

BY-LAWS

BY-LAWS OF COUNTRY CLUB VALLEY ASSOCIATION, INC.

ARTICLE I - NAME AND PURPOSE

1. The names of this Corporation shall be COUNTRY CLUB VALLEY ASSOCIATION, INC., (hereinafter "Corporation"). The purpose of this Corporation shall be in words of the Charter:

"To own real property and recreational facilities and to act as the legal entity by and through which the owners of COUNTRY CLUB VALLEY, as a Cluster Residential Development, exercise, administer and enforce their rights and duties as set forth and/or required by the By-Laws, Article VII of the Pennsylvania Municipalities Planning Code and Ordinance No. of Valley Township, Chester County, Pennsylvania".

2. There may be conveyed to the Corporation by KCH DEVELOPERS, INC., certain land consisting of recreational, open space and other improvements, as shown in the Final Plan on file with Valley Township.

Attached to these By-Laws is a copy of a Final Plan of COUNTRY CLUB VALLEY which shows the proposed recreational, open space and other improvements which may be conveyed to the Corporation in connection with the development of COUNTRY CLUB VALLEY. Persons from time to time owning a Unit in COUNTRY CLUB VALLEY shall be a member of the Corporation as set out hereinafter.

ARTICLE II-SEAL

1. The Corporate Seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Pennsylvania".

ARTICLE III - MEMBERS

1. Every owner of a Unit in COUNTRY CLUB VALLEY, shall be a member of this Corporation. Certificates of membership shall be issued so that membership will be identical to the record title to each Unit in COUNTRY CLUB VALLEY. If more than one person or entity are in title to a Unit, the Unit owners shall have the right to only a single membership.

2. Membership and the Certificate shall be transferred with the record ownership of a Unit and all rights and obligations of the former owner shall inure to the assignee, vendee, heir or devisee of a Unit owner. Upon receiving knowledge of the transfer or ownership of a Unit, the Directors of the Corporation shall cause a certificate to be issued to the new owner or owners. In the event of a foreclosure sale, membership shall be transferred to the purchaser at the foreclosure sale.

3. At all meetings of the Corporation, only one vote per a member may be cast. When a certificate is held by joint tenants or tenants-in-common, all tenants must concur in voting; otherwise the vote shall not be counted.

4. Membership in this Corporation is not transferable or assignable except upon passage of title to a Unit.

ARTICLE IV - MEETINGS OF MEMBERS

1. Meetings of the members shall be held at such place or places, either within or without the Commonwealth of Pennsylvania as may from time to time be fixed by the Board of Directors.

2. The annual meeting of the members shall be held on the third Saturday of January in each year when they shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

3. Special meetings of the members may be called at any time by the President, or the Board of Directors, or members entitled to cast at least ten percent (10%) of the votes which all members are entitled to cast at the particular meeting.

At any time, upon proper written request for a special meeting, it shall be the duty of the Secretary to fix the time of the meeting which shall be held not more than thirty (30) days after the receipt of the request. Business transacted at all special meetings shall be confined to the purposes stated in the call and matters germane thereto.

4. Written notice of every meeting of the members, stating the time, place and purpose thereof, shall be given by, or at the direction of, the Secretary to each member of record entitled to vote at the meeting, unless a greater period of notice is required by statute in a particular case. In the case of a special meeting, the notice shall specify the general nature of the business to be transacted.

5. A meeting of members duly called shall not be organized for the transaction of business unless a quorum is present. The presence in person of fifty percent (50%) of the members entitled to vote shall constitute a quorum at all meetings of the members for the transaction of business. The members present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided by statute, adjourn the meeting to such time and place as they may determine, but in the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing Directors. In the case of any meeting called for any other purpose, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of acting upon any resolution or other matters set forth in the notice of the meeting, if written notice of such second adjourned meeting, stating that those members who attend shall constitute a quorum for the purpose of acting upon such resolution or other matter, is given to each member of record entitled to vote at such second adjourned meeting at least ten (10) days prior to the day named for the second adjourned meeting.

