

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
WALNUT RIDGE,
A PLANNED COMMUNITY
Township of Jackson, County of Butler
Commonwealth of Pennsylvania**



I hereby CERTIFY
that this document is
recorded in the
Recorder's Office
of Butler County,
Pennsylvania

Michele M. Mustello
Michele M. Mustello - Recorder of Deeds

THIS DECLARATION is made this 24th day of August, 2018, by WR DEVELOPMENT COMPANY, a Pennsylvania limited liability company, (hereinafter referred to as the "Declarant") as the owner in fee simple of the real estate herein described.

WITNESSETH:

WHEREAS, Declarant proposes to develop a parcel of land situate in the Township of Jackson, County of Butler and Commonwealth of Pennsylvania, as more particularly described in Exhibit "A" (hereinafter referred to as the "Property") which is attached hereto and made a part hereof, which is to be a planned community to be known as the Walnut Ridge Plan of Lots, which is to consist of 55, more or less, single family lots; and

WHEREAS, the Declarant desires to provide for the preservation and enhancement of the property values and amenities in the Plan through the maintenance of the land and improvements to be erected thereon and, to this end, desires to subject the property described herein, of which Declarant is the legal owner, to the within covenants, conditions and restrictions, each and all of which is and are for the benefit of such property and each owner thereof, and Declarant intends that the within easements, covenants, conditions and restrictions shall inure to the benefit of all subsequent owners of Lots within the Property and shall be binding upon them, their heirs, successors and assigns; and

WHEREAS, at any time before the sale of the first Lot within the Property, the Declarant, for the efficient preservation of the values and amenities in the Walnut Ridge Plan of Lots, shall create an entity which shall be delegated the power and authority to maintain and administer the common areas and to administer and enforce the covenants, conditions and restrictions governing the Plan, and to collect and disperse all assessments and charges necessary for such maintenance, administration and enforcement as hereinafter provided; and

WHEREAS, for that purpose the Declarant shall cause to be incorporated under the laws of the Commonwealth of Pennsylvania, a non-profit corporation known and designated as the Walnut Ridge Homeowners Association, Inc., (hereinafter referred to as the "Association") as the entity to perform the functions aforesaid; and

WHEREAS, the Declarant intends that each owner of a Dwelling and/or Lot in the Property shall automatically become a member of the Association upon acquiring legal title to a Dwelling and/or Lot, and, incident to such membership, shall be obligated to abide by all of the terms and conditions as set forth in this Declaration of Covenants, Conditions, and Restrictions and in the By-Laws of the Association for the operation, maintenance, governance and administration of the Property, including, as herein provided, the financial responsibility for the support and maintenance of the Association to assure the performance of its designated functions. Declarant herein shall not be subjected to said financial responsibility for any remaining Lots unsold; and

WHEREAS, it is the intent of this Declaration to impose covenants, conditions and restrictions against the Property which are in addition to any restrictions otherwise imposed by applicable subdivision and zoning ordinances of the Township of Jackson and other state, county and local laws, ordinances and codes.

NOW, THEREFORE, intending to be legally bound and for good and valuable consideration, receipt of which is hereby acknowledged, Declarant, for itself, its successors and assigns, hereby creates and establishes the following covenants, conditions, and restrictions against the Property and declares that all of the Property described in the recorded Walnut Ridge Plan of Lots shall be held, sold, occupied and conveyed subject to the following covenants, conditions and restrictions, which shall run with the land and shall be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner or occupier thereof.

ARTICLE I

SUBMISSION; DEFINITIONS

Section 1.1. Recitals. The recitals and preambles set forth above are hereby made a part of and incorporated into this Declaration by reference as if fully set forth therein.

Section 1.2. Submission. The Declarant has made the Property described in Exhibit "A" attached hereto and incorporated herein, located in Jackson Township, Butler County, Pennsylvania, subject to the covenants, conditions, reservations and restrictions contained in this Declaration. The Declarant intends that the Property 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., (hereinafter referred to as the "Act") and shall be known as "Walnut Ridge."

Section 1.3. Terms Defined. Capitalized terms not otherwise defined herein shall have the meanings used in the Act. The following terms shall be defined as follows:

Act shall mean the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S. §5101 et. seq.

Association shall mean the Walnut Ridge Homeowners Association, a nonprofit corporation.

Builder shall mean any builder approved by the Declarant to construct dwellings in the Property.

