

**DECLARATION OF BROOKSTONE AT THE DOMINION
A PLANNED COMMUNITY**

**Township of Manchester
County of York
Commonwealth of Pennsylvania**

**DECLARATION OF BROOKSTONE AT THE DOMINION
A PLANNED COMMUNITY**

**Township of Manchester
County of York
Commonwealth of Pennsylvania**

THIS DECLARATION is made this _____ day of _____, 199____, by **MANCHESTER LIMITED PARTNERSHIP**, a New Jersey limited partnership, which is the owner of the real estate herein described ("Declarant").

WITNESSETH:

ARTICLE I

SUBMISSION

1.1. Name; County; Description: Manchester Limited Partnership (the "Declarant"), legal title holder of the real estate described in Exhibit "A" attached hereto, located in the Township of Manchester, County of York and Commonwealth of Pennsylvania, hereby submits the Real Estate and the easements, rights and appurtenances thereunto belonging (collectively, the "Property") to the provisions of the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S.A. §§ 5101 *et seq.* (the "Act"), and hereby creates with respect to the Property a planned community, to be known as Brookstone at the Dominion, a Planned Community (the "Community").

1.2. Easements and Licenses: The Property is so submitted with the following easements which existed prior to the date of this Declaration:

- A.
- B.
- C.
- D.
- E.
- F.
- G.
- H.

**DECLARATION OF BROOKSTONE AT THE DOMINION
A PLANNED COMMUNITY**

**Township of Manchester
County of York
Commonwealth of Pennsylvania**

THIS DECLARATION is made this 28th day of September, 1999, by **MANCHESTER VENTURE, LLP**, a New Jersey limited partnership, which is the owner of the real estate herein described ("Declarant").

WITNESSETH:

ARTICLE I

SUBMISSION

1.1. Name; County; Description: Manchester Venture, LLP (the "Declarant"), legal title holder of the real estate described in Exhibit "A" attached hereto, located in the Township of Manchester, County of York and Commonwealth of Pennsylvania, hereby submits the Real Estate and the easements, rights and appurtenances thereunto belonging (collectively, the "Property") to the provisions of the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S.A. §§ 5101 et seq. (the "Act"), and hereby creates with respect to the Property a planned community, to be known as Brookstone at the Dominion, a Planned Community (the "Community").

1.2. Easements and Licenses: The Property is so submitted with the following easements which existed prior to the date of this Declaration:

A. Right-of-way to York Haven Water and Power Company as recorded in the York County Office of the Recorder of Deeds in Record Book 22L-71;

B. Right-of-way to Susquehanna Pipe Line Company as recorded in the aforesaid office in Record Book 24S-279;

C. Right-of-way to Susquehanna Pipe Line Company as recorded in the aforesaid office in Record Book 24S-450;

D. Right-of-way to The Manufacturers Light & Heat Company as recorded in the aforesaid office in Record Book 35T-158;



- E. Right-of-way to The Manufacturers Light & Heat Company as recorded in the aforesaid office in Record Book 35T-159;
- F. Right-of-way to Edison Light and Power Company as recorded in the aforesaid office in Record Book 26M-527;
- G. Right-of-way to Edison Light and Power Company as recorded in the aforesaid office in Record Book 26M-529;
- H. Right-of-way to Metropolitan Edison Company as recorded in the aforesaid office in Record Book 29H-300;
- I. Right-of-way to Metropolitan Edison Company as recorded in the aforesaid office in Record Book 36I-576;
- J. Right-of-way to Metropolitan Edison Company as recorded in the aforesaid office in Record Book 46B-105;
- K. Right-of-way to Metropolitan Edison Company as recorded in the aforesaid office in Record Book 57Q-593;
- L. Right-of-way to Metropolitan Edison Company as recorded in the aforesaid office in Record Book 57Q-596;
- M. Right-of-way to Metropolitan Edison Company as recorded in the aforesaid office in Record Book 207-757;
- N. Right-of-way to Metropolitan Edison Company as recorded in the aforesaid office in Record Book 1298-3704;
- O. Easement Agreement with Manchester Township Municipal Authority as recorded in the aforesaid office in Record Book 76F-132;
- P. Easement Agreement with Manchester Township Municipal Authority as recorded in the aforesaid office in Record Book 92D-249; and
- Q. Rights and Reservations recited in Record Book 106C-277.

ARTICLE II

DEFINITIONS

2.1. Terms Defined or Used in the Act: Capitalized terms used herein and in the Declaration Plan shall have the meanings specified or used for such terms in Section 5103 or elsewhere in the Act, unless otherwise defined herein.

2.2. More Specific Meanings: The following terms are used or defined in general terms in the Act and shall have specific meanings hereunder as follows:

A. "Association" shall mean and refer to Brookstone at the Dominion Community Association, Inc., a Pennsylvania non-profit corporation, its successors or assigns.

B. "Base Assessments" shall mean and refer to assessments levied against all Lots in the Properties to fund Common Expenses.

C. "Bylaws" shall mean and refer to the Bylaws of Brookstone at the Dominion Community Association, Inc., as they may be amended from time to time.

D. "Common Elements" shall mean and refer to all real and personal property, or any interest therein, which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners. The initial Common Elements intended to be conveyed to the Association by the Declarant shall include the real property described in the Declaration Plan as Open Space, excepting that open space described in the Declaration Plan as Open Space Area "C." The "Common Elements" shall also include storm water management facilities located outside of the street right-of-way and shall include that portion of Hayley Road that runs from the intersection of Brady Road to the eastern boundary of the Property.

E. "Common Expenses" shall be an inclusive term referring to both General Common Expenses and Limited Common Expenses.

F. "Declarant" shall mean and refer to Manchester Limited Partnership, a New Jersey limited partnership, or the successors or assigns of Manchester Limited Partnership.

G. "General Common Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Lot Owners, including any reasonable reserve, all as may be found to be necessary and appropriate by

the Board pursuant to this Declaration, the Bylaws and the Articles of Incorporation of the Association.

H. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein.

I. "Owner" shall mean and refer to one or more Persons who hold the record title to any Lot which is part of the Property, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, and the contract specifically so provides, then the purchaser (rather than the owner of the legal interest) will be deemed the Owner. If a Lot is subject to a written lease with a term in excess of one year and the lease specifically so provides, then upon filing a copy of the lease with the Executive Board, the lessee (rather than the fee owner) will be deemed the Owner for the purpose of exercising all privileges of membership in the Association.

J. "Lot" shall mean a lot depicted on the Declaration Plan. The term shall include all portions of the lot owned as well as any structure thereon.

2.3. Non-Statutory Terms Defined: The following terms when used herein or in the Declaration Plan shall have the meanings set forth below:

A. "Declaration Plan" means the plan prepared by David Miller Associates, Inc. dated _____, approved _____, and recorded _____, in the Recorder of Deeds in and for the County of York, Commonwealth of Pennsylvania, in Plan Book _____, Page _____. The Declaration Plan is an integral part of the Declaration. For clarification, Lot 73 A, Lot 73B, and Open Space Area "C" are not part of the Planned Community.

B. "Drainage" means the removal of surface water or ground water from land by drains, grading or other means, and includes: (1) control of run-off to minimize erosion and sedimentation during and after construction or development; and (ii) necessary for water supply preservation or prevention or alleviation of flooding.

C. "Lot" shall mean a Unit as defined by the Act.

D. "Open Space" shall mean and refer to those parcels of land which are designated as Open Space or Recreational Area on any subdivision or land development plan approved by the Township of Manchester and recorded in the Recorder of Deeds Office, which may or may not contain storm water management facilities or other

improvements, which may be developed, improved or altered by the Owner. As used in this Declaration, the term "Open Space" shall not include Open Space Area "C."

