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ROLLING RIDGE TOWNHOMES, a Planned Community

DECLARATION OF COVENANTS AND EASEMENTS

THIS DECLARATION OF COVENANTS AND EASEMENTS (the "Declaration") is made and executed this 17th day of September, 1997, by JOHN FOGARTY DEVELOPMENT CORPORATION, a Pennsylvania corporation, having an office at 750 U.S. Highway 15S, Lewisburg, Pennsylvania 17837-9507 (the "Declarant")

Background:

Declarant is the owner of certain real property (the "Property") located in the Borough of Milton, Northumberland County, described and designated as Lots 72, 73, 74, 75, 76, 185, 186 and 187, on the Final Plan for "Rolling Ridge P.R.D.", prepared by Sweetland Engineering and Associates, Inc., Drawing No. D-2999, dated 3/25/95, and recorded in the Recorder of Deeds Office in and for Northumberland County, in Plan Book 23, Page 91 and shown on the plan attached hereto as Exhibit "A" and made a part hereof. Declarant desires to create thereon a residential townhouse neighborhood to be named Rolling Ridge Townhomes, a planned community (hereinafter referred to as "Rolling Ridge Townhomes"). Declarant desires to insure the attractiveness of the townhouses and other improvements within Rolling Ridge Townhomes, to prevent nuisance, to preserve, protect and enhance the value and amenities of Rolling Ridge Townhomes, and to provide for the maintenance of certain portions of the Lots (as hereinafter defined). To accomplish these purposes, Declarant desires to subject the Property to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth for the benefit of the Property, the Association (as hereinafter defined) and each Owner (as hereinafter defined) thereof.

Declarant has deemed it desirable, for the efficient preservation, protection and enhancement of the values and amenities in Rolling Ridge Townhomes, to create an Association to be delegated and assigned the powers of administering and enforce these covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created. Declarant will incorporate a non-profit corporation to serve as the Association for the purpose of exercising the powers and functions within Rolling Ridge Townhomes upon recording of this Declaration.

NOW, THEREFORE, Declarant hereby declares that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth.

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ARTICLE I

DEFINITIONS

Section 1. "Act" shall mean the Uniformed Planned Community Act, Act of 180 of 1996, 68 Pa.C.S.A. §5101, et seq.

Section 2. "Association" shall mean and refer to the non-profit corporation with the name of "Rolling Ridge Townhomes Association", its successors and assigns incorporated by the Declarant for the purpose of exercising the powers and functions set forth herein.

Section 3. "Common Expense" shall mean all expenditures made by or financial liabilities of the Association, together with any allocations to reserves, and includes but is not limited to the following:

- (a) the expenses set forth in Article V;
- (b) the expenses for the maintenance obligations set forth in Article VII;
- (c) other expenses declared Common Expenses by this Declaration or by the Bylaws;
- (d) expenses agreed upon as Common Expenses by the Association and lawfully assessed against the Owners in accordance with this Declaration or the Bylaws;
- (e) expenses of management and administration of the Association, including without limitation, compensation of all employees, managers, accountants, attorneys and other personnel hired by the Association whether as employees, independent contractors or otherwise; and
- (f) expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

Section 4. "Declarant" shall mean and refer to John Fogarty Development Corporation, a Pennsylvania corporation, and its assigns and successors and such of their assigns as shall acquire more than one undeveloped Lot from the Declarant for the purpose of development, provided, however, that an assignee of a Declarant shall be deemed a Declarant only with respect to that portion of Rolling Ridge Townhomes, conveyed to such assignee by a deed of conveyance which specifically grants to the assignee the rights of a Declarant and sets

-2-RFC1123N333 forth the number of Class B votes, as hereinafter set forth, which said assignee may be entitled to exercise.

