

shall not be subject to deduction or set-off as a result of any claim which any Owner or Owners may have against the Association or the Declarant arising out of any transaction, matter or thing of any nature whatsoever, and no Owner shall be relieved of his obligation to pay timely all Regular Assessments and Special Assessments or installments thereof, as a result of any failure or purported failure of the Association to provide services required to be provided hereunder by the Association. The Owner of a Lot on which no Dwelling has been constructed or on which a Dwelling has been constructed and has subsequently been demolished, destroyed or removed, shall be subject to all Regular Assessments and Special Assessments, and other obligations imposed pursuant to this Declaration in the same manner and to the same extent as the Owners of Lots on which Dwelling are located.

3.06 Non-Refundable Contribution by First Purchasers. The Association shall assess to each purchaser of a Dwelling purchased from the Declarant a one-time Assessment in an amount equal to Fifty Dollars (\$50.00), which shall be a non-refundable contribution to the Association and which amount may be used from time to time for any purposes deemed appropriate or desirable by the Board of Directors. Such Contributions shall be in addition to, and shall not be in lieu of or applied against the Regular Assessments levied or assessed against such Lot or Dwelling, or any Special Assessments that have been levied or assessed against such Lot or Dwelling.

3.07 Damages. Each Owner shall be obligated to reimburse and indemnify the Association for any expenses, costs or damages incurred by the Association, or with respect to any Community Facilities damaged or destroyed, by the act, omission or negligence of such Owner or his tenants, agents, guests, family members or licensees, upon demand by the Association.

3.08 Payment. Except as otherwise provided in this Declaration, the time for payment of Assessments by each Owner shall be determined by the Board of Directors. Unless otherwise determined by the Board of Directors, all Regular Assessments shall be payable in equal monthly installments which shall be due and payable on the first day of each calendar month. Special assessments shall be due and payable at such time, in a lump sum or in installments, as the Board of Directors may determine.

3.09 Non-Payment; Lien.

(a) In the event that any Assessment or installment thereof is not paid within fifteen (15) days after the due date thereof, interest thereon shall accrue from the due date at the rate of fifteen (15%) percent per annum (or such higher rate as determined). The Board of Directors shall have the right to levy the costs of collection (including attorneys' fees) against an Owner who is delinquent in the payment of any Assessment or installment thereof. The Board of Directors shall also have the right to charge a delinquency Assessment, as established from time to time, against any Owner who is delinquent in the payment of Assessments for a period exceeding fifteen (15) days from the due

date, such delinquency Assessment not to exceed ten (10%) percent of the overdue sum. In the event that an Owner shall be delinquent in the payment of any Assessments or installments thereof for more than thirty (30) days after the due date thereof, the Board of Directors shall have the right to accelerate all future installments of such Assessments with respect to the delinquent Owner.

(b) If any Assessment or installment thereof is not paid within thirty (30) days after its due date, or in the event that all delinquencies are not satisfied at least five (5) days prior to any annual or special meeting of Members, the Board of Directors shall have the right to suspend the rights of the delinquent Owner to use and enjoy the Community Facilities and to suspend the voting rights and other privileges of such Member.

(c) All such Assessments and charges chargeable to any Owner, including all fees, late charges, interest and costs of collection (including attorneys' fees) and any penalties levied against any Owner for non-payment of Assessments or non-compliance with this Declaration, the By-laws or the Rules and Regulations, shall constitute a lien against the Owner's Lot and the Dwelling in favor of the Association, provided that such lien shall be subordinate to the lien of any Eligible Mortgage. Such liens shall be effective from the time the Assessment or charge becomes due. In the event that an Owner owns more than one Lot or Dwelling within the Community, all such Assessments and charges shall be a lien against all Lots and Dwellings owned by such Owner within the

Community, even if delinquencies relate solely to Regular Assessments and Special Assessments or other costs levied with respect to fewer than all that Owner's Lots or Dwelling.

(d) The Board shall have the right to record in the Recorder of Deeds Office and/or the Prothonotary's Office of Chester County, Pennsylvania, a notice or claim of lien stating the description of the Lot, the name of the record Owner thereof, the date the Assessment or charge became due, and the amount thereof. Upon full payment of all sums secured by such lien, and payment of the costs of removing such claim from record, the Owner of such Lot or against which such lien is filed shall be entitled to a recordable satisfaction of lien to be prepared and recorded at his expense.

