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**DECLARATION OF COVENANTS, CONDITIONS, RESERVATIONS AND
RESTRICTIONS**

THE GABLES AT BRICKYARD HILL

**Township of Adams
County of Butler
Commonwealth of Pennsylvania**

THIS DECLARATION is made this 12 day of July, 2004, by SERIES D. MARKETING, LLC, a Pennsylvania limited liability company, as the owner in fee simple of the real estate herein described.

WITNESSETH:

ARTICLE I

SUBMISSION; DEFINED TERMS

Section 1.1 Declarant; Property; County. Series D. Marketing, LLC, (the "Declarant") has made the Real Estate described in Exhibit "A" attached hereto, located in Adams Township, Butler County, Pennsylvania, subject to the following covenants, conditions, reservations and restrictions. The Declarant intends that the Real Estate subject to this Declaration shall constitute a "flexible planned community," as that term is defined in the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. §§ 5101, *et seq.* (the "Act").

Section 1.2 Terms Defined. All capitalized terms used herein shall have ascribed to them the following meanings, unless otherwise defined herein.

- (a) "Act" means the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. §§ 5101, *et seq.*
- (b) "Additional Real Estate" means the real estate described in Exhibit "B".
- (c) "Association" means The Gables at Brickyard Hill Homeowners' Association.
- (d) "Board of Directors" means the Board of Directors of the Association.
- (e) "Building(s)" means any Units or building(s) constructed or erected on the Real Estate.
- (f) "Common Expenses" means the expenditures made by or financial liabilities of the Association, together with any allocations to reserves, including but not limited to the expense of owning and maintaining the Common Facilities, any applicable taxes attributable

thereto, drainage and storm water detention facilities within or appurtenant to the Real Estate, and all common community services required or desired for the general use and benefit of all Unit Owners.

(g) "Common Facilities" shall be defined as in the Act and shall include all areas designated as "Open Space(s)" on the Plan(s) and all buildings and structures erected thereon and improvements thereto, including but not limited to identification signs for the planned community, and the streets throughout the Plan until such time as they may be dedicated to the Township.

(h) "Community-Wide Standard" shall mean the standard of conduct, maintenance or other activity generally prevailing throughout the Plan. Such standard may be more specifically determined by the Board of Directors or the Declarant.

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

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

(k) "Limited Common Expenses" shall be defined as in the Act and shall include all expenses of the Association in owning, maintaining and repairing the Limited Common Facilities.

(l) "Limited Common Facilities" shall be defined as in the Act and shall include the yards and landscaping surrounding the Units, the driveways and sidewalks, and all other areas of Lots except for the physical boundaries of the Units erected thereon.

(m) "Lot" means a lot as described in the Plan(s) intended as the site for one or more Units, but shall not include the Recreational Lot (defined below).

(n) "Plan(s)" means the plan(s) recorded, or to be recorded, subdividing the Real Estate and made a part hereof, as the same may be amended from time to time.

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

(p) "Recreational Lot" means that certain Lot in the Plan identified as Parcel C, which Lot is to be separately owned and leased to the Association for use by the Unit Owners.

(q) "Township" means Adams Township, located in Butler County, Pennsylvania.

(r) "Unit" means a unit constructed on a Lot as described in the Plan(s).

(s) "Unit Owner" means the owner in fee simple of any Unit, but shall not include the Declarant (except that the Declarant shall be a Unit Owner with respect to any Unit owned by the Declarant after the termination of Declarant's control in accordance with Article XIII), any

builder taking title to any Unit or any person or persons purchasing a Unit under contract (until such contract is fully performed and legal title conveyed of record).

ARTICLE II

ADDITIONAL REAL ESTATE

Section 2.1 Right to Add Real Estate. Declarant reserves the option and right to add Additional Real Estate (including but not limited to the option and right to create Units, Common Facilities and Limited Common Facilities therein), or any part thereof, to the Real Estate, at any time and from time to time, and without any limitations; provided, however, that this reserved option and right to add Additional Real Estate to the Real Estate shall lapse seven (7) years after the date of recording of this Declaration. Portions of the Additional Real Estate may be added to the Real Estate at different times, with such boundaries and in such order as Declarant may determine in its sole discretion. The maximum number of Units that may be created within the Additional Real Estate is 104 Units, which Units will be restricted exclusively for residential use in accordance with Section 4.1(a) of this Declaration; provided, however, that this sentence shall not apply to any portion of the Additional Real Estate that is not added to the planned community by Declarant. All restrictions in this Declaration affecting use, occupancy and alienation of Units will apply to all Units created within the Additional Real Estate; provided, however, that this sentence shall not apply to any portion of the Additional Real Estate that is not added to the planned community by Declarant. No assurances are made (a) that the Units that may be erected upon the Additional Real Estate will be compatible with the other Units in the planned community in terms of architectural style, quality of construction, principal materials employed in construction or size, except to the extent otherwise required by this Declaration; (b) regarding the improvements and limited common elements that may be made or created upon or within any portion of the Additional Real Estate; (c) regarding the locations of any buildings or other improvements that may be made within the Additional Real Estate; (d) that any limited common elements created within the Additional Real Estate will be of the same general types and sizes as those within other parts of the planned community; and (e) that the proportion of limited common elements to Units created within the Additional Real Estate will be approximately equal to the proportion existing within other parts of the planned community.

ARTICLE III

EASEMENTS

Section 3.1 Easements. Declarant hereby creates the following easements:

(a) **Easement for Sales Offices, Management Offices and Models.** Declarant shall have the right to maintain sales offices, management offices and models on the Real Estate and to relocate such models, management offices and sales offices from time to time anywhere on the Real Estate. Declarant reserves the right to place models, management offices and sales offices

on any portion of the Common Facilities in such manner, of such size and in such locations as Declarant deems appropriate.

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

Section 3.2 Utility Easements. The Real Estate shall be, and hereby is, made subject to easements in favor of the Declarant, appropriate utility and service companies and governmental agencies or authorities for such utility and service line and equipment as may be necessary or desirable to serve any portion of the Real Estate. The easements created in this Section 3.2 shall include, without limitation, rights of governmental agencies or authorities to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits, equipment, ducts and vents, over, under, through, along and on the Units, Lots, street rights-of-way, Common Facilities and Limited Common Facilities.

Section 3.3 Easement for Access to Real Estate. Declarant reserves a non-exclusive perpetual right of access and easement on, over and under those portions of the Common Facilities and Limited Common Facilities for the purpose of pedestrian and vehicular ingress, egress and regress to all or any part of the Real Estate, including the right to modify the location of improvements to the Common Facilities and Limited Common Facilities to facilitate such ingress, egress and regress, including without limitation the removal of obstructions to the exercise of such rights of ingress, egress and regress, and the grading or re-grading of landscaped areas of the Common Facilities and Limited Common Facilities.

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

Section 3.5 Declarant's Easement for Development of Real Estate. Declarant reserves an easement on, over and under the Lots (until such time as a Unit constructed thereon is sold to a Unit Owner other than a builder), the Recreational Lot and the Common Facilities for all purposes relating to the construction, development, leasing and sale of improvements on the Real Estate. This easement shall include, without limitation, the right of vehicular and pedestrian ingress and egress, the right to park motor vehicles and to engage in construction and marketing activities of any nature whatsoever, including the movement and storage of building materials and equipment, the conduct of sales, leasing and management activities, the maintenance of models and offices and the erection and maintenance of directions and promotional signs.

