DECLARATION OF PROTECTIVE COVENANTS FOR

ROLLING RIDGE PRD

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ALC OF DEEDS

THIS DECLARATION, made the 7th day of August, 1995, by John Fogarty Development Corporation, a Pennsylvania Corporation, (hereinafter referred to as the "Developer") which declares that the real property comprised of all the lots, parcels, and sites in Phase III, platted and unplatted, more legally described in attached Exhibit A and incorporated herein by reference, to be known as "Rolling Ridge PRD", which is currently owned by the Developer, is and shall be held, transferred, sold, conveyed, leased, and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "Covenants and Restrictions") hereinafter set forth.

ARTICLE I PURPOSE

The purpose of these Covenants is to insure the proper use and most appropriate development of Rolling Ridge PRD Phase III (hereinafter referred to as "R.R.") through the imposition of uniform standards within phases. It is the intent of these Covenants to provide conditions, covenants, restrictions, etc. that insure that R.R. will always be maintained as an attractive, quality oriented, handsome environment. These covenants are designed to protect the owners, lessees, and sublessees of property against improper and undesirable uses of surrounding property. In essence, these Covenants should guard against unwarranted property depreciation which can be caused by such factors as haphazard and unharmonious improvements.

ARTICLE II DEFINITIONS

The following words, when used in this Declaration shall have the following meanings:

Section 2.1 "ARCHITECTURAL REVIEW COMMITTEE" (hereinafter often referred to as "Review Committee" or "ARC") shall be composed of no less than two (2) or more than five (5) individuals designated from time to time by the Developer or owner of the development which individuals shall initially be named and shall have the powers and duties as set forth herein.

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- Section 2.2 "ASSOCIATION" shall mean and refer to Rolling Ridge PRD Phase III Association, Inc. a Pennsylvania corporation not for profit. This is the Declaration of Protective Covenants to which the Articles of Incorporation (hereinafter referred to as the "Articles") and By-Laws (hereinafter referred to as the "By-Laws") of the Association make reference. Copies of the Articles and By-Laws are attached hereto and made a part hereof as Exhibit B.
- Section 2.3 "COMMON AREA" shall mean and refer to all real and/or personal property which the Association and/or the Developer owns or has an interest in for the common use of the members of the Rolling Ridge PRD Association, including, but not limited to, park landscape, entry features, directional graphic systems, drainage, landscape medians, security, safety, bicycle/jogging paths, project lighting and recreational features or facilities or any other use to which a majority of the membership of the Association may accede. The Developer agrees that all of the Common Area, fee simple title to which may be owned or held by the Developer, shall be conveyed to the Association not later than one hundred twenty (120) days after Developer relinquishes control of the Board of Directors, pursuant to the Articles.
 - Section 2.4 "R.R." shall mean and refer to "Rolling Ridge PRD Phase III."
- Section 2.5 "DECLARANT" shall mean and refer to the Developer, its successors and assigns, and include any person or entity to which Declarant may assign its rights, privileges, duties and obligations hereunder, which rights, privileges, duties and obligations are and shall be assignable.
- Section 2.6 "DESIGN STANDARDS" (here after often referred to as design standards or design criteria) shall mean and refer to the quality and character specifications prepared by the Declarant. Such design criteria may be modified or amended from time to time in the future by Declarant in its sole discretion (subject to any necessary approval and/or changes by; any regulatory authorities of the Borough of Milton, County of Northumberland or other governing body) and shall be binding upon all Owners and Occupants of R.R. (See Exhibit "C")
- Section 2.7 "DEVELOPER" shall mean and refer to John Fogarty Development Corporation, a Pennsylvania Corporation, its successors or assigns of any or all of its rights under this Declaration.
- Section 2.8 "IMPROVEMENTS" shall mean and refer to any man-made changes in the natural condition of the land including, but not limited to, structures and construction of any kind, whether above or below the land surface such as any building, fence, wall, sign, addition, alteration, screen enclosure, sewer, drain, disposal, waterway, road, paving, utilities, grading, landscaping, signs and exterior illumination.
- Section 2.9 "LOT" shall mean and refer to any parcel of the Property in R.R. together with any and all improvements thereon, created and existing by a record plat recorded after May

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1, 1995, in the Public Records of Northumberland County, Pennsylvania, on which any improvement could be constructed, whether or not it has been constructed.

Section 2.10 "OCCUPANT" shall mean and refer to any person or organization which has occupied, purchased, leased, rented or is otherwise licensed or legally entitled to occupy and/or use any Lots or Improvement (s) on the Property (whether or not such right is exercised), as well as their heirs, assigns, and successors in interest.

Section 2.11 "OWNER" shall mean and refer to the record owner, whether one or more partners, persons, trusts, corporation, or other entity, of the fee simple interest to a Lot or any other portion of the Property, including contract sellers (but not contract purchasers) their heirs, successors, personal representatives or assigns. An owner may, upon written notice to the Declarant and/or Association, assign all or part of his rights, but not his duties hereunder, to the owner's tenant.

Section 2.12 THE "PROPERTY" shall mean R.R. and refer to the real property described in Exhibit A hereof and any portion thereof, and any and all improvements thereon and additions hereto, as are subject to this Declaration.

ARTICLE III ARCHITECTURAL REVIEW COMMITTEE

Section 3.1 NECESSITY OF ARCHITECTURAL REVIEW AND APPROVALS. No buildings or other structures, including swimming pools, shall be erected or altered or placed on a lot, until a complete set of plans and specifications, and a site plan has first been furnished to "Review Committee" prior to construction and such plans have been approved by "Review Committee". No change shall be made from the approved plans and spec's without the written approval of the "Review Committee". Submissions of plans for construction must be in duplicate, one (1) copy of which shall be retained by "Review Committee". After receipt of the plans, specifications, and proposals, the "Review Committee" shall approve or disapprove the same within thirty (30) days. "Review Committee" may approve in part and disapprove in part, or otherwise qualify such approval, and may take into consideration aesthetic or other considerations or reasons as "Review Committee" shall deem suitable.