"Lot" shall mean and refer to Lots 72, 73, 74, 75, 76, 185, 186 Section 5. and 187, as described and dedicated on the Final Plan for "Rolling Ridge P.R.D.", prepared by Sweetland Engineering and Associates, Inc., Drawing No. D-2999, dated 3/23/95, and recorded in the Office of the Recorder of Deeds in and for Northumberland County at Plan Book 23, Page 91, and the Plan attached hereto as Exhibit "A", and any future subdivision of any of the aforesaid Lots. It is the intent of the Declarant to record, contemporaneously with this Declaration, subdivision and land development plans to subdivide Lots 72, 73 and 74 into the twenty-four (24) townhouse building lots as shown on Exhibit "B" attached hereto and made a part hereof. Upon the filing of these plans, each of the twenty-four lots shall be a separate Lot subject to this Declaration. It is the intent of the Declarant to similarly file subdivision and land development plans for Lots 75, 76, 185, 186 and 187 in the future to create multiple townhouse building lots. The total number of Lots resulting from the resubdivision of Lots 72, 73, 74, 75, 76, 185, 186 and 187 shall not exceed ninety-five (95) Lots; provided, however, at the present time, the Declarant plans to build a proposed development of seventy-eight (78) Units. No additional Lots shall thereafter be created by further subdivision. Unless expressly provided otherwise, "Lot" shall include the townhouse and other improvements constructed on the Lot and shall have the same meaning as a "Unit" under the Act and as defined in Section 8 below.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding mortgagees or others having such interests merely as security for the performance of an obligation, provided that the Declarant shall be an "Owner" of only those Lots to which the Declarant has fee simple title and on which a townhouse is constructed and occupied as a residence.

Section 7. "Total Annual Assessment Amount" shall mean an annual estimated amount, established by the Executive Board of the Association each fiscal year and set forth in the annual budget, of the total costs which shall be required to fulfill the purposes of the Annual Assessment, set forth in Article V, Sections 3 and 4.

Section 8. "Unit" Any of the Lots, including the townhouse and other improvements constructed on the Lot.

Section 9. "Rolling Ridge Townhomes" shall mean "Rolling Ridge Townhomes, a planned community" and shall refer to the planned community which shall be comprised of that certain real property located in the Borough of Milton, Northumberland County, Pennsylvania shown on the plan attached as Exhibit "A". Rolling Ridge Townhomes shall be developed in two or more phases with the first phase consisting of the twenty-four Units resulting from the resubdivision of Lots 72, 73 and 74.

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Section 10. "Withdrawable Real Estate" shall mean and refer to each of Lots 75, 76, 185, 186 and 187, as described and set forth in Exhibit "B", and the Declarant's ability to withdraw and/or remove any or all such real estate or portion thereof from Rolling Ridge, so long as the Declarant's rights to withdraw any or all of such real estate from Rolling Ridge continues to exist, as more fully described in Article VIII hereof.

ARTICLE II

NAME OF PLANNED COMMUNITY AND PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Name and Location. The official name of the planned community shall be "Rolling Ridge Townhomes, a planned community".

Section 2. Subject Property. The real property (all of which is located in the Borough of Milton, Northumberland County, Pennsylvania) which is, and shall be, held, transferred, sold, conveyed, and occupied subject to the Declaration, consists of the Lots, the boundaries of which are set forth in Exhibit "A", and all easements, rights and appurtenances thereunto and improvements erected or to be erected thereon. All the foregoing real property is and shall be subject to the Act.

ARTICLE III

PROPERTY RIGHTS

Section 1. Lot Easements. Each Lot shall be and is hereby made subject to the following easements:

(a) In favor of the Association or its designee for inspection of the Lots for the purposes of verifying of performance by Owners of all items of maintenance and repair for which they are responsible, for inspection of the building situated on or assessable from such Lot, for correction of emergency conditions in each Lot or casualties to such Lot, for necessary repair and replacement in the buildings, to abate any violation of law, orders, rules or regulations of any governmental authorities having jurisdiction, to correct any condition which violates the provisions of any mortgage, and for such other purpose as may be reasonably required to carry out its duties, it being understood and agreed that the Association and its agents shall take reasonable steps to minimize any interference with an Owner's use of his or her Lot resulting from

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the Association's exercise of the foregoing right pursuant to this Section or any other provision of this Declaration.