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

Section 3.7 Easement for Use of Common Facilities.

(a) **Grant of Easement.** Each Unit Owner and each person lawfully residing on the Real Estate is hereby granted a non-exclusive perpetual right and easement of access to and enjoyment in common with others of the Common Facilities. Each Unit Owner hereby grants to the Declarant and the Association the non-exclusive perpetual right and easement of access to the Limited Common Facilities for the purposes of maintenance, repair and replacement of the Limited Common Facilities and the enforcement of this Declaration.

(b) **Extent of Easement.** The rights and easements of access and enjoyment created hereby shall be subject to the right of the Association to adopt rules and regulations governing the use of the Common Facilities.

Section 3.8 Recreation/Playground Equipment. The Association shall be responsible for the repair, maintenance and upkeep of any recreational or playground equipment in the Common Facilities.

Section 3.9 Wet Pond/Storm Water Detention Facility. The Association shall maintain and keep in good working order the Wet Pond and Storm Water Detention Facility. Furthermore, the Association shall keep said pond algae and weed free to the extent that it is practical.

Section 3.10 Yard Maintenance and Snow Removal. The Association shall be responsible for the periodic maintenance of yards, lawns and landscaping on the Real Estate. The Association shall provide snow removal for all driveways and sidewalks to the front door of each Unit.

ARTICLE IV

USE RESTRICTIONS

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

(a) **Residential Use.** No part of the Real Estate shall be used for other than housing and the related common purposes for which the planned residential community was designed. Each Unit shall be used as a residence for a single family or such other uses permitted by this Declaration or applicable zoning laws and for no other purposes. No Building or structure intended for or adapted to business purposes, and no apartment house, lodging house, rooming house, hospital, sanatorium or doctor's office or other multiple-family dwelling shall be erected, placed, permitted, or maintained on any Lot in the Real Estate, or on any part thereof. No improvement or structure, other than a private dwelling house and patio walls may be erected,

placed or maintained on any Lot in the Real Estate. No Unit Owner shall permit his Unit to be used or occupied for any prohibited purpose.

(b) Fences. No fences on any Lot may extend beyond the front plane of any dwelling, and shall be no higher than four feet (4'). No fences may extend beyond the side building setback line for any Lots adjoining any side streets. All fence materials and types and colors of fences must be approved in writing by Declarant before the installation of any fence. No or Unit Owner may install chain link fences on any Lot.

(c) Commercial Activities. Except as set forth in Subsection (a) above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the Real Estate; provided, however, that nothing contained in this Subsection shall be construed to prevent or prohibit a Unit Owner from maintaining his personal professional library, keeping his personal business or professional records or accounts, handling his personal business or professional telephone calls or conferring with business or professional associates, clients or customers, in his Unit.

(d) Pets. No animals, livestock, fowl or poultry of any kind shall be raised, bred or kept on any Lot or Unit or in the Common Facilities, except non-vicious dogs, cats, birds and fish, or other animals which in the sole discretion of the Board of Directors are acceptable household pets, in reasonable numbers for the sole pleasure and use of the occupants, subject to Rules and Regulations adopted by the Declarant, which Rules or Regulations may exclude any kind of pet by type or category, provided that permitted household pets are not kept, bred or maintained for any commercial purposes. No animal will be permitted outside the Unit owned by the owner thereof except on a leash or in a cage.

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

(f) Commercial and Other Vehicles. Except as may otherwise be provided by rules and regulations adopted by the Board of Directors, no commercial vehicles, construction, or like equipment or mobile trailers, stationary trailers, boats, boat trailers, recreational vehicles, motor homes, campers or motorcycles of any kind shall be stored or parked on any Lot in the Real Estate or on the Common Facilities except while parked in a garage completely enclosed, nor parked on any residential street in the Real Estate except while engaged in transporting to or from a residence in the Real Estate. Parking of any type of vehicle shall not be permitted on any street, drive or entranceway located on the Real Estate, except as may otherwise be provided by rules and regulations adopted by the Board of Directors.

(g) Nuisances. No clotheslines or drying yards shall be permitted anywhere on the Real Estate. No refuse pile or other unsightly objects shall be allowed to be placed or suffered to remain upon any Lot. No Lot shall be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such Lot to

appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any Lot that will emit foul or noxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding Lots or Units. In the event that any Unit Owner shall fail or refuse to keep his Lot free from refuse piles or other unsightly objects, then the Declarant may enter upon such Lot and remove the same at the expense of the Unit Owner, which entry shall not be deemed a trespass, and in the event of such a removal a lien in the amount of the cost of such removal shall arise and be created in favor of the Declarant and against such Unit, and such amount shall be due and payable within thirty (30) days after demand is made therefor.

(h) Obstruction of Easements. No Unit Owner shall do any work or any other act which would impair any easement or hereditament without the consent of the Declarant or Association, whichever may be affected thereby.

(i) Accessory Structures. No tent raised for more than twenty-four (24) hours, carport, or satellite dish exceeding one meter in diameter, shall be used, constructed or erected upon any Lots. No sheds or storage buildings shall be constructed upon any Lot (except as expressly provided herein for temporary structures during construction).

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

(k) Wetlands. Any Lots containing delineated wetlands shall have such information clearly mentioned on any and all homeowner's documents, including the individual deed for any Unit thereon.

(l) Street Trees. Unless determined by the Declarant to not be physically or aesthetically feasible or acceptable, every Lot shall have a minimum of two (2) "street trees", which shall be trees in the front of the Lot between thirteen feet (13') and seventeen feet (17') from the back of the curb (and on the sides as well for street corner Lots). The street trees shall be of species and diameters as shown on the landscaping plan for The Gables at Brickyard Hill as approved by the Township, a copy of which plan shall be kept by the Association. The Association shall replace any street trees which may die, to the extent required by the Township.

(m) Protection of Trees. The trees contained in the wooded areas of the Common Facilities and in any landscape buffer shown on the Plan or the landscaping plan are perpetually protected, and the logging or felling of healthy, live trees thereof is specifically prohibited. The Association shall be responsible for replacing any trees in any such areas which may die, to the extent required by the Township.

(n) Recreational Structures. No recreational structures, playground sets, swing sets and the like shall be erected or placed in any area other than the rear yard of any Lot and must be placed so as not to cross any rear or side setback building lines. The Board of Directors may adopt rules and regulations regarding the type, size, color, function, or other matters regarding such recreational structures, playground sets, swing sets and the like.

Section 4.2. Use of Common Facilities and Limited Common Facilities. The use of the Common Facilities and Limited Common Facilities shall be subject to the following restrictions:

(a) Obstruction of Common Facilities and Limited Common Facilities. There shall be no obstruction of the Common Facilities and Limited Common Facilities nor shall anything be stored in the Common Facilities and Limited Common Facilities without the prior consent of the Board of Directors except as herein expressly provided. Without limiting the generality of the foregoing, no clothes, sheets, blankets, laundry or other articles of any kind shall be hung out or exposed on any part of the Common Facilities or Limited Common Facilities. The Common Facilities and Limited Common Facilities shall be kept free and clear of rubbish, debris and other unsightly materials. No benches, chairs or other personal property shall be left on, nor shall any playing, lounging, parking of baby carriages, playpens, bicycles, wagons, toys or vehicles be permitted on, any part of the Common Facilities without the prior consent of, and subject to any regulations of, the Board of Directors. The Common Facilities shall be perpetually preserved as Common Facilities and shall not be permitted to be utilized for residential or commercial purposes. In addition, no construction or encroachment upon the Common Facilities or Limited Common Facilities shall be permitted except as provided by the Board of Directors and consistent with the Plans as approved by the Township of Adams.

