

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

BY

MILLCRAFT INVESTMENTS, INC.

FOR

FAIRWAY LANDINGS TOWNHOMES OF SOUTHPOINTE ASSOCIATION, INC.

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**DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS DECLARATION is made to be effective upon the date of its Recording by Millcraft Investments, Inc., the "Declarant" herein:

WITNESSETH:

WHEREAS, Declarant is the owner of certain undeveloped acreage located in Cecil Township, Washington County, Pennsylvania, which is more particularly described below; and

WHEREAS, Declarant intends and has made plans to develop said acreage as a Planned Residential Development, under the name of Fairway Landings of Southpointe; and

WHEREAS, such development will occur in stages or phases, Phase I of which is in its final form as a plan for attached multi-family townhomes, and is the area as to which this declaration is immediately effective; and

WHEREAS, a later Phase of development is intended to be recorded as additional formal plans to effect expansion of the development; and

WHEREAS, conditions and development relating to the economy, and to the preferences among buyers, as perceived by Declarant, may dictate the need to modify or change Declarant's present tentative planning for development after Phase I, it reserves the right to change its plans for the development of any Phase after Phase I, including inter alia; the withdrawal of any of the presently owned areas as the effect of Declarant's failure to record a Plan for any such other Phase as a development hereunder; the increase or decrease in the number of Lots; the types and numbers of buildings and/or residence units; and, also the enlargement of Fairway Landings to include hereunder, one or more Phases on neighboring acreages as may be later acquired by Declarant; all of such planning and development being subject to necessary approvals by appropriate governmental authorities; and

WHEREAS, Declarant shall and will as a part of the recording of a plan for an additional Phase hereunder, record also a supplement to this Declaration which shall state what the Maximum Annual Assessments shall be as applicable to said Phase under Article IV, Section 3, hereof.

NOW, THEREFORE, Declarant hereby declares the foregoing recitals to be parts hereof, and that all of the properties described below shall be held, sold and conveyed subject to the

terms hereof, and to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the affected real property and be binding on all parties having any right, title or interest in the affected properties or any part thereof, their heirs, administrators, successors and assigns, and shall inure to the benefit of and be the obligation of each owner therein, as follows:

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to Fairway Landings Townhomes of Southpointe Association, Inc., a Pennsylvania non-profit corporation, its successors and assigns, and except when the context clearly provides otherwise, "Association" shall mean its Board of Directors. The Association shall be as is provided in its By-Laws.

Section 2. "Board of Directors" shall mean and refer to the Board of Directors of the Association as provided in the By-Laws of the Association.

Section 3. "Common Area" shall be that property owned by the Association which will be for the common use and enjoyment of the members of the Association. The Common Area to be owned by the Association by the time of conveyance of the first lot in Phase I is set forth in Exhibit "A-2" attached hereto and made a part hereof, and also in the Fairway Landings Plan No. 1 as recorded in the Office of the Recorder of Deeds of Washington County, Pennsylvania, in Deed Book Volume 22, pages 559 to 564. Other such "Common Area" shall be conveyed to the Association by the Developer, as corresponds to such designated part of its plan, as such plan for each additional Phase of development is activated hereunder.

Section 4. "Condominium" shall mean and refer to that system of unit ownership as is provided for in the Pennsylvania Uniform Condominium Code, 68 Pa. C.S.A 3101, et. seq. Condominium may be established on the Properties in coordination herewith.

Section 5. "Declarant" and "Developer" shall mean and refer to Millcraft Investments, Inc. of 90 West Chestnut Street, Washington, Pennsylvania 15301, its successors and assigns, as become such successors or assigns for the purpose of continuing the development of Fairway Landings of Southpointe hereunder.

Section 6. "Living Unit" shall mean and refer to any structure or to any portion of a structure situated upon the Properties which is designed and intended for use and occupancy as a residence by a single family.

Section 7. "Lot" shall mean and refer to any designated area or unit of space for single family type ownership and occupancy, shown upon any recorded plan and the improvements thereon, excluding area, space, and things intended for common use as Common Area. The term "Lot" shall include a condominium Living Unit where such system for ownership may occur, and shall include membership in and an equitable undivided interest in the Association.

Section 8. "Members" shall mean and refer to those who are entitled to membership as set forth in Article III of this Declaration.

Section 9. "Multifamily Structure" shall mean and refer to a structure with two or more Living Units under one roof, and on a common foundation, other than a Townhouse as a row of units.

Section 10. "Occupant" shall mean and refer to the resident of a single family structure or of a Living Unit, who shall include contract purchaser, and lessee, and guest.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot including contract sellers, but excluding those having such interest merely as a security for the performance of an obligation. As to rights, privileges, and duties, as relate to using anything on and any part of the Properties. "Owner" shall include occupants and guests; and, as to installment land contract buyers to whom Developer has given its proxy, each such buyer, until such proxy is withdrawn, shall be included under "Owner".

Section 12. "Properties" shall mean and refer to that certain real property described in Exhibit "A-1", attached hereto as a part hereof, and being all of that acreage presently owned by Declarant and planned for development hereunder in Phases, of which Phase I is also separately described in Exhibit "A-2", as the part thereof as is presently subject hereto; subsequent Phases to be added as Plans for them are recorded, and as each such Phase is deemed and made subject to this Declaration upon the conveyance of a Lot therein; and "Properties" shall include also such additions thereto as may hereafter be acquired by the Developer and brought hereunder by the recording of one or more additional Phases and the conveyance of a first Lot therein.

Section 13. "Recorded" shall mean duly recorded in the Office of the Recorder of Deeds, Washington County, Pennsylvania.

Section 14. "Single Family Attached Home" shall mean and refer to a townhouse, row house, patio house or zero-lot line house erected on its own Lot.

ARTICLE II

Property Rights

A. Easements as to Common Areas

Section 1. Owner's Easement of Enjoyment. Every Owner and Occupant has a right and easement of use and enjoyment upon the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions.

Obligations and Limitations As to rights
in Common Areas

The provisions to which the aforesaid rights are subject are as follows:

- (a) To the levy by the Association, of annual and special assessments, and to their timely payment by the Owner.
- (b) To suspension by the Association of the voting rights of affected Owners during default in payment of any assessment.
- (c) To suspension by the Association during such default, from use by residents (including Owners) of the affected Unit, of recreational areas and facilities, and of common areas, except necessary ways of access to and from Lots and Living Units.
- (d) To suspension from such uses for up to sixty (60) days, and/or to imposition of reasonable penalty, for violation of rules and regulations, or posted notices. Until a penalty is paid, suspension shall be in effect.
- (e) Any action under (b), (c), and (d) shall be in addition to, and shall have no effect upon responsibility for payment of continuing and accruing assessment charges.

