and condition, all as reasonably approved by the Millersville Borough Planning Commission) and/or rental office for purposes of constructing, selling or renting Dwelling Units located in Properties. This prohibition shall not preclude, however, the construction by the Association or Declarant, upon the Common Area, of recreational facilities for the use of the members of the Association. Nor shall it preclude, with Association approval, the construction of private in-ground swimming pools and racquet sports facilities upon the Properties. Nor shall it apply to temporary construction facilities used by the Declarant in construction upon the Properties.

(d) Except for the erection of temporary chemical toilets by the Declarant during construction of Dwelling Units, no outside toilet or closet shall be erected on the Properties.

(e) All Lots shall be kept free of unsightly weeds and rubbish at all times. Lawn grass (with the exception of the Common Area where preservation of the natural environment may dictate otherwise) shall not exceed seven inches in height. ~~No animal or poultry of any kind shall be kept on the Properties except those commonly recognized as domestic house pets and with a limitation of the lesser of (i) one (1) animal weighing in excess of forty (40) pounds or (ii) two (2) animals in total (i.e., two (2) dogs, one (1) dog and one (1) cat, etc.) plus the offspring thereof per Dwelling Unit; provided, however, that offspring increasing the number of domestic house pets above the two (2) allowable, shall not be permitted on and shall be removed from the premises within three (3) months of birth. No kennel,~~

doghouse or other pet shelter shall be permitted on any Lot. Domestic pets shall be confined to the Owner's Lot and shall not be permitted to defecate or run free on the Common Area.

(f) No fences of metal or wire construction, including but not limited to chain link fences, shall be erected on any portion of the Properties, except that the foregoing provision shall not apply to fences approved by the Architectural Committee, as constituted and defined in Article V hereof, and used with respect to racquet or other sports facilities in the Common Area. Property line fences may be erected of hedge and bush or ornamental construction, or of brick, wood or stone provided no such fence exceeds six (6) feet in height, and provided the same be first approved by the Architectural Committee. If a fence is erected adjoining any Common Area, then the Owner on whose Lot said fence is erected shall maintain both sides of said fence in a mowed, clean and neat condition at least three (3) feet into the Common Area. These restrictions do not preclude construction of metal security fences when required by governmental authority; however, plans and specifications shall first be approved by the Architectural Committee. No wood or metal tool, garden, or similar type sheds or structures shall be permitted unless constructed of the same material as the Dwelling Unit, attached to the Dwelling Unit and approved by the Architectural Committee.

(g) No advertising signs or billboards except real estate signs offering the Dwelling Unit or Lot for sale, none of which shall exceed four (4) square feet in size, shall be permitted on any Lot. Customary identification signs, however, shall be permitted on a Lot provided the same do not exceed one (1) square foot in size. Developer's entrance signs and project identification signs and builder's job location signs shall be permitted as approved by the Borough Council of the Borough of Millersville. Mailbox design and location shall be approved by the Architectural Committee.

(h) No garbage or trash containers shall be located in the front or side lawn area of any Lot for more than a twenty-four (24) hour period. No wash poles, lines or clothing shall be exposed or hung on the exterior of any Dwelling Unit. In the event that Owners maintain a flower or vegetable garden, they shall keep the same free from unsightly weeds, remove dead crops and control soil erosion. All garbage or trash storage areas shall be screened.

(i) No exterior storage or parking of recreational vehicles, including but not limited to trail motorcycles, mini-bikes, motor cycles, snowmobiles, campers, boats, etc., shall be permitted. No exterior storage or parking of commercial vehicles (except those in the process of making deliveries or providing services) shall be permitted. No use of any motorized vehicle in the Common Area (except for maintenance equipment and conveyances used by Declarant for its sales or rental business) shall be permitted.

(j) Except as is reasonable during initial construction phases, no rubbish or debris of any kind shall be placed or permitted to accumulate upon any Lot and no odors shall be permitted to arise therefrom so as to render any such Lot or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Lot or Dwelling Unit in the vicinity thereof or to the occupants thereof. No noise or other nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other Lot or Dwelling Unit in the vicinity thereof or to the occupants thereof. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes)

shall be located, used or placed on any Lot without the prior written approval of the Board of Directors of the Association.