Any and all appurtenant structures i.e.: storage sheds, wood sheds, including those not affixed to the ground, etc. will be permitted subject to the approval of the "Review Committee". Such proposals must include size, materials, and architectural style specifications as well as location on the lot and screening from the street and adjoining properties. This requirement may be addressed in the initial site plan submission. However, if a homeowner wishes to build or have brought onto his/her lot an appurtenant structure after the initial site plan has been

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approved, a revised site plan shall be provided for review and approval by the "Review Committee".

- Section 3.2 REVIEW COMMITTEE MEMBERS shall consist of at least two (2) members of the developer's staff. Additional members may be appointed to the "Review Committee" by the developer at his discretion.
- Section 3.3 POWERS AND DUTIES. The ARC shall have the following powers and duties:
- (A) To require submission in compliance with "Design Standards" as specified in Exhibit "C".
- (B) To approve or disapprove any Improvement or change or modification thereto, the construction, erection, performance or placement of which is proposed upon any Lot or the Property in R.R. and to approve or disapprove any exterior additions, changes, modifications, or alterations therein or thereon. Any party aggrieved by a decision of the ARC shall have the right to make a written request to the Board of Directors of the Association, within thirty (30) days of such decision, for a review thereof. The determination of the Board upon reviewing any such decision shall in all events be final and binding upon all parties.
 - (C) To perform such incidental acts as may be necessary in the exercise of its powers.
- (D) All review shall be completed within sixty (60) days of submission by the Review Committee.
- Section 3.4 LIABILITY. Neither the ARC nor Declarant or their respective successors or assigns shall be liable in damages to anyone submitting plans to them for approval, or to any Owner affected by this Declaration, by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval, disapproval or failure to approve any such plans and specifications. Every person who submits plans to the ARC for approval agrees, by submission of such plans and specification, and every Owner or tenant of any of said Building Sites agrees, by acquiring title thereto or an interest therein, that he will not bring any action or suit against the ARC or Declarant to recover any such damages.
- Section 3.5 REVIEW COMMITTEE. Notwithstanding anything to the contrary herein contained, at such time as the Developer no longer has lots available for sale within Phase III, the Board of Directors of the Association shall then appoint the Review Committee.

ARTICLE IV MAINTENANCE

Section 4.1 GENERAL. At no time shall any lot be stripped of its topsoil, except to the extent necessary for approved construction, or be stripped of its trees, or allowed to go to waste, or be neglected, excavated, or have refuse or trash thrown, placed or dumped upon it. During construction, it shall be the responsibility of each Lot Owner to insure that construction sites are kept free of unsightly accumulations of rubbish and scrap materials, and that construction materials, and the like are kept in a neat and orderly manner. The Developer shall have the right to store excess fill or topsoil on any lot for future use.

Section 4.2 MAINTENANCE RESPONSIBILITIES. Owners and Occupants of any Lot or Property in R.R. shall, jointly and severally, have the duty and responsibility, at their sole cost and expense, to keep that part of R.R. so owned and occupied, including buildings, improvements, and grounds in connection therewith, in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

- (A) Pruning of trees and shrubbery;
- (B) Keeping exterior lighting, in working order;
- (C) Keeping lawn and landscaped areas alive, free of weeds and attractive;
- (D) Keeping parking areas, driveways and roads in good repair;
- (E) Complying with all governmental, health, police and fire requirements, statues and regulations;
- (F) Keeping all drainage systems in good repair and working order;
- (G) Painting of all exterior painted surfaces shall be done at least every five (5) years, unless a waiver is obtained from the ARC.

Section 4.3 WEED CONTROL/MOWING. Each lot owner shall be responsible for weed control from the time of purchase until time of construction and shall allow no unsightly growth to occur. Weeds or grass on lots sold but not yet built on must be cut a minimum of twice a summer. Areas where no road improvements have occurred and lots are not yet for sale need not be cut. On lots built upon, mowing of lawn no less often then when grass is more than five (5) inches high is required.

Section 4.4 ENFORCEMENT. If in the opinion of the Developer and/or Association, any such Owner or Occupant has failed in any of the foregoing duties or responsibilities, then the Developer and/or Association may give such person written notice of such failure and such person must within ten (10) days after receiving such notice, perform the care and maintenance required. Should any such person fail to fulfill this duty and responsibility within such period, then the Developer and/or Association, through its authorized agents, shall have the right and power to enter onto the premises and perform such care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owners and

Occupants for which such work is performed shall jointly and severally be liable for the cost of such work and shall promptly reimburse the Developer and/or Association for such cost. If such Owner or Occupant shall fail to reimburse the Developer and/or Association within thirty (30) days after receipt of a statement for such work from the Developer and /or Association, then said indebtedness shall be a debt of all of said persons jointly and severally, and shall constitute a lien against the Lot on which said work was performed. Such lien shall have the same attributes as the lien for assessments and special assessments set forth in Article VII and the Developer and/or Association shall have identical powers and rights in all respects including, but not limited to, the right of foreclosure.

Section 4.5 ACCESS AT REASONABLE HOURS. For the purpose of performing the maintenance authorized by this Article, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot, Property or the exterior of any Improvements thereon at reasonable hours.