- (f) To the imposition by the Association of charges it deems reasonable for the use of any common facility or area; because of its special nature in appeal, use, and costs.
- (g) To limits reasonably fixed by the Association to the number of guests that may use common facilities and areas.
- (h) To action of the Association to transfer by dedication and otherwise, at such time or times, and on such terms as it deems proper, of all or part of the common properties and areas to such public or quasi-public body or agency as it chooses, and deems to be beneficial to the Lot Owners generally, provided however, that no such action shall be taken and be effective unless two-thirds of the Lot Owners, including the Developer as an Owner, authorize the same in writing.
- (i) To Agreement between the Association and others providing for the sharing of Common Area by occupants of neighboring properties.
- (j) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against an attempted foreclosure.
- (k) To such other Rules and Regulations as the Board may adopt.

Section 2. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Area and facilities to the members of his family, and to his guests, subject to such rules and regulations as the Board of Directors may from time to time adopt, and to such notices as it may cause to be posted; provided, however, that there shall be no abrogation of the duty of any Owner to pay assessments as may be made upon him and his Lot. A leasing to tenants shall operate as a delegation. Tenants shall be held to the same standards of conduct as an Owner. (All leases, after at least 21 days notice to the Owner, shall be subject to immediate termination on requirement of the Board for cause deemed by it to be sufficient.)

Section 3. Title to Common Area. Title to the Common Areas shall be conveyed to the Association free and clear of all monetary liens and monetary encumbrances; provided however, that Declarant shall have the right to reserve and shall be deemed to reserve for the purpose of development all or any portion of the

Common Area for various utility uses, and rights of way for same together with the right to dedicate same where applicable and customary, and the right of incidental ingress and egress across the Common Areas in connection therewith, and with development of the Properties. Declarant's rights hereunder shall not unreasonably interfere with the members' easements of enjoyment. Declarant shall restore all disturbed areas to substantially their prior condition. Declarant reserves the right to assign to each Living Unit in a Multi-family Structure, as an appurtenance to such Unit, the right to the exclusive use of same, and to the shared use of other parking areas, and to the use of private streets as may be constructed, and the same shall be subject to such reasonable rules and regulations as may be adopted by the Association. The right to use and enjoy such parking area and private streets shall be perpetual, appurtenant to and shall pass with the title to each such Living Unit, so long as the same may be, or be replaced as a part of essentially the same residential complex.

B. Other Easements

Section 1. The Intent For Easements. The intent is that Units will be built in combinations of neighboring and adjoining Lots, resulting in certain possible structural encroachments and/or service installations of common use, and resulting in the design and installation of common needs, such as, for access, utilities, surface drainage, to points of exclusive use and privacy, and otherwise, and that the same be included to provide for economic construction, for convenience in uses, and with consideration for amenities where they are affected; and, to provide for the implementing of such intent, necessary easements are declared and created.

Section 2. Their Kinds. The easements shall include and be of every kind, description, and purpose as in the circumstances affect any two or more neighboring or adjoining Units or Lots.

Section 3. Their Locations and Encroachments. They will be placed and located as fixed by the Developer or builder, and be recognized and exist in their "as built" positions. When a Lot is acquired before a Unit is erected upon it, title shall be taken subject to rights in the Developer and others as may be or become affected, to have easements under the provisions of this Article. Rights of easements shall exist whenever the need for any arises during development of the Properties, and shall continue "as built". They shall extend to whoever has bona fide need for them hereunder.

Section 4. Their Terms. Each easement shall be for the life of the need for it, and, as applicable, shall extend to

replacement(s). It shall run with title to the land, and be effective whether or not it is mentioned or referred to in title deeds of conveyance.

Section 5. Rights and Obligations.

- (a) Owners, and those present with their consent, shall make uses of easements only as are reasonable, and not otherwise; and no Owner and no one in his Lot may in any way interfere with proper uses by others. An issue over what is "proper" shall be resolved under Section 6 of this Article.
- (b) Subject to obligations and rights as may exist in the Association, maintenance, service, repair, replacement, and access for same, and necessary and reasonable accommodation in the circumstances, shall attach as of right to each easement, subject to reasonable exercise of such right, and to equitable bearing of cost.
- (c) No easement may exist which uncommonly interferes with the use and enjoyment of another's private area, or which imposes an undue burden without compensation benefit upon another's Unit or to its Owner(s), except during periods of service or replacement which shall be as brief as is reasonably necessary in the circumstances.

Section 6. Disputes.

- (a) Any dispute between Owners shall be resolved by the Board of Directors of the Association.
- (b) A member of the Board who is involved in the dispute shall remove himself from the Board as it nears and judges the case. The opposing Owner may designate a substitute, acceptable to the Board, as a member of the Board for that purpose. The case shall be deemed as in binding arbitration, and shall be handled and disposed of as under (d) of this Section.
- (c) Any dispute between an Owner or a group of them and the Association, regardless of the amount, shall be resolved by Arbitration, submitted by any party after sixty (60) calendar days notice to the other party(s).

- (d) Arbitration under (c) shall be by the American Arbitration Association; shall cover all aspects of the case, including inter alia, assessment of appropriate damages, professional fees, costs, and expenses, which until paid shall be an encumbrance like every other assessment. The award shall be final and may be filed of record in the Prothonotary's Office with the force and effect of a final judgment.

ARTICLE III

Membership and Voting Rights

Section 1. Members. Each Lot is assigned one membership in the Association. The ownership of the membership shall be appurtenant to, and may not be separated from ownership of the Lot.

Section 2. Membership Classes and Voting Rights. The Association shall have three classes of voting membership:

Class A. Units in Multi-Family Structures. Class A members shall be all Owners, except Declarant, of Lots as Living Units in multi-family, multi-story, structures, including Condominiums, which contain single family Living Units. Class A members shall be entitled to one vote for each such unit, and to an additional one vote while the Owner occupies his unit.

Class B. Non-Owner Residents. Class B members shall be non-Owner residents of Lots and Living Units, except Declarant, and each shall be entitled to one vote, except that Class B members shall not be permitted to vote on any subject requiring the consent of two-thirds (2/3) of each class of members, and not in any vote as is on a budget, or on an assessment matter, or on any matter as affects ownership.

Class C. Declarant. Class C member shall be the Declarant. It shall be entitled for all purposes to six votes for each Lot, including Living Unit, owned except that the Class C membership shall cease and be converted to Class A, or B membership, as appropriate, upon the happening of either of the following events, whichever occurs earlier:

- (a) when Declarant is the Owner of 25% or less of the Lots and Living Units planned for development in a Phase of the development of the Properties;

provided that Lots and Units being sold under Installment Land Contracts, counted for the purpose of determining said 25% figure, shall be taken at 75% of their actual number; or

(b) on the anniversary date five (5) years after the last sequential recording of a Plan for a Phase in the development of Fairway Landings of Southpointe; provided that if all development of all the Properties is not being completed within such fifth year, the Developer shall have the right to extend the time by one year absolutely, and to have it extended for such additional time as may be negotiated with the Board, or be determined by Arbitration under Article IX, Section 1 below.