3.10 Collection. Assessments and other costs and expenses which may be payable by any Owner may be recovered by a lawsuit brought by the Board of Directors on behalf of the Association and/or the Owners, in any action at law or in equity against the Owner personally obligated to pay the same and the Association shall be entitled to seek and pursue any and all rights and remedies as may be available at law or in equity. In addition, the Board of Directors shall have the right to revoke or suspend all rights and privileges of the delinquent Owner hereunder, including the right to use and enjoy the Community Facilities and the right to vote in all matters on which Members of the Association are entitled to vote. The Association may recover from the delinquent Owner all attorneys' fees and other costs of collection as well as

late charges, interest and fines levied by the Association with respect to unpaid and delinquent Assessments, and the same shall become due on demand by the Association.

3.11 Collection Upon Sale of a Dwelling.

(a) In the event that title to a Lot or Dwelling is transferred in connection with a sale pursuant to execution on any lien against the Dwelling, the Board of Directors may give notice in writing of any unpaid Assessments which have not been reduced to a lien, and such unpaid Assessments of which the Sheriff has notice shall be paid out of the proceeds of such sale after payment of other claims required by law to be paid first, but prior to any distribution of proceeds to the Owner of such Dwelling. If an Eligible Mortgagee or other purchaser acquires title to a Dwelling pursuant to foreclosure of a first mortgage, or by deed in lieu of foreclosure, the transferee shall not be liable for unpaid Assessments accrued through the date of such transfer.

(b) Upon the voluntary sale or conveyance of a Dwelling, or any other transfer (including transfers by operation of law) except as provided in subparagraph (a) above, the transferor and the transferee shall be jointly and severally liable for all unpaid Assessments which are charges against the Dwelling as of the date of sale, conveyance or transfer (whether or not such charges have been reduced to a lien). Any transferee liable jointly and severally shall have the right to recover from the Grantor any amount paid by the Grantee. Any Person who has entered into a written agreement to purchase a Dwelling from an Owner shall have

the right to obtain from the treasurer of the Association a statement, in writing, setting forth the amount of any unpaid Assessments charged against the Dwelling and its Owner. In the event that such statement does not include the full amount of the unpaid Assessments for which a notice of lien has not been filed, neither the purchaser nor the Dwelling after transfer thereof shall be liable or subject to a lien for the payment of the amount in excess of the unpaid Assessments set forth on such statement.

(c) In the event the Association is unable to recover the amount of any unpaid Assessments from a delinquent Owner in connection with the voluntary or involuntary sale or transfer of a Dwelling pursuant to subparagraphs (a) and (b) above, or otherwise, the unpaid balance thereof and any costs of collection incurred by the Association may be treated as Common Expense collectible from and assessed against all Owners as any other Common Expense.

3.12 Declarant's Assessment Obligations.

(a) Except as hereinafter expressly provided, the Declarant shall not be liable for any Assessments levied by the Association against Lots or Dwellings owned by the Declarant, nor shall such Dwellings or Lots be subject to any lien therefor. Declarant shall be liable for Assessments with respect to Dwellings owned by the Declarant that are leased to third party tenants, and Dwellings utilized by the Declarant as model homes or sales offices, after the expiration of twelve (12) months from the first date such model home or sales office is opened to the public.

(b) Notwithstanding the foregoing, until a sufficient number of Lots or Dwellings have been conveyed to Owners other than the Declarant so that total Regular Assessments against such Lots and Dwellings owned by Owners other than the Declarant equals or exceeds the Common Expenses actually incurred by the Association for such fiscal year for which such Regular Assessments are made, the Declarant shall be responsible on an annual basis for the amount, if any, by which the Common Expenses actually incurred by the Association exceed the Regular Assessments assessed to owners other than the Declarant (a "Deficit"). The Declarant's obligation to subsidize a Deficit of the Association shall end at the expiration of the first fiscal year of the Association in which the Regular Assessments against Lots or Dwellings owned by Owners other than the Declarant equals or exceeds the Common Expenses actually incurred by the Association for such fiscal year. The Declarant may advance all or a portion of an anticipated Deficit at any time during a fiscal year of the Association in which the Declarant anticipates such Deficit will occur. In the event that after the close of such fiscal year the amount of such funds advanced by the Declarant plus the amount of Assessments levied to the Owners exceeds the Common Expenses actually incurred by the Association during such fiscal year, such excess shall be payable to the Declarant within sixty (60) days after the end of such fiscal year. Once that number of Dwellings has been conveyed to Owners such that the Assessments levied against the Owners equals or exceeds the Common Expenses actually incurred by the Association, the Declarant

shall have no further liability with respect to Deficits of the Association. The amount necessary in order to fund a Deficit shall be due and payable by the Declarant within sixty (60) days after written notice thereof is given by the Board of Directors to the Declarant, such amount not to exceed, however, the actual Deficit incurred by the Association.

