



COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF STATE

MAY 20, 1997

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

HARTEFELD HOMEOWNERS ASSOCIATION, INC.

I, Yvette Kane, Secretary of the Commonwealth of Pennsylvania do hereby certify that the foregoing and annexed is a true and correct photocopy of Articles of Incorporation and all Amendments

which appear of record in this department



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written.

A handwritten signature in cursive script, appearing to read "Yvette Kane".

Secretary of the Commonwealth

TKEL

AAB:d-hhaci

Filed in the Department of State on
the 13 day of October 1987

John J. [Signature]
Secretary of the Commonwealth

ARTICLES OF INCORPORATION

OF

HARTEFELD HOMEOWNERS ASSOCIATION, INC.

87622095
100 3283

FIRST: The name of the Corporation is Hartefeld Homeowners Association, Inc.

SECOND: The registered office of the Corporation in the Commonwealth of Pennsylvania is located c/o CT Corporation System, 123 S. Broad Street, Philadelphia, 19109, Philadelphia County.

(51)

THIRD: The term of existence of the Corporation is perpetual.

FOURTH: The object and purposes for which the Corporation is organized are to function as a domestic non-profit residential real estate management association as defined in section 528(c)(3) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future United States Internal Revenue Law) and to provide for the acquisition, construction, management, maintenance, and care of property of the Corporation situate in the Hartefeld Subdivision in Kennett and New Garden Townships, Chester County, Pennsylvania (the "Subdivision"), and the Corporation is empowered to conduct or promote any lawful business or purposes not inconsistent with Articles Fifth and Sixth. The Corporation shall not have authority to issue capital stock.

FIFTH: The Corporation is organized and operated exclusively to provide for the acquisition, construction, management, maintenance and care of the Subdivision property, substantially all of the lots or buildings which will be used by individuals for residences pursuant to Section 528(c)(3) of the Internal Revenue Code of 1986, as amended, and Section 1.528-4(c) of the Internal Revenue Code Regulations (or the corresponding provision of any future United States Internal Revenue Law). The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise.

SIXTH: During each taxable year in which the Corporation elects tax-exempt status pursuant to Section 528(a)(1) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future United States Internal Revenue Law) no part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Fourth hereof.

The Corporation may rebate to its members excess membership dues, fees, or assessments.

Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 528(c)(3) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future United States Internal Revenue Law).

Sixty percent (60%) or more of the Corporation's gross income for each taxable year in which the Corporation elects tax-exempt status pursuant to Section 528(c)(1) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future United States Internal Revenue Laws) will be derived solely from membership dues, fees, or assessments received from owners of residential lots. No such dues, fees or assessments will be based on member use of the Corporation's facilities.

Ninety percent (90%) or more of the Corporation's expenditures for each taxable year in which the Corporation elects tax-exempt status pursuant to Section 528(c)(1) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future United States Internal Revenue Code) will be used for the acquisition, construction, management, maintenance, and care of the Subdivision.

The Corporation will make an election pursuant to Sections 1.528-8(a), 1.528-8(b) of the Internal Revenue Code Regulations for each taxable year it desires to be treated as a tax exempt homeowners association under Section 528(c)(1) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future United States Internal Revenue Code).

SEVENTH: The affairs of the Corporation shall be managed by a Board of Directors, consisting of not less than three nor more than seven (7) Directors. The Directors shall be elected by the Voting Members of the Corporation in the manner provided by the By-Laws. The number and qualifications of the Directors, together with their terms of office, their powers, their duties, their liabilities, their removal, the manner of their election, the filling of vacancies, and the filling of newly created Directorships shall, except as otherwise provided in these Articles of Incorporation or by the laws of the Commonwealth of Pennsylvania, be as prescribed by the By-Laws. The Directors shall elect the regular officers of the Corporation in the manner provided by the By-Laws.

EIGHTH: The conditions, terms, and qualifications for membership in the Corporation shall be as provided in the By-Laws of the Corporation. The right to vote at any meeting of the members of the Corporation shall be restricted to the Voting Members of the Corporation as provided in the By-laws.

NINTH: The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of another corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceedings, had no reasonable cause to believe his conduct was unlawful. The termination of any action, upon a plea of a nolo contendere or equivalent, shall not, of itself, create a presumption that the person did not Act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

TENTH: -No Director of the Corporation shall have any personal liability to the Corporation or to any of its members for monetary damages for breach of fiduciary duty as a Director; provided, however, that this provision eliminating such personal liability of a Director shall not eliminate or limit the liability of a Director (i) for any breach of the Director's duty of loyalty to the Corporation or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) to the extent such limitation of liability is expressly prohibited under the General Corporation Law of Pennsylvania, or (iv) for any transaction from which the Director derived an improper personal benefit.

ELEVENTH: The Board of Directors shall have the power to adopt, add to, delete from, alter, and repeal the By-Laws.

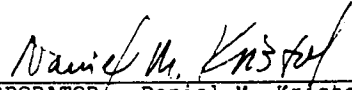
TWELFTH: The Corporation reserves the right to amend, alter, change, or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law, except that said right shall not be exercised in a manner that would produce any inconsistency with Articles Fourth, Fifth, and Sixth of these Articles of Incorporation as originally adopted and filed with the Secretary of State of the Commonwealth of Pennsylvania.

THIRTEENTH: The name and address of the incorporator is Daniel M. Kristol, 135 East State Street, Kennett Square, Pennsylvania 19348.

AAB:d-hhaci

87622098

THE UNDERSIGNED INCORPORATOR, for the purpose of forming a corporation, in pursuance of the Pennsylvania Non-profit Corporation Law of 1972 does make, sign, acknowledge and deliver these Articles of Incorporation, hereby declaring and certifying that the facts herein stated are true and accordingly has hereunto set his hand and seal this 9th day of October, 1987



INCORPORATOR - Daniel M. Kristol

Microfilm Number 9059 754

Filed with the Department of State on SEP 17 1990

Entity Number 1003083

Christy Lee A. Lewis
Secretary of the Commonwealth

STATEMENT OF CHANGE OF REGISTERED OFFICE BY AGENT

DECS: 15-108 (Rev 80)

In compliance with the requirements of 15 Pa. C.S. § 108 (relating to change in location or status of registered office provided by agent), the undersigned person who maintains the registered office of an association and who desires to change the following with respect to such agency hereby states that:

1. The name of the association represented by the undersigned person is: HARTEFELD HOMEOWNERS ASSOCIATION, INC.

2. The address of the present registered office in this Commonwealth of the above-named association is:
123 South Broad Street Philadelphia Pa 19100 Philadelphia
Number and Street City State Zip County

(If the registered office address is to be changed, complete the following)
The address in the same county to which the registered office in this Commonwealth of the above-named association is to be changed is:
1635 Market Street Philadelphia Pa 19103 Philadelphia
Number and Street City State Zip County

The name of the person in care of the foregoing office is: G.T. CORPORATION SYSTEM

The person named immediately above in this paragraph has been authorized in fact by the board of directors of the corporation to act as the registered office in the Commonwealth of Pennsylvania of the corporation named in paragraph 2 of this statement.

- (Check one or more of the following, as appropriate):
- This statement reflects a change in name of the agent.
 - The change in registered office set forth in this statement reflects the removal of the place of business to a new location within the county.
 - The status of the agent as the provider of the registered office of the above-named association has been terminated.

IN TESTIMONY WHEREOF the undersigned person has caused this statement to be signed on 10th day of September 19 90

G.T. CORPORATION SYSTEM
(Name)
BY: *Christy Lee A. Lewis*
TITLE: Assistant Secretary

Microfilm Number 9059 755

Filed with the Department of State on SEP 17 1990

Entity Number 1015142

Christy Lee A. Lewis
Secretary of the Commonwealth

UPI NOS.: 60-4-61.1B; 60-4-47.1
60-4-47; 60-4-47.3;
60-4-48.1; 60-4-63.3A;
60-4-48.2; 60-4-62.3;
60-4-62.5 (P/O); 60-4-62.5A (P/O);
60-4-40.3; 60-4-40.3A;
60-4-40.4

PREPARED BY AND RETURN TO:

BENJAMIN J. BERGER, ESQUIRE
RILEY RIPER HOLLIN & COLAGRECO
1201 N. ORANGE STREET, SUITE 300
WILMINGTON, DE 19801

2006 FEB 14 PM 3:01
RECORDER OF DEEDS
CHESTER COUNTY, PA

CONSOLIDATED AND RESTATED DECLARATION OF
COVENANTS, EASEMENTS AND RESTRICTIONS

BY:

BHC VENTURE, INC., A DELAWARE CORPORATION
-AND-
HARTEFELD, L.P., A PENNSYLVANIA LIMITED PARTNERSHIP
(THE "DECLARANTS")

DATED: JANUARY 6, 2006

Prepared by/Return to:
Benjamin J. Berger, Esquire
Riley Riper Hollin & Colagreco
One Commerce Center
1201 N. Orange Street, 3rd Floor
Wilmington, DE 19801

**CONSOLIDATED AND RESTATED DECLARATION OF
COVENANTS, EASEMENTS AND RESTRICTIONS**

THIS CONSOLIDATED AND RESTATED DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS (this "Declaration") is made this 21st day of January, 2006, by BHC VENTURE, INC., a Delaware corporation, and HARTEFELD, L.P., a Pennsylvania limited partnership (collectively, the "Declarants").

RECITALS

A. On or about September 20, 1993, Hartefeld, L.P. ("Hartefeld") executed that certain Amended and Restated Declaration of Covenants, Easements and Restrictions (the "Kennett Declaration") to impose on certain lands located in Kennett Township as more particularly described therein, constituting a portion of the project known as "Hartefeld" (the "Project), certain restrictions, covenants and easements as set forth in the Kennett Declaration. The Kennett Declaration was recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania in Deed Book 3641, Page 175.

B. On or about February 8, 1999, Declarants executed that certain Declaration [Open Space and Private Roads] (the "Original New Garden Declaration") to impose on certain lands located in New Garden Township as more particularly described therein, constituting a portion of the Project, certain restrictions, covenants and easements as set forth in the Original New Garden Declaration. The Original New Garden Declaration was recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania in Deed Book 4532, Page 0449.

C. On or about February 8, 1999, Declarants executed that certain Declaration [Lots] (the "Lot Declaration") to impose on certain lands located in New Garden Township as more particularly described therein, constituting a portion of the Project, certain additional covenants, easements and restrictions as set forth in the Lot Declaration. The Lot Declaration was recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania in Deed Book 4532, Page 0474.

D. The Original New Garden Declaration and the Lot Declaration encumbered Sections A, B, C, D and E of the Project as set forth on the Final Plan of

Hartefeld dated August 7, 1996, revised January 20, 1997, and further revised September 30, 1998.

E. On or about October 6, 2000, Declarants executed that certain First Amendment to Declaration [Open Space and Private Roads] (the "First Amendment"), pursuant to which Sections F, H, I and J of the Project were subjected to the terms, covenants, easements and restrictions set forth in the Original New Garden Declaration. The First Amendment was recorded in the Office of the Recorder of Deeds aforesaid in Deed Book 4834, Page 1839.

F. On or about October 6, 2000, Declarants executed that certain First Amendment to Declaration [Lots] ("Lot Amendment"), pursuant to which Sections F, H, I and J of the Project were subjected to the terms, covenants, easements and restrictions set forth in the Lot Declaration. The Lot Amendment was recorded in the Office of the Recorder of Deeds aforesaid in Deed Book 4836, Page 1844.

G. On or about March 4, 2004, Declarants executed that certain Second Amendment to Declaration [Open Space and Private Roads] (the "Second Amendment"), pursuant to which Declarants restricted the disturbance of any Wetlands or Wetland Area (both as defined in the Second Amendment). The Second Amendment was recorded in the Office of the Recorder of Deeds aforesaid in Deed Book 6109, Page 1178.

H. On or about March 9, 2005, BHC Venture, Inc. ("BHC") executed that certain Third Amendment to Declaration [Open Space and Private Roads] ("Third Amendment"), pursuant to which BHC clarified certain provisions in Section 5(a) of the Original New Garden Declaration. The Third Amendment was recorded in the Office of the Recorder of Deeds aforesaid in Deed Book 6491, Page 1333.

I. The Original New Garden Declaration, as amended by the First Amendment, Second Amendment and Third Amendment, together with the Lot Declaration and the Lot Amendment, is hereinafter collectively referred to as the "New Garden Declaration." The New Garden Declaration and the Kennett Declaration are hereinafter collectively referred to as the "Declarations."

J. Declarants wish to restate and consolidate all of the terms, covenants, easements and restrictions set forth in the existing Declarations as provided in this Declaration. This Declaration shall supersede and replace, for all purposes except with respect to certain rights reserved unto New Garden and Kennett as specifically provided herein, the existing Declarations.

DECLARATIONS

NOW THEREFORE, in consideration of the foregoing recitals, Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Declarants hereby restate and consolidate the Declarations and declare as follows:

ARTICLE I
DEFINITIONS

1. **DEFINITIONS.**

“Declaration” and “Declarants” shall have the meanings given them above. In addition, the following words when used in this Declaration or in any supplement hereto shall have the following meanings:

(a) “*Architectural Review Committee*” shall mean and refer to the Kennett Architectural Review Committee, the New Garden Architectural Review Committee or the Architectural Review Committee for the Final Phase (as defined in Article VII, Paragraph 7(c) below), as the context requires.

(b) “*Association*” shall mean and refer to the Hartefeld Homeowners Association, Inc., a non-profit corporation formed under the laws of the Commonwealth of Pennsylvania.

(c) “*Board*”, “*Board of Directors*” or “*Directors*” shall mean and refer to the Board of Directors of the Association.

(d) “*By-laws*” shall mean and refer to the current By-laws of the Association, as amended from time to time.

(e) “*Fairways*” shall mean and refer to those Sections designated on the Major Plan as Sections B, D and F, and commonly referred to as Berkshire Village (as to Section B), Porthcawl Village (as to Section D) and Pine Valley Village (as to Section F).

(f) “*Fairways Expenses*” shall mean and refer to those costs associated with the maintenance of Fairways Open Space within the Fairways Sections.

(g) “*Fairways Lot*” shall mean and refer to a Lot or dwelling unit located within the Fairways Sections.

(h) “*Fairways Open Space*” shall mean and refer to those portions of the Fairways that do not constitute a Fairways Lot, including, without limitation, driveways and sidewalks.

(i) “*Five Lot New Garden Plan*” shall mean and refer to that certain subdivision with respect to those five (5) lots in New Garden known as the Final Subdivision Plan of the Hartefeld/Robinson Tract dated May 15, 1992, prepared by Drake Associates Inc., of record in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania in Microfilm No. 13174.

(j) “*Golf Course*” shall mean and refer to the Hartefeld National Golf Course located in Kennett Township and New Garden Township, Chester County, Pennsylvania, and designated as golf course lands on the Golf Course Final Plan.

(k) “*Golf Course Final Plan*” shall mean and refer to that certain plan entitled “Final Subdivision Plan Section II and Open Space in Section III” prepared by Pennoni Associates, Inc. dated July 16, 1993 [containing two sheets] which created the Open Space in Section III of the Property including, in particular, the Golf Course.

(l) “*Golf Course Lease*” shall mean and refer to that certain Golf Course Lease dated October 6, 1993, as thereafter amended, between the Association and certain other parties, as Lessor, and 1492 Golf Partners, L.P., as Lessee.

(m) “*Golf Course Operator*” shall mean and refer to Hartefeld Management Limited Partnership, a Pennsylvania limited partnership, successor-in-interest to 1492 Golf Partners, L.P.