Section 3. Joint Owners or Occupants. When more than one person owns a Lot, and when more than one person resides at a Lot owned by another, the votes or vote attaching to the Lot shall be voted as undivided single votes, but all of such individuals shall be entitled to attend meetings and, with that limitation of having the vote among them, participate therein. Once a vote is cast without a contest, it shall be final and not reviewable.

ARTICLE IV

Covenant for Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (1) annual assessments or charges;
- (2) special assessments for capital improvements;
- (3) special assessments for limited common area benefits as applicable; and
- (4) such assessments to be established and collected as hereinafter provided.

If a delinquency occurs in the payment of annual and/or special assessments, said assessment(s), together with incidentals of interest, costs, and reasonable attorney's fees, shall be a charge on the Lot and until it is paid, shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such incidentals, shall also be the

personal obligation of the person who was the Owner of such property at the time when the assessment was made.

Section 2. Purpose of Assessments. The assessments levied by the Association under Sections 3 and 4(a) of this Article shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties generally and for the improvement and maintenance of the Properties. As may be determined by the Board, assessments may cover the exterior structure of any or all buildings and other improvements, and insurance on them; may include the maintenance and landscaping of all individually owned lots; may include the repair of, snow and ice removal from common areas, and maintenance generally including payment for electricity used for common outside lighting, if installed, of common streets, and common parking areas. Maintenance shall include the care, insuring, and servicing generally of the Common Areas, and of the improvements and equipment on or related to them. When any such benefits are provided to a limited number of Lots, intended as of special benefit, and not as a stage in or part of an on-going planned benefit generally, the Lots to cover the costs allocatable thereto, as to which the decision of the Board shall be final; and this may occur with reference to groups of Units in townhouses; multi-family structures, and as to Lots as fail of maintenance and appearance to general community standards in Fairway Landings of Southpointe as determined by the Board. When there is a surplus from assessments for operations and maintenance over actual expenditures (paid and incurred) for the budgeted period, such surplus may be refunded to the Owners proportionately to their respective assessments for the period by credit of corresponding reductions of payments due from them in the succeeding budget period.

Section 3. Annual Operating and Maintenance Assessments. Such assessments are subject to the following:

(a) Until January 1 of that year as follows at least three (3) full months after the first occupancy of a house, or living unit, in a Phase, the Maximum Annual Assessment applicable within that Phase shall be as is set forth for each class of memberships as follows:

- (i) Class A - Multi-Family Structures - \$1,200 per lot, per year
- (ii) Class B - Non-Owner Occupants - \$1,200 per lot, per year
- (iii) Class C - Declarant - \$1,200 per lot, per year

(b) Except and provided as to (a) that

- (i) Until a Lot is made ready for building on it from the installation of a finished road, and utilities of water, sewage, gas, electric, and surface drainage, there shall be no assessment against it.
- (ii) While a Lot is benefitted but is without a building and occupancy, it shall be assessed up to 10% of Maximum Annual Assessment aforesaid.
- (iii) Until not over one year from the time that a house or Living Units in a building are substantially finished and ready for occupancy, the same shall continue to be assessed as under (ii) next above.
- (iv) Assessment under (ii) and (iii) shall relate fairly to the actual costs to the Association for the Common Areas and Lot areas in the resulting service and benefit to the Lot or Living Units.
- (v) One year after the house or Living Units are substantially completed and ready for occupancy, or whenever they become occupied, whichever occurs first, the same shall be assessed fully.

(c) As a part of the recording of a plan for an additional Phase hereunder, Declarant shall and will record also a Supplement to this Declaration which shall state what the Maximum Annual Assessment under this Section shall be.

(d) Not Over 15% Increases. From and after such January 1, the Board may increase the Annual Assessment above the assessment for the previous year by not more than 15% percent without a vote of the membership.

(e) Over 15% Increases. From and after such January 1, the annual assessment may be increased more than fifteen (15) percent, only on approval of ~~two-thirds (2/3)~~ ~~of the members,~~ except Class B, voting in person or by proxy, at a meeting duly called for this purpose, as provided in Section 5 of this Article, and attended by and represented by proxies of Owners of 75% of the Lots.

(f) Under (a) and (b) the determination of the 15% is as against the dollar amount of the assessment being increased, and that amount is subject to be increased by adding to it the amount determined from the current rate of inflation in the greater metropolitan (Washington or Pittsburgh) Area, if available, or from what may appear to be the most commonly accepted rate state-wide, if available, otherwise nationally.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a Special Assessment;

(a) For Capital Improvements, applicable to any one year only, or to coincide with the time requirements under outside financing, for the purpose of raising the sums needed for such financing and/or for the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto; and every such assessment shall have the assent of two-thirds (2/3) of all votes of all Owners who vote, provided that approval of such assessment shall be effective for the life of the need for it.

(b) For Limited Common Areas. This kind of Special Assessment is applicable to Owners whose Lots are benefitted from improvement and/or service by the Association provided specially for them. It is not applicable if the benefit is incidental to a stage in plans to provide the same generally, or if it is a coincidence of some general benefit. It depends upon intent to provide only a limited special benefit, under a special part of the Budget. Decision to provide the benefit shall be approved in writing by two-thirds (2/3) of the Owners to be affected. If the benefit is substantially equal, the assessments shall be equal; otherwise the assessments shall be adjusted equitably. A member of the Board of Directors who may be an affected Owner shall not participate as a Director. These assessments shall be due and payable as may be provided in the approval above, or as the Board may determine.

(c) Reserves For Major Repairs And/Or Replacements. The Board shall create such a fund for the Common Areas, as it deems appropriate. An amount for such purposes so determined shall be added to the regular assessments for operations and maintenance. The amount shall be uniform, or adjusted equitably according to circumstance as the Board shall determine. The fund shall be kept in an interest bearing account, or be held otherwise at higher income with equal or comparable security. The principal and interest of the fund shall be used only for the stated purposes and not otherwise without the approval of two-thirds (2/3) of all votes of all Owners. The funds shall be the property of the Association. The interests of the Owners therein shall be equitable and appurtenant to and inseparable from their respective titles. This Section may be adapted to reserves for Limited Common Areas.

(d) Reserve For Addition to the Common Areas. With the approval of two-thirds (2/3) of all votes of all Owners, the Board shall create a Special Reserve fund for identified addition or improvement to the Common Area. It shall be funded, managed, used,

and owned in all respects as is the fund under Section (c) next above.

