

Legal Description

All that certain parcel of land being situate in the Township of Hampton, County of Allegheny, Commonwealth of Pennsylvania and being more particularly described as follows:

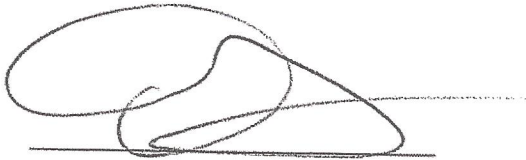
Beginning at a point on the centerline of Wickline Road, a 50 foot public right of way; Said point being on the line dividing the lands described herein and the lands now or formerly Cemetery Association of Congregation; Thence along said centerline of Wickline Road the following six courses and distances; First - South 87° 19' 06" East, 839.62 feet; Second - By the line of an arc deflecting to the right and having a radius of 1000.00 feet an arc distance of 46.61 feet; Third South 84° 38' 52" East, 122.62; Fourth - By the line of an arc deflecting to the right and having a radius of 165.00 feet an arc distance of 120.94 feet; Fifth - South 42° 39' 09" East, 118.64 feet; Sixth - By the line of an arc deflecting to the right and having a radius of 285.00 feet an arc distance of 161.71 feet to a point; Thence continuing through said Wickline Road the following four courses and distances; First - South 2° 38' 29" West, 180.11 feet; Second - South 7° 38' 29" West, 184.10 feet; Third - South 7° 21' 31" East, 186.10 feet; Fourth - South 23° 21' 31" East, 39.62 feet to a point on said centerline of Wickline Road, Thence along said centerline of Wickline Road the following two courses and distances; First - South 15° 24' 29" East, 83.75 feet; Second - By the line of an arc deflecting to the left and having a radius of 82.00 feet an arc distance of 82.16 feet to a point on the northwesterly line of lands now ore formerly George Brown as recorded in Deed Book Volume 2535, page 291 in the Allegheny County Recorder of Deeds Office; Thence along said northwesterly line the following two courses and distances; First - South 28° 48' 19" West, 344.80 feet; Second - South 38° 09' 50" West, 276.82 feet to a point on the northerly line of lands now or formerly Donald G. & Norma J. Mellor as recorded in Deed Book Volume 4287, page 53 in said Recorder's Office; Thence along said northerly line the following four courses and distances; First - South 68° 26' 32" West, 167.12 feet; Second - North 55° 30' 31" West, 452.46 feet; Third - North 88° 16' 31" West, 287.88 feet; Fourth - North 79° 46' 31" West, 45.09 feet to a point on the centerline of Greenwood Drive (Not Opened); Thence along said centerline of Greenwood Drive, the following nine courses and distances; First - North 15° 47' 05" West, 144.26 feet; Second - North 13° 32' 29" East, 119.24 feet; Third - North 1° 53' 31" West, 215.00 feet; Fourth - North 1° 33' 31" West, 63.00 feet; Fifth - North 34° 37' 31" West, 123.60 feet; Sixth - North 25° 37' 31" West, 235.70 feet; Seventh - North 43° 37' 31" West, 41.63 feet; Eighth - North 43° 19' 16" West, 100.07 feet; Ninth - North 18° 28' 42" East, 438.38 feet to a point on the centerline of Wickline Road at the point of beginning.

Containing 1,729,898 square feet or 39.7129 Acres, more or less.

EXHIBIT A

IN WITNESS WHEREOF, the Wickline Development Company, LLC, a Pennsylvania limited liability company, has caused its name to be signed to these present on the day and year first above written.

WITNESS/ATTEST:

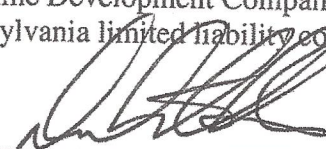


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DECLARANT:

Wickline Development Company, LLC, a
Pennsylvania limited liability company

BY:



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David W. Nicklas, President

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE ESTATES AT STONEBRIDGE PRD

Township of Hampton, County of Allegheny, Commonwealth of Pennsylvania

THIS DECLARATION is made this 10 day of JULY, 2007,
by WICKLINE DEVELOPMENT COMPANY, LLC, a Pennsylvania limited
liability company, as the owner in fee simple of the real estate herein
described.