(n) “*Kennett*” shall mean and refer to Kennett Township, a political subdivision of the Commonwealth of Pennsylvania.

(o) “*Kennett Architectural Review Committee*” shall mean and refer to the Architectural Review Committee for Lot Owners in Kennett as described in Article VII hereof.

(p) “*Land Development Covenants*” shall mean and refer to the Declaration of Land Development Covenants dated August 10, 1993, and recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania, in Deed Book 364, Page 1547, as thereafter amended from time to time.

(q) “*Lot*” shall mean and refer to any parcel of land as shown on the Plans upon which Declarants intend to have erected an attached or detached residential dwelling or unit.

(r) “*Major Plan*” shall mean and refer to the Final Plan of Hartefeld, Sections A, B, C, D, & E dated August 7, 1996, revised January 20, 1997, prepared by Hillcrest Associates, Inc., of record in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania in Microfilm No. 13289, superseded, in part, by the Resubdivision Plan for Hartefeld-Sections A, B, C, D, & E dated September 30, 1998, prepared by Hillcrest Associates, Inc., of record in the Office of the Recorder of Deeds aforesaid in Microfilm No. 14791, together with the Final Plan of Hartefeld-Sections F, H, I & J dated July 6 1999, all with respect to certain lands in New Garden, prepared by Hillcrest Associates Inc., of record in the Office of the Recorder of Deeds aforesaid in Microfilm No. ____.

(s) “*Member*” shall mean and refer to every person or entity who holds Membership in the Association as provided for in this Declaration by reason of their ownership of a Lot.

(t) “*Membership*” shall mean and refer to the rights and obligations of a Member.

(u) “*Memorandum of Understanding*” shall mean and refer to the Memorandum of Understanding With Respect to Spray Irrigation in Golf Course and Open Space Lands dated August 10, 1993, and recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania, in Deed Book 3641, Page 1529, as thereafter amended from time to time.

(v) “*Mortgage*” shall mean and refer to each mortgage of record granted by an Owner as a lien upon a Lot.

(w) “*Mortgagee*” shall mean and refer to each holder of record of a Mortgage.

(x) “*New Garden*” shall mean and refer to New Garden Township, a political subdivision of the Commonwealth of Pennsylvania.

(y) “*New Garden Architectural Review Committee*” shall mean and refer to the Architectural Review Committee for Lot Owners in New Garden as described in Article VII hereof.

(z) “*Open Space*” shall mean and refer to those portions of the Property identified as Open Space on the Plans and the Open Space Management Plan; however, for purposes of clarification, no portion of the Golf Course or any Lot shall constitute Open Space to be maintained by the Association pursuant to this Declaration unless specifically provided otherwise herein.

(aa) “*Owner*” shall mean and refer to the then record owner, whether one or more persons or entities, of the fee simple title to any Lot.

(bb) “*Phase I Plan*” shall mean and refer to that certain subdivision plan with respect to certain lands in Kennett, prepared by Tetrattech Richardson dated January 26, 1987, last revised July 20, 1987 and recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania as Plan No. 7437-60.

(cc) “*Phase II Plan*” shall mean and refer to that certain subdivision plan with respect to certain lands in Kennett, prepared by Tetrattech Richardson dated June 26, 1987, last revised July 20, 1987 and recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania as Plan No. 7450-70.

(dd) “Plans” shall mean and refer to the Phase I Plan, the Phase II Plan, the Section Three-Phase B Plan, the Major Plan and the Five Lot New Garden Plan, as the same may have been or shall hereafter be amended.

(ee) “Private Roads” shall mean as defined in Paragraph 2(a)(3) below.

(ff) “Project” shall mean and refer to the entire Hartefeld project, including the Golf Course, located in Kennett and New Garden Townships, Chester County, Pennsylvania.

(gg) “Property” shall mean and refer to the Lots, Private Roads and Open Space as shown on the Plans.

(hh) “Section” shall mean and refer to those segregated areas of the Property designated on the Plans by letter or number, as the case may be, including the Lots and Open Space within each Section.

(ii) “Section Three – Phase B Plan” shall mean and refer to that certain subdivision plan with respect to certain lands in Kennett, known as the Revised Final Plan of Hartefeld prepared by Hillcrest Associates, Inc., dated May 30, 2003, last revised January 11, 2005 and recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania as Plan No. 17538.

(jj) “Stormwater Management Facilities” shall mean and refer to the stormwater management facilities identified on certain of the Plans and with the numeral 7 on the Open Space Management Plan.

(kk) “System” shall mean and refer to the storm water management system and any other system for management of storm water drainage shown on the Plans, or installed subsequent thereto for the benefit of the Property, including the spill ways, if any, shown thereon.

(ll) “Trails” shall mean that portion of the Open Space as designated on the Plans for pedestrian walkways and paths for the use and enjoyment of those persons and entities entitled pursuant to this Declaration

(mm) “Transfer Date” shall have the meaning ascribed to such term in Article V, Paragraph 5(d) hereof.

(nn) “Transfer Event” shall have the meaning ascribed to such term in Article V, Paragraph 5(d) hereof.

(oo) “Township” shall mean and refer to Kennett or New Garden, as the context requires.

(pp) “*Wetlands*” shall mean and refer to those areas that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions, including, without limitation, swamps, marshes, bogs, and similar areas.

(qq) “*Wetland Area*” shall mean and refer to those areas designated as “Wetland Area” on the approved plans entitled “Wetlands Location Plan”, Hartefeld- All Sections, New Garden and Kennett Townships, Chester County, Pennsylvania, sheets 1-15, dated 8-29-02 and last revised on 3-27-03, prepared by Hillcrest Associates, Inc.

ARTICLE II
GENERAL EASEMENTS AND RESTRICTIONS

2. **GENERAL EASEMENTS AND RESTRICTIONS**

(a) Grant of Easements. Declarants hereby grant, create and declare, subject to this Declaration and the rights of the Association to promulgate and enforce rules and regulations governing the use and enjoyment of the Trails and other portions of the Open Space, the following common, free and uninterrupted uses, rights liberties, easements and privileges in, upon, through, over, under and across the Open Space and Private Roads for the benefit of Declarants, their successors and assigns; all present and future owners, tenants and occupants of the Lots and their guests, invitees, servants and employees (and, except as provided herein, no one person shall have the right to the use or enjoyment of any easement created herein, and none of the rights, privileges or easements created herein are for the benefit of the public at large):

(1) access to and ingress and egress to and from all portions of the Open Space; and

(2) the right and enjoyment in and to the Trails and other portions of the Open Space (subject to the rules and regulations promulgated by the Association); and

(3) the use and enjoyment of all Trails, footways, paths, sidewalks, non-dedicated streets, driveways and roadways located within the Open Space and entrances and exists to streets and roads which are now or hereafter may be located within the Property (collectively, the “Private Roads”); and

(4) the use of any and all recreational and communally owned facilities which are now existing or are hereafter to be constructed or erected on the Open Space, subject, nevertheless, to the rules, regulations and fees applicable thereto.

(b) Declarants' Reservation of Easements.

(1) Declarants reserve unto themselves, their successors and assigns, a perpetual easement and right of way, on, over, through, across and under the Open Space for the erection, construction and maintenance of wires and conduits, and necessary and proper attachments in connection therewith, for the transmission of electricity, television, telecommunications, telephone and other purposes; for the construction and maintenance of driveways; for the construction and maintenance of storm water drains, land drains, spillways, public and private sewers, pipelines for supplying gas, water and heat, and for any other public or quasi-public utility or function conducted, maintained, furnished or performed, by any method above or beneath the surface of the ground, including cable television, and said Declarants shall have the right to enter upon the Open Space for any purposes for which said easements and rights of way are reserved, including the right to trim and keep trim, in a workmanlike manner, all trees and growing things within said easements and rights of way, so as to provide proper clearance for the safety of operation and maintenance of the aforesaid facilities.

(2) Declarants further reserve unto themselves, their successors and assigns, the right and easement over, under, through and across the Open Space for the purpose of constructing buildings, structures or improvements upon the Property.

(3) Declarants further reserve unto themselves, their successors and assigns, the right and easement to maintain and operate a spray irrigation system on, over, or upon such portions of the Open Space as is specified for such purposes on the Plans and in accordance with the Memorandum of Understanding.

(4) Declarants further reserve unto themselves, their successors and assigns, easements along the rights of way of Private Roads on the Property for the purpose of constructing and maintaining pipes for transportation of water from wells situate on the Property to the outside boundary lines of the Property and to all publicly maintained roads.

(5) The easements and rights of way reserved by Declarants herein expressly include the right to cut any trees, bushes or shrubbery, to make any changes in grading of the soil, to make excavations, or to take any similar action as may be reasonably necessary in Declarants' sole opinion to construct any building or other improvement and to maintain reasonable standards of health, safety and appearance. This right also includes actions necessary for proper forestry management for those portions of the Open Space in wooded areas and actions necessary for proper cultivation and harvest of lands within the Open Space which are used for growing crops as may be permitted by Declarants; provided, however, nothing contained in this reservation of easement shall be considered to create any obligation on Declarants to provide or maintain any utility or services.

(c) Utility Easements. Declarants hereby grant and convey unto New Garden and Kennett, as may be applicable, those certain utility easements, if any, for

public improvements as shown on the Plans, as well as a blanket easement over and upon the Open Space for the sole limited purpose of providing access to said utility easements for the purpose of construction and maintenance of the improvements thereon.

(d) Duration of Easements. The easements and rights granted and reserved herein are and shall be deemed as running with the land and shall be perpetual and shall continue in force and effect until modified or terminated pursuant to the provisions of this Declaration.

(e) Non-Disturbance of Wetland Area. All Wetlands and Wetland Area are hereby subject in perpetuity to the following covenants and restrictions in favor of the United States Army Corps of Engineers, their successors and/or assigns (the "Corps"):

(1) The following activities shall not occur within any Wetlands or Wetland Area:

- (i) removal, excavation, or disturbance of the soil;
- (ii) dumping of or tilling with any materials;
- (iii) erection of structures;
- (iv) placement of pavements;
- (v) destruction of plant life which would alter the existing pattern of vegetation; or
- (vi) any other activities regulated under and/or by the Corps.

The foregoing restrictions shall not prohibit normal and customary maintenance of any utilities or rights-of-way located within any Wetlands or Wetland Area as shown on the Wetlands Utility Crossing Plan, Hartefeld-All Sections, dated February 2, 2004, prepared by Hillcrest Associates, Inc.; provided, however, that any maintenance of such utilities or rights-of-way as aforesaid shall be undertaken to cause minimal disturbance, if any, to any Wetlands or Wetland Area. If, as a result of such maintenance activities, there shall be any disturbance of Wetlands or Wetland Area, such area or areas so affected shall be restored to the same condition, to the extent practicable under the circumstances, as existed prior to any such disturbance having occurred.

ARTICLE III
OPEN SPACE AND STORM WATER MANAGEMENT

3. **OPEN SPACE AND STORM WATER MANAGEMENT SYSTEM.**

(a) Expenses. The Open Space shall be maintained by the Association for the recreational and communal use of all the Members of the Association subject to this Declaration and to the rules and regulations of Declarants attached hereto as Exhibit "A" or otherwise adopted. Any reasonable expenses incurred by the Association with respect to such maintenance, including the System, shall be billed to and paid by the

Association. In the event the Open Space has been conveyed by Declarants to the Association and the Board recommends and approves a subsequent conveyance of any Open Space, the Association shall have the right to convey such Open Space upon approval of not less than fifty-one percent (51%) of the voting interests of the Members and the consent of a majority of the Board of Supervisors of New Garden or Kennett, as the case may be; provided, however, the Declarants and the Association hereby reserve the right, without the necessity of obtaining any Member's approval or consent, to adjust the lot lines of any Open Space lands or to swap or exchange any Open Space lands for other lands to be subject to this Declaration that shall constitute Open Space lands (an "Exchange") so long as: (i) the square footage of lands to be received by Declarants or the Association as a result of any such Exchange shall equal or exceed the square footage of Open Space to be conveyed by Declarants or the Association in connection therewith; and (ii) the Board of Supervisors of New Garden or Kennett, as the case may be, shall have expressly approved the Exchange through subdivision approval or other applicable legal or administrative processes.

(b) Conveyance to Association. Upon receipt of approval from a majority of the Board of Supervisors of New Garden or Kennett, as applicable, Declarants shall at all times reserve the right to convey to the Association any Open Space which has not then been conveyed. All reasonable costs and expense incident to such conveyance shall be borne by the Association.

(c) Intentionally Omitted.

(d) Obligation of Association. Upon conveyance of the Open Space to the Association, the Association shall pay for the continued maintenance, repair and lawful operation of the System by the Association at the Association's cost and expense. The obligation to do shall exist in perpetuity. Interim operation by New Garden or Kennett shall not relieve the Association of the responsibility and liability for costs and expenses in the operation and maintenance of the System incurred by New Garden, Kennett or their respective agents.

(e) Assessment of Costs and Operation and Maintenance. All costs of operation and maintenance of the System including, but not limited to, repair due to erosion, removal of sediment, repair or replacement of materials and structures as and when the same may be necessary and the repair of any and all of the various spillways as set forth on the approved Plans for Hartefeld, and also including, but not limited to, appropriate reserves for repairs, replacements, operation and maintenance shall be assessed ratably among the Members, except that the Association may, at its discretion, assess any Lot Owner or group of Lot Owners for damage to the System caused by such Lot Owner or Owners.

(f) Operational or Maintenance Default. In the event Declarants or the Association, as the case may be, fail to maintain and operate the System or the Open Space, New Garden or Kennett may, but shall not be obligated to, either by its agents, servants, employees or contractors, operate and maintain the System or maintain the Open Space, as applicable, at the cost and expense of the Members, so long as New

Garden or Kennett, in its sole discretion, deems it necessary in order to assure the performance of Declarants' and the Association's obligations. The costs of operation and maintenance shall continue to be the obligation and liability of the Members and the assessments for such operation and maintenance may be made directly by New Garden or Kennett against the respective Members and their Lots. New Garden or Kennett may exercise the rights herein granted at any time and from time to time, as the Board of Supervisors for New Garden or Kennett in their discretion shall deem appropriate. Further, if New Garden or Kennett elects to exercise the powers herein granted, it shall be acting as agent of Declarants and the Association only, and shall not be liable for any act of omission or commission in the operation of the System or the maintenance of the Open Space, and the Association agrees to indemnify and save Declarants, New Garden and Kennett harmless of and from any liability it might have to third parties with respect to the operation and maintenance of the System and the Open Space under the provisions of this Paragraph. It is further provided that any costs or expenses incurred by New Garden and/or Kennett in the operation and maintenance of the System or the Open Space under this Paragraph may be recovered by New Garden or Kennett, as applicable, from the Association and the Lot Owners by filing and enforcing municipal liens against their respective properties. New Garden and Kennett shall be deemed to be third party beneficiaries for purposes of enforcing the terms of this Declaration.

(g) Open Space.

(1) The Association shall repair and maintain all Open Space. Real estate taxes, if any, on Open Space and all costs of maintaining Open Space shall be shared equally by the Lot Owners; provided, however, the Owners of Fairways Lots shall be responsible for the costs of maintenance and real estate taxes, if any, with respect to Fairways Open Space, as determined by the Board in its commercially reasonable discretion. In addition, upon providing at least ten (10) days' written notice to all Lot Owners, the Association may, if it so elects, maintain all the lands comprising any Lot.

(2) Maintenance of Open Space includes, but is not limited to, grass cutting, landscaping, tree maintenance and replacement. Lot Owners shall be responsible for the cost of repairing damage to Open Space caused by the negligence or intentional acts of Lot Owner, and such costs may be assessed against any individual Lot Owner or Lot Owners, as applicable.

