

9/12/94
1st meeting
elected board

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DECLARATIONS OF COVENANTS, EASEMENTS
AND RESTRICTIONS
WESTLAKE VILLAGE

THIS DECLARATION made this _____ day of _____, 1988 by
TIMBER LAKE DEVELOPMENT CORPORATION, a Pennsylvania corporation
("Declarant")

WITNESSETH:

WHEREAS, Declarant, holds title to certain real property (the
"Property") located in East Brandywine Township, County of Chester,
Commonwealth of Pennsylvania, as more particularly described in
Exhibit "A" which is attached hereto and made a part hereof;

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WHEREAS, Declarant intends to establish on the Property, and as
part of a planned residential development known as The Villages at
Timber Lake, and subject to the terms and conditions of a certain
Declaration of Covenants, Easements, and Restrictions of the Villages
at Timber Lake (the "Master Declaration"), a village, to be known as
Westlake Village, consisting of not more than 48 Living Units, as
shown as units 63 - 110, on the Development Plan, as defined herein,
with common areas and limited common areas for the benefit and
enjoyment of the residents of the development.

WHEREAS, Declarant, in order to provide for the enjoyment,
health and safety of the residents and the preservation of the
improvements constructed, or to be constructed on the Property and the
enhancement of the value of the Property, and to create the amenities
and open spaces consistent with a residential community established in
this section of East Brandywine Township and to provide for the
maintenance of both the land and the improvements, shall subject all
of the Property to the respective covenants, easements, and
restrictions herein contained and create the community known as
"Westlake Village";

WHEREAS, to provide the means for the carrying out of the full
intent and purposes of the Declarant, and East Brandywine Township,
the Declarant shall incorporate a Pennsylvania corporation to be known
as Westlake Village Homeowners' Association, Inc.

WHEREAS, this Declaration is intended to set forth the rights
and obligations of Declarant and future owners of any portion of the
property described in Exhibit "A", any mortgagees of such owners,
The Villages at Timber Lake Master Homeowner's Association, Inc. and
certain rights shall be in addition to, and shall in no way limit all
other rights of East Brandywine Twonship. Any right set forth herein
for the benefit of any party shall be subordinate to the rights of
East Brandywine Township.

NOW THEREFORE, intending to be legally bound, Declarant,
declares that the real property described in Exhibit "A" shall be
subject to the respective covenants, easements and restrictions
hereinafter set forth and all transfers, sales, conveyances or
occupancy of any part of such real estate shall also be subject to

said respective covenants, easements and restrictions.

ARTICLE I = Definitions

1.1 Approval shall mean and refer to the issuance by any public agency of written approval, or any written waiver of approval rights or a letter of "no objection".

1.2 Approved Mortgagee shall mean an institutional lender who holds a mortgage, the lien of which is senior to all other encumbrances on a Living Unit, and who has notified the Village Association of its interest in writing.

1.3 Area "B" shall mean and refer to that property described on Exhibit "B" hereof. This property shall also be referred to as the "Master Parcel", and shall be subject to additions in accordance with the Master Declaration.

1.4 Architectural Review Committee shall mean the Architectural Review Committee of the Master Association created by the Master Declaration.

1.5 Association shall mean Westlake Village Homeowner's Association, Inc. its successors, and assigns.

1.6 Association Book shall mean the document or documents containing the records, current rules, regulations, and By-Laws of the Village Association.

1.7 Board shall mean and refer to the Board of Directors of the Village Association.

1.8 Certified Notice shall mean any notice which has either: 1) been sent by certified mail, postage prepaid and either delivered to the address of the recipient or refused by the recipient or, 2) been signed for by the recipient.

1.9 Common Areas shall mean and refer to all open space as shown on the final "Title Plan" of Phase 2 of the Villages at Timber Lake, as described in Exhibit "A" hereof, excluding however the following: (a) all open space within the fee simple area of any Living Unit or other parcel of ground which has been or is intended to be conveyed, (b) all space within any Limited Common Area so designated either in this Declaration, or on a recorded "as-built" plan.

1.10 Common Area Facilities shall be deemed to include: 1) all physical improvements placed in the Common Areas, including but not limited to roadways, curbs, fencing, security facilities, maintenance buildings, storm water control facilities, 2) items of personal property including tools, mowers, trucks, tractors and other vehicles used in the maintenance, repair or securing of the Common Areas, and 3) landscaping placed in, or maintained upon the Common Areas or Limited Common Area.

1.11 Construction Lender shall mean any institutional lender who is the holder of a mortgage on any part of the Property while such area is owned by either the Declarant or the Village Association.