Section 5. To Obtain Necessary Approvals of Owners. Written notice of any meeting called in accordance with the By-Laws of the Association, for the purpose of taking any action authorized under Section 3 or 4(a), shall be sent to all members not less than fifteen (15) not more than thirty (30) days in advance of the meeting. If the required quorum is not represented and present, the President, with the approval of a majority of the Board, including himself, may declare the proposed action as rejected, without any further meeting on it, or another meeting may be called subject to the same notice requirement. A meeting without the votes needed for proposed action may continue for purposes of discussion and planning.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate within each class of membership and may be collected on a monthly, quarterly, semi-annual or annual basis as the Board shall determine. As between the classes like assessments may vary for cause, but as within classes, the same assessments shall be equal unless there is obvious disparity in benefit as under Section 4(b).

Section 7. Date of Commencement of Annual Assessments: Due Dates. The Annual assessments provided for herein shall commence in each phase as to all Owners on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of subsequent annual assessments against each Owner at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall then be sent to every Owner. The due dates shall be fixed by the Board. The Board shall, upon demand, and for a reasonable charge, furnish a certificate signed by the Treasurer, setting forth the state of its ~~Assessments Account as to any particular lot, and such certificate,~~ duly prepared and executed, shall be binding upon the Association as of the date of its issuance. Payments shall continue at the last rate fixed until the effective date of change in the rate.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. All assessments under this Article are "assessments" and any not paid within thirty (30) days after the due date shall be increased by the amount of legal fees as the Association may have incurred and may yet occur with reference to it until it is collected, and as so increased it shall bear interest at the legal rate. The Association may bring an action at law against the Owner personally obligated to pay the same; and the

Association may proceed on the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. The Board may impose such late charges as it deems appropriate.

Section 9. Subordination of the Lien to Mortgage. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot by its Owner shall not affect any assessment lien. However, the bona fide sale or transfer of any lot pursuant to or in lieu of mortgage foreclosure, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due and from the lien thereof.

Section 10. Exempt Property. All properties dedicated to, and accepted by, a local public authority, and all properties owned by the Association, or by a charitable or non-profit organization exempt from taxation by the laws of the Commonwealth of Pennsylvania, and to the extent provided by said laws, shall be exempt from the assessments created herein. However, no such Lot devoted to residential use shall be exempt from said assessments, charges, and liens, hereunder whatever its ownership.

ARTICLE V

Environmental Protection Board (EPB)

Section 1. Standards. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties nor shall any exterior addition to or change or alteration thereto be made until the plans and specification showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography, by the Board or Directors of the Association. In the event such Board, as is so functioning, fails to approve or disapprove such submission within thirty (30) days after receipt of the same, no formal approval will be required, and this Article will be conclusively deemed to have been fully complied with and approval obtained.

Section 2. Declarant's Plans and Specifications. Nothing in this Article shall be construed to require or permit any review of any plans, specifications, and decisions made by the Declarant with respect to any Lot or Living Unit.

Section 3. Enforcement of Rules and Regulations. In carrying out the provisions of this Article V, of Article VI, of Article VIII or any other Article of this Declaration, of any of the rules and regulations adopted and promulgated pursuant to the provisions hereof, the Board and/or the Declarant during the period of development, by their respective agents, employees, successors and assigns, may come upon any Lot during reasonable hours for the purpose of enforcing and administering those provisions or rules and regulations; provided however that, except in the case of an emergency, no entry shall be made except upon fifteen (15) days written notice to the member or members affected thereby to correct the deficiency. No one entering any such Lot for these purposes shall be deemed to have committed a trespass or wrongful or illegal act by reason of any such entry or inspection.

ARTICLE VI

Maintenance and Insurance

Section 1. Common Areas. The Association shall be responsible for the care and maintenance of the Common Areas, including all aspects of the improvements thereon; and shall also be responsible for the care and maintenance of property, including rights-of-way, dedicated to any governmental or quasi-governmental entity or utility where it is under no obligation to care for and maintain such property.

Section 2. Individual Lots. (a) The Owner shall be responsible for the care, maintenance and repair of individual Lots, and all improvements thereon, except that the Association shall provide and be responsible for the lawn care, general landscaping of each Lot, trash removal and snow removal, the cost of such care being included in the annual assessment to the Owner.

(b) In the event that any Owner shall desire to perform maintenance or landscape a Lot, the Owner shall be obligated to obtain approval by at least 2/3 vote of the Board of Directors of the Association.

Section 3. Insurance.

(a) Owner's Coverage. The Owner is responsible for all forms of insurance on all of the contents of each house or housing unit, except on his interests in Common Areas, and his interest in the actual structure of the townhome building and in other assets of the Association, as protect him from loss and against claims of liability; except also such of those insurance coverages as the Board, in its discretion, may carry in his stead, and for his

benefit as of the class of Owners, at equitable cost to him added to and as a part of his regular assessments.

(b) Association Coverage. The Board shall keep the Association insured:

- (i) With liability coverages, on property, equipment, and persons;
- (ii) With coverages on real and personal property against loss, including the individually owned structures;
- (iii) With Workmen's Compensation coverage; and
- (iv) With such other coverages, such as errors and omissions or officers' and directors' liability, and such as fidelity bonds as it may deem appropriate.
- (v) All coverages shall be with such insurers, in such forms, in such amounts, for such periods, and otherwise, as the Board deems prudent with such professional advice as it may obtain.
- (vi) It shall review, or obtain professional review and written report, on its insurance program and needs from time to time, but always within intervals of not exceeding 36 months.
- (vii) All premiums and incidental costs shall be operating expenses of the Association.

ARTICLE VII

Party Walls

Section 1. General Rules of Law to Apply. Each wall which is a part of original construction and is placed on the dividing line between Lots shall constitute a party wall. To the extent not provided under the provisions of this Article, the general rules of Pennsylvania law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Ordinary Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the adjoining Owners, equally, or be shared equitably as differentiating circumstances may warrant.

Section 3. Repair Due to Owner Fault. An Owner who, by his negligent or willful act, permits or causes the interior parts and surfaces of a party wall, and parts of the structure connected to it, to be affected from the elements, shall bear the whole cost of making all resulting necessary repairs, and replacements, and for all consequential damage. If he fails to make prompt restoration, the case shall be treated as covered by Sections below in this Article.

Section 4. Owner Responsible For Others. Each Owner shall be responsible hereunder for his own conduct and for that of all others on his premises with his consent, and nothing in Sections below in this Article alter this liability.

Section 5. Partial Damage; Immediate Repair. When damage from fire or other casualty is partial and as such requires immediate repair, temporary or permanent, and there is no agreement for immediate repair, any affected Owner may undertake such repair, partial or total, as he finds to be reasonably appropriate. If the repair is temporary then the damage shall be deemed to be substantial.

Section 6. Substantial Partial Damage. Subject to provision above for temporary repair, substantial damage shall be treated as total damage as to repair and restoration, the right to make it, and the resulting responsibilities.

Section 7. Total Damage. On default of agreement among the co-users of the wall within thirty (30) days of the damage happening, any affected Owner, after ten (10) days written notice to the other such Owner(s), shall have the right to restore the party wall, partially or totally, in its design and placement substantially as it had been. Its specifications may be changed to benefit in quality and/or economy from change in the state of the arts.