(b) Encroachments on Common Facilities and Limited Common Facilities. No Unit Owner shall make any installation that extends beyond the physical limits of the Unit Owner's Lot into the Common Facilities or Limited Common Facilities.

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

(d) Insurance Risk; Compliance with Law; Waste. Nothing shall be done or kept in the Common Facilities or Limited Common Facilities that will increase the rate of insurance thereon, or contents thereof, without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Facilities or Limited Common Facilities which will violate any law, statute, ordinance or regulation of any governmental body or which will result in the cancellation of any insurance maintained by the Association. No waste shall be committed in the Common Facilities or Limited Common Facilities.

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

(f) Stormwater Detention Facilities. The Declarant shall provide to the Township of Adams appropriate, permanent easements which in the Township's discretion are adequate for purposes of access for inspection and/or maintenance to all stormwater detention facilities. Said easements shall be established prior to any sales of Units. The Association shall maintain all stormwater detention facilities in good condition and repair.

(g) Vegetation. No Lot shall have any vegetation encroaching on the sidewalk abutting any such Lot. Any trees or other vegetation hanging over the sidewalk abutting any Lot must be trimmed to a height of no less than seven (7) feet. A Unit Owner may plant shrubbery and flowers on the Limited Common Facilities located on such Unit Owner's Lot, subject to any rules and regulations regarding landscaping that may be adopted by the Board of Directors from time to time.

(h) Identification Signs. The Association shall at all times maintain the identification signs for the planned community located in the Common Facilities or Limited Common Facilities in good condition and repair.

Section 4.3 Construction and Occupancy. When the construction of any Building is once begun, work thereon must be prosecuted diligently and must be completed within a reasonable time.

(a) Outbuildings. No outbuildings, garages, sheds, tents, trailers, or temporary Buildings of any kind shall be erected, constructed, permitted, or maintained on any Lot; provided, however, that this paragraph shall not be deemed or construed to prevent the use of a temporary construction shed during the period of actual construction of any structure on any Lot in the Real Estate, nor the use of adequate sanitary toilet facilities for workmen which shall be provided during such construction.

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

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

(d) Construction Debris. All debris incidental to construction work must be removed by the time of completion of the work to which it is incidental.

(e) Construction Equipment. Inactive construction equipment or construction vehicles may not be stored in the open where they can be seen from any occupied residence in any phase of the Plan once fifty percent (50%) of the residences in such phase have been occupied. Construction equipment that is in daily use shall not be considered "inactive".

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

Section 4.5 Limited Common Facilities. The Limited Common Facilities shall be exclusively used by the Unit Owners to whose Units these Limited Common Facilities shall be appurtenant.

Section 4.6 Resale of Units. If a Unit Owner sells his or her Unit without listing the Unit with an Association-approved broker, the Unit Owner shall pay to the Declarant (or, after transfer of Declarant control in accordance with Article XIII, to the Association) at settlement a fee equal to one percent (1%) of the sales price. In addition, a resale certificate fee shall be paid to the Declarant (or, after transfer of Declarant control in accordance with Article XIII, to the Association) in connection with all Unit sales (other than the initial sale of a Unit by Declarant or a home builder) for the administrative costs of issuance of resale certificates, as such fee may be established by the Declarant or the Association from time to time.

Section 4.7 Maintenance and Use of Units. Each Unit Owner shall be responsible for the maintenance, repair and replacement of his Unit (including building exterior, roof, walls and windows) and shall maintain his Unit (including building exterior, roof, walls and windows) in good repair and condition in a manner consistent with the Community-Wide Standard. If a Unit Owner fails to so maintain his Unit in good repair and condition, the Association may give written notice to the Unit Owner specifying the failure of the Unit Owner to maintain the Unit in good repair and condition (a "Cure Notice"). If the Unit Owner does not cause repair to be made of the matters described in the Cure Notice within thirty (30) days after receipt of the Cure Notice, then the Association may enter the Unit and perform such repair at the expense of the Unit Owner, and any such entry shall not be deemed a trespass. Any expense incurred shall be enforceable by the Association as an assessment and shall be a lien on the Unit in accordance with Section 8.2

ARTICLE V

ARCHITECTURAL CONTROL

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

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

(a) No one-story, one and one-half story or two-story or higher Buildings shall be constructed on Lots located in The Gables at Brickyard Hill (as indicated on the recorded Plan) with a combined total area of less than 4,000 square feet.

(b) All lawns must be either seeded or sodded for the entire front area, both sides and rear of the Building, said seeding or sodding to be done upon completion of the Building or the next immediate growing season thereafter, whichever first occurs. All Lots shall be either seeded or sodded for the entire front, both sides and to a minimum distance of thirty (30) feet from the rear of the house; provided, however, the Declarant may approve properly landscaped areas of chips, bark or other similar materials within the areas which would otherwise be seeded or sodded. A Unit Owner may perform landscaping on the Limited Common Facilities located on such Unit Owner's Lot, subject to any rules and regulations regarding landscaping that may be adopted by the Board of Directors from time to time

(c) All driveways and parking pads must be paved with concrete upon occupancy of the Building or as soon as reasonably practicable thereafter in the event that adverse weather conditions interfere with such construction.

(d) All Buildings shall have integral or attached garages, unless otherwise approved by the Declarant.

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

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

(g) No swimming pools may be installed on any Lot.

(h) No satellite signal reception dishes larger than one meter in diameter shall be installed or placed on any Lot, and no such dishes shall be located on any side of the Building that faces a street.

ARTICLE VI

SETBACKS AND BUILDING LINES

Section 6.1. Building Defined. For the purpose of this Article, Building shall also mean the main residence, the garage, and related outbuildings and all projections thereof such as bay, bow, or oriel windows, exterior chimneys, covered porches, porticos, loggias, and the like, but shall not include the eaves of such structures, open pergolas, uncovered porches, open terraces, stoops, steps, or balustrades, the sides of which do not extend more than three (3') feet above the level of the ground floor of the main Building.

Section 6.2. Setback and Building Distances. No structure shall be erected nearer to any road right-of-way, side lot line, or rear lot line than as indicated on the Plan. For Lots designated as "Suburban Lots", no structure shall be erected nearer than fifty feet (50') to existing road right-of-ways, nearer than thirty feet (30') to Plan road right-of-ways, nearer than fifteen feet (15') to any side lot line, or nearer than forty feet (40') from the rear lot line, except as may otherwise be indicated on the recorded Plan. For lots designated on the Plan as "Neighborhood Lots", no structure shall be erected nearer than fifty feet (50') to existing road right-of-ways, nearer than thirty feet (30') to Plan road right-of-ways, nearer than fifteen feet (15') to any side lot line, or nearer than forty feet (40') from the rear lot line, except as may otherwise be indicated on the recorded Plan. Notwithstanding anything to the contrary herein, the Declarant shall have the right to permit reasonable modifications of the setback requirements, with the prior approval of Adams Township, where in its sole discretion strict enforcement of these setback provisions would work a hardship. For Lots designated as "Traditional Lots", no structure shall be erected nearer than fifty feet (50') to existing road right-of-ways, nearer than thirty feet (30') to Plan

road right-of-ways, nearer than fifteen feet (15') to any side lot line, or nearer than forty feet (40') from the rear lot line, except as may otherwise be indicated on the recorded Plan.

