

**DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS OF THE
BRINTON STATION PLANNED COMMUNITY**

It is intended that this Declaration shall be recorded in the Recorder of Deeds Office in and for Chester County, Pennsylvania, under the names of Brinton Station, Inc., a Pennsylvania corporation, as Granter, and BRINTON STATION PLANNED COMMUNITY as Grantee, for the premises identified by Parcel Nos: 47-2-14 47-2-20.

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTION (this "Declaration"), is made this day of _____ 2000, by Brinton Station, Inc., a Pennsylvania corporation, (hereinafter the "Declarant"), owner of that certain real property with improvements to be erected thereon located in East Fallowfield Township, Chester County, Pa. and more fully described in the legal description attached as Exhibit "A" and incorporated by reference herein. BRINTON STATION PLANNED COMMUNITY is not intended to be a flexible community as the Declarant does not intend to add additional real estate.

WHEREAS, the Declarant desires to subject the property to certain covenants, conditions and other restrictive easements for the purpose of enhancing and protecting the value, attractiveness and desirability of each unit in the Community.

WHEREAS, by executing and recording this Declaration, the Declarant will subject portions of real property and any improvements thereon to the covenants, conditions and restrictive easements contained herein.

NOW, THEREFORE, the Declarant hereby declares that all of the property described in Article II, Section 2.A. (Exhibit "A") shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Community. These easements, covenants, restrictions and conditions shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof and shall inure to the benefit of each Owner thereof.

**ARTICLE I
Submission of Property**

SECTION 1.A. Submission to the Declaration. The Declarant hereby submits the lands hereinafter described in Article II, Section 2., the buildings and improvements to be constructed thereon, and all easements, rights and appurtenances belonging thereto (hereinafter called the "Property"), to the terms, conditions and provisions of this Declaration.

SECTION 1.B. Submission to the Act. The Property subject to this Declaration is hereby submitted to the provisions of the Uniform Planned Community Act ("Act").

**ARTICLE II
The Property, Common Facilities, Controlled Facilities, Improvements, Easements,**

Marketing Office and Signs

SECTION 2.A. The Property. The property subject to this Declaration shall initially consist of all that certain real property with improvements erected thereon, located in East Fallowfield Township, Chester County, Pennsylvania and more fully described in Exhibit "A" (the legal description) which is attached hereto, incorporated herein, and made a part hereof, together with the easements, rights and appurtenances belonging thereto.

SECTION 2.B. Common Facilities. The Common Facilities within the legal description attached as Exhibit "A" and depicted on the Plat includes open space areas including all landscaping material, walkways or trailways, storm water detention basins, and those entrance signs whether or not as designated on the Plat. All of the Common Facilities will be deeded to the Association.

SECTION 2.C. Controlled Facilities. The Controlled Facilities are those components of the Units which receive one or more services from the Association as depicted on the Plat; there are no controlled facilities intended or anticipated.

SECTION 2.D. Number of Units. The number of Units subject to this Declaration shall be Eighty Five (85) which is the entire development as more particularly identified, described and depicted on the Plat for BRINTON STATION PLANNED COMMUNITY.

SECTION 2.E. The Dwellings. No assurances are made that the architectural style, principal materials employed in construction and size of the dwellings constructed upon the Lots will be the same as other dwellings in the Community, since these matters are decided by each Unit Owner. All dwellings in the Community will be compatible in quality of construction.

SECTION 2.F. Dedication of Public Improvements. The streets along with any and/or all curbs along public streets and street lighting as depicted on the Plat shall be constructed as provided thereon and it is intended that same shall be offered for dedicated to East Fallowfield Township. The public water system and sanitary sewer system and appurtenances are intended to be dedicated to City of Coatesville Authority.

SECTION 2.G. Recorded Easements. Recorded easements and other agreements to which the Community is subject include those as listed from Schedule B of the property title report, attached as Exhibit "B" and incorporated herein by

SECTION 2.H. Easements. Declarant reserves the right to grant easements to utility and other service companies for the installation and maintenance of electric service, cable TV service, telephone service, water, sanitary sewer, storm sewer, and natural and propane gas, as are necessary to construct Units within the Community. The easements are essential for the construction of Units within the Community and the Owners of Units will be benefitted thereby. It is anticipated that the aforementioned easements will have no impact on the budget of the Association.

SECTION 2.I. Sales Office and Signs. The Declarant or its successor(s) or assign(s) or

other builders intend to maintain one or more offices and/or sales trailers for the construction of improvements and dwellings and the marketing of Lots and dwellings constructed thereon. Upon the construction of a model or sample dwelling(s), Declarant or other builders intend to relocate and maintain the office in the model, use the model in connection with the construction of improvements and dwellings and the marketing of Lots and dwellings constructed thereon and to relocate said office and maintain such models as are necessary from time to time for the construction of improvements and dwellings and the marketing of Lots and dwellings constructed thereon. The Declarant or other builder(s) also intends to maintain a sign or signs advertising Lots and dwellings constructed thereon for sale or lease within the Community at such locations within the Property as Declarant may deem appropriate.

ARTICLE III

Name

SECTION 3.A. Name. The name by which the Community shall hereafter be identified is BRINTON STATION PLANNED COMMUNITY.

ARTICLE IV

Definitions

SECTION. 4.A. Definitions. The following terms when used herein and in the Bylaws of the Association (hereinafter called the "Bylaws") are intended to be consistent with the meanings ascribed to them by this Article IV. If a term is not defined herein, the term shall have the same meaning as provided in the Act.

1. "Assessments" or "Charges" shall mean those levies, assessments or sums payable by one or more Owners in the Community from time to time upon notification by the Association, as provided herein; the obligation to pay these assessments shall be a covenant running with the Land. Each assessment shall be separate and payable by the Owner thereof.
2. "Association" or "Community Association" shall mean BRINTON STATION COMMUNITY ASSOCIATION, a Pennsylvania non-profit corporation, its successors and assigns, being an association of all Members, which shall have the duties and powers established in this Declaration and in the Bylaws.
3. "Board of Directors" means a board of natural individuals of the number stated herein and in Paragraph 7C of this Declaration, who shall manage and administer the business, operation and affairs of the Association on behalf of the Owners. Board of Directors means the same as the Executive Board.
4. "Bylaws" means the governing regulations which are adopted pursuant to this Declaration for the regulation and management of the Property and administration of the Association, including any amendments thereof which may be adopted from time to time.

5. "Common Facilities" means all real property, including the improvements thereto, owned by the Association for the Common use and enjoyment of all the Owners as indicated in Section 2B.
6. "Common Expenses" means and includes expenses for which all the Owners are equally liable as provided herein, including, but not limited to:
 - a. Expenses of administration, maintenance, repair and replacement of the Common Facilities; and
 - b. Expenses or liabilities agreed upon as Common by the Owners; and
 - c. Expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves; and
 - d. All other expenses or charges levied or to be levied pursuant to this Declaration or the Bylaws against the Owners.
7. "Common Receipts" means and includes the funds collected from Owners as Assessments and receipts designated as Common by the provisions of this Declaration and the Bylaws.
8. "Common Surplus" means and includes the excess of all Assessments over all Common Expenses.
9. "Community" means the planned residential development known as" BRINTON STATION PLANNED COMMUNITY" which has received final subdivision approval from East Fallowfield Township.
10. "Controlled Facilities" means those components of a Unit which receive one or more services from the Association which is not applicable to this community.
11. "Controlled Expenses" means those Association costs shared only by those with that Controlled Facility, as described herein.
12. "Declarant" shall mean and refer to Brinton Station, Inc., a Pennsylvania Corporation.
13. "Eligible holder, insurer or guarantor of a first mortgage" means any holder, insurer or guarantor of a first mortgage on one or more Units in the Community who shall have provided to the Association, without notice, a statement of its name, address and the Units against which it holds, insures or guarantees a first mortgage lien.
14. "Limited Charges" means those charges which are levied by the Association against one Owner or a group of Owners but not all Owners for costs incurred by the Association in providing services pursuant to this Declaration which services are for the benefit of the Owners so charged. Limited charges are not included within the Association budget and none are anticipated within this community.