E. "Percentage Interest" means each Lot Owner's share of Common Expense Liability appurtenant to each Lot.

F. "Permitted Mortgage" means a first mortgage to (i) the Declarant; (ii) the seller of a Lot, (iii) a bank, trust company, savings bank, savings and loan association, mortgage service company, insurance company, credit union, pension fund, or like institutional investor or lender; and (iv) any other mortgagee approved by the Executive Board. A holder, insurer or guarantor of a Permitted Mortgage and all successors and assigns of any of the above, which may include, but is not limited to, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration and the Veteran's Administration, is referred to herein as a "Permitted Mortgagee."

G. "Person" means a natural person, a corporation, a partnership, a trustee or any other legal entity.

H. "Pertinent Laws" shall mean and refer to the statutes, ordinances, regulations, and other laws pertinent to the ownership, sale, use, and development of the Property, as codified or promulgated by the Township of Manchester, County of York, Commonwealth of Pennsylvania, the United States of America, and other public authorities having jurisdiction over the Property.

I. "Recorder of Deeds" shall mean and refer to the Recorder of Deeds in and for the County of York, Commonwealth of Pennsylvania, the successors and assigns of that office.

J. "Structure" shall mean any man-made object having an ascertainable stationary location on or in land or water, whether or not affixed to the land, including, but not limited to, buildings, fences, tennis courts, swimming pools, pavilions, tents, gazebos, garage facilities, storage buildings or sheds, signs, abutments, ornamental projections, exterior fixtures, shaped earth as a masonry structure, lights, or poles.

K. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration executed by or consented to by Declarant which subjects Additional Property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

L. "Township" shall mean and refer to Manchester Township, York County, Pennsylvania.

M. "Use" shall mean the purpose to which buildings or Lots are devoted to in compliance with this Declaration.

ARTICLE III

BUILDINGS; LOTS; BOUNDARIES; TYPES

3.1. Declaration Plan: Lots/Common Elements: The location and dimensions of Lots and Common Elements are shown on the Declaration Plan.

3.2. Lot Boundaries: Each Lot shall consist of a lot depicted on the Plan.

3.3. Types of Lots: The types of Lots are more particularly shown on the Declaration Plan.

3.4. Relocation of Lot Boundaries and Subdivisions: Relocation of boundaries between Lots and subdivision of Lots shall be permitted subject to compliance with the provisions in Sections 5214 and 5215 of the Act, subject to compliance with the applicable provisions of appropriate zoning, land use, subdivision and land development ordinances, only after the Lot Owner has obtained written approval from the Association.

ARTICLE IV

IDENTIFICATION OF LOTS, VOTES, ALLOCATION OF PERCENTAGE INTEREST & COMMON EXPENSE LIABILITIES

4.1. Allocation of Percentage Interest: The Percentage Interest appurtenant to each Lot is calculated by dividing one by the total number of all Lots in the Community (for example, if there are six Lots, each Lot's percentage interest shall be calculated as follows: $1 \div 6 = .167$).

4.2. Association Membership: Each Lot Owner shall become a member of the Association and shall be subject to all rights and duties assigned to Lot Owners.

4.3. Voting Rights: The Association shall have two classes of voting memberships with different voting rights as follows:

CLASS A. With the exception of the Declarant, every person who is an owner of any Lot which is part of the Property shall be a Class A Member of the Association, with one (1) Class A membership being attributed to each Lot owned; provided, however, that any person who holds such interest solely as a security for the performance of an obligation shall not be a Class A Member solely on account of such interest. Class A members shall have one (1) vote for each Lot owned. When the Lot is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property, all such persons shall be Members; however, the applicable vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than the single vote attributed to the Lot be cast with respect to such Lot. Any owner who leases his Lot may, in the lease or other written instrument, assign the voting right appurtenant to that Lot to the lessee, provided that a copy of such instrument is furnished to the Association.

CLASS B. With respect to the Declarant, for each Lot located on the Property, the Declarant shall have one (1) Class B membership, and for each Class B membership there shall be attached thereto three (3) Class B votes. However, the number of Class B votes held by the Declarant shall be decreased by three (3) Class B votes for each new Class A membership created as a result of a transfer of a Lot to an Owner. All Class B memberships shall be held by the Declarant, and/or its nominee or nominees, and shall include every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who shall obtain any Class B membership by specific assignment from the Declarant.

Each Class B membership shall lapse and become a nullity on the first to happen of the following events:

- (i) thirty (30) days following the date on which the total of the Class A Members equals seventy-five percent (75%) of all of the Members of the Association; or
- (ii) five (5) years from the date of first conveyance of a Lot to a person other than Declarant;
- (iii) upon the surrender of said Class B memberships by the then holders thereof for cancellation on the books of the Association.

Upon lapse or surrender of the Class B memberships as provided for in this Article, the Declarant shall thereafter become a Class A Member of the Association as to each and every Lot in which the Declarant then holds the interest otherwise required for such Class A membership.

4.4. Executive Board: The Association shall be governed by an Executive Board consisting of three (3), five (5), seven (7), or nine (9) members. Initially, the Board shall consist of three (3) members, with the number in subsequent years to be determined by the members of the Executive Board as provided for in the Bylaws of the Association.

4.5. Responsibilities of the Association: The Association's responsibilities are for the ownership, maintenance, upkeep, repair and replacement of the Common Elements, lawn maintenance of the Lots, and snow and ice removal on the sidewalks and driveways of the Lots.

ARTICLE V

PROPERTY RIGHTS

Every Owner shall have a right and non-exclusive easement of use, access and enjoyment in and to the Common Elements, subject to (i) this Declaration as it may be amended from time to time, (ii) any restrictions or limitations contained in any deed conveying such property to the Association, (iii) the right of the Board to adopt other rules and regulations regulating the use and enjoyment of the Common Elements, and (iv) the following provisions:

(a) the right of the Association to suspend the voting rights and right to use of any of the Common Elements by an Owner for any period during which any assessment against his or her Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(b) the right of the Association to dedicate or transfer Hayley Road or any other part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of Members and fifty-one percent (51%) of the Eligible Mortgage Holders agreeing to such dedication or transfer has been recorded, and additionally, such dedication or transfer shall also be subject to the limitations provided in Section 12.9 of this Declaration;

(c) the right of the Association, in accordance with this Declaration and the Bylaws, and with the consent of two-thirds (2/3) of each class of the then Members of the Association, voting separately, to borrow money for the purpose of improving the Common Elements in a manner designed to promote the enjoyment and welfare of the Members and in aid thereof to mortgage any of the Common Elements;

(d) the right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosures; provided, however, that the same are in conformity with the other provisions of this Declaration; and

(e) the right of the Association, acting by and through its Executive Board, to grant easements, licenses or other rights of use to persons or entities who are not Members of the Association in connection with the Common Elements for such consideration and on such terms and conditions as the Executive Board may from time consider appropriate.

Any Owner may delegate his or her right of use and enjoyment to the members of his or her family, lessees and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. Any Owner who leases his or her Lot shall be deemed to have delegated all such rights to the Lot's lessee.

The Common Elements cannot be mortgaged or conveyed without the consent of at least two-thirds (2/3) of the Owners (excluding the Developer).

ARTICLE VI

MAINTENANCE

6.1. **Association's Responsibility:** The Association shall own, maintain and keep in good repair the Common Elements, such maintenance to be funded as hereinafter provided. This maintenance may include, but need not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping, structures and improvements now or hereafter located upon the Common Elements. The responsibilities of the Association stated in Section 4.5 are incorporated herein by reference.

Blanket easements over the Property as necessary to enable the Association and the Township to inspect the Property or to fulfill responsibilities under this Section are hereby reserved to the Association.