ARTICLE V PROPERTY RIGHTS

- Section 5.1 OWNERS' EASEMENTS OF ENJOYMENT. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title of portions of the Property, subject to the following:
- (A) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure.
- (B) All provisions of this Declaration, and plat of all or any part or parts of the Property, and the Articles and By-Laws of the Association.
- (C) Rules and regulations governing use and enjoyment of the Common Area or filed separately with respect to all or any part or parts of the Property.
- (D) Restrictions contained on any and all plats of all or any part of the Common Area or filed separately with respect to all or any part or parts of the Property.
- Section 5.2 PERMITTED USES. All the building lots are intended to be used for residential purposes only. Multi-family attached dwellings shall be permitted only on lots designated for multi-family use on the attached PRD plans and in numbers equal to or less than the maximum number indicated on these plans for each multi-family lot. All other building lots are intended for single family detached dwellings only. For purposes hereof, "residential purposes" shall mean a single family dwelling.

Section 5.3 DELEGATION OF USE. Subject to such limitations as may be imposed by the By-Laws, each Owner may delegate this right of enjoyment in and to the Common Area and facilities to its tenants and invitees.

Section 5.4 EASEMENTS.

- (A) Easements for installation and maintenance of utilities and drainage facilities will be shown on recorded subdivision final plats. 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 damage, interfere with, or change the direction of flow of drainage facilities in the easement. The easement area of each Lot and all Improvements therein shall be continuously maintained by the Owner of such Lot, except for Improvements for maintenance of which a public authority or utility company is responsible.
- (B) No Improvement of any kind shall be built, erected, or maintained on any such easement, reservation, or right-of-way, and such easements, reservations and rights-of-way shall at all times be open and accessible to public and quasi-public utility corporations, their employees and contractors, and shall also be open and accessible to Declarant all of whom shall have the right and privilege of doing whatever may be necessary in, on, under, and above such locations to carry out any of the purposes for which such easements, reservations, and rights-of-way are reserved.
- Section 5.5 RIGHT OF ENTRY. The Association, through its duly authorized Owner thereof, to enter any Lot or other Property subject to this Declaration at any reasonable hour on any day to perform such inspection and/or maintenance as may be authorized herein.
- Section 5.6 NO PARTITION. There shall be no judicial partition of the Common Area, nor shall Declarant, or any Owner or any other person acquiring any interest in the subdivision or any part thereof, seek judicial partition thereof which would create a smaller lot.

ARTICLE VI ASSOCIATION

Section 6.1 MEMBERSHIP. Every person or entity who is a record fee simple Owner of a Lot or Property in R.R., including the Developer at all times as long as it owns all or part of the Property subject to this Declaration shall be a member of the Association, provided that any such person or entity who holds such interest only as security for the performance of an obligation shall not be a member. When one or more persons or entities holds fee simple title to any part of the Property, all such persons or entities shall be members but voting power is limited as provided in the Articles. Membership shall be appurtenant to, and may not be separated from, the ownership of any Property. All members shall be bound by the By-Laws of the Corporation.

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Section 6.2 VOTING. Voting rights in the Association shall be as are set forth in the Articles of the Association.

ARTICLE VII MAINTENANCE ASSESSMENTS

Section 7.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Each Owner of any portion of the Property, (by acceptance of a deed for such portion of the Property, whether or not it shall be so expressed in any such deed or other conveyance) including any purchaser at a judicial sale, shall be deemed to covenant and agree to pay to the Association any annual assessments or charges, and any special assessments to be fixed, established and collected from time to time as hereinafter provided. All such assessments, together with interest thereon, from the due date at the rate of seven percent (7%) per annum and costs of collection thereof (including reasonable attorney's fees), shall be a charge on the Lot and shall be continuing lien upon the Lot (s) against which each such assessment is made, and shall also be the personal obligation of the Owner. No Owner of a Lot may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or by abandonment. No portion of any Property which does not constitute a building Lot will be liable for any annual or special assessment under this Section.

Section 7.2 PURPOSE OF ASSESSMENTS. The annual and special assessments levied by the Association shall be used exclusively for the purpose of promoting the health, beauty, safety, security and welfare of the Owners of R.R. and in particular for the improvements and maintenance of the Common Areas and of any easement in favor of the Association and maintenance and beautification of public rights-of-way if not maintained by a public body, including, but not limited to, the cost of taxes, insurance, labor, equipment, materials, management, maintenance and supervision thereof, as well as for such other purposes as are permissible activities of, and undertaken by, the Association.

Section 7.3 INITIAL ASSESSMENTS. The initial assessment shall be two hundred (\$200.00) dollars for single family lot and one hundred (\$100.00) dollars per dwelling unit constructed on multi-family lots. The initial assessment shall be payable at lot transfer for single family lots and at the completion of the dwelling (s) on multi-family lots.

Section 7.4 ANNUAL ASSESSMENTS. The annual assessment shall be due and payable by all lot owners of record as of the first day of January and shall commence on the first day of January 1997. The annual assessment for 1997 shall be seventy-five (\$75.00) dollars. Except as hereinafter provided, the annual assessment, excluding any special assessment, may be adjusted by a two-thirds (2/3) vote on the Board of Directors of the Association. Any adjustment of the annual assessment shall be determined by the Board of Directors in

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accordance with the projected financial needs of the Association. The decision of the Board of Directors of the Association as to such amount shall be final.

Section 7.5 SPECIAL ASSESSMENTS. In addition to any annual assessments, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement as approved by the Board of Directors of the Association, including the necessary fixtures and personal property related thereto, or to make up the difference between actual operating costs and the annual assessment provided that any such assessment shall have the assent of a majority of the Lot Owners who are voting in person at a meeting duly called for this purpose, written notice of which shall be sent to all Lot Owners at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 7.6 RATE OF ASSESSMENT. All regular and special assessments shall be at a uniform rate for each single family lot which is shown on a Final Plan recorded in the Northumberland County Courthouse which has been transferred by the Developer. Multi-family lots shall be assessed at one half of the single family lot rate for each dwelling unit allowable on said lot. If units on multi-family lots should be sold as condominiums, each condo unit owner shall be assessed at the single family lot rate. The Developer will not pay annual assessments on unsold single family lots or undeveloped multi-family lots.