Common Elements shall mean all real and personal property located on the Property to be maintained, repaired and/or replaced by the Association and/or for the common use and enjoyment of the Members of the Association, including, but not limited to, Open Spaces, all areas designated as conservation easement(s) on the Plan(s), bufferyards, street light(s), cluster mailbox unit area, identification signs for the Property, and all streets and storm water management facilities for the Property (unless or until dedicated to and accepted by the Township or, in the case of the storm water management facilities, a municipal authority responsible for the operation and maintenance of storm water management facilities in the Township). Notwithstanding anything to the contrary, this definition shall not be amended without the Township's prior written consent.

Declaration shall mean this document, as the same may be amended from time to time.

Dwelling shall mean and refer to any Dwelling situate upon a Lot that is part of the Property designed and intended for use and occupancy as a residence by a single family.

Lot or Lots shall mean any plot of land comprising a portion of the Property, which lot is to be used or intended to be used for residential purposes and is shown upon any recorded subdivision plat of the Property.

Open Space(s) shall mean all areas designated as "Open Space" on the Plan(s), including but not limited to Parcels OS-1 and OS-2, and all buildings and structures erected thereon and improvements thereto.

Owner or Owners shall mean the record owner, whether one or more persons or entities, including the Declarant, of the fee simple title to any Lot which is part of the Property, but excluding those entities having such an interest merely as security for the performance of an obligation.

Plan(s) shall mean the plan(s) recorded, or to be recorded, subdividing the Property and made a part hereof, as the same may be amended from time to time.

Property shall mean that certain real property described in Exhibit "A".

Township shall mean the Township of Jackson, located in Butler County, Pennsylvania. Notwithstanding anything to the contrary, this definition shall not be amended without the Township's prior written consent.

Unit shall mean a physical portion of the Property designated for separate ownership or occupancy, the boundaries of which are described pursuant to Section 5205(5) of the Act.

ARTICLE II

PROPERTY RIGHTS

Section 2.1. Utility Easements. The Property 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 Property. The easements created in this Section 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 Lots, Units, Street rights-of-way and Open Spaces. Notwithstanding the foregoing provision of this Section, unless approved in writing by the Owner or Owners affected thereby, any such easement through a Lot shall be located in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Lot by the Declarant, or as shown on the Plans, or so as not to materially interfere with the use or occupancy of the Lot or any Dwelling by its occupants.

Section 2.2. Easement for Access to Property. Declarant reserves a non-exclusive perpetual right of access and easement on, over and under those portions of the Open Spaces for the purpose of pedestrian and vehicular ingress, egress and regress to all or any part of the Property, including the right to modify the location of improvements to the Open Spaces 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 regrading of landscaped areas of the Open Spaces.

Section 2.3. Declarant's Easement to Correct Drainage. Declarant reserves an easement on, over and under those portions of the Open Spaces for the purpose of maintaining and correcting drainage of surface water in order to maintain a reasonable

standard of health, safety and appearance. The easement created by this Section 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 2.4. Declarant's Easement for Development of Property. Declarant reserves an easement on, over and under those portions of the Open Spaces, Units and/or Lots for all purposes relating to the construction, development, leasing and sale of improvements on the Property. 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, right to cut any trees, bushes or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, the conduct of sales, leasing and management activities, the maintenance of models and offices and the erection and maintenance of directions and promotional signs. This easement shall terminate upon the conveyance of all of the Lots to the ultimate Owners (i.e., excluding any conveyances to builders).

Section 2.5. Easement for Use of Open Spaces. Each Owner and each person lawfully residing on the Property is hereby granted a non-exclusive perpetual right and easement of access to and enjoyment in common with others of the Open Spaces. 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 Open Spaces. The Association shall preserve the existing woodlands and other natural resources, including reforested areas and buffer yards, as required by, and as set forth more fully in, §27-1710 of the Jackson Township Code of Ordinances, Zoning, as amended.

Section 2.6. Easements Shown on Recorded Plans. The Property is subject to any easements and licenses shown on or created by the recorded Plan(s), including but not limited to the drainage easements, conservation easements, and snow removal easements. With regard to the conservation easement shown on the recorded Plan(s), such easement shall be in favor of the Association, which shall operate and maintain the land and facilities contained within the conservation easement for its originally intended use.

Section 2.7. Stormwater Operations and Maintenance Agreement and Declaration of Easement. The Property is subject to the easement(s) and licenses referenced in or created by the Stormwater Operations and Maintenance Agreement and Declaration of Easement dated AUGUST 15, 2018 between the Township and the Declarant recorded in the Recorder's Office of Butler County, Pennsylvania, on ~~OCTOBER 25, 2018~~, at Instrument No. 201810250021569

Section 2.8. Storm Water Management Facilities. Located within and comprising part of the Property are facilities necessary for the collection, detention, management and release of the Property's storm water. The design and construction of such storm water management facilities have been approved by the Township as part of governmental approvals for the Plan. The Association shall be responsible for the repair, operation, maintenance and reconstruction of such storm water management facilities unless and until such facilities are dedicated to and accepted the Township or a municipal authority responsible for the operation and maintenance of storm water management facilities in the Township. The Association shall budget sufficient funds in order to carry out its obligations, if any, under the portion of the storm water facilities which are not transferred to Jackson Township, such as the detention ponds and drainage swales.