6.2. **Maintenance of Storm Water Management Facilities:** All permanent storm water management facilities located outside of the street right-of-way and the Open Space facilities shown on the Plan (not including Open Space Area "C"), whether located on the Common Elements, on a Lot or on any other location shown on the Plan, regardless of ownership of the underlying real estate, shall be maintained by the Association in good order and repair.

If the Association shall fail to maintain such storm water management facilities and the common open space facilities in good order and repair as required in the foregoing paragraph, the

Township may serve written notice upon the Association setting forth the manner in which the Association has failed to maintain such storm water management facilities and the common open space facilities, which notice shall include a demand that such deficiencies of maintenance be corrected within 30 days thereof. If the deficiencies shall not be corrected within such 30 day period, the Township may, in order to ensure the viability of such storm water management facilities, and to further any other proper public and municipal purpose, but shall have no duty to, enter upon the real estate upon which such facilities are located and maintain the same in such manner as the Township shall determine appropriate. Such maintenance by the Township shall not constitute a taking of the Common Elements, the Lot or such other real estate, nor vest in the public any rights to use the same.

The cost of such maintenance by the Township shall be assessed against the Lots in the manner provided in Article X hereof and shall become a lien on the Lots. The Township, at the time of performing such maintenance, shall file a Notice of Lien in the Office of the Prothonotary of York County, upon the Lots affected by such lien.

6.3. Owners' Responsibility: Each Owner shall maintain his or her Lot and all structures, parking areas and other improvements comprising the Lot in good order and repair, and free of debris, in a manner and with such frequency as is consistent with good property management and Community standards, unless such maintenance responsibility is otherwise assumed by the Association. If any Owner fails properly to perform his or her maintenance responsibility, the Association may perform it and assess all costs incurred by the Association against the Lot and the Owner thereof in accordance with Article X of this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and opportunity to cure the problem prior to entry.

ARTICLE VII

EASEMENTS

7.1. Additional Easements: In addition to and in supplementation of the easements provided for by Sections 5216, 5217 and 5218 and the other provisions of the Act, the following easements are hereby created:

A. Easement for Sales Purposes: Declarant shall have the right to maintain models, a management office, a sales office, and construction trailers on the Property and to relocate such models, management office, sales office, and construction trailers from time to time anywhere within the Property.

(1) Declarant shall have the right to maintain on the Property such advertising signs as Declarant in its sole discretion may deem appropriate, provided that such signs comply with applicable governmental requirements. Declarant may from time to time relocate such advertising signs.

B. Easement for Ingress and Egress: Each Lot Owner shall have the unrestricted right of ingress and egress to his or her Lot and a right of access to the Common Elements, subject to rules, regulations and restrictions established by the Association. This right shall be perpetual.

C. Easement for Support: Each Lot Owner has the benefit of a restriction upon any action of a neighboring Lot Owner, or of the Lot Owners Association with respect to the Common Elements, which would endanger the stability or safety of his Lot.

D. Easement for Encroachments: An easement is granted to each Lot Owner and the Association in the event a Lot or Common Elements encroaches upon another Lot or Common Elements for both the encroachment and its maintenance.

E. Easement to Facilitate Expansion: In the event that the Declarant expands the Planned Community, an easement across the existing Phase or Phases is hereby created to the extent necessary to construct the improvements on the expansion Phase.

7.2. Utility Easements: The Lots and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant and the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this Section shall include without limitation rights of the Declarant and the Association, or the providing Utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television cable and facilities, electrical wires, conduits and equipment and ducts and vents over, under, through, along and on the Lots and Common Elements. Notwithstanding the foregoing provisions of this Section, unless approved in writing by the Lot Owner or Lot Owners affected thereby, any such easement through a Lot shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Lot by the Declarant, so as not to materially interfere with the use or occupancy of the Lot by its occupants. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Any material disturbance to the grounds of any Property by the Declarant caused by such utility installation shall be repaired

and said grounds returned to their prior condition by the Declarant or prompt and reasonable remuneration for such repair shall be made to such Property by the Declarant.

7.3. Declarant's and Association's Easement to Perform Maintenance and Correct Drainage: Declarant and the Association reserve an easement on, over and under those portions of the Lots and Common Elements not located within a Building for the purpose of providing maintenance in accordance with this Declaration and the Act, and also to maintain and correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Section 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 these purposes, following which the Declarant or the Association shall restore the affected property as closely to its original condition as practicable.

7.4. Easement For Access to Premises: Together with and subject to an easement for ingress and egress along the entire length of all streets in the Planned Community and all private access drives depicted on the land development plan recorded for Brookstone at the Dominion until such time as the streets and private access drives are dedicated to the Township.

7.5. Easement For Set Back Lines: Building set back lines are depicted upon the Declaration Plan and shall not be modified except upon written approval in accordance with the Deed Restrictions of record applicable to the Property and subject to obtaining all governmental approvals necessary for the proposed improvements.

7.6. Easement for Streets, Sidewalks and Utilities: Declarant reserves an easement for streets, sidewalks and utilities.

7.7. Trespass: Whenever the Association or the Declarant is permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on any property or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

ARTICLE VIII

INSURANCE AND CASUALTY LOSSES

8.1. Individual Insurance Coverage: By virtue of taking title to Lot, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on a dwelling. At a minimum, such coverage shall provide coverage against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from

any insured hazard. Each Owner further covenants and agrees that in the event of a partial loss or damage or destruction resulting in less than total destruction to the dwelling and other structures constructed on the Lot, the Owner shall proceed promptly to repair or to reconstruct the dwelling and other damaged structures in a manner consistent with the original construction. In the event that a dwelling is totally destroyed and the Owner determines not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction of the dwelling on such Lot.

8.2. Required Coverage: (a) The Association's Executive Board, or its duly authorized agent, shall be required to obtain, maintain and pay the premiums, as a Common Expense, upon a policy of property insurance covering all the Common Elements (except those items normally excluded from coverage) including fixtures and building service equipment, to the extent that they are part of the Common Elements, as well as common personal property and supplies. The insurance policy shall afford, as a minimum, protection against loss or damage by fire and other perils normally covered by the standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "All Risk" endorsement, where such is available. The policy shall be in an amount equal to one hundred percent (100%) of the current replacement cost of the Common Elements (less a deductible deemed reasonable by the Executive Board) and shall name the Association as the named insured .

(b) Each hazard insurance policy must be written by a hazard insurance carrier which has been in the business of underwriting hazard insurance policies for at least five (5) years, has reserves and a financial net worth acceptable to the Executive Board, and is specifically licensed or authorized by law to transact business within the Commonwealth of Pennsylvania. The policy contract shall provide that no assessments may be made against the mortgagees, and that any assessment made against others may not become a lien on the mortgaged premises superior to any mortgage thereon. Additionally, if applicable, the Association shall obtain a steam boiler and machinery endorsement which provides that the insurer's minimum liability per accident at least equals the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the buildings housing the boiler or machinery. Any hazard policy shall have such deductible as deemed appropriate and reasonable by the Executive Board under all of the applicable circumstances.

(c) All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly acceded by private institutions as mortgage investors in the area in which the mortgaged premises are located. The mortgage clause must provide that all property insurance policies must provide an Agreed Amount and Inflation Guard Endorsement, if available, and a Construction Code Endorsement if the Common Elements in the Association are subject to a construction code provision which would become operative and require changes to undamaged

portions of the building(s), thereby imposing significant costs in the event of partial destruction of the project by an insured peril.

(d) If any portion of the Common Elements are in a special flood hazard area, as defined by the Federal Emergency Management Agency, the Executive Board, or its duly authorized agent, shall be required to obtain, maintain and pay, as a Common Expense, the premiums upon a "master" or "blanket" policy of flood insurance on Common Elements buildings and any other Common Elements property. The policy shall be in the amount deemed appropriate, but not less than the maximum coverage available under the NFIP for all buildings and other insurable property within any portion of the Common Elements located within a designated flood hazard area or one hundred percent (100%) of current replacement costs of all such buildings and other insurable property, with any such policy to have a deductible deemed reasonable by the Executive Board under all of the circumstances.