Section 7.7 DUTTES OF THE BOARD OF DIRECTORS. At least thirty (30) days before an assessment due date, the Board of Directors of the Association shall determine the date of commencement and the amount of the assessment against each Lot for each assessment period. In addition, at such time the Board of Directors shall prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the assessment shall be sent to every Owner subject thereto not later than seven (7) days after fixing the date of commencement. The Association shall upon demand, furnish to any Lot Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid.

Section 7.8 EFFECT OF NON-PAYMENT OF ASSESSMENT: THE LIEN, THE PERSONAL OBLIGATION, REMEDIES OF THE ASSOCIATION. The lien of the Association upon a Lot shall be effective from and after recording, in the Public Records of Northumberland County, Pennsylvania, a claim of lien stating the description of the Lot encumbered thereby, the name of the Owner, the amount and date when due. Such claim of lien include not only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, but also such claim of lien shall include such additional assessments which accrue from the first non-payment to which the claim of lien relates to the entry of a judgment in favor of the

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Association with respect to such lien. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. If the assessment is not paid within thirty (30) days after the delinquency date, which shall be set by the Board of Directors of the Association, the assessment shall bear interest from the due date at the rate of seven percent (7%) per annum, and the Association may at any time thereafter bring an action to foreclosure the lien against the Lot (s) in like manner as a foreclosure of a mortgage on real property, and/or a suit on the personal obligation against the Owner (s), and there shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action including a reasonable attorney's fee to be fixed by the Court, together with the cost of the action.

- Section 7.9 SUBORDINATION TO LIEN OF MORTGAGES. The lien of the assessments for which provision is herein made, as well as in any other Article of this Declaration, shall be subordinate to the lien of any first mortgage to a federal or state chartered bank, life insurance company, federal or state savings and loan association, real estate investment trust, retirement fund or institutional mortgage company. Such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure of such mortgage. No sale or the transfer shall relieve any Lot from liability for any assessment thereafter becoming due, nor from the lien of any such subsequent assessment. The written opinion of either the Developer or the Association that the lien is subordinate to a mortgage shall be dispositive of any questions of subordination.
- Section 7.10 EXEMPT PROPERTY. The Board of Directors shall have the right to exempt any Lot subject to this Declaration from the assessments, charge and lien created herein provided that such part of the Property exempted is used (and as long as it is used) for any of the following purposes:
- (A) As an easement or other interest therein dedicated and accepted by the local public authority and devoted to public use;
 - (B) A Common Area as defined in Section 2.3 hereof; and
- (C) As property exempted from ad valorem taxation by the laws of the State of Pennsylvania, to the extent agreed to by the Association.

ARTICLE VIII DEVELOPER'S RESERVED RIGHTS TO PROPERTY

Section 8.1 EXTENSION OF THE COVENANTS TO INCLUDE ADDITIONAL ADJACENT PROPERTY. The Developer may, at any time, make subject to these Protective Covenants other properties now or hereafter owned by the Developer abutting or adjacent to

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R.R. Phase III by executing an instrument in writing applying these Covenants to such other properties and by recording the instrument in the Public Records of Northumberland County, Pennsylvania.

Section 8.2 WITHDRAWAL OF LAND. Developer may, but shall have no obligation to, withdraw at any time or from time to time portions of the land described in Exhibit A provided only that the withdrawal of lands as aforesaid shall not, without the joinder or consent of a majority of the Members of the Association, materially increase the prorate share of expenses of the Association payable by the Owners remaining subject hereto after such withdrawal. The withdrawal of lands as aforesaid shall be made and evidenced by filing in the Public Records of Northumberland County, Pennsylvania, a supplementary Declaration with respect to the lands to be withdrawn. Developer reserves the right to so amend and supplement this Declaration without the consent or joinder of the Association or of any Owner and/or mortgage of land in R.R.

Section 8.3 PLATTING AND SUBDIVISION RESTRICTIONS. The Developer shall be entitled at any time and from time to time, to plat and/or re-plat all or any part of the Property, and to file subdivision restrictions and/or amendments thereto with respect to any undeveloped portion or portions of the Property.

Section 8.4 PUBLIC ROADS -- EASEMENTS. The Developer reserves the right from time to time hereafter to delineate, plat, grant or reserve within the remainder of R.R. not hereby conveyed such public streets, roads, sidewalks, ways and appurtenances thereto, and such easements for drainage and public utilities, as it may deem necessary or desirable for the development of R.R. (and from time to time change the location of the same) free and clear of these Covenants and to dedicate the same to public use or to grant the same to any governing municipal or regulatory authority, including any appropriate public utility corporations.

ARTICLE IX MISCELLANEOUS

Section 9.1 TERMINATION AND MODIFICATION. This Declaration, or any provision hereof, or any covenant, condition or standard contained herein, may be terminated, extended, modified or amended, as to the whole of said property or any portion thereof, with the written consent of the owners of sixty-six and sixty-seven hudredths percent (66.67%) of the Lots subject to these Covenants (excluding mortgagees and the holders of other security devices who are not in possession and lessees) subject to these Covenants (excluding the Common Areas); provided, however, that so long as Developer owns at lease twenty percent (20%) of the Property subject to these Covenants, no such termination, extension, modification or amendment shall be effective without the written approval of Developer thereto. In addition, any amendment which would affect the surface water management system including the water

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management portions of the Common Area, must have the prior written approval of Milton Borough. No such termination, extension, modification or amendment shall be effective until a proper instrument in writing has been executed and acknowledged and recorded in the Public Records of Northumberland County, Pennsylvania. No such termination, extension, modification or amendment shall affect any plans, specifications or use therefor approved by Developer or the ARC under Article III hereof or any improvements theretofore or thereafter made pursuant to such approval.