1.12 Declaration shall mean the current restrictions, easements, and covenants and other conditions set forth herein as they shall have been amended from time to time.

1.13 Declarant shall mean Timber Lake Development Corporation and its successors and assigns.

1.14 Development Plan shall mean that set of plans, as amended, as have been presented to and approved by the Township.

1.15 Garage shall mean those parts of the Limited Common areas designated on the Title Plan as "Garage".

1.16 Governing Documents shall mean and refer to the Articles of Incorporation, By-laws, and resolutions of the Village Association, as well as this Declaration.

1.17 Westlake Village Parcel shall mean that parcel of ground described on Exhibit "A" hereof.

1.18 Limited Common Areas shall mean that parcel of ground owned by the Village Association, identified as a Garage or located immediately adjacent to a Living Unit as Shown on the title plan or plans, including, but not limited to Terraces, as designated on "as-built" plans recorded by the Declarant.

1.19 Living Unit shall mean any parcel of ground, together with the improvements erected thereon which has been, or is intended to be conveyed to an Owner by the Declarant as a single unit of residential use. It shall not be deemed to include any properties conveyed to a municipality or municipal authority.

1.20 Master Association shall mean and refer to The Villages at Timber Lake Master Homeowner's Association, Inc.

1.21 Member shall mean and refer to a person, group of persons, or entity who is a record holder of the fee interest in a Living Unit, or one of the properties subject to the Declaration, but excluding those persons or entities who hold an interest merely as security for the performance of an obligation. There shall be two (2) classes of Members as set forth herein.

1.22 Notice shall mean written notice delivered personally or mailed to the last known address of the intended recipient.

1.23 Owner shall mean the collective owner or owners of the fee simple interest of any Living Unit, excluding entities who hold an interest merely as security for the performance of an obligation.

1.24 Property shall mean the Westlake Village Parcel, including all real estate bound by this Declaration, as described on Exhibit "A".

1.25 Quorum of Members shall mean the presence, either by presence of proxy, or of Members who hold twenty percent or more of outstanding votes in the Village Association.

1.26 Terrace shall mean those parts of the Limited Common Areas designated on the Title Plan as "Terrace".

1.27 Title Insurance Company shall refer to the Title Insurance Company and an agency insuring Declarant's or Construction Lender's interest in the Property, or any of the Property subject to the Master Declaration.

1.28 Title Plan shall mean and refer to the plan or plans of Westlake Village as are from time to time recorded, except that after a Living Unit has been conveyed, no change of the title line nor of the area designated, shall be permitted other than such change as disclosed by an "as built" survey.

1.29 Township shall mean and refer to East Brandywine Township.

1.30 Village Association shall mean and refer to Westlake Homeowner's Association, Inc.

ARTICLE II - WESTLAKE VILLAGE HOMEOWNERS' ASSOCIATION, INC.

2.1 Organization

(a) The Village Association. The Village Association is a non-profit corporation organized and existing under the laws of Pennsylvania charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as such may be amended from time to time, provided no other Governing Documents other than this Declaration shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

2.2 Membership.

(a) Definitions. Members shall include the Declarant and

all Owners of Living Units or other properties as set forth herein. Membership shall be appurtenant to ownership of the real estate giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except as provided in the Governing Documents.

(b) Member's Rights and Duties. Each Member shall have the rights, duties, and obligations set forth in the Governing Documents.

(c) Voting Rights. The Village Association shall have two classes of voting membership:

Class A. Class A Members shall be the Owners of Living Units, excluding Living Units owned by the Declarant. Class A Members shall be entitled to one vote per Living Unit.

Class B. Class B Member shall be the Declarant. The Class B Member shall have five votes for each Living Unit proposed and not conveyed to a bona-fide purchaser.

(d) Exercise of Vote. Votes may be exercised by a Member in person, by an attorney at law representing a Member pursuant to a written power of attorney or by another Member holding a written proxy. If the vote of any Member may be cast by more than one person, the vote of any such person shall conclusively be deemed to be the vote for all persons having an ownership interest in such Living Unit, or other property. Where there exists a dispute between those entitled to cast a vote, such dispute shall be resolved by vote of the owners entitled to cast such vote, with the majority prevailing. In the event such persons are unable to resolve such dispute do to the failure of a majority to agree, no vote will be cast for such Member.

2.3 The Board of Directors.

(a) Composition. The Members shall initially elect a Board of Directors which shall be composed of three (3) persons. Thereafter, the directors shall be elected at such times as provided in the By-Laws of the Village Association as contained in the Village Association Book.