6. Upon request of a member, the books or records of membership shall be produced at any regular or special meeting of the Corporation. If at any meeting the right of a person to vote is challenged, the presiding officer shall require such books or records to be produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be members entitled to vote may vote.

7. Voting may be in person or by written proxy.

8. In advance of any meeting or members, the Board of Directors may appoint judges of election, who need not be members to act at such meeting or any adjournment thereof. If judges of election have not been appointed, the presiding officer of any such meeting may, and on the request of any member shall, make such appointment at the meeting. The number of judges shall be one or three. No person who is a candidate for office shall act as a judge.

ARTICLE V - DIRECTORS

1. The business and affairs of this Corporation shall be managed by its Board of Directors, five (5) in number, who shall be natural persons of full age and who shall be Unit Owners in COUNTRY CLUB VALLEY. They shall be elected by the members at the annual meeting of members of the Corporation, and each director shall be elected for the term of one year and until his successor shall be elected and shall qualify. KCH DEVELOPERS, INC., Developer of COUNTRY CLUB VALLEY shall be the sole Director of the Corporation until such time that the open space and other required improvements have been completed by him and approved by the Township of Valley. After said approval, the business and affairs of this Corporation shall be managed by the Board of Directors as described herein.

2. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles or by these By-Laws directed or required to be exercised or done by the members.

3. The meetings of the Board of Directors may be held at such times and at such place or places within this Commonwealth, or elsewhere, as a majority of the Directors may from time to time appoint, or as may be designated in the notice calling the meeting.

4. Written or personal notice of every meeting of the Board of Directors shall be given to each director at least five (5) days prior to the day named for the meeting.

5. A majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. Any action which may be taken at a meeting of the Directors may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the Directors in office and shall be filed with the Secretary of the Corporation.

6. The Board of Directors shall serve without compensation.

7. The entire Board of Directors, or any individual Director, may be removed from office without assigning any cause by the vote of members entitled to cast at least a majority of the votes which all members present would be entitled to cast at any annual or other regular election of the Directors. In case the Board or any one or more Directors are so removed, new Directors may be elected at the same meeting.

8. The Board of Directors may declare vacant the office of a Director if he is declared of unsound mind by an order of the court or is convicted of a felony, or if within sixty (60) days after notice of his selection, he does not accept such office either in writing or by attending a meeting of the Board of Directors.

9. Vacancies in the Board, other than vacancies created by removal by majority vote of the Shareholders, shall be filled by a majority of the remaining members of the Board of Directors, though less than a quorum, until the next annual meeting.

ARTICLE VI - OFFICERS

1. The Officers of the Corporation shall be chosen by the Board of Directors, and shall be a President, Vice-President, Secretary, Treasurer and such other officers and assistant officers as the needs of the Corporation shall require. The President and Secretary shall be natural persons of full age; the Treasurer, however, may be a Corporation, but if a natural person, shall be of full age. They shall hold their offices for a term of one year and shall have such authority and shall perform such duties as are provided by the By-Laws and as shall from time to time be prescribed by the Board of Directors. It shall not be necessary for the Officers to be Directors and any number of offices may be held by the same person. The Board of Directors may secure the fidelity of any or all such Officers by bond or otherwise.

2. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

3. The President shall be the chief executive officer of the Corporation; he shall preside at all meetings of the members and directors; he shall have general and active management of the affairs of the Corporation; shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the Directors to delegate any specific powers, except such as may be by statute exclusively conferred on the President to any other officer or officers of the Corporation. He shall execute all contracts and other documents requiring a seal, under the seal of the corporation. He shall be EX-OFFICIO, a member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of the President.

4. The Vice-President shall act in all cases for and as the President in the latter's absence or incapacity, and shall perform such other duties as he may be required to do from time to time.