3.13. Basis and Computation of Regular Assessments.

(a) The Board of Directors of the Association shall, at least sixty (60) days prior to each fiscal year of the Association, adopt a budget of the Association for such fiscal year setting forth estimated Common Expenses of the Association and other costs, expenses, liabilities and reserves which the Board of Directors may deem appropriate. Regular Assessments for the fiscal year to which such budget relates shall be computed based on the total Common Expenses anticipated for such fiscal year as set forth in the budget, in excess of any surplus resulting from the excess of Regular Assessments levied from a prior year or years over Common Expenses actually incurred in such prior year or years. The Regular Assessment against each Lot shall then be determined by dividing the total amount to be assessed to all Owners by the number of Lots within the Property.

(b) The budget of the Association based on which Regular Assessments are made may be changed from time to time by the vote of a majority of the Board of Directors to reflect any substantial change in the Common Expenses incurred or expected to be incurred by the Association for such fiscal year, and the Board of Directors

shall have the power to increase or decrease Regular Assessments based on such changes in the budget, such increase or decrease to be effective not earlier than thirty (30) days after notice thereof shall have been given by the treasurer to the Owners.

(c) Once the Regular Assessment against each Lot has been established by the Board of Directors, it shall not be necessary for the Board of Directors to levy Regular Assessments on a monthly basis or give notice of such Regular Assessments on a monthly basis, and it shall be sufficient for all purposes hereof if the Board of Directors shall cause notice of monthly Assessments due to be sent to all Owners after the Regular Assessment for any fiscal year has been determined or redetermined in accordance with this Declaration.

(d) Within thirty (30) days after adoption of the budget for a fiscal year, the Board of Directors shall cause notice of the Regular Assessment and a copy of the budget to be mailed to each Owner. Such budget shall become effective unless disapproved at a duly called and constituted meeting of the Association by majority vote of the Members of the Association. Unless a meeting is requested by the Members, as provided in the By-laws, the budget and assessment shall take effect without a meeting of the Members effective as of the first day of the fiscal year of the Association to which such budget relates. In the event that such budget is disapproved by the members, or in the event that the Board of Directors fails for any reason to adopt a budget for any fiscal year, then the Regular Assessment for the immediately preceding

fiscal year shall be deemed to continue in effect until a budget has been adopted by the Board of Directors (and not disapproved by the members) on the basis of which a new Regular Assessment may be determined.

3.14. Special Assessments. The Board of Directors shall have the power to levy Special Assessments for such purpose or purposes as the Board of Directors from time to time deem necessary or appropriate, including, but not limited to, paying the costs of unanticipated maintenance, repairs or replacements of the Community Facilities, or for the purpose of assessing one or more members for the cost of any damage or destruction to the Community Facilities resulting from the act or omission of such Member or Members. Special Assessments benefitting all Owners shall be levied equally on all Lots, and shall be due and payable in a lump sum or in such installments as the Board of Directors shall determine.

3.15. Commencement of Assessments. The Assessments provided for herein shall commence as to each Lot on the first day of the first calendar month following the date of conveyance of the Lot by the Declarant, or the effective date of the first budget, whichever is later.

ARTICLE IV - INSURANCE

4.01 General Right and Duty to Purchase Insurance. The Board of Directors shall obtain or cause to be obtained comprehensive public liability and property damage insurance covering liability or loss or injury (including death) to Persons and loss or damage to property, in such amounts and against such risks, and from

insurance companies, as the Board of Directors shall determine, provided that in no event shall such comprehensive public liability insurance be less than One Million Dollars (\$1,000,000.00) for bodily injury or death arising from a single occurrence. Such policies shall have such deductibles or co-payments as the Board of Directors may determine, in its discretion. Such insurance shall protect the Owners and the Association against liability arising out of the use of, or the loss, damages or injuries occurring on, the Community Facilities, including any such Community Facilities located on any Lots. The above referenced minimum coverage amount may be reduced to such amount as the Board of Directors of the Association shall determine is appropriate in the absence of the Association having any rights or interests in Open Space, so long as such minimum insurance amount (or such increased amount as the Board of Directors shall determine is appropriate) satisfied with in the event the Association does acquire any rights and interests in Open Space.