(b) Power and Duties. The Board shall have the power, as well as the obligation to perform the following duties:

(1) Assessments: to fix, levy and collect Assessments as permitted herein.

(2) Executive Duties: to grant permanent or temporary permits as set forth in Article IV, Section 4.10.

(3) Employee: to employ, enter into contracts with, to engage or otherwise delegate authority to, and to supervise and control such persons or entities as are necessary to manage, conduct and perform the duties responsibilities and obligations of the Village Association.

(4) Property: to acquire, own, hold, improve, maintain, secure, pledge, convey, transfer or dedicate real or personal property including the power to grant and convey easements over and/or within the Common Area and Limited Common Areas for the benefit of the members, subject to the terms of section 3.2 hereof.

(5) Rules: to establish and publish rules and regulations dealing with the use of the land as provided in the Declaration and By laws of the Village Association.

(6) Enforcement of Governing Documents: to take all action as is reasonably necessary to enforce or effectuate any of the provisions of the Governing Documents including the power to hire counsel and/or bring suit.

2.4 Obligations of the Village Association.

(a) Management: The Village Association, subject to the rights of the Members set forth in this Declaration, shall be responsible for the management and control, for the exclusive benefit

of the Members, of the Common Areas conveyed to it and all improvements thereon (including furnishing equipment related hereto), and as provided herein shall keep the same in good, clean, attractive, and sanitary condition, order and repair in compliance with standards for a like community.

* (b) Maintenance The Village Association shall maintain the landscaped areas contained in the Common Areas and Limited Common Areas except the Terrace Areas, which are the responsibility of the Owner(s) of the Living Unit. The Village Association shall also maintain the elements of the storm water control system as shown on the Development Plan. This shall be deemed to be part of the maintenance of the Common Areas. The Village Association shall also be responsible for painting, staining, pointing all exterior wood and masonry surfaces and for the maintenance of the roofs, gutters and downspouts of all the Living Units. The Village Association shall not, however, be responsible for the maintenance of sky lights and related flashing, nor shall it be responsible for glass, windows, or doors. Despite Village Association's obligations hereunder for exterior maintenance, Village Association shall have no liability for any interior or property damage no matter what the cause, nor shall the Village Association be responsible for the payment of any insurance deductible amount.

(c) Snow Removal The Village Association shall be responsible for snow removal, (a) on walks leading from the Garage to the front door or each Living Unit and from all driveway and road surfaces within the Property.

ARTICLE III EASEMENTS

3.1 Members' Easements and Title to Common Areas.

Subject to the provisions of Section 3.2 of this Article, every Member shall have a right and easement of enjoyment in and to the Common Areas and any facilities erected upon such Common Areas, including, without limitation, all paved roadways and streets, whether dedicated or not, for the purposes of pedestrian or vehicular ingress, egress and regress to and from the property and such easement shall be appurtenant to and shall pass with the title to every Living Unit.

The Declarant may retain the legal title to the Common Area until seventy-five percent of all the proposed Living Units are sold or until 7 years after this Declaration is filed of record, whichever shall first occur, at which time Declarant shall transfer legal title to the Common Area to the Village Association, but regardless of actual title to such Common Areas, the provisions of this Article shall apply.

3.2 Extent of Members' Easements.

The Members' easement of enjoyment created hereby shall be subject to the following:

(a) The right of the village Association to establish reasonable fees for the use of facilities within the Common Areas.

(b) The right of the Village Association convey, dedicate or transfer all or any part of the Common Area, subject to the prior approval of the Class B Member, if any, the assent of seventy-five percent of the Members and the prior approval of East Brandywine Township. During that period when the Class B Member controls a majority of votes in the Village Association, the Declarant may not convey the Common Area to any individual or entity other than the Village Association itself or East Brandywine Township, except such conveyances as are necessary to correct or clarify title lines based on an "as built" survey.

(c) The right of the Village Association to regulate the use of portions of the Common Area and the Limited Common Areas for

the benefit of the Members.

(d) The rights of the Village Association to easements for use of the Common Area.

3.3 Township Right to Maintain.

In addition to any other right which may now exist or exist in the future, if the Village Association fails to maintain the Common Areas in good order and condition, the Township shall have the right, but not the obligation, upon giving the Village Association thirty (30) days written notice, to perform the necessary maintenance with the same rights as the Village Association has to collect the costs thereof from the Members as provided in the Declaration.

3.4 Easements granted to Village Association.

Each Owner hereby grants, and the Declarant hereby reserves for the Village Association an exclusive easement for the maintenance, upkeep, repair and replacement of any and all portions of the roof and exterior of the Living Units.