5. The Secretary shall attend all sessions of the Board and all meetings of the members and act as clerk thereof, and record all the votes of the Corporation and the minutes of all its transactions in a book to be kept for that purpose; and shall perform like duties for all committees of the Board of Directors when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the corporate seal of the Corporation, and when authorized by the Board, affix the same to any instrument requiring it.

6. The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, and shall keep the monies of the Corporation in a separate account to the credit of the Corporation. He shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

ARTICLE VII - VACANCIES

1. If the office of any officer or agent, one or more, becomes vacant for any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired term in respect of which such vacancy occurred.

ARTICLE VIII- BOOKS & RECORDS

1. The Corporation shall keep minutes of all meetings of the members and the Directors, and the original of its By-Laws, including all amendments thereto to date, certified by the Secretary

of the Corporation, and a membership register, giving the names of the members and showing their respective addresses and the class and other details of the membership of each. The Corporation shall also keep appropriate, complete and accurate books or records of account. The records provided for herein shall be kept at either the registered office of the Corporation in this Commonwealth, or at its principal place of business wherever situated.

2. Every member shall, upon written demand under oath stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the membership register, books and records of account, and records of the proceedings of the members and Directors, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonable related to the interest of such person as a member. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the member. The demand under oath shall be directed to the Corporation at its registered office in this Commonwealth or at its principal place of business wherever situated.

ARTICLE IX - MEMBERSHIP CERTIFICATES

1. Membership in the Corporation shall be evidenced by a Membership Agreement. The fact that the Corporation is a nonprofit corporation shall be noted.

ARTICLE X - ASSESSMENTS

1. At least annually, the Board of Directors shall levy equal assessments against each Unit owner to obtain funds for the following purposes: (a) salaries, expenses and benefits for corporate employees; (b) the operation, maintenance, repair, improvement and development of the property of the Corporation; (c) the payment of taxes imposed by any governmental body upon the property of the Corporation; (d) the payment of premiums for such insurance as the Directors may deem necessary, including liability insurance; (e) the payment for legal and accounting services; and (f) other proper expenses of the Corporation, provided however, that any assessment in excess of \$ for the year 1988 and an amount in excess of the cumulative value of 20% added per annum thereafter, per Unit Owner in any one (1) year shall be made only if authorized by the affirmative vote, in person or by proxy, of a majority of the Unit Owners. Members shall receive at least ten (10) days written notice of the time and place of the meeting.

2. The Directors shall have authority to collect and enforce the collection of all assessments provided for herein. Assessments shall be due upon the date set forth in the notice of assessment, or in the absence of such date, upon the date of the mailing of the notice of assessment. If any assessment is not paid within thirty (30) days of the mailing of the notice of assessment, the delinquent member shall be mailed a notice of delinquency. If any assessment remains unpaid five (5) days after the mailing of a notice of delinquency, the Directors shall charge and assess costs (including a reasonable attorney fee), fines and interest at the rate of ten (10) percent per annum or the then prime bank rate, whichever is higher, for the late payment or nonpayment thereof and may enforce payment of said assessment, costs, fines and interests by any legal means.

3. Special Assessments

(a) In addition to the annual assessments authorized by this Article, the Corporation shall levy a special assessment to be divided into equal shares and assessed to all members;

(b) The special assessment may be levied only to provide for capital improvements to the open space and other designated improvements as shown on the recorded Final Plan, or in the event that the fund created by the regular annual assessment, under Article X, paragraphs 1 and 2 shall be insufficient to pay the necessary costs of regular maintenance required by "COUNTRY CLUB VALLEY". All capital improvements shall accrue and be available to all Members;

(c) The Corporation shall have all powers to collect special assessments in the same manner as the annual assessments set out in paragraph 2 above.

(d) The amount of the special assessments shall be limited to the costs of improvements and/or expenses for which the special assessment was levied and any amount collected in excess of the costs of the improvement and/or expenses be returned to the Members on a pro-rata basis, in equal shares.

ARTICLE XI - TRANSACTION OF BUSINESS

1. The Corporation shall neither purchase real property nor sell or mortgage, or otherwise dispose of its real property, unless authorized by a vote of two-thirds of the Members.