(e) The Association shall maintain comprehensive general liability insurance coverage covering all of the Common Elements, public ways of the Property, and other areas that are under its supervision (including, but not limited to, commercial spaces, if any, owned by the Association, whether or not they are leased to third parties). Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location, and use. However, such coverage shall be for at least One Million Dollars (\$1,000,000.00) for bodily injury and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation and maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts in which the Association is a party. Such insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an owner because of negligent acts of the Association or other owner. Such policies must provide that they may not be canceled or substantially modified, by any party, without at least thirty (30) days' prior written notice to the Association.

(f) Blanket fidelity bonds shall be required to be maintained by the Association for all officers, directors, managers, trustees, and volunteers of the Association and all other persons handling or responsible for funds held or administered by the Association, whether or not they receive compensation for their services. Where the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such management agent shall be covered by its own fidelity bond. All fidelity bonds, including those entered into by, and/or on behalf of or for the benefit of a management agent and its personnel, should name the Association as an obligee (for bonds entered into by or on behalf of, or for the benefit of a management agent and its personnel, the Association should be named as an additional obligee). Fidelity bonds entered into by the Association shall have their premiums paid as a Common Expense. The total

amount of fidelity coverage required shall be sufficient to cover the maximum funds that will be in the custody of the Association or management agent at any time, but must at least equal the sum of three (3) months' assessments on all Lots within the Property, plus the Association's reserve funds. The bonds shall provide that they cannot be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association and to all Eligible Mortgage Holders.

8.3 Premiums as Common Expense: Premiums for all insurance on the Common Elements shall be Common Expenses of the Association and shall be included in the Base Assessment, as more particularly described in Article X, Section 1.

8.4 Additional Insurance: The Association's Executive Board, or its duly authorized agent, shall maintain insurance covering the Common Elements as may be required by the Department of Housing and Urban Development, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, or the Veterans Administration.

ARTICLE IX

CONDEMNATION

Whenever all or any part of the Common Elements shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least sixty-seven (67%) percent of the Members in the Association and of the Declarant, as long as the Declarant owns any portion of the Property, by any authority having the power of condemnation or eminent domain), each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

(a) If the taking involves a portion of the Common Elements on which improvements have been constructed, then, unless within sixty days after such taking the Declarant, so long as the Declarant owns any portion of the Property, and Members representing at least seventy-five (75%) percent of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available therefor, in accordance with plans approved by the Executive Board of the Association.

(b) If the taking does not involve any improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such

restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Executive Board of the Association shall determine.

ARTICLE X

BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

10.1. Assessments: All Common Expense assessments shall normally be determined once a year, but payment will be on a monthly basis, and shall be due and payable in advance, on the first day of each month, with the initial payment due at settlement prorated on the basis of a thirty (30) day month. Any special assessment shall be due and payable in a lump sum or in installments, in advance, on the first day of each month, as determined by the Executive Board.

10.2. Increase in Maximum Annual Maintenance Assessment.

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual maintenance assessment for all Class A memberships provided for hereinabove, may be increased by the Executive Board for the Association, without a vote of the Class A membership, by an amount equal to five percent (5%) of the maximum annual assessment for the preceding year plus the amount by which the prevailing Customer Price Index shall have increased above the level prevailing as of the date of the recording of this Declaration, plus the amount by which any ad valorem real estate taxes and casualty and other insurance premiums payable by the Association have increased over amounts payable for the same or similar items for the previous year.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual maintenance assessment for all Class A memberships provided for hereinabove, may be increased above that established by the preceding paragraph by a vote of the Members, as hereinafter provided, for the next succeeding year, and, thereafter, at the end of such year, for each succeeding year. Any change made pursuant to this paragraph shall have the assent of a majority of the then Members of the Association. A meeting of the Members shall be duly called for this purpose.

(c) The Executive Board may from time to time fix the annual assessment at an amount not in excess of the maximum.

10.3. Subordination of Certain Charges: Any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to Sections 5302(a)(10), (11) and (12) of the Act, shall be subordinate to the lien of a Permitted Mortgage on a Lot.

10.4. Limitation on Expenditures: All expenses, charges and costs of the maintenance, repair or replacement of the Common Elements, and any other expenses, charges or costs which the Executive Board may incur or expend pursuant hereto, shall be approved by the Executive Board, and a written memorandum thereof prepared and signed by the treasurer. There shall be no structural alterations, capital additions to, or capital improvements on, the Common Elements (other than for purposes of repairing, replacing and restoring portions of the Common Elements) requiring an expenditure in excess of Fifty Thousand (\$50,000.00) Dollars without the prior approval of the Lot Owners entitled to cast two-thirds (2/3) of the votes of all Lot Owners.

10.5. Reserve Fund Budget and Contribution. The Executive Board shall annually prepare a reserve fund budget which shall take into account the number and nature of replaceable assets of the Association, the expected life of each asset and the required reserve fund contribution, if any, in an amount sufficient to meet the projected reserve fund budget, with respect both to amount and timing by the imposition of annual assessments over the period of the budget. The reserve fund contribution shall be fixed by the Executive Board and included within the budget and assessment. Such reserve fund contribution shall be payable as part of the general assessment, applicable to all Lots, to the extent such reserve fund will be utilized to replace assets which are determined by the Executive Board to benefit substantially all owners. A copy of the reserve fund budget shall be distributed to each owner in the same manner as the operating budget.

10.6. Accounting: On or before the first (1st) day of April of each calendar year commencing 1998, the Executive Board shall supply to all Lot Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the annual budget or monthly assessments and leases and sales of property owned or managed by the Executive Board on behalf of the Association, and showing the net excess or deficit of income over expenditures plus reserves. Any Permitted Mortgagee may request that an audited financial statement be prepared for the preceding fiscal year. The cost of the preparation of such statement shall be borne by the mortgagee making the request.

10.7. Further Assessments: If any annual budget proves inadequate for any reason, including nonpayment of any Lot Owner's monthly assessments, or any nonrecurring Common Expense or any Common Expense not set forth in the annual budget as adopted, the Executive Board may at any time levy further monthly assessments according to each Lot Owner's Percentage Interest in the Common Elements as to General Common Expenses. Such further monthly assessments shall be payable over such period of time as the Board may determine. The Executive Board shall serve notice of such further assessments on all Lot Owners by a statement in writing giving the amount and reasons therefor, and such further monthly assessments shall become effective as determined by the Executive Board. Such further assessments shall be subject

to the restrictions and approval procedure stated in Section 10.2 of the Article pertaining to the five percent (5%) cap on annual assessments.

10.8. Surplus: Any amounts accumulated from assessments for General Common Expenses and income from the operation of the Common Elements to which such General Common Expenses pertain in excess of the amount required for actual General Common Expenses and reserves for future General Common Expenses shall be taken into account when fixing the new budget but need not be refunded.

10.9. Non-Payment of Assessments.

(a) Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid on the date when due, shall be delinquent and shall, together with interest thereon at the rate of eighteen percent (18%) per annum and the cost of collection thereof (including attorneys' fees), as hereinafter provided, thereupon become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied and shall bind such Lot or Lots in the hands of the then Owner, his heirs, devisees, personal representatives and assigns to the extent permitted by law. The personal obligation of the Member to pay such assessment shall, in addition, remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any assessment levied pursuant to this Declaration, or any installment thereof, may be maintained without foreclosing or waiving the lien herein created to secure the same.