Section 8. Rights and Obligations After Restoration. When repair and restoration is not done under agreement between the affected Owners, or when such agreement does not include provisions for use of the wall and/or for contributions to the costs of the work:

- (a) When the restoration is of any partial damage and the repair is complete and mutually beneficial, the rights of use shall be unaffected, and the costs shall be borne equitably.
- (b) When the wall is rebuilt from total damage, until he receives full contribution as due the Owner who

undertook its restoration, he shall have the use of it to the exclusion of any Owner who has not made the contribution due from him, and there shall be no departure from this except under agreement in writing.

Section 9. Contribution to Costs of Restoration.

- (a) Except for cause related to comparable uses being made of the wall, as from the lineal length and/or height of use, or otherwise, contributions shall be basically equal, otherwise they shall be equitably adjusted.
- (b) Basically equal contribution toward costs of restoration shall include sharing of all costs for the work and all incidental costs, such as for permit, professional services, costs of financing, and all other related costs.
- (c) When there is delay, and the use of legal services to obtain collection, and/or to challenge or contest unwarranted use of a restored wall, the contribution shall be increased by charges for interest at rate as constitutes reimbursement, otherwise at the legal rate, and by the fees and expenses incurred from the use of legal services.
- (d) The obligation to make contribution, and the denial of use until it is made, shall be a lien and charge upon the title of the obligor Owner.

Section 10. Partial Repair By An Owner. If, under the foregoing, an Owner who acts to make a repair, but does so partially as to serve his own needs only, he may do so, and;

- (a) He shall include such good faith temporary repair as should ordinarily protect the adjoining property(s) for at least 30 days.
- (b) He shall promptly so notify the Owner(s) of the adjoining property(s).
- (c) He shall be reimbursed under the provisions of this Article for the costs of the temporary repair.
- (d) The risk of the good faith temporary repair shall be on the adjoining Owner(s).

- (e) The adjoining Owner(s) assume the risk and shall have no claims for damage as results from said temporary repair failing to provide absolute protection and/or from their own failure to make timely and good permanent repair.
- (f) The provisions of this Article as apply to measuring liability, lien, charge, and collection, shall, in all respects, apply also to this Section.

Section 11. Immunity for Owner Who Acts. The Owner, who in good faith undertakes repair as provided above, shall not be liable on any account to any other affected Owner on any matter arising from his having so acted, except on proof of bad faith.

Section 12. Binding Arbitration. In the event of dispute arising under any provision of this Article, which the parties fail to resolve, either party, after ten calendar days written notice to the other, shall submit the case in all of its aspects to the American Arbitration Association for final and binding arbitration, including, inter alia, the power to assess all or part of the prevailing party's related expenses, interest and fees for experts and professionals. The award may be filed of record in the Prothonotary's Office with the force and effect of a final judgment.

ARTICLE VIII

Use Restrictions

The following shall be restrictions on the use of the Properties which shall run with and bind the land.

Section 1. Residential Uses; Incidental Uses; Affects Upon Insurance. None of the Lots shall be used for any purpose other than for residential use. No profession or home business shall be conducted in or on any part of a Lot or in any improvement thereon without the specific written approval of the Board of Directors, which it shall not unreasonably withhold; provided, however, that this use restriction does not apply to the Declarant. Nothing may be done as may be of adverse affect upon any neighbor's prevailing insurance rates and entitlements, or upon his use and enjoyment of his lot.

Section 2. No Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may become an undue annoyance or nuisance.

Section 3. No Subdividing. No subdivision of any lot, or Living Unit; no change in original outlines for any purpose by any Owner, except Developer as is otherwise so provided herein.

Section 4. No Exterior Installation. No facilities, including poles and wires, for the transmission of electricity, telephone messages and the like shall be placed or maintained above the surface of the ground on any Lot; and no external or outside lines or antennas of any kind shall be erected, except by the Declarant during the period of development.

Section 5. No Residence Occupancy Except In Finished Development Lot. No temporary building, trailer, garage or building in the course of construction or other structure shall be used, temporarily or permanently, as a residence on any Lot.

Section 6. Only Family Vehicles To Be Kept In The Open. No boat, boat trailer, house trailer, trailer, or any similar items shall be kept in the open on any Lot.

Section 7. Sign Restriction. No sign shall be displayed on the exterior of any residence. Not over one sign of not over six (6) square feet may be shown in not over one window to advertise a Lot or Living Unit for sale or rent. No signs may be posted on an undeveloped Lot except such as may be specifically required by law. Signs serving the Developer during construction and sales periods are allowed.

Section 8. Restrictions On Drilling, Excavating. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 9. Controls Relative To Trees, Natural Resources, Wildlife. No trees having a diameter of six (6) inches or more (measured from a point two feet above ground level) shall be removed from any Lot without the express written authorization of the functioning Board under Article V, or unless properly required by an appropriate governmental authority. The Board aforesaid in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wild life upon the Properties. If it shall deem it appropriate, said Board may mark certain trees, regardless of size, as not removable without written authorization.



Section 10. Controls On Animals And Other Creatures. No animals, live stock, or poultry of any kind shall be raised, bred or kept on any Lot, except that an ordinary number of dogs, cats or other household pets may be kept as pets provided they are kept in accordance with the duly adopted Rules and Regulations of the Association; and provided further, they are not kept, bred, or maintained for any commercial purpose. The Association may use or allow the use by Owners and/or others of Common Areas for uses that are by this Section not permitted on Lots. The Board may determine and change what is an "ordinary number". Outside dog houses are not permitted on Lots or any other areas within Fairway Landings, and any animals or other pets that are exercised within Fairway Landings shall be kept on a leash no longer than six (6) feet in length.

Section 11. Controls On Outside Storage And Accumulations. No lumber, or other materials, refuse or trash shall be kept, stored, or allowed to accumulate on any Lot except building materials during the course of construction. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

Section 12. Controls On Above Ground Installations; Functioning of Easements. No water pipe, gas pipe, sewer pipe or drainage pipe shall be installed or maintained on any Lot above the surface of the ground. Easements have been reserved for sewers, drainage and utility installations and maintenance and for such purposes and uses as are shown on the public record. Within these easements no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may obstruct, retard, or change the direction of flow in drainage channels in the easements. The easement area of each Lot and all improvement in it shall be maintained continuously by the Owner of the Lot, except for those improvements of common usage and not private to the Lot Owner, for which others are responsible. The Declarant, its agents, successors and assigns, including the Association, shall have the right to enter upon all parts of the easement area of each Lot for any of the purposes for which said easements and rights-of-way are reserved. The Declarant shall also have the right at the time of, or after, grading any street, or any part hereof, to enter upon any abutting Lot and grade the portion of such Lot adjacent to such street, but there shall be no obligation on the Declarant to do such grading, unless otherwise properly required to do so by an appropriate governmental authority.

