

ACORN HILL
DECLARATION OF COVENANTS, RESTRICTIONS,
EASEMENTS, CHARGES AND LIENS

THIS DECLARATION, made this 26th day of Sept., 1979, by PINNACLE INTERNATIONAL CORPORATION and U.S. HOME CORPORATION, hereinafter referred to as "DEVELOPER";

WITNESSETH:

WHEREAS, Pinnacle International Corporation and U.S. Home Corporation, each own a part of certain real property in the Township of Voorhees, County of Camden, State of New Jersey, consisting of approximately 52.5 acres, as shown on plan entitled "Preliminary Subdivision Acorn Hill, Voorhees Township, Camden County, New Jersey, dated January 1978, prepared by Hoxworth, Behenke & Gerard Associates, Inc."; and

WHEREAS, said parties plan to develop said lands by improving the existing lake, single family lots, and common areas, and construct and sell living units on the lots and

WHEREAS, said common areas are to be for the use of the lot owners in the development, to be maintained by them on a mutually shared expense basis; and

WHEREAS, said parties desire to establish a procedure which will accomplish this in perpetuity; and

WHEREAS, said Pinnacle International Corporation and U.S. Home Corporation execute this Declaration jointly so that it will affect the lands owned by each of said parties as shown on said Preliminary Plan.

NOW, THEREFORE, said parties declare as follows:

ARTICLE I

ASSOCIATION

Section 1. Incorporation - Said parties will incorporate a non-profit corporation to be known as the Acorn Hill Association.

Section 2. Membership and Voting Rights - Owners of lots shown on the preliminary Subdivision Plat of the lands in the Township of Voorhees shall be Members of the Association and shall have one (1) vote per lot. Developer shall have (1) vote for each lot owned by it until such time as the lot is conveyed to another Owner. Membership by Owners shall be mandatory and run with the lot upon a conveyance.

Section 3. Trustees - The Association shall be managed by a Board of Five (5) Trustees to be elected by the Members. Until such time as all lots have been conveyed by Developer, Developer shall have the right, without election, to name a majority of the Board. The balance of the Board shall be elected from the homeowners. The powers and duties of the Trustees shall include but shall not be limited to the management of the common areas, promulgating rules and regulations for use of said areas, preparation of an annual budget of expenses and assessments to each Owner, carrying liability and other advisable insurance, the right to engage a professional manager, if advisable, and such other powers and duties as may be provided in the By-Laws hereto attached, and as amended from time to time.

ARTICLE II

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Members' Easements of Enjoyment - Subject to the provisions of Section 3 of this Article II, every Member shall have a right and easement of enjoyment in and to the common areas and such easement shall be appurtenant to and shall pass with the title to every lot.

Section 2. Title to Common Areas - The Developer hereby covenants for itself, its successors and assigns, that it will convey fee title to those common areas owned by it to the Association, subject, however, to this Declaration, and to the following covenant which shall be deemed to run with the land and shall be binding upon the Association, its successors and assigns:

In order to preserve and enhance the property values and amenities of the community, the common areas and all facilities now or hereafter built or installed thereon shall at all times be maintained in good repair and condition by the Association and shall be operated in accordance with high standards.

Section 3. Extent of Members' Easements - The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) The rights of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the common areas and in aid thereof to mortgage said properties;
- (b) The right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosure;
- (c) The right of the Association, as provided in its Articles and By-Laws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations;
- (d) The right of the Association to dedicate or transfer all or any part of the common areas to any utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, shall be effective unless approved by a vote of two thirds (2/3) of the votes of the Members entitled to vote at a meeting of the Association duly called for the purpose;
- (e) The right of the Developer and of the Association to grant and reserve easements and rights-of-way through, under, over, and across the common areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, fuel oil and other utilities.