15. "Lot" means an approved, subdivided lot designed or intended for residential use, which has a direct exit to a public street or way, or to a Common Facility leading to a public street or way, or to an easement or right of way leading to a public street or way.
16. "Member" means any Owner of the Declarant who shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way, except as provided by this Declaration.
17. "Owner" means the record owner, whether one or more persons or entities, of fee simple title to any Unit which is situate within the Property, but excluding those persons having this interest merely as security for the performance of an obligation and excluding the Declarant. Multiple Owners of a Unit shall together be deemed one Owner for purposes of this Declaration.
18. "Person" means a natural individual, corporation, partnership, association, trust or other legal entity or any combination thereof.
19. "Plat" means the Plan prepared by Mesko Engineering Associates, Exton, Pa. last revised December 17, 1999. For BRINTON STATION, identifying the Units.
20. "Plan" means the Final Over-all Amended Phasing & Subdivision Plan, prepared by Mesko Engineering Associates, Inc., Exton, Pa. dated November 11, 1999 and last revised and recorded in the office of the Recorder of Deeds in and for Chester County, Pennsylvania.
21. "Property" means and includes the real property, and all easements, rights and appurtenances belonging thereto described in Article II, Section 2.A., as submitted by the Declarant to the provisions of this Declaration as amended from time to time with additional real estate.
22. "Recorded" means that an instrument has been duly entered of record in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania.
23. "Streetscape" means the area extending from the curb line to the front of the dwelling.
24. "Unit" means an approved, subdivided lot designed or intended for residential use, which has a direct exit to a public street or way, or to a Common Facility leading to a public street or way, or to an easement or right of way leading to a public street or way. Units within the Community consist of single-family, detached dwellings with lots. A Unit for the purposes of the Declaration includes a lot with dwelling or structure.

ARTICLE V

Property Subject to this Declaration: Rights of the Declarant

SECTION 5.A. Applicability.

1. This Declaration shall be applicable to the Property. All Owners of Units and residents, tenants, their guests, licensees, servants, agents, employees, and any other person or persons who shall be permitted to use the Common Facilities described in this Declaration, shall be subject to this Declaration, the Bylaws and any rules and regulations which the Board of Directors from time to time shall promulgate to govern the conduct of its Members and occupancy of the Property. Ownership, rental or occupancy of any of the Units in the Property shall be conclusively deemed to mean that the Owner, tenant or occupant has accepted ratified and will comply with this Declaration, the Bylaws and the rules and regulations of the Community Association.

2. The Declarant shall have the right, without any joinder, consent or other action on the part of the Association, any Owner or any Eligible holder, insurer or guarantor of a first mortgage, to bring within the operation of and make subject to this Declaration any additional real estate as provided in this Declaration.

SECTION 5.B. Assignment of Declarant's Rights. The Declarant shall have the right to assign all or any part of its rights and duties under this Declaration and the Bylaws and any other instrument entered into by it in connection with the governance of the Community (the "governing documents") to any other party or parties who intend(s) to carry out the development of all or any part of the Community. In the case of assignment of all of its rights and duties, the Declarant shall be relieved of all further liabilities and obligations under the governing document (except for any rights and duties which it may have as an Owner in respect to any Unit which it may continue to own, which shall be unaffected thereby) as of the effective date of the assignment, and the party to whom the assignment shall have been made shall thereafter become and be treated as the "Declarant" for all purposes of the governing documents. In the case of the assignment of less than all of its rights and duties, the Declarant shall continue to be responsible for all of its liabilities and obligations as the Declarant under any of the governing documents, notwithstanding that the assignee may have agreed with the Declarant to assume responsibility for same part thereof. The assignee shall be entitled to exercise and enjoy all rights assigned to it, subject to any terms, conditions or restrictions applicable thereto, set forth in the governing documents or in the instrument by which the assignment is made, in all respects as if it were the Declarant hereunder. No assignment shall be effective until the Declarant and the proposed assignee shall have entered into an instrument expressed to be supplementary to this Declaration which shall set forth the rights and duties of the Declarant to be assigned thereby and all terms, conditions and restrictions applicable to the assignment, and this instrument shall have been filed for the recordation with the Recorder of Deeds.

SECTION 5.C. Modification of the Plan. Subject to compliance with any requirements imposed by any governmental authority having jurisdiction and the Act, the Declarant (or any permitted assignee) shall have the right to make changes in the proposed manner of development of any portion of the Community (whether or not already made subject to this Declaration), including : the location, size, type and configuration of any dwellings to be constructed thereon;

the location and layout of all streets, roads, parking areas, sidewalks, walkways and pathways ; the nature, size and location of any Common Facilities, including the layout of any open space and vegetation; the nature and location of all or any portion of the sewer or water systems intended to serve any portions of the Community; and the location and configuration of all or any portion of the storm or other drainage or retention systems.

ARTICLE VI
The Common Facilities and Provisions Applicable Thereto

THE COMMON FACILITIES WILL BE PERMANENTLY RESTRICTED AGAINST FURTHER SUBDIVISION EXCEPT AS SPECIFICALLY AUTHORIZED FOR RECREATIONAL PURPOSES BY THE TOWNSHIP BOARD OF SUPERVISORS

SECTION 6.A. Owner's Easement of Enjoyment. Every owner shall have the right of ingress, egress and regress over and the right of enjoyment in and to the Common Facilities which right shall be appurtenant to each Unit and shall pass with title to every Unit subject, nevertheless, to the following provisions:

1. The right of the Association to make reasonable Charges and Assessments for the use or any or all of the Common Facilities, and the obligation of the Association under this Declaration to contribute to the expenses of maintenance and repair of the Common Facilities.

2. The right of the Association to suspend the voting rights and the right of an Owner to use any of the Com. on Facilities after the Board of Directors determines that the Owner has failed to pay in full any Assessment or has violated any other of the rules and regulations of the Community Association.

3. The right of the Association to declare or transfer all or any part of the Common Facilities to any public agency, authority, or utility for those purposes and subject to those conditions which may be agreed to by the Members. No dedication or transfer or mortgaging shall be effective unless there has been compliance with the Act and an instrument signed by eighty percent(80%) of the Members (not including Units owned by the Declarant) entitled to vote agreeing to the dedication, transfer or mortgaging has been executed.

4. The right of the Association to limit or prescribe the number of kinds of guests of Members or to make a charge for use of the Common Facilities by guests of Members.

5. The right of the Association to establish rules and regulations governing the Property and the use of the Common Facilities.

6. The free right and privilege of the Declarant at all times hereafter, without let or hindrance, to go upon any and all of the Property, including lands conveyed or developed, and to construct, reconstruct, repair renovate or to correct work to be done by themselves, their agents, servants, workmen or contractors. This right of the Declarant shall expire four (4) years after the conveyance by the Declarant in the ordinary course of business, of the last Unit to an ultimate Unit purchaser other than the Declarant.

7. An easement for the present and future installation and maintenance of electric service, propane gas installation system, if applicable, cable TV service, telephone service, domestic water, storm water and sanitary sewer, drainage and other utility Facilities and the necessary appurtenances to the same which easement shall run in favor of the Declarant, the Association and the entity or entities owning or operating these Facilities.