(b) Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid within ten (10) days after it is due, may, upon resolution of the Executive Board, bear interest from the due date at the rate of eighteen percent (18%) per annum, but in no event at a rate in excess of the maximum legal rate permitted from time to time in the Commonwealth of Pennsylvania, and may subject the Member obligated to pay the same to the payment of such penalty or "late charge" as the Board may fix, and the Association may bring an action at law against the Member personally obligated to pay the same, or foreclose on the lien against the Lot or Lots then belonging to said Member in the manner provided by law, and interest, costs and reasonable attorneys' fees of not less than eighteen percent (18%) of the sum claimed shall be added to the amount of each assessment.

(c) If requested in writing to do so by a mortgagee, the Association shall notify the holder of the first mortgage on any Lot for which any assessment levied pursuant to this Declaration becomes delinquent for a period in excess of thirty (30) days and in any other case where the owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days, but any failure to give such notice shall not

affect the validity of the lien for any assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities established in this Article.

10.10. Confession of Judgment: IN ORDER TO EXPEDITE THE EXECUTIVE BOARD'S COLLECTION OF ANY DELINQUENT ASSESSMENT, EACH LOT OWNER (BY THE ACCEPTANCE OF THE DEED TO HIS LOT) SHALL BE DEEMED TO HAVE APPOINTED ANY ONE OR MORE EXECUTIVE BOARD MEMBERS THE ATTORNEY-IN-FACT FOR SUCH LOT OWNER TO CONFESS JUDGMENT AGAINST SUCH LOT OWNER IN ANY COURT OF COMPETENT JURISDICTION IN PENNSYLVANIA, FOR ANY SUCH UNPAID ASSESSMENT(S), WHICH APPOINTMENT (BEING FOR SECURITY) SHALL BE IRREVOCABLE; AND FOR SO DOING A COPY OF THIS ARTICLE X AND SAID DEED, BOTH VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT. THE AUTHORITY GRANTED HEREIN TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY EXERCISE THEREOF, BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES UNTIL THE DECLARATION SHALL BE TERMINATED.

10.11. Special Maintenance Assessments: In addition to the regular maintenance assessments authorized by this Article, the Association may levy, in any assessment year, special maintenance assessments or assessments, applicable to that year only, for the purpose of funding any budget deficit or unforeseen expenditures of the Association or for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, extraordinary repair or replacement of a described capital improvement located upon, or forming a part, of property related thereto, or for such other purposes as the Executive Board may consider appropriate; provided, however, that any such assessments shall have the assent of the Members representing a majority of the then Class A Members of the Association and two-thirds (2/3) of the then Class B Members of the Association. A meeting of the Members shall be duly called for this purpose.

10.12. Notice and Quorum for any Action Authorized Under Sections 10.2. and 10.12. Written notice of any meeting called for the purpose of taking any action authorized under Sections 10.2. or 10.12. shall be sent to all Members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast twenty-five percent (25%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

10.13. Assessment Certificates. The Association shall, upon demand at any time, furnish to any Member liable for any assessment levied pursuant to this Declaration (or any other party legitimately interested in the same) a certificate in writing signed by an officer of the Association,

setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be evidence of the payment of any assessment therein stated to have been paid. A reasonable charge may be levied in advance by the Association for each certificate so delivered.

10.14. Acceleration of Installments. Upon default in the payment of any one or more monthly installments of any assessment levied pursuant to this Declaration, or any other installment thereof, the entire balance of said assessment may be accelerated at the option of the Executive Board and be declared due and payable in full.

10.15. Priority of Lien.

(a) The lien established by this Declaration shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

(1) general and special assessments for ad valorem real estate taxes on the Lot;
and

(2) the liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Lot prior to the assessment thereon of the maintenance assessments provided for in this Declaration or duly recorded on said Lot after receipt of a written statement from the Executive Board reflecting that payments on account of any such assessments were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance.

(b) Notwithstanding any other provision of this Declaration to the contrary, the lien of any assessment levied pursuant to this Declaration upon any Lot, as in this Article provided, shall be subordinate to the lien of any deed of trust, mortgage or other encumbrance duly recorded on such Lot and made in good faith and for value received and shall in no way affect the rights of the holder of any such deed of trust, mortgage or other encumbrance; provided, however, that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to a sale or transfer of the Lot pursuant to a foreclosure of such deed of trust, mortgage or other encumbrance, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure. Any holder of any deed of trust, mortgage or other encumbrance duly recorded on the Lot and made in good faith and for value received who comes into possession of the Lot pursuant to a foreclosure of such deed of trust, mortgage or other encumbrance, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any other purchaser at a foreclosure sale, shall take the Lot free of any claims for unpaid maintenance assessments levied against the Lot which accrue prior to the foreclosure sale. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not, however, relieve the purchaser at any foreclosure sale from any liability for any maintenance assessments thereafter becoming due, or from the lien herein created to secure the payment of such

maintenance assessments, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

(c) No amendment to this Section shall affect the rights of the holder of any first mortgage of any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

(d) The Executive Board may, in its sole and absolute discretion, extend the provisions of this Section to the holders of mortgages (or of the indebtedness secured thereby) not otherwise entitled thereto.

10.16. Commencement of Annual Assessments. Except as otherwise resolved by the Executive Board of the Association, the annual maintenance assessment for each Class A membership shall commence on the date a deed for the Lot to which such Class A membership is appurtenant is delivered by the Declarant to the Class A Member. Such assessment shall be deemed fixed and accomplished without further action by the Declarant, the Association or the Executive Board. The first monthly installment of each such annual assessment shall be made for the balance of the month during which a deed for the Lot is delivered to the Class A Member and shall become due and payable and a lien on the date a deed for the Lot is delivered to the Class A Member. Except as herein elsewhere provided, the monthly installments of each such annual assessment for any Lot for any month after the first month shall become due and payable and a lien on the first day of each successive month. Except as set forth in Section 10.23 below, the Lots which are owned by the Class B Members shall be exempt from paying the assessments described herein, provided that at all times during such exemption, the Class B Member shall be responsible for the day-to-day costs and expenses of operating and maintaining the Association (which shall specifically exclude any responsibility to fund the replacement reserves) to the extent that such day-to-day costs and expenses exceed the total assessments charged to the Class A Members. The Class B Members may elect to pay the full assessment for each Lot at any time, and after such election, the obligations of the Class B Members shall be limited to the payment of the assessments for any Lots owned by them in accordance herewith.

10.17. Assessment of Declarant. The Declarant shall pay the full maximum assessments for Lots owned by Declarant, which have been improved with a completed dwelling, provided such completed dwellings are occupied, whether as a model home, a sales office, or otherwise.

10.18. Exempt Property. No portion of the Common Elements shall be subject to assessment of any kind by the Association. In addition, the following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempt from the assessment, charge and lien created herein:

- A. The grantee in conveyance made for the purpose of granting utility easements;
- B. Declarants of all Open Space;
- C. Woodland and other conservancies including any lands subject to conservation or scenic easements duly recorded and held by appropriate public-interest agencies; utilities;
- D. Any unsold Lot owned by the Declarant for which a certificate of use and occupancy has not been issued by the Township.

ARTICLE XI

MANAGEMENT

11.1. Management Agent: The Executive Board may employ a professional management agent or manager (the "Management Agent") at a rate of compensation established by the Executive Board to perform such duties and services as the Executive Board shall from time to time authorize in writing, including, without limitation, the duty:

- (a) To establish (with the approval of the Executive Board) and provide for the collection of all assessments established by this Declaration and to provide for the enforcement of the provisions of this Declaration;
- (b) To provide for the care, upkeep, maintenance, repair, and surveillance of the Common Elements;
- (c) To designate, hire and dismiss such contractors as may be required for the good working order, maintenance, and efficient operation of the Common Elements;
- (d) To promulgate (with the approval of the Executive Board) and enforce such rules and regulations and such restrictions and requirements or the like as may be deemed proper respecting the use of the Common Elements; and
- (e) To provide such other services (including legal and accounting services) for the Association as may be consistent with law and the provisions of this Declaration.