Notwithstanding anything to the contrary, the Township is a third-party beneficiary of the covenants contained in this Declaration with respect to the obligation to maintain all Common Elements as such are related to and/or referenced in Township permits, approvals, and ordinances (including, but not limited to, stormwater management facilities and improvements), and the Township shall have the right to access these Common Elements in the event that any Owner or the Association does not maintain and repair them, the right to undertake the required maintenance and repairs, and the right to assess the Owners and the Association for the costs and expenses thereby incurred by the Township, with the assessments to be placed on the applicable Units and Owners as liens in accordance with Section 5319 of the Act in the event such costs are not reimbursed by the Association and/or Owners. Further, the Township shall have all rights of the Declarant granted by this Declaration for Township actions taken under this Section, including, but not limited to, rights related to assessments (Article VII) and enforcement (Article VII). Notwithstanding anything to the contrary, this Section shall not be amended without the Township's prior written consent

ARTICLE III

USE AND CONSTRUCTION RESTRICTIONS

Section 3.1. Use and Occupancy of Lots & Buildings. The occupancy and use of the Lots and Dwellings shall be subject to the following restrictions:

(a) Declarant's Right to Control Improvements. For the purpose of further insuring the development of the Property as an area of high standards, the Declarant reserves the power to control the Dwellings, 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, unless otherwise provided by this Declaration.

(b) Exterior Finishes. All dwellings constructed on any Lot in the Plan shall be finished with suitable exterior building materials such as Vinyl siding, Brick or Stone.

(c) Roof. All single-family houses shall be constructed with a roof having a minimum 25 year life shingle (as evidenced by a written warranty).

(d) Area; Commencement and Completion. The following minimum standards shall apply to Dwellings on the Lots in the Property: No Dwellings shall be constructed on Lots with a combined total area of less than 1200 square feet; the aforementioned minimum areas shall be exclusive of garage, basement and open porches; and no one and one-half story or two story or higher building shall be constructed on any Lot with a combined total area of less than 1500 square feet, exclusive of garage, basement and open porches.

Construction shall begin within twelve (12) months after closing and the exterior of the house shall be completed within 9 months from the date of construction is begun on the house.

(e) Driveways. Paved or asphalt driveways are required.

(f) Exterior Accessories/Mailboxes. Declarant acknowledges that "cluster mailboxes" shall be used in the Plan. Builder shall install house numbers for each house constructed in the Plan.

(g) Storm Water. Storm water runoff must be handled in accordance with the applicable standards of the Township and the Department of Environmental Protection and the Declarants subdivision plan. Prior to commencement of construction, each Builder must obtain approval from Declarant of its storm water plan.

(h) Erosion & Sedimentation Control. During construction of each dwelling in the Plan there must be placed individual on-Lot sediment controls (for example, silt fences or seeding) to prevent mud and other sediment from leaving the Lot or entering a stream in accordance with Township and Department of Environmental Protection regulations and subject to review by the PA Department of Environmental Protection or its assigns. Owner agrees to apply to be added as a co-permittee on Seller's General NPDES Permit.

(i) Retaining Walls. All retaining walls must be constructed of approved materials such as brick, precast stone, stone or a combination thereof. Railroad ties may not be used in the construction of a retaining wall.

(j) Streets and Curbs. Owners and Builders must take reasonable precautions to protect the streets and curbs from damage by construction vehicles, construction equipment, moving trucks, etc. If there is damage to the street or curb which requires repair or replacement by the Declarant, the cost will be

assessed against the Owner or Owners whose Lot or Lots about the damaged areas, which charge may be enforced by an action at law by Declarant. In the event of a dispute over which Owner is responsible, Declarant shall have the option of filing an action in the Court of Common Pleas of Butler County, Pennsylvania or submitting the dispute to the American Arbitration Association. The Declarant shall have the right at the time of, or after, grading any street, or any part thereof, 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 required by a governmental authority). Builders must clean streets regularly (at Builders cost) to remove any mud or debris caused by the Builders.

(k) Drainage Easements. No structure, planting or other material shall be placed or permitted to remain in any easement, swale or storm water channel which may change the direction of flow of the water, or which may obstruct or retard the flow nor shall any such channels or easements be regarded. The Declarant shall have the right to enter the easement area of such Lot to correct any problems, in which event the cost will be assessed against the Owner.