ARTICLE III

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments - The Owner of any lot, by acceptance of a Deed therefor, from the Developer, whether or not it shall be so expressed in said Deed, shall be deemed to covenant and agree to pay to the Association:

- (a) an initial working capital charge of \$50.00;
- (b) annual assessments or charges of \$70.00;
- (c) special assessments for capital improvements; such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall be a charge on the land and shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments - The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents and in particular for improvement and maintenance of properties, service and facilities devoted to this purpose and related to the use and enjoyment of the common areas, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management, and supervision thereof. In the event that the Association shall fail to improve and maintain the common areas as provided in this section, the Township of Voorhees may, at its discretion, maintain and improve such common areas and may assess the Owners and Developer for the cost of such maintenance and improvements in the same manner as the Association, provided that notice of the deficiencies be given to the Association and Developer by Certified Mail and that a period of thirty (30) days be allowed to cure said deficiencies.

Section 3. Basis of Annual Assessments - The Board of Trustees shall prepare and adopt an annual budget of expenses and annual maintenance share to be paid by each Owner. The expenses shall be computed only with respect to the common areas that have been conveyed to the Association and charged only to the Owners of lots shown on the final plat on file at the time. Expenses of areas not yet deeded to the Association shall be the expense of Developer.

Section 4. Special Assessment for Capital Improvements - In addition to the annual assessments authorized by Section 3 of this Article III, the Association may levy in any assessment year a special assessment (which must be fixed at a uniform rate for all lots) applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, unexpected repair or replacement of a described capital improvement upon the common areas, including the necessary fixtures and personal property related thereto, provided, that any such assessments shall have the assent of two-thirds (2/3) of the votes of the Members at a meeting duly called for this purpose.

Section 5. Change in Annual Assessments - The Board of Trustees of the Association may prospectively increase or decrease the annual assessment (fixed by Section 3 hereof) above the annual assessment of the then

current year, upon the assent of two-thirds (2/3) of the votes of the Members at a meeting duly called for this purpose.

Section 6. Date of Commencement of annual assessments; Due Dates - The annual assessments provided for herein shall commence with respect to each lot after the conveyance of said lot from the Developer to an Owner, and shall be as determined by the Board of Trustees pursuant to Section 3 hereof and shall be payable annually in advance. The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 7. Duties of the Board of Trustees - In the event of any change in the annual assessments as set forth herein, the Board of Trustees of the Association shall fix the date of commencement and the amount of the assessment against each lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at the time, prepare a roster of the lots and assessments applicable thereto which shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Association shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be prima facie evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Non-Payment of Assessment. The Personal Obligation of the Owner; The Lien; Remedies of the Association - If any assessment is not paid on the date when due (being the dates specified in Section 6 hereof), then such assessment shall be deemed delinquent and shall, together with such interest thereon and cost of collection thereof as are hereinafter provided, continue as a lien on the lot which shall bind such lot in the hands of the then Owner, his heirs, devisees, personal representative, successors and assigns. The personal representatives, successors and assigns. The personal obligations of the then Owner to pay such assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum, and the Association may bring legal action against the Owner personally obligated to pay the same or may enforce or foreclose the lien against the property; and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee is to be fixed by the Court, together with the costs of the action.

Section 9. Subordination of the Lien to Mortgages - The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the lot subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 10. Exempt Property - The following properties subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

- (a) All properties dedicated to and accepted by a governmental body, agency, or authority, and devoted to public use;
- (b) All common areas. Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments charges or liens.

ARTICLE IV

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected, or maintained on any of the lots, nor shall any exterior addition to or change or alteration thereto be made until the plans and specifications showing the nature, kind, shape, height, materials, and locations of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Developer until all lots are sold to individual Owners. At such time, the Board of Trustees of the Association, or an architectural committee composed of three (3) or more representatives appointed by the Board, shall assume this function. In the event the Developer, and as herein above provided, said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE V

RESTRICTIONS ON USE OF PROPERTY

Section 1. The following covenants and restrictions shall run with the land and shall bind the purchasers, their heirs, successors, and assigns, in perpetuity:

- (a) No lot shall be used except for single-family residential purposes, with the exception of those lots designated as common areas or Township areas on the final subdivision plats.
- (b) No drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot or common area.
- (c) Garbage and rubbish shall not be dumped or allowed to remain on any lot.
- (d) No open fires shall be permitted for any purpose whatsoever on the properties.
- (e) Any paths constructed in the common areas may be surfaced only with sawdust, tanbark, or water pervious materials and may not be surfaced with cement, asphalt or other water impervious material, unless otherwise approved by the Architectural Control Committee of the Acorn Hill Association.
- (f) No gasoline, gas, diesel or other fuel propelled boat canoe or other waterborne device may be used on the watercourse.
- (g) No gasoline, gas or diesel or other fuel propelled bicycle, motor bike or motorcycle shall be used in any part of the properties, except on the dedicated roadways and the entrance driveways to individual homesites.