(k) No improvements upon any Lot within the Properties shall be permitted to fall into disrepair, and each improvement shall at all times be kept in good condition and repair. All other maintenance, repair and upkeep shall be the responsibility of the Owner of the Lot and Dwelling Unit in need thereof.

(l) All utilities including electric, telephone and television cable lines shall be underground.

(m) Garden plots must be properly screened, shall be located in the rear yard and shall not be within four (4) feet of any property line.

(n) The Architectural Committee shall possess the right to control the ridge line of roofs and color of roofs. This restriction shall not, however, apply to original construction by the Declarant.

(o) The area between the right of way line of the street and edge of the macadam including curbs and sidewalks, shall be maintained by the abutting Lot Owner as approved by the Architectural Committee and the Borough of Millersville.

(p) There shall be no interference with the established drainage pattern over any Lot within the Properties unless adequate provision is made for proper drainage and is approved by the Architectural Committee. For the purposes hereof, "established drainage" is defined as the drainage which exists at the time the overall grading of the Properties is completed, or which is shown on any plans approved by the Architectural Committee. A permanent easement across the Common Area for drainage purposes is hereby granted.

(q) No activities shall be conducted on any Properties and no improvements may be constructed which are or might be unsafe or hazardous to any person or property.

(r) The provisions herein contained shall run with the land, shall enure to the benefit of and be enforceable by the Declarant, any Owner, the Association, or the Borough of Millersville. The violation of any of the provisions is hereby declared to be a nuisance which may be remedied by appropriate legal proceedings. Failure of any party to enforce, or to restrain the breach of any provisions herein, shall be in no way deemed a waiver of the right to do so, or as a waiver of such restriction, condition, covenant or agreement. The Declarant, its legal representatives, successors and assigns, shall not be responsible, either personally or as a fiduciary, for the default of any subsequent purchaser or Owner of any portion of the Properties, nor obliged to enforce compliance with any provisions herein, in the event of default by such purchaser or Owner.

(s) All Owners of each Lot shall be bound by and subject to the By-Laws, rules, regulations and assessments of the Association and all provisions relating to the Common Area as set forth herein, which rules and regulations and provisions will require, inter alia, the payment of an annual fee as assessed for the maintenance and repair of the Common Area and which fee or costs are assessable against the Lots. The Common Area shall be and remain for the sole and exclusive use of the residents of Crossgates; and such Common Area shall not be used or available for use by nonresidents of Crossgates except in accordance with the rules and regulations of the Association. If any Owner, his family, or any licensee, lessee or invitee violates the Association Rules, the Board of Directors of the Association may suspend the right of such person to use the Common Area, under such

conditions as the Board may specify, for a period not to exceed sixty (60) days for each violation. Before invoking any suspension, the Board shall give such person notice and hearing. In the event any Owner of any Lot shall violate any Association rule or regulation which shall result in damage to any part of the Common Area or improvements thereon, the Board of Directors shall have the right after notice and hearing and to the extent allowed by the laws of the Commonwealth of Pennsylvania to assess the cost of repair of such damages against the Dwelling Unit or Lot of the Owner or Owners responsible for such damage. Such assessment shall be added to and become a part of the assessment to which such Dwelling Unit or Lot is subject. Notwithstanding anything to the contrary in this Declaration, the Board shall not have the power to bar any Owner from use of the Common Area necessary to allow the Owner free access to and from his Lot.