ARTICLE I
SUBMISSION

Section 1.1. Wickline Development, LLC, a Pennsylvania limited liability company. (the "Declarant") has made the Real Estate described in Exhibit "A" attached hereto, located in Hampton Township, Allegheny County, Pennsylvania, subject to the following covenants, conditions; reservations and restrictions. It is the Intent of the Declarant that the Real Estate subject to this Declaration shall constitute a "planned community," as that term is defined In the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. § 5101, at seq. (the "Act"); however, only those portions of the Act that are specified in 68 Pa.C.S. §5102(a) (2) shall apply to this planned community.

ARTICLE 2
DEFINED TERMS

Section 2.1 Terms Defined. All capitalized terms used herein shall have ascribed to them the following meanings, unless otherwise defined herein,

(a) "Act" means the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. §§ 5101, at seq.

(b) "Association" means the Stonebridge Estates Homeowners' Association.

(c) "Board of Directors" means the Board of Directors of the Association.

(d) "Building(s)" means any building(s) constructed or erected on the Real Estate.

(e) "Declarant" means the Declarant described in Section 1.1 above and all successors to any of Declarant's rights.

MAIL TO:
DAVID E MEMASTOY SQ
801 VINAL STREET, SUITE 300
PITTSBURGH PA 15212

(f) "Declaration" means this document, as the same may be amended from time to time.

(g) "Open Space(s)" means the Open Space(s) as shown on the Plan and all buildings and structures erected thereon and improvements thereto, including but not limited to identification signs for the planned community.

(h) "Plan(s)" means the Stonebridge Estates PRD, as recorded in Recorder's Office of Allegheny County at Plan Book Volume 256, Page 175 as the same may be amended from time to time.

(i) "Real Estate" means the real estate described in Exhibit "A".

(j) "Lot" means a lot as described in the Plan(s).

(k) "Lot Owner" means the owner in fee simple of any Lot, but shall not include the Declarant (except that the Declarant shall be a Lot Owner with respect to any Lot owned by the Declarant after the termination of Declarant control in accordance with Article 13), any builder taking title to any Lot or any person or persons purchasing a Lot under contract (until such contract is fully performed and legal title conveyed of record).

(l) "Common Expenses" means the expenditures made by or financial liabilities of the Association, together with any allocations to reserves, including but not limited to the expense of owning and maintaining the Open Space, any applicable taxes attributable thereto, drainage and storm water detention facilities within or appurtenant to the Real Estate, and all common community services required or desired for the general use and benefit of all Lot Owners,

(m) "Builder" means the Individual and/or entity whose primary professional business is constructing the residential dwellings and structures in the Plan.

ARTICLE 2 EASEMENTS

Section 3.1 Easements. Declarant hereby creates the following easements:

(a) Declarant shall have the right to maintain sales offices, management offices and models on the Real Estate and to relocate such models, management offices and sales offices from time to time anywhere on the Real Estate. Declarant reserves the right to place models, management offices and sales offices on any portion of the Open Spaces in such manner, of such size and in such locations as Declarant deems appropriate.

(b) Easement for Advertising Signs. Declarant shall have the right to maintain on the Real Estate such advertising signs as Declarant in its sole discretion may deem appropriate, provided that such signs comply with applicable governmental requirement. Declarant may from time to time relocate such advertising signs.

Section 3.2 Utility Easements The Real Estate shall be, and hereby is, made subject to easements in favor of the Declarant, appropriate utility and service companies and governmental agencies or authorities for such utility and service line and equipment is may be necessary or desirable to serve any portion of the Real Estate. The easements created in this Section 3.2 shall include, without limitation, rights of governmental agencies or authorities, to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wince and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits, equipment, ducts and vents, over, under, through, along and on the Lots, street rights-of-way and Open Spaces. Notwithstanding the foregoing provision of this Section 3.2, unless approved in writing by the Lot Owner or Lot Owners affected thereby, any such easement through a Lot shall be located in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Lot by the Declarant, or as shown on the Plans, or so as not to materially interfere with the use or occupancy of the Lot or any Building by its occupants.