- (i) No chemical fertilizers may be used on the lands of the properties within two hundred feet of any lake or watercourse.
- (j) No chemicals shall be induced in any waterway without the written approval of the New Jersey Department of Environmental Protection, Division of Water Resources, Bureau of Water Pollution Control.
- (k) No domestic fowl may be propagated or harbored in the lakes at Acorn Hill, nor shall any domestic fowl or member of the equine, bovine, or swine family be maintained on any of the lands of Acorn Hill.
- (l) Because common areas are a prerequisite to the preservation of this tract as a natural wildlife and bird sanctuary, it is of primary importance to the record owners, the subsequent buyers of lots and the general welfare, that Private open space" is important as well as "community open space", so that in order to preserve the natural environment, each property owner shall not disturb the existing vegetation in any privately-owned lot exceeding a total of eighty percent (80%) of his lot area.
- (m) There shall be no use of the lakes for the withdrawal of water for any purpose whatsoever, excluding a fire protection system or lake maintenance. This shall not preclude the Association from draining lakes as required.
- (n) Owners of lake front lots shall not erect or maintain floats, wharves, docks or piers on the lakes without obtaining prior permission of the Acorn Hill Association.
- (o) There shall not be permitted hunting with dog or gun or bow, with intent to kill any animal, fish or fowl on the tract.
- (p) No camper, recreational vehicle, trailer, tent, shack, or garage shall at any time be used as a residence either temporarily or permanently.
- (q) The common areas are reserved for the private use of the Acorn Hill residents and their guests. No one shall make any unreasonable use of open space areas or otherwise abuse same.
- (r) None of the above restrictions shall preclude those activities of the Developer customarily associated with the development of lots, the construction and sale of residential homes on the lots in the tract, and the development and improvements of common areas.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Duration and Amendment - The covenants and restrictions of this Declaration shall run with and bind the land, the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, in perpetuity. This Declaration and By-Laws of the Association may be amended by a vote of two-thirds (2/3) of the total Membership votes, at a meeting duly called for that purpose. A certificate of Amendment signed and sworn to by an officer of the Association verifying the proper approval shall be recorded in the Office of the Register of Deeds of Camden County, which shall then become effective.

Section 2. Enforcement - The Association, or any Owner shall have the right to enforce these covenants and restrictions by any proceeding at law or in equity, against any person or persons violating or attempting to violate any covenant or restriction, to restrain violation, to require specific performance and/or to recover damages; and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event deemed a waiver of the right to do so thereafter. The expense of enforcement by the Association shall be chargeable to the Owner of the lot

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violating these covenants and restrictions and shall constitute a lien on the lot, collectible in the same manner as assessments hereunder.

Section 3. Severability - Invalidation of any one of these covenants and restrictions by judgment or court order shall in no way affect the validity of any other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the said PINNACLE INTERNATIONAL CORPORATION and U.S. HOME CORPORATION have hereunto affixed their corporate seals and caused these presents to be signed by their proper officers dated the day and year first above written.

PINNACLE INTERNATIONAL CORPORATION

ATTEST:

_____ By _____

U.S. HOME CORPORATION

ATTEST:

Anthony Kritis

Thomas A. Paparone

_____ By _____
Anthony Kritis, Assistant Secretary Thomas A. Paparone, Vice President

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BY-LAWS OF THE ACORN HILL ASSOCIATION

PREAMBLE: These are the By-Laws of the Acorn Hill Association, a non-profit corporation of the State of New Jersey, ("Association"). The administration and management of the common areas and the actions of the Association and the Members thereof shall be governed by these By-Laws.