(l) Landscaping; Trees; Bufferyards. All Lots must be final graded and top soiled and seeded by the earlier of one (1) month after occupancy or twelve (12) months from the date construction is begun (unless this time period would end in winter, in which case it shall be completed by July 30). Builders/Owners shall attempt to preserve as many trees on the site as possible and no trees having a diameter greater than 4' (measured 2 feet above ground level) shall be removed without Declarant's written consent. All Lots must be entirely seeded in the front. Side and rear yards shall be seeded based on disturbed areas. Each Builder/Owner must plant one tree, having a diameter of at least two (2.0") as measured 2 feet above the ground in the front yard of each Dwelling within three months after occupancy, or within the first month of the next growing season in the event of a winter occupancy.

Notwithstanding anything contained herein to the contrary, the trees contained in the wooded areas of the Common Elements or in any landscape bufferyard, conservation area or conservation easement shown on the Plan or the Township-approved 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.

Certain Lots in the Plan include a bufferyard as set forth on the Plan or the Township-approved landscape plan for the development, and no permanent or temporary structure may be erected or placed in the bufferyards. The Declarant and the Association shall have the non-exclusive, perpetual right and easement of access to the bufferyards for the purposes of maintenance, repair and enforcement of this Declaration.

(m) Refuse. Builders shall use their best efforts to prevent lumber, materials, bulk materials, refuse or trash from being kept, stored, or allowed to accumulate on any Lot except building materials during the course of construction of an approved Dwelling. Trash, garbage or other waste shall be kept in containers or enclosures and the job site cleaned up daily. All equipment for the storage or disposal of such material must be kept in a clean and sanitary condition. All construction debris must be removed by the Builder prior to occupancy of the Dwelling. Weeds shall not be permitted to grow above two (2) feet in height on any vacant Lot or construction site.

(n) Inspection During Construction. If the dwelling is to be available for interior inspection by potential home buyers, Builder shall use its best efforts to provide reasonable and safe access to the dwelling during normal working hours, and reasonable housekeeping throughout the dwelling. Builder shall not be under any duty and/or obligation to provide keys to any Dwelling to Declarant, buyers or potential home buyers. Declarant shall have the right to inspect all dwellings during construction to insure compliance with these covenants. Declarant and/or Builder are not responsible for anyone entering in to the dwelling or on the Lot during construction.

(o) Garages. All garages must be integral or attached to the Dwelling and must accommodate at least two cars.

(p) Uncompleted Homes. No occupancy of an uncompleted Dwelling of any part thereof, including any basement or foundation, shall be permitted, and no basement, garage or structure other than the Dwelling shall be used as a residence for residential purposes.

(q) Sight Lines. No fence, wall, hedge, shrubs or other obstruction of any kind shall be placed on a Lot adjacent to any intersection in the Property which would obscure the sight lines in any direction at the intersections at an elevation above two (2) feet.

(r) Insurance. Builders shall provide to the Declarant prior to starting any work on a Lot evidence of the following insurance:

- (1) Workers Compensation coverage in statutory limits;
- (2) Liability coverage, naming Declarant as an additional insured, in the minimum amount of \$1,000,000.00.

(s) Gas Lines. No structure may be constructed within the right of way of any underground gas line.

(t) Purchase Option. In the event that any Builder/Owner desires to resell their undeveloped Lot, they shall notify the Declarant in writing, and the Declarant shall have the option to purchase the same at a price equal to the purchase price originally paid by the Builder/Owner for such Lot. The price shall not include any closing fees including but not limited to appraisals, attorneys fees, transfer stamps. In the event the Declarant elects to purchase the Lot, it will serve notice in writing of such election upon the Builder/Owner within twenty (20) days after receipt of written notice of the Builder/Owners decision to sell. Settlement shall be within thirty (30) days thereafter. All transfer stamps shall be borne equally between Builder/Owner and Declarant.

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

(v) 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.

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

Article IV
DURATION OF COVENANTS, RESTRICTIONS,
AND RESERVATIONS

Section 4.1. 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 Owners, regardless of how title was acquired by any Owner, until commencement of the calendar year January 1, 2058, and thereafter be of no further legal or equitable effect on the Property or any Lot 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 Owners of a two-thirds (2/3) majority of the Lots in the Property 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. Notwithstanding anything to the contrary contained in this Declaration, the Declaration (including all covenants, conditions, reservations, and restrictions set forth herein) shall not terminate by any means whatsoever without the prior written consent of the Township Board of Supervisors.

Article V

DECLARANT'S RIGHTS

Section 5.1. Control.