ARTICLE IV PROTECTIVE COVENANTS

4.1 Residential Use. All property designated for residential use shall be used, improved and devoted exclusively to residential use, subject to the terms of this Declaration and to the Master Declaration. Nothing herein shall be deemed to prevent the Owner from leasing a Living Unit to a single family, subject to all of the provisions of this Declaration and rules adopted by the Board of Directors.

4.2 Signs. No signs of any type shall be displayed to public view on any Living Unit, Garage, Limited Common or Common Area without the prior written consent of the Village Association. SIGNS

4.3 Window Treatments. The windows of all Units shall be decorated with window curtains which are lined with a plain white or off-white fabric, unless otherwise approved by the Architectural Review Committee.

4.4 Nuisances. No nuisance, as reasonably defined by the Village Association, shall be permitted to exist or operate in or around the Property so as to jeopardize property values or be detrimental to the well-being of the Members; provided, however, that nothing contained herein is intended or shall be construed, by implication or otherwise, to prevent the further development of property described in the, or added to the Master Declaration, by the owner or owners thereof, so long as such development shall be in compliance with all applicable governmental laws, ordinances, rules and regulations. Nothing in this provision, however, shall in any manner limit the powers granted by law as may either now exist or are hereinafter established in the Township with respect to control and abatement or any nuisance.

4.5 Conditions for Architectural Control. With the exception of work done by the Declarant, no improvement, additions, alterations, repairs, change of paint colors, landscaping, excavations, changes in grade or other work which in any way alters the exterior of any Living Unit, Garage, Limited Common Area, Common Area or the improvements located thereon from its natural or improved state, existing on the date the Property was first made subject to this Declaration or first conveyed to an Owner, shall be made or done without the prior approval of the Board of Directors or the Architectural Review Committee.

4.6 Leasing. No Living Unit shall be rented for an initial period of less than one year. No portion less than all of any living Unit shall be leased for any period. No Owner shall lease a Living Unit other than by use of a written form of lease requiring the lessee to comply with the Governing Documents, and any failure to so

comply with the Governing Documents shall constitute a default under the lease. The Board of Directors may provide a suggested standard lease form for use by Owners. Each Owner of a Living Unit shall promptly, following the execution of any lease of a Living Unit, forward a conformed copy thereof to the Board of Directors. The foregoing provisions of this subparagraph, shall not apply to the Declarant. *re lease*

4.7 Maintenance of Property. Each Owner shall keep the Limited Common Area, Terrace or Terraces appurtenant to his Living Unit in good order and free of debris, in a manner acceptable to the Village Association and consistent with the rules adopted by the Village Association.

4.8 Duty to Restore. In the event of any damage to or destruction of all or any part of a building, Living Unit, Garage or other improvements on the Limited Common or Common Areas, which damage or destruction is covered by insurance which either the Village Association or owner is obligated to obtain the party obligated to provide insurance shall promptly and diligently repair, replace and restore the structure and other improvements to the condition immediately before the damage or destruction. In the event of such damage or destruction, the Owner of the Living Unit shall be responsible for the payment of any and all insurance deductible amounts, together with the difference, if any, between the cost to repair or restore and the proceeds of insurance.

In the event of reconstruction or restoration necessitated by damage to or destruction of any Living Unit or Garage, such structure must be restored to the original drawings and specifications, except to the extent that changes are required by the Township to bring the structure into conformance with current building codes. Any exceptions or deviations must have the prior written approval of the Architectural Review Committee.

4.9 Rules. From time to time the Board of Directors shall adopt general rules to regulate potential problems relating to the use of the Common Area and the Limited Common Area, including but not limited to the keeping of animals, the storage and use of machinery, the use of outdoor drying lines, antennae, signs, trash and trash containers, mail boxes, and maintenance and removal of vegetation. General rules may only be adopted or amended by a majority vote of the Board of Directors. All such general rules and any subsequent amendments thereto shall be placed in the Association Book and shall be binding on all Members, except where expressly provided otherwise in such rule.

4.10 Exceptions. Subject to the right of the Master Association to overturn the same, the Board of Directors may issue permanent or temporary permits to except any prohibitions expressed or implied by this section, provided the Board can show good cause and acts in accordance with adopted guidelines and procedures. So long as the Declarant is engaged in developing or improving any portion of the Property, or any property described in or added to the Master Declaration, it or they shall be excepted from rules affecting movement, disposition and storage of building materials and equipment, erection and maintenance or directional and promotional signs and conduct of sales activities, including maintenance of model units. Such exemption shall, upon prior written notice thereof by the Declarant to such owner or owners, be subject to such informal rules as may be established by the Declarant to maintain reasonable standards of safety, cleanliness and general appearance of the Property, and to specific limitations on such activities as are contained in this Declaration.