Section 3.3 Declarant reserves a non-exclusive perpetual right of access and easement on, over and under those portions of the Open Spaces for the purpose of pedestrian and vehicular ingress, egress and regress to all or any part of the Real Estate, including the right to modify the location of Improvements to the Open Spaces to facilitate such ingress, egress and regmes, including without limitation the removal of obstructions to the exercise of suet rights of ingress, egress and regress, and the grading or regarding of landscaped areas of the Open Spaces,

Section 3.4 Declarant's Easement to Correct Drainage Declarant reserves an easement on, over and under those portions of the Open Spaces for the purpose of maintaining and correcting drainage of surface water in order to maintain a reasonable standard of health, safety and appearance. The easement created by this Section 3.4 expressly includes the right to cut any trees, bushes or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Declarant shall restore the affected property as closely to its original condition as possible,

Section 3.5 Declarant's Easement for Development of Real Estate. Declarant reserves an easement on, over and under those portions of the Open Spaces for all purposes relating to the construction, development, leasing and sale of improvements on the Real Estate. This easement shall include, without limitation, the right of vehicular and pedestrian ingress and egress, the right to park motor vehicles and-to engage in construction and marketing activities of any nature whatsoever, including the movement and storage of building materials and equipment, the conduct of sales, leasing and management activities, the maintenance of models and offices and the erection and maintenance of directions and promotional signs.

Section 3.6 Termination of Easements. The easements created by Sections 3.1, 3.3, 3.4 and 3.5 hereof shall terminate upon the conveyance of all of the Lots to the ultimate Lot Owners (i.e., excluding any conveyances to builders).

Section 3.7 Easement for Use of Common Spaces,

(a) Grant of Easement. Each Lot Owner and each person lawfully residing on the Real Estate is hereby granted a non-exclusive perpetual right and easement of access to and enjoyment in common with others of the Open Spaces.

(b) Extent of Easement. The rights and easements of access and enjoyment created hereby shall be subject to the right of the Association to adapt rules and regulations governing the use of the Open Spaces.

Section 3.8. The Association shall maintain and keep in good working order the Storm Water Detention Facilities. Furthermore, the Association shall keep said pond algae and weed free to the extent that it is practical.

ARTICLE 4

USE RESTRICTIONS

Section 4.1 Use and Occupancy of Lots & Buildings. The occupancy and use of the Lots and Buildings shall be subject to the following restrictions:

(a) Residential Use. No part of the Real Estate shall be used for other than housing and the related common purposes for which the planned residential development was designed. Each Lot or any two or more adjoining Lots used together shall be used as a residence for a single family or such other uses permitted by this Declaration and for no other purposes, if zoning regulations permit, professional activities to be conducted within the Lots, application may be made by a Lot Owner to the Declarant for approval to commence such permitted use of his Lot. Each such application shall be considered by the Declarant on an individual basis. Once the Declarant has given its approval to a particular use of a Lot, it may not revoke such approval so long as the nature and scope of the approved use remains unchanged, no Building or structure intended for or adapted to business purposes, and no apartment house, or other multiple-family dwelling shall be erected, placed, permitted, or maintained on any Lot in the Real Estate, or on any part thereof. No improvement or structure whatever, other than a private dwelling house, patio walls, in-ground swimming pool and customary outbuilding, garage, may be erected, placed or maintained on any Lot in the Real Estate. No Lot Owner shall permit his Lot to be used or occupied for any prohibited purpose.

(b) Fences. No fences on any Lot may extend beyond the front of any dwelling. No fences may extend beyond the side building setback line for any Lots adjoining any side streets. All fence materials and types and colors of fences must be approved in writing by Declarant before the installation of any fence. No Lot Owner may install chain link fences on any Lot.

(c) Commercial Activities. Except as set forth in Subsection (a) above, no industry, business, trade, occupation or profession of any kind, commercial, religious,

educational, or otherwise, designed for profit, or otherwise, shall be conducted, maintained, or permitted on any part of the Real Estate; provided, however, that nothing contained in this Subsection shall be construed to prevent or prohibit a Lot Owner from maintaining his personal professional library, keeping his personal business or professional records or accounts, handling his personal business or professional telephone calls or conferring with business or professional associates, clients or customers, in his Lot,

(d) Pets No animals, livestock, fowl or poultry of any kind shall be raised, bred or kept on any Lot or in the Open Spaces, except household pets in reasonable numbers for the pleasure and use of the occupants, subject to Rules and Regulations adopted by the Declarant, which Rules or Regulations may exclude any kind of pet by type or category, provided that permitted household pets are not kept, bred or maintained for any commercial purposes.