11.2. Duration of Management Agreement: (a) Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon thirty (30) days' written notice thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one (10) year periods.

(b) Any management agreement entered into by the Declarant, its nominee or nominees, assigns, successors, or agent thereof, prior to transfer of control of the Association must be terminable, without cause, any time after transfer of control, on not more than ninety (90) days' notice. and no charge or penalty may be associated with such termination.

11.3. Self-Management: (a) If the standards and regulations of FNMA and/or FHLMC prohibit self-management by the Association and FNMA and /or FHLMC holds and interest in a first mortgage or deed of trust against any of the Lots, then no such self-management shall be undertaken by the Association, without the prior written consent and approval of all of the Mortgagees of record on the Lots.

(b) Provided that any Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is insured by the Federal Housing Administration or guaranteed by the Veterans' Administration, and, provided further, that FHA and /or VA standards and regulations prohibit self-management of the Association, then no such self-management shall be undertaken by the Association without the prior written consent and approval of FHA or VA, as the circumstances may require.

ARTICLE XII

GENERAL PROVISIONS

12.1. Term: The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of forty years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

12.2. Amendment: Prior to the conveyance of the first Lot, Declarant may unilaterally amend this Declaration. After such conveyance, the Declarant may unilaterally amend this Declaration at any time and from time to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the U.S. Department of Housing and Urban Development, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots; or (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots; provided, however, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

With regard to amendment of the Declaration by the Owners, such amendment requires the approval of at least 67% of the Owners.

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

12.4. Right of Entry: The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance pursuant to Article VI hereof, and to inspect for the purpose of ensuring compliance with this Declaration, the Bylaws, any Supplemental Declaration and the rules of the Association; provided, however, nothing herein shall authorize any person to enter any dwelling constructed on a Lot without permission of the Owner unless reasonably believed to be necessary to avoid an imminent threat of personal injury or property damage. This right may be exercised by the Association's Executive Board, any agent or employee of the Association acting with the authorization of the Executive Board, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Lot to cure any condition which may increase the

possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after request by the Board.

12.5. Enforcement: Litigation: The provisions of this Declaration may be enforced by any Owner or the Association; provided, however, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the Members. This limitation shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article X hereof, (c) proceedings involving challenges to real estate taxes, or (d) counterclaims brought by the Association in proceedings instituted against it.

12.6. Compliance: Every Owner and occupant of any Lot shall comply with all lawful provisions of this Declaration, the Bylaws and the rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Lot Owner or Owners. In addition, the Association may avail itself of any and all remedies provided in this Declaration or the Bylaws.

12.7. Notice of Sale or Transfer of Title: In the event that any Owner desires to sell or otherwise transfer title to his or her Lot, such Owner shall give the Executive Board at least seven days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Executive Board may reasonably require. Until such written notice is received by the Executive Board, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Lot hereunder, including payment of assessments, notwithstanding the transfer of title to the Lot.

12.8. Limitation of Liability: The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the Common Expense funds, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Area, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Area. No diminution or abatement of assessments, as hereinelsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Area, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

12.9. FHA-VA Approvals: Provided that any lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is insured by FHA or guaranteed by VA, and further provided that there are then Class B memberships of the Association outstanding, neither the Members, the Executive Board, nor the Association shall by act or omission, take any of the following actions without the prior written consent or approval of the Federal Housing Administration ("FHA") and the Veterans Administration ("VA"), as circumstances may require:

- (a) Change the basic organization of the Association, including the merger, consolidation, or dissolution of the Association; or
- (b) Dedicate, convey, or mortgage the Common Area; or
- (c) Annex additional properties which are not part of the Development Plan; or
- (d) Otherwise materially modify or amend any provision of this Declaration, the Bylaws or the Articles of Incorporation of the Association.

12.10. Consents: Any other provision of this Declaration or the Bylaws or Articles of Incorporation of the Association to the contrary notwithstanding, neither the Members, the Executive Board nor the Association shall, by act or omission, take any of the following actions:

(a) Abandon, partition, alienate, release, hypothecate, dedicate, subdivide, encumber, sell or transfer any of the Common Area directly or indirectly owned by the Association unless at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each mortgage owned) and not less than sixty-seven percent (67%) of the then Class A Members and not less than sixty-seven percent (67%) of the Class B votes, if any, have given their prior written approval; provided, however, that the granting of rights-of-way, easements and the like for public utilities or for other purposes consistent with the use of the Common Area by Members of the Association shall not be considered a transfer within the meaning of this Section; or

(b) Abandon or terminate this Declaration unless at least sixty-seven percent (67%) of the Eligible Mortgage Holders (based upon one vote for each mortgage owned) and not less than ninety percent (90%) of the then Class A Members and not less than ninety percent (90%) of the Class B votes, if any, have given their prior written approval; or

(c) Conversion of lots into Common Area or vice versa unless sixty-seven percent (67%) of the Eligible Mortgage Holders (based upon one vote for each mortgage owned) and not less than ninety percent (90%) of the then Class A Members and not less than ninety percent (90%) of the Class B votes, if any, have given their prior written approval; or

(d) Unless the prior written consent of fifty-one percent (51 %) of the Eligible Mortgage Holders (based upon one vote for each mortgage owned) and the requisite number of Members as provided in Section 12.07 of this Declaration has been obtained, modify or amend any material provision of this Declaration, which establish, provide for, govern or regulate any of the following:

- (i) Voting rights;
- (ii) Assessments, assessment liens or subordination of such liens;
- (iii) Reserves for maintenance, repair and replacement of the Common Area;
- (iv) Insurance or fidelity bonds;
- (v) Rights to use of the Common Area by any Owner, except in accordance with Section 3.01(a);
- (vi) Responsibility for maintenance and repairs;
- (vii) Expansion or contraction on the Property subject to this Declaration or the addition, annexation or withdrawal of property to or from this Declaration;
- (viii) Boundaries of any Lot;
- (ix) A decision by the Association to establish self-management when professional management had been previously required by an Eligible Mortgage Holder;
- (x) Leasing of dwellings;
- (xi) Imposition of any restrictions on the rights of an Owner to sell or transfer his or her lot;
- (xii) Restoration or repair of the Project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; or
- (xiii) Any provisions which expressly benefit mortgage holders, Eligible Mortgage holders or insurers or guarantors.

An addition or amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An Eligible Mortgage Holder who receives a written request to approve such non-material additions or amendments who fails to submit a response within thirty (30) days shall be deemed to have approved such request.

(e) Substantially modify the method of determining and collecting assessments against an Owner or his lot as provided in this Declaration, unless at least sixty-seven percent (67%) of the Eligible Mortgage Holders (based upon one vote for each mortgage owned) and not less than sixty-seven percent (67%) of the Class B votes, if any, have given their prior written approval; or

(f) Waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of buildings or structures on the lots, the exterior maintenance of buildings or structures on the lots, the maintenance of the Common Area, party walkways or common fences and driveways, or the upkeep of lawns and plantings within the Property unless at least sixty-seven percent (67%) of the Eligible Mortgage Holders (based upon one vote for each mortgage owned) and not less than sixty-seven percent (67%) of the then Class A Members and not less than sixty-seven percent (67%) of the Class B votes, if any, have given their prior written approval; or

(g) Fail to maintain insurance in accordance with Section 8.02 of this Declaration, unless at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each mortgage owned) and not less than sixty-seven percent (67%) of the then Class A Members and not less than sixty-seven percent (67%) of the Class B votes, if any, have given their prior written approval; or

(h) Use hazard insurance proceeds for losses to any Association Common Area for more than the repair, replacement or reconstruction of such Common Area or property, unless at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each mortgage owned) and not less than sixty-seven percent (67%) of the Class B votes, if any, have given their prior written approval.