ARTICLE I

PURPOSE

S1. The purpose of these By-Laws is to provide the rules governing the administration and management of the common areas by the Association, in accordance with the Declaration of Covenants, Restrictions, Easements, Charges and Liens ("Declaration") and to provide for the enforcement thereof.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

1. The owner of each lot mentioned in the Declaration shall be entitled to one (1) vote per lot. Whenever title is vested in two (2) or more persons, they shall be entitled jointly to the vote for their lot.

S2. Membership shall be automatic and mandatory upon acquisition of title to a lot. Membership shall automatically pass to the grantee upon a transfer of title.

S3. Tenants and occupants shall not be entitled to a vote, but the vote shall remain with the lot owner.

S4. The Developer shall be entitled to one (1) vote for each lot owned by it that is covered by the Declaration.

ARTICLE III

PRINCIPAL OFFICE

S1. The principal office of the Association shall be located initially at the Offices of U.S. HOME CORPORATION, New Jersey, but thereafter may be located at such other suitable and convenient place or places as shall be permitted by law and designated by the Trustees.

ARTICLE IV

MEETINGS OF MEMBERS; VOTING

S1. All annual and special meetings of the Members shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Trustees and designated in the notices of such meetings.

S2. The first annual meeting of the Members shall be held as determined by the Board of Trustees. Subsequent annual meetings shall be held in January of each year, at which time the Members shall elect the Board of Trustees, and transact such other business as may properly come before the annual meeting.

S3. Special meetings may be called by the President, Vice President, Secretary, or by a majority of the Trustees, and must be called by such officers upon receipt of a written request from Members holding two-thirds (2/3) of the total outstanding votes, which request shall state the purpose of the meeting.

S4. The record date for determining Membership and Voting Rights shall be the tenth day before the meeting.

S5. Notices of all meetings of Members shall be in writing, and if for a special meeting shall state the purpose. Such notices shall be mailed or delivered not less than five (5) nor more than twenty (20) days prior to the meeting date.

S6. A quorum shall consist of Members holding a majority of the outstanding votes.

S7. Only Members in good standing shall be entitled to vote. Members shall be deemed to be in good standing if, and only if, they have paid all maintenance charges and assessments due by them prior to the meeting date.

S8. The Secretary shall compile and keep up-to-date, at the principal office of the Association, a complete list of Members and their addresses, together with the number of lots owned and the number of votes which each Member shall be entitled to vote. This list shall be open to inspection by all Members at reasonable times.

ARTICLE V

BOARD OF TRUSTEES

S1. The Association shall be administered and managed by a Board of Trustees consisting of five (5) persons, each of whom shall be over the age of eighteen (18) years. They need not be lot owners, so long as Developer owns some lots, but thereafter they shall be.

S2. Subject to the provisions of Article I, Section 3 of the Declaration, allowing Developer to name a majority of the Board without election until such time as Developer has conveyed all lots owned by it, at the first election, two (2) Trustees shall be elected for a term of three (3) years, two (2) for two (2) years, and one (1) for one (1) year. At all subsequent elections, the Trustees shall be elected for terms of three (3) years. The Trustees

designated in the Certificate of Incorporation shall serve until their successors shall have been elected at the first annual meeting of the Members. Each Trustee shall serve until his successor shall be elected, and shall serve without compensation.

S3. If the office of any Trustee shall become vacant for any reason, the remaining Trustees, at a special meeting duly called for such purpose, shall choose a successor to serve for the remaining unexpired term.

S4. The Board of Trustees shall designate a meeting date and place for monthly meeting which shall be held each month.

S5. A quorum of the Board, and necessary vote for any action, shall be a majority of the board.

S6. The Board of Trustees shall have powers and duties set forth in the Declaration, including but not limited to the following:

A. The operation, management, maintenance, renewal, replacement, repair, care, cleaning, upkeep, protection and surveillance of the common areas and all other property, real or personal, of the Association.

B. The preparation not later than April 15 of each calendar year of a budget of expenses for the next succeeding fiscal year, which shall include reasonable reserves. The total shall be assessed against all lots equally and shall be payable quarterly, semi-annually, or annually, as determined by the Board. An increase during a fiscal year of an assessment already made shall require the assent of two-thirds (2/3) of the outstanding votes as provided in Article III, Section 5 of the Declaration.

C. To require all officers and employees handling, or responsible for funds of the Association in their possession or under their control, to furnish adequate fidelity bonds. The premiums for same shall be paid by the Association.