ARTICLE VII

THE GABLES AT BRICKYARD HILL HOMEOWNERS' ASSOCIATION

Section 7.1 Membership. For the purpose of ownership and maintenance of Common Facilities and Limited Common Facilities and all common community services of every kind and nature required or desired within the Real Estate for the general use and benefit of all Unit Owners, each and every Unit Owner, in accepting a deed or contract for any Unit in the Real Estate, agrees to and shall be a member of and be subject to the obligations and duly enacted bylaws and rules and regulations of The Gables at Brickyard Hill Homeowners' Association, a nonprofit corporation. With respect to the affairs of the Association, upon the transfer of Declarant's control of the Association in accordance with Article XIII, all Unit Owners and the Declarant shall have one vote for each Unit owned by such Unit Owners or the Declarant.

Section 7.2. Succession. Upon the transfer of Declarant's control of the Association in accordance with Article XIII, the Association shall succeed to the position of the Declarant with respect to the provisions of these covenants, conditions, reservations and restrictions, and the term "Declarant" herein shall then mean the "Association".

Section 7.3. Powers of the Association. The Association shall have the following powers:

- (a) To adopt and amend bylaws and rules and regulations.
- (b) To adopt and amend budgets for revenues, expenditures and reserves and collect assessments for Common Expenses and Limited Common Expenses from Unit Owners.
- (c) To hire and terminate managing agents and other employees, agents and independent contractors.
- (d) To institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Association or the Real Estate.
- (e) To make contracts or incur liabilities.
- (f) To regulate the use, maintenance, repair, replacement and modification of the Common Facilities and Limited Common Facilities.
- (g) To cause additional improvements to be made to the Common Facilities and Limited Common Facilities in accordance with the provisions of §5318 of the Act; provided, however, that any exercise of such power which would materially impair the quiet enjoyment of a Unit shall require the prior written approval of the affected Unit Owner(s).

- (h) To acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property; provided, however, that any exercise of such power which would materially impair the quiet enjoyment of a Unit shall require the prior written approval of the affected Unit Owner(s).
- (i) To grant easements, leases, licenses and concessions through or over the Common Facilities and Limited Common Facilities; provided, however, that any exercise of such power which would materially impair the quiet enjoyment of a Unit shall require the prior written approval of the affected Unit Owner(s).
- (j) To impose and receive payments, fees or charges for the use, rental or operation of the Common Facilities.
- (k) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration and the bylaws and rules and regulations of the Association.
- (l) To impose reasonable charges for the preparation and recording of amendments to this Declaration and for resale certificates required by the Act.
- (m) To provide for the indemnification of its officers and executive board and to maintain directors' and officers' liability insurance.
- (n) To exercise any other powers conferred by the Act by this Declaration or the bylaws of the Association.
- (o) To exercise all other powers that may be exercised in the Commonwealth of Pennsylvania by legal entities of the same type as the Association.
- (p) To exercise any other powers necessary and proper for the governance and operation of the Association.

Section 7.4. Board of Directors. Not later than the termination of any period of Declarant control in accordance with Article XIII, the Unit Owners shall elect a Board of Directors of at least three (3) members, at least a majority of whom shall be Unit Owners. The Board of Directors shall elect the officers. The members of the Board of Directors and the officers shall take office upon election. The Board of Directors shall not have power to determine the qualifications, powers and duties or terms of office of the members of the Board of Directors, but it may fill vacancies in its membership for the unexpired portion of any term. The Unit Owners, by a two-thirds (2/3) vote of all persons present and entitled to vote at any meeting of the Unit Owners at which a quorum is present, may remove any member of the Board of Directors with or without cause, other than a member appointed by the Declarant.

Section 7.5. Bylaws. The bylaws of the Association shall provide for all of the following:

- (a) The number of members of the Board of Directors and the titles of the officers of the Association.
- (b) Election by the Board of Directors of a president, treasurer, secretary and any other officers of the Association the bylaws specify.

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

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

ARTICLE VIII

BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

Section 8.1. Budgets; Capital Expenditures. The Board of Directors shall adopt a budget for revenues, expenditures and reserves at least annually. The Board of Directors shall deliver to all Unit Owners copies of each budget approved by the Board of Directors and notice of any capital expenditure approved by the Board of Directors promptly after such approval and at least thirty (30) days in advance of each annual assessment period. The Unit Owners, by affirmative vote of Two-Thirds (2/3) of all Unit Owners (including Units owned by Declarant), pursuant to procedures applicable to voting by members of the Association as set forth in the bylaws of the Association, may reject any budget or capital expenditure approved by the Board of Directors within thirty (30) days after approval.

Section 8.2. Assessments. All Common Expense and Limited Common Expense assessments made in order to meet the requirements of the Association's annual budget shall be assessed against the Lots pro rata and shall be due in monthly installments payable in advance on the first day of each month. Special assessments shall be assessed against the Lots pro rata and shall be due and payable in one or more quarterly payments, in advance, on the first day of each quarter, as determined by the Board of Directors. The Association shall have a lien on each Unit for any Common Expense or Limited Common Expense assessments levied against that Unit or fines imposed against that Unit Owner from the time the assessment or fine becomes due. Fees, charges, late charges, fines and interest charged under Sections 7.3(j), 7.3(k) and 7.3(l) and reasonable costs and expenses of the Association, including legal fees, incurred in connection with collection of any sums due to the Association by a Unit Owner or enforcement of the provisions of this Declaration or the bylaws, rules or regulations of the Association against a Unit Owner are enforceable as assessments under this Section 8.2. Unit Owners shall have no right of offset or right to withhold payment of any assessments based upon any claim of failure of the Association to provide or perform any services or duties required to be provided or performed by the Association hereunder. Assessments shall be payable in advance for the current month (pro-rated as of the date of closing) and for the next succeeding month following the date of closing, due and payable in advance at the settlement of any conveyance of any Unit by the Declarant to any Unit Owner.

Section 8.3. Limitation on Expenditures. All expenses, charges and costs of the maintenance, repair or replacement of the Common Facilities and Limited Common Facilities, and any other expenses, charges or costs which the Association may incur or expend pursuant hereto, shall be approved by the Board of Directors, and a written memorandum thereof prepared and signed by the Treasurer of the Association. There shall be no structural alterations, capital additions, or capital improvements to the Common Facilities (other than for purposes of repairing, replacing and restoring portions of the Common Facilities) requiring an expenditure in excess of Twenty-Five Thousand Dollars (\$25,000) without the prior approval of Two-Thirds (2/3) of the Unit Owners entitled to cast votes.