(a) Subject to this Article, for a period of five (5) years from the date of the first conveyance by the Declarant of any Lot in the Plan to an 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 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 Lots to Owners, or (ii) two (2) years after the Declarant has ceased to offer Lots for sale in the ordinary course of business.

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

Section 5.2. Conveyance of Common Facilities to Association. The Declarant shall grant and convey to the Association title to the Common Elements by special warranty deed; provided that Declarant may transfer all Improvements to the Association upon completion, notwithstanding, but subject to, any outstanding offers of dedication, and the Association shall be responsible for all maintenance and repair, including but not limited to snow removal and other winter maintenance. This obligation to convey title to the Common Elements shall be binding upon any successor in interest to the rights of the Declarant hereunder. As required by Section 27-907.E(2) of Chapter 27 of the Jackson Township Code of Ordinances, Zoning, as amended, the Association shall not be dissolved nor dispose of the Common Elements, by sale or otherwise, unless the maintenance of the Common Elements is otherwise guaranteed to the Township's satisfaction.

Section 5.3. Amendment Generally. Except as required by the Act, this Declaration may be amended only in accordance with the express provisions of this Declaration. Further, any amendments related to the Township, Township permits and approvals,

storm water management facilities, the Stormwater Operation and Maintenance Agreement with the Township for the Real Estate, as well as any other amendment that would have the effect of limiting or otherwise altering the rights of the Township set forth in this Declaration, shall be null and void, and of no force and effect, unless such amendment is approved by the Township Board of Supervisors prior to the meeting of Owners at which the Owners will vote on such amendment(s).

Section 5.4. Amendment by Owners. Except as required by the Act, this Declaration may be amended by affirmative vote of Two-Thirds (2/3) of all Owners (including Lots owned by Declarant), pursuant to procedures applicable to voting by members of the Association as set forth in its By-Laws

Section 5.5. 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 5.6. 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 Plan 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, the Declarant may, at any time and from time to time, effect such amendment without the approval of the 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 a designated member of the Declarant.

ARTICLE VI

THE WALNUT RIDGE HOMEOWNERS' ASSOCIATION

Section 6.1. Membership. For the purpose of ownership and maintenance of Common Elements and all common community services of every kind and nature required or desired within the Property for the general use and benefit of all Owners, each and every Owner, in accepting a deed or contract for any lot in the Property, agrees to and shall be a member of and be subject to the obligations and duly enacted bylaws and rules and regulations of the Association. With respect to the affairs of the Association, upon the transfer of Declarant's control of the Association in accordance with the provisions of

this Declaration, all Owners and the Declarant shall have one vote for each Lot owned by such Owners or the Declarant.

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

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

- (a) To adopt and amend bylaws and rules and regulations.
- (b) To adopt and amend budgets for revenues, expenditures and reserves and collect assessments for Common Expenses from 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 Owners on matters affecting the Association or the Property.
- (e) To make contracts or incur liabilities.
- (f) To regulate the use, maintenance, repair, replacement and modification of the Common Elements.
- (g) To cause additional Improvements to be made to the Common Elements in accordance with §5318 of the Act; provided, however, that any exercise of such power which would materially impair the quiet enjoyment of a Lot shall require the prior written approval of the affected Owner.
- (h) To acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property, but the Open Spaces may be conveyed or subjected to a security interest only in accordance with the provisions of §5318 of the Act; provided, however, that any exercise of such power which would materially impair the quiet enjoyment of Lot shall require the prior written approval of the affected Lot Owner.
- (i) To grant easements, leases, licenses and concessions through or over the Common Elements; provided, however, that any exercise of such power which

would materially impair the quiet enjoyment of a Lot shall require the prior written approval of the affected Lot Owner.

(j) To impose and receive payments, fees or charges for the use, rental or operation of the Common Elements.

(k) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration and the bylaws and rules and regulations of the Association.

(l) To provide for the indemnification of its officers and executive board and to maintain directors' and officers' liability insurance.

(m) To exercise any other powers conferred by the Act, this Declaration or the bylaws of the Association.

(n) To exercise all other powers that may be exercised in the Commonwealth of Pennsylvania by legal entities of the same type as the Association.

(o) To exercise any other powers necessary and proper for the governance and operation of the Association.

Section 6.4. Board of Directors. Not later than the termination of any period of Declarant's control in accordance herewith, the Owners shall elect a Board of Directors of at least three (3) members, at least a majority of whom shall be 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 Owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board of Directors with or without cause, other than a member appointed by the Declarant.

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

(a) The number of members of the Board of Directors and the titles of the officers of the Association.

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

(c) The qualifications, powers and duties, terms of office and manner of

electing and removing members of the Board of Directors and officers and filling vacancies.