2. All checks or demands for money and notes of the Corporation shall be signed by such Officer or Officers as the Board of Directors may from time to time designate.

ARTICLE XII - ANNUAL REPORT

1. The Board of Directors shall present annually to the members an audited statement prepared by a Certified Public Accountant.

This report shall be filed with the minutes of the meeting of members.

ARTICLE XIII - NOTICES

1. Whenever written notice is required to be given to any person, it may be given to such person, either personally or by sending a copy thereof by first class mail, postage prepaid, or by telegram, charges prepaid, to his address appearing on the books of the Corporation, or, in the case of Directors, supplied by him to the Corporation for the purpose of notice. If the notice is sent by mail or by telegraph, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office for transmission to such person. A Notice of Meeting shall specify the place, day and hour of the meeting and any other information required by Statute or these By-Laws. When a special meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

2. Whenever any written notice is required to be given under the provisions of the Statute or the Articles or By-Laws of this Corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV - MISCELLANEOUS PROVISIONS

1. The fiscal year of the Corporation shall begin on the first day of January of each year.
2. One or more persons may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

ARTICLE XV - DEFINITIONS

1. The term "Unit Owners" as used herein shall mean the person, persons or entity owning a Unit of real property in COUNTRY CLUB VALLEY.
2. The term "Unit" as used herein shall mean a single family dwelling unit.

ARTICLE XVI - RULES

1. The Board of Directors shall adopt, from time to time, Rules for the use and operation of the recreational facilities and open space. Copies thereof shall be delivered to all Unit Owners and upon amendment, said amendment shall be promptly delivered to all Unit Owners. The Rules, as the same may be amended from time to time shall be binding upon all Unit Owners, their lessees, users, guests, heirs, successors, personal representatives and assigns. The acceptance of a Deed or Lease or the act of occupancy or use of a Unit shall constitute an Agreement to be subject to and be bound by the Rules.

ARTICLE XVII - AMENDMENTS

1. By-Laws may be adopted, amended or repealed by the vote of members entitled to cast at least a majority of the

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votes which all members present are entitled to cast thereon at any regular or special meeting duly convened after notice to the members of that purpose.

COUNTRY CLUB VALLEY ASSOCIATION, INC.
MEMBERSHIP AGREEMENT

WHEREAS, COUNTRY CLUB VALLEY ASSOCIATION, INC., a non-profit corporation (hereinafter called CORPORATION), will exist under the laws of the Commonwealth of Pennsylvania, may hold title to certain parcel or parcels of land situated in Valley Township, Chester County, Pennsylvania, designated as Open Space and Other designated improvements in Ordinance No. of Valley Township, the approximate location of which is shown on a Final Plan dated: JUNE 13, 1959, a copy of which is on file with Valley Township; and

WHEREAS, an Agreement between Corporation and KCH DEVELOPERS, INC. will set forth the terms and provisions concerning the possible conveyance to Corporation; and,

WHEREAS, said Open Space and other designated improvements if conveyed will be held and improved by said Corporation which includes open spaces, including fields, woodlands, ponds, streams, and water courses traversing them, etc. and as setforth on the aforementioned Final Plan; and

WHEREAS, Corporation, if the Open Space and other designated improvements is conveyed, as aforesaid, through its members will control and be responsible for the use, operation, maintenance and development of said Open Space and other designated improvements; and

WHEREAS, Corporation intends to rely upon the assessment of its members to obtain the necessary funds for the operation, maintenance and development of the Open Space and other designated improvements; and

WHEREAS, the directors of Corporation may assess members pursuant to the By-Laws of Corporation, so as to obtain funds for the proper purposes of the same, including but not limited to: payment of real estate taxes, the development, repair and maintenance of the Corporation's property, the payment for salaries, insurance, legal and accounting services, and such other purposes as may from time to time be authorized and proper.