ARTICLE V - Covenant for Assessment

5.1 Creation of a Change and Obligation for Assessments.

Each Owner of any Living Unit, by acceptance of a deed thereof, whether or not it shall be so expressed in such deed, is deemed to covenant, and agree to pay to the Village Association such General, Special, and Delinquency Assessments, as well as Improvement Levies as are established herein, which shall be paid in the manner set forth herein.

All such assessments or levies together with interest thereon and costs of collection thereof as hereinafter provided, shall be a charge or lien on the land against which each such assessment or levy is made, as of the date of such assessment or levy. In the case of a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for any unpaid assessments, levies and/or charges, without regards to the right of the grantee to recover from the grantor the amounts paid by the grantee. An owner shall not be relieved of his obligations by non-use of the Common Area or abandonment of his Living Unit.

5.2 Types of Assessments

(a) General Assessments

The General Assessment shall be used exclusively to promote the health, safety, and welfare of the Members and in particular to improve, maintain, secure, and operate the Common Areas and Limited Common Areas, including all storm water management facilities, and the provisions of such other services as the Village Association is required to provide either by Township, Master Association, or by the terms of this Declaration (excluding services funded under other Assessments), and the funding of appropriate reserves for future repair and maintenance for the Common Facilities as outlined in this Declaration or may be approved by the Board of Directors. The General Assessment shall also be used to provide for insurance coverage as the Board may authorize, exterior maintenance of the Living Units, including roof maintenance, and the establishment of appropriate reserves for future repairs and replacements in connection with such maintenance. The General Assessment shall be in addition to any assessments assessed by the Master Association.

By a vote of a majority of the Directors, the Board shall fix the General Assessment in an amount sufficient to meet the obligations imposed by the Declaration. In the event the Board fails to fix an assessment established for any fiscal year, then each assessment established for the prior year shall automatically be continued until such time as the Board acts.

(c) Special Assessments

The Village Association may levy a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, providing that any such assessment shall approved by a vote of two thirds (2/3) of the Members.

(d) Delinquency Assessment

The Village Association may levy a special assessment to be known as a Delinquency Assessment against any Owner, when there has been demonstrated a chronic or deliberate disregard by such person for any of the Rules, Regulations, or Covenants affecting the Property, including but not limited to the payment of nay assessments. Such Delinquency Assessments shall be levied only by the Directors of the Village Association, shall require that notice of intent to make the levy shall have been sent to the party to be assessed at least five (5) days prior to levy, shall not exceed \$5 per day, beginning with the date notice is sent, shall be collectable as other assessments

provided for herein and shall be construed as recompense for the extra time, trouble and expense connected with enforcing rules and regulations against persons who persistently violate same.

5.3 Method of Assessment

All assessments shall be levied by the Village Association and collected and disbursed by the Village Association. The Board of Directors shall fix the amount to the assessments and levies as provided hereinafter and set the date or dates on which such assessments and levies shall become due.

(a) The General Assessment shall be assessed against all Class A Members. The General Assessment shall not be assessed until the first of the month after the day which is ninety (90) days after the first conveyance of a Living Unit to an Owner.

(b) The Special Assessment may be assessed against all Class A Members. There will be no special assessment during the period of three (3) years following the recording of this Declaration.

(c) The Delinquency Assessment may be assessed against any Class A Members.

5.4 Lien of Assessment

Each assessment levied pursuant to this Declaration shall constitute a lien on the real estate to which such assessment pertains.

5.5 Effect of Nonpayment of Assessment and Remedies of the Village Association:

Any assessment installment not paid with fifteen (15) days after the due date shall be delinquent and shall bear interest at the then maximum lawful rate of interest. Thereupon, the Village Association will provide Notice of such delinquency and may bring an action at law to collect the same, or foreclose the lien against the property, and in the latter case, the Village Association may proceed to foreclosure in the same manner as provided for mortgages by an action of mortgage foreclosure.

5.6 Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subject and subordinate to the lien of any mortgage or mortgages held by an Approved Mortgagee now or hereafter encumbering any Living Unit. Sale or transfer of any Living Unit shall not affect assessment liens. However, the sale or transfer of any Living Unit pursuant to mortgage foreclosure or any deed or proceeding in lieu of foreclosure by an Approved Mortgagee (other than foreclosure by the Village Association of its own assessment liens) shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, except for claims for a share of such assessments resulting from a re-allocation thereof among all Owners and Living Units including the Living Unit so sold. No sale or transfer shall relieve such Living Unit from liability for any assessments thereafter becoming due or from the lien thereof.