4.02 Association Property Insurance. The Board of Directors shall obtain all risk hazard insurance policies covering damage to the Community Facilities, including, if applicable, flood insurance coverage, such insurance to cover any fixtures, improvements or equipment constructed or to be constructed on the Community Facilities. To the extent available, such insurance shall be with "replacement cost" coverage.

4.03 Insurance Obligations of Owners. Each Owner shall be individually and solely responsible for maintaining hazard, fire,

flood and liability insurance with respect to his Lot and Dwelling, and against losses, damages or injuries occurring on his Lot. The Board of Directors shall have the right to promulgate standards which shall be required to be met by each Owner with respect to property and casualty and liability insurance coverages to be obtained with respect to the Dwellings to be located on the Lots. The Association shall have no insurance responsibility with respect to any Lot, Dwelling or other improvements located on any Lot (except for Community Facilities located on such Lots). Each Owner shall carry blanket all-risk casualty insurance on the Dwelling and other structures constructed on his Lot, and each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of his Dwelling, the Owner shall proceed promptly to repair or to reconstruct the damaged Dwelling in a manner consistent with the original construction thereof. The Owner shall pay any costs of repair or reconstruction not covered by insurance proceeds. In the event that any Dwelling is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the construction of the Dwelling thereon, and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition.

4.04 Policy Provisions. All policies purchased by the Association shall be for the benefit of the Association, and the costs and premiums thereof, and any deductibles or co-payments

thereunder, shall be deemed to be Common Expenses of the Association. Such insurance shall be purchased for the benefit of the Association, the Board of Directors, the Declarant, the Owners and all Eligible Mortgagees, as their interests may appear, provided that it shall be sufficient if the named insured on such policies is the Association. Endorsements in favor of mortgagees holding mortgages on any Dwellings may be issued upon request, any expenses thereof to be borne by the Owners requesting such endorsements. The Association shall maintain any insurance coverages that may be required under applicable law or under guidelines and regulations promulgated by the Department of Housing and Urban Development, the Veterans' Administration, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and/or their successors or assigns. The Board of Directors shall have the right to increase insurance coverages and obtain additional insurance coverages not specifically stated herein as the Board of Directors may from time to time determine, in its discretion, and the premiums for such additional or different insurance coverages shall be deemed to be Common Expenses of the Association. Policies of insurance shall be deposited with and shall be maintained by the Board of Directors of the Association.

*4.05 Other Insurance Coverages. The Board of Directors shall also have the right to obtain other insurance coverages and endorsements which may be applicable to the Community Facilities, all premiums for which shall be Common Expenses, including, but not

limited to, workers' compensation insurance, directors' and officers' liability insurance, fidelity bonds with respect to employees, agents or managers hired by the Association, and any and all other insurance coverages as the Board of Directors may from time to time deem necessary or appropriate.

4.06 "Subrogation" and "Other Insurance" Clauses. The Board of Directors shall endeavor, but shall not be obligated, to obtain policies providing that the insurer waives its right of subrogation as to any claims against Owners, the Association, the Declarant, the Board of Directors, and their respective servants, agents, guests, successors and assigns. The Board of Directors shall also endeavor (but shall not be obligated) to obtain policies which provide that any "other insurance" clause in any policy shall exclude individual Owners' policies from consideration.

4.07 Application of Insurance Proceeds. In the event of loss or damage to any portion of the Community Facilities, the Association shall be obligated to repair and restore the damage caused by such loss, unless such repair or replacement would be unlawful, or unless at least seventy-five (75%) percent of each Class of Members, and Eligible Mortgagees holding seventy-five (75%) percent of the first mortgage liens on Dwellings, vote not to replace or repair such loss. In the event that the net proceeds of insurance are insufficient to pay the estimated cost of repair or restoration, or the actual cost thereof, the Board of Directors shall promptly levy a Special Assessment against all Owners for such excess. In the event any Community Facilities are not

repaired or replaced, the insurance proceeds received thereon may be utilized by the Association to pay Common Expenses or to establish such reserve accounts as the Board of Directors may deem necessary or advisable, and any remaining proceeds may be distributed equally to the Owners and the Eligible Mortgagees, as their interest may appear, upon determination by the Board.