NOW THEREFORE, in consideration of the conveyance by KCH DEVELOPERS, INC. to the undersigned of Lot No. , situated in COUNTRY CLUB VALLEY, the undersigned, for themselves, their heirs, executors, administrators and assigns, hereby covenant and agree with KCH DEVELOPERS, INC., the Grantor, its successors and assigns, and with Corporation and of any other person who becomes the owner of any land situated in COUNTRY CLUB VALLEY as follows:

1. To become a full member of Corporation on the basis of One (1) vote per dwelling Unit.

2. To pay upon written notice in accordance with the By-Laws of Corporation, and amount of not more than

DOLLARS per year in the year 1988 which amount may be expanded by the Developer or the Corporation at a rate not more than 20% per year, unless otherwise authorized by an affirmative vote of a majority of the membership, all such assessments to be made in accordance with the By-Laws of the Corporation as they may be amended at the time of such assessments.

3. To accept the provisions of the By-Laws now constituted or hereafter amended. Copies of said By-Laws have been delivered to me and receipt thereof is hereby acknowledged.

4. To transfer our shareholders' certificate of membership in the Corporation to our subsequent grantees.

5. To secure the agreement from any purchasers or transferees from the undersigned to become a member of the Corporation and to provided in any Agreement of Sale or other document transferring an interest in the premises a provision for such grantees, purchasers or transferees to agree to join Corporation.

IN WITNESS WHEREOF, the undersigned intending to be legally bound, have hereunto set their hands and seals this *6TH* day of *APRIL* 1988.

K. C. Helling (SEAL)

_____ (SEAL)

WITNESS:

C. E. Fulmer

(2) By a Corporation ---

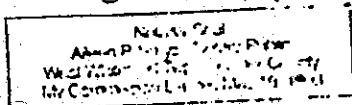
State of PENNSYLVANIA
County of CHESTER

On this, the 10TH day of MAY,
1990, before me _____, the
undersigned officer, personally appeared K.C. HELLINGS,
who acknowledged himself to be the PRESIDENT of
KCH DEVELOPERS INC, a corporation, and that
he as such PRESIDENT, being
authorized to do so, executed the foregoing instrument for the
purpose therein contained by signing the name of the corporation
by himself as PRESIDENT.

In witness whereof, I hereunto set my hand and official seal.

K C Hellings
W President
Title of Officer

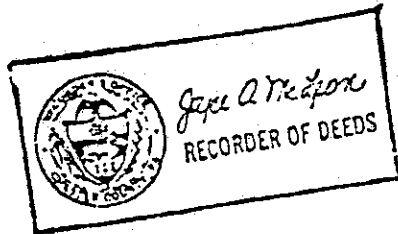
Alison P. ...
5-10-90



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RECORDER OF DEEDS
CHESTER COUNTY, PA.

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CW
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AMENDMENTS

FIRST AMENDMENT TO DECLARATION OF COVENANTS
AND RESTRICTIONS FOR COUNTRY CLUB VALLEY

WHEREAS, Country Club Valley Association, Inc. (the "Association"), a Pennsylvania non-profit corporation, was created under and subject to the Declaration of Covenants and Restrictions of Country Club Valley (the "Declaration"), recorded in the Office of the Recorder of Deeds of Chester County at Book 1994, Page 079, et seq., and those certain Articles of Incorporation filed with the Pennsylvania Department of State, Corporation Bureau, on July 26, 1990; and

WHEREAS, the Association is comprised of Members who are all of the Owners of the Lots and Living Units comprising the Association; and

WHEREAS, the Members wish to amend the Declaration; and

WHEREAS, the Members assembled at their annual meeting on January 15, 1993 have, by majority vote of the Members, voted to adopt this First Amendment to the Declaration; and

WHEREAS, the Members have authorized the President and Secretary of the Board of Directors of the Association (the "Board") to execute this First Amendment, and record it in the Office of the Recorder of Deeds of Chester County on behalf of the Association and the Owners;

NOW THEREFORE, BE IT RESOLVED, the Declaration of Covenants and Restrictions for Country Club Valley is hereby amended as follows:

I. Declaration Article VII, Section 3, shall be stricken, and in its place the following shall be set forth:

Section 3. No construction, including excavation or site preparation shall begin upon any Lot, residence or accessory building nor shall any major alterations be made to the exterior of any existing building, until the plans and specifications showing size, shape and, floor plans, have been submitted to and approved by the Board of Directors. The intent of such approval is to insure that all structures at Country Club Valley exist in general harmony and character with each other and the topography, vegetation and other natural features.