Section 13. Limitations On Uses Of Common Areas. All Common Areas shall be limited in use to and for, and only for, parks and recreational purposes and such other purposes authorized by the Association or its Board of Directors, subject to the provisions of this Declaration, and for such other uses as are fixed by this Declaration.

Section 14. Board Right of Entry To Trim Or Prune. The Board of Directors shall have the right to enter upon any Lot and trim or prune, at the expense of the Association, any hedge or other planting which in the opinion of the Board, by reason of its location upon the Lot or the height to which it is permitted to grow, is unreasonably detrimental to the adjoining property or obscures the view of street traffic or is unattractive in appearance.

Section 15. No Impairment As To Article V. Nothing contained in this Article VIII shall be construed to limit in any way the rights and powers of the Board of Directors to approve or disapprove of the erection of buildings, fences, walls or other structures or of changes or alterations to the Properties as more fully provided in Article V hereof.

Section 16. Discretionary Powers. The Board of Directors shall have broad discretion in the application of Use Restrictions, consistent with developing standards among the Owners; and may adopt such Rules and Regulations, and post such Notices, as it deems appropriate. It may in particular circumstances as it finds harmless in itself and not harmful as a precedent, allow exceptions to a Restriction, as for example the allowance of a ham operator's antenna.

ARTICLE IX

Phased Development

Section 1. Phased Development Plan. Fairway Landings of Southpointe shall be developed in Phases, as is set forth in the General Plan of Development attached hereto as Exhibit "B". The total acreage contemplated for development is set forth on Exhibit "A-1", and that part of it as is presently made subject to this Declaration is also set forth on Exhibit "A-2", identified as "Phase I". If Declarant is not completing the development of the total acreage within the fifth (5th) year after the last sequential recording of a Plan for a phase, and the delay in completion is due to causes as have affected the home building and financing industry over the past several years, or for other causes beyond its control, the Declarant shall be entitled to an extension of one (1) year absolutely, and to such further reasonable extension as the

Declarant and the Board shall negotiate; or, failing that, it shall be such, if any, as a Board of Arbitrators of the American Arbitration Association, on the application of the Developer, finds to be fair and reasonable in the circumstances. Its plans for the development of each Phase beyond Phase I are necessarily tentative, and subject to change in any respect, and to replacement. Change or replacement may include changes in design, arrangement, combinations, sizes, numbers, and otherwise to private areas and to Common Areas, subject as may be needed to approval of public authorities. Change in common Areas shall not significantly affect their size and utility.

Section 2. Conveyance of A Lot Activates A Phase. The provisions hereof apply to Phase I, and shall become effective upon, and apply to each successive Phase as it is opened absolutely by the recording of the Plan for the Phase and by the conveyance of one or more lots therein.

Section 3. Title to Common Areas of Phase. Prior to or upon the first conveyance of any Lot in a particular Phase, the Developer shall convey to the Association, its title to such Common Areas and improvements thereon as are included within that Phase, such title to be one that is good and marketable, free and clear of all encumbrances, and subject only to such prior grants, reservations, exceptions, easements, and other matters, if any, of record when title was acquired by the Developer, and of no significant prejudice to the planned development and uses of Fairway Landings of Southpointe. Each successive such conveyance shall become and be a part of the Common Area of Fairway Landings of Southpointe as a single Common Area serving all Phase.

Section 4. Unopened Phases. Areas in the Properties in which no Lot is sold remain unaffected by this Declaration until the conveyance of a Lot is in fact made therein.

Section 5. Phases Added by Annexation By The Developer. The Developer reserves the right to add one or more Phases by adding its acquisition of neighboring acreage to the Properties.

Section 6. Condominium Phase. In the event any area of the Properties, or any annexation thereto by the Developer, is developed, or any Phase is converted into condominium form of ownership and uses, the Condominium shall exist as a part of the Fairway Landings of Southpointe planned residential development. Uses of Common Areas shall be reciprocally open for the mutual and recreational sharing of all Common Areas, facilities improvements, and programs within the areas of the Association and of the Condominium, by the occupants of both. The Condominium may have the Association provide the maintenance of and other services to

the Condominium under terms acceptable to both. The intent is to have a unified community with several systems of private ownership within it.

Section 7. Approvals By Public Authorities. The Declarant shall and will during the Phase-by-Phase development of the Properties by it, obtain and proceed under and subject to such approvals by public authorities as the law requires.

ARTICLE X

General and Miscellaneous Provisions

A. General Provisions

Section 1. Enforcement. The Association, or any Owner, according to his interest, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by and under the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no case be deemed an abandonment of or change in the same, or a waiver of the right to do so thereafter on the same or other circumstances.

Section 2. Severability. Invalidation of any one or part 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.

Section 3. References. Unless the context clearly provides otherwise, all references to action by the Association shall mean action by its Board of Directors. All pronoun and other references shall be read and applied according to their context and circumstances. All provisions applicable to the Developer as a builder shall include also other builders to whom the Developer sells Lots on which they build; shall include such additional builders as Developer in writing grants such inclusion; and shall include all others in the service of the developer or of such other builders.

Section 4. Public Notice. By the public recording of this Declaration, all persons having anything to do with the Properties, anything on them, and any interest in any part and aspect of them, and all persons who in any way make use of them, any part of them, and anything upon them is conclusively deemed to have knowledge of and be bound by this Declaration and its contents.

B. Miscellaneous Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of fifteen (15) years from the date of the recording of the Plan for the last Phase recorded hereunder, after which time they shall be automatically extended for successive periods of ten (10) years, unless within the last year, prior to such fifteen (15) year anniversary date, or prior to any successive ten (10) year anniversary date, the covenants and restrictions of this Declaration are declared terminated by duly recorded action of the Association approved by ninety (90%) percent of all of the Owners of all Lots.

Section 2. Amendment. This Declaration may be amended by an instrument signed by the Owners of not less than two-thirds (2/3) of all Lots, provided that as to any matter herein which requires a greater approval shall not be changed as to such requirement, without itself being approved accordingly. Any amendment must be recorded and takes effect immediately upon recordation, or as may be provided therein.

Section 3. Annexation By Owners. After Declarant's control of development of the Properties, additional property and Common Area may be annexed to the Properties by vote or consent of Owners having two-thirds (2/3) of the vote of all of the Owners of all of the Lots.

Section 4. Federal Housing Administration and Veterans Administration Approval. As long as the Developer is in that status, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties to that larger acreage as is described in Exhibit "A-2", dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions. Approval shall be given to any annexation which is substantially in accord with a general plan hereafter approved by the Federal Housing Administration or the Veterans Administration.

Section 5. Conflicts and Interpretations. In the case of any conflict between this Declaration and the By-Laws of the Association, the Declaration shall control. Interpretations where necessary shall be made by the Board of Directors with due regard for the purposes and spirit of this Declaration.