8. A specific easement in favor of the Declarant, its agents, servants, licensees and invitees for the purposes incident to the process of construction and marketing of Units, provided, however, that this easement shall expire four (4) years after the conveyance by the Declarant in the ordinary course of business, of the last Unit to an ultimate Unit purchaser other than the Declarant.

SECTION 6.B Non-Resident Owner's Use. In the event an Owner leases his Unit, the tenant of the Unit shall be entitled to use any of the Conunon Facilities located on the Property or otherwise available for use by all Owners; provided, however, that the tenant 's right to use the recreation Facilities shall be deemed an assignment of the Owner's right to use these Facilities and shall preclude the non-resident Owner from also using these Facilities (unless otherwise determined by the Board of Directors).

SECTION 6.C No Waiver of Use. No Owner may exempt himself from liability with respect to the payment of Assessments levied by the Association, nor release the Unit owned by the Owner from the liens created for non-payment of Assessments, by waiver of the use or enjoyment of the Common Facilities, by abandonment of his Unit, by any conveyance or covenant severing the rights and benefits from the Unit, or otherwise. The obligation to pay Assessments is absolute and unconditional and, in addition to being a covenant running with the land, is a personal obligation of each Owner and shall not be subject to setoffs or counterclaims.

SECTION 6.D Alterations by Owner. No Owner may make any changes, additions, improvements or alterations of any kind or do any work to any of the Common Facilities. In no event may an Owner make any improvements or alterations which would jeopardize the soundness or safety of any portion of the Property. No Owner shall impair any easement or hereditament therein without the unanimous consent of the Owners affected thereby and the approval by the Board of Directors.

SECTION 6.E Obsolescence. In the event that the Board of Directors shall determine that any Common Facility which is not part of a dwelling is obsolete, the Board of Directors may call for a vote of the Members to determine whether or not the property should be demolished and/or replaced _ In the event that eighty percent (80%) of the Members, and two-thirds the eligible holders, insurers and guarantors of first mortgage lien on the Units and with the prior written consent of the Township, shall determine that the property should be demolished and/or replaced, the costs thereof shall be assessed equally against all of the Members _

SECTION 6.F Declarant's Assessment Obligations. Until such time as the Association shall commence charging Assessments and so long as the Declarant shall be absorbing the expenses of the Association, the Declarant shall not be obligated to pay any Assessments for

declared Units. Thereafter, Declarant shall only be obligated to absorb the Association Assessment charges for Common Facility Expenses.

ARTICLE VII The Association

SECTION 7.A. The Association.

1. The Association is the governing body for all of the Members and is responsible for the following:

- a. Maintenance, repair, replacement, management, operation and administration of the Common Facilities subject to the provisions of this Declaration.
- b. The Declarant and, thereafter, the Association shall enter into a maintenance contract with a qualified landscape contractor, person or entity to maintain the common open space, stormwater management facilities which shall include mowing of any meadow for passive open space regular inspections of any storm sewer outlets or other improvements and maintenance of recreational equipment.
- c. Provide or perform other services as permitted under this Declaration.

2. Nothing herein contained shall be construed so as to preclude the Association from delegating these duties to a manager or agent or other persons, firms or other corporations, subject to the authority of the Association. In the event that the Association, having delegated these duties, decides to terminate professional management for the Community, this termination shall be subject to the provisions of Section 7.C. hereof.

3. The Common Expenses incurred or to be incurred for the maintenance, repair, replacement, management, operation and use of the Common Facilities, shall be assessed by the Association against, and collected from, the Members in accordance with Article X hereof. Expenses benefitting fewer than all of the Units shall be assessed exclusively against the Units benefitted as Limited Charges. All Owners upon acceptance of a deed to a Unit shall become Members of the Association and shall be obligated to pay all applicable Assessments levied by the Association.

SECTION 7.B. Membership in Association.

1. Except as otherwise provided, membership in the Association shall be limited to the Owners of lots subjected to this Declaration and the Declarant.

2. Every Member of the Association shall be entitled to all of the rights and shall be bound by all of the obligations accompanying membership; provided that any party who is holding an interest in a lot merely as a security for the performance of an obligation shall not be a Member.

3. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners of lots and each assessable shall be entitled to a Class A vote.

Class B. The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each lot owned. The Class B Membership may be freely assigned or transferred by Declarant in whole or in part.

Each Class A Membership shall initially commence upon the recording of the Declaration and shall be initially held by the Declarant or other title holder of said lot at the time of recording. Thereafter, the Membership shall transfer to each successive title owner of the lot as of the date and hour of the completion of settlement for the conveyance of the lot to the new Owner and that Owner's Membership shall terminate and transfer to his successor in title upon the date and hour of completion of settlement for the conveyance of such lot. Class B Membership shall commence upon the recording of the Declaration and shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier: (i) when the total votes in Class A Membership exceeds the total votes outstanding in Class B Membership, or (ii) on July 1, 2006. For purposes of voting, it is assumed that, eventually, eighty-five (85) units will ultimately be conveyed.

4. When more than one person holds an interest or interests in any lot, all of those persons shall be one Member collectively, and the vote for the lot shall be exercised as provided in Section 7.C. hereof and in the Bylaws. In no event shall more than one vote as described in Subsection 3 above be cast with respect to any one lot. If a lot is owned by a corporation, joint venture, partnership or unincorporated association, the natural person entitled to cast the votes of the lot shall be designated on a certificate for that purpose, executed by the entity pursuant to its governing documents. Notwithstanding any other provision of this Declaration or the Bylaws, no action shall be taken or adopted by the Association that would in any way affect any of the rights, privileges, powers or options of the Declarant (including, but not limited to, development of the Property or the marketing program of the Declarant) without the prior written approval of the Declarant.

5. A Member shall be deemed to be "in good standing" and "entitled to vote" at any annual meeting or at any special meeting of the Association if, and only if, he has fully paid all Assessments made or levied against him or against his lot by the Board of Directors as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, chargeable to him or against his lot, at least ten (10) days prior to the date fixed for the annual or special meeting.

6. In the event that an Owner shall lease or permit another to occupy his Unit in accordance with the provisions of this Declaration, the tenant or occupant shall be permitted to enjoy the Common Facilities but shall not vote in the affairs of the Association, except as the Owner shall permit the tenant or occupant to exercise the proxy vote of the Owner.

7. Every lawful transfer of title to a lot shall include membership in the Association and, upon making the transfer, the previous Owner's membership shall automatically terminate. Except as otherwise expressly provided, membership in the Association may not be assigned or

transferred without the transfer of legal title to the lot and any attempt at assignment or transfer thereof shall be void and of no effect.

8. Membership in the Association shall automatically terminate when an Owner sells, transfers or otherwise conveys his lot.

9. Cumulative voting shall not be permitted for any reason.

SECTION 7.C. Board of Directors. Subject to the provisions of this Declaration and the Bylaws, the Board of Directors shall have the power to act on behalf of the Association. The initial Board of Directors under this Declaration shall consist of three (3) members appointed, removed and replaced from time to time by the Declarant without the necessity of obtaining resignations. The initial three (3) directors shall be selected by the Declarant, and are not required to be members of the Association. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the total number of lots provided for herein to lot owners other than the Declarant, one (1) member of the Board of Directors shall be elected by Owners of lots other than the Declarant making a four (4) member Board of Directors. Not later than sixty (60) days after conveyance of fifty percent (50%) of the total number of lots provided for herein to lot owners other than the Declarant, one (1) additional member of the Board of Directors shall be elected by Owners of lots other than the Declarant making a five member Board of Directors. Sixty (60) days after conveyance of 75% of the total number of lots provided for herein, Declarant's control shall terminate and all members of the Board of Directors shall be elected by Owners of lots other than the Declarant. At said time, a Board of Directors consisting of five (5) members, all of whom shall be members, shall be elected by Owners subject to representation requirements outlined in the By laws.