II. Declaration Article VII, Section 4, shall be stricken, and in its place the following shall be set forth:

Section 4. The following uses and improvements are prohibited or restricted unless specifically permitted with the prior written approval of the Board of Directors. The Board of Directors may only grant approvals of those restricted uses and improvements described in this Section 4, paragraphs a, d, e, l, m, o,

a. Fences and Barriers: No fence, hedge, or other continuous obstruction or barrier of like nature, shall

be erected unless approved and agreed to by all adjoining Lot Owners and the Board of Directors as provided for herein.

b. Aerials: No outside or freestanding TV, radio, shortwave, or other similar aerials, including satellite disks, or antennas shall be erected or maintained. All aerials and antennas shall be of an in-house nature.

c. Temporary Residence, Vehicle Parking: No trailer, tent, recreational vehicle, out building, or structure of a temporary nature shall be used as a residence; and no trailer, recreational vehicle, boat or un-used vehicle, or equipment shall be parked or stored on any lot for more than seven (7) days.

d. Animals: No fowl shall be raised or kept and no kennel for the breeding or boarding of dogs shall be erected or maintained on any Lot, nor shall any livestock be housed, raised or otherwise maintained on any parcel. Dogs, cats and other domesticated animals may be kept provided they are not bred or maintained for commercial purposes. Outside housing for dogs, cats and other domesticated animals must be approved in writing by the Board of Directors. No more than three (3) dogs, cats or

other domesticated animals may be maintained on any Lot.

e. Lot Uses: No Lot shall be used other than for residential purposes, including uses accessory thereto as permitted by the Zoning Ordinance of Valley Township, ~~and as approved by the Board.~~ No dwelling house shall be erected on any Lot which shall be designated for occupancy by more than a single family. On any Lot, only one dwelling house shall be permitted; however, this clause shall not be construed to prohibit the construction of private garages, barns, or outbuildings as may be permitted by the Township Zoning Ordinance and approved in writing by the Board of Directors. No such accessory buildings shall be constructed unless it is contemporaneous with or after construction of the principal dwelling.

f. Construction Time and Maintenance: Construction or alteration of any type must be completed within one (1) year of the date of ground breaking. Whether or not occupied, Lots must be kept in neat and proper condition at all times.

g. Right of Way: It shall be the duty of every Lot Owner abutting the road right-of-way within Country Club

Valley to be responsible for the proper seeding, care and maintenance of the land lying between the portion of that Owners' property line which abuts such right-of-way and the cartway lying within such right-of-way. In performing this duty, the Owners shall not obstruct or make any use of such area which is detrimental to or inconsistent with the proper use of the right-of-way. Owners shall not obstruct the drainage facilities or site lines. Only mailboxes and low shrubbery shall be permitted in the right-of-way.

h. Topsoil: The sale or removal of topsoil from any Lot or open space is prohibited.

i. Motorbikes: The use of motorbikes and minibikes shall not be permitted in Country Club Valley except duly licensed motorcycles may be used on the roads for the purposes of normal transportation to and from the premises.

j. Driveways: All driveways must be paved and no grading, landscaping, excavation, or driveway installation shall be constructed on any Lot in a manner that burdens, or damages or interferes with drainage along, across, or under the road right-of-way.