(d) Which, if any, of its powers the Board of Directors or officers may delegate to other persons or to a managing agent.

(e) Which of its officers may prepare, execute, certify and record amendments to this Declaration on behalf of the Association.

(f) The method of amending the bylaws.

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

ARTICLE VII

BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

Section 7:1. Budgets; Capital Expenditures The Board of Directors shall adopt a budget for revenues, expenditures and reserves at least annually. The Board of Directors shall deliver to all Owners copies of each budget approved by the Board of Directors and notice of any capital expenditure approved by the Board of Directors promptly after such approval. The Owners, by affirmative vote of Two-Thirds (2/3) of all Owners (including Lots owned by Declarant), pursuant to procedures applicable to voting by members of the Association as set forth in the bylaws of the Association, may reject any budget or capital expenditure approved by the Board of Directors within thirty (30) days after approval. A capital contribution shall be assessed to each person upon transfer of real property. This monthly assessment will be re-evaluated and adjusted to meet budget expenses

Section 7.2. Quarterly Assessments. All assessments made in order to meet the requirements of the Association's annual budget shall be deemed to be adopted and assessed on a quarterly basis (rather than on an annual basis payable in quarterly installments) and shall be due and payable in advance on the first day of the quarter. Special assessments 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 Lot for any assessments levied against that Lot or fines imposed against that Lot Owner from the time the assessment or fine becomes due. Fees, charges, late charges, fines and interest, reasonable costs and expenses of the Association, including legal fees, incurred in connection with collection of any sums due to the Association by a Lot Owner or enforcement of the provisions of this Declaration or the bylaws, rules or regulations of the Association against a Lot Owner are enforceable as assessments under this Section 7.2. 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 quarter (pro-rated as of the date of closing) and for the next succeeding quarter following the date of closing, due and payable in advance at the settlement of any conveyance of any Lot by the Declarant to any ultimate user (i.e., not a Builder); provided, however, that no assessments shall be chargeable to any Builder for any time frame that the Builder holds title to the Lot.

Section 7.3. Limitation on Expenditures. All expenses, charges and costs of the maintenance, repair or replacement of the Common Elements, and any other expenses, charges or costs which the 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 to, or capital improvements on the Common Elements (other than for purposes of repairing, replacing and restoring portions of the Common Elements) requiring an expenditure in excess of Twenty-Five Thousand Dollars (\$25,000) without the prior approval of Two-Thirds (2/3) of the Owners entitled to cast votes.

Section 7.4. Reserve. Each annual budget shall include an amount reasonably considered by the Board of Directors to be sufficient as a reserve for replacements and contingencies. To initiate such 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 Lot purchased by such grantee 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 reserve, as the Board of Directors shall determine. In addition, the Association shall have the right to segregate all or any portion of the reserve for any specific replacement or contingency upon such conditions as the Board of Directors deems appropriate.

Section 7.5. Association Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with §5407 of the Act (relating to resales of Lots). All financial and other records shall be made reasonably available for examination by any Lot 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 Lot 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 7.6. Further Assessments. If any annual budget proves inadequate for any reason, including nonpayment of any Lot Owner's quarterly assessments, or any nonrecurring 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 Lot 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 Owners by a statement in writing giving the amount and reasons therefore, and such further assessments shall become effective as determined by the Board of Directors.

Section 7.7. Acceleration. If a Lot Owner is in default in the payment of the aforesaid charges or quarterly assessments for sixty (60) days, the Board of Directors may, in addition to all other remedies set forth in this Declaration, accelerate all other quarterly assessments to become due for the fiscal year in which such default occurs.

Section 7.8. Allocation. All assessments, special assessments and further assessments shall be pro rated among the Owners by dividing the amount of such assessments by the number of Lots in the Plan, without regard to the size of any individual Lot nor conditioned upon a Building being erected upon any individual Lot.

Section 7.9. Interest and Charges. All sums assessed by the Association against any Lot Owner that remain unpaid shall bear interest thereon at the then maximum legal rate (but not more than fifteen percent (15%) per annum) from the thirtieth (30th) day following the due date for payment. Any delinquent 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 7.2 above.

Section 7.10. Independent Covenant. The obligation to pay assessments is a separate and independent covenant on the part of each Lot 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 7.11. 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 VII, and that otherwise provide for the efficient fiscal operation and management of the Common Elements.

Section 7.12. Declaration Subsidy. During the Declarant's control of the Association, the Declarant may annually elect to either pay regular assessments on all of its unsold Lots, or to pay the Association the difference between the amount of assessments collected on all other Lots 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 7.13. Capital Contribution. At the time of the settlement of the purchase of a Lot, Owner shall pay to Declarant/Association a Capital contribution of \$250.00, which amount shall be used for expenses of the Association.