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

ARTICLE V - BUILDING AND USE RESTRICTIONS

5.01 Business Uses. No industrial, manufacturing or commercial activity, trade or business shall be conducted on the Property or on or about any of the Lots, or in any Dwellings or other buildings or improvements now or hereafter constructed on the Property or any of the Lots, nor shall any commercial, industrial or manufacturing structure, building or facility be constructed on the Property or any of the Lots. No mining, quarrying or removal of gravel, soil, rock or other materials shall be conducted on the Property or any of the Lots, except for excavation and removal of soil necessary in connection with the normal construction and maintenance of buildings, driveways, landscaping and appurtenant residential improvements on the Lots.

5.02 Subdivision or Partition. Once a Lot has been conveyed by the Declarant, such Lot may not be further subdivided or partitioned, directly or indirectly. Declarant may, from time to time, relocate boundaries between Lots owned by the Declarant by a appropriate amendment to or revision of the Plan, as Declarant deems appropriate, in Declarant's sole and absolute discretion.

5.03 Residential Use. Except as otherwise expressly provided herein, the Lots and Dwellings shall be used solely and exclusively for residential purposes. No more than one Dwelling shall be located or constructed on any Lot. No other building, including any garage or other outbuilding, may be used or occupied, temporarily or permanently, as a residence.

5.04 Above-ground Utilities. No above-ground conduits, pipelines, electric, telephone, cable television, radio or other utility transmission lines or antennae shall be installed on any Lot or on the exterior of any Dwelling. Satellite dishes or other free-standing (or roof or chimney mounted) antennae or reception devices shall not be constructed or erected on any Lot.

5.05 Animals. No Lot or any building or improvement located thereon shall be used for stabling, housing, raising, breeding, boarding or keeping one or more horses, cattle, hogs, goats, sheep, fowl, birds or other animals or livestock of any nature for Personal or commercial purposes (excepting only Personal domestic household pets, such as dogs and cats).

5.06 Outdoor Storage. Outdoor storage of appliances, lumber, wood or building materials shall be forbidden except during the

construction of any Dwelling or other permitted structure on any Lot. No camper, travel trailer or mobile home, recreational vehicle, all terrain vehicle, boat, boat trailer, or other trailer, nor any unlicensed motor vehicle shall be kept or stored on any Lot, unless completely enclosed within a garage or other outbuilding permitted hereunder or is otherwise hidden or screened from view in a manner deemed acceptable by the Board of Directors of the Association, except in connection with the immediate maintenance, cleaning, repair or transportation thereof. The foregoing shall not be deemed to prohibit the outdoor storage of firewood provided that such firewood is neatly stacked to a height not more than four (4) feet from the ground level, and such firewood is located to the rear of a Dwelling so as to screen it as much as possible from view.

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

5.08 Clothes Lines. No temporary or permanent clothes line, clothes drying rack or similar structure shall be permitted nor shall the Owners or occupants of any Dwelling or Lot dry or hang

clothes, linens, sheets, towels or other similar items outside for any purpose whatsoever.

5.09 Out Buildings; Pools. Except for attached or detached private garages constructed by the Declarant for the sole and exclusive personal and non-commercial use of the Owner of a Dwelling constructed on a Lot, no outbuildings or other enclosures shall be constructed on any Lot except with the prior written consent of the Declarant. However, one storage shed shall be permitted on each Lot, provided that the plans and specifications for such shed shall have been submitted to and approved by the Declarant, the size, dimension and elevation of such shed shall be consistent with normal residential personal uses and needs, and the exterior siding and roofing materials shall be on the same type and the same color as the siding and roofing materials used in the construction of the Dwelling on that Lot. Furthermore, children's recreational equipment may be erected on a Lot provided that such equipment is constructed of unpainted wood (or wood treated with colorless stain or preservative). No above-ground or above-grade swimming pool shall be permitted on any Lot. One in-ground swimming pool may be constructed on each Lot, provided that such pool shall be surrounded by appropriate fencing for the protection of unattended children, and the plans for such pools shall be subject to review and approval by the Declarant and the Association.