Section 9.2 ASSIGNMENT OF DEVELOPER'S RIGHT AND DUTIES. Any and all of the rights, powers and reservations of the Developer herein contained may be assigned to any person, corporation or association which will assume the duties of the Developer pertaining to the particular rights, powers and reservations assigned, and upon any such person, corporation or association evidencing its consent in writing to accept such assignment and assume such duties, he or it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Developer herein. If at any time the Developer ceases to exist and has not made such an assignment, a successor Developer may be appointed in the same manner as these Covenants may be terminated, extended, modified or amended hereunder. The Developer may from time to time delegate any or all of its rights, powers, discretion and duties hereunder to such agents as it may nominate. It may also permanently assign any or all of its powers and duties (including discretionary powers and duties), obligations, rights, title, easements and estates reserved to it by this Declaration to any one or more corporations, associations or persons what will accept the same. Any such assignment shall be in writing and recorded in the Public Records of Northumberland County, Pennsylvania, and the assignee shall join therein for the purpose of evidencing its acceptance of the same. Such assignee shall thereupon have the same rights, fitle, powers, obligations, discretion and duties as are herein reserved to the Developer and the Developer shall automatically be released from such responsibility.

Section 9.3 MUTUALITY, RECIPROCITY: RUNS WITH LAND. All covenants, restrictions, conditions and agreements contained herein are made for the direct, mutual and reciprocal benefit of each and every Lot and other Property in favor of every other Lot and other Property; shall create reciprocal rights and obligations between all grantees of said Lot and other Property, their heirs, successors, personal representatives and assigns; and, shall, as to the Owner of each Site, his heirs, successors, personal representatives and assigns, operate as covenant running with the land for the benefit of all other Sites.

Section 9.4 BENEFITS AND BURDENS. The terms and provisions contained in this Declaration of Protective Covenants shall bind and insure to the benefit of the Declarant, the Owners of all building Sites located within the Property, the Owners of additional Property made subject to his Declaration of Protective Covenants and their respective heirs, successors, personal representatives and assigns.

Section 9.5 NOTICES. Any notice required or permitted herein shall be in writing and mailed, postage prepaid by registered or certified mail, return receipt requested and shall be directed as follows: If intended for a Building Site Owner (A) to the address of the building Lot if improved; (B) if the Building lot is not improved, to the address set forth in the purchase contract or purchase contract application; or (C) if none of the foregoing, to the last known address of the Owner. If intended for Declarant, to the address as set forth herein.

Section 9.6 SINGULAR AND PLURAL. 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 or feminine or neuter, as the context requires.

Section 9.7 FAILURE TO ENFORCE NOT A WAIVER OF RIGHTS. Any waiver or failure to enforce any provision of these Covenants in a particular situation shall not be deemed a waiver or abandonment of such provisions as it may apply in any other situation or to the same or a similar situation at any other location in R.R. or of any other provision of these Covenants. The failure of the Developer, Association or any Lot Owner to enforce any Covenant herein contained shall in no event be deemed to be a waiver of the right to do so thereafter nor of the right to enforce any other Covenant.

Section 9.8 CONDOMINIUM. No restriction contained herein shall be construed to limit or prevent multi-family Lot (s) and the Improvements thereon from being submitted to a plan of condominium ownership and particularly the recordation of a plan of condominium ownership for any multi-family Lot covered hereby shall not be construed as constituting a subdivision of the Lot.

Section 9.9 CONSTRUCTIVE NOTICE AND ACCEPTANCE. Every person who now or hereafter owns or acquires any right, title or interest in or to any portion of said Property is and shall be conclusively deemed to have consented and agreed to every covenant, condition and restriction contained in the instrument by which such person acquired interest in said Property.

Section 9.10 NO WAIVER. All of the conditions, covenants, restrictions and reservations contained in this Declaration of Protective Covenants shall be construed together, but if it shall at any time be held that any one of said conditions, covenants, restrictions and reservations, or any part thereof is invalid, or for any reason becomes unenforceable, no other conditions, covenants, restrictions and reservations or any part thereof shall be thereby affected or impaired.

Section 9.11 CAPTIONS. The captions, section numbers and article numbers appearing in these Protective Covenants and Restrictions are inserted only as a matter of convenience and in no way to define, limit, construe or describe the scope or intent of such sections or articles of these Protective Covenants nor in any way modify or affect these Protective Covenants.

Section 9.12 SEVERABILITY. Invalidation of any one of these Covenants by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

IN WITNESS WHEREOF, the Developer has caused these presents to be executed as required by law on the day and year first above written.

John Fogarty Development Corporation

ATTEST:

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John T. Fogerty, President

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF NORTHUMBERLAND

X SS:

On this, the 7th day of August, 1995, before me, the undersigned officer, personally appeared John T. Fogarty, who acknowledged himself to be the President of John Fogarty Development Corporation, and acknowledged that the foregoing Plan of the Rolling Ridge PRD and the Restrictions and Covenants attached thereto are made with the free assent of John Fogarty Development Corporation and have been duly executed on behalf of the Corporation and by Mary Rose Switzer as Asst. Secretary, for the purposes therein contained in order that the same might be recorded.