(e) Signs. No sign of any character shall be erected, placed, permitted, maintained, or displayed upon any Lot except "For Rent" or "For Sale" signs, referring only to the Lot on which displayed, not to exceed six (6) square feet in size, and one sign to a Lot. No sign of any character shall be erected, placed, permitted, maintained or displayed in any Open Space or Common Areas other than identification signs for the planned community, and any sign, placed in violation thereof may be removed by the Declarant or any Lot Owner.

(f) Commercial and other vehicles. No commercial vehicles, construction, or like equipment or mobile trailers, stationary trailers, boats, boat trailers, recreational vehicles, motor homes, campers or motorcycles of any kind shall be stored or parked on any Lot in the Real Estate or on the Open Spaces except while parked in a garage completely enclosed, nor parked on any residential street in the Real Estate except while engaged in transporting to or from a residence In the Real Estate.

(g) Nuisances. No clotheslines shall be permitted unless concealed by hedges, lattice work or screening acceptable to the Declarant. No weeds, underbrush, or other unsightly growths shall be permitted to grow or remain upon any Lot, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. No Lot shall be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such Lot to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any Lot that will emit foul or noxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding Lots. In the event that any Lot Owner shall fail or refuse to keep his Lot free from weeds, underbrush, or refuse piles or other unsightly growths or objects, then the Declarant may enter upon such Lot and remove the same at the expense of the Lot Owner, which entry shall not be deemed a trespass, and In the event of such a removal a lien shall arise and be created in favor of the Declarant and against such Lot for the full amount chargeable to such Lot, and such amount shall be due and payable within thirty (30) days after demand is made therefore.

(h) Obstruction of Easements. No Lot Owner shall do any work or any other act which would impair any easement or hereditament without the consent of

the Declarant or Association, whichever may be affected thereby.

(i) Accessory Structure. No permanent tent, carport or satellite dish exceeding twenty-four inches (24") in diameter shall be used, constructed or erected upon any Lots. Any storage shed constructed upon any Lot shall be placed only in the rear yard and shall be approved in writing by and shall be made of a material acceptable to the Declarant, but no metal shed shall be approved,

(j) Driveway Access. Driveway access to all Lots shall only be from internal streets situated within the Real Estate and the planned residential development provided for herein. No driveway access to any Lot shall be permitted from any external street or roadways that are not wholly contained within the Real Estate and the planned residential development.

(l) Street Trees. Unless determined by the Declarant to not be physically or aesthetically feasible or acceptable, every Lot shall have a minimum of Three (3) shade street trees, with a minimum caliper of 2" diameter breast high, which shall be trees in the front of the Lot between thirteen feet (13') and seventeen feet (17') from the back of the curb (and on the sides as well for street corner Lots). Lot Owners shall perpetually protect the street trees contained therein and shall not remove such healthy, live trees therein and shall replace any such street trees therein which may die with a tree of identical species (or another species may be substituted with the Declarant's consent) and diameter,

(m) Protection of Trees. The trees contained in the Open Spaces are perpetually protected, and the logging or felling of healthy, live trees thereof is specifically prohibited. The Association shall be responsible for replacing any trees in any such areas which may die.

(n) Recreational Structure. No recreational structures, playground sets, swing sets and the like shall be erected or pieced in any area other than the rear yard of any Lot and must be placed so as not to cross any rear or side setback building lines.

(o) Earthen Mounds. Upon the completion of the Development construction, an as built survey shall be prepared identifying those Lots which contain a mound easement. No Lot Owner is permitted to alter the earthen mounds in any fashion without the prior express written consent of the Declarant. Furthermore, the Lot Owner shall be responsible to keep the mounds mowed during the grass growing seasons.

Section 4.2. Use of Open Spaces. The use of the Open Spaces shall be subject to the following restrictions:

(a) Obstruction of Open Spaces. There shall be no obstruction of the Open Spaces nor shall anything be stored in the Open Spaces without the prior consent of the Board of Directors except as herein expressly provided. The Open Spaces shall be kept free and clear of rubbish, debris and other unsightly materials.