5.7 Delegation of Collection

The Directors of the Village Association may delegate the collection of any Assessment to the Master Association or to any professional management company.

5.8 Initial Capital Contribution

At the Time of the initial conveyance of each Living Unit the purchaser of such Living Unit shall make a non-refundable capital contribution to the Village Association in the amount of two times the then current monthly General Assessment. Such funds shall be used by the Village Association solely for capital expenditures.

ARTICLE V INSURANCE

6.1 Liability Insurance

Insurance

All insurance required pursuant to the agreement may be by joint policy with the Master Association and/or with any Village Association bound by the Master Declaration. The Village Association shall continuously maintain, to the extent reasonable obtainable, public liability insurance to cover the Common Area and the Limited Common Areas for a limit of not less than \$1,000,000.00 for bodily injury, personal injury and property damage for each person, except such insurance shall not cover the liability of any Owner for acts occurring solely within his Living Unit or away from such Living Unit.

6.2 Property Insurance

The Village Association shall provide, to the extent reasonably obtainable, property insurance covering all Living Units, Garages, insurable Common Area and Limited Common Areas and structures thereon located, other than structures erected by an owner other than the Declarant and any personal property of the Village Association against "all risks" of direct physical loss as normally defined by insurance companies. Coverage on Living Units and Garages shall include fixtures, machinery and equipment constituting a permanent part of and pertaining to the service of the building including permanent floor covering and major appliance for refrigerating, ventilating, cooking, dishwashing, and laundering, provided that such items were installed in the course of constructing such Living Unit or Garage. Such insurance shall exclude, however, any furniture, furnishings, or other personal property whatsoever of any Living Unit Owner or tenant or occupant wherever located. The amount of insurance shall be equal to full replacement value of all Living Units, Garages, and improvements on the Common Areas.

6.3 Named Insureds.

Westlake Homeowners' Association, Inc. and the Master Association as trustee shall be Named Insureds in all such policies, and losses, if any, shall be adjusted with the Master Association and shall be payable to the Master Association as insurance trustee which shall distribute the same to those parties, including Approved Mortgagees as their respective interests may appear.

6.4 General Insurance Decisions.

All policies of insurance required under this Article VI shall (i) provide that all adjustments of loss on property damage policies shall be made only by the Village Association; (ii) contain waivers by the insurer of its right of subrogation against any Living Unit Owner; (iii) that the coverage afforded to any and all other named insureds or persons otherwise covered or benefited by such policies shall not be affected by the acts of omissions of anyone or more named insureds or persons otherwise covered or benefited thereby; (iv) provide that they shall not be cancelled without at least ten (10) days prior written notice to all named insureds and interested mortgagees; (v) provide that the coverage afforded thereby shall protect the Village Association against suits on Swimming Pool risks, if applicable; (vi) provided that the coverage afforded thereby shall not be affected or diminished or result in contribution by reason of any additional insurance separately carried by any Living Unit Owner as permitted by this Article. Evidence of all such insurance policies and renewals shall be delivered by the insurers (at least ten (10) days prior to the renewal in case of each renewal) to the Village Association. No Living Unit Owner shall do or permit any act which would void or impair the coverage afforded by said policies or would result in an increase in the premium therefore and shall be liable to the Village Association for the amount of any such action or increase.

6.5 Separate Insurance by Living Unit Owners.

The provisions of this Article shall not be construed to prohibit any Living Unit Owner from carrying separate insurance for

his own benefit to cover personal property or other special improvements contained in his or her Living Unit, Terrace, Garage or within the Limited Common Area adjacent to his or her Living Unit, including personal liability insurance covering liabilities occurring solely in such Living Unit, Terrace, Garage, or adjacent Limited Common Area or away from the such property, which liability will not be covered by the insurance to be carried by the Village Association under this Article. All of such policies shall waive subrogation and provide that the insurance carried thereunder shall not affect, alter or diminish the coverage under the policies being carried by the Village Association.

ARTICLE VII - Party Walls

7.1 General Rules of Law to Apply.

Each wall which is built as a part of the original construction of the Living Units upon the Living Units and placed on the dividing line between the Living Units, shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereon.

7.2 Rights of Owners

The users of contiguous Limited Common Areas who have a party wall or party fence shall both equally have the right to use such wall or fence, provided that such use by one Owner does not interfere with the use and enjoyment of same by the other Owner.

Notwithstanding any provision herein, there shall be no impairment of the structural integrity of any party wall without the prior consent of all Owners of any interest therein, the Village Association, and the Township of East Brandywine, whether by way of easement or in fee.