(t) Nothing in these restrictions shall limit the right of Declarant to complete excavation, grading and construction of improvements to any Lot or Dwelling Unit within the Properties, or to alter said excavation, grading and construction of improvements, or to construct such additional improvements as Declarant deems advisable in the course of development of the Properties, or to use any structure in the Properties as a construction office or model home or real estate sales or leasing office. Declarant need not seek or obtain Architectural Committee approval of any improvement constructed or placed by Declarant on any Lot or any Properties owned by Declarant. The rights of Declarant hereunder and elsewhere in these restrictions may be assigned by Declarant by recorded instrument which specifically designates a successor Declarant. A purchaser from the Declarant is not a successor and/or assign of the Declarant unless specifically designated as the Declarant in a recorded instrument. A purchaser of less than all of the remaining Lots owned by the Declarant is not a successor and/or assign of the Declarant. A purchaser of all of the remaining Lots owned by the Declarant, other than the purchaser of the last Lot, will be considered a successor and/or assign of the Declarant and will specifically be designated as the Declarant in a recorded instrument.

(u) The Common Area and all improvements and facilities and amenities located or constructed thereon, will, as completed, be conveyed to the Association. After conveyance of the Common Area to the Association, the Association shall be obligated to maintain and repair the Common Area and all improvements and facilities located thereon solely for the uses and purposes as specified on the duly recorded final subdivision/land development plan.

(v) In the event the Association shall at any time after conveyance of the Common Area to it fail to maintain the Common Area in reasonable order and condition in accordance with the duly recorded, final subdivision/land development plan, the Borough of Millersville may serve written notice upon the Association or upon the Owners setting forth the manner in which the Association has failed to maintain the Common Area in reasonable condition; and said notice shall include a demand that such deficiencies be corrected within thirty (30) days thereof, and shall state the date and place of a hearing thereon which shall be held within fourteen (14) days of the notice. At such hearing, the Borough may modify the terms of the original notice as to the deficiencies and may give an extension of time within which they shall be corrected. If the deficiencies set forth in the original notice or in the modifications thereof shall not be corrected within thirty (30) days or any extension thereof, the Borough, in order to preserve the taxable values of the Properties within Crossgates and to prevent the Common Area from becoming a public nuisance, shall have the legal right, but not the obligation, to enter upon said Common Area and maintain the

same for a period of one (1) year. Said maintenance by the Borough shall not constitute a taking of said Common Area, nor vest in the public any rights to use the same. Before the expiration of said year, the Borough shall, upon its initiative or upon the request of the Association, call a public hearing upon notice to the Association or to the Owners of Crossgates, to be held by the Borough or its designated agency, at which hearing the Association or the Owners of Crossgates shall show cause why such maintenance by the Borough shall not, at the option of the Borough continue for a succeeding year. If the Borough or its designated agency, shall determine that the Association is ready and able to maintain said Common Area in reasonable condition, the Borough shall cease to maintain said Common Area at the end of said year. If the Borough or its designated agency shall determine that the Association is not ready and able to maintain said Common Area in a reasonable condition, the Borough may, in its discretion, continue to maintain said Common Area during the next succeeding year and, subject to a similar hearing and determination, in each year thereafter. The decision of the Borough or its designated agency shall be subject to appeal to court in the same manner, and within the same time limitation, as is provided for zoning appeals. In all matters as set forth herein, the Borough shall have the legal right, but not the obligation, to take such action as is permissible by it.

The cost of such maintenance by the Borough shall be assessed ratably against the Lots in accordance with the method of assessing such cost as provided herein and shall be a lien upon the Lots affected thereby from and after the date of assessment thereof.

(w) Where any multiple family, single family, attached or single family semi-attached residential unit is served by a dual sanitary sewer lateral, the cost of repair and maintenance of such dual sanitary sewer lateral shall be born equally by the Owners of the units served by such dual sanitary sewer lateral.

(x) Except as provided on a duly recorded, final subdivision/land development plan for Crossgates, the Declarant shall have no obligation to develop the Properties and/or Common Area; and nothing (except as provided on a duly recorded, final subdivision/land development plan) contained in this Declaration shall bind or obligate Declarant to develop the Properties and/or Common Area.

Section 4. Easements.