- k. Grading: Each owner who intends to construct a dwelling or structure on their Lot shall prepare a grading plan therefore in conformance with all applicable soil and erosion control laws, ordinances, and standards. Said plan shall be filed with Valley Township. Owners shall be solely responsible for the implementation and shall implement said plan.
- l. Roofs: Roofs must be at least a 8/12 pitch unless written approval is given by the Board of Directors prior to construction beginning on any Lot.
- m. Building Materials: Materials used on all exterior surfaces of buildings to be erected on any Lot must be of brick, stone, stucco or wood, unless approved in writing by the Board of Directors.
- n. Garbage and Rubbish: Garbage and rubbish shall not be placed or allowed to remain on any Lot except in a closed receptacle. It shall be placed outside the dwelling for collection on collection date in accordance with regulations of collection agency.
- o. Statuary: Only sculptures, statues, birdbaths or animal replicas that blend with the natural setting and are properly maintained, may be placed, erected, or

installed on any Lot. Final decision on the acceptability of sculptures, statues, birdbaths, or animal replicas will reside with the Board ^{of} Directors. The intent is to insure that all structures at Country Club Valley exist in general harmony and character with each other.

p. Signs: No advertising signs or notices shall be erected or displayed on a Lot with the following exceptions: small identifying signs identifying the Owner or the Lot; one "For Sale" or "Sold" sign in front of the house offered for sale; one Security System sign; One Day Special Event signs; and one Contractor sign displayed only for the duration of construction, to a maximum of one month.

q. Tree Removal: Removal of trees on the single home detachment lots is prohibited, unless the tree or trees endanger the health or well-being of the Owner, dwelling or surrounding units.

III. Declaration 7 shall be supplemented by the insertion of a new Section 7 as follows:

Section 7. Enforcement of the Declaration, By-Laws and Rules and Regulations: The Board of Directors shall

enforce the provisions of the Declaration, By-Laws and Rules and Regulations in accordance with the following provisions:

a. Non-Waiver: The failure of the Board of Directors, or any of its committees, if any are appointed, to strictly enforce or demand strict compliance, of, or by, the Owners in accordance with the terms, conditions and provisions of the Declaration, By-Laws and Rules and Regulations, shall not thereafter act as a waiver, nor bar or estop the Board, or its Committees, from strictly enforcing, or demanding strict performance, by an Owner or Owners, in accordance with the terms, conditions and provisions of the Declaration, By-Laws, and Rules and Regulations.

b. Owner Bound by Declaration, By-Laws and Rules and Regulations: Upon acceptance of a Deed to a Lot, the Owner is deemed to enter into, and enters into, a covenant with the Association, and specifically agrees, to be bound by all of the terms, conditions and provisions of the Declaration, By-Laws and Rules and Regulations of the Association, including such amendments as may from time-to-time be adopted, and to promptly

fulfill all of the rights, duties, and obligations of the Owner as set out therein, including, but not limited to, the Owners' continuing duties to pay assessments, comply with use restrictions, and maintain their Lots.

c. Owners' Obligation to Pay Assessments and Charges:

Upon acceptance of a Deed to a Lot, the Owner covenants and agrees to pay all assessments, charges, fees and/or fines which may be levied under the Declaration, By-Laws and Rules and Regulations against the Lot and/or Owner by the Board of Directors, together with all penalties, interest, costs of collection and attorneys fees, incurred by the Association in collecting delinquent assessments, fines or charges, or in enforcing any of the provisions of the Declaration, By-Laws and/or Rules and Regulations against the Owner. No Owner may waiver or otherwise escape liability for assessments, fines, fees or other charges levied against an Owner or Lot, or any other obligation due under the Declaration, By-Laws and/or Rules and Regulations, by waiver, non-use of the Open Space, or by abandonment of a Lot, or by any other reason or action by, or on behalf of, the Owner.