(i) Nothing contained in this Section 12.10 shall be construed to prevent the Declarant from adding to the Common Elements or from granting any easements which the Declarant determines, in its sole discretion, would facilitate and enhance the orderly development and maintenance of the Project.

ARTICLE XIII

DECLARANT'S RIGHTS

Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred to other persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein or in the Bylaws, as applicable, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Recorder's office in and for York County, Pennsylvania.

This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) twenty years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Amended Declaration on the above date.

MANCHESTER LIMITED PARTNERSHIP

By: _____

EXHIBIT "A"

ALL THAT CERTAIN piece, parcel or tract of land situated on the East side of Kayla Boulevard, T-993, and South of Stillmeadow Lane, T-801, located in Manchester Township, York County, Pennsylvania, being known as The Dominion - Phase Two, as shown on a Final Plan of The Dominion, prepared by David Miller/Associates, Incorporated, Drawing No. 98-119, recorded in Subdivision Plan Book _____, Page _____, said tract being more fully bounded and described as follows:

BEGINNING at the Southwest corner thereof, at a point on the East right-of-way line of Kayla Boulevard, T-993, said point being a corner of The Dominion - Phase One Open Space; thence extending along Kayla Boulevard, the two (02) following courses and distances: [1] North three (03) degrees eleven (11) minutes forty (40) seconds West, a distance of two hundred fourteen and sixteen hundredths (214.16) feet to a point; [2] on a line curving to the right, having a radius of two thousand two hundred thirty and zero hundredths (2230.00) feet, an arc length of three hundred twenty-one and seventy-four hundredths (321.74) feet, a chord bearing of North zero (0) degrees fifty-six (56) minutes nineteen (19) seconds East, and a chord distance of three hundred twenty-one and forty-six hundredths (321.46) feet to a point, a corner of Lot 73A; thence extending along the same, the six (06) following courses and distances: [1] South forty-five (45) degrees forty-eight (48) minutes thirty-six (36) seconds East, a distance of eighty-five and fifty hundredths (85.50) feet to a point; [2] North forty-four (44) degrees eleven (11) minutes twenty-four (24) seconds East, a distance of two hundred fifty-five and fifty-seven hundredths (255.57) feet to a point; [3] North fourteen (14) degrees eleven (11) minutes twenty-four (24) seconds East, a distance of thirteen and zero hundredths (13.00) feet to a point; [4] on a line curving to the right, having a radius of one hundred seventy and zero hundredths (170.00) feet, an arc length of forty-five and seventy-four hundredths (45.74) feet, a chord bearing of North eighty-seven (87) degrees forty-four (44) minutes fifty (50) seconds West, and a chord distance of forty-five and sixty-one hundredths (45.61) feet to a point; [5] North eighty (80) degrees two (02) minutes nineteen (19) seconds West, a distance of one hundred fifty-two and eighty-seven hundredths (152.87) feet to a point; and [6] on a line curving to the left, having a radius of twenty-five and zero hundredths (25.00) feet, an arc length of thirty-nine and seventy-eight hundredths (39.78) feet, a chord bearing of South fifty-four (54) degrees twenty-two (22) minutes thirty-six (36) seconds West, and a chord distance of thirty-five and seventy-one hundredths (35.71) feet to a point on the East right-of-way line of Kayla Boulevard; thence extending along the same, on a line curving to the right, having a radius of two thousand two hundred thirty and zero hundredths (2230.00) feet, an arc length of ninety-one and three hundredths (91.03) feet, a chord bearing of North nine (09) degrees fifty-seven (57) minutes

forty-one (41) seconds East, and a chord distance of ninety-one and two hundredths (91.02) feet to a point, a corner of Lot 73B; thence extending along the same, the five (05) following courses and distances: [1] on a line curving to the left, having a radius of twenty-five and zero hundredths (25.00) feet, an arc length of thirty-nine and seventy-eight hundredths (39.78) feet, a chord bearing of South thirty-four (34) degrees twenty-seven (27) minutes fifteen (15) seconds East, and a chord distance of thirty-five and seventy-one hundredths (35.71) feet to a point; [2] South eighty (80) degrees two (02) minutes nineteen (19) seconds East, a distance of one hundred fifty-two and eighty-seven hundredths (152.87) feet to a point; [3] on a line curving to the left, having a radius of one hundred thirty and zero hundredths (130.00) feet, an arc length of fifty-three and sixty-six hundredths (53.66) feet, a chord bearing of North eighty-eight (88) degrees eight (08) minutes thirteen (13) seconds East, and a chord distance of fifty-three and twenty-eight hundredths (53.28) feet to a point; [4] North seventy-six (76) degrees eighteen (18) minutes forty-five (45) seconds East, a distance of twenty and seventy-eight hundredths (20.78) feet to a point; and [5] North fourteen (14) degrees eleven (11) minutes twenty-four (24) seconds East, a distance of two hundred thirty-three and ninety-two hundredths (233.92) feet to a point in line of lands now or formerly of William Sprenkle; thence extending along the same, South seventy-five (75) degrees forty-eight (48) minutes thirty-six (36) seconds East, a distance of two hundred thirty-seven and eighty-one hundredths (237.81) feet to a point in line of lands now or formerly of First Church of the Nazarene; thence extending along the same, South seventeen (17) degrees seven (07) minutes forty (40) seconds East, a distance of five hundred eighty-four and eighty-seven hundredths (584.87) feet to a point, a corner of The Dominion - Phase One Open Space; thence extending along the same, the seven (07) following courses and distances: [1] South seventeen (17) degrees seven (07) minutes forty (40) seconds East, a distance of eighty-eight and thirty-four hundredths (88.34) feet to a point; [2] on a line curving to the right, having a radius of seventy-five and zero hundredths (75.00) feet, an arc length of one hundred seventeen and twenty-six hundredths (117.26) feet, a chord bearing of South thirty-one (31) degrees twenty-three (23) minutes fifty-nine (59) seconds West, and a chord distance of one hundred five and sixty-eight hundredths (105.68) feet to a point; [3] South seventy-six (76) degrees eighteen (18) minutes forty-five (45) seconds West, a distance of twenty-nine and sixty-five hundredths (29.65) feet to a point; [4] South thirteen (13) degrees forty-one (41) minutes fifteen (15) seconds East, a distance of one hundred and zero hundredths (100.00) feet to a point; [5] South seventy-six (76) degrees eighteen (18) minutes forty-five (45) seconds West, a distance of two hundred forty-six and fifty-eight hundredths (246.58) feet to a point; [6] North eighty-six (86) degrees one (01) minute twenty (20) seconds West, a distance of one hundred ninety-three and fifty-seven hundredths (193.57) feet to a point; and [7] South eighty-eight (88) degrees fifty-two (52) minutes forty (40) seconds West, a distance of two hundred sixty-four and eight hundredths (264.08) feet to the place of BEGINNING.