(a) Reciprocal Easements. The Declarant hereby reserves for itself so long as it shall own one (1) or more Dwelling Units or Lots, and for the Association, without limitation, their successors and assigns, a right of way and easement for maintenance and repair of all Common Area improvements, and the installation, inspection and replacement of utility lines, including but not limited to, water lines, sewer lines, gas lines, electric lines, telephone lines, television cable antenna lines and such other utility lines and incidental equipment thereon, over, under and across the Common Area and that portion of any Lot situate between any Lot improvement and the street adjacent thereto. Declarant or Association may exercise the rights granted by this Article with or without prior notice to the Owners affected thereby. Perpetual reciprocal easements for the aforementioned purposes shall exist both for the benefit and burden of all of the Owners.

(b) Easements for Encroachments. If any portion of a Lot improvement constructed by Declarant encroaches upon the Common Area, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist provided such encroachment does not interfere with the use

or enjoyment of any building or improvement on the Common Area. If any improvement of the Common Area constructed by Declarant encroaches upon a Lot a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Area or the Lot.

(c) Reservation of Easements. Declarant reserves for itself and for the present and future Owners the use of the easements set forth in this Article which are intended to and shall be for the benefit of all Owners, and no reference thereto need be made in any Deed, instrument of conveyance or any other instrument.

(d) Easements for Utilities. The Declarant hereby grants a right of way and easement for utility purposes including, but not limited to, water lines, sewer lines, gas lines, electric lines, telephone lines, television cable antenna lines and such other utility lines and incidental equipment thereon, over, under and across the Common Area and all other Lots within the Properties. Such utility easements and rights of way shall be binding upon the Declarant, Owners, the Association and their respective successors and assigns.

(e) Easement for Additional Common Area.

(i) Declarant expressly reserves the right to enlarge Crossgates. Such addition(s) to Crossgates shall be expressed in and by a duly recorded supplement to this Declaration and supplemental subdivision map, as may be required.

(ii) Each Owner of a Dwelling Unit or Lot subject to this Declaration shall have a non-exclusive easement in common with all other Owners for the use of the Common Area, subject to the restrictions contained herein and further subject to the By-Laws and rules and regulations established by the Association from time to time.

Section 5. Special Provisions Applicable to Lots adjoining Crossland Pass and Murrycross. Any Lot which adjoins the streets named "Crossland Pass" or "Murrycross" shall be subject to the restriction that the portion of such Lot located within thirty (30) feet of the street right of way line shall be improved only as lawn or permanently landscaped; and no structures or gardens shall be permitted.

ARTICLE III ASSOCIATION MEMBERSHIP AND VOTING RIGHTS; ASSESSMENTS

Section 1. The Association shall have two classes of members. The qualifications and rights of each class shall be as follows:

Class A. Every Owner shall be a member.

Membership shall include an undertaking by an Owner to comply with and be bound by the Articles of Incorporation, the By-Laws and amendments thereto, this Declaration, and the policies, rules, and regulations at any time adopted by the Association in accordance with the By-Laws and this Declaration. Membership shall be accompanied by payment of the first year's dues in advance.

Membership in the Association shall terminate on such member's ceasing to be an Owner of a Lot or Dwelling Unit.

Each member in good standing shall be entitled to vote on each matter submitted to a vote of the members, provided however, that each member shall be an Owner. A member shall have one vote for each Lot or Dwelling Unit owned by such Owner. For example, if an Owner owned an unimproved Lot, that Owner would be entitled to one (1) vote. If that Lot were improved with one (1) Dwelling Unit, the Owner would be entitled to one (1) vote. If the Lot were improved by two (2) or more Dwelling Units, the Owner would be entitled to a number of votes equal to the number of Dwelling units on the Lot. Where two (2) or more Owners own an unimproved building site or Dwelling Unit, only one (1) vote for each unimproved building site or Dwelling Unit owned shall be allowed, and such joint Owners shall designate and register with the secretary of the association the name of that Owner entitled to cast such single vote.

At membership meetings all votes shall be cast in person, or by proxy registered with the secretary.

The Board of Directors is authorized to establish regulations providing for voting by mail.

An Owner who is a member of the Association may assign his membership rights to the tenant residing in or on the Owner's Dwelling Unit. Such assignment shall be effected by filing with the secretary of the Association a written notice of assignment signed by the Owner.