Section 8.4. Capital Improvement Reserve. Each annual budget for assessments of Common Expenses and Limited Common Expenses shall include an amount reasonably considered by the Board of Directors to be sufficient as a capital improvement reserve for replacements and contingencies. To initiate such capital improvement reserve, the Declarant shall collect from each of its grantees, at time of settlement, an amount equal to one-fourth (1/4th) of the annual assessments as set forth in the first annual budget allocable to the Unit purchased by such grantee as a capital improvement fee and shall remit such amount to the Association. Extraordinary expenditures not originally included in the annual budget that may become necessary during the year may be charged first against such capital improvement reserve, as the Board of Directors shall determine. In addition, the Association shall have the right to segregate all or any portion of the capital improvement reserve for any specific replacement or contingency upon such conditions as the Board of Directors deems appropriate. In accordance with and subject to Section 5302(12) of the Act, upon the resale and transfer of a Lot by any Unit Owner other than Declarant, a contribution shall be made by the purchaser to the capital improvement reserve in an amount equal to one-fourth (1/4th) of the annual assessments for that Lot for that year as determined by the Board of Directors. This amount shall be in addition to, and not in lieu of, the assessments otherwise levied on the Lot and shall not be considered an advance payment of any portion thereof. Funds so collected and deposited in the Association's capital improvement reserve shall be maintained by the Association in a separate capital account and may be expended only for new Common Facilities or replacement of existing Common Facilities and may not be expended for operation, maintenance or other purposes. The contribution to the capital improvement reserve shall be collected at the closing on any resale of a Lot and shall constitute a lien against the Lot until collected and paid over to the Association.

Section 8.5. Association Records. The Association shall keep sufficiently detailed financial records to enable the Association to comply with §5407 of the Act. All financial and other records shall be made reasonably available for examination by any Unit Owner and authorized agents. Within 180 days after the close of its fiscal year, the Association shall prepare annual financial statements consisting of at least a balance sheet and a statement of revenues and expenses for the Association. The cost of preparing the financial statements shall be a Common Expense. Each Unit Owner shall be entitled to receive from the Association, within thirty (30) days after submitting a written request to the Association, a copy of the annual financial statements and, if such financial statements are audited, reviewed or compiled by an independent certified public accountant or independent public accountant, a copy of the independent accountant's report on the financial statements. The Association may charge a fee not to exceed the cost of producing copies of records other than the financial statement.

Section 8.6. Further Assessments. If any annual budget proves inadequate for any reason, including nonpayment of any Unit Owner's assessments, or any nonrecurring Common Expense or Limited Common Expense or any Common Expense or Limited Common Expense not set forth in the annual budget as adopted, the Board of Directors may at any time levy further assessments according to each Unit Owner's membership in the Association. Such further assessments shall be payable over such period of time as the Board of Directors may determine. The Board of Directors shall serve notice of such further assessments on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessments shall become effective as determined by the Board of Directors.

Section 8.7. Surplus. Any amounts accumulated from assessments for Common Expenses and Limited Common Expenses in excess of the amount required for actual Common Expenses and Limited Common Expenses and reserves for future Common Expenses and Limited Common Expenses shall be credited to each Unit Owner in proportion to the share of Common Expenses and Limited Common Expenses payable by each such Unit Owner. These credits shall be applied at the time and in the manner as may be determined by the Board of Directors.

Section 8.8. Acceleration. If a Unit Owner is in default in the payment of the aforesaid charges or assessments for sixty (60) days, the Board of Directors may, in addition to all other remedies set forth in this Declaration, accelerate all other assessments to become due for the fiscal year in which such default occurs.

Section 8.9. Allocation. All Common Expense assessments, special assessments and further assessments shall be pro rated among the Unit Owners by dividing the amount of such assessments by the number of Units in the Plan, without regard to the size of any individual Lot or Unit nor conditioned upon a Building being erected upon any individual Lot. All Limited Common Expenses shall be allocated to the Unit Owners associated therewith.

Section 8.10. Interest and Charges. All sums assessed by the Association against any Unit Owner that remain unpaid shall bear interest thereon at the then maximum legal rate (but not more than fifteen (15%) percent per annum) from the thirtieth (30th) day following the due date for payment. Any delinquent Unit Owner shall also be obligated to reimburse (i) all expenses of the Association, including reasonable attorney's fees, incurred in the collection of the delinquent assessments by legal proceedings or otherwise; (ii) any amounts paid by the Association for taxes or on account of superior liens or otherwise to protect its liens, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessments and shall be collectible as such, subject to Section 8.2 above.

Section 8.11. Independent Covenant. The obligation to pay assessments is a separate and independent covenant on the part of each Unit Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or the Board of Directors to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements or from any other action it takes.

Section 8.12. CONFESSION OF JUDGMENT. IN ORDER TO EXPEDITE THE ASSOCIATION'S COLLECTION OF ANY DELINQUENT ASSESSMENT, EACH UNIT OWNER (BY THE ACCEPTANCE OF THE DEED TO HIS/HER UNIT) SHALL BE DEEMED TO HAVE APPOINTED ANY ATTORNEY LICENSED TO PRACTICE IN THE COURTS OF THE COMMONWEALTH OF PENNSYLVANIA THE ATTORNEY-IN-FACT FOR SUCH UNIT OWNER TO CONFESS JUDGMENT AGAINST SUCH UNIT OWNER IN ANY COURT OF COMPETENT JURISDICTION IN PENNSYLVANIA, FOR ANY SUCH UNPAID ASSESSMENT(S) AND ANY OTHER INTEREST, FEES OR LATE CHARGES, PLUS REASONABLE ATTORNEYS' FEES AND EXPENSES, WHICH APPOINTMENT (BEING FOR SECURITY) SHALL BE IRREVOCABLE; AND FOR SO DOING A COPY OF THIS ARTICLE 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.

Section 8.13. Implementation. The Association shall adopt in its By-Laws such additional or other procedures and requirements as it deems necessary and desirable to implement the provisions of this Article VIII, and to otherwise provide for the efficient fiscal operation and management of the Common Facilities and Limited Common Facilities.

Section 8.14. Declarant Subsidy. During the Declarant's control of the Association, the Declarant may annually elect either to pay regular assessments on all of its unsold Units, or to pay the Association the difference between the amount of assessments collected on all other Units subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year. For budgeting purposes, the Declarant shall make a tentative election for each fiscal year at least sixty (60) days prior to the start of such fiscal year and the Declarant shall pay on such basis during the year. A final election for each fiscal year shall be made within thirty (30) days after the close of such fiscal year and, in the event such election is changed, any excess payments made by the Declarant during the year may, at the discretion of the Declarant be treated as a contribution, an advance against future assessments due from Declarant, or a loan. Unless the Declarant otherwise notifies the Board of Directors in writing within the required time period, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. The Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials or a combination of these.

Section 8.15 Lease. The Association shall lease the Recreational Lot and all improvements thereon for a period of 99 years. The Association will be responsible for making rental payments to the owner of the Recreational Lot and for all costs of operation (including but not limited to lifeguards, security, cleaning, etc.), management, maintenance and repair thereof, and all taxes, insurance and utilities therefor, and shall include the costs in its Common Expense Assessments. The terms of the lease shall be set forth in a separate lease agreement between the Association and the owner of the Recreational Lot.

ARTICLE IX

INSURANCE

Section 9.1. Insurance to be Carried by the Association. The Association shall maintain, to the extent reasonably available, all of the following:

- (a) Property insurance on the Common Facilities and Limited Common Facilities, insuring against all common risks of direct physical loss. The total amount of insurance after application of any deductibles shall be not less than eighty percent (80%) of the actual cash value of the insured property, exclusive of land, excavations, foundations and other items normally excluded from property policies.
- (b) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors covering all occurrences commonly insured against for death, bodily injury and property damage, arising out of or in connection with the use, ownership or maintenance of the Common Facilities and Limited Common Facilities.

If such insurance is not maintained by the Association, the Association shall promptly cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Unit Owners.

Section 9.2. Other Insurance Carried by the Association. The Association may carry any other insurance the Board of Directors may deem appropriate to protect the Association.