5.10 Flood Plan and Wetlands. No activities, uses or improvements shall be conducted, constructed or maintained on any

Lot which would be detrimental or adverse to or that may interfere with any erosion control, storm water control or soil conservation facilities or improvements located on such Lot (including, but not limited to, storm water management basins, drainage swales and the like). No Owner or occupant of any Lot shall disturb, or construct or maintain any improvements, or conduct any activities on any area which constitutes "wetlands" under applicable federal and state laws and regulations which may be in violation of applicable restrictions on such disturbance, construction or use.

5.11 Fencing. No fencing shall be permitted on any Lot except fencing which satisfies all of the following requirements:

(a) Such fencing is located in the rear of a Lot with no part thereof extending to the front of the Lot beyond the back wall of the Dwelling erected on such Lot;

(b) Such fencing shall not be more than four (4) feet in height;

(c) Such fencing shall be constructed of wood post and rail, split rail or other natural materials approved by the Declarant; and

(e) Such fencing shall not interfere with or impair any easement created or reserved pursuant to this Declaration or the Plan.

Such permitted fencing may include painted wire or mesh fencing which is affixed to and located inside such wooden fencing.

5.12 Exterior Changes/Additions to Dwelling and Outbuildings. No exterior additions, modifications or alterations of any

Dwelling, garage, shed or other structure permitted hereunder shall be constructed unless:

(a) The exterior materials and colors to be used in connection therewith are consistent with the exterior materials and colors used in connection with the original construction of the Dwelling on such Lot, and

(b) The plans, specifications and elevations for such addition, alteration, improvement or structure shall have been submitted to and approved in writing by the Declarant.

If any Dwelling, garage or other permitted outbuilding is partially or entirely destroyed by fire, storm or other casualty, any Dwelling, garage or outbuilding, as the case may be, partially or completely reconstructed as a result of such damage or destruction, shall be constructed or reconstructed utilizing the same exterior materials and colors as were used in the original structure, unless otherwise approved in writing by the Declarant. Any new structure to be constructed as a replacement to a structure which has been damaged, destroyed or razed shall be substantially the same architectural style and design as the structure which it is replacing, unless otherwise approved in writing by the Declarant.

5.13 Trees. No trees shall be removed, except for diseased or dead trees or trees needing to be removed to promote the growth of other trees or for safety reasons, unless otherwise approved by the Declarant.

5.14 Appearance; Nuisances. No portion of any Dwelling or Lot shall be used in whole or in part for the storage of any Property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye. No noxious or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause annoyance or nuisance to any person using any portion of the Property. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt condition of his Lot and Dwelling.

5.15 Architectural Approval.

(a) When any provision of this Declaration requires the approval of the Declarant prior to or in connection with the construction, reconstruction, alteration or modification of any Dwelling, garage, outbuilding, fence or other improvement on any Lot, the Person proposing such improvements shall submit to the Declarant appropriate plans, specifications and elevations depicting the style, size and height of the proposed improvement, the exterior building materials and colors to be used in connection therewith (including roofing materials) and the proposed location thereof on the Lot.

(b) The Declarant shall have the discretion to disapprove any proposed improvements, or alterations or modifications to existing improvements, which the Declarant determines are undesirable based upon the nature, size, style and colors of other Dwellings, garage and other improvements located

within the Community, the proximity of the proposed improvements to neighboring Dwellings and the general architectural and aesthetic compatibility of the proposed improvement, structure, alteration or modification with other similar structures and improvements constructed or planned for construction on the other Lots within the Community. The Declarant may also consider the visual impact that such proposed improvements, alterations, modifications or structures may have on the Owners or occupants of neighboring or nearby Dwellings within the Community.

(c) The Owner or occupant of any Lot proposing any such improvement, structure, fence, alteration or modification shall endeavor to maximize the aesthetic appeal thereof and minimize the negative visual impact thereof from Dwellings on adjacent or nearby Lots within the Community, and shall endeavor to minimize the cutting and removal of trees and the disturbance of other natural features of the Lot. All plans submitted to the Declarant for review may be retained by the Declarant regardless of whether the proposed improvement has been approved or disapproved.

(d) As of the date on which the Declarant Control Period expires, all rights of approval reserved unto the Declarant pursuant to this Article V shall be exercisable by the Board of Directors of the Association. The Board of Directors shall be entitled to appoint from among the Members of the Board or the Association not less than three (3) nor more than five (5) individuals to serve as an architectural control committee, and the Board of Directors shall have the authority to delegate its rights

under this Article V to such architectural control committee, subject always to the right of the Board of Directors to approve or disapprove the action of such committee.