Section 6. Amendment Resulting From Requirement of Government Agencies. If in order to obtain the approval of the Federal Housing Administration and/or the Department of Housing and Urban Development and/or the Veterans Administration to the terms

and conditions of this Declaration of Covenants, Conditions and Restrictions, Declarant is required to amend any terms of this Declaration of Covenants, Conditions and Restrictions, Declarant may do so without any further consent or approval of any Owners or Members, notwithstanding other procedures herein applicable to other cases. Written notice shall be given to all members of any such proposed changes for the purpose of members submitting objections to the Developer and to such government agencies.

Section 7. Dedication to Municipal Authorities. Cecil Township, and any Municipal Authority operating therein, in Washington County, Pennsylvania ("Township") may, at any time and from time to time, accept the dedication of land or any interest therein for public use and maintenance, but the Township need not require, as a condition of the approval of a planned unit residential development, that other land set aside or proposed to be set aside for common open space hereunder be dedicated or made available to public use.

Section 8. Mortgages. Each Lot Owner shall have the right to mortgage or encumber only his own Lot. The lien thereof, and foreclosure thereon shall however include the Lot and all rights, obligations, terms, and conditions generally hereof as relate to a Lot, a Unit, and their Owner(s). A mortgagee succeeding to ownership shall thereupon be an Owner.

Section 9. Taxes. Real Estate Taxes on the Lot and Unit shall be assessed to and paid by the Lot Owner. Those taxes on Common Properties and Common Areas shall be assessed to and paid by the Developer until they are conveyed to the Association, and thereupon shall become its obligation.

Section 10. Utilities. Utilities metered to a Lot or Unit and contracted as to an Owner shall be paid by the Owner, and utilities metered to and contracted as to the Developer, or to the Association shall be paid by it.

Section 11. Pennsylvania Municipalities Planning Code. The Provisions hereof shall be construed as granting to, and there are hereby granted to the Township of Cecil, Washington County, Pennsylvania, all the rights, duties, and responsibilities as are provided in the Pennsylvania Municipalities Planning Code, (approved on July 31, 1968, P.L. 805 and 53 P.S. 10101, et seq.) as amended, and as applicable to the Common Areas and to the right of access to and from the same.

Section 12. Eminent Domain. Whenever there is an announcement of, or action in eminent domain, as may or does affect the Properties;

- (a) The same shall be considered at a meeting of the Association.
- (b) Subject to such action by majority vote as the Owners may there take, the Board shall deal with the matter in all respects as affect the Association's interests as the Board deems appropriate; and, inter alia, this shall include opposing, or acquiescing, or acting in lieu thereof; litigating, or settling.
- (c) If only Lots and/or Living Units are legally affected, and if in the judgment of the Board, such affects, directly or indirectly have any significant adverse impact upon any aspect of other parts of the Properties, the Owners of such affect Lots and/or Living Units shall meaningfully consult with the Board, in good faith shall consider its desires, and take its positions formally with the condemnor only after reasonable notice to the Board.
- (d) If legal affects concern both the Association and certain Owners, they shall collaborate fully as each pursues their respective interests. No formal position shall be taken by any such party without reasonable notice to the others.
- (e) Compensation paid to the Association shall be used as is determined by two-thirds of all votes of all Owners.

ARTICLE XI

Provision For Article V of
Fairway Landings of Southpointe By-Laws

The By-Laws of Fairway Landings of Southpointe shall include the following:

ARTICLE V

Control By Township Or Other Public Body

Section 1. Association Public Duty. It shall be the duty of the Association, as a land owner, to at all times and in all ways comply with all ordinances, laws, rules, and regulations of all duly constituted public authorities, bodies, and agencies,

herein referred to as "Township", with respect to the condition, uses, care and maintenance of its property and facilities.

Section 2. Notice of Default. Upon official written notice of any default under Section 1, whether by letter to the Association, or to any officer or member of the Board of Directors, or by posting at one or more conspicuous places in Fairway Landings of Southpointe, or by publication in a newspaper of general circulation in the township, or by any other means reasonably certain to come to the attention of Fairway Landings of Southpointe Unit Owners generally, the Association shall act promptly to correct the default or come to terms for its correction that are acceptable to the Township. During any period of Developer activity in the project, it shall also be given notice.

Section 3. Absolute Default. Failure to comply with a second notice by a date fixed by it, as a time of the essence, shall give the Township the right:

- (a) to declare all Board members, and officers inactive effective immediately, as to jurisdiction over all matters as relate to the complaint, the correction it, and the payments related to it; and
- (b) to appoint a Manager with the force and effect of having been duly appointed by the Board, with full power and authority to do and cause to be done all things without any exception absolutely which such Manager finds and deems to be reasonably necessary and proper for the removal of the complaint, and for making all related payments.

Section 4. Expenses of Manager. All cost and expenses incurred by the Manager, under Section 3, including reasonable compensation to the Manager shall be borne by the Association; and if not paid to those entitled promptly on presentation, the Manager shall have the power and authority, as, for, and in the names of the Association and of the Board, as such agent, to levy an appropriate special assessment against the Unit Owners, and with consequences generally as are provided in the Declaration of Covenants, Conditions and Restrictions for Fairway Landings of Southpointe.

Section 5. Discharge of Manager. The Manager shall be discharged generally upon completion of removal of the default, but shall continue as the agent of the Association and of the Board for the purpose of effecting the collection of all special assessments under Section 4. Until such collections are completed, the Manager may permit the Board to make the collections.

Section 6. Construing Article V. If any provision of this Article requires construing because of any other provision in these By-Laws, and/or in the Declaration of Covenants, Conditions and Restrictions for Fairway Landings of Southpointe: to the extent that they cannot be reconciled as written, the other provision shall be construed as nearly as may be reasonable in the circumstances, or to realize its intended purpose, without impairing the purposes of this Article.

Section 7. Amendment. Nothing in this Article may be changed without the written consent of the Township.

This Declaration is duly made as the corporate act of the General Partner of the Developer, that it, and its successors and assigns, and the lands described and referred to be bound according to the terms hereof.

IN WITNESS WHEREOF, the Developer has caused its President to execute this instrument and to affix its common and corporate seal this 30th day of November, 1992.

WITNESS:

MILLCRAFT INVESTMENTS, INC.

[Signature]

By *[Signature]*

Rod L. Piatt, President

* * * * *

ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF WASHINGTON)

On this 30th day of November, 1992, before me, a Notary Public, personally appeared Rod L. Piatt, who acknowledged himself to be the President of Millcraft Investments, Inc., and that he as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, and that the same may be recorded publicly.

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

5/9/94

Notary Seal
Jeanne S. Pluss, Notary Public
Washington, Washington County
My Commission Expires May 9, 1994
Member, Pennsylvania Association of Notaries

[Signature]

Notary Public

FAIRWAY LANDINGS OF SOUTHPOINTE

Total "Properties" for Development in Phases

LORENZI, DODDS & GUNNILL, INC.