Section 9.3. Policy Terms. Insurance policies carried under Section 9.1 shall provide all of the following:

- (a) Each Unit Owner is an insured person under the policy with respect to liability arising out of his membership in the Association.
- (b) The insurer waives its right to subrogation under the policy against any Unit Owner or member of the Unit Owner's household.
- (c) No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.
- (d) If at the time of a loss under the policy there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy is primary insurance not contributing with the other insurance.
- (e) The insurer shall issue certificates or memoranda of insurance to the Association and, upon request, to any Unit Owner, mortgagee or beneficiary under a deed of trust. The insurance may not be canceled until thirty (30) days after notice of the

proposed cancellation has been mailed to the Association, each Unit Owner and each mortgagee or beneficiary under a deed of trust, to whom a certificate or memorandum of insurance has been issued.

Section 9.4. Proceeds From Property Insurance. Any loss covered by the property policy under Section 9.1(a) shall be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any mortgagee or beneficiary under a deed of trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interests may appear. Subject to the provisions of Section 9.5, the proceeds shall be disbursed first for the repair or restoration of the damage to the Common Facilities or Limited Common Facilities.

Section 9.5. Disposition of Insurance Proceeds. Any portion of the Common Facilities or Limited Common Facilities which is damaged or destroyed shall be repaired or replaced promptly by the Association unless repair or replacement would be illegal under any state or local health or safety statute or ordinance or eighty percent (80%) of the Unit Owners vote not to rebuild. The cost of repair or replacement of those portions of the Common Facilities or Limited Common Facilities in excess of insurance proceeds and reserves shall be a Common Expense or Limited Common Expense as appropriate.

Section 9.6. Unit Owner's Insurance. Each Unit Owner shall insure the Unit Owner's Unit and the Lot upon which it sits in an amount not less than eighty percent (80%) of the replacement cost value thereof. The Unit Owner shall cause the insurer to issue certificates or memoranda of insurance to the Association. The Unit Owner shall promptly repair or replace any Buildings erected on the Unit Owner's Lot that is damaged or destroyed unless repair or replacement would be illegal under any state or local health or safety statute.

Section 9.7. Waiver of Subrogation. Each Unit Owner and the Association hereby waives and releases any and all claims which he or it may have against any other Unit Owner, the Association, the Board of Directors and members thereof, the Declarant, the owner of the Recreational Lot, and their respective assignees, partners, members, officers, employees, agents and contractors, for damage to the Common Facilities or Limited Common Facilities, or to any personal property located in the Common Facilities or Limited Common Facilities, caused by fire or other casualty or any act or omission of any such party, to the extent that such damages is covered by fire or other form of hazard insurance. If the act or omission of a Unit Owner, or of a member of his family, a household pet, guest, occupant or visitor of such Unit Owner, shall cause damage to the Common Facilities or Limited Common Facilities, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense or Limited Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Board of Directors, to the extent such payment is not waived or released under the preceding sentence. Any release or waiver shall be valid only if such release or waiver does not affect the right of the insured under the applicable insurance policy to recover thereunder. The Unit Owners and the Association, with regard to the insurance carried by each of them, shall use their best efforts to see that their insurance carriers agree that such release or waiver does not affect their rights to recover.

Section 9.8 Costs of Insurance. Premiums for all insurance obtained or maintained by the Association, fees and expenses of the insurance trustee, if any, and the cost of any appraisal that the Board of Directors deems advisable to obtain in connection with any insurance shall be Common Expenses.

ARTICLE X

LIMITED LIABILITY AND INDEMNIFICATION

Section 10.1. Limited Liability of the Board of Directors. The Board of Directors, and its members in their capacity as members, officers and employees, provided that they act in good faith, in a manner they reasonably believe to be in the best interests of the Association, and with care, including reasonable inquiry, skill and diligence as a person of ordinary prudence would use under similar circumstances:

(a) Shall not be liable for the failure of any service to be obtained by the Association and paid for by the Association, or for injury or damage to person or property caused by the elements or by another Unit Owner or person on the Real Estate;

(b) Shall not be liable to the Unit Owners as a result of the performance of the Board of Directors' duties for any mistake of judgment, negligence or otherwise;

(c) Shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Board of Directors or the Association in the performance of the duties of the Board of Directors;

(d) Shall not be liable to a Unit Owner, or such Unit Owner's tenants, employees, agents, customers or guests, for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants, employees, agents, customers or guests in a Unit, or in or on the Common Facilities or Limited Common Facilities;

(e) Shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them; and

(f) Shall have no personal liability arising out of the use, misuse or condition of any Building or the Common Facilities or Limited Common Facilities, or which might in any other way be assessed against or imputed to the members of the Board of Directors as a result of or by virtue of their performance of their duties.

In performing any duties, the Board of Directors, and its members in their capacity as members, officers and employees, shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by (1) one or more other officers or employees of the Association whom the officer or member of the Board of Directors reasonably believes to be reliable and competent in the matters presented, (2) counsel, public accountants or other persons as to matters which the officer or

member of the Board of Directors reasonably believes to be within the professional or expert competence of that person, or (3) a committee of the Board of directors upon which the officer or member of the Board of Directors does not serve, designated in accordance with law, as to matters within its designated authority, which committee the officer or member of the Board of Directors reasonably believes to merit confidence.

Section 10.2. Notice of Complaints. Complaints brought against the Association, the Board of Directors, or the officers, employees or agents thereof in their respective capacities as such, shall be directed to the Board of Directors of the Association, which shall promptly give written notice thereof to the Unit Owners and such complaints shall be heard by the Association pursuant to its By-Laws. All complaints shall be in writing and particularized. The Unit Owners and the holders of mortgages on Lots or Units shall have no rights to participate in such matters other than through the Association.

Section 10.3. Indemnification Against Third Party Actions. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or complete action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Board of Directors or the Association) by reason of the fact that he is or was the Declarant (except to the extent otherwise provided by §5311 of the Act) or a member of the Board of Directors, or an officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, unless such person is found not to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, he had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by an adverse judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person acted in bad faith or a reckless or grossly negligent manner or that the person did not act in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 10.4. Indemnification Against Association Action. The Association shall indemnify the Declarant (except to the extent otherwise provided by §5311 of the Act) or any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, by or in the right of the Board of Directors or the Association, by reason of the fact that he is or was a member of the Board of Directors, an officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or

willful misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 10.5. Determination. To the extent that the Declarant, a member of the Board of Directors, or an officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 10.3 or 10.4 hereof, or in defense of any claim, issue, or matter therein in which he was not indemnified, then he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. Any other indemnifications under Sections 10.3 or 10.4 hereof shall be made by the Association only upon a determination that indemnification is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in Sections 10.3 or 10.4 hereof. Such determination shall be made either (i) by the Board of Directors by a majority vote of a quorum consisting of all members who were not parties to such action, suit or proceeding, or (ii) by independent legal counsel (not the Association's legal counsel) in a written opinion, or (iii) by the Unit Owners at any meeting duly called for such purpose.

Section 10.6. Advance. Expenses incurred in defending a civil or criminal action, suit or proceeding as contemplated in this Article shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon a majority vote of the Board of Directors and upon receipt of an undertaking by or on behalf of the indemnified person to repay such amount or amounts unless it is ultimately determined that he is not entitled to be indemnified by the Association as authorized by this Article.