(b) Encroachments on Open Spaces. No Lot Owner shall make any installation that extends beyond the physical limits of the Lot Owner's Lot into the Open Spaces.

(c) Nuisances. No noxious or offensive activity shall be carried on in any Lot or in the Open Spaces, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Lot Owners or occupants, or which Interferes with the peaceful possession or proper use of any of the Lots or of the Open Spaces.

(d) Insurance Risk; Compliance with Law; Waste. Nothing shall be done or kept in the Open Spaces that will increase the rate of insurance thereon; or contents thereof, without the prior written consent of the Association, No Lot Owner shall permit anything to be done or kept in his Lot nor In the Open Spaces which will violate any law, statute, ordinance or regulation of any governmental body or which will result in the cancellation of any insurance maintained by the Association. No waste shall be permitted in the Open Spaces.

(e) Rules and Regulations. Reasonable Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Open Spaces may be promulgated from time to time by the Association, subject to the right of the Association to change such Rules and Regulations. Copies of the then current Rules and Regulations and amendments thereto shall be furnished to all Lot Owners by the Association promptly after the adoption of such Rules and Regulations or any amendments thereto.

(f) Stormwater Detention Facilities The Developer shall provide to the Township of Hampton appropriate, permanent easements which in the Township's discretion are adequate for purposes of access for inspection and/or maintenance to all stormwater detention facilities.

(g) Identification Sign. The Association shall at all times maintain the identification signs for the planned community fixated in the Open Spaces in good condition and repair.

Section 4.3 Construction and Occupancy. . When the construction of any Building has begun, work thereon must be prosecuted diligently and must be completed within a reasonable time, and no debris incidental to construction work may be placed on any one Lot.

(a) Outbuildings. No Outbuildings, garages, sheds, trailers, or temporary Buildings of any kind shall be erected, constructed, permitted or maintained on any Lot prior to commencement of the erection of a residence, as is permitted hereby, and no outbuildings, garages, sheds, trailer, or temporary Buildings shall be used for permanent or temporary residence purposes;, provided, however, that this paragraph shall not be deemed or construed to prevent the use of a temporary construction shed during he period of actual construction of any structure on any Lot in the Real Estate, nor the use of adequate sanitary toilet facilities for workmen which shall be provided during such constructions.

(b) No Building erected upon any Lot shall be occupied in any manner while in the course of construction, nor at any time prior to its being fully completed, as herein required. Nor shall any Building, when completed, be in any manner occupied until made to comply with the approved plans, the requirements herein, and all other covenants, conditions, reservations, and restrictions herein. set forth.

(c) Water and Sewer. All homes in the Plan shall be part of the Hampton Municipal Water Authority and Hampton Township for sewage and shall be tapped into said systems. No Building shall be occupied until said water and sewage systems are installed and operational. All Lot Owners shall be responsible for payment of any and all initial tap-in or other initial hook up fees and costs.

(d) Construction Debris. No debris incidental to construction work, whether initial or temporary construction, on one Lot may be placed on another Lot. All debris must be removed by the time of completion of the work to which it is incidental.

Section 4.4 Mining. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, placed or permitted upon any part of the Real Estate, nor shall any-oil, natural gas, petroleum, hydrocarbon products or minerals of any kind be produced or extracted therefrom.

ARTICLE 5 ARCHITECTURAL CONTROL

Section 5.1. Declarant's Right to Control Improvements. For the purpose of further insuring the development of the Real Estate as an area of high standards, the Declarant reserves the power to control the Buildings, structures, and other improvements placed on each Lot, as well as to make such exceptions to these covenants, conditions, reservations and restrictions as the Declarant shall deem necessary and proper.

Section 5.2. Minimum Standards. Notwithstanding the foregoing right to approve building plans, the following minimum standards shall apply to Buildings on the Lots in the Real Estate:

(a) No one-story with a fully enclosed first floor area of less than 2,500 square feet, exclusive of garage, basement and open porches or one and one-half story or two story Buildings shall be constructed on Lots with a combined total area of less than 2,800 square feet, exclusive of garage, basement and open porches.