- (b) In favor of the Lots benefitted, for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, and all other utility lines and conduits which are part of any building and are in common use by all contiguous Lots and which pass across or through a portion of a Lot.
- (c) There is hereby granted a blanket easement to the Association or its officers, agents and employees and to all policemen, firemen, ambulance personnel and all other similar persons to enter upon the Property or any part thereof in the proper performance of their respective duties and for repair and maintenance as is required by this Declaration. Except in the event of emergencies, the rights accompanying the easements provided for in this paragraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with the permission of the Owner or Owners directly affected thereby and shall not waive any Owner's constitutional rights with regard to unreasonable search or seizure.
- (d) If a Lot shall encroach upon any other Lot by reason of original construction or a cause other than the purposeful or negligent act or omission of the Lot Owner, then an easement appurtenant to such encroaching Lot, to the extent of such encroachment, shall exist for so long as such encroachment shall exist. In the event a building is partially or totally destroyed, and then rebuilt, encroachment as and to the extent described above upon any other Lot, shall be permitted, and a valid easement for said encroachments and the maintenance thereof shall exist for so long as such encroachment continues to exist.
- Section 2. Lot 72 Access Easement. Lots 72A, 72B, 72C, 72D and 72E each shall be and are hereby subject to an easement and right-of-way for the benefit of each of the remaining aforesaid Lots resulting from the subdivision of Lot 72, for the purpose of ingress, egress and regress over, across and through the portion of each Lot shown on Exhibit "B" as a common access drive on Lot 72, for the purpose of providing access to Rolling Ridge Drive.
- Section 3. Additional Easements. Each Lot shall be and is hereby made subject to all other easements affecting Rolling Ridge Townhomes which are set forth in the Plan attached as Exhibit "B".
- Section 4. Declarant's Easement for Construction. The Declarant specifically reserves the right and privilege without hindrance to go upon any and all of the Property for purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Lots (including without limitation to change the grade of grounds and/or to

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install drainage control devices so as to control possible drainage and/or run off of storm water in connection with the development of the Property or any adjacent land). The Declarant agrees to indemnify and hold the Association harmless from liabilities resulting from the exercise of this easement. This easement shall be appurtenant and shall pass with title to every Lot. The rights hereby reserved for the Declarant shall last for a period of five (5) years after the Declarant has conveyed the last Lot to a third party, other than a successor Declarant. This section shall not be amended without the prior written consent of the Declarant.

Section 5. Easements Appurtenant. All easements and rights described and mentioned in this Declaration are easements appurtenant, running with the Property and Lots perpetually in full force and effect, and at all times shall inure to the benefit of and be binding upon Declarant, its successors and assigns, the Association, the Executive Board, any Lot Owner, purchaser, mortgagee, lessee, occupant and any other person having interest in the Property, Lots, or any portion thereof.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot shall be a voting member of the Association upon taking fee title to a Lot. Membership shall include a legally binding obligation by an Owner to comply with and be bound by the Articles of Incorporation, the Bylaws and amendments thereto, this Declaration, and the policies, rules and regulations adopted at any time by the Association in accordance with the Bylaws and this Declaration. Membership in the Association shall terminate contemporaneously with such member ceasing to be an Owner of a Lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. <u>Voting Rights: Classes</u>. The Association shall have two classes of voting membership:

Class A. Class A members shall be Owners and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person is the Owner of any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) Class A membership vote be cast with respect to any Lot. The Class A members shall not include the Declarant unless and until his Class B membership shall cease and be converted to Class A membership as hereinafter provided.

<u>Class B.</u> The Class B member shall be the Declarant and shall be entitled to fifty (50) votes. The Class B membership together with the fifty (50) votes (or

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any additional Class B votes as hereinafter provided) shall cease and be converted to Class A membership with the right to one vote for each Lot owned as aforesaid on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes then outstanding in the Class B membership, or
 - (b) On January 1, 2002.

All votes shall be cast in person or by proxy registered with the Secretary of the Association. The Executive Board is authorized to establish procedures for voting by mail.

Section 3. Executive Board. An Executive Board shall be established pursuant to the Bylaws to be adopted by the Association, which Executive Board shall be empowered to make, establish, promulgate, amend or repeal rules and regulations from time to time (including, but not limited to establishing the frequency and criteria for lawn mowing and snow removal) and to perform those actions permitted by the Act. The Executive Board shall propose and approve the annual budget for Rolling Ridge Townhomes thirty (30) days prior to the end of Rolling Ridge Townhomes's fiscal year and shall establish the Total Annual Assessment Amount. The Executive Board shall provide a copy of the budget to all Owners of a Lot. Thereafter, the Members, by a majority of the total votes (Class A and Class B combined), may reject the budget or any particular capital expenditure.