5.16 Liability for Approval or Disapproval. Neither the Declarant, the Association, the Board of Directors nor any officer of the Association shall be liable, in damages or otherwise, to anyone in connection with the approval or disapproval of any plan or request for the construction, reconstruction, alteration, modification or addition of any improvement or structure, or for the consequences of such approval or disapproval. Neither the Declarant nor the Association shall be responsible for determining the safety or structural soundness of any proposed Dwelling, building or improvement or the compliance thereof or of the plans and specifications relating thereto with applicable laws, regulations, ordinances and building codes.

5.17 Declarant's Right to Maintain Models, Offices, Etc. Notwithstanding any provision of this Declaration to the contrary, while Declarant owns any part of the Property, Declarant shall be entitled to maintain one or more model homes, sales offices and construction offices (including mobile offices) and to maintain and keep on portions of the Property owned by Declarant, construction equipment, vehicles, lumber and other building materials as may be necessary from time to time in connection with the development of the Property, the construction of Dwellings, Community Facilities and appurtenant improvements, and the installation of stormwater

management and erosion control facilities, utilities and similar public improvements.

5.18 Other Declarant Rights. Notwithstanding any provision of this Declaration to the contrary, Declarant reserves the right at any time, in Declarant's sole discretion, to change the floor plans, exterior elevation, building materials and general appearance or architectural style of Dwellings and other improvements that may be constructed on any Lot or Lots owned by the Declarant.

5.19 Leases. Any Owner may lease his or her Dwelling for residential purposes. All tenants of the Dwelling shall be obligated to comply with all terms and conditions of this Declaration, the By-laws and the Rules and Regulations relating to the use, enjoyment and occupancy of Lots, Dwellings and the Community Facilities, whether or not such obligation shall be set forth in such lease. All leases shall be in writing, and upon execution thereof, the Owner leasing such Dwelling shall deliver a true and correct copy of the executed lease to the secretary of the Association. Any Owner may require his tenant to pay either to the Owner or directly to the Association all or a portion of any Regular Assessments, Supplemental Assessments or Special Assessments that may be levied with respect to such Owners' Lot or Dwelling; provided, however, that the Owner leasing such Dwelling shall remain primarily and directly liable to the Association for the payment of all such Assessments. If the tenant assumes responsibility for paying any Assessments or portions thereof

pursuant to such Tenant's lease, the Association shall have the right to collect such Assessments from the tenant directly, and the Owner shall be jointly and severally liable for payment of such Assessments to the Association. The Association shall not be obligated to attempt to collect unpaid Assessments from any tenant who has assumed the obligation to pay any Assessments before proceeding to collect such unpaid Assessments from the Owner of such Dwelling.

5.20 For Sale Signs. No real estate for sale signs or for rent signs of any type or size shall be displayed on any Lot at anytime during which Declarant owns at least one (1) Lot. The foregoing restriction shall not be deemed to preclude the Leos from displaying a for sale or for rent sign upon any Lot or Lots as may be owned by the Leos so long as the sale of such Lot or Lots is not in conflict with the terms of the Agreement of Sale dated February 9, 1994, as amended, which is referred to in the Background section of this Declaration.

ARTICLE VI - STORMWATER MANAGEMENT AND OTHER IMPROVEMENTS

6.01 Declarant's Easement to Construct. Declarant on behalf of itself and its successors and assigns reserves the right to enter upon the Property and any Lot as may be necessary from time to time in connection with the construction, completion, monitoring, grading, seeding, maintenance or repair of any Community Facilities or other facilities required or permitted to

be constructed by Declarant pursuant to the Plan or applicable Township ordinances and requirements including, but not limited to, stormwater management basins, culverts, subsurface pipes or conduits from the conveyance of stormwater runoff, drainage swales or berms, soil and surface runoff control devices, whether permanent or temporary, and similar improvements.

6.02 Association's Obligation to Maintain. The Association shall be responsible for the maintenance, repair, cleaning, mowing and general maintenance of any such basins or other facilities, as may be necessary from time to time to ensure the proper functioning thereof, or as otherwise may be required by the Township from time to time. The Association shall have an easement over and across any Lot on which such basin or other stormwater management facilities are located for the purpose of doing all things necessary to maintain, repair, clean, mow or replace the same. The costs and expenses of maintenance, cleaning, mowing, repairing and replacing such basins shall be deemed to be Common Expenses of the Association.