(b) The exterior Building materials shall extend to grade level, and no building shall have an unfinished exposed foundation of concrete or concrete block.

(c) All Lot's lawns must be either seeded or sodded for the entire front area, both sides and rear of the residence, said seeding or sodding to be done upon completion of the residence on any Lot or the next immediate growing season thereafter, whichever first occurs. Notwithstanding the aforementioned, the Declarant may approve properly landscaped areas of chips, bark or other similar materials within the areas which would otherwise be seeded or sodded. Each newly constructed home shall have a combined minimum amount of landscaping equal to Four Thousand (\$4,000,00) Dollars to include but not be limited to; grass, trees (minimum 2" caliper), shrubs, bushes, evergreens and ground cover in the bedding areas to be located abutting the front and or sides of the house.

(d) All driveways must be constructed with concrete upon occupancy of the Building or as soon as reasonably practicable thereafter in the event that adverse weather conditions interfere with such construction, off-driveway parking pads or areas are prohibited.

(e) The owner of any Lot on which a Building has been constructed shall erect, install and maintain, at a location thereon designated by the Developer; (i) a post and lamp, and (ii) a post and mailbox, all being of a kind and type designated by the Declarant.

(f) The owner of any Lot on which a Building has been constructed shall also construct a sidewalk parallel to the curb of the street(s) bounding said Lot, the edge of which sidewalk shall be in dimensions in conformity with Hampton Township regulations which shall be a minimum of four (4') feet in width, four inches (4") thick, constructed of poured; untainted concrete, broom finished with smooth edges. If the owner of any Lot does not construct a sidewalk within six (6) months after construction of a Building on said Lot, the Declarant shall have the right to do so at the sole cost and expense of the owner of the Lot.

(g) All Buildings shall have integral or attached garages with front, side or rear entrances, unless otherwise approved by the Declarant,

(h) All dwellings must have roof overhangs. All roof overhangs must extend no less than eight (8) inches from the face of any dwelling.

(i) Any material other than brick or stone to be used for the face of any structure (e.g., wood, aluminum or other siding material) must be pre-approved in writing by the Declarant as to both material and color before being installed on any dwelling or structure.

(j) No swimming pools may be installed on any Lot other than in-ground swimming pools.

(k) No satellite signal reception dishes larger than twenty-four inches (24") in diameter shall be installed or placed on any Lot, and no such dishes shall be located in the front yard or on the front of any Building or any side of a Building that faces a side

street.

(1) No outbuildings, sheds or similar structures shall be erected unless they shall be constructed of materials similar and matching to the residential dwelling structure on any Lot; provided, however, that no outbuildings, sheds or similar structures shall be erected unless and until at least fifty percent (50%) of the Lots in the phase of the Plain in which the Lot is situated have been sold by the Declarant.

Section 5.3. Subdivision of Lots. None of the Lots shall at anytime be divided into as many as two building sites, and no building site shall be less in area than the area of the smallest Lot on the Plans. A single Lot, together with contiguous portions of one or more Lots; may be used for one building site.

ARTICLE 6

THE STONEBRIDGE ESTATES HOMEOWNERS' ASSOCIATION

Section 6.1 Membership. For the purpose of ownership and maintenance of Open Spaces and all common community services of every kind and nature required or desired within the Real Estate for the general use and benefit of all Lot Owners, each and every Lot Owner, in accepting a deed or contract for any lot in the Real Estate, agrees to and shall be a member of and be subject to the obligations and duly enacted bylaws and rules and regulations of The Stonebridge Estates Homeowners' Association, a nonprofit corporation. With respect to the affairs of the Association, upon the transfer of Declarant's control of the Association in accordance with Article 12, all Lot Owners and the Declarant shall have one vote for each Lot owned by such Lot Owners or the Declarant.

Section 6.2. Succession. Upon the transfer of Declarant's control of the Association in accordance with Article 12, the Association shall succeed to the position of the Declarant with respect to the provisions of these covenants, conditions, reservations and restrictions, and the term 'Declarant' herein shall then mean the "Association".