Class B. The Class B member(s) shall be the Declarant; and the Declarant shall be entitled to four (4) votes for each Lot owned by Declarant. At such time as the Class B membership is converted to Class A membership in the manner described below, the Class A membership shall obtain and shall permanently retain exclusive control over the activities of the Association. The Class B membership shall cease and be converted to Class A membership upon the earlier of the following events:

(a) one hundred twenty (120) days after seventy-five percent (75%) of the Lots in Phase I of Crossgates have been conveyed by Declarant to other persons; or

(b) three (3) years after conveyance by Declarant of the first Lot in Phase I of Crossgates.

Voting. As used in this Article III, the phrase "majority vote of the Owners" shall mean a majority of the votes cast at a meeting of the Owners at which a quorum (as set forth in Section 6 of this Article III) is present in person or in proxy.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment.

(a) Until January 1, 1984, the maximum annual assessment shall be One Hundred Twenty Dollars (\$120.00) per Lot.

(b) From and after January 1, 1984, the maximum annual assessment per Lot shall not exceed (unless authorized by the majority vote of the Owners) the greater of (i) an amount equal to One Hundred Twenty Dollars (\$120.00) increased ten per cent (10%) per year and compounded monthly from January 1, 1983; or (ii) an amount equal to One Hundred Twenty Dollars (\$120.00) multiplied by a fraction the denominator of which is the index for September, 1982, and the numerator of which is the most recently published index. The term "index" shall mean the

Consumer Price Index for All Urban Consumers, U.S. city average by expenditure category and commodity and service group, Table 1, 1967 = 100, as now published by the U.S. Department of Labor, Bureau of Labor Statistics, or similar successor index. For purposes of reference, the index for September, 1982, was 295.3.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum without a vote of the membership. Annual assessments shall be fixed on a calendar year basis beginning January 1 of each year. Special assessments (whether for capital improvements or other expenses) shall be fixed by the majority vote of the Owners.

Section 4. Notice and Quorum for Any Action Authorized Under Section 3.

Written notice of any meeting called for the purpose of taking any action authorized under Section 3 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast sixty percent (60%) of all the votes of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting (and any meeting thereafter until a quorum is present in person or in proxy) shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Uniform Rate of Assessment. With the exception of assessments for damage done as provided herein and except as provided herein, both annual and special assessments must be fixed at a uniform rate for all Lots. Assessment on unimproved Lots (i.e. a lot on which no Dwelling Unit has been completed) owned by Declarant and Lots improved with unoccupied Dwelling Units owned by Declarant shall, notwithstanding anything to the contrary in this Declaration, be at a rate equal to twenty-five percent (25%) of the assessment rate applicable to Lots owned by Owners other than Declarant. Declarant shall also, however, underwrite any difference between actual expenses of the Association and assessments levied (subject to annual assessment increases as provided herein until Association control passes to Class A members).

Section 6. Date of Commencement of Annual Assessments:

Due Dates: The annual assessments provided for herein shall commence on the first day of the month following the conveyance of the first Lot within the Properties to an Owner other than Declarant. The first annual assessment shall be in the amount of \$120.00 and shall be assessed and adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association: Subordination to the Lien of First Mortgages.

(a) The annual and special assessments plus (i) interest at the rate of fifteen per cent (15%) per annum or the maximum interest rate permitted by law, whichever is lower, (ii) late payment fees equal to twenty per cent (20%) of the assessment if not paid within thirty (30) days of when due, and (iii) costs and expenses of collection, including reasonable attorneys fees in an amount not less than \$150, shall be in accordance

with this Article III, Section 7) a continuing lien and charge on the Lot against which each such assessment is made. Each such assessment, plus with interest, late fees and costs for collection (as provided above) shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. The Owner further agrees by his acceptance of title to a Lot that the Association shall be vested with the right and power in its own name to take and prosecute all suits which may, in the opinion of the Association be necessary or advisable for the collection of such delinquent assessments.