Carolyn - Right Notary Public

> NOTARIAL SEAL CAROLYN J. RIEHL, Notary Public Boro, of Northumberland, Northumberland Co My Commission Express Nov. 23, 1996

EXHIBIT "A"

SURVEYORS DESCRIPTION OF PHASE III OF ROLLING RIDGE PRD

All that Certain Parcel of Land Situated in Milton Borough, Northumberland County, Pennsylvania, as shown on a plan entitled "Rolling Ridge P.R.D." prepared by Sweetland Engineering and Associates, Inc., Drawing No. D-2999, dated 3/23/95, intended to be recorded in the Recorders Office of Northumberland County, bounded and described as follows:

Beginning at a 3/4" rebar set in the western right-of-way line of Golf Course Drive (a 50 foot wide right-of-way) at the common southeastern corner of lands of David W. Everitt and Kay A. Everitt and the northeastern corner of the herein described parcel;

Thence along said western right-of-way line of Golf Course Drive the following three (3) courses:

- (1) S11°11'23"W, 1023.03 feet to a point of curvature; Thence
- (2) along the arc of a curve to the left having a radius of 5754.65 feet, central angle of 04°36'01", chord of S08°53'22"W, 461.91 feet, an arc of 462.03 feet to a point of tangency; Thence
- (3) S06°35'22"W, 807.88 feet to a 3/4" rebar set at the common northeastern corner of lands of the First Baptist Church of Milton and a southeastern corner of the herein described parcel;

Thence along said lands of the First Baptist Church of Milton the following two (2) courses:

- (1) S89°28'05"W, 556.30 feet to a 3/4" rebar set; Thence
- (2) S00°31'56"E, 400.00 feet to a 3/4" rebar set in the northern line of lands of the Milton Cemetery Company at the common southwestern corner of said lands of the First Baptist Church of Milton and a southeastern corner of the herein described parcel;

Thence along said lands of the Milton Cemetery Company S89°28'05"W, 667.46 feet to a 3/4" rebar set at the common southeastern corner of lands of the Borough of Milton, and the southwestern corner of the herein described parcel;

Thence along said lands of the Borough of Milton the following five (5) courses:

- (1) N40°41'12"W, 128.14 feet to a point; Thence
- (2) N00°50'22"E, 100.00 feet to a point; Thence
- (3) S89°09'37"E, 180.00 feet to a point; Thence
- (4) N00°50'22"E, 180.00 feet to a point; Thence

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(5) N89°09'38"W, 265.00 feet to a point in the eastern line of lands of the Conrail Railroad right-of-way;

Thence along said Conrail Railroad right-of-way N00°50'23"E, 2212.47 feet to a 3/4" rebar set at the common southwestern corner of lands of Ralph H. Everitt, Jr. and Phyllis R. Everitt and the northwestern corner of the herein described parcel;

Thence along said lands of Ralph H. Everitt and Phyllis R. Everitt, and concluding along said lands of David W. Everitt and Kay A. Everitt, N87°14'04"E, 1726.62 feet to the point of Beginning.

Containing 84.491 acres of land, gross area.

Under and subject to all easements, conditions, restrictions, and covenants of record.

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EXHIBIT "B"

BY-LAWS OF ROLLING RIDGE ASSOCIATION, INC.

We, the undersigned, hereby associate ourselves together for the purpose of forming a corporation not for profit and certify as follows:

ARTICLE I NAME

The name of this corporation shall be Rolling Ridge Association, INC. and shall hereinafter be referred to as the "Association."

ARTICLE II PURPOSES

The purposes for which the corporation is organized are as follows:

- (A) To promote the health, safety and social welfare of the Owners of Property within that area referred to as Rolling Ridge Phase III in the Declaration of Protective Covenants for Rolling Ridge to be recorded in the Public Records of Northumberland County, Pennsylvania. The Restrictive Covenants herein set forth are for Rolling Ridge Development, Phase III solely. Applicability of these covenants apply solely to Phase III. The Developer reserves the right to promulgate different restrictive covenants for all remaining phases of the Rolling Ridge Development.
- (B) To own and maintain, repair and replace or construct additional improvements within the general and/or Common Areas, including structures, trails, tot lots, plantings, storm water basins, landscaping and other improvements in and/or benefiting Rolling Ridge for Phase III for which the obligation to maintain and repair has been delegated and accepted.
- (C) To control the specifications, appearance, buildings and improvements of any type, including fences, sewers, drains, or other structures constructed, placed or permitted to remain in Rolling Ridge Phase III, as well as the alteration, improvement, addition and/or change thereto. All members of the Association, having acquired lots in Rolling Ridge Development, Phase III, hereby acknowledge that their property is subject to the restrictive covenants therein set forth for

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- Phase III. Said property owners further acknowledge that the Developer has the right to amend or alter such restrictive covenants as they apply to other phases of the Development.
- (D) To provide such other services the responsibility for which has been or may be accepted by the Association and the capital improvements and equipment related thereto, in Rolling Ridge Phase III.
- (E) To provide, purchase, acquire, construct, replace, improve, maintain and/or repair such real property, buildings, structures, landscaping, paving and equipment, both real and personal, in common areas or other designated areas, related to the health, safety and social welfare of the members of the Association, as the Board of Directors in its discretion determines necessary, appropriate, and/or convenient.
 - (F) To operate without profit for the sole and exclusive benefit of its members.
- (G) To perform all of the functions contemplated of the Association, and undertaken by the Board of Directors of the Association, in the Declaration of Protective Covenants hereinabove described.
- (H) To hold funds solely and exclusively for the benefit of the members for purposes set forth in these Articles of Incorporation.
- (I) To promulgate and enforce rules, regulations, By-Laws, covenants, restrictions and agreements to effectuate the purposes for which the Association is organized.
 - (J) To delegate power or powers where such is deemed in the interest of the Association.
- (K) To purchase, lease, hold, sell, mortgage or otherwise acquire or dispose of interests in, real or personal property, except to the extent restricted hereby; to enter into, make, perform or carry out contracts of every kind with any person, firm, corporation, association or other entity; to do any and all acts necessary or expedient for carrying on any and all of the activities and pursuing any and all of the objects and purposes set forth in the Articles of Incorporation and not forbidden by the laws of the State of Pennsylvania.
- (L) To fix assessments to be levied against the Property to defray expenses and the cost of effectuating the objects and purposes of the Association, and to create reasonable reserves for such expenditures, and to authorize its Board of Directors, in its discretion, to enter into agreements with mortgage companies and other organizations for the collection of such assessments.