100 Wood Street Building
Pittsburgh, PA 15222

(412) 261-6062

DESCRIPTION OF PARCEL NO. 3

SOUTHPOINTE SUBDIVISION

ALL the certain lot or parcel of ground situate in Cecil Township, County of Washington, Pennsylvania. Being known as Parcel No. 3 in the "Southpointe" subdivision recorded in the recorder's office of said Washington County in Plan Book Volume 21, pages 341 and 342 and being more particularly bounded and described as follows:

BEGINNING at a point on the easterly right-of-way of an 80 foot wide unnamed road (known as road "A") said point being the common front corner of Parcel No. 3 and Parcel No. 4;

Thence by a line dividing Parcels 3 and 4 $N30^{\circ}30'00''E$ a distance of 171.76 feet to a point;

Thence $N64^{\circ}40'31''E$ a distance of 140.47 feet to a point;

Thence along the westerly right-of-way line of Interstate 79 by a curve to the left having a radius of 2572.01 feet for an arc distance of 370.31 feet to a point;

DESCRIPTION OF PARCEL NO. 3
Page 2

Thence by the same $N56^{\circ}25'33''E$ a distance of 100.00 feet to a point;

Thence by the same by a curve to the left having a radius of 2472.01 feet for an arc distance of 281.07 feet to a point;

Thence by the same $S40^{\circ}05'19''E$ a distance of 1960.00 feet to a point;

Thence by a line dividing Parcel No. 3 and Golf Course Parcel No. 11-B $S49^{\circ}54'41''W$ a distance of 190.0 feet to a point;

Thence by the same $N64^{\circ}00'00''W$ a distance of 800.00 feet to a point;

Thence by the same $N22^{\circ}00'00''W$ a distance of 613.22 feet to a point;

Thence by the same $N32^{\circ}30'00''W$ a distance of 280.00 feet to a point;

Thence by the same $N40^{\circ}45'00''W$ a distance of 216.09 feet to a point;

Thence by the same $N26^{\circ}45'00''W$ a distance of 309.49 feet to a point;

Thence by the same and by land of lake Parcels No. 11-B and 11-G in a due west direction a distance of 225.00 feet to a point;

DESCRIPTION OF PARCEL NO. 3

Page 3

Thence along the easterly right-of-way line of the
aforementioned road "A" in a due north direction a distance of
30.00 feet to a point;

Thence by the same by a curve to the left having a radius of
325.00 feet for an arc distance of 337.50 feet to a point at the
place of beginning;

Containing an area of 868950.49 square feet or 19.9484
acres.

Subject to easements and rights-of-way as shown on the
recorded plan and other instruments of record.

PHASE I -- A Part of the "Properties"

IMMEDIATELY SUBJECT TO THE DECLARATION UPON THE
RECORDING OF IT

DESCRIPTION OF PARCEL NO. 3A
SOUTHPOINTE SUBDIVISION

ALL that parcel of land situate in the Township of Cecil, Washington County, Pennsylvania, known as Disposition Parcel No. 3A in the third recording of the "Southpointe subdivision, recorded in the Recorder's Office of said Washington County in Plan Book Volume 22, pages 559 and 564, and being more particularly bounded and described as follows:

BEGINNING at a point on the easterly right-of-way of an 80 foot wide unnamed road (known as road "A") said point being the common front corner of Parcel No. 3A and Parcel No. 4; thence by a line dividing Parcels 3A and 4, N. 30 30' 00" E. a distance of 171.76 feet to a point; thence N. 64 40' 31" E. a distance of 140.47 feet to a point; thence along the westerly right-of-way line of Interstate 79 by a curve to the left having a radius of 2572.01 feet for an arc distance of 370.31 feet to a point; thence by the same, N. 56 25' 33" E. a distance of 100.00 feet to a point; thence by the same by a curve to the left having a radius of 2472.01 feet for an arc distance of 281.07 feet to a point; thence by the same, S. 40 05' 19" E. a distance of 471.14 feet to a point; thence by a line dividing Parcels No. 3A and 3B, S. 49 02' 44" W. a distance of 271.05 feet to a point; thence by a line dividing Parcel No. 3A and Golf Course Parcel N. 11B, No. 28 41' 54" W. a distance of 49.67 feet to a point; thence by the same N. 40 45' 00" W. a distance of 250.99 feet to a point; thence by the

same, No. 26 45' 00" W. a distance of 344.94 feet to a point; thence by the same and by land of Lake Parcels No. 11B and 11G in a due west direction a distance of 243.47 feet to a point; thence by the same by a curve to the left having a radius of 325.00 feet for an arc distance of 337.50 feet to a point at the place of beginning.

CONTAINING an area of 288,106.65 square feet or 6.614 acres.

SUBJECT to easements and rights-of-way as shown on the recorded plan and other instruments of record.

GENERAL PLAN OF DEVELOPMENT

Declarant plans to develop all of its presently owned acreage into a Planned Residential Development, named Fairway Landings of Southpointe. Its present conception is to do so in three (3) or more phases, over a period of about five (5) years.

It has finalized plans for Phase I, with required approvals of governmental agencies. This Phase is composed of six (6) plus/minus acres. It will provide for 84 residence units. There will be seven (7) townhouse buildings of two (2) to five (5) units per building or 24 units.

Outside these, and outside other areas for other such clusters as are contemplated for future development, there are and will be open acres, including some that are in woods, some in lawns, and some developed for recreational uses; all planned for use together as Common Areas.

Until Declarant has sold 75% of the Lots, Declarant appoints and controls the Board of Directors of the Lot Owners' Association. By definition "Lots" includes designated plots of land, as well as designated units in townhouses as planned. Sales of 75% of the Lots in Phase I will produce an Owners' elected Board. Its jurisdiction will expand over latter Phases and become effective as to Owners therein upon the sale of the first Lot in each latter Phase, provided: (a) that as sales are made in succeeding additional phases, the Developer shall appoint an Owner to the Board out of the sales of the first one-third of the Lots to be sold in the Phase being added, and upon 75% of the Lots being sold, that Phase and its Owners shall be deemed integrated into the Association; and (b) that as to Declarant, until all of the Lots in each Phase are sold, the jurisdiction of the Board as affects Declarant is subject to Declarant's approval.

The Declaration controls, and qualified Board jurisdiction applies to and covers only those Phased areas in which Declarant has sold one or more Lots. Before selling a Lot in a new Phase, Declarant must convey the Common Areas in that Phase to the incorporated Association of the Owners. All areas outside such Phases continue unaffected by the Declaration.

The Declaration provides for possible enlargement of Fairway Landings of Southpointe by the Declarant's acquisition of adjoining acreage, and, in manner just reviewed, adding one or more Phases from it.

Exhibit "B"