Section 4. Liability of Board Members. Declarant and Employees. Neither any Member of the Executive Board, the Declarant, nor any employees of the Association shall be personally liable to any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, the Declarant, the Executive Board, or any other representatives or employees of the Association; and the Association shall indemnify and hold harmless such Board Member, Declarant, or other person from any and all claims and demands and expenses (including reasonable counsel fees) arising by reason of any alleged wrongful act or omission, in accordance with the Association's Bylaws. Nothing contained herein shall be construed to limit the liability of the Association.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. <u>Creation of the Lien and Personal Obligation of Assessments</u>. Each Owner of any Lot (and any Lot owned by the Declarant on which a townhouse is constructed

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and occupied as a residence) whether or not it shall be so expressed in the deed to such Lot, is deemed to covenant and agree to pay to the Association: (1) an Annual Assessment (2) Special Assessments for capital improvements and for other purposes as provided herein, and (3) Supplemental Assessments, all such Assessments to be established and collected as hereinafter provided (the Annual, Special and Supplemental Assessments are collectively referred to as "Assessments"). The Assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot (including all improvements thereon) against which each such Assessment is made. Each such Assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment became effective. The personal obligation for delinquent Assessments shall not pass to his successors in title unless expressly assumed by them and consented to in writing by the Association.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners of Lots, for the restoration, improvement and maintenance of certain portions of the Lots identified in Article V, Section 3, and Article VII, below, and all services and facilities relating to the use and enjoyment thereof.

Section 3. Annual Assessments for Common Expenses. The Association shall levy and collect, in each fiscal year, an Annual Assessment, as determined herein, upon each Lot to provide revenues to pay all Common Expenses, including among other things, the following:

- (a) Repair and maintenance of the exterior siding, soffits and trim of buildings on the Lots.
- (b) Lawn care of Lots and yards as originally landscaped by Declarant (excluding yard areas enclosed by fences and additional landscaping materials installed by an Owner). Maintenance, repair, replacement, reconstruction, snow and ice removal (for any accumulation of two (2) inches or more of snow), and cleaning of driveways and sidewalks of Lots (provided that the Association shall not be responsible for the repair of damage to sidewalks resulting from the application of salt or other snow or ice melting substances to the sidewalk surface by an Owner or an Owner's lessee, agent, contractor or invitee). Each Lot is separately metered for electricity, water, sewer and gas and each Owner shall be responsible to pay his or her utility charges directly to the utility providers based upon the meter readings of each Lot. Each Owner shall be responsible to pay directly for all trash or refuse collection services provided to the Owner and/or the Owner's Lot. Each Lot shall separately and directly pay for cable television service.

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- (c) Management fees and salaries or such expenses as the Association may deem necessary or desirable as determined by the Association in fulfilling its obligations under this Declaration or under the Act.
- (d) Legal, accounting, engineering or other professional fees and administrative costs necessary and proper conduct of the affairs of the Association, or enforcement of the Declaration, or any rules and regulations, or enforcement of and/or compliance with the Act.
- (e) Officers and directors liability insurance and fidelity bonds as the Association may deem necessary or advisable.
- (f) Any materials supplies, labor, services, structural alterations, insurance and tax assessments which apply thereto and/or which the Association is required to secure or pay by law, by this Declaration or which the Executive Board deems necessary and proper in its discretion.
- (g) Mechanics and materialmen's liens arising as a result of the Association's maintenance responsibilities hereunder;
- (h) Amounts necessary to recover any deficits from operations of the Association in prior years.
- (i) Adequate reserves, as determined by the Executive Board for: (i) any portion thereof and other portion of the Lots which the Association is obligated to repair and maintain; (ii) uncollectible accounts and (ili) any other contingency for which a reserve account reasonably may be established pursuant to sound accounting practices.
- Section 4. Annual Assessment. Each Lot in each fiscal year, shall be assessed (the "Annual Assessment") a proportionate share per Lot of the Total Annual Assessment Amount based upon the number of Lots which have been conveyed by Declarant or leased by the Declarant to another party (other than the sale of Special Declarant Rights under the Act). For example, if the Declarant has conveyed ten (10) Lots, then each Owner would be assessed one-tenth (1/10th) of the Total Annual Assessment. The Annual Assessment for any Owner owning a Lot for less than a full year shall be apportioned on a monthly, weekly or daily basis as determined by the Executive Board of the Association.
- Section 5. Special Assessments for Capital Improvements. In addition to the Annual Assessment authorized above, the Association may levy, in any fiscal year, a special assessment (the "Special Assessment") applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a