SECTION 7.D. Association Maintenance Responsibilities.

1. The Association shall provide, only to the extent limited below (or as otherwise determined by the Board of Directors), maintenance, repair and replacement of the Common Facilities including all storm water management and erosion control Facilities associated with the detention basins located in the Common Facilities.

2. The Association shall also provide those services and perform responsibilities as enumerated in Section 6.

3. Any costs incurred by the Association in connection with any of the foregoing maintenance, repair or replacement items which may arise in connection with the negligence of the Owner or occupant of any particular Unit shall be charged to the Owner(s).

4. Specific Responsibilities relative to Stormwater Management Facilities. Neither the Association nor any Unit Owner shall directly or indirectly alter or change the grade, contours or configuration of the detention basins or other Stormwater Management Facilities located on any Unit or in the Common Open Space or conduct any activity thereon which may obstruct or interfere with the proper functioning thereof or which may tend to damage such Stormwater

Management Facilities, and neither the Association nor any Unit Owner shall directly or indirectly construct or cause or permit to be constructed any building, structure, driveway or improvement, whether temporary or permanent on any Stormwater Management Facilities which may interfere with the proper functioning of or tend to damage such Stormwater Management Facilities.

If requested or required by the Township, the Declarant or the Association shall dedicate to the Township (and/or join with the Declarant and/or the Association in dedicating to the Township) an easement over and across the land on which such Stormwater Management Facilities are located and/or convey to the Township (or join with the Declarant or the Association in conveying to the Township) ownership of any surface or subsurface stormwater drainage pipes, conduits, culverts or other equipment or like facilities as may be located on such land. The Township shall have no obligation to accept dedication of any such facilities and may elect to accept or not to accept dedication of such facilities in its sole and absolute discretion. Any such conveyance to the Township shall be without compensation to any Unit Owner, the Declarant or the Association. The conveyance of the Common Open Space to the Association is expressly made under and subject to this reservation.

ARTICLE VIII Insurance

SECTION 8.A. Liability. The Board of Directors shall obtain or cause to be “broad-form” comprehensive public liability and property damage insurance, including medical payments insurance, covering liability for loss or damage to persons or property arising out of or in connection with the use, ownership or maintenance of the Common Facilities in those amounts, against those risks and in those insurance companies which the Board of Directors from time to time shall determine, but in no event less than One Million (\$1,000,000.00) Dollars for bodily injury, including deaths of persons and property damage arising out of a single occurrence. This insurance shall include protection against liability for property of others, and all other risks which are customarily covered in similar communities. All liability insurance contracts shall contain severability of interest provisions and cross liability endorsements to cover liabilities of the Association or the Owners as a group to an Owner.

SECTION 8.B. Property.

1. Board of Directors shall obtain or cause to be obtained “master” or “blanket” or “all-risk” hazard and, if applicable, flood, insurance coverage covering damage to property, insuring all of the Common Facilities, including fixtures and equipment therein and thereof, and including all personal property owned by the Association (the “Insured Property”, but shall not cover any dwellings. Premiums for the hazard insurance coverage carried by the Association shall be part of the Common Expenses for which Assessments are levied against the Units.

2. Each Owner shall be individually responsible for maintaining all risk hazard, and, if applicable, flood, insurance coverage for his Unit and for all personal property of the Owner in an amount equal to the maximum insurable replacement value. In the event of damage or destruction of any Unit, the Owner shall be responsible to promptly file and settle the claim with

their individual carrier and to repair and/or rebuild in the most expeditious manner.

SECTION 8.C. General Insurance Provisions.

1. All policies shall be purchased by the Association for the benefit of the Association, Board of Directors, all Owners, and their mortgagees, as their interests may appear, however, the Association shall be the named insured and it shall not be necessary to name the Board of Directors or the Owners: however, mortgagee endorsements may be issued upon request. The company or companies with whom the Board of Directors shall place its insurance coverage, as provided in this Declaration, must be qualified and reputable, authorized to do business in the Commonwealth of Pa. and rated as Excellent by A.M. Best Company, Inc. in its Key Rating Guide: "Property Casualty" or a comparable rating if Best shall no longer be in existence. Premiums for insurance coverage and other expenses related to insurance shall be paid by the Board of Directors and charged to all Owners as a Common Expense. All policies shall provide that they may not be canceled or substantially modified, by any party, without at least ten (10) days prior written notice to the Association and to each holder, insurer or guarantor of a first mortgage lien listed in the insurance policies. In addition, policies shall provide for the following: a waiver of the right of subrogation against Owners individually; the insurance shall not be prejudiced by any act or neglect of the individual Owners which is not in the control of the Owners collectively; and the policy is primary in the event the Owner has other insurance covering the same loss. Policies shall be deposited with the Board of Directors. Policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Association. The duty of the Board of Directors, shall be to receive the proceeds which are paid and hold the same for the purposes elsewhere stated herein and for the benefit of the Association.

2. The types and amounts of insurance coverage described in this Article VIII are minimal for 2000 based upon the standards set forth in the Act. The Board of Directors shall review, at least annually, all insurance coverage carried pursuant to this Declaration to evaluate this coverage with respect to its compliance with this Declaration and standards set by FNMA and HUD, as well as with respect to what is reasonably appropriate coverage for communities comparable to BRINTON STATION PLANNED COMMUNITY. In the event the Board of Directors determines after its review and evaluation that the insurance coverage required hereunder is not consistent with the requirements or standards set by FNMA, or HUD, or otherwise reasonably appropriate coverage when comparable to the Property, the Board of Directors shall have the power to deviate from the specific provisions of this Article VII only to the extent of providing consistent and reasonably appropriate coverage; provided the Board of Directors shall provide the Owners and their mortgagees at least thirty (30) days prior written notice of any deviation.

SECTION 8.D. Damage or Destruction: Repair or Replacement.

Where a loss or damage occurs to any portion of the Common Facilities, it shall be an obligation of the Association to repair and restore the damage caused by the loss unless the Community is terminated, repair or replacement would be illegal under any state or local health or safety statute or ordinance or, with respect to the Common Facilities only, at least eighty percent (80%) of the members, and two-thirds (2/3) of the eligible holders, insurers and

guarantors of first mortgage lien on the Units; vote not to rebuild. In the event of such loss or damage:

1. The Board of Directors shall promptly obtain reliable and detailed estimates of the cost of repair and restoration and shall have the right and obligation to negotiate and contract for the repair and restoration of the Common Facilities.

2. If the net proceeds or the insurance are insufficient to pay for the estimated cost of repair and restoration (or for the actual cost thereof if the work has actually been done), the Board of Directors shall promptly, upon determination of the deficiency, levy a special Assessment against all Owners for that portion of the deficiency which is attributable to the cost of repair and restoration of the Common Facilities. The special Assessment funds shall be added by the Board of Directors to the insurance proceeds available for the repair and restoration.

3. In the event the insurance proceeds are sufficient to pay for the cost or restoration and repair, or in the event the insurance proceeds are insufficient, but additional funds are raised by special Assessment, so that sufficient funds are on hand to fully pay for the restoration and repair, then no mortgagee shall have the right to require the application or insurance proceeds to the payment of its loan.

SECTION 8.E. Association's Power to Compromise Claim. The Board of Directors is hereby empowered to compromise and settle claims arising under insurance policies purchased by the Association, and to execute and deliver releases therefor, upon the payment of claims.

SECTION 8.F. Other Insurance. The Board of Directors shall also obtain the following insurance coverage and endorsements as may be applicable to the Common Facilities, all premiums for which are to be charged as Common Expenses:

1. Workmen's compensation policy to meet the requirements of law.

2. Directors' and Officers' liability and any other insurance which the Board of Directors shall deem necessary to satisfy the indemnification obligation of the Association as provided in Article XIII of this Declaration.