(b) Each Lot shall be subject to a lien in favor of the Association for any assessment levied against that Lot. Such lien shall (1) date from the date of the assessment (2) be enforced in like manner as enforcement of a mortgage lien (3) be prior to all other liens and encumbrances on the Lot except (i) liens for real estate taxes and other governmental assessments or charges against the Lot; (ii) liens and encumbrances created prior to the recordation of this Declaration; and (iii) mortgages on the Lot given to secure first mortgage holders whenever recorded, whether such recordation occurs prior to or after the date of the assessment or the due date of any installment thereof.

(c) The Association shall, within ten days after written request from any Lot Owner and for a reasonable charge, furnish each Lot Owner with a certificate setting forth:

(1) the amount of any assessment currently due and owing by said Lot Owner;

(2) the amount of assessments for the current calendar year; and

(3) if then proposed by the Association, the amount of any proposed special assessment and/or the proposed assessment for the next calendar year.

(d) A purchaser of any Lot shall not be liable (and no Lot shall be subject to any lien) for any unpaid assessment greater than the amount set forth in the Association's certificate.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Dwelling Unit or Lot within the Properties, hereby covenants, and each Owner of any Dwelling Unit or Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (2) special assessments for capital improvements; and (3) special assessments for damage done to the Common Area by an Owner, or such Owner's lessees, invitees, licensees, agents and employees, such assessments to be established and collected as provided in Article III of this Declaration.

ARTICLE V ARCHITECTURAL CONTROL

Except as shown in the plans for tentative and final approval, no house, garage, building or structure of any character or driveway or fence shall be erected, constructed or maintained on said Properties nor shall any addition to, change

or alteration thereof be made nor shall any change in exterior color scheme of any Dwelling Unit be made unless and until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme, location, front and rear facings, roofing and elevations thereof have been submitted to and approved in writing by an Architectural Committee composed of three (3) or more members appointed annually by the Board of Directors. In the event the Committee fails to approve or disapprove such plans and specifications within thirty (30) days after said plans and specifications have been submitted to it, approval shall be deemed to have been granted. The Committee shall have the right to decline to approve any such plans and specifications submitted which are not suitable or desirable, in its opinion, for aesthetic or other reasons, taking into consideration the effect of the building or other structures as planned for the adjacent or neighboring property, and whether the plans are in keeping and general harmony with the surroundings.

Notwithstanding the foregoing, so long as Declarant owns any Lot, the Architectural Committee shall be appointed solely by the Declarant and the representatives appointed by the Declarant need not be members of this Association.

The restrictions imposed by this article shall not apply to any original construction performed by the Declarant.

ARTICLE VI POWERS AND DUTIES OF THE ASSOCIATION

Section 1. Association Duties. The Association shall have the obligation, subject to and in accordance with this Declaration, to perform each of the following duties for the benefit of the Owners of each Dwelling Unit or Lot within the Properties.

(a) Association Property. To accept and exercise jurisdiction over all property, real and personal, conveyed to the Association by Declarant, including (1) the Common Area, (2) easements for operation and maintenance purposes over any Common Area, and (3) easements for the benefit of Association members within the Common Area.

For purposes of this paragraph, any easement in favor of the general public or portions for ingress to and egress from any construction office, sales office or model home complex of Declarant, shall not constitute a lien or encumbrance, and shall not preclude the acceptance by the Association of such property.

(b) Title to Property Upon Dissolution. To convey, upon dissolution of the Association, the assets of the Association to an appropriate public agency or agencies to be used for purposes similar to those for which the Association was created, or to a non-profit corporation, association, trust or other organization organized and operated for such similar purposes.

(c) Operation of Common Area. To operate and maintain, or provide for the operation and maintenance of all the Common Areas designated by the Declarant on the duly recorded, final subdivision/land development plan or in which it owns easements either for operation and maintenance purposes or for the benefit of Association members; and to keep all improvements of whatever purpose from time to time located thereon in good order and repair.

(d) Payment of Taxes. To pay all real property taxes and assessments levied upon any property conveyed, leased or otherwise transferred to the Association, to the extent not

assessed to the Owners. Such taxes and Assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond insuring the payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes.