Section 7.14. Subordination of Certain Charges. Any assessments, fees, charges, late charges, fines and interest which may be levied by the Board of Directors pursuant to Sections 5302 (a) (10), (11) and (12) of the Act or this Declaration, shall be subordinate to the lien of any first lien Mortgage on lot. The sale or transfer of the Lot pursuant to or in lieu of mortgage foreclosure shall extinguish the lien of such assessment as to payment that becomes due prior to such sale or transfer. No such sale or transfer shall relieve such Owner or Lot from the obligation or liability for any assessments thereafter coming due or from the lien or any such subsequent assessments. Notwithstanding anything to the contrary, nothing herein shall impair the Township's priority for liens considered municipal claims.

ARTICLE VIII

USE RESTRICTIONS

Section 8.1. General Use Restrictions. The property is intended to be used for the following purposes, and its use is hereby restricted as follows:

(a) Structures. No structure shall be erected, altered, placed, used or permitted to remain on any Lot other than a Dwelling and garage meeting the construction standards set forth above.

(b) Attached to Land. No private Dwelling or part thereof shall be erected on any of the Lots in the Plan unless it becomes attached to and becomes

a part of a tract of land.

(c) Outside Attachments. Owners shall not attach anything to the outside walls or roof of any Dwelling, such as radio or television antenna, or satellite dish, (excepting a satellite dish with a diameter of 18" or less), which may be visible from the street.

(d) Signs.

(1) No sign of any kind shall be displayed to the public view on any Lot for a period of ninety (90) days or more without prior written consent by Declarant, which consent shall not be unreasonably withheld.

(2) The Declarant shall have the right to erect signs to advertise all of its property, the sale of Lots, and any other signs which the Declarant deems necessary for construction and sales of Lots on any part of the property owned by Declarant. Declarant shall have the rights to erect an entrance monument identifying the plan as Walnut Ridge.

(3) During the period of construction and sales, any Builder and Lender approved by the Declarant may maintain a sign on any Lot upon which that Builder is constructing a dwelling, which sign however, may not be more than thirty (30) square feet in size. A Builder may maintain a sign on all other developed Lots, which may not be more than ten (10) square feet in size.

(4) After completion of the dwelling a sign containing no more than ten (10) square feet advertising the house for sale or rent may be used.

(e) Easement. An easement for ingress, egress and regress is hereby granted to Declarant for the purpose of maintaining and replacing any signs, walls, or fences which the Declarant has constructed on individual Lots which are part of the community signs program (i.e. directional signs, entry signs, etc.). This right shall include the right to plant trees and shrubs and otherwise landscaping the area.

(f) Garbage and Refuse Disposal. Trash, garbage and other waste shall be kept only in sanitary containers and shall be disposed of in such manner as may be prescribed from time to time by the Township. Garbage containers must be kept out of public view except on collection days.

(g) Laws. All applicable laws, ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed on the property by the residents.

(h) Laundry Lines. Laundry poles and lines are prohibited.

(i) Temporary Structures. No dog house, fenced dog run, animal pen, shelter, shed, shack, garage, barn or other outbuilding shall be used or constructed on a Lot.

(j) Pets. No animals, livestock, fowl or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats or other household pets may be kept in houses, subject to the applicable laws and ordinances.

(k) Balconies and Porches. No rugs, clothes, sheets, blankets, laundry of any kind, or other article shall be hung from the balconies and/or porches. Balconies and/or porches and/or patios shall be kept free and clear of rubbish, debris and other unsightly materials.

(l) Residential Use. Lots (except those used by Declarant for models or offices) may be used for residential purposes permitted by the Township zoning ordinance governing single family residential use. Notwithstanding the foregoing, Declarant has the right to use Lots which it owns for models, sales or administrative offices.

(m) Easements of Pipes, etc. No water pipe, gas pipe, sewer pipe or drainage pipe shall be installed or maintained on any Lot above the surface of the ground; however, conductor lines on the high side can extend to the curb to the extent permitted by applicable governmental laws, ordinances and regulations. Easements have been reserved for sewers, drainage and utility installations and maintenance for such purposes and uses as are shown on the recorded Plan. 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 change the direction of flow of drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the owner of the Lot, except for those improvements for which a public authority or utility company is responsible. The Declarant, its agents, successors, and assign, 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 thereof, 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.

(n) Storage and Parking of Vehicles. Except as provided herein, there shall be no outside storage upon any Lot (i.e., driveways or yards) of any semi-

truck, tractor, tractor-trailer, trailer, motorcycle, all-terrain vehicle (ATV), mobile home, boat or similar transportation device. No Owners shall repair or restore any vehicle of any kind on any part of any Lot visible from the street except for normal maintenance or emergency repairs. Vehicles may not be parked overnight on the streets.