d. Owners' Continuing Obligation: The Owner's

continuing liability for payment of all assessments, fines, penalties, interest, costs, attorneys' fees or charges levied under the Declaration, By-Laws and/or Regulations, together with their duties and obligations to comply with all obligations due under the Declaration, By-Laws and/or Rules and Regulations shall continue, and shall not be abated or cancelled, either partially or in their entirety, due to any interruption, or impairment of the Owner's or their family's, invitee's, licensee's tenant's or guest's, right of occupancy of a Lot or Living Unit, nor shall the Owner's liability for all assessments or charges which may be levied, or other obligations due under the Declaration, By-Laws and/or Rules and Regulations, be abated or cancelled, either partially, or in their entirety, due to the rendering of insufficient services, or the interruption of services intended to be rendered to, or for the benefit of, the Owner by the Association under the provisions of the Declaration, By-Laws and/or Rules and Regulations. The Owners hereby specifically waive in favor of the Association, in any suit for delinquent assessments, fines, penalties, interest, costs, attorney's fees or

charges, and/or for enforcement of the Declaration, By-Laws and/or Rules and Regulations, all defenses or counterclaims arising from claims the Association has failed to render required services, or has rendered insufficient required services. The foregoing waiver shall not be deemed to be a waiver of an Owner's right to bring an independent legal action arising from claims of interruption or impairment of a right of occupancy, or the rendering of insufficient services, or the interruption of services; however, the Owners specifically agree, by their acceptance of a Deed, that they shall not seek to merge such collateral litigation with any litigation or suit brought by, or for, the Association for collection of delinquent assessments, fines, penalties, interest, costs, attorney's fees, or charges, or enforcement of the Declaration, By-Laws and/or Rules and Regulations.

IV. Declaration Article VIII shall be supplemented by the insertion of a new Section 3 as follows:

Section 3. Amendment: The Declaration may be amended by majority vote of all Owners eligible to vote at the time the Amendment comes before the Owners for adoption.

IN ALL OTHER RESPECTS, the terms, conditions and provisions of the Declaration are hereby ratified and reaffirmed.

IN WITNESS WHEREOF, the undersigned, Jude Ruzskay, President of the Country Club Valley Homeowners Association, Inc., upon the affirmative vote of the majority of the Living Unit Owners, to adopt the foregoing First Amendment to the Declaration of Covenants and Restrictions for Country Club Valley, and authorizing the execution and recording of this First Amendment to the Declaration of Covenants and Restrictions of County Club Valley, has hereunto set his hand and seal this day of January, 1993.

COUNTRY CLUB VALLEY HOMEOWNERS
ASSOCIATION, INC.

By: _____
Jude Ruzskay, President
Country Club Valley Homeowners
Association, Inc.

ATTEST:

Secretary, Country Club Valley
Homeowners Association, Inc.

COUNTRY CLUB VALLEY ASSOCIATION, INC.
CHESTER COUNTY, PENNSYLVANIA

RESOLUTION NO. 1-99

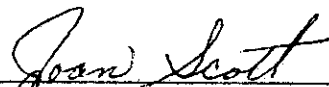
WHEREAS, the Board of Directors of Country Club Valley Association wish to amend the Declaration of Covenants and Restrictions, Article IV Section 2 C relative to annual dues.

WHEREAS, on March 17, 1999, the Board of Directors of Country Club Valley Association met at the regular monthly meeting and voted to unanimously approve and authorize the execution of increasing the annual dues to two hundred forty dollars.

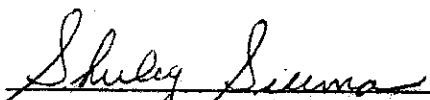
WHEREAS, in accordance with the guidelines of the Declaration of Covenants and Restrictions, the annual dues per year for each lot or living unit shall not expand by more than twenty (20) percent per year, unless otherwise authorized.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of Country Club Valley Association as follows:

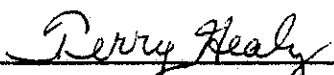
1. Effective with the July 1, 1999 billing, the annual dues will be two hundred forty dollars with quarterly invoices to be mailed.
2. ADOPTED, this 16th day of JUNE 1999.



Joan Scott, President




Shirley Siuma, Secretary



Terry Healy, Vice President



Ann Wendland, Board Member



William Robinson, Treasurer