3. All other insurance which the Board of Directors shall determine from time to time to be necessary or desirable.

If available, and where applicable, the Board of Directors shall endeavor to obtain policies which provide that the insurer waives its right of subrogation as to any claims against Owners, the Association, the Board of Directors and their respective servants, agents and guests.

SECTION 8.G. Limitation of Liability. Notwithstanding the duty of the Board of Directors to maintain and repair parts of the Common Facilities, the Board of Directors shall not be liable for injury or damage caused by the failure of the Board of Directors to maintain or repair the same, except to the extent of the proceeds of insurance carried by the Board of Directors and collected and received therefor.

SECTION 8.H. Use and Insurance Premiums.

1. No Unit shall be used or kept in a manner which will in any way increase fire, liability or other insurance premiums payable by the Association, or any other Owner without the prior written permission of the Board of Directors, which permission shall be conditioned upon the Owner of the Unit being required to bear the full amount of any increase in premiums payable by the Association. No Unit or any part of the Property shall be used, occupied or kept in any manner which would violate any law, statute, ordinance or regulation of any governmental body or which would lead to the cancellation of any insurance policy or policies on the Property.

2. To the extent that the use of a Unit by an Owner is otherwise than permitted hereunder, the Association shall have the right to charge the Owner for any increase in insurance premiums payable by the Association occasioned thereby.

ARTICLE IX Easements

SECTION 9.A. Utilities. All of the Property subject to this Declaration shall be subject to an easement for the present and future installation and maintenance of electric service, master and/or cable television service, telephone service, water service, storm water and sanitary sewage services, natural and propane gas service and other utility services and the Facilities and appurtenances necessary to the same, which easement shall run in favor of the Declarant, the Association and the entity or entities owning or operating these Facilities and providing the aforementioned services. The Board of Directors shall have the right to grant to third parties additional utility easements as shall be deemed reasonable by the Board of Directors in connection with supplying utility services to the Units or the Common Facilities or BRINTON STATION PLANNED COMMUNITY.

SECTION 9.B. Association and Board of Directors Access. The Association and its Board of Directors, officers, management, agents and employees, shall have the irrevocable right and easement over, through and upon all of the Property for the following: to have access to each Unit as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Facilities accessible therefrom; to abate any violation of law, orders, rules or regulations of the Association or of any governmental authorities having jurisdiction thereof or this Declaration or to maintain, repair or replace the Common Facilities and Controlled Facilities. The Association and its Board of Directors shall have the right to grant permits, licenses and easements over and through the Common Facilities for utilities, rights-of-way, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Common Facilities.

SECTION 9.C. Declarant's Easement for Marketing. The Declarant or other builders reserve the right with respect to the marketing of Lots and dwellings constructed thereon to use the Common Facilities and, to the extent not already conveyed to purchasers, for the ingress and egress of itself, its officers, employees, agents, contractors and subcontractors and for prospective purchasers to park on Lots other than those Lots already conveyed to Owners. The

Declarant shall also have the right, in connection with the marketing of Lots and dwellings constructed thereon, until the conveyance of the last lot it owns in the Community, to erect signs on the Common Facilities or on those Lots not already conveyed to purchasers. Any damages to the Common Facilities resulting from this easement shall be repaired by the Declarant within a reasonable time after the completion of its sale of all of the Lots and dwellings constructed thereon in the Community or termination of the use of the Common Facilities, whichever shall first occur. The Declarant agrees to indemnify and to hold the Association harmless from all liabilities resulting from the use of the Common Facilities in conjunction with the marketing of Lots and dwellings constructed thereon. The rights reserved for the Declarant by this Section 9.C. shall remain in effect for as long as the Declarant shall remain the Owner of a lot in the Community. This section shall not be amended without the prior written consent of the Declarant.

SECTION 9.D. Declarant's Easement for Construction. The Declarant reserves the right and privilege without let or hindrance with respect to the construction of the improvements, dwellings, and Common Facilities to go upon any and all of the Property for purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Common Facilities, improvements, dwellings (including without limitation, to change the grade of any portion of the Property and/or to install utilities and/or to install drainage control devices so as to control possible drainage and/or runoff of storm water in connection with the development of the Property or adjacent lands.) The Declarant agrees to indemnify and hold the Association harmless from liabilities resulting from the exercise of this easement. The rights hereby reserved for the Declarant shall expire two (2) years after conveyance by Declarant in the ordinary course of business of the last Unit to an ultimate Unit purchaser other than Declarant. This Section shall not be amended without the written consent of the Declarant. Declarant's easement for construction pursuant to this Section 9.D. is not a warranty and this provision shall not, in any way, be construed to apply, expand, or supplement any homeowners' or builder's warranties on any dwelling.

SECTION 9.E. Easement to Maintain or Repair Common Facilities. The Association shall have an irrevocable right and easement, in favor of its Board of Directors, officers, agents and employees to access to the Common Facilities which are within the Community, which access may be necessary for the inspection, maintenance, repair or replacement of the Common Facilities.

SECTION 9.F. Continuing Easements. The foregoing easements in Sections 9.B., 9.C., 9.D. and 9.E. shall run with the land and inure to the benefit of and be binding upon the Association, each Owner, and each holder, insurer or guarantor of a first mortgage lien, tenant, occupant or other person having any interest in any Unit or in the Common Facilities at the time of reference.

ARTICLE X Assessment Obligations of Owner

SECTION 10.A. Owner's Assessment Obligation. Each Owner of any Unit, by

acceptance of the deed therefor, whether or not it shall be so expressed in the deed or other conveyance, shall be deemed to covenant and agree to pay to the Association (in addition to any other Charges or Costs levied by the Association pursuant to this Declaration) in accordance with the terms hereof, all Assessments, including, but not limited to: (a) regular Assessments to be made due and payable on a periodic basis as reasonably determined from time to time by the Board of Directors based upon the budget of the Association; (b) special Assessments which shall be fixed, established and collected from time to time as provided in this Declaration; (c) any other Charges or Assessments for what may be determined from time to time by the Association to be Common Facilities Expenses 1 Controlled Facilities Expenses or Limited Charges; and (d) any interest charges, penalties or fines levied by the Board of Directors for non-payment of Assessments or for non-compliance with the terms and provisions of this Declaration, the Bylaws or any rules or regulations created by the Board of Directors. Except for Limited Charges, all regular and special Assessments imposed pursuant to this Declaration for Common Expenses shall be imposed equally for each Unit. The regular and special Assessments and Limited Charges, together with any interest thereon, fines, late charge and cost of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each Assessment is made from the time the Assessment, fines, late charge or cost of collection become due. Each Assessment, together with interest thereon, fines, late charges and cost of collection thereof as hereinafter provided shall also be the personal obligation of the Owner who was the Owner of the Unit at the time when the Assessment becomes due.

SECTION 10.B. Owner's Negligence. Each Owner shall be obligated to reimburse the Association for any expenses incurred by it in repairing or replacing any part or parts of the Common Facilities damaged by his act, omission or negligence or by the act, omission or negligence of his tenants, agents, guests or licensees, promptly upon receipt of the Association's statement therefore.

SECTION 10.C. Surplus Funds. Any Common Surplus of the Association remaining after payment of or provision for Common Expenses and any prepayment of reserves shall be credited to the Owners to reduce their future assessments in accordance with the Act.