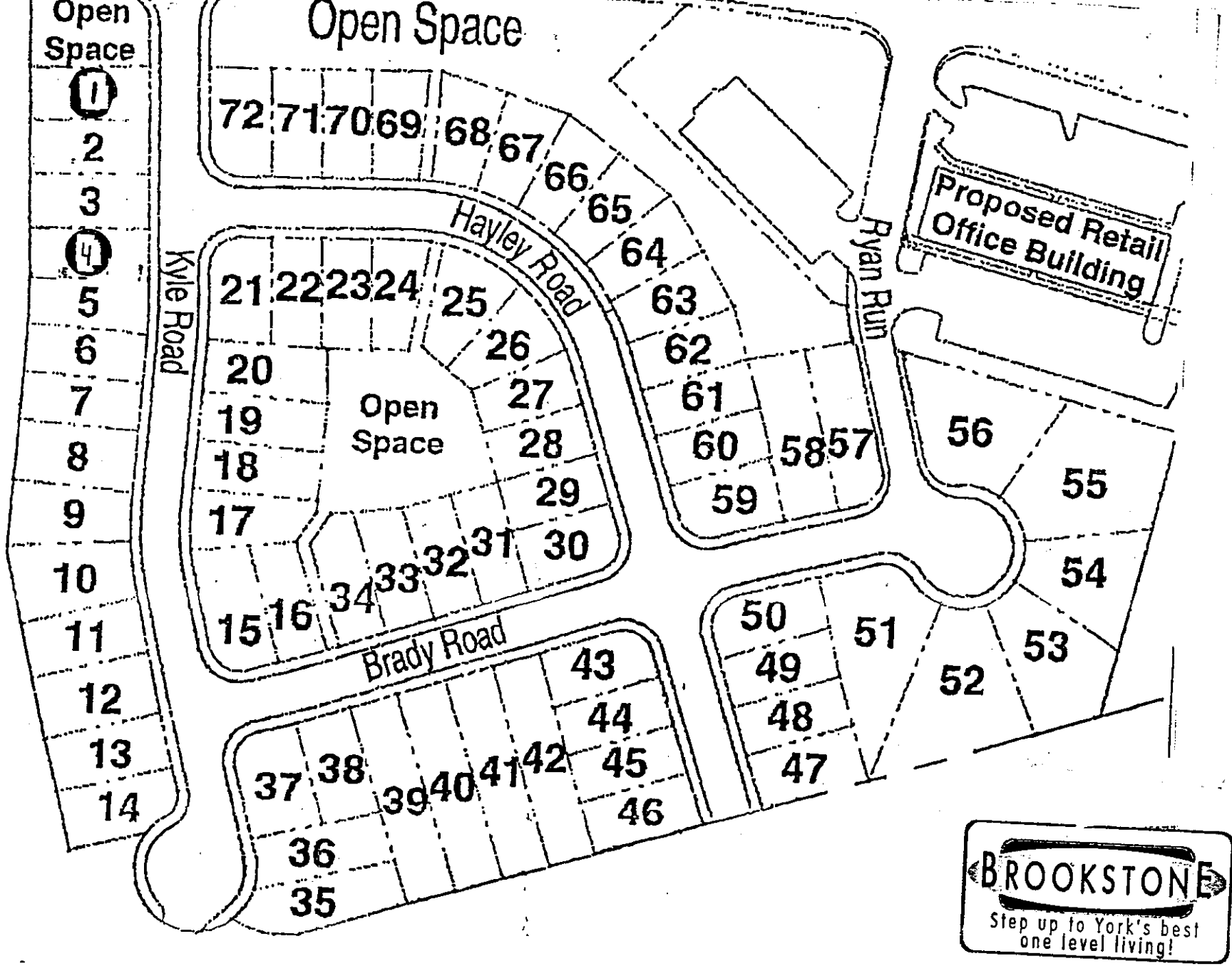
CONTAINING 12.0454 Acres

BROOKSTONE AT THE DOMINION BUDGET

1047
1048

1049

BOOK BOARD
misc
9186-185
SARINA ANITA S



BROOKSTONE
Step up to York's best
one level living!

Given
to Aaron to
Record - 1/13/03

**FIRST AMENDMENT TO DECLARATION
OF
BROOKSTONE AT THE DOMINION
A PLANNED COMMUNITY**

This First Amendment is made this 13th day of JANUARY, ²⁰⁰³ 2002, by the **EXECUTIVE BOARD OF BROOKSTONE AT THE DOMINION COMMUNITY ASSOCIATION, INC.** (the "Executive Board").

WITNESSETH:

A. Pursuant to a certain Declaration executed by Declarant on September 2, 1999, and recorded on October 5, 1999, in the Office of the Recorder of Deeds in and for York County, Pennsylvania, in Record Book 1379, Page 2978 (the ADeclaration@), Declarant submitted to the provisions of the Uniform Planned Communities Act, 68 Pa. C.S.A. Section 5101 et seq., as amended (the "Act") certain real estate described in Exhibit "A" to the Declaration and created a planned Community known as "Brookstone at the Dominion, a Planned Community (the "Planned Community"), which Planned Community is located in Manchester Township, York County, Pennsylvania.

B. Pursuant to Sections 12.2 and 12.10(d) of the Declaration, the Declaration may be amended with the approval of 51% of Eligible Mortgage Holders together with 67% of the total Class A and Class B votes of the Association.

C. The Executive Board has received the requisite approvals described herein.

NOW, THEREFORE, intending to be legally bound, the Executive Board does hereby amend the Declaration as follows:

1. Section 10.2 is deleted in its entirety and replaced with the following:

10.2. Association Veto of Assessments: Any budget or capital expenditure approved by the Executive Board may be rejected by a vote of the majority of the Members of the Association, provided such vote is taken within 30 days after the Board approval of such action, pursuant to Section 5303(b) of the Act. If any budget of capital expenditure approved by the Executive Board is rejected pursuant to this paragraph, the Executive Board shall re-submit and approve another budget or capital expenditure within thirty (30) days.

2. Section 10.4 is deleted in its entirety.

3. Add the following Section 12.11

12.11. Approval of Leases: A Lot Owner may lease his or her Lot (but not less than his entire Lot and all Structures contained thereon) at any time with the written approval of the Executive Board. The Executive Board may not approve a proposed lease agreement if such approval will result in either: (A) ten percent (10%) or more of the Lots in the Community are leased, or (B) five percent (5%) of the Lots that are leased are owned by the same Person. Additionally, a lease may only be approved provided that: (1) no Lot may be leased for transient or hotel purposes or for an initial term of less than twelve (12) months; (2) no Lot may be leased without a written lease; (3) a copy of such lease shall be furnished to the Executive Board within ten (10) days after execution thereof; and (4) the rights of any lessee of the Lot shall be subject to, and each such lessee shall be bound by, the covenants, conditions and restrictions set forth in the Declaration, Bylaws and Rules and Regulations and a default thereunder shall constitute a default under the lease; provided, however, that the foregoing shall not impose any direct liability on any lessee of a Lot to pay any Common Expense assessments on behalf of the Owner of that Lot."

4. Section 2.2.I is amended by deleting the last sentence of the paragraph in its entirety.

5. Except as specifically amended hereby, all other terms and provisions of the Declaration shall remain in full force and effect.

5. This First Amendment to Declaration is executed by the Executive Board by virtue of the

approval of 51% of Eligible Mortgage Holders and 67% of the total Class A and B votes in the Planned Community pursuant to the Act and the Declaration.

IN WITNESS WHEREOF, Executive Board has executed this First Amendment to Declaration of Brookstone at the Dominion, a Planned Community the day and year first above written.

EXECUTIVE BOARD OF BROOKSTONE AT THE
DOMINION COMMUNITY ASSOCIATION, INC.

Carol J. Caterna
Secretary *on Behalf of Members*
Brookstone Homeowners
Association

By: *Jennifer L. Noel*
Jennifer L. Noel, President of
Executive Board of Brookstone at the Dominion
Community Association, Inc.

COMMONWEALTH OF PENNSYLVANIA :
 Lancaster : SS:
COUNTY OF YORK :

On this the 13th day of January, 2002²⁰⁰³, before me, a notary public, the undersigned officer, personally appeared Jennifer L. Noel, who acknowledged himself to be the President of the Executive Board of BROOKSTONE AT THE DOMINION COMMUNITY ASSOCIATION, INC., and that he as such officer, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the Association by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal.

Nicol A. Fetto
Notary Public

My Commission Expires:

Notarial Seal
Nicol A. Fetto, Notary Public
Manheim Twp., Lancaster County
My Commission Expires Mar. 27, 2003
Member, Pennsylvania Society of Notaries