7.3 Right to Contribution Runs with Land.

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

7.4 Disputes.

In the event of any dispute arising concerning a party wall, such dispute shall be submitted to the Board of Directors for resolution pursuant to the formal hearing process that is part of the Association Book.

7.5 Easement.

The Village Association and the Owner of each Living Unit is hereby granted a maintenance easement on and over each and every Living Unit, Limited Common Area, and Common Area which is adjacent to such Living Unit for all building and roof overhangs, projections, fireplace walls and other portions of the Owner's building which extend or project into, onto or over such adjacent Living Units, Limited Common Area, and Common Area.

ARTICLE VIII SPECIAL PROVISIONS

8.1 Title to Living Units

The initial conveyance of the Living Units may be by deed describing such Living Unit solely by reference to the unit number on the Development Plan. The description shall be deemed to convey only that part of the real estate to the exterior of the foundation walls and through the middle of party walls of the Living Unit. Upon the completion of the various phases of the development of Westlake Village, the Declarant, shall cause to be prepared an "as built" survey of the completed Living Units as applicable. The description of the completed Living Units contained in such "as built" survey shall be deemed to control in all issues regarding title to the real estate on which such unit is located, and shall supersede any prior

description. All deeds after the filing of the "as built" surveys shall be deemed to refer to the applicable survey.

8.2 Designation of Terraces, and Limited Common Areas

The Declarant reserves the right to designate, from time of time, within the Property, such areas as will be Terraces, and Limited Common Areas. Such designation shall be by reference to a plan or survey. At such time as the applicable "as-Built" survey has been completed, such Terraces, and Limited Common Areas shall be more accurately described. The description of such Terraces, and Limited Common Area contained in such "as-built" survey shall be deemed to control in all issues regarding title to the subject real estate and shall supersede any prior descriptions. All deeds after the filing of the "as-built" survey shall be deemed to refer to the applicable survey.

8.3 Resales.

(a) Reference to Declaration. The deed or instrument transferring title to any Living Unit shall contain a provision incorporating by reference the covenants, easements and restrictions set forth in this Declaration.

(b) Notification. The Seller of a Living Unit shall notify the Board of Directors of his intent to sell the Living Unit so that an Estoppel Certificate may be prepared.

(c) Estoppel Certificate. Within ten (10) days of the receipt of such notification, the Board shall prepare an Estoppel Certificate which shall set forth any assessments and charges due upon such Living Unit at time of conveyance and certify as to whether or not there are violations of the Governing Documents remaining on the Limited Common Area and Living Unit as of the date of preparation of such Certificate. This Certificate shall be mailed to the place designated by the recipient. Payment of outstanding assessments, if any, and a reasonable charge to cover the cost of providing such Certificate shall be transmitted directly to the Village Association by the closing attorney or title company.

(d) Governing Documents. It shall be the responsibility of the Seller of any Living Unit to provide the Buyer of said Living Unit with a complete set of current Governing Documents at the time of signing an Agreement of Sale for said Living Unit.

(e) Separate Sale of Garage. Because a Garage is deemed for all purposes to be an integral part of the Common Area, no Garage or shall be leased, sold, conveyed, mortgaged or encumbered. Any attempt to do so shall be null and void.

ARTICLE IX GENERAL PROVISIONS

9.1 Duration.

The covenants and restrictions of this Declaration shall run and bind the land until expressly terminated by an instrument signed by Owners of not less than seventy-five percent of the Living Units and approved by the Township.

9.2 Amendment and Termination.

While the Class B membership exists, the Declarant or the Village Association may amend this Declaration, including those amendments required by the Township, any governmental agency or body, the Title Insurance Company or the Construction Lender by the execution and recordation of such amendment, following notice to all members other than the Declarant. Any amendment must be in accordance with the final subdivision plan as approved by Township, as well as any and all governing ordinances of the Township.

Three (3) years after the recording of this Declaration, any amendment or termination shall be accompanied by a document signed by Owners of not less than seventy-five percent of the Living Units,

as well as the consent of the Township and the Master Association. An amendment must be recorded in order to become effective.

9.3 Amendment of the Master Declaration

This Declaration shall be subordinate at all times to the terms and conditions of the Master Declaration and any amendment thereto.

9.4 Enforcement.

The Master Association, the Village Association, any Member of the Village Association, Occupant, or first Mortgagee, as their interests, may appear, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservation, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure to enforce any covenants or restriction herein contained shall in no event be deemed a waiver of the right to do so. Further, the Township shall have all rights of enforcement as otherwise set forth herein above, and further, any and all rights of enforcement which may now exist or may hereinafter be established by law.