SECTION 10.D. Time of Payment. The obligation to pay Assessments levied against a Unit by the Association shall commence on the date the Association makes the initial regular Assessment. Until that time, the Declarant shall pay all expenses, if any, for the Association. Thereafter, except as otherwise provided in this Declaration, payment by the Owner of assessments shall be made at the discretion of the Board of Directors, provided that all regular and special Assessments shall be declared by the Board of Directors and made due and payable on a periodic basis. The failure of the Board of Directors to formally declare any assessment shall result in the regular Assessments for the immediately preceding year being the regular annual Assessment applicable to and due and payable for the next year.

SECTION 10.E. Lien for Assessment. All Assessments and Charges chargeable to any Unit including all fines, fees, charges, late charges, interest and costs of collection (including attorneys' fees) thereof, and penalties levied for non-compliance with this Declaration, the Bylaws and rules and regulations of the Association shall constitute a lien against the Unit in

favor of the Association provided that all fines, fees, charges, late charges, interest, costs of collection (including attorneys' fees) thereof and penalties shall be subordinate to the lien of any first mortgage on a Unit. Except for Assessments payable in installments, the claim of lien shall include only those sums which are due and payable when the claim of lien is recorded and shall be signed and verified by an officer or agent of the Association. If an Assessment is payable in installments and one or more installment is not paid when due, the entire outstanding balance of the Assessment becomes effective as a lien from the date of the delinquent installment. Upon full payment of all sums secured by the lien and a preparation fee, the party making payment shall be entitled to a recordable satisfaction of lien to be recorded at his sole expense.

SECTION 10 F. Effect of Non-Payment of Assessment. The Board of Directors may assess fines, late charges and costs of collection (including attorneys' fees) and the Board of Directors shall also have the right to charge a delinquency assessment as established from time to time by the Board of Directors, against any Owner whose Assessments are delinquent for a period exceeding ten (10) days from the due date. Any Assessment or installment thereof not paid within sixty (60) days after the due date shall bear interest from the due date at the rate of fifteen percent (15 %) per annum or at a higher rate permitted by law which the Board of Directors shall determine from time to time. The Board of Directors shall have the right to accelerate payment of all remaining proposed annual payments of any regular Assessments for the remainder of the fiscal year or of special assessments. In addition to any other remedies available to the Association in the event of non-payment of Assessments, the Association shall have the right to revoke the rights of the Owner in the Association.

SECTION 10.G. Method of Enforcing Collection of Assessments.

1. Any Assessment charged against a Unit, may be enforced by a lawsuit brought by the Board of Directors on behalf of the Association and/or the Owners in an action at law or in equity against the Owner personally obligated to pay the same, or by executing the lien described in Section 10 E. against the Unit, in like manner as a mortgage against real estate, or both, and it may seek whatever other remedy is available at law or in equity to collect. In addition to these rights and remedies available to the Association, the Association shall have the right to revoke the rights of an Owner in the Association, including the right to vote; provided the Association shall provide written notice of this revocation and an opportunity for the defaulting Owner to be heard before the Board of Directors. The decision of the Board of Directors shall be final. Any judgment against a Unit and its Owner shall be enforceable in the same manner as is otherwise provided by law. Attorneys' fees, court costs and collection expenses incurred by the Board of Directors incident to the collection of any assessment; or the enforcement of any lien, together with all sums advanced and paid by the Board of Directors for taxes and payments on account of superior liens which may be required to be advanced by the Board of Directors in order to protect its lien, shall be payable by the Owner and secured by the lien.

2. IN CONNECTION WITH THE POWER OF THE ASSOCIATION TO COLLECT ANY UNPAID ASSESSMENTS, EACH OWNER (BY THE ACCEPTANCE OF THE DEED TO A UNIT) SHALL BE DEEMED TO HAVE APPOINTED ANY ONE OR MORE OF THE MEMBERS OF THE BOARD OF DIRECTORS OR ANY ATTORNEY ACTING ON BEHALF OF THE BOARD OF DIRECTORS AS THE OWNER'S

ATTORNEY-IN-FACT TO APPEAR FOR THE OWNER 'S IN ANY COURT OF COMPETENT JURISDICTION IN PENNSYLVANIA TO CONFESS JUDGEMENT AGAINST THE OWNER FOR ANY UNPAID ASSESSMENT OR CHARGE. THIS APPOINTMENT, GIVEN AS SECURITY FOR THE PAYMENT OF ALL ASSESSMENTS, SHALL BE irrevocable FOR PURPOSES OF CONFESSING JUDGMENT, A COPY OF THIS SECTION 10 AND COPY OF THE DEED OF THE OWNER, BOTH VERIFIED BY AFFIDAVIT, SHALL BE SUFFICIENT WARRANT. THE AUTHORITY TO CONFESS JUDGMENT GRANTED BY THIS SECTION 10.G.2 SHALL NOT BE EXHAUSTED BY ANY EXERCISE THEREOF, BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES WHILE THIS DECLARATION EXISTS.

ARTICLE XI

Use Restrictions

SECTION 11.A. Use Restrictions. Except as used by the Declarant in connection with its construction and marketing of Units in the Community, each Unit shall be subject to the following restrictions:

1. Each Unit shall be used for residential purposes consistent with zoning.
2. No Unit shall be used so as to create a nuisance or an unreasonable interference with the peaceful possession and occupation or proper use of any other Unit or the Common Facilities.
3. Except for work done by the Declarant in connection with the construction and marketing of new dwellings, nothing shall be built, caused to be built or done in or to any Unit which will alter or cause any alteration to the Common Facilities without the prior approval of the Association.
4. Each Unit shall be maintained by the Owner or occupant in a safe, clean and sanitary manner and condition, in good order and repair and in accordance with all applicable restrictions, conditions, ordinances, codes and any rules or regulations which are applicable hereunder or under law.
5. No Owner or occupant of any Unit shall carry on, or permit to be carried on, any practice which unreasonably interferes with the quiet enjoyment and proper use of another Unit or the Common Facilities by the Owner or occupant of any other Unit, or which creates or results in a hazard or nuisance on the Property.
6. No Owner or occupant may obstruct the Common Facilities in any way. No Owner or occupant may store anything in or on the Common Facilities without the prior written consent of the Board of Directors.
7. No portion of the Property shall be used or maintained as a dumping ground for rubbish, trash, new or used lumber or wood, metal scrap, garbage or other waste, except that these materials may be kept in the dwelling or in areas of the Property designated for this purpose by the Declarant (in connection with its construction) or the Board of Directors; provided these

materials shall be kept in sanitary containers and in a clean and sanitary condition. These containers shall be placed for collection only in those designated areas and only on the day the refuse material is to be collected. Empty containers shall be removed promptly after collection.

8. No Owner or lawful occupant shall leave any non-operating vehicle or vehicle not currently registered and licensed and having a valid and current state motor vehicle license inspection certification to be operated on or about the Property.

9. Driveways and streets and other exterior parking areas on the Property shall be used by Owners and occupants for four wheel passenger vehicles only. No recreational vehicles over twenty feet (20 ') in length, boat trailers, boats, mobile homes, campers commercial vehicles not used in ordinary day-to-day transportation (as further described herein), or tractor trailers, shall be permitted to be parked on a Lot or in the Common Facilities. Recreational vehicles, trailers, trucks, boats or commercial vehicles may be permitted to be parked entirely within garages with closed doors. Commercial vehicles are defined as a vehicle with more than two (2) axles or more than four (4) tires or has exposed equipment, inventory or supplies or has a gross vehicle weight in excess of five thousand (5000) pounds or has excessive lettering in excess of four (4) square feet (including the blank space between letters) on either front door or has commercial lettering located other places on the vehicle.

10. No motor vehicle including but not limited to, mini-bikes, snowmobiles and motorcycles, may be driven on the Property (other than on streets and driveways) by any Owner, occupant or guest.