(o) Other Structures. No structures other than single family dwelling shall be erected on any of the aforesaid Lots except an architecturally designed bath house if used in connection with a swimming pool or an architecturally designed picnic shelter or gazebo. Sheds will be permitted in the development.

(p) Garages. Garages may not be converted to living space but may only be used for storage of vehicles or personal property. Garage doors shall be kept closed except when automobiles are being moved or the garage is being used. Notwithstanding the foregoing, in the event that a builder constructs a model for sale, it shall be permitted to convert the garage to living space before it sells the model to a third party.

(q) Fences. So long as Declarant is the owner of any Lot in the Plan, all fences must be approved by Declarant. After all Lots have been sold, fences must comply with local laws and/or ordinances and in addition, shall meet the following requirements: (1) No barbed wire, no-clad chain link or similar material shall be permitted. (2) Fences may be placed on the side and rear yards but shall not be constructed closer to the street in front of the house than the front line of this house and shall not exceed six feet in height.

(r) Wells. No oil or gas well shall be drilled on any Lot.

(s) Pools No above ground pools will be permitted in the development. Pools must be in ground.

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 Elements, 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 Elements,

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 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. 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 or trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Owners and lienholders as their interests may appear. Subject to the provisions of Section 9.4, the proceeds shall be disbursed first for the repair or restoration of the damage to the Common Elements.

Section 9.4. Disposition of Insurance Proceeds. Any portion of the Common Elements 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 Owners vote not to rebuild. The cost of repair or replacement of those portions of the Common Elements in excess of insurance proceeds and reserves shall be a Common Expense.

Section 9.5. Waiver of Subrogation. Each Lot Owner and the Association hereby waives and releases any and all claims which he or it may have against any other Lot Owner, the Association, the Board of Directors and members thereof, the Declarant, and their respective employees and agents, for damage to the Common Elements, or to any personal property located in the Common Elements, caused by fire or other casualty or any act or omission of any such party, to the extent that such damage is covered by fire or other form of hazard insurance. If the act or omission of a Lot Owner, or of a member of his family, a household pet, guest, or visitor of such Lot Owner, shall cause damage to the Common Elements, then such Lot 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 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.

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 Lot Owner or person on the Real Estate;

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

(e) Shall have no personal liability in tort to a Lot 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 Elements, 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. 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 10.3. 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 10.4. 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 10.2 or 10.3 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 10.2 or 10.3 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 10.2 or 10.3 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 Owners at any meeting duly called for such purpose.

Section 10.5. 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 10.6. 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 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 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,

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 Lot Owner, by accepting a deed to any Lot, 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 or any person claiming by, through, or under the Declarant, and the Owners, or any 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. In addition to the foregoing right, the Declarant shall have the right, whenever there shall have been such breach or violation of any such covenant, condition, reservation or restriction concerning any structure which is in violation of these restrictions, to enter upon the Lot where such violation of these covenants, conditions, reservations and restrictions exists and summarily abate or remove the same at the expense of the Lot Owner, and any such entry and abatement or removal shall not be deemed a trespass.

(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 Lot Owner, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the breaching Lot Owner, and the Declarant or the Association enforcing same shall have a lien upon such Lot or Lots to secure payment of all such accounts.

(b) Should the Lot Owner fail, neglect, or refuse to satisfy and discharge any lien arising hereunder within thirty (30) days, the Declarant or Lot 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 and shall be entitled to receive all costs of collection, including a reasonable attorneys 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 Lot or Lots 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 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 Property shall be subject to any and all rights and privileges which 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 Lot Owner that the Township shall be a beneficiary of the covenants, restrictions, reservations and servitudes set forth herein. The Declarant and each Lot Owner further acknowledge that by this express intention to benefit the Township, the Township shall be a party entitled to enforce all appropriate 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.

[Remainder of Page Intentionally Left Blank. Signature Page Follows.]

Exhibit "A"

SUBMITTED PROPERTY

All those certain parcels of ground situated in Jackson Township, Butler County, Pennsylvania, known as Lot Numbers 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 200, Parcel OS-1, Parcel OS-2, and Grove Hill Lane 50' R/W as shown in the Walnut Ridge Plan of Lots, recorded in the Recorder's Office of Butler County, Pennsylvania, on OCTOBER 26, 2018, at Instrument No. 201810260021815 and in Plan Book Volume 374, Pages 37-39

Mail to: David E. McMaster, Esquire

1272 Mars Evans City Road, Evans City, PA 16033