(3) Lot Owners may by majority vote direct the Association to perform additional maintenance services to the Open Space. Such expenses shall be shared equally by all Lot Owners. Only Fairways Lot Owners shall have the right to vote on decisions relating to the performance of additional maintenance services relating solely to Fairways Open Space.

(4) Open Space shall be subject to permanent easements in favor of Lot Owners to permit the maintenance of decks, patios, terraces, open porches and the like for the benefit of Lots adjacent thereto.

(h) Decks, Patios and Porches. Lot Owners shall be solely responsible to repair and maintain in good condition, and at the Owner's expense, all decks (including space underneath), patios, porches and open terraces located on their Lot and, in the case of Fairways Lots, such decks, patios and porches owned or utilized by the Lot Owner, regardless of whether the same constitutes part of a Fairways Lot, common area or encroaches into Fairways Open Space.

(i) Downspouts. The Association shall have no responsibility for the maintenance of structures on any Lot, including, without limitation, downspouts, sump pumps and other potential points of storm water discharge. Each Lot Owner or Fairways Lot Owner, as applicable, shall, at their expense, maintain and repair all downspouts, grading and structures on the Lot so as to prevent erosion, flooding, ponding and contribution to such conditions on neighboring properties, the System and Open Space. In the event a Lot Owner or Fairways Lot Owner, as applicable, fails to maintain or repair the downspouts, structures or grading as aforesaid resulting in erosion, flooding, ponding or other damage to another Lot, the System or Open Space, the Association may, without any obligation to do so, upon five (5) days notice to the Owner, repair the damage and correct the circumstances causing the problem, and charge the cost thereof to the Owner of the Lot from which the problem originated.

(j) Driveways and Sidewalks.

(1) Private driveways constituting a part of any Lot (excluding Fairways Lots) may be accessed by the Private Roads (not then dedicated) and Open Space within the Project appurtenant to such Lot, and such Private Roads and Open Space shall be subject to such non-exclusive easements in favor of the Owner of such Lot, in common with others entitled thereto, to permit access to such private driveways. Such easements shall be maintained by the Association and shall be charged to the Lot Owners.

(2) Driveways and sidewalks located within the Fairways Sections shall be maintained and repaired by the Association, with the cost thereof to be assessed ratably among the Owners of Fairways Lots as herein provided. In all other cases, the Owner shall be responsible to repair and maintain his or her driveway, sidewalk or private walkway leading from a road or street to such Owner's house or dwelling unit.

(k) Utilities Lines and Sewer Pumps. Each Fairways Lot Owner shall be solely responsible to repair and maintain in good condition, and at the Owner's expense, all utilities lines, sewer lines and water lines located within Fairways Open Space to the main servicing such Owner's dwelling or unit exclusively, including the repair and maintenance of any whole house sewer pump located within Fairways Open Space and servicing such Owner's dwelling or unit. Fairways Lot Owners shall have a permanent easement over, on, under and through Fairways Open Space to permit the repair and maintenance of such lines and pumps referred to in this paragraph (k). Promptly following any disturbance of Fairways Open Space for the purposes herein

described, the Fairways Open Space shall be restored by the Fairways Lot Owner, at its expense, to the condition as the same existed prior to any such disturbance.

ARTICLE IV
RESTRICTIONS ON LOTS

4. RESTRICTIONS ON LOTS.

(a) Private Residences. All Lots shall be used solely for private, single family residential purposes, unless otherwise hereinafter expressly provided. No buildings or other improvements shall be constructed, placed or maintained on any Lot except single family residential dwelling houses and detached garages or structures for storing trash and other refuse as described in this Article IV, Paragraph (d) below. No more than one such dwelling with such garage or enclosed structure shall be constructed, placed or maintained on each Lot, and the dwelling and structures appurtenant thereto on each Lot shall be occupied by no more than one family. The foregoing provisions shall not, however, prohibit the placement on any Lot of temporary construction trailers, sheds or portable toilets during construction, maintenance, repair of, or addition to any improvements on such Lots.

(b) Business and Institutional Use Prohibited. No trade, business or profession shall be regularly conducted or pursued on any Lot, or within or without any structure on the Property, involving direct visitation on a regular basis by business invitees, customers, clients, patients and the like, nor shall any structure, vehicle or equipment be constructed, placed, maintained or operated, temporarily or permanently, on any Lot for any trade, business, manufacturing, drilling, mining or other commercial, institutional or charitable purpose, except as necessary or advisable from time to time in connection with the construction, maintenance or repair of any street, single family residence or garage appurtenant thereto. The foregoing provision shall not, however, prohibit Declarants from maintaining a temporary office on any Lot or Lots as a field and/or sales office during the construction of improvements on the Property, or prevent Declarants from erecting on any Lot or Lots a sample or speculation house or houses for exhibition and/or sale to the public, nor prohibit any Owner of any Lot from selling or renting any single family residence thereon for occupancy by a single family, and for such purposes members of the public may rightfully be invited to, and may inspect such houses and residences.

(c) Limitations on Animals. Except for dogs and cats kept as domestic pets, and except for other common small pets always kept indoors, there shall be no animals permitted or kept on any Lot or portion thereof, whether mammal, bird or reptile, without the Association's prior written consent, which consent if given may at any time thereafter be withdrawn upon thirty (30) days written notice to the Lot Owner or occupant keeping such pet. Lot Owners are limited to three (3) domestic pets per Lot owned, and such pets may not traverse the Property beyond the boundary of the Owner's Lot unless such pet is under the Owner's control (e.g., dogs on a leash, etc.). Moreover, it shall be the Lot Owner's responsibility to keep his Lot and other portions of the

Property free of visible excrement from such Owner's pets. No pet house, pen, cage, run or other improvement made for any pet shall be constructed, placed or maintained on any Lot or street without the prior written consent of all Lot Owners whose Lots are contiguous with or have a common corner with the Lot on which the same is proposed to be located. In no event shall livestock, poultry or horses be kept on any Lot or portion thereof, nor shall Declarants permit the same.

(d) Nuisances Prohibited. No nuisance or activity involving excessive noise, or noxious, offensive, or dangerous activity or thing shall be created, permitted or conducted on or about any Lot including, without limitation, unusual quantities of explosives, open or smoking fires, unfenced swimming pools, fresh manure and uncovered refuse. With respect to those Lot Owners whose Lots are serviced by septic fields, all such septic fields shall be used, cleaned out and maintained so as to prevent unpleasant odors or unsanitary conditions from occurring on or above the surface of the land. All garbage, trash and other refuse shall be kept in tight, enclosed containers with lids in the garage on such Lot or within an enclosed structure on such Lot constructed in accordance with Declarants' design guidelines to be provided by Declarants upon request of any Lot Owner, and such garbage, trash or other refuse shall be removed from the Lots at reasonably frequent intervals.

(e) Limitations on Vehicles.

(1) No mobile homes, motor homes, campers, trailers, airplanes, helicopters, boats, snow mobiles, motorcycles, dune buggies or other commercial or specialized recreational vehicles shall be brought upon any Lot or parked on any street, except for such time as it is necessary to clean, load or unload the same, or pick up or discharge passengers, or except if the vehicle is kept out of sight in a garage.

(2) No person shall operate or leave any operating or non-operating vehicle or vehicles, whether currently registered and licensed and having a valid and unexpired state motor vehicles inspection or not, on or about the Property, except within driveways, parking areas and other areas designated by Declarants for vehicles.

(f) Lawns, Gardens and Signs.

(1) Except as otherwise provided in this Article IV, Paragraph (f) (2) below: (i) all lawns and plantings shall be regularly mowed and trimmed by the Lot Owners on which the same are located so as to present a reasonably neat and cared-for appearance; (ii) grading, seeding, care and maintenance of the ground between a paved street or road and the property line of a Lot Owner shall be the responsibility of the Owner of such abutting Lot; and (iii) the Owner of such abutting Lot shall also be responsible for the maintenance and care of any trees in such area. Declarants reserve to themselves, their successors and assigns, the right to enter peaceably upon any Lot whose Owner has not complied with the foregoing covenants for the purpose of mowing the same, at the expense of the Lot Owner.

(2) Notwithstanding the foregoing, the Association reserves the right to itself, its successors and assigns, to provide lawn maintenance as described in Article III, Paragraph 3 (g) (1) above with respect to all or any portion of land located within the Property, excluding Golf Course lands, regardless of whether such land constitutes Open Space or any portion of a Lot, all as more particularly described in this Declaration.

(3) No statues, sculptures, painted trees, bird baths, replicas of animals or other like objects may be affixed to or placed on any Lot where they would be visible from any street or the Golf Course.

(4) No signs, notices or advertising matter of any description shall be erected or permitted upon any of the lands described on the Plans, other than small signs indicating the Owner's name and the Lot street number or customary "For Sale" signs in connection with the sale of such Lot and improvements thereon. Declarants may continue to advertise unsold Lots owned by Declarants for sale/construction, whether before or after the Transfer Date shall have occurred.

(g) Trees, Shrubs and Approval of Landscaping Plan.

(1) Any trees, shrubs and/or landscaping planted, emplaced, provided or done by Declarants must remain undisturbed, except for ordinary maintenance, feeding and disease control, unless otherwise specifically permitted by Declarants in writing.

(2) Except as may actually be necessary for the construction of any building or other improvement approved by Declarants, no living tree, the diameter of which equals or exceeds four (4) inches, shall be removed from any Lot, or severely trimmed and cut back, without the prior written consent of Declarants. In particular, none of the structural trees and/or bushes which make up the hedge rows or vegetation which divides clusters of Lots from other clusters of Lots or any Lot, or the Golf Course, shall be disturbed without written permission of Declarants, whether or not such hedge rows or vegetation are on or adjoining the Owner's Lot.

(3) No hedges, or mass groupings of shrubs or trees which could serve as a barrier to view, comparable to a hedge or fence, shall be planted or permitted, nor shall any excavation be made, or fill, sand, gravel, crushed stone, brick, asphalt, concrete or the like be placed or poured on any Lot so as to cause any blatant and material change in the appearance of such Lot from the street or from any neighboring Lots, or the Golf Course, unless and until plans and specifications therefor shall first have been submitted to and approved in writing by Declarants, which submission and approval process shall be as provided in Article VII hereof with respect to plans and specifications. Declarants, in their sole and absolute but good faith discretion, shall have the right to disapprove of and prohibit any removal of trees or any work or plans for work to, on or affecting the contours of any Lot or the plantings of any Lot.

(4) In order to implement effective care of Lots as shown on the Plans, Declarants are hereby given the right, after ten (10) days prior written notice to the Owner of any Lot, to enter upon any Lot at the expense of the Lot Owner for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth which, in the opinion of Declarants, detracts from the overall beauty, setting and safety of the area, such entry to be made by personnel with tractors, trucks or other suitable devices.

(h) Open Space. No Lot Owner or occupant may obstruct any Open Space; nor shall any Lot Owner or occupant improve, construct or store anything in or on such Open Space areas.

(i) Antennae or Satellite Receiving Equipment. No Lot Owner or occupant of any Lot shall erect or maintain an antenna or satellite signal receiving equipment on any portion of the Property or any building erected on the Property (except within a building); except that, each Lot Owner may install and maintain one antenna of not more than eighteen (18) inches in diameter on his Lot in compliance with all applicable laws, rules, ordinances, regulations and statutes. The term "antenna" as used herein includes satellite dishes and other devices used to receive broadcasts or wireless signals via satellite.

(j) Utilities. All utilities shall be underground. Declarants for themselves, their successors and assigns, reserve a general utility easement ten (10) feet wide in, under and along each property line of each Lot.

(k) Fences. No Lot Owner or occupant of any Lot shall erect or maintain any fence on its Lot unless approved by the applicable Architectural Review Committee, or unless required by local code, ordinance, rule, law or regulation incident to the landscaping of such Lot or in connection with any in-ground swimming pool located on such Lot.

ARTICLE V
HARTEFELD HOMEOWNERS ASSOCIATION

5. HARTEFELD HOMEOWNERS ASSOCIATION, INC. AND ASSESSMENTS.

(a) Purpose and Nature of the Association. The Association is a non-profit corporation organized under the laws of the Commonwealth of Pennsylvania. It shall be governed by the Association's Charter, its By-laws, and this Declaration, all as the same may be amended from time to time. The Association is hereby charged with the following duties and responsibilities:

(1) Renegotiating the existing Golf Course Lease as and when the same shall expire;

(2) Acting on behalf of all Hartefeld residents in connection with all rights accruing to such residents under the Golf Course Lease, including, without limitation, deciding whether or not to exercise the right of first refusal contained in the Golf Course Lease if and when the occasion therefor shall arise;

(3) Promoting, perpetuating and effectuating the general affairs concerning the Project so as to achieve an overall sense of community within Hartefeld, notwithstanding that the Project is located in two different Townships, by encouraging the coordinated use and management of Open Space and other amenities, and taking such measures as are deemed appropriate by the Association in fostering a stronger sense of community;

(4) Overseeing, administering and managing such overall Project matters as the Board shall determine, including, without limitation, the maintenance and repair of the Open Space, Private Roads and the System within the Project, and all dealings with the owner and operator of the Golf Course as well as New Garden and Kennett;

(5) Determining its own expenses and necessary reserves and raising all monies required therefor by levying upon, and collecting assessments against, the Members and the Lots;

(6) Establishing and enforcing rules and regulations governing the use, maintenance, occupancy and regulation of the Property, subject to this Declaration;

(7) Bringing, prosecuting, defending and settling litigation for or against the Association, and satisfying any adverse judgment entered against it;

(8) Performing and conducting all duties and powers imposed upon or granted to it by the Declarants, this Declaration, the By-laws or any other document relating to the Association; and

(9) Except as otherwise provided by applicable law, assuming all duties, obligations and responsibilities of the Declarants under this Declaration as of the Transfer Date.

(b) Membership. The Owner of each Lot, including Declarants, shall automatically be a Class A Member. Any and all Class B Membership rights, units and shares held or owned by Hartefeld, L.P. are hereby transferred, assigned and conveyed by Hartefeld, L.P. to BHC, such that BHC shall be the sole Class B Member. Class A Membership shall be appurtenant to and not severable from ownership of a Lot and shall be held in the name of the record Owner of said Lot, be that Lot owned jointly, in common, or in any other form of tenancy. Each Lot shall have one Class A Membership, regardless of the number of persons having record title thereto. The Class B Membership

may be freely assigned or transferred by BHC in accordance with this Article V, Paragraph (d) below.

(c) Intentionally Omitted.

(d) Duration of Membership. Class A Membership shall commence upon ownership of record of a Lot and shall be initially held by Declarants and record Owners of Lots at the time of the recording of this Declaration. Thereafter, Class A Membership shall transfer to each successive title Owner of the Lot, as evidenced by the filing of record of a deed for such Lot. The purchaser of any Lot shown on the Plans by the acceptance of a deed to said Lot shall be deemed to obligate and bind himself, his heirs, personal representatives and assigns, to become a Class A Member and to be bound by all of the Association's rules and regulations and to be subject to all of the duties and obligations imposed by the Association and this Declaration. Class B Membership shall terminate upon the later of: (1) such time as Hartefeld, L.P. shall own less than seven (7) Lots in Kennett; or (2) such time as BHC shall own less than twenty (20) Lots in New Garden (in either case, the "Transfer Date"). If the event described in clause (2) occurs before the event described in clause (1), Hartefeld, L.P. may require that BHC transfer such Class B Membership to Hartefeld, L.P. upon the occurrence of such event. The foregoing notwithstanding, if Declarants shall jointly terminate the Class B Membership by written declaration recorded in the Recorder of Deeds of Chester County, Pennsylvania, or if upon the event described in clause (2) hereof Hartefeld, L.P. elects in writing not to accept an assignment of BHC's Class B Membership (in either case, a "Transfer Event"), the Class B Membership shall terminate and the Transfer Date shall be deemed to occur upon such Transfer Event. Except as otherwise provided in this Paragraph (d), BHC may freely transfer or assign its Class B Membership until the Transfer Date shall have occurred.