11. No outside or free-standing TV, radio, shortwave or similar aerial or antenna shall be erected or maintained, unless approved and agreed to by the Board of Directors. Approval shall not be unreasonably withheld, consistent with preservation of aesthetics within BRINTON STATION PLANNED COMMUNITY and as guided by the Federal Telecommunications Act as amended.

12. No Unit Owner shall permanently house or maintain any dangerous animals and shall be limited to two (2) domestic house pets. Each Unit Owner shall be limited to a maximum of two (2) dogs or two (2) cats.

13. Permanent signage shall be restricted to numerals and names on mailboxes and/or homes which are to be consistent with the designated mailing address established for the purpose of facilitating compliance with the Township or County administered emergency response system, including the use of the 011 emergency response system.

14. No fencing shall be installed upon any Lot with the exception of post and rail with or without non-obtrusive chicken wire and not to exceed a height of four feet (4') and in strict compliance with any and all Township ordinances and regulations.

15. No above ground pools shall be maintained upon any Lot with the exception of small baby pools, hot tubs or spas.

ARTICLE XII Compliance and Default

SECTION 12.A. Compliance and Default.

1. Each Owner shall be governed by and shall comply strictly with the terms, covenants, conditions and restrictions of this Declaration, the Bylaws and any rules and regulations adopted pursuant thereto, and the same as they may be amended from time to time.

2. The Board of Directors shall have the power to adopt, amend and enforce compliance with, all reasonable rules and regulations relative to the operation, use and occupancy of the Units and Common Facilities consistent with the provisions of this Declaration, including, but not limited to enforcement procedures and penalties for violations of this Declaration, the Bylaws or any rules or regulations which the Board of Directors shall deem appropriate. Any rules and regulations shall be adopted or amended, from time to time, by means of appropriate resolutions duly approved by the Board of Directors in accordance with the Bylaws. A copy of these rules and regulations and copies of any amendments thereto shall be delivered or mailed to each Owner or occupant of a Unit promptly after the adoption thereof and shall become binding upon all Owners, their successors in title and assigns, and occupants of Units.

3. Failure of the Owner to comply therewith shall entitle the Association or Owners to the remedies provided in this Declaration, and also to the other remedies provided in this Article XII, none of which shall be exclusive of any other remedies.

SECTION 12. B. Suits. Failure to comply with the terms of this Declaration, the Bylaws and any rules and regulations adopted pursuant thereto, and the same as they may be amended from time to time, shall entitle the Association or any aggrieved Owner to sue for the recovery of damages or for injunctive relief, or both. This relief shall not be exclusive of other remedies provided by law.

SECTION 12.C. Costs and Attorneys Fees. In any proceeding arising because of an alleged failure of an Owner to comply with the terms of this Declaration, the Bylaws and any rules and regulations adopted pursuant thereto, and the same as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorney's fees; provided, however, that no costs or attorneys' fees may be recovered against the Board of Directors in any action unless the Court shall first expressly find that the Board of Directors acted in bad faith.

SECTION 12.D. No Waiver of Rights. The failure of the Declarant, the Board of Directors, or any Owner to enforce any covenant, condition, restriction or other provision of this Declaration, the Bylaws or any rules and regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

SECTION 12.E. Complaint and Hearing Procedures. Actions By Owners. No Owner or occupant shall have the right to object, challenge, commence any suit at law or in equity or take any other action under any act, power or authority now in force or hereafter to be enacted except after following the procedures established by the Board of Directors by rule or regulation

consistent with the provisions of this Section. The Board of Directors, or a committee appointed by the Board of Directors, shall hear complaints from Owners or occupants of alleged violations of this Declaration, (other than violations with respect to assessment obligations), the Bylaws and any rules and regulations of the Association. The Board of Directors, or a committee appointed by the Board of Directors, shall hold a hearing on any complaint within thirty (30) days after the receipt by the Board of Directors of a formal written notice of complaint from an Owner or occupant. A decision shall be issued in writing by the Board of Directors within ten (10) days after the conclusion of the hearing. The Board of Directors shall have the right to establish various rules and procedures governing the operation and administration of the complaint and hearing process and the enforcement of this Declaration, the Bylaws and any rules and regulations. Unless the internal remedies provided by this Section and the rules and regulations promulgated by the Board of Directors shall be expressly waived by the Association, or the Association fails or refuses to act, no action at law or in equity shall be commenced by any Owner or occupant until these internal remedies are pursued to exhaustion. Any action by an Owner or occupant against any other Owner or occupant arising out of any term., covenant or condition contained in this Declaration, the Bylaws or any rules or regulations made pursuant thereto shall be subject to the same procedures. In hearings before the Board of Directors, or a committee appointed by the Board of Directors, all parties shall be entitled to be represented by Counsel.

ARTICLE XIII
Indemnification of Officers,
Members of the Board of Directors and Committee Member

SECTION 13.A. Indemnification of Officers. Members of the Board of Directors and Committee Members. The Association shall indemnify every member of the Board of Directors, officer and committee member, his heirs, executors and administrators, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a member or the Board of Directors, officer or a committee member of the Association, except as to matters to which he shall be finally adjudged in the action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with those matters covered by the settlement which the Association is advised by Counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as a member of the Board of Directors, officer or committee member in relation to the matters involved. The foregoing rights shall not be exclusive of other rights to which the member of the Board of Directors, officer or committee member may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as Common Expenses ; provided, however, that nothing contained in this Article shall obligate the Association to indemnify any Member, who *is* or has been a member of the Board of Directors, an officer or a committee member with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Association.

ARTICLE XIV

Amendments

SECTION 14.A. Generally. Subject to the other provisions of this Declaration relative to amendment and the provisions of the Act, this Declaration may be amended in the following manner, provided however, that any other provision of this Declaration setting forth other conditions of amendment shall take precedence.

SECTION 14.B. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the Board of Directors in which a proposed amendment is considered, and shall be served upon all Members in the manner hereinafter provided for service of notices.

SECTION 14.C. Resolution. An amendment may be proposed by either the Board of Directors or by at least twenty percent (20%) of the Members of the Association. No resolution of the Board of Directors adopting a proposed amendment shall be effective unless it has the affirmative vote of at least sixty-seven percent (67 %) of the votes of those Members voting on the Resolution.

SECTION 14.D. Amendment. In the alternative an amendment may be made by an agreement signed and acknowledged by the members to which at least sixty-seven percent (67%) of the votes in the Association are allocated in the manner required for the execution of a deed. This amendment shall be effective when recorded.

SECTION 14.E. Proviso. No amendment of this Declaration shall make any change which would in any way affect any of the rights, privileges, powers and options of the Declarant unless the Declarant shall join in the execution of the amendment. Subject to any limitations in the Act, the Declarant may unilaterally amend this Declaration or the Bylaws or the Plans in any manner until such time as the Declarant has sold seventy-five percent (75%) of the Lots within the Community.

SECTION 14.F. Execution and Recording. A copy of each amendment shall be attached to or included with a certificate which certifies that the amendment was duly adopted; this certificate shall be executed and acknowledged by the officers of the Association with all the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Office of the Recorder of Deeds in and for Chester County.

SECTION 14.G. Correcting Errors. If any amendment to this Declaration or the Bylaws is necessary in the judgment of the Board of Directors to cure an ambiguity, or correct or supplement anything appearing or failing to appear therein which is defective, missing or inconsistent with anything in either this Declaration or the Bylaws, or if the amendment is necessary to conform to the requirements of FNMA or HUD, with respect to comparable communities, the Declarant (while it owns a Unit in the ordinary course of its business) or the Board of Directors may, at any time and from time to time, effect an appropriate corrective amendment without the approval of the Owners or the holders, insurers or guarantors of any first mortgage liens on all or part of the Property upon receipt by the Declarant or Board of Directors of an opinion of counsel to the effect that the proposed amendment is permitted by the terms of

this Section and the Act, together with a like opinion from an independent registered architect or licensed professional engineer, in the case of an amendment to the Plan. Each amendment shall be effective upon its recording pursuant to Section 11.F hereof.