Section 10.7. Scope of Indemnification. The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Association's Articles of Incorporation, Bylaws, agreements, vote of disinterested Unit Owners or members of the Board of Directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The indemnification authorized by this Article shall apply to all present and future members of the Board of Directors, officers, employees, and agents of the Association, and shall continue as to a person who has ceased to be a member of the Board of Directors or an officer, employee or agent, shall inure to the benefit of the heirs and personal representatives of all such persons, and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

Section 10.8. Insurance. The Association shall purchase and maintain insurance on behalf of the Declarant and any person who was or is a member of the Board of Directors, an officer, employee, or agent of the Association, or who was or is serving at the request of the Association as a trustee, director, officer, employee, or agent of another corporation, entity, or enterprise (whether for profit or not for profit), against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the laws of the Commonwealth of Pennsylvania, as the same may be hereafter amended or modified.

Section 10.9. Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute expenses of the Association and shall be Common Expenses.

ARTICLE XI

EFFECT AND ENFORCEMENT

Section 11.1. Reservations and Restrictions to Run with Land. All of the covenants, conditions, restrictions, reservations, and servitudes set forth herein shall run with the land and each Unit Owner, by accepting a deed to any Unit, accepts the same subject to such covenants, restrictions, reservations, and servitudes and agrees for himself, his heirs, administrators, and assigns to be bound by each of such covenants, conditions, restrictions, reservations, and servitudes jointly, separately, and severally.

Section 11.2. Remedies for Violations. For a violation or a breach of any of these covenants, conditions, reservations and restrictions, the Declarant and the Association, or either of them severally, shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent the violation or breach of any of them.

(a) Should the Declarant or the Association employ counsel to enforce any of the foregoing covenants, conditions, reservations, or restrictions, by reason of such breach by a Unit Owner, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the breaching Unit Owner, and the Declarant or the Association enforcing same shall have a lien upon such Unit to secure payment of all such accounts.

(b) Should the Unit Owner fail, neglect, or refuse to satisfy and discharge any lien arising hereunder within thirty (30) days, the Declarant or Unit Owner in whose favor said lien has arisen, their respective heirs, successors and assigns, shall have the right to interest on such liens at the rate of eight (8%) percent per annum or the maximum allowed by law, whichever is less, and shall be entitled to receive all costs of collection, including a reasonable attorney's fee.

(c) The breach of any of the foregoing covenants, conditions, reservations or restrictions shall not defeat or render invalid the lien of any mortgage made in good faith for value as to any Unit or Units or portions of Lots, but these covenants, conditions, reservations, and restrictions shall be binding upon and effective against any such mortgagee or owner thereof whose title thereto or whose grantor's title is or was acquired by foreclosure or deed in lieu of foreclosure.

(d) No delay or omission on the part of the Declarant or the Unit Owners in exercising any rights, power, or remedy herein provided, in the event of any breach of the covenants, conditions, reservations, or restrictions herein contained, shall be construed as a waiver thereof or acquiescence therein, and no right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the Declarant for or on account of its failure to bring any action on account of any breach of these covenants, conditions, reservations, or restrictions, or for imposing restrictions herein which may be unenforceable by the Declarant.

Section 11.3. Severability. Each and every one of the covenants, conditions, reservations, and restrictions contained herein shall be considered to be an independent and separate covenant and agreement, and in the event any one or more of such covenants, conditions, reservations, or restrictions shall be declared for any reason by a court of competent jurisdiction to be null and void, such judgment or decree shall not in any manner whatsoever affect, modify, change, abrogate, or nullify any of the covenants, conditions, reservations, and restrictions not so declared to be void, but all of the remaining covenants, conditions, reservations, and restrictions not so expressly held to be void shall continue unimpaired and in full force and effect.

Section 11.4. Rule Against Perpetuities. In the event the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then in that event such terms shall be reduced to a period of time which shall not violate the rule against perpetuities as set forth in the laws of the Commonwealth of Pennsylvania.

Section 11.5. Public Rights. The Real Estate shall be subject to any and all rights and privileges which the Township of Adams (the "Township") or the County of Butler, Pennsylvania, may have acquired through dedication or the filing or recording of maps or plats of such premises, as authorized by law, and provided further, that no covenants, conditions, reservations, or restrictions, or acts performed, shall be in conflict with any Township or County Zoning Ordinance or Law.

Section 11.6 Third Party Beneficiary. It is expressly intended by the Declarant and each Unit Owner that the Township shall be a beneficiary of the covenants, restrictions, reservations and servitudes set forth herein. The Declarant and each Unit Owner further acknowledge that by this express intention to benefit the Township, the Township shall be a party entitled to enforce all covenants, restrictions, reservations and servitudes contained herein, which entitlement on the part of the Township shall include the ability to exercise any and all remedies available at law and in equity for the enforcement of same.

Section 11.7 Gender, Etc. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context indicates is appropriate.

ARTICLE XII

DURATION OF COVENANTS, RESTRICTIONS, RESERVATIONS AND SERVITUDES

Section 12.1. Duration. All of the covenants, conditions, reservations, and restrictions set forth herein shall continue and remain in full force and effect at all times as against all Unit Owners, regardless of how title was acquired by any Unit Owner, until commencement of the calendar year 2055 and thereafter be of no further legal or equitable effect on the Real Estate or any Unit Owner; provided, however, that these covenants, conditions, reservations, and restrictions shall be automatically extended for a period of ten (10) years, and thereafter in successive ten-year periods, unless on or before the end of one of such extension periods the Unit

Owners of a two-thirds (2/3) majority of the Units in the Real Estate shall by written instrument duly recorded declare a termination of the same. Although these covenants, conditions, reservations, and restrictions may expire as herein provided, any and all-reversions or liens for breach of these covenants, conditions, reservations, or restrictions committed or suffered prior to such expiration shall be absolute.

ARTICLE XIII

DECLARANT'S RIGHTS

Section 13.1. Control.

(a) Subject to Section 13.1(b), for a period of five (5) years from the date of the first conveyance by the Declarant of any Unit in the Plan to a Unit Owner, the Declarant shall have sole power and authority to appoint and remove the officers and members of the Board of Directors of the Association, unless the Declarant earlier voluntarily surrenders the right to appoint and remove the officers and members of the Board of Directors. Notwithstanding the foregoing sentence, the period of Declarant's control of the Association shall terminate no later than the earlier of (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Units to Unit Owners, or (ii) two (2) years after the Declarant has ceased to offer Units for sale in the ordinary course of business.

(b) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units to Unit Owners, at least one member and not less than twenty-five percent (25%) of the members of the Board of Directors shall be elected by the Unit Owners. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units to Unit Owners, not less than thirty-three percent (33%) of the members of the Board of Directors shall be elected by the Unit Owners.

Section 13.2. Conveyance of Common Facilities and Limited Common Facilities to Association. Upon transfer of Declarant's control of the Association in accordance with Section 13.1(a), the Declarant shall grant and convey to the Association title to the Common Facilities and Limited Common Facilities by special warranty deed with the exception of the Recreational Lot, which shall be transferred to Recreational Facilities Associates, LP. All costs of deed preparation and recording shall be borne by the Declarant. Notwithstanding the foregoing, Declarant shall not convey the Common Facilities and Limited Common Facilities to the Association until all improvements to the Common Facilities and Limited Common Facilities as may be required by the Plans or Adams Township pursuant to any development approvals have been completed by Declarant. This obligation to convey title to the Common Facilities and Limited Common Facilities shall be binding upon any successor in interest to the rights of the Declarant hereunder.