(e) Meetings. The Association shall hold regular meetings at least once each year; such meeting shall take place between February 1 and May 1 of each year. The Association may also hold special meetings on not less than seven (7) days prior written notice to the Members at the request of the Board of Directors or at the request of at least ten (10) Members. Notice of regular meetings and special meetings shall be given to the Members by regular mail or by hand-delivery of written notice to each Member.

(f) Voting Rights. Each Lot shall have one Class A Membership regardless of the number of persons having record title thereto. There shall be one and only one vote for each Class A Membership. In addition, the Class B Membership shall have three hundred (300) votes.

(g) Payment. Each Owner of any Lot (excluding, for purposes of this paragraph (g), Declarants or the original builder for any Lot), by acceptance of a deed therefor, is deemed to covenant and agree to pay the Association (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be fixed and established by the Association and collected by the Association from time to

time as hereafter set forth, provided that all assessments must be fixed at a uniform rate for all Lots. At the Association's discretion, assessments for Fairways Lots shall be fixed and established at separate uniform rates from other Lots. Each such assessment, together with interest costs and reasonable attorney's fees, shall be the personal obligation of the person or entity that was the Owner of such Lot at the time when the assessment fell due. The personal obligation shall not pass to any successors in title unless expressly assumed by them. The assessments levied by the Association with respect to the Property, as established by the Association, shall be used exclusively for the purpose of improvement and maintenance of the Private Roads, the System and the Open Space, including landscaping, lawn maintenance and maintenance of unpaved roadway shoulders, snow plowing and snow removal, payment of real estate taxes, insurance premiums, costs of operating the Association (including legal and accounting fees), and the fees of a property manager appointed by Declarants in connection with the maintenance of the Property. Such assessments shall be in sufficient amount to pay the cost of keeping the aforesaid in good and useable condition, to pay all operating expenses of the Association with respect to the Property and to offset any uncollected prior assessments.

(h) Account. All assessments and other amounts paid by Members of the Association under the terms of this Declaration shall be deposited by the Association into a federally insured deposit account ("Account"), which account may be drawn upon by the Association (or such persons as designated in writing by the Association) for working capital or to otherwise enable the Association to fulfill its obligations pursuant to the terms hereof. To the extent budgeted by the Association, the Association shall be entitled to retain from assessments and other amounts paid by Members to the Association minimal amounts to pay annual filing fees, franchise taxes and similar items on behalf of the Association.

(i) Amount. The amount of such assessments for the Project shall be fixed annually for each calendar year by the Association, and shall be charged or assessed by the Association in equal proportions against each Lot for detached dwellings, regardless of size, and in separate equal proportions against each Lot for attached dwellings. The foregoing notwithstanding, Fairways Lots may be assessed at a different rate than other Lots at the discretion of the Association. All costs associated with maintaining Fairways Open Space shall be considered "Fairways Expenses" and only Fairways Lots shall be assessed for Fairways Expenses. Accordingly, the Owners of Fairways Lots shall pay, in addition to their proportionate share of overall assessments for the Project, their proportionate share of Fairways Expenses. In determining the amount of overall assessments for the Project to be assessed to each Lot Owner, the Association shall deduct therefrom the amount of Fairways Expenses attributable solely to Fairways Sections.

(j) Delinquency. Any assessments which are not paid when due shall be delinquent and shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property of

such Owner, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise avoid liability for the assessments provided for herein by non-use of the Open Space or abandonment of his Lot.

(k) Capitalization of the Association. Upon acquisition of record title to a Lot by the first Owner thereof, excluding Declarants, the initial builder for the Lot and the Association, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to Three Hundred Dollars (\$300.00). This amount shall be in addition to, and not in lieu of, the annual assessment herein described and shall not be considered an advance payment of any such assessment. This amount shall be deposited into a separate reserve account established by the Association and all or any portion of such amount may be disbursed therefrom from time to time, as determined by the Association, to pay for repairs and deferred maintenance for which the Association is responsible as provided in this Declaration.

(l) Lien. It is expressly agreed that the assessments referred to above shall be a lien or encumbrance on the Lot in respect to which said assessments are made and it is expressly stated that by acceptance of title to any Lot, the Owner (excluding any Mortgagee) from the time of acquiring title thereto shall be held to have covenanted and agreed to pay said assessments to the Association.

(m) Suits. By acceptance of title, each Owner shall be held to vest in the Association the right and power, in its own name, to take and prosecute all actions or suits, legal, equitable, or otherwise, which may be necessary or advisable for the collection of such assessments.

(n) Subordination. Said assessments shall be subordinate in lien to the lien of any Mortgage or Mortgages on any property which is subject to such charges, regardless of when said Mortgage or Mortgages were created or when such charges accrued; provided that such subordination shall apply only to charges that shall have become payable prior to the passing of title under foreclosure of such Mortgage or Mortgages, and the transferee shall not be liable for payment of any assessment accruing prior to said foreclosure, but nothing herein shall be held to affect the rights herein given to enforce the collection of such charges accruing after sale under foreclosure of such Mortgage or Mortgages; and provided, further, that such charges accruing after sale shall also be subordinate in lien to the lien of any further Mortgage or Mortgages encumbering such property.

(o) Management. The Association shall be managed by the Board, which may employ on behalf of the Association such personnel and consultants as the Board deems necessary, including the engagement of a professional manager. The Association shall have the right to contract with affiliates of Declarants to perform management services.

(p) Appointment of the Board. The Board shall consist of at least three (3), but not more than seven (7), Directors. New Garden Lot Owners shall at all times retain at least 67% representation on the Board, and Kennett Lot Owners shall at all times retain at least 10% representation on the Board. Board appointments shall be made by Declarants until the Transfer Date. As of the Transfer Date, Board appointments shall be made by the Members in accordance with the Association's By-laws; however, Declarants shall at all times retain the right (should they so elect) as long as either of the Declarants owns of record at least one (1) Lot to make one of the Board appointments (i.e., one appointment based on the collective decision of both Declarants) unless Declarants surrender such right in writing

ARTICLE VI THE GOLF COURSE

6. THE GOLF COURSE.

(a) Golf Course Easements and Setbacks.

(1) Golf Cart Path Easement. The "Golf Cart Path Easement," designated as such on Drawings Nos. 1D and 1E of the Major Plan, shall be used exclusively by persons lawfully utilizing the Golf Course for golf cart paths, pedestrian walkways, maintenance and vehicular access, and unhindered access between said paths and the Golf Course. Nothing shall be placed or maintained in the Golf Cart Path Easement which shall interfere with utilization thereof as a playable part of the Golf Course.

(2) Golf Course Setback. No permanent improvements in, or alterations of, the Lots and common area within the Minimum Building Setback Line (50 feet wide) as designated on Drawings Nos. 1C and 1D of the Major Plan (hereinafter referred to as the "Golf Course Setback") shall be made or allowed by any Lot Owner, the Golf Course, the Golf Course Operator or the Association (other than "out-of-bounds" markers or signs which may be appropriately placed by the Golf Course Operator consistent with those utilized elsewhere in connection with the Golf Course) and no portion thereof shall be incorporated in any fairway, trap, water hazard, green, or paved cart path. All areas within the Golf Course Setback utilized on behalf of the Golf Course (regardless of whether such area lies within or beyond the out-of-bounds stakes) shall be maintained by the Golf Course Operator, with the balance of the Golf Course Setback to be maintained by the Lot Owner whose Lot is encumbered thereby. Nothing shall be placed or maintained in the Golf Course Setback which shall interfere with the utilization thereof as a playable part of the Golf Course or any areas for gallery use. In addition, Lot Owners and occupants of Lots adjacent to the Golf Course are prohibited from placing, installing, using or maintaining swingsets, playhouses, sandboxes or other playground equipment (whether similar or dissimilar to the foregoing) on any portion of such Lot which is visible from the Golf Course; however the foregoing limitation shall not extend to picnic tables and other lawn furniture consistent with the general décor and aesthetics of the Property.

(3) Tournament Galleries. Areas of Lots and common areas lying within the Golf Course Setback may be used on behalf of the Golf Course for observation by tournament galleries, subject to the limitations and conditions set forth in this Article VI, Paragraph (a)(2) above. The foregoing grant of easement is made for use by the Golf Course in conjunction with tournaments and special events on the Golf Course by members, invited guests and members of the public.

(4) Above-Ground Utilities. The right to utilize areas of Lots and common areas contiguous to the edge of the Golf Course for temporary above-ground utility lines for use solely in conjunction with tournaments and special events on the Golf Course shall not interfere with or damage the primary use of the Lots or common area so affected and the utility lines and installation shall be removed by the Golf Course Operator and all damage repaired promptly upon conclusion of each such tournament and special event.

(5) Golf Course Setback – Section Three – Phase B. The foregoing provisions of this Article VI shall apply to Section Three – Phase B Lots with the following exceptions:

(a) There shall be no Golf Cart Path Easement with respect to the Section Three, Phase B Lots.

(b) The Golf Course Setback for Lots 23, 24, 25, 33, 34, 35 and 36 shall be fifty (50) feet from the Golf Course property line.

(c) The Golf Course Setback for Lots 28, 30, 31 and 32 shall be seventy-five (75) feet from the Golf Course property line.

(d) There shall be no Golf Course Setback for Lots 26 and 27.

(e) Swingsets, playhouses, sandboxes or other playground equipment shall be permitted on the Section Three, Phase B Lots and, with the written permission of the Architectural Review Committee (not the Article VII, Paragraph 7(c) Final Phase Committee), within the Section Three, Phase B setbacks specified in this subparagraph (5).

(6) Additional Rights. Declarants reserve the right to grant such additional easement rights for the benefit of the Golf Course and to impose such additional restrictions on the Golf Cart Path Easement, Golf Course Setback and other easements set forth in this Declaration and/or as shown on the Plans, as may be reasonably required to effectuate the purpose of such easements. The reservations of the Golf Cart Path Easement, the Golf Course Setback and such other easements described herein are made for the benefit of Declarants, the Golf Course Operator, the Golf Course, the members and invited guests of the golf club associated with the Golf Course, and for associated maintenance and service personnel for Golf Course related recreational purposes.

(b) Club Facilities. Declarants, or other parties or entities, may from time to time provide “club facilities” adjacent to or within Hartefeld (including, without limitation, a golf course, clubhouse, tennis courts, and a swimming pool) which are

separate from the common areas of Hartefeld. The club facilities shall be developed and provided at the sole discretion of the developer or other parties or entities. Whoever owns any of these club facilities at any particular time shall have the exclusive right to determine from time to time, in its sole discretion and without notice or approval of any change, how and by whom such club facilities shall be used, if at all. By way of example, but not limitation, such entity shall have the right to approve users and determine eligibility for use, to reserve use rights for future purchasers of the Lots in Hartefeld or not reserve such rights, to terminate any or all use rights, to change, eliminate or cease operation of any or all of the club facilities, to transfer any or all of the club facilities or the operation thereof to anyone (including, without limitation, a member-owned club or an equity club) and on any terms, to limit the availability for use privileges and to require the payment of a purchase price, membership contribution, initiation fee, dues and other charges for use privileges. OWNERSHIP OF ONE OR MORE LOTS IN HARTEFELD OR MEMBERSHIP IN THE ASSOCIATION DOES NOT VEST IN ANY LOT OWNER THE RIGHT OR EASEMENT, PRESCRIPTIVE OR OTHERWISE, TO USE THE CLUB FACILITIES AND DOES NOT GRANT ANY OWNERSHIP OR MEMBERSHIP INTEREST IN THE CLUB FACILITIES.

(c) Burdens on Lot Owners.

(1) Lot Owner Acknowledgement. By purchasing a Lot in Hartefeld, each Lot Owner acknowledges that the Lot is located adjacent, or in close proximity, to the Golf Course, and that the Lot Owner has assessed the location of the Lot in relation to the layout and operation of the Golf Course. Each Lot Owner further acknowledges that owning property adjacent, or in close proximity, to the Golf Course, and the Lot owned in particular, involves certain risks which may have an effect on the Lot Owner's enjoyment of the Lot. Each Lot Owner acknowledges that such risks may include (as examples of and not as a limitation on the generality of such risks) golf balls being hit into the Lot Owner's Lot, with the potential of causing bodily injury or physical damage to the property, and golfers coming onto a Lot Owner's Lot to look for errant golf balls. Each Lot Owner hereby expressly assumes such risks and agrees that neither Declarant, New Garden, Kennett, nor any entity or person owning or managing the Golf Course, or other club facilities, shall be liable to the Lot Owner or anyone else claiming any loss or damage arising from personal injury, destruction of property, trespass, or any other alleged wrong or entitlement to remedy based upon, due to, arising from, or otherwise related to, the proximity of the Lot Owner's Lot to the Golf Course, including, without limitation, any claim arising in whole or in part from the negligence of Declarants, or any entity owning or managing the Golf Course or other club facilities. Each Lot Owner hereby agrees to defend, indemnify and hold harmless Declarants, New Garden, Kennett, the Association and any entity owning or managing the Golf Course or other club facilities, and against any and all claims, loss, cost or damage of any kind (including attorneys' fees) by the Lot Owner's guests, invitees, or licensees with respect to the above. Nothing in this paragraph shall restrict or limit any power of Declarants, or any entity owning or managing the Golf Course or other club facilities, to change the design of the Golf Course, or other club facilities, and such changes, if any, shall not nullify, restrict or impair the Lot Owner's covenants and duties contained herein.

(2) Golfer's Easement. Every Lot in Hartefeld, and the roadways and Open Space of Hartefeld, are burdened with an easement in favor of golfers using the Golf Course permitting golf balls unintentionally to come upon the Lots, roadways or Open Space immediately adjacent to the Golf Course and for golfers at reasonable times and in a reasonable manner to come upon the grounds comprising the Lots, roadways and Open Space of Hartefeld to retrieve errant golf balls. The owners of Lots, roadways and Open Space in Hartefeld immediately adjacent to the Golf Course shall not erect fences or other barriers within the Golf Course Setback which extends from the common property line with the Golf Course since that would prohibit the free and unencumbered exercise of this easement in favor of golfers using the Golf Course. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls; however, neither the Association, Declarants, New Garden, Kennett, the Golf Course Operator or the Golf Course shall, under any circumstances, be held liable for damages resulting from errant golf balls.

(3) Other Easements for Golf Course. Every Lot in Hartefeld, the roadways and Open Space of Hartefeld are also burdened by and subject to all those easements and rights-of-way in favor of the Golf Course and the Golf Course Operator, its successors and assigns, members, invitees and guests using the Golf Course and/or the Golf Course facilities and the Owners of Lots and others in Hartefeld who are benefited thereby for utilities, drainage, Golf Course access, Golf Course drainage, Golf Course utilities, access for ingress, egress and regress from public roads, as the same have been or may be relocated, and any and all other required uses, all as specifically set forth on the Plans. Without limiting the foregoing, Declarants and the Golf Course Operator reserve unto themselves, their successors and assigns, Golf Course easements for maintenance, upkeep, golf cart paths, irrigation and plantings to ensure the quality of play on the Golf Course. No building or structure, temporary or permanent, shall be placed by any Lot Owner within any Golf Course Setback or as on any Golf Course easements described in this Declaration or as shown on the Plans.