Section 6.3. Powers of the Association The Association shall have the following powers:

- (a) To adopt and amend bylaws and rules and regulations.
- (b) To adopt and amend budgets for revenues, expenditures and reserves and collect assessments for common expenses from Lot Owners.
- (c) To hire and terminate managing agents and other employees, agents and independent contractors.
- (d) To institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Lot Owners on matters affecting the

Association or the Real Estate.

- (e) To make contracts or incur liabilities.
- (f) To regulate the use, maintenance, repair, replacement and modification of the Open Spaces.
- (g) To cause additional Improvements to be made to the Open Spaces; provided, however, that any exercise of such power which would materially impair the quiet enjoyment of a Lot shall require the prior written approval of the affected Lot Owner,
- (h) To acquire, hold, encumber and convey in its own name any right, title or Interest to real or personal property, but the Open Spaces may be conveyed or subjected to a security interest only in accordance with the provisions of §5318 of the Act provided, however, that any exercise of such power which would materially impair the quiet enjoyment of Lot shall require the prior written approval of the affected Lot Owner.
- (i) To grant easements, leases, licenses and concessions through or over the Open Spaces; provided, however, that any exercise of such power which would materially impair the quiet enjoyment of a Lot shall require the prior written approval of the affected Lot Owner.
- (j) To impose and receive payments, fees or charges for the use, rental or operation of the Open Spaces.
- (k) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration and the bylaws and rules and regulations of the Association.
- (l) To provide for the indemnification of its officers and executive board and to maintain directors' and officers' liability insurance.
- (m) To exercise any other powers conferred by the Act, this Declaration or the bylaws of the Association.
- (n) To exercise all other powers that may be exercised in the Commonwealth of Pennsylvania by legal entities of the same type as the Association.
- (o) To exercise any other powers necessary and proper for the governance and operation of the Association.

Section 6.4. Board of Directors Not later than the termination of any period of Declarant's control in accordance with Article 12, the Lot Owners shall elect a Board of Directors of at least three (3) members, at least a majority of whom shall be Lot Owners. The Board of Directors shall elect the officers. The members of the Board of Directors and the officers shall take office upon election, The Board of Directors shall, not have power to determine the qualifications, powers and duties or terms of office of the members of the Board of Directors, but it may fill vacancies in its membership for the unexpired portion of any term. The Lot Owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Lot Owners at which a quorum is present, may remove any

member of the Board of Directors with or without cause, other than a member appointed by the Declarant.

Section 6.5. Bylaws. The bylaws of the Association shall provide for all of the following:

- (a) The number of members of the Board of Directors and the titles of the officers of the Association.
- (b) Election by the Board of Directors of a president, treasurer, secretary and any other officers of the Association the bylaws specify.
- (c) The qualifications, powers and duties, terms of office and manner of electing and removing members of the Board of Directors and officers and filling vacancies.
- (d) Which, if any, of its powers the Board of Directors or officers may delegate to other persons or to a managing agent.
- (e) Which of its officers may prepare, execute, certify and record amendments to this Declaration on behalf of the Association.
- (f) The method of amending the bylaws.

Subject to the provisions of this Declaration and the Act, the bylaws may provide for any other matters that the Association deems necessary and appropriate.

ARTICLE 7

BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

Section 7:1. Budgets; Capital Expenditures The Board of Directors shall adopt a budget for revenues, expenditures and reserves at least annually. The Board of Directors shall deliver to all Lot Owners copies of each budget approved by the Board of Directors and notice of any capital expenditure approved by the Board of Directors promptly after such approval. The Lot Owners, by affirmative vote of Two-Thirds (2/3) of all Lot Owners (including Lots owned by Declarant), pursuant to procedures applicable to voting by members of the Association as set forth in the bylaws of the Association, may reject any budget or capital expenditure approved by the Board of Directors within thirty (30) days after approval. A capital contribution shall be assessed to each person upon transfer of real property for single family homes in the amount to be established hereafter. Monthly assessment for single family homes shall be established hereafter. This monthly assessment will be re-evaluated and adjusted to meet budget expenses. A capital contribution shall be assessed to each person upon transfer of real property for condominium units to be established hereafter. Monthly assessment for condominium units shall be established hereafter and will include grass cutting, snow removal, mulching and dead plant replacement. All other exterior home maintenance is the responsibility of the unit owner. This monthly assessment will be re-evaluated and adjusted to meet budget expenses.