-9-REC 1123 M340 capital improvement upon those portions of the Lots which the Association is obligated to maintain, provided that any such assessment shall have the consent of two-thirds (2/3) of the votes of the members of the Association who are voting in person or by proxy at a meeting duly called for this purpose (the "Special Assessment"). For each Lot purchased, an Owner shall be assessed the Lot Owner's proportionate share of the Special Assessment determined in accordance with method set forth in Section 4 regarding Annual Assessments.

Section 6. Supplemental Annual Assessments. If the cash requirement estimate at the beginning of any fiscal year shall prove to be insufficient to pay the actual Common Expenses for such fiscal year for any reason including (by way of illustration and not limitation) any Owner's nonpayment of his or her assessment, the Board may, at any time it deems necessary and proper, levy a supplemental assessment (the "Supplemental Assessment"). In the event such Supplemental Assessment is required because of the failure of one or more Owners to promptly pay an Annual Assessment, the Supplemental Assessment may be determined based upon the anticipated failure of such defaulting Owner or Owners to pay his or her share of such Supplemental Assessment. Each Owner shall be assessed the Owner's proportionate share of the Supplemental Assessment in the same manner as the Owner's Annual Assessment is determined under Section 4.

Section 7. Billing Annual, Special and Supplemental Assessments. Annual Assessments are due and payable on the first day of each fiscal year; provided, however, that Annual Assessments may be billed in monthly, quarterly or any other periodic installments as may be determined by the Executive Board. Special and Supplemental Assessments are due and payable within fifteen (15) days of the date of mailing of such Assessment; provided, however, that the Executive Board may determine that such Special and/or Supplemental Assessment may be billed in monthly, quarterly or any other periodic installment.

Section 8. Failure of Executive Board to Determine Annual Assessment. If an Annual Assessment for any fiscal year is not determined before the expiration of the previous fiscal year, the Owners shall continue to pay the same sums and in the same installment as they were paying in the fiscal year just ended as if such sums were the new Annual Assessment, and such failure to fix a new Annual Assessment shall not constitute a waiver, modification or release of any Owner's obligation. If the Association shall change the Annual Assessment at a later date due to the fact that the Association failed to determine an Annual Assessment prior to the expiration of the prior fiscal year, an increase in the Annual Assessment as a result of such new assessment shall be treated as if it were a Supplemental Assessment hereunder and be retroactive to the beginning of the fiscal year.

Section 9. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board.

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Section 10. Other Special Assessments. The Board shall have the authority to fix, determine, assess and collect Special Assessments for the following purposes:

- (a) Any expenditure which the Association shall be required to make for the maintenance of part of a Lot for which the Association has maintenance responsibility because of any injury thereto or misuse thereof by one or more Owners or their tenants, guests, invitees or licensees shall be assessed as a Special Assessment against the Lot owned by the Owner or Owners responsible for such injury, loss or misuse, or whose tenants, guests, invitees or licensees caused such injury, loss or misuse; and
- (b) If the Association shall have made any expenditures on behalf of any Owner or Owners for any reason deemed necessary by the Board, the Board shall levy such expenditures as a Special Assessment solely upon the Lot owned by the Owner or Owners benefitted or who is responsible for the expenses. Such Special Assessments shall be levied promptly, and the debt arising from such Special Assessment shall be treated and due in the same manner as set forth above.