(4) Maintenance of Golf Course Easements. The Golf Cart Path Easement and other easements in favor of the Golf Course as described herein and/or as shown on the Plans shall be maintained by the Golf Course Operator. Any modifications of the existing condition of such Golf Course easements shall be made by the Golf Course Operator.

(d) Reservation of Easements, Exceptions and Exclusions.

(1) Declarants reserve to themselves the right to establish from time to time by declaration or otherwise, utility and other easements, permits or licenses over the Open Space areas for the purpose of, *inter alia*, streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions consistent with the ownership of the Hartefeld golf community for the best interests of the Association in order to serve the owners within Hartefeld as initially built and expanded. Declarants further reserve the

right to establish from time to time, by declaration or otherwise, utility and other easements and to create other reservations, exceptions and exclusions convenient or necessary for the use and operation of any other property of Declarants as long as the exercise of such rights does not hamper the enjoyment of Hartefeld as initially built or expanded. Declarants reserve to themselves, their successors and assigns, the right of ingress and egress through streets, paths and walkways and for the purpose of construction, maintenance and operation of commercial areas located outside of Hartefeld including, but not limited to, offices and shopping centers, and for the purpose of installation and maintenance of utilities to serve those projects which are located on parcels of land not governed by this Declaration. Declarants also reserve the right to revise the location of the Golf Course so long as the Golf Course shall be located in Open Space areas relating to Hartefeld.

(2) Declarants reserve to themselves the right to use any and all Open Space as shown on the Plans, whether or not considered part of the Golf Course, for purposes of spray irrigation of treated effluent and treatment of potable water in accordance with the rules, regulations, and ordinances promulgated by New Garden and Kennett, as applicable, governing such activities, including, without limitation, the right to install, keep, maintain and replace pumps in order to provide water for irrigation of any Open Space, and to construct, maintain and repair any structure designated to divert, collect or retain water. The foregoing notwithstanding, no part of the Open Space (including the Golf Course) in Kennett shall be used by the Association or the Golf Course Operator for purposes of spray irrigation of treated effluent unless such use shall have first been approved by the Association and Kennett. The Lots located immediately adjacent to the Golf Course are hereby burdened with a non-exclusive easement in favor of Declarants and the Golf Course for overspray of water from any irrigation system serving the Golf Course, as more particularly described in the Memorandum of Understanding. Under no circumstances shall Declarants or the owners or operators of the Golf Course be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

(e) Rights of Golf Course Operator. It is hereby acknowledged that certain easements, rights and privileges described in this Declaration are granted for the benefit of the Golf Course and the Golf Course Operator; accordingly, so long as the "Lessee" is not in default under the Golf Course Lease (hereinafter referred to as a "Lease Default"), no modifications to Article VI of this Declaration, or any actions which will directly impact play on the Golf Course and/or easements, rights and privileges granted to the Golf Course and the Golf Course Operator hereunder shall be made without approval of the Golf Course Operator, which approval shall not be unreasonably withheld or delayed. Notwithstanding the obligation to obtain the approval of the Golf Course Operator under certain circumstances as aforesaid, final approval rights with respect to decisions concerning the maintenance, appearance, development and governance of the Property (excluding the Golf Course) shall remain in Declarants, the Association, the Lot Owners, New Garden and Kennett, and their respective successors and assigns, as the case may be.

Provided, however, it is understood and agreed that the Golf Course Operator, its successors and/or assigns, is a third party beneficiary of the easements and rights granted for the benefit of the Golf Course, and, as such, provided that no Lease Default then exists, has the right to enforce, by way of specific performance, or otherwise, any rights granted for its benefit and/or which affect play on the Golf Course. Moreover, provided that no Lease Default then exists, no such rights, easements or privileges may be altered, modified, or eliminated by Declarants without the consent of the Golf Course Operator.

(f) Golf Course Lease.

(1) The use and activities upon the Golf Course shall be governed by this Declaration and the Golf Course Lease. The terms and conditions of this Declaration shall be deemed to be incorporated by reference into the Golf Course Lease and the Association, with the assistance of Kennett and New Garden (or by Kennett or New Garden alone where the Association fails to fulfill its obligations), shall be entitled to enforce the provisions of this Declaration insofar as they involve any activities or maintenance obligations with respect to the Open Space comprising the Golf Course as well as any activities of the Golf Course Operator elsewhere in the Open Space. The Golf Course Operator, by virtue of the Golf Course Operator's entry into the Golf Course Lease, shall be deemed to accept the terms and provisions of this Declaration insofar as they involve any activities or maintenance obligations with respect to the Golf Course as well as any activities of the Golf Course Operator elsewhere in the Open Space, which obligation shall be deemed to run with the land, shall be deemed to be binding upon the Golf Course Operator and each and every successor Golf Course Operator. The Golf Course Operator shall adopt a specific maintenance program relating to streams and Wetlands on the Golf Course in that a buffer area has been or shall be created for a minimum distance of twenty (20) feet from the center line of any stream, traversing the Golf Course and for a minimum distance of twenty (20) feet from the boundary of any identified Wetlands in the Golf Course, in which buffer the Golf Course Operator shall permit fairway rough grasses to grow to a height of not less than twelve (12) inches, the purpose of which is to deter the active playing of golf in the buffer areas adjacent to the stream and Wetland Areas on the Golf Course.

(2) The Golf Course Operator shall be deemed to be a non-voting, non assessable dues paying member of the Association. The Golf Course Operator shall have the right to have a representative present at every meeting of the Association and shall have the right to review and examine the books and records of the Association with respect to the Golf Course Operator's obligation to pay dues to the Association hereinbelow set forth. The Golf Course Operator's obligation with respect to the payment of dues shall begin during the first year of operation of the Golf Course. On or before December 31 of the first year of operation and on or before December 31 of the next succeeding four (4) years, the Golf Course Operator shall make (and as of the date hereof has made) a dues payment to the Association of Five Thousand Dollars (\$5,000.00). The Golf Course Operator's obligation with respect to the payment of dues shall continue in the sixth (6th) year and for so long as the Golf Course Lease is in effect in an amount equal to twenty (20%) percent of the Association's actual expenditures for

the maintenance of Open Space in Kennett in the previous calendar year. The calculation of expenditures for each year shall not include monies used and applied by the Association for purposes other than the maintenance of Open Space. All dues paid by the Golf Course Operator shall be held by the Association in an interest bearing account as a contingency fund for the default of any obligations of the Golf Course Operator under this Declaration or the Golf Course Lease, and also as a source of funds for the reimbursement of Kennett or New Garden in the event that Kennett or New Garden is compelled, by the inaction of the Association, to carry out the Association's duties and obligations with respect to Open Space in Kennett or New Garden.

(3) The terms and conditions of the Golf Course Lease shall be subject to the review of the Solicitors of Kennett and New Garden from time to time for the limited purpose of determining the conformity of the terms of the Golf Course Lease with the terms of this Declaration. The obligation to maintain the Golf Course shall be assumed exclusively by the Golf Course Operator. The Association shall have the responsibility and obligation of assuring that the Golf Course Operator is, at all times, in compliance with the terms and conditions of the Golf Course Lease. In the event of a permanent discontinuance of the golf course use, which for purposes of this Declaration shall be a discontinuation of said use for a continuous period of five (5) years, the Golf Course shall be re-designated as part of the Open Space in such manner as the Association shall determine, subject to the approval of New Garden and Kennett, as applicable. The re-designation of the Golf Course following a cessation of the golf course use for a continuous period of five (5) years is subject to the qualification that: in the event of a cessation of the golf course use and in the further event, during such discontinuation of the golf course use, the Golf Course Operator or its successors or assigns fails to pay real estate taxes attributable to the Golf Course of any period of time which results in the Golf Course being liened and set down for tax sale, the Golf Course shall become a re-designated part of the Open Space one (1) day following the sale of the Golf Course at a tax sale. In the event, during any period of time involving the cessation of the golf course use upon the Golf Course, the Golf Course Operator fails to maintain the Golf Course, the Association shall be empowered to enter upon the Golf Course to mow and minimally maintain the fairways and greens and for the purpose of eliminating any unsafe or hazardous conditions. The costs and expenses incurred by the Association with respect to such maintenance activities may be paid out of any reserves or reserve accounts established by the Association; subject, however, to the understanding that the Association shall be entitled to assess all such costs and expenses (and enter a lien, if necessary) against any successor operator of the Golf Course.

(4) The Golf Course Operator shall, where requested by the Association, maintain limited areas of Open Space contiguous to the Golf Course where the same is made necessary by difficulties with respect to access. The Golf Course Operator shall maintain the identified, contiguous Open Space areas in a manner which harmonizes the needs of the residential development surrounding Hartefeld with the needs of the Golf Course.

(g) Remedies. If Declarants or the Golf Course Operator, their successors, assigns, or persons claiming under them, shall violate or attempt to violate any of the covenants described in Article VI of this Declaration, it shall be lawful for any person or persons owning any of the lands described herein to prosecute any proceeding at law or in equity against any person or persons violating or attempting to violate any such covenants and either to prevent it, him or them from so doing, or to recover damages or other dues for such violation. No entry upon any Lot by Declarants or their agents for the purpose of correcting any violation of the restrictions or covenants set forth in this Declaration shall be or be deemed to be a trespass.

ARTICLE VII ARCHITECTURAL REVIEW

7. ARCHITECTURAL REVIEW

(a) Approval of Architectural and Construction Plans.

(1) No building, wall, fence (to the extent permitted by this Declaration), pool, porch, storage tank, outbuilding or other appurtenant structure, driveway, paved area or patio shall be constructed on any Lot, unless and until plans and specifications for the same showing the location of the item to be constructed on the Lot, final grade lines, shape, height, floor plans, materials and color scheme shall first have been submitted to and approved in writing by the New Garden or Kennett Architectural Review Committee, as applicable; provided, however, that no such structures shall be permitted within the Golf Course Setback. Said plans and specifications shall be mailed to Declarants by registered mail, return receipt requested, and shall automatically be deemed approved, and Declarants shall on demand so signify in writing, unless within thirty (30) days after receipt thereof Declarants have delivered to or mailed by registered mail written objection thereto with a complete statement of the reasons therefor.

(2) Building restrictions, including front, side and rear minimum setback requirements, shall be governed by and subject to the specifications of the zoning code or ordinances for New Garden or Kennett, as applicable, as amended from time to time, or such other zoning code or ordinances, as amended, as shall be applicable thereto. In the event such zoning code or ordinances conflict in any way with the requirements of this Declaration, the more restrictive covenants shall apply.

(3) In passing upon such plans and specifications, the Architectural Review Committee may consider such factors as the Architectural Review Committee shall determine in their sole and absolute discretion, including, without limitation, the aesthetic suitability and harmony of the item to be constructed to and with the Lot on which it is proposed to be located, the compatibility of the height, profile and color scheme with neighboring residences, whether the same be in existence, or under construction or approved for construction; the impact of the item to be constructed on the environment, including, without limitation, preservation of trees and open spaces and surface water drainage; the effect the proposed building, structure or other item, and its

planned usage and purpose, shall have on the outlook of neighboring Lots and/or residences; and the quality of materials to be used in construction and the proposed method of construction.

(4) All residences, garages and other major elevated structures to be constructed on a Lot shall be designed by a licensed architect uniquely and specifically for the intended Lot, taking into account the requirements of this Declaration. The Architectural Review Committee reserves the right, in their sole discretion, to waive such requirement for designs which are of sufficient merit and suitability for the Lot in question so that the objectives of the requirement thus being waived will have been met. The Architectural Review Committee shall have the absolute, sole and unqualified right to require that the proposed building or appurtenant structure be situated and positioned on the Lot in a location and manner other than as proposed by the Lot Owner; that its height be lowered or raised by excavation fill and grading; and that the quality of material and the methods used in its construction be improved and upgraded as specified by the Architectural Review Committee so as to conform with the average quality of material and methods of construction used in like improvements elsewhere on the Property.

(5) With respect to improvements other than a dwelling and appurtenant structures, including, but not limited to, driveways and turnarounds, fences (to the extent permitted by this Declaration), storage tanks, walls, tennis courts, swimming pools and patios, the Architectural Review Committee shall have the right, in their sole and absolute, but good faith discretion, to prohibit the same altogether if, in their opinion, the construction and use of the same will either necessitate the removal of valuable trees, cause drainage problems, or have a harmful effect on the outlook from neighboring Lots.

(6) No above ground pools are permitted; all in-ground pools, the installation of which has been approved by the Architectural Review Committee, must be enclosed with a black aluminum fence or other material approved by the Architectural Review Committee no higher than five (5) feet or such other minimum height required by applicable law. The installation of any such fencing must first be approved in writing by the Architectural Review Committee, is subject to the provisions of Article VII of this Declaration and shall be undertaken in compliance with all applicable laws, rules, ordinances and regulations.

(b) Remedies. If an Owner, its successors, assigns, or persons claiming under him, shall violate or attempt to violate any of the covenants herein, it shall be lawful for Declarants, the Association or the Architectural Review Committee, as applicable, to prosecute in any proceedings, at law or in equity, any person or persons violating or attempting to violate any such covenants and either to prevent it, him or them from so doing or to recover damages or other appropriate relief for such violation. No entry upon any Lot by a party having such enforcement rights or its agents for the purpose of correcting violations of the restrictions or covenants set forth in this Declaration shall be deemed to be a trespass.

(c) Architectural Review Committee. For purposes of this Declaration, the “Kennett Architectural Review Committee” and the “New Garden Architectural Review Committee” shall mean the Declarants; however, except as hereinafter provided with respect to the Final Phase (as hereinafter defined), at such time as neither of the Declarants owns of record any Lots: (i) the Kennett Architectural Review Committee shall consist of at least two (2), but no more than five (5), Lot Owners in Kennett to be appointed by the Kennett Lot Owners; and (ii) the New Garden Architectural Review Committee shall consist of at least two (2), but no more than five (5), Lot Owners in New Garden to be appointed by the New Garden Lot Owners; it being intended by Declarants that all Lot Owners be governed by the New Garden Architectural Review Committee or Kennett Architectural Review Committee, depending upon the Township in which such Owner’s Lot is located. Notwithstanding anything contained in this Article VII to the contrary, the Architectural Review Committee for the Lots located in Kennett in Section Three, Phase B as shown on the Section Three, Phase B Plan (“Final Phase”) shall initially consist of three (3) members: one member to be appointed by Hartefeld, L.P., one member to be appointed by the builder of the Lots within the Final Phase and a third member to be appointed by such two members. At such time as each Lot within the Final Phase is sold to a third party purchaser and a certificate of occupancy or equivalent permit is issued for that Lot, that Lot and its Owner shall be subject to the jurisdiction of the Kennett Architectural Review Committee as well as all of the other provisions and restrictions contained in this Declaration, including Article VII hereof. Accordingly, at such time as all of the Lots within the Final Phase are sold to third party purchasers and certificates of occupancy or equivalent permits are issued therefor, the Architectural Review Committee for the Final Phase shall automatically terminate.

ARTICLE VIII
MISCELLANEOUS

(a) STREETS.

BHC shall have the right, for as long as it shall own of record at least one (1) Lot (and thereafter the Association shall retain such right), and the builder of the Final Phase (“Final Phase Builder”) shall have such right with respect to private roads with the Final Phase, for as long as it shall own of record at least one (1) Lot within the Final Phase (and thereafter the Association shall retain such right), to close or obstruct any non-dedicated private roads and streets owned by BHC or the Association, or the Final Phase Builder as the case may be, within the Project, for a period of up to eighteen (18) months following the date on which such roads and streets are publicly dedicated and accepted for dedication by the governing municipality or agency, for such purposes as BHC or the Final Phase Builder, as applicable, shall determine is necessary to safeguard the interests of BHC, the Final Phase Builder, the Association and the Owners, including, without limitation, temporary closures for maintenance or snow plowing.