9.5 Rights of Institutional Lenders.

In order to induce institutional lenders to make loans secured by liens upon units or lands within the Property, the Village Association shall not without prior consent of at least whatever percent of first mortgagees of individual units as required by federal agencies and two-thirds (2/3) of Owners other than the Declarant:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common property owned directly or indirectly. Public utility easements or public purpose easements consistent with common property use are excepted;

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(c) By act or omission, change, waive or abandon regulations or enforcement pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of the common property party walks, or common driveways, or the upkeep of lawn and plantings;

(d) Fail to maintain fire and extended coverage on insurable common property on a basis as required by federal agencies having an interest in the property; and

(e) Use hazard insurance proceeds for losses to common property for other than the repair, replacement or reconstruction of such common property.

Also, as part of the aforementioned inducement to institutional lenders, the Village Association shall:

(a) Not make liable any first mortgagee who obtains title to a unit pursuant to the remedies provided in the mortgage or foreclosure for such unit's unpaid dues or charges which accrue pursuant to the acquisition of title to such unit by the mortgagee.

(b) Allow first mortgagees of Living Units to jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against common property and pay overdue premiums on hazard insurance policies, or secure new hazard insurance policies on the lapse of a policy for such common property and first mortgagees making such payments shall be owed immediately reimbursement therefor from the Village Association.

(c) Give written notification, upon written request, to any first mortgagee at the address designated in the request of any default in the performance by any individual unit mortgagor.

(d) Limit any agreement for professional management or any contract providing for services from or by the developer to that

required by any federal agencies and provide for termination in accord with standards of federal agencies. Any management agreement shall remain consistent with the constituent documents of the properties.

9.6 Certain Rights of Declarant.

For such time as the Declarant is engaged in development, construction and sales activity within the The Villages at Timber Lake Community, its rights and interests shall not be prejudiced by any of the following unless it shall, in writing, join in such actions.

There shall be no amendments to the Governing Documents which:

(a) Discriminate or tend to discriminate against its rights as an Owner.

(b) Change Article I, DEFINITIONS, in a manner which alters its rights or obligations.

(c) Alter its rights under Article II.

(d) Alter the rights of membership or the rights of the Declarant as set forth in this Declaration of Covenants, Easements and Restrictions.

(e) Alter previously recorded or written agreements with public or quasi-public agencies as regards easements and rights of way.

(f) Deny the right to convey Common Areas to the Village Association so long as such Common Areas lie within the land area represented in the Development Plan.

(g) Alter the basis for any assessment.

(h) Alter the provisions of the protective covenants as set forth in Article in Article VIII.

(i) Alter the Declarant's rights as they appear under this Article.

9.7 Limitations.

As long as the Declarant has an interest in developing any part of the Property or any property described in the Master Declaration as defined in Article I hereof, the Village Association may not use its financial resources to defray any costs of opposing the development activities as long as they remain consistent with the general intent of the Development Plan. Nothing in this Section shall be construed to limit the rights of the Members to act as *an association*

9.8 Flexibility of Development.

Nothing contained herein shall be construed to require the Declarant to develop the Westlake Village Parcel, or any part thereof or to convey any part of the Villages at Timber Lake. Declarant and/or the Village Association shall have the right to change the location, size or permitted use of any part of the Common Areas or any easement or part thereof over any part of the Property at any time, provided that no such change shall interfere with access to any Limited Common Area or the reasonable use of the Common Areas by the Owners of Living Units. No such change, however, shall occur without prior approval by the Township.

9.9 Severability.

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

9.10 Conflict.

In the event of conflict among the Governing Documents, the Declaration shall control, then the Articles of Incorporation of the Village Association, then the By-Laws, and the Book of Resolutions; except that in all cases where the Governing Documents may be found to be in conflict with statute, the statute shall control.

9.11 Interpretation.

Unless the context otherwise requires the use herein, the singular shall include the plural and vice versa; the use of one

gender shall include all genders; and the use of the term "including" shall mean "including, without limitation". The headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing any substantive provisions thereof.

IN WITNESS WHEREOF, the Declarant, Timber Lake Development Corporation, a Pennsylvania corporation, has caused these presents to be duly executed this _____ day of _____, 1988.

TIMBER LAKE DEVELOPMENT CORPORATION

ATTEST:

_____ By: _____

STATE OF PENNSYLVANIA

COUNTY OF CHESTER

On this _____ day of _____, 1988, before me, the undersigned offices, personally appeared David B. Yarnall, who acknowledged himself to be the President of the Within corporation, and that he, as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

Notary Public

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