- (M) To charge recipients for services rendered by the Association and the user for use of Association Property when such is deemed appropriate by the Board of Directors of the Association.
- (N) To pay taxes and other changes, if any, on or against property owned or accepted by the Association.
- (O) To merge with any other association which may perform similar functions, located within the same general vicinity of the real property-subject to the Declaration.
- (P) In general, to have all powers conferred upon a corporation by the laws of the State of Pennsylvania, except as prohibited herein.

ARTICLE III MEMBERS

Every person or entity who is a record fee simple Owner of a Lot or other Property in Rolling Ridge Phase III including John Fogarty Development Corporation (hereinafter referred to as the "Developer") at all times as long as it owns all or any part of the Property subject to this Declaration, shall be a member of the Association, provided that any such person or entity that holds such interest only as security for the performance of an obligation, shall not be a member. When one or more persons or entities holds fee simple title to any part of the Property, all such persons or entities shall be members, but voting power is limited under Article X hereunder. Membership shall be appurtenant to, and may not be separated from, the ownership of any Property.

ARTICLE IV TERM

The Association is intended to have perpetual existence, but may be dissolved if beneficial or necessary as defined in Article XII.

ARTICLE V OFFICERS

The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create. Any two (2) or more offices may be held by the same person except the offices of President and

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Secretary. Officers shall be elected for two (2) year terms in accordance with the procedures set forth in the By-Laws.

ARTICLE VI BOARD OF DIRECTORS

(A) The affairs of the Association shall be managed by a Board of Directors consisting of no less than three (3) Directors. So long as Developer shall have the right to appoint a majority of the Board of Directors (refer to Article IX, (B)), Directors need not be members of the Association and need not be residents of the Commonwealth of Pennsylvania; thereafter, all Directors shall be members of the Association and residents of the Commonwealth of Pennsylvania. There shall be one (1) Director appointed by the Association so long as the Developer has the right to appoint a majority of the Board of Directors. Elections for Directors appointed by the Association shall be by plurality vote. At the first annual election to the Board of Directors, the term of office of the elected Director receiving the highest plurality of votes shall be established at two (2) years. In addition, the Developer shall select two (2) Directors to serve for terms of three (3) years.

Thereafter, as many Directors shall be elected and appointed, as the case may be, as there are regular terms of office of Directors expiring at such time, and the term of the Director so elected or appointed at each annual election shall be for two (2) years expiring at the second annual election following their election, and thereafter until their successors are duly elected and qualified, or until removed from office with or without cause by the affirmative vote of a majority of the members which elected or appointed them. In no event can a Board member appointed by the Developer be removed except by action of the Developer. Any Director appointed by the Developer shall serve at the pleasure of the Developer, and may be removed from office, and a successor Director may be appointed, at any time by the Developer.

ARTICLE VII BY-LAWS

The By-Laws of the Association shall be adopted by the Board of Directors and may be amended, altered or rescinded by a majority vote of such Board prior to the relinquishment of control of the Board by the Developer. Thereafter, the By-Laws shall be amended, altered or rescinded by a two-thirds (2/3) vote of the members of the Association in the manner provided by the By-Laws.

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ARTICLE VIII AMENDMENT

Prior to the relinquishment of control by the Board of Directors by the Developer, this Certificate may be amended by a majority vote of the Board of Directors. Thereafter, amendments may be proposed by any member or director and may be adopted by the affirmative vote of at least two-thirds (2/3) of the members of this Association at the annual meeting of members at a special meeting of members; provided, however, that in either instance, notice of the proposed amendment has first been approved by not less than a majority vote of the Board of Directors. No amendment affecting the Developer (as defined in the Declaration of Protective Covenants) shall be effective without the prior written consent of the Developer.

ARTICLE IX VOTING AND ASSESSMENTS

- (A) Subject to the restrictions and limitations hereinafter set forth, each member shall be entitled to one (1) vote for each dwelling unit for residential property as shown on Phase III of the Rolling Ridge Tentative PRD Plan (formerly known as Faylor Village). When one or more person holds such interest or interests in any Property, all such persons shall be members, and the vote(s) for such Property shall be exercised as they among themselves determine, but in no events shall more than one vote be cast with respect to any dwelling unit. The votes for any Property cannot be divided for any issue and must be voted as a whole. Except where otherwise required under the provisions of these Articles, the Declaration of Protective Covenants or By-Laws, the affirmative vote of the Owners of a majority of dwelling units represented at any meeting of the members duly called and at which a quorum of dwelling units is present, shall be binding upon the members.
- (B) The Developer at his discretion may relinquish his right to appoint a majority of the Board of Directors upon the sale of twenty-five percent (25%) of the building lots or
- (C) The Developer shall have the right to appoint a majority of the Board of Directors until the earlier of the following events:
 - Upon the sale of seventy-five percent (75%) of the Lots, providing an
 affirmative vote of seventy-five percent (75%) or more of the Owners other
 than Developer (including Property owned by Developer relinquish such
 right); or
 - 2. Upon the sale of ninety percent (90%) of the parcel of Property of Rolling Ridge PRD Phase III held for sale by Developer.