ARTICLE XV Duration and Termination

SECTION 15.A. Duration. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity unless terminated by a vote of not less than eighty percent (80%) of the Members subjected hereto and with the prior written consent of the Township, evidence of which shall be recorded.

SECTION 15.B. By Unanimous Agreement. This Declaration may be terminated at any time by the unanimous agreement, in writing, in the form of a Deed of Revocation, executed by all of the Owners, and the Declarant while it owns a Unit within the community, East Fallowfield Township and by the holders, insurers and guarantors of all first mortgages, judgment or other liens affecting the Units. This Deed of Revocation shall become effective upon being recorded.

ARTICLE XVI Notice

SECTION 16.A. Notice. All notices required to be served upon Owners pursuant to this Declaration or the Bylaws shall be sufficient if delivered to the Unit or mailed to the Owner at the Unit mailing address by regular mail. The effective date of a notice shall be the date of delivery to the Unit in the case of actual delivery and a date five (5) days after deposit in the mail in the case of notice sent by mail.

ARTICLE XVII Rights of Holders, Insurers and Guarantors of First Mortgage Liens

SECTION 17. A. Eligibility. A holder, insurer or guarantor of a first mortgage lien on a Unit in the Property shall be required to provide to the Association a statement of its name, address and the Unit against which it holds, insures, or guarantees the first mortgage lien in order to be an eligible holder, insurer or guarantor as those terms are used in this Declaration and thereby entitled to the rights set forth in this Article XVII and elsewhere in this Declaration.

SECTION 17.B. Notices to Eligible Holder, Insurer, or Guarantor of First Mortgage Liens. Upon written request to the Association, identifying the name and address of the eligible holder, insurer or guarantor of a first mortgage lien and the number or designation of the particular Unit, any eligible holder, insurer or guarantor of a first mortgage lien on a Unit, shall be entitled to timely notice of:

1. Any condemnation, loss or any casualty loss which affects a material portion of the Property or any Unit on which it holds, insures or guarantees a first mortgage lien;
2. Any delinquency in the payment of Assessments or Charges owned by an Owner

of a Unit upon which it holds, insures, or guarantees a first mortgage lien, or any other default in the performance by an Owner of the Unit against which the mortgage lien applies to any obligation under this Declaration, the Bylaws or any rules and regulations of the Association which delinquency or other default continues for a period of ninety (90) days;

3. Any lapse, cancellation or material modification of any insurance policy on a fidelity bond maintained by the Association;

4. Any proposed action which would require the consent of a specified percentage of eligible holders, insurers or guarantors of first mortgage liens as specified in Sections 17.C. and 17.D., below.

SECTION 17.C. Mortgage Approval.

1. Restoration or repair of the Property, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Plan, and the original plans and specifications, unless other action is approved by at least fifty-one percent (51%) of the eligible holders, insurers or guarantors holding, insuring or guaranteeing first mortgage liens on Units.

2. Any election to remove this Declaration from record or to terminate the legal status of the Association after substantial destruction or a substantial taking in condemnation of the Property shall require the approval at least of fifty-one percent (51%) of the eligible holders, insurers or guarantors of first mortgage liens or Units. Any other abandonment or termination or the Association or revocation of this Declaration by act or omission shall require the prior written approval of at least sixty-seven percent (67%) of the eligible holders, insurers or guarantors of first mortgage liens on limits.

3. Any abandonment, partition, subdivision, encumbrance, sale or transfer of any of the Common Facilities (except for granting easements for utilities or other public purposes consistent with the intended use of the Common Facilities) by act or omission shall require the prior written approval of at least sixty-seven percent (67%) of the eligible holders, insurers or guarantors of first mortgage liens on Units.

4. The approvals provided for in paragraphs 1, 2 and 3 above are in addition to other approvals required by this Declaration and the Act.

SECTION 17.D. Documents. Amendments.

1. Other than amendments to this Declaration or the Bylaws (the "Association Documents") or termination of the Association or revocation of this Declaration made as a result of destruction, damage or condemnation, and subject to other applicable provisions of this Declaration and the Act, the consent of at least sixty seven percent (67%) of the Members of the Association and the approval of at least sixty-seven percent (67%) of the holders, insurers or guarantors of first mortgage liens on Units shall be required to terminate the Association or

revoke this Declaration.

2. Until the Declarant has conveyed seventy-five percent (75%) of the Lots depicted on the Plat, the Declarant shall, subject to any limitations in the Act, have the right to make, execute and record such amendments to this Declaration as the Declarant may deem advisable, in the Declarant 's sole and absolute discretion, without obtaining the prior consent of the Owners or the Association. However, the Declarant must first obtain HUD/VA prior written approval.

3. FHA/VA Approval. If the purchase of any Residence is financed with the help of any program administered by the Federal, Housing Administration or the Veterans Administration, so long as there is a Class B membership in the Association the following actions will require the prior approval of the Federal Housing Administration, or the Veterans Administration, as the case may be : annexation of additional properties; dedication or other disposition of the Common Facilities and Facilities; and any amendment of this Declaration.

ARTICLE XVIII Rights of Township

SECTION 18.A. Township Easement. There is hereby created in favor of the Township an easement upon, across, over, through and under the Property for access to and maintenance of the stormwater management facilities provided, however, that the Township may exercise the rights granted under this Section only if the Association fails to properly maintain any stormwater management facilities.

SECTION 18.B. Rights of Township. The Township shall be a third party beneficiary of the provisions of this Declaration that require the Declarant to substantially complete the Common Elements and require the Association to maintain, repair and replace the Common Elements. In addition to those rights which the Township may have under law, the Township shall the right, but not the obligation, to compel the substantial completion, maintenance, repair and replacement of the Common Elements under this Declaration. In the event the Declarant or the Association fails to fulfill its obligations hereunder, the Township shall have the right, but not the duty, to perform such obligations and be reimbursed for all expenses incurred. The Township shall have the right to place a lien against the Units of those Unit Owners who have not paid assessments levied against them by the Township for the cost of completing, maintaining, repairing and replacing the Common Elements, which lien shall be given the same force and effect and shall be enforced in the same manner as a municipal lien.

ARTICLE XIX General Provisions

SECTION 18.A. Interpretation of the Declaration and Bylaws. In the event of a conflict of interpretation between the provisions set forth in the Bylaws and this Declaration, this Declaration shall govern except to the extent this Declaration is inconsistent with applicable law. In the event that the Internal Revenue Code is hereafter amended or changed, both this Declaration and the Bylaws shall be interpreted in a manner which conforms to the provisions of the Internal Revenue Code with respect to non-profit entities, it being the intention to preserve

the lawful status of the Association as a bona fide non-profit entity.

SECTION 18.B. Severability. If any provisions of this Declaration are determined to be invalid, that determination shall not affect the validity or effect of the remaining provisions hereof or the Bylaws or any rules and regulations, all of which shall continue to effect as if the invalid provisions had not been included herein.

SECTION 18.C. Headings. The headings herein are for reference purposes only and shall not affect the meaning or interpretation of this Declaration.

SECTION 18.D. Effective Date. This Declaration shall become effective when it has been duly entered of record.

SECTION 18.E. Binding. This Declaration shall inure to the benefit of and shall be binding upon the Declarant's successors or assigns.

SECTION 18.F. Construction. Number and gender, as used in this Declaration, shall extend to and include both singular and plural and all genders as the context and construction require.

IN WITNESS WHEREOF, the President of the Board of Directors has caused these presents to be executed the day and year above written.