6.03 Dedication to the Township. If requested or required by the Township, the Owner of any Lot on which any stormwater management basin, culvert, pipes or similar facilities are located agrees to dedicate to the Township (and/or join with Declarant and/or the Association in dedicating to the Township) an easement over and across such portion of such Lot on which such drainage basin or other facilities are located, and to convey to the Township (or join with Declarant in the conveyance to the Township)

any surface or subsurface stormwater drainage pipes, conduits or culverts as may be located on such Lot.

6.04 Entrance Sign; Landscaping. Declarant intends to construct an entrance sign on or near Lot 33 shown on the Plan and a landscaping buffer along and around Lots 1, 2, 3, 4 30, 31, 32 and 33 shown on the Plan. The Association shall be responsible for maintaining the entrance sign on Lot 33, the landscaping buffer and any other entrance sign or decorative landscaping designed as a permanent part of the development at the Property, after conveyance of such Lot by the Declarant, in good condition and repair and shall, from time to time, replace any trees, shrubbery or other plants or other parts of such landscape areas to replace diseased or dead shrubs, trees or other plant materials. The Association shall have an easement across the Lot on which such signs or landscaping have been installed for all such purposes. The costs and expenses thereof shall be Common Expenses of the Association.

6.05 Declarant's Right to Dedicate Improvements and Easements. Declarant hereby further reserves for itself, and its successors and assigns, the right to transfer and dedicate to the Township, all stormwater drainage and basin easements shown on the Plan, and with reference to all such stormwater management basin or drainage easements, Declarant reserves the right to alter the location thereof in a manner which will reflect the actual as built location of any facilities such as pipes, culverts or basins constructed or to be constructed within such easement areas, and to amend this Declaration, or record one or more other easement

agreements, setting forth specific rights and obligations of the Owners of the Lots affected thereby and setting forth metes and bounds descriptions of such easement areas. If requested by Declarant, the Association and/or the Owner of any Lot affected by any such basin or drainage easement shall joint with Declarant in executing and delivering to the Township one or more documents dedicating to the Township such easements over and across such easement areas as the Township may require from time to time.

ARTICLE VII - EASEMENTS

7.01 Easement to Construct Improvements. Declarant reserves for itself, and its successors and assigns, any and all easements shown on the Plan, and reserves for itself and its successors and assigns an easement over and across each of the Lots and the Property as may be necessary or convenient from time to time in connection with the construction, installation, repair and maintenance of utilities and utility facilities, including electrical, telephone, cable television and similar facilities. Declarant shall have the right to grant easements over and across the Property and any of the Lots to public or private entities furnishing or providing facilities for the transmission of utility services, including electrical, telephone, cable television and, if applicable, natural gas, services.

7.02 Easements. Declarant reserves for itself, and its successors and assigns, any and all easements shown and depicted on the Plan or as may be created pursuant to Subparagraph 7.01 above, including, but not limited to, all easements for the installation,

inspection or maintenance of stormwater sewers, easements of access to stormwater management basins and similar easements, and utility line easements, and Declarant reserves for itself, and its successors and assigns, the absolute right to grant and convey such easements to the Township, its successors or assigns.

7.03 Limitation of Liability. Declarant shall not be liable for any Property damage or personal injury, or the consequences thereof, as a result of exercise by Declarant or its successors or assigns of any of the rights or easements reserved herein or on the Plan.

MANUAL
x 7.04 General Utility Easements. The entire Property shall be subject to an easement for the present and future installation and maintenance of electric service, cable television service, telephone service, water service, stormwater and sanitary sewage services and other utility services and all facilities appurtenant thereto, whether or not such easements may be currently disclosed upon the Plan, which easement shall run in favor of the Declarant, the Association and any entity or entities owning or operating such facilities or providing such services. The Declarant and the Board of Directors of the Association shall each have the authority to grant to third parties additional utility easements that are deemed reasonable by the Declarant or the Board of Directors in connection with supplying utility services to the Dwellings or to the Community Facilities.

7.05 Easement for Inspection and Abatement. The Declarant and the Association and its Board of Directors, officers and agents