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- (D) The Association will obtain funds with which to operate by assessment of its members owning Lots and dwelling units in accordance with the provisions of the Declaration of Protective Covenants, as supplemented by the provisions of the Articles and By-Laws of the Association relating thereto.
- (E) All notices required to be given hereunder shall be given to the property owners at their last known address, or at the address for the property owned by them within the Development no less than five (5) nor more than thirty (30) days prior to the meeting.
- (F) Shareholders Meeting The Shareholders meeting of the Association shall be held on the first Monday of April of each year.
- (G) Directors Meeting The semi-annual meeting of the Board of Directors shall occcur on the first Monday of May and the first Monday of October of each month hereunder.
- (H) It is specifically noted that the Developer shall be able to vote on all issues effecting the Association, despite any benefit, real or potential, which may accrue to the Developer.

ARTICLE X INDEMNIFICATION OF OFFICERS AND DIRECTORS

- (A) The Association hereby indemnifies any Director or officer made a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding:
 - 1. Whether civil, criminal, administrative, or investigative, other than one or in the right of the Association to procure a judgment in its favor, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person in his capacity of Director or officer of the Association, or in his capacity as Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney's fees, actually and necessarily incurred as a result of such action, suit or proceeding or any appeal therein, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association, and in criminal actions or proceedings, without reasonable ground for belief that such action was unlawful. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction

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or upon a plea of nolo contendere or its equivalent shall not in itself create a presumption that any such Director or officer did not act in good faith in the reasonable belief that such action was in the best interests of the Association or that he had reasonable grounds for belief that such action was unlawful.

- 2. By or in the right of the Association to procure a judgment in its favor by reason of his being or having been a Director or officer of the Association, or by reason of his being or having been a Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense or settlement of such action, or in connection with an appeal therein if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association. Such person shall not be entitled to indemnification in relation to matters to which such person has been adjudged to have been guilty of negligence or misconduct in the performance of his duty to the Association unless, and only to the extent that, the court, administrative agency, or investigative body before which suit action, suit or proceeding is held shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such tribunal shall deem proper.
- (B) The Board of Directors shall determine whether amounts for which a Director or officer seeks indemnification were properly incurred and whether such Director or officer acted in good faith and in a manner he reasonably believed to be in the best interests of the Association, and whether, with respect to any criminal action or proceeding, he had no reasonable ground for belief that such action was unlawful. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding.
- (C) The foregoing rights of indemnification shall not be deemed to limit in any way the powers of the Association to indemnify under applicable law.

ARTICLE XI TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

(A) No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other corporation, partnership, association, or

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other organization in which one or more of its Directors or officers are Directors or officers, have a financial interest, shall be invalid, void or voidable solely for this reason, or solely because the Director or officer is present or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose. No Director or officer of the Association shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

(B) Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

ARTICLE XII DISSOLUTION OF THE ASSOCIATION

- (A) Upon dissolution of the Association, all of its assets remaining after provisions for creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner:
 - 1. That portion of the Common Area which constitutes a surface water management system shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization, to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted to the Association. No such disposition of Association properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to unless made in accordance with the provisions of such covenants and deeds.
 - 2. The remaining real property contributed to the Association without the receipt of other than nominal consideration by Developer (or its predecessor in interest), shall be returned to Developer unless it refuses to accept conveyance (in whole or in part).
 - 3.) Remaining assets shall be distributed among the members, subject to the limitations set forth below, as tenants in common, each member's share of the assets to be determined in accordance with its voting rights.

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(B) The Association may be dissolved upon a resolution to that effect being recommended by two-thirds (2/3) of the members of the Board of Directors, and, if such decree be necessary at the time of dissolution, after receipt of an appropriate decree and approved by two-thirds (2/3) of the voting rights of the Association's members.

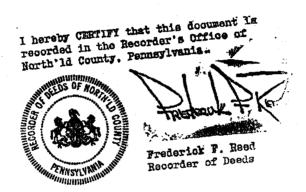


Exhibit "C" "Design Standard" for Lot Site Plans Phase III

- 1.) Site plans will be completed by the Developer and a Landscape Planner for Phase III single family and multi-family lots. These plans will be presented free to the homeowner for guidance in creating a harmonious setting with visual unity.
- 2.) Landscaping Phase III for single family lots. A minimum of 10 shrubs and shade or ornamental street trees as specified on the "Phase III Street Tree Chart" shall be planted between the front dwelling facade and the public street. Multi-family lots shall have a much more intricate and complete planting/screening plan.
- 3.) Phase III Street Tree Chart Trees (minimum 2" caliper) shall be placed by the Developer on approximate 50' centers, 4 feet behind road curbing line according to the following:

Tree Species		
Common Name	Botanical Name	Street Names
Pin Oak	Quercus Palustris	Westfield Court
Japanese Zelkova	Zelkova Serrata	Ridgeview Court
Redspire Pear	Pyrus Calleryana "Redspire Pear"	Rolling Ridge Drive
		Rolling Ridge Court
Greenspire Littleleaf		
Linden	Tilia Cordata "Greenspire"	Crestview Drive
Patmore Green Ash	Fraxinus Pennsylvanica "Patmore"	Woodsedge Drive
Winter King Hawthorn	Crataegus Viridis "Winter King"	Woodsedge Court
Sweet Gum	Licuidabar Styraciflua	Greenbriar Drive
		Greenbriar Court

- 4.) General Design All driveways and parking shall be a minimum 5' from side or rear lot lines.
- 5.) A post lamp shall be selected from the list of post lamps and installed by the homeowner. The post lamp shall be located within 20' from the front property line and driveway and have a dusk to dawn photocell with a minimum of 50 watt to a maximum of 100 watt bulb or equal. Post lamp list: Kichler K-9944 Black or White

Kichler K-9445 Polished Brass, Antique Brass or White Thomas 5687 Black or White

6.) All landscaping should be completed within one year after the substantial completion of construction of the dwelling unit. Street trees must be installed within one year of completion of construction of the dwelling unit.