(b) DEDICATION.

Declarants intend to cause the streets and portions of the System to be dedicated to public use. Nothing herein contained shall prevent such dedication, nor shall anything herein prevent dedication of Open Space to any appropriate governmental body or authority having jurisdiction thereover which agrees to maintain and improve said Open Space upon written approval of the Directors of the Association having at least seventy-five percent (75%) of the votes thereof and, to the extent required by law, New Garden or Kennett, as applicable.

(c) RUNNING WITH THE LAND.

These covenants and restrictions shall be taken to be real covenants running with the land and binding thereon perpetually or until such time as this Declaration is terminated pursuant to the terms hereof, or until such time as the Private Roads, the System and the Open Space are dedicated or conveyed to any appropriate governmental body and such governmental body elects to terminate the covenants and restrictions contained in this Declaration.

(d) RIGHTS OF NEW GARDEN AND KENNETT

In the event that Declarants or the Association, as the case may be, fail or decline to maintain the System or the Open Space, Declarants hereby grant unto New Garden and/or Kennett, as applicable, their successors and assigns, the right, privilege and authority to enter upon the Property and maintain said System or the Open Space at the expense of the Owners as provided in this Declaration.

(e) REMEDIES.

If Declarants, their successors, assigns, or persons claiming under them, including the Association or any Owner, shall violate or attempt to violate any of the covenants contained in this Declaration, it shall be lawful for any person or persons owning any of the lands described herein to prosecute any proceeding to prevent or terminate the violation of any such covenants. No entry upon any Lot by Declarants, the Association or their agents for the purpose of correcting violations of the restrictions or covenants set forth in this Declaration shall be or be deemed to be a trespass.

(f) RIGHT TO MODIFY.

Anything herein contained to the contrary notwithstanding, Declarants hereby expressly reserve the right at any time and from time to time to change or modify any of the restrictions, conditions, covenants, agreements or provisions contained herein; provided, however, no provision of this Declaration shall be amended without the consent of the Board of Supervisors of Kennett or New Garden, as applicable, if such amendment would amend any of the approvals issued by Kennett or New Garden with respect to the Plans, or limit or modify Kennett's or New Garden's rights as created by this Declaration.

Declarants reserved right to modify this Declaration shall terminate when the Class B Membership terminates as provided in Article V, Paragraph 5(d) hereof and thereafter the Association shall have such right to modify this Declaration provided that at least fifty-one (51%) percent of the Members approve such change. Moreover, this Declaration is not intended to modify or affect in any respect any approvals (“Approvals”) granted by New Garden or Kennett with respect to the Plans, the Golf Course Final Plan or this Project; accordingly, should this Declaration contain any inconsistencies with respect to the terms or conditions of the Approvals, the terms and conditions of the Approvals shall prevail and continue in full force and effect, unmodified by this Declaration.

(g) RIGHT TO TERMINATE.

These restrictions shall be taken to be real covenants running with the land shown on the Plans and shall be binding upon all parties, persons and entities owning or using the Property and their heirs, executors, administrators, successors and assigns until December 31, 2025, and these restrictions shall be automatically renewed in their entirety for successive periods of ten (10) years each unless by appropriate instrument in writing and consent to their termination in whole or in a part shall be filed for record, executed and acknowledged by at least fifty-one (51%) percent of the Members.

(h) RIGHT TO ASSIGN.

Declarants shall have the right to assign the powers herein reserved to them to any other corporation, association (including the Association), entity or person, which assignment shall be entirely at the election of Declarants.

(i) MAINTENANCE DECLARATION

(1) Declarant, Hartefeld, L.P., previously executed a Maintenance Declaration dated September 9, 2005, of record in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania, in Deed Book 6623, Page 1947, pertaining to Lots on the Section Three – Phase B Plan. Since the Kennett Declaration and this Declaration provide that the private street portion of Pyles Mountain Lane in Section Three – Phase B is to be maintained by the Association, and further provide for other rights and easements, the Maintenance Declaration was not necessary. Accordingly, the Maintenance Declaration is hereby declared to be null and void.

(2) Declarants hereby confirm that when (i) the private street portion of Pyles Mountain Lane is constructed according to specifications set forth on the Section Three – Phase B Plan, (2) all homes located along said private portion of Pyles Mountain Lane within Section Three – Phase B have been constructed; (3) the finish course of such road is installed, (4) at least one Lot Owner in Section Three – Phase B is a dues-paying member of the Association, and (5) a deed for the said private street conveying it to the Association is recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania, the said private street portion shall be accepted by the Association for maintenance as provided in this Declaration.

IN WITNESS WHEREOF, Declarants have executed this Declaration under Seal as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

DECLARANTS:

BHC VENTURE, INC.

Attest: *Jan Wald*

By: *[Signature]* (SEAL)
Title: *Vice Pres. & Sec.*

HARTEFELD, L.P.

BY: Colonial Farms, Inc., General Partner

Attest: *[Signature]*

By: *Dawn Paul Rubin* (SEAL)
Title: *Vice President*

STATE OF Delaware :
COUNTY OF New Castle : SS.

BE IT REMEMBERED, that on this 6th day of January 2006, personally came before me, a Notarial Office for the State and County aforesaid, Jim C. Carter, Vice President of BHC VENTURE, INC., a corporate existing under the laws of the State of Delaware, party to this Instrument, known to me personally to be such, and acknowledged this Instrument to be his/her act and deed and the act and deed of said corporation, that the signature of the Vice President thereto is in his/her own proper handwriting and the seal affixed is the common corporate seal of said corporation, and that his/her act of sealing, executing, acknowledging and delivering said Instrument was duly authorized by a resolution of the Board of Directors of said corporation.

GIVEN under my hand and seal of office the day and year aforesaid.

Victoria A. Shawley
NOTARIAL OFFICER

My Commission Expires 3/8/07

STATE OF Delaware :
COUNTY OF New Castle : SS.

BE IT REMEMBERED, that on this 17th day of January 2006, personally came before me, a Notarial Office for the State and County aforesaid, Dona Paul Robinson, Vice President of COLONIAL FARMS, INC., a Pennsylvania corporation, general partner of HARTEFELD, L.P., a Pennsylvania limited partnership, party to this Instrument, known to me personally to be such, and acknowledged this Instrument to be his/her act and deed and the act and deed of said corporation, as general partner of such limited partnership, that the signature of the Vice President thereto is in his/her own proper handwriting and the seal affixed is the common corporate seal of said corporation, and that his/her act of sealing, executing, acknowledging and delivering said Instrument was duly authorized by a resolution of the Board of Directors of said corporation, as general partner of such limited partnership.

GIVEN under my hand and seal of office the day and year aforesaid.

Adelle F. A.
NOTARIAL OFFICER

My Commission Expires _____

EXHIBIT "A"

RULES AND REGULATIONS

A. Lot Owners and occupants shall not undertake Open Space maintenance without the Association's written approval.

B. Signs, woodpiles, structures, or other objects shall not be erected or placed upon the Open Space, except with the Association's prior written permission.

C. Lawn chairs, tables, barbeques, game equipment, toys and other such items may be placed upon the Open Space only at such times and places as the Association may from time to time prescribe; and shall be removed from the Open Space when not in use.

D. No fires shall be caused or permitted upon the Open Space, except with the Association's prior written permission.

E. No refuse whatsoever, including leaves and cuttings, shall be dumped upon the Open Space.

02/14/2006

03:05P

RECEIPT # 274221

CHESTER COUNTY, PA
RECORDER OF DEEDS
TERENCE FARRELL

FROM : RILEY, ROPER & HOLLIN
BY : DHARPLE
ON : cash2

DOC.: (HSC) MISCELLANEOUS

FILE NO.: 10624188

Pgs: 36

BOOK/PAGE: 6764/2134

03:05P

TOTAL PAGES - MISC	77.00
TOTAL UPI	60.00
CO REC FUND	2.00
RE REC FUND	3.00
WRIT TAX	0.50

142.50

=====
TOTAL RECORDING FEE ----> 142.50

Check # ----> R1263 142.50

RILEY, ROPER & HOLLIN

AMOUNT (Check) RECEIVED ----> 142.50

CHANGE -----> 0.00

THANK YOU
TERENCE FARRELL

*** RECEIPT ***
=====

UPI Nos.: 60-4-61.1B; 60-4-47.1;
60-4-47; 60-4-47.3;
60-4-48.1; 60-4-63.3A;
60-4-48.2; 60-4-62.3;
60-4-62.5 (P/O); 60-4-62.5A (P/O);
60-4-40.3; 60-4-40.3A;
60-4-40.4

PREPARED BY AND RETURN TO:

Holly L. Setzler, Esquire
LANDIS & SETZLER, P.C.
310 North High Street
West Chester, PA 19380

**FIRST AMENDMENT TO
CONSOLIDATED AND RESTATED DECLARATION
OF COVENANTS, EASEMENTS AND RESTRICTIONS
BY BHC VENTURE, INC., A DELAWARE CORPORATION
AND
HARTEFELD, L.P., A PENNSYLVANIA LIMITED PARTNERSHIP
(THE “DECLARANTS”)
AND
HARTEFELD HOMEOWNERS ASSOCIATION, INC.
 (“ASSOCIATION”)**

**FIRST AMENDMENT TO
CONSOLIDATED AND RESTATED DECLARATION
OF COVENANTS, EASEMENTS AND RESTRICTIONS
BY BHC VENTURE, INC., A DELAWARE CORPORATION
AND
HARTEFELD, L.P., A PENNSYLVANIA LIMITED PARTNERSHIP
(THE “DECLARANTS”)
AND
HARTEFELD HOMEOWNERS ASSOCIATION, INC.
 (“ASSOCIATION”)**

THIS FIRST AMENDMENT TO CONSOLIDATED AND RESTATED DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS (“First Amendment”) is made this ____ day of January, 2007, BY BHC VENTURE, INC., a Delaware Corporation and HARTEFELD, L.P., a Pennsylvania limited partnership and HARTEFELD HOMEOWNERS ASSOCIATION, INC. (collectively, the “Declarants”).

RECITALS

A. On or about September 20, 1993, Hartefeld, L.P. “Hartefeld” executed that certain Amended and Restated Declaration of Covenants, Easements and Restrictions (the “Kennett Declaration”) to impose on certain lands located in Kennett Township as more particularly described therein, constituting a portion of the project known as “Hartefeld” (the “project”), certain restrictions, covenants and easements as set forth in the Kennett Declaration. The Kennett Declaration was recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania in Deed Book 3641, Page 175.

B. On or about February 8, 1999, Declarants executed that certain Declaration [Open Space and Private Roads] (the “Original New Garden Declaration”) to impose on certain lands located in New Garden Township as more particularly described therein, constituting a portion of the Project, certain restrictions, covenants and easements as set forth in the Original New Garden Declaration. The Original New Garden Declaration was recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania in Deed Book 4532, Page 0449.

C. On or about February 8, 1999, Declarants executed that certain Declaration [Lots] (the “Lot Declaration”) to impose on certain lands located in New Garden Township as more particularly described therein, constituting a portion of the Project, certain additional covenants, easements and restrictions as set forth in the Lot Declaration. The Lot Declaration was recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania in Deed Book 4532, Page 0474.

D. The Original New Garden Declaration and the Lot Declaration encumbered Section A, B, C, D and E of the Project as set forth in the Final Plan of Hartefeld dated August 7, 1996, revised January 20, 1997, and further revised September 30, 1998.

E. On or about October 6, 2000, Declarants executed that certain First Amendment to Declaration [Open Space and Private Roads](the "First Amendment"), pursuant to which Sections F, H, I and J of the Project were subjected to the terms, covenants, easements and restrictions set forth in the Original New Garden Declaration. The First Amendment was recorded in the Office of the Recorder of Deeds aforesaid in Deed Book 4834, Page 1839.

F. On or about October 6, 2000, Declarants executed that certain First Amendment to Declaration [Lots]("Lot Amendment"), pursuant to which Sections F, H, I and J of the Project were subjected to the terms, covenants, easements and restrictions set forth in the Lot Declaration. The Lot Amendment was recorded in the Office of the Recorder of Deeds aforesaid in Deed Book 4836, Page 1844.

G. On or about March 4, 2004, Declarants executed that certain Second Amendment to Declaration [Open Space and Private Roads] (the "Second Amendment"), pursuant to which Declarants restricted the disturbance of any Wetlands or Wetland Area (both as defined in the Second Amendment). The Second Amendment was recorded in the Office of the Recorder of Deeds aforesaid in Deed Book 6109, Page 1178.

H. On or about March 9, 2005, BHC Venture, Inc. ("BHC") executed that certain Third Amendment to Declaration [Open Space and Private Roads] ("Third Amendment"), pursuant to which BHC clarified certain provisions in Section 5(a) of the Original New Garden Declaration. The Third Amendment was recorded in the Office of the Recorder of Deeds aforesaid in Deed Book 6491, Page 1333.

I. The Original New Garden Declaration, as amended by the First Amendment, Second Amendment and Third Amendment, together with the Lot Declaration and the Lot Amendment, is hereinafter collectively referred to as the "New Garden Declaration". The New Garden Declaration and the Kennett Declaration are hereinafter collectively referred to as the "Declarations".

J. Declarants filed a Consolidated and Restated Declaration of Covenants, Easement and Restrictions on February 14, 2006 intending to restate and consolidate all of the terms, covenants, easements and restrictions set forth in the existing Declarations as provided herein. The restated and consolidated declaration was intended to supersede and replace, for all purposes except with respect to certain rights reserved unto New Garden and Kennett specifically provided therein, the existing Declarations.

K. The Association has assumed management and control of the Hartefeld Homeowners Association, Inc. and wishes to clarify terms in the consolidated and restated declaration as a result thereof. The Association has received a legal opinion that the amendments conform the recorded documents pertaining to the Association to the law applicable thereto.

NOW, THEREFORE, pursuant to the authority granted to the Board of Directors on behalf of the Association, as joined by the Declarants, the Consolidated and Restated Declarant of Covenants, Easements and Restrictions is hereby amended as follows:

1. Article II, 2.(b)(1) shall be amended to add the following statement at the end of the paragraph: Any rights exercised by the Declarant pursuant to this paragraph shall be consistent with the approved plans for the community.

Article II, 2.(d) shall be amended to add the following clause at the end of the sentence as follows:

... until modified or terminated pursuant to the provisions of this Declaration, *or the construction of residential dwellings or units are completed.*

2. Article V, 5.(b) shall be amended to extinguish any Class B Membership.

Article V, 5.(f) the last sentence in this paragraph shall be eliminated, thereby providing only for Class A Membership and one (1) vote per Lot. The paragraph shall now read as follows:

(f) Voting Rights. Each Lot shall have one (1) Class A Membership regardless of the number of persons having record title thereto. There shall be one (1) and only one (1) vote for each Class A Membership.

3. Article VIII, MISCELLANEOUS, paragraph 8(sic)(a) shall be amended to add the following statement at the end thereof:

... any exercise of rights by BHC shall only be implemented with the written concurrence of the Board of Directors of the Association for the benefit of the community.

The Association desires that this First Amendment shall conform the consolidated and restated declaration of covenants, easements and restrictions to the prior declarations and the law and validates the remaining provisions of the same. In the event of a conflict between any declaration heretofore recorded and this First Amendment this First Amendment shall prevail and any other text of any other document shall be read to conform to the intent herein contained. In the event of a conflict between the First Amendment and The Uniform Planned Community Act, the Act shall prevail.