ARTICLE XIV

AMENDMENT OF DECLARATION

Section 14.1. Amendment Generally. This Declaration may be amended only in accordance with the express provisions of this Declaration.

Section 14.2. Amendment by Unit Owners. Except as otherwise provided in the Act, this Declaration may be amended by affirmative vote of Two-Thirds (2/3) of all Unit Owners (including Units owned by Declarant), pursuant to procedures applicable to voting by members of the Association as set forth in its By-Laws.

Section 14.3. Rights of Declarant. Notwithstanding any provision herein contained to the contrary, no change, modification or amendment that affects the rights, privileges or obligations of the Declarant shall be effective without the prior written consent of the Declarant.

Section 14.4. Other Amendments. If any amendment is necessary in the judgment of the Declarant to cure any ambiguity or to correct or supplement any provisions of this Declaration or the Plans which is defective or inconsistent with any other provision hereof or thereof, or to change, correct or supplement anything appearing or failing to appear in the Plan which is incorrect, defective or similarly inconsistent, or if such amendment is necessary to conform to the then current requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to planned residential developments, the Declarant may, at any time and from time to time, effect such amendment without the approval of the Unit Owners or their mortgagees, upon receipt by the Declarant of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence, together with a like opinion from an independent registered architect or licensed professional engineer in the case of any such amendment to the Plan. Each such amendment shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, execution and acknowledgement by one or more general partners of the Declarant.

[SIGNATURES ON FOLLOWING PAGE]

EXHIBIT "A"
[LEGAL DESCRIPTION – REAL ESTATE AND RECREATIONAL LOT]

All those certain tracts of land situate in Adams Township, Butler County, Pennsylvania as shown on the Gables at Brickyard Hill Plan of Lots No. 2 recorded the Recorder's Office of Butler County on June 18, 2004, in Plan Book Volume 274 pages 10-13, at Instrument No. 200406180020003 being more particularly bounded and described as follows to wit:

Beginning at a point on the northerly right of way line of Brickyard Road at the southeast corner of the Gables at Brickyard Hill Plan No. 2 said point being distant N 09° 01' 47" E 7.68' from a concrete monument, thence from said beginning point along the northerly right of way line of Brickyard Road N 86° 07' 31" W 299.85' to a point; thence still along same by a curve to the left having a radius of 375.00' for an arc distance of 217.54' to a point; thence along lands of Adams Township N 88° 48' 59" W 74.50' to a point on the easterly right of way line of Wright Road; thence along the easterly right of way line of Wright Road and Lot No. 103 and 104 N 00° 46' 00" E 345.94' to a point; thence along the dividing line of the Real Estate described herein and the Additional Real Estate described on Exhibit B hereto the following courses and distances

S 89° 14' 00" E 45.00'

N 32° 18' 46" E 59.83'

N 66° 38' 07" E 117.62'

N 88° 59' 13" E 38.41'

N 42° 24' 57" E 30.00'

By a curve to the left having a radius of 275.00' for an arc distance of 34.46'

S 54° 45' 51" E 97.72'

N 35° 14' 09" E 50.00'

By a curve to the left having a radius of 25.00' for an arc distance of 41.48'

By a curve to the left having a radius of 225.00' for an arc distance of 83.34'

N 08° 56' 26" E 103.61'

By a curve to the right having a radius of 210.00' for an arc distance of 211.04'

N 66° 31' 17" E 109.40'

By a curve to the left having a radius of 225.00' for an arc distance of 106.62'

N 50° 37' 44" W 135.00'

N 15° 46' 53" E 80.66'

N 08° 56' 26" E 93.92'

N 23° 20' 06" E 40.66'

By a curve to the left having a radius of 325.00' for an arc distance of 96.33'

N 06° 21' 12" E 50.00'

By a curve to the left having a radius of 25.00' for an arc distance of 45.85'

N 12° 46' 22" W 37.42'

N 12° 46' 22" E 70.00'

S 89° 25' 58" E 267.07'

S 01° 41' 52" W 209.83' to a point on the dividing line of lands of Robert and Cynthia Medvitz; thence along lands of Medvitz N 88° 18' 08" W 120.53' to an existing iron pin; thence still along same

S 09° 02' 01" W 514.64' to a point; thence along lands of Douds and Langdon N 88° 58' 13" W 297.00' to a point; thence along lands of Langdon S 09° 01' 47" W 550.21' to a point at the place of beginning.

Containing a total area of 12.60 acres.

EXHIBIT "B"
[LEGAL DESCRIPTION – ADDITIONAL REAL ESTATE]

All those certain tracts of land situate in Adams Township, Butler County, Pennsylvania as shown on the Gables at Brickyard Hill Plan of Lots No. 2 recorded the Recorder's Office of Butler County on June 18, 2004, in Plan Book Volume 274 pages 10-13, at Instrument No. 200406180020003 being more particularly bounded and described as follows to wit:

Beginning at a point on the easterly right of way line of Wright Road at the northwest corner of Lot No. 104, said point being distant the following courses and distances from the Point of Beginning of the Real Estate described on Exhibit A hereto N 86° 07' 31" W 299.85', by a curve to the left having a radius of 375.00' for an arc distance of 217.54' N 88° 48' 59" W 74.50', N 00° 46' 00" E 345.94' to said beginning point of the Additional Real Estate described herein, thence from said beginning point along the easterly right of way line of Wright Road N 00° 46' 00" E 747.31 to a point on lands of Snyder; thence along lands of Snyder S 88° 46' 00" E 178.49' to a point; thence along lands of Snyder, Lots 3 and 6 of the Brooks Haven Farm Plan N 01° 44' 00" E 1663.73' to an existing iron pin at the base of an Oak tree; thence along lands of Jeuther S 89° 31' 25" E 1208.16' to a point; thence along lands of the Mars Home for Youth S 02° 03' 29" W 1681.70' to a stone monument; thence along lands of Huerbin, Hunkle and Medvitz N 88° 18' 08" W 223.78' to a point; thence along the dividing line of the Real Estate described on Exhibit A hereto and the Additional Real Estate described herein the following courses and distances:

S 01° 41' 52" W 209.83'
S 89° 25' 58" E 267.07'
N 12° 46' 22" E 70.00'
N 12° 46' 22" W 37.42'
By a curve to the left having a radius of 25.00' for an arc distance of 45.85'
N 06° 21' 12" E 50.00'
By a curve to the left having a radius of 325.00' for an arc distance of 96.33'
N 23° 20' 06" E 40.66'
N 08° 56' 26" E 93.92'
N 15° 46' 53" E 80.66'
N 50° 37' 44" W 135.00'
By a curve to the left having a radius of 225.00' for an arc distance of 106.62'
N 66° 31' 17" E 109.40'
By a curve to the right having a radius of 210.00' for an arc distance of 211.04'
N 08° 56' 26" E 103.61'
By a curve to the left having a radius of 225.00' for an arc distance of 83.34'
By a curve to the left having a radius of 25.00' for an arc distance of 41.48'
N 35° 14' 09" E 50.00'
S 54° 45' 51" E 97.72'
By a curve to the left having a radius of 275.00' for an arc distance of 34.46'
N 42° 24' 57" E 30.00'
N 88° 59' 13" E 38.41'
N 66° 38' 07" E 117.62'
N 32° 18' 46" E 59.83'
S 89° 14' 00" E 45.00' to a point at the place of beginning.

Containing a total area of 40.43 acres.