D. To pay all taxes and assessments against any property of the Association.

E. To employ and dismiss clerks, workmen and other personnel, and to purchase and arrange for such services, machinery, equipment, tools, materials and supplies as in the opinion of the Board of Trustees may be necessary for the proper operation and maintenance of the property of the Association.

F. To collect delinquent charges and assessments.

G. To employ or retain legal counsel, engineers and accountants when deemed necessary.

H. To cause such operating accounts, and escrow and other accounts to be established and opened as deemed appropriate and consistent with good accounting practices.

I. To cause detailed books of account to be kept, and to prepare annually, at the end of each fiscal year, a report of the transactions during the year, and the financial condition at the end of the year.

J. To make and enforce compliance with the requirements of the Declaration, and such rules and Regulations as may be adopted by the Board of Trustees from time to time.

K. Insurance:

(1) The Board of Trustees shall maintain the following insurances to the extent available, in amounts to be determined by the Board:

(a) Protection of all buildings and improvements against damage by fire, windstorm, vandalism, malicious mischief and water damage;

(b) Comprehensive public liability and property damage;

(c) Workmen's Compensation;

(d) Fidelity insurance on agents and employees handling Association funds.

(2) All insurance coverage shall be reviewed annually by the Board of Trustees with respect to the coverages, and the amounts carried.

L. To employ a professional manager if deemed advisable.

ARTICLE VI

OFFICERS

S1. The officers of the Association shall be a President, Vice president, Secretary, and a Treasurer. The Secretary may be eligible to the Office of Treasurer. The President and Vice President shall also be members of the Board of Trustees.

S2. The officers of the Association shall be elected annually by the Board of Trustees at the organization of each new board and shall hold office until their successors are elected or appointed by the Board and qualify, provided that each officer shall hold office at the pleasure of the Board of Trustees and may be removed either with or without cause and his successor elected at any annual or special meeting of the Board called for such purpose, upon the affirmative vote of a majority of the Members of the Board. The Board of Trustees may, from time to time, appoint such other officers as in their judgment are necessary.

S3. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members and of the Board of Trustees. He shall have the general powers and duties usually vested in the office of President of an Association, including, but not limited to the power to appoint committees from among the Members from time to time as he may deem appropriate to assist in the conduct of the affairs of the Association. He shall execute such deeds, leases, mortgages, bonds, notes, contracts and other instruments, in the name and on behalf of the Association and under its corporate seal when a seal is required, except when such documents are required or permitted by law to be otherwise executed and except when the signing and execution thereof shall be delegated by the Board of Trustees to another officer or agent of the Association.

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S4. The vice President shall perform all duties as shall be delegated to him by the President. He shall serve as chairman of the respective committees which the President shall deem appropriate. He shall exercise the powers and perform the duties of the President in his absence or disability.

S5. The Secretary shall attend all meetings of the Board of Trustees and all meetings of the Members and record all votes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose and shall have charge of the minute book and such records and papers as the Board shall direct and perform all duties incident to the office of Secretary, including the sending of notices of meetings to Members, the Board of Trustees or the President. He shall also have custody of the corporate seal, and when authorized by the Board, affix same to any instrument requiring it and attest the same when appropriate.

S6. The Treasurer shall have responsibility for the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies, checks and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Trustees. He shall disburse the funds of the Association as may from time to time be ordered by the Board or by the President and Trustees, at the regular meetings of the Board or whenever they either of them shall require, an account of his transactions as Treasurer and of the financial condition of the Association.

S7. The officers of the Association shall serve without compensation, except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

ARTICLE VII

FISCAL YEAR

S1. The fiscal year of the Association shall begin on the first day of July in each year.

ARTICLE VIII

AMENDMENTS TO BY-LAWS

S1. These By-Laws may be amended by a resolution of the Board of Trustees, and approved by two-thirds (2/3) of the total outstanding votes of the Members. Rules and Regulations adopted by the Board of Trustees from time to time shall not require this approval.

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ARTICLE IX

PARLIAMENTARY RULES

S1. Robert's Rules of Order (latest edition) shall govern the conduct of the Association and the Board of Trustees.