This First Amendment to the Declaration shall become effective when duly entered of record in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania.

ACKNOWLEDGMENT

STATE OF DELAWARE :
 :
 : SS
COUNTY OF :
 :

BE IT REMEMBERED that before me, the subscriber, a Notary Public authorized to take acknowledgements in said county and state, appeared _____, on behalf of HARTEFELD, L.P. a Pennsylvania limited partnership existing under the laws of the State of Pennsylvania, personally known to me or proven to be the _____ for same, and acknowledged that he/she is authorized to execute the instrument for the purposes therein contained.

WITNESS my hand and official seal this _____ day of January 2007.

Notary Public

(Notarial Seal)
My commission expires:

ACKNOWLEDGMENT

STATE OF PENNSYLVANIA :
 :
 : SS
COUNTY OF :
 :

BE IT REMEMBERED that before me, the subscriber, a Notary Public authorized to take acknowledgements in said county and state, appeared _____, on behalf of HARTEFELD HOMEOWNERS ASSOCIATION, INC. personally known to me or proven to be the _____ for same, and acknowledged that he/she is authorized to execute the instrument for the purposes therein contained.

WITNESS my hand and official seal this _____ day of January 2007.

Notary Public

My commission expires:

UPI Nos.: 60-4-61.1B; 60-4-47.1;
60-4-47; 60-4-47.3;
60-4-48.1; 60-4-63.3A;
60-4-48.2; 60-4-62.3;
60-4-62.5 (P/O); 60-4-62.5A (P/O);
60-4-40.3; 60-4-40.3A;
60-4-40.4

RECORDER OF DEEDS
CHESTER COUNTY, PA
2007 FEB 27 PM 2:51

PREPARED BY AND RETURN TO:

Holly L. Setzler, Esquire
LANDIS & SETZLER, P.C.
310 North High Street
West Chester, PA 19380

**SECOND AMENDMENT TO
CONSOLIDATED AND RESTATED DECLARATION
OF COVENANTS, EASEMENTS AND RESTRICTIONS
BY BHC VENTURE, INC., A DELAWARE CORPORATION
("DECLARANT")
AND
HARTEFELD HOMEOWNERS ASSOCIATION, INC.
("ASSOCIATION")**

**SECOND AMENDMENT TO
CONSOLIDATED AND RESTATED DECLARATION
OF COVENANTS, EASEMENTS AND RESTRICTIONS
BY BHC VENTURE, INC., A DELAWARE CORPORATION
("DECLARANT")
AND
HARTEFELD HOMEOWNERS ASSOCIATION, INC.
("ASSOCIATION")**

THIS SECOND AMENDMENT TO CONSOLIDATED AND RESTATED DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS ("Second Amendment") is made this 17 day of ~~January~~^{February}, 2007, BY BHC VENTURE, INC., a Delaware Corporation ("Declarant") and HARTEFELD HOMEOWNERS ASSOCIATION, INC. (hereinafter "Association" or collectively, the "Declarants").

RECITALS

A. On or about September 20, 1993, Hartefeld, L.P. "Hartefeld" executed that certain Amended and Restated Declaration of Covenants, Easements and Restrictions (the "Kennett Declaration") to impose on certain lands located in Kennett Township as more particularly described therein, constituting a portion of the project known as "Hartefeld" (the "project"), certain restrictions, covenants and easements as set forth in the Kennett Declaration. The Kennett Declaration was recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania in Deed Book 3641, Page 175.

B. On or about February 8, 1999, Declarants executed that certain Declaration [Open Space and Private Roads] (the "Original New Garden Declaration") to impose on certain lands located in New Garden Township as more particularly described therein, constituting a portion of the Project, certain restrictions, covenants and easements as set forth in the Original New Garden Declaration. The Original New Garden Declaration was recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania in Deed Book 4532, Page 0449.

C. On or about February 8, 1999, Declarants executed that certain Declaration [Lots] (the "Lot Declaration") to impose on certain lands located in New Garden Township as more particularly described therein, constituting a portion of the Project, certain additional covenants, easements and restrictions as set forth in the Lot Declaration. The Lot Declaration was recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania in Deed Book 4532, Page 0474.

D. The Original New Garden Declaration and the Lot Declaration encumbered Section A, B, C, D and E of the Project as set forth in the Final Plan of Hartefeld dated August 7, 1996, revised January 20, 1997, and further revised September 30, 1998.

E. On or about October 6, 2000, Declarant executed that certain First Amendment to Declaration [Open Space and Private Roads](the "First Amendment"), pursuant to which Sections F, H, I and J of the Project were subjected to the terms, covenants, easements and restrictions set forth in the Original New Garden Declaration. The First Amendment was recorded in the Office of the Recorder of Deeds aforesaid in Deed Book 4834, Page 1839.

F. On or about October 6, 2000, Declarant executed that certain First Amendment to Declaration [Lots]("Lot Amendment"), pursuant to which Sections F, H, I and J of the Project were subjected to the terms, covenants, easements and restrictions set forth in the Lot Declaration. The Lot Amendment was recorded in the Office of the Recorder of Deeds aforesaid in Deed Book 4836, Page 1844.

G. On or about March 4, 2004, Declarant executed that certain Second Amendment to Declaration [Open Space and Private Roads] (the "Second Amendment"), pursuant to which Declarants restricted the disturbance of any Wetlands or Wetland Area (both as defined in the Second Amendment). The Second Amendment was recorded in the Office of the Recorder of Deeds aforesaid in Deed Book 6109, Page 1178.

H. On or about March 9, 2005, BHC Venture, Inc. ("BHC") executed that certain Third Amendment to Declaration [Open Space and Private Roads] ("Third Amendment"), pursuant to which BHC clarified certain provisions in Section 5(a) of the Original New Garden Declaration. The Third Amendment was recorded in the Office of the Recorder of Deeds aforesaid in Deed Book 6491, Page 1333.

I. The Original New Garden Declaration, as amended by the First Amendment, Second Amendment and Third Amendment, together with the Lot Declaration and the Lot Amendment, is hereinafter collectively referred to as the "New Garden Declaration". The New Garden Declaration and the Kennett Declaration are hereinafter collectively referred to as the "Declarations".

J. Declarant filed a Consolidated and Restated Declaration of Covenants, Easement and Restrictions on February 14, 2006 intending to restate and consolidate all of the terms, covenants, easements and restrictions set forth in the existing Declarations as provided herein. The restated and consolidated declaration was intended to supersede and replace, for all purposes except with respect to certain rights reserved unto New Garden and Kennett specifically provided therein, the existing Declarations.

K. Under Section 5(b) of the Declaration, Hartefeld conveyed to BHC all of Hartefeld's Class B Membership Rights; following which conveyance, BHC became and is as of the date hereof the sole Class B Member.

L. Having sold all of its Lots within the Project, Hartefeld is no longer a Declarant.

M. A First Amendment to Consolidated and Restated Declaration of Covenants, Easements and Restrictions was recorded on May 18, 2006 in Record Book 6846 Page 1436.

N. The Association has assumed management and control of the Hartefeld Homeowners Association, Inc. and wishes to clarify terms in the consolidated and restated declaration as a result thereof. The Association has received a legal opinion that the amendments conform the recorded documents pertaining to the Association to the law applicable thereto.

NOW, THEREFORE, pursuant to the authority granted to the Board of Directors on behalf of the Association, as joined by the Declarant, the Consolidated and Restated Declarant of Covenants, Easements and Restrictions is hereby amended as follows:

1. Article II, 2.(b)(1) shall be amended to add the following statement at the end of the paragraph: Any rights exercised by the Declarant pursuant to this paragraph shall be consistent with the approved Plans.

Article II, 2.(d) shall be amended to add the following clause at the end of the sentence as follows:

... until modified or terminated pursuant to the provisions of this Declaration, *or the construction of residential dwellings or units are completed.*

2. Article V, 5.(b) shall be amended to extinguish any Class B Membership.

Article V, 5.(f) the last sentence in this paragraph shall be eliminated, thereby providing only for Class A Membership and one (1) vote per Lot. The paragraph shall now read as follows:

(f) Voting Rights. Each Lot shall have one (1) Class A Membership regardless of the number of persons having record title thereto. There shall be one (1) and only one (1) vote for each Class A Membership.

3. Article VIII, MISCELLANEOUS, paragraph 8(sic)(a) and (b) shall be amended to add the following statement at the end thereof:

(a) ... any exercise of rights by BHC under this paragraph 8(a) shall only be implemented with the written concurrence of the Board of Directors of the Association for the benefit of the community.

(b) ... Although it is intended that the streets are to be dedicated to the respective Townships, New Garden Township has, at this time, declined to accept dedication of a portion of Pyles Mountain Road. Any undedicated streets or public improvements shall remain the responsibility of the Association unless and until dedicated if ever.

4. The amendments contained in the First Amendment to Consolidated and Restated Declaration of Covenants, Easements and Restrictions are superseded by this Second Amendment and are of no further effect.

The Association desires that this Second Amendment shall conform the consolidated and restated declaration of covenants, easements and restrictions to the prior

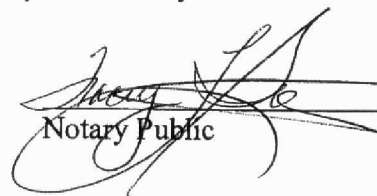
My commission expires: 3/8/07

ACKNOWLEDGMENT

STATE OF PENNSYLVANIA :
Delaware : ss
COUNTY OF New Castle :

BE IT REMEMBERED that before me, the subscriber, a Notary Public authorized to take acknowledgements in said county and state, appeared R. Warren Boyer, on behalf of HARTEFELD HOMEOWNERS ASSOCIATION, INC. personally known to me or proven to be the President for same, and acknowledged that he/she is authorized to execute the instrument for the purposes therein contained.

WITNESS my hand and official seal this 17 day of February 2007.


Notary Public

My commission expires:

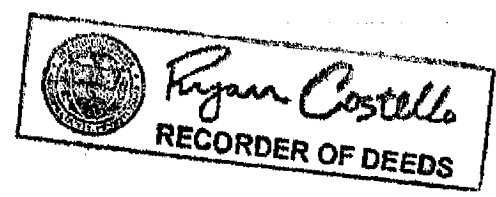
TRACEY L. C...
NOTARY PUBLIC...
My Commission Expires...

3/2
BUPI's

UPI Nos.: 60-4-61.1B ✓ 60-4-47.1 ✓
60-4-47 ✓ 60-4-47.3 ✓
60-4-48.1 ✓ 60-4-63.3A ✓
60-4-48.2 ✓ 60-4-62.3 ✓
60-4-62.5 (P/O) ✓ 60-4-62.5A (P/O) ✓
60-4-40.3 ✓ 60-4-40.3A ✓
60-4-40.4 ✓

PREPARED BY AND RETURN TO:

Holly L. Setzler, Esquire
LANDIS & SETZLER, P.C.
310 North High Street
West Chester, PA 19380



**THIRD AMENDMENT TO
CONSOLIDATED AND RESTATED DECLARATION
OF COVENANTS, EASEMENTS AND RESTRICTIONS
OF HARTEFELD HOMEOWNERS ASSOCIATION, INC.
("ASSOCIATION")**

**THIRD AMENDMENT TO
CONSOLIDATED AND RESTATED DECLARATION
OF COVENANTS, EASEMENTS AND RESTRICTIONS
OF HARTEFELD HOMEOWNERS ASSOCIATION, INC.
("ASSOCIATION")**

THIS THIRD AMENDMENT TO CONSOLIDATED AND RESTATED DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS ("Third Amendment) is made this 19th day of May, 2010, BY THE HARTEFELD HOMEOWNERS ASSOCIATION, INC. (hereinafter "Association").

RECITALS

WHEREAS, the Declarant, BHC Venture, Inc., filed a Consolidated and Restated and Declaration of Covenants, Easements and Restrictions on February 14, 2006, restating and consolidating all of the terms, covenants, easements and restrictions set forth in the existing prior recorded declarations as provided in the recital therein. The restated and consolidated declaration supersedes and replaces, for all purposes except those expressly reserved therein, the existing Declarations. The full recital prior to the recordation of the Consolidated and Restated Declaration of Covenants, Easements and Restrictions is recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania in Record Book B-7093, page 792; and

WHEREAS, a First Amendment to Consolidated and Restated Declaration of Covenants, Easements and Restrictions was recorded on May 18, 2006 in Record Book 6846, Page 1436; and

WHEREAS, the Association has assumed management and control of the Hartefeld Homeowners, Inc.; and

WHEREAS, the membership convened a meeting duly called for February 9, 2010, and adopted an amendment to the Consolidated and Restated Declaration of Covenants, Easements and Restrictions as follows by the requisite affirmative vote of the Owners thereof ; and

NOW THEREFORE, pursuant to the authority granted to the Association in the Declaration and the Uniform Planned Community Act and after a duly called meeting of the membership wherein the proposed amendment was passed by the requisite affirmative vote of the membership, the following amendment is adopted:

Delete Article VII ARCHITECTURAL REVIEW of the Declaration and add the following subparagraph to the end of Article IV of the Declaration:

The Hartefeld Homeowners Association (HHOA) Board of Directors shall establish an Architectural Committee, duly constituted, appointed and managed by the HHOA



Board of Directors. The HHOA Board of Directors shall be responsible for final approvals on the Architectural Committee's recommendations for all architectural requests. The Architectural Committee will be established with the responsibility to recommend and provide future recommendations to the HHOA Board of Directors on architectural standards, rules, policies and procedures that so warrant consideration and approval for the Hartefeld Homeowners Association.

This Third Amendment to the Consolidated and Restated Declaration of Covenants, Easements and Restrictions shall become effective when duly entered of record in the office of the Recorder of Deeds in and for Chester County, Pennsylvania.

IN WITNESS WHEREOF, upon the authority granted to the Association, the authorized officers have caused this instrument to be duly executed and acknowledged on this 19th day of May, 2010.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

HARTEFELD HOMEOWNERS ASSOCIATION,
INC.

Attest: [Signature]
Secretary

By: [Signature]
President

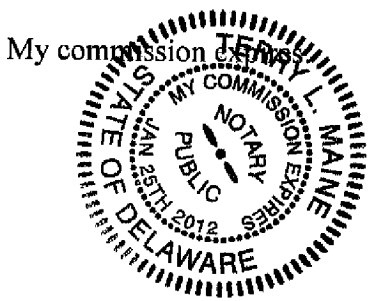
ACKNOWLEDGMENT

STATE OF Delaware PENNSYLVANIA :
COUNTY OF New Castle : SS

BE IT REMEMBERED that before me, the subscriber, a Notary Public authorized to take acknowledgements in said county and state, appeared Charles W. Weed II, on behalf of HARTEFELD HOMEOWNERS ASSOCIATION, INC. personally known to me or proven to be the President for same, and acknowledged that he/she is authorized to execute the instrument for the purposes therein contained.

WITNESS my hand and official seal this 19th day of May, 2010.

[Signature]
Notary Public



Barcode area containing:
11018263
Page 3 of 3
B-7931 P-1183
08/10/2010 01:31P
LANDIS & SETZLER PC

**HARTEFELD HOMEOWNERS ASSOCIATION
BY-LAWS**

ARTICLE I – NAME

1.1 The name of the non-profit corporation is Hartefeld Homeowners Association (“Association”).

ARTICLE II – PURPOSES AND POWERS; DEFINITIONS

2.1 The purposes of the Association are: the ownership, management, operation and maintenance of certain real estate and the improvements located thereon, situated in New Garden and Kennett Townships, Chester County, Pennsylvania, including the Open Space, Golf Course, Meadow, Stormwater Management Facilities, Interior Roadways, Trails, Stream Corridors, Wildlife Corridors and Woods (collectively the “Common Open Space and Facilities”) of the Association, and the implementation, administration and enforcement of a certain Consolidated and Restated Declaration of Covenants, Easements, and Restrictions (“Declaration”), as the same may be further hereafter amended, dated January 6, 2006 and recorded on February 14, 2006 in the office of the Recorder of Deeds in and for Chester County, Pennsylvania, in Record Book 6764, Page 2134, and any other lawful purpose for which the Association may be conducted on a not-for-profit basis pursuant to the laws of the Commonwealth of Pennsylvania. Any capitalized terms used in these By-Laws, which are not otherwise defined herein, shall have the meanings ascribed to such terms as set forth in the Declaration.