(e) Insurance. To obtain and maintain in force at all times the policies of insurance with limits of coverage not less than as follows:

(1) Fire and extended coverage insurance on all improvements owned by the Association, the amount of such insurance to be not less than eighty percent (80%) of the aggregate value exclusive of the cost of excavations, foundations, and footings.

(2) Bodily injury liability insurance, with limits of not less than One Hundred Thousand Dollars (\$100,000) per person and Three Hundred Thousand Dollars (\$300,000) per occurrence, and property damage liability insurance with a deductible of not more than One Thousand Five Hundred Dollars (\$1,500) and a limit of not less than Fifty Thousand Dollars (\$50,000) per occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured.

(3) Workmen's compensation insurance to the extent necessary to comply with any applicable laws.

(4) Such other insurance, including indemnity and other bonds as the Board shall deem necessary or expedient to carry out the Association functions as set forth in this Declaration and the Articles and By-Laws of the Association. In addition, the Association may obtain and pay for directors and officers errors and omissions insurance which shall name as insureds all officers and directors of the Association.

The liability insurance referred to above shall name as separately protected insureds, the Association, the Board, the Architectural Committee, and their representatives, members and employees, with respect to any liability arising out of the maintenance or use of any Association Properties. Every policy of insurance obtained by the Association shall contain an express waiver, if available, of any and all rights of subrogation against the Board, the Architectural Committee, and their representatives members and employees.

(f) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association Properties, enforcement of the provisions of this Declaration, or in performing any of the other duties or rights of the Association.

(g) Association Property Services. To pay for water, sewer, garbage, electrical, telephone, gas, maintenance, and gardening service, and other necessary utility or other services for the Association Properties.

(h) Recreational Facilities. To maintain and repair, to the extent deemed advisable by the Board, recreational facilities and all improvements relating to such facilities.

(i) Rule Making. To make, establish, promulgate, amend and repeal the Association's rules.

(j) Enforcement of Restrictions and Rules. To perform such other acts, whether or not expressly authorized by the Declaration, as may be reasonably necessary to enforce any of the provisions of the Declaration and the Architectural Committee Rules.

(k) Other. To carry out the duties of the Association set forth in this Declaration, the Articles and the By-Laws of the Association.

Section 2. Rules. The Board may adopt such rules as it deems proper for the use and occupancy of the Association Properties. A copy of said rules, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner, and may, but need not be, recorded. Upon such mailing, delivery or recordation, said rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. In addition, as to any Owner having actual knowledge of any given rules, such rules shall have the same full force and effect and may be enforced against, such Owner.

Section 3. Liability of Board Members, Declarant and Employees. Neither any Member of the Board, the Declarant, the Architectural Committee nor any employee of the Association shall be personally liable to any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, the Declarant, the Board, or any other representatives or employees of the Association, or the Architectural Committee; and the Association shall indemnify and hold harmless such Board Member or other person from and of all claims and demands and expenses (including reasonable counsel fees) arising by reason of any alleged wrongful act or omission. Nothing contained herein shall be construed to limit the liability of the Association.

ARTICLE VII GENERAL PROVISIONS

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

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than ninety percent (90%) of the Owners of all Lots and thereafter by an instrument signed by not less than ninety percent (90%) of the Owners of all Lots. Any amendment shall not be effective until recorded.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 16th day of February, 1983.

MURRY DEVELOPMENT CORPORATION

By: _____

William E. Murry, pres.

Attest: _____

[Signature]
[Signature]

STATE OF PENNSYLVANIA :
: ss.
COUNTY OF LANCASTER :

On this 16th day of February, 1983, before me, a notary public, the undersigned Officer, personally appeared WILLIAM E. MURRY of the State of Pennsylvania, County of Lancaster, known to me to be the person whose name is subscribed as President of Murry Development Corporation and acknowledged that he executed the same as the act of the corporation for the purpose therein contained

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

Heraldine E. Giveter

Notary Public

My Commission Expires: 10/31/83