2.2 The Association shall have such powers as are now, or may hereafter be, granted by the Pennsylvania Non-Profit Corporation Law of 1988, as amended from time to time, to do and perform the following:

(a) To own, operate, maintain, insure, repair, restore, manage, improve, regulate and restrict the Common Open Space and Facilities, and all improvements of any kind whatsoever located thereon, subject to the Golf Course Lease, and to execute and perform the Hartefeld Homeowners Association’s obligation under the Golf Course Lease;

(b) To maintain the Common Open Space and Facilities in good repair and make all repairs, restorations and improvements necessary to so maintain said Common Open Space and Facilities;

(c) To determine its own expenses and necessary reserves and to raise all monies required therefore by levying upon and collecting General and Special Assessments against the Members and the Lots;

(d) To establish, promulgate, amend, repeal, distribute, approve, reject and enforce rules governing the use, occupancy, maintenance and regulation of the Common Open Space and Facilities and all improvements of any kind located thereon;

(e) To enforce the restrictions set forth in the Declaration;

(f) To bring, prosecute, defend, and settle litigation for or against the Association, and to satisfy any adverse judgment entered against it;

(g) To otherwise perform and conduct all duties and powers imposed upon or granted to it by the aforesaid Declaration, these By-Laws, or any other document relating to the Association (including the power and duty to enforce the Declaration with respect to each Lot subject thereto), or by the Kennett and New Garden Township Zoning and Subdivision and Land Development Ordinances, as amended;

(h) To take and carry out all actions reasonably necessary and proper to enforce the provisions of the aforesaid Declaration;

(i) To secure and maintain policies of liability insurance insuring against its liability in connection with the Common Open Space and Facilities; and

(j) To perform any other acts necessary or proper to carry out any of the duties and obligations of the Association.

ARTICLE III – OFFICES

3.1 The Association shall have its principal office at 111 Berkshire Lane, Avondale, PA 19311.

3.2 The Association shall have and continuously maintain a registered office in the Commonwealth of Pennsylvania at CT Corporation, Philadelphia, PA.

ARTICLE IV – MEMBERSHIP AND VOTING RIGHTS

4.1 Membership. Each Owner of a Lot shall be a Class A Member of the Association. Class A Membership shall be appurtenant to, and not severable from, ownership of a Lot, and shall be held in the name of the record owner of said Lot, be that Lot owned jointly, in common or in any other form of tenancy. Each Lot shall have one, and only one, Class A Membership regardless of the number of co-tenants, joint-tenants or tenants by the entireties holding interests in said Lot.

4.2 Duration of Membership. Class A Membership shall initially commence upon the ownership of record of a Lot and shall be transferred to each successive title Owner of a Lot as of the date and hour of the completion of settlement on the conveyance of a Lot to a new Owner, as evidenced by the filing of record of a deed for such Lot.

4.3 Rights of Membership. The rights of membership are subject to the payment of assessments levied by the Board of Directors on behalf of the Association pursuant to the terms of the Declaration. The obligation of the assessments is imposed on each Member and becomes a lien upon each Lot against which such assessments are made. The membership rights of any Member whose interest in any Lot is subject to assessment, whether or not he or she is personally obligated to pay such assessments, may be suspended by action of the Board of Directors during

the period when the assessments remain unpaid; but upon payment of such assessments the rights and privileges shall be automatically restored.

4.4 Voting. Each Class A Member shall be entitled to one (1) vote on all matters on which Members are entitled to vote. Members shall not be entitled to cumulative voting for the election of Directors.

4.5 Notification of Meetings of the Association. Notification of meetings of the Association shall be hand delivered or sent prepaid by United States mail to the mailing address of each Member or to any other mailing address designated in writing by the Member not less than ten (10) nor more than sixty (60) days in advance of any meeting. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws; any budget or assessment changes; and any proposal to remove a Director or officer of the Board of Directors of the Association. Business transacted at an annual or special meeting shall be confined to matters stated in the notice thereof.

4.6 Matters Requiring Vote of Membership. Among other matters that may from time to time be submitted to the Membership for a vote by the Board of Directors, the Members shall be entitled to vote at the annual meeting of the Membership of the Association for the election and or removal of Directors, on the amendment of these By-Laws, on an amendment of the Declaration, or on the number of members of the Board of Directors.

4.7 Annual Meeting of Association. The annual meeting of the Membership shall be held between February 1 and May 1 of each year, at the principal office of the Association or at such other location in the Commonwealth of Pennsylvania as may be determined by the Board of Directors and as shall be designed in the notice of said meeting, for the purpose of transacting such business as may properly be brought before the meeting. When unable to attain a quorum at any annual meeting of the membership, the meeting will be promptly adjourned and no Association business will be transacted. The Secretary-Treasurer of the Association shall give notice to the Membership, in accordance with these By-Laws, of intent to reconvene the annual meeting, to be held at such time as the Secretary-Treasurer may fix, not less than thirty (30) nor more than sixty (60) days after the adjournment of the annual meeting.

4.8 Special Meeting of Members. Special meetings of the Members may be called to be held at the principal office of the Association, or at such other place designated in the call of the meeting (but not outside of the Commonwealth of Pennsylvania), at any time, by the President of the Association, or by resolution of the Board of Directors, or upon written request of ten (10) Members. Upon written request of the Members, as aforesaid, the Secretary-Treasurer of the Association shall give notice of such special meeting, to be held at such time as the Secretary-Treasurer may fix, not less than ten (10) nor more than thirty (30) days after the receipt of such request. Upon neglect or refusal of the Secretary-Treasurer to issue such notice, the Members making the request may do so.

4.9 Proxies and Absentee Ballots. At any meeting of the Membership for the purpose of electing Directors, any Member may vote by proxy or by mailing or delivering an absentee

ballot to the Secretary-Treasurer of the Association, so long as the executed ballot or proxy is received at and before the election meeting commences.

4.10 Limitations on Members. Except as otherwise expressly provided herein, the Members of the Association shall have no power to exercise or perform any of the powers or duties delegated to the Board of Directors of the Association herein.

ARTICLE V – BOARD OF DIRECTORS

5.1 Role of the Board of Directors. In the performance of their duties, the officers and members of the Board of Directors shall stand in a fiduciary relation to the Membership of the Association and shall perform their duties, including duties as members of any committee of the Board upon which they may serve, in good faith; in a manner they reasonably believe to be in the best interests of the Membership of the Association; and with care, including reasonable inquiry, skill and diligence as a person of ordinary prudence would use under similar circumstances.

5.2 Good Faith. In performing any duties, an officer or Board member shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

a. One or more other officers or employees of the Association whom the officer or Board member reasonably believes to be reliable and competent in the matters presented.

b. Counsel, public accountants or other persons as to matters, which the officer or Board member reasonably believes to be within the professional or expert competence of that person.

c. A committee of the Board upon which the officer or executive Board member does not serve, designated in accordance with law, as to matters within its designated authority, which committee the officer or Board member reasonably believes to merit confidence.

5.3 Liability. An officer or Board member shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted. An officer or Board member shall not be considered to be acting in good faith if he or she abandons or relinquishes his or her Board position leaving the Board of Directors with fewer than three (3) members and unable to achieve a quorum required to manage the affairs of the Association. The Board and its members shall have no liability for exercising these powers provided they are exercised in good faith, in the best interest of the Membership of the Association and with care in the manner set forth in this section.

5.4 Composition of the Board of Directors. The affairs of the Association shall be governed and conducted by its Board of Directors, which shall be comprised of at least three (3), but not more than seven (7) Members, as may be determined by the Members, to be elected or

appointed in accordance with the provisions of the Pennsylvania Uniform Planned Community Act, the Declaration, and these By-Laws. New Garden Lot Owners shall at all times retain at least 67% representation on the Board, and Kennett Lot Owners shall at all times retain at least 10% representation on the Board.

5.5 Term of Office. The Directors may only be elected by the Membership of the Association and shall be for staggered terms of two (2) years respectively. The term of office of a member of the Board of Directors does not expire until a successor is elected by the Membership at an Annual or Special meeting of the Association.

5.6 Qualifications. Membership in good standing in the Association is required to serve on the Board of Directors of the Association.

5.7 Removal. A Director or officer on the Board of Directors may only be removed with or without cause by an affirmative vote of a majority of the Members present in person or by proxy at any Annual or Special meeting of the Membership.

5.8 Regular Meetings. Regular meetings of the Board of Directors shall take place monthly or less if consented to by a majority of the Directors. Special meetings of the Board of Directors may be called by or at the request of the President of the Association or any two (2) Directors. Such special meetings shall be held at the principal office of the Association or at such other location within the Commonwealth of Pennsylvania as may be determined by the person calling such special meeting and as shall be designated in the notice of special meeting.

5.9 Special Board Meetings. Notice of any special meeting of the Board of Directors shall be given at least five (5) days previously thereto by written notice delivered personally or sent by first class mail or email to each Director at his or her address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by email, such notice shall be deemed to be delivered when the email is sent. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these By-Laws.

5.10 Quorum for Board Meetings. A majority of the Board of Directors in person shall be necessary to constitute a quorum for the transaction of business at any meeting of the Board. Members of the Board may not assign their votes via proxy. When any Member of the Board notes the absence of a quorum for the transaction of business during a Board meeting, the Board meeting shall be adjourned. The act of a majority of the Directors shall be the act of the Board of Directors, except where otherwise provided by law or by these By-Laws.

5.11 Limitations on Authority. The Board of Directors shall not act on behalf of the Membership of the Association to determine the number of Board members, the qualifications to serve as a Board member, the duties of Board members, or the removal of a Board member.

5.12 Board Vacancy. A vacancy on the Board of Directors can only be created when a Member that has been elected to the Board of Directors by the Membership, with an unexpired portion of his or her term in office remaining, and has been found to have abandoned his or her position on the Board of Directors by either missing three (3) consecutive Board meetings, or by resignation, accident, illness, or death. A vacancy occurring in the Board of Directors shall be filled by majority vote of the Board of Directors appointing a Member as a replacement. A Member appointed to the Board of Directors to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office, or until a replacement is duly elected by the Members at an Annual or Special meeting of the Membership.

5.13 Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided, that nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

5.14 Meetings of the Board. Meetings of the Board of Directors shall be presided over by the President of the Board or Vice President in his or her absence. The Secretary-Treasurer of the Association shall act as Secretary-Treasurer of every meeting, but if the Secretary-Treasurer is not present, the persons present at such meeting shall choose any person present to act as Secretary-Treasurer of the meeting.

5.15 Telephone Attendance. One or more persons may participate in a meeting of the Board of Directors or any committee thereof by means of conference telephone or similar communications equipment by means of which and so long as all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting. A regular or special Board meeting shall not be held exclusively by telephone attendance of all members of the Board of Directors.

5.16 Committees. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate one (1) or more committees. Such committees shall report directly to the Board. All committees shall meet at stated times or on notice to all by any of their own members. They shall fix their own rules or procedures. A majority shall constitute a quorum, but the affirmative vote of a majority of the whole committee shall be necessary in every case.

5.17 Budget Approval. The Board of Directors shall deliver to the Membership of the Association copies of each budget approved by the Board of Directors and notice of any capital expenditure approved by the Board of Directors promptly after such approval, on or before the last day of December of each calendar year. Copies shall be hand delivered or sent prepaid by United States mail to the mailing address of each Member or to any other mailing address designated in writing by the Member. In addition to other rights the Members, by majority vote

of Members at a special meeting, may reject any budget or capital expenditure approved by the Board of Directors within thirty (30) days of approval.

ARTICLE VI – OFFICERS

6.1 Officers. The officers of the Association shall be a President, a Vice President and a Secretary-Treasurer. The officers shall be elected annually by majority vote of the Board of Directors at a regular or special Board meeting. Such officers shall have the authority to and shall perform the duties prescribed, from time to time, by the Board of Directors and as set forth herein. Officers shall hold office for one year and until a successor has been duly elected and qualified and shall have such authority and shall perform such duties as are provided by these By-Laws and as shall from time to time be prescribed by the Board of Directors of the Association. Officers may only be removed by the Membership according to these By-Laws.

6.2 President. The President shall be the principal executive officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the Membership and of the Board of Directors. The President may sign, with the Secretary-Treasurer or any other proper officer of the Association authorized by the Board of Directors, any deed, mortgage, bond, contract or other instrument which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other officer or agent of the Association. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

6.3 Vice President. In the absence of the President or in the event of his or her inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

6.4 Secretary-Treasurer. The Secretary-Treasurer shall:

(a) Keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose.

(b) See that all notices are duly given in accordance with the provisions of these By-Laws or as required by law.

(c) Be custodian of the Association's records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these By-Laws.

(d) Have responsibility for all funds of the Association, receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of the law.

6.5 Delegating the Duties of the Secretary-Treasurer. The duties of the Secretary-Treasurer may be delegated to a management agent upon majority vote of the Board of Directors. The management agent shall perform the duties of Secretary-Treasurer for the Board of Directors in a non-voting capacity. In this case, the management agent shall coordinate the duties of the Secretary-Treasurer directly with the President of the Board of Directors. If required by a majority vote of the Board of Directors, the management agent performing the duties of the Secretary-Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine, which cost shall be an expense of the Association.

ARTICLE VII – CONTRACTS, CHECKS, DEPOSITS AND FUNDS

7.1 The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.

7.2 All checks, drafts or other orders for the payment of money, and notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instrument shall be signed by the Secretary-Treasurer and countersigned by the President or Vice President of the Association.

7.3 All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VIII – BOOKS AND RECORDS

8.1 The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.

ARTICLE IX – CALENDAR YEAR

9.1 The Association shall operate on a calendar year, beginning on January 1 and ending on December 31 in each year.

ARTICLE X – WAIVER OF NOTICE

10.1 Whenever any notice is required to be given under the provisions of the Pennsylvania Non-Profit Corporation Law of 1972, as amended from time to time, or under the provisions of the Articles of Incorporation or the By-Laws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI – INDEMNIFICATION

11.1 Every person who is or shall be or shall have been an officer, director, employee, agent or other representative of the Association, or a personal representative of any of the aforesaid, shall be indemnified by the Association to the fullest extent allowed by law.

11.2 The Association may purchase and maintain insurance on behalf of the aforesaid persons to the extent authorized by law and by Article IV, Section P of the Declaration.

ARTICLE XII – AMENDMENT TO BY-LAWS

12.1 These By-Laws may be altered, amended or repealed, and new By-Laws may be adopted, by an affirmative vote of at least two-thirds (2/3) of the votes of the Members present in person or by proxy at any regular or special meeting, provided that:

(a) At least ten (10) days written notice is given to all Members of the intention to alter, amend or repeal or to adopt new By-Laws at such meeting.

(b) No amendment, modification or repeal of any provision of these By-Laws shall be made which is inconsistent with the provisions of the Declaration or the law.

(c) The requirement of at least ten (10) days written notice to Members of the intention to so amend or repeal, as set forth above in this Article, shall not be amended or repealed.