Section 11. Effect of Nonpayment of Assessments: Remedies of the Association. Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of fifteen percent (15%) per annum to be compounded daily. The Association may bring an action at law against the Owner personally obligated to pay the Assessment or an action to foreclose the lien against such Owner's Lot. In addition the Owner shall likewise be responsible for payment of reasonable attorneys fees and costs if the Assessment and interest is more than sixty (60) days in default. If the Board has provided for collection of Assessments in installments, the Board may accelerate payment and declare the entire balance of said Assessment due and payable in full. In the event of a delinquency in the payment of any Assessment when due, the Board shall have the right to accelerate and call due any Assessments which will become due and payable within the next succeeding twelve (12) month period. The Board may notify any institution or their lender holding a mortgage lien on such Lot of the non-payment of Assessments. No Owner may waive or otherwise escape liability for the Assessments provided for herein by abandonment of the Owner's Lot, or any other reason. The obligation to pay Assessments is absolute and unconditional and shall not be subject to counterclaims or set offs.

Section 12. Power to Confess Judgment to Collect Delinquent Assessments. As a means of enforcing the obligation of the Owners to pay all Assessments levied pursuant to this Declaration, the Board shall have the right and power to obtain a judgment or judgments for delinquent Assessments by confession against the Owner against who such delinquent Assessments have been levied. Accordingly, each Owner shall be deemed to have appointed any one or more members of the Executive Board (during such member's term of office) as the

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attorney-in-fact for such Owner to confess judgment against such Owner in any Court of competent jurisdiction in the Commonwealth of Pennsylvania for any delinquent Assessment or Assessments, for the purpose of which a copy of this section and a copy of the Owner's deed to his or her Lot (both verified by the affidavit of any member of the Executive Board) shall be sufficient warrant. The authority herein granted to confess judgment shall not be exhausted by any exercise thereof but shall continue and be effective at all times with respect to each and every delinquent Assessment. Such authority to confess judgment and the aforesaid appointment of attorneys-in-fact, being for security, shall be irrevocable. The Executive Board shall not exercise its rights to obtain a judgment by confession against any institutional lender who has acquired title to a Lot by foreclosure sale or deed or assignment in lieu of foreclosure, nor shall such right be exercised against any Owner except after the Executive Board shall have given the delinquent Owner at least ten (10) days' notice of its intention to do so.

Section 13. Subordination of the Lien to Mortgages. The lien of the Assessment provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Property, or any part thereof subject to the Assessment. Sale or transfer of any Lot will not affect the Assessment lien provided, however, that the sale or transfer of any Lot pursuant to mortgage foreclosure or any other proceeding in lieu of foreclosure shall extinguish the lien of such Assessments as to payments which became due during the six-month period immediately preceding such sale or transfer only to the extent that the six-month's unpaid Assessments are paid out of the proceeds of the sale. The lien of such Assessments as to payments which become due prior to the six-month period immediately preceding such sale will be fully extinguished, whether or not the proceeds of the judicial sale are adequate to pay such Assessments; provided, however, to the extent that the proceeds of the sale are sufficient to pay all liens, and the Assessments made during the six-month period prior to the sale, then any remaining proceeds shall be paid to any other claimant. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

ARTICLE VI

ARCHITECTURAL CONTROL: PROTECTIVE COVENANTS

Section 1. Architectural Control. Except any original construction by the Declarant, no building, fence, wall or other structure shall be commenced, erected or maintained upon the Lots in Rolling Ridge Townhomes, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Executive Board of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Executive Board. The

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Executive Board (or the architectural committee) shall establish one uniform style of fence for use by all Owners. An Owner may make any alteration or improvement to the interior of a townhouse that does not impair the structural integrity or mechanical systems or lessen the support of any portion of the Planned Community. Any proposed change by any Owner other than Declarant in the existing color or finish of any exterior surface of any townhouse or other building on a Lot shall also be submitted to and approved by the Executive Board as above provided. In the event the Executive Board, or its designated committee, fails to approve or disapprove such change, design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 2. Protective Covenants. Without intending to limit the generality of the foregoing provisions of Article VI, Section 1, the following restrictions are imposed as a common scheme upon all Lots:

- (a) No above or below ground tank for storage of ten (10) gallons or more of gas or liquids may be maintained on any Lot (except for above ground storage tanks located in the basement of a townhouse unit and used for heating oil for providing heat and/or hot water to the townhouse).
- (b) No animals, livestock, or poultry of any kind shall be raised, bred or kept in any building or on any Lot, except that dogs, cats or other domesticated household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and provided that not more than two (2) pets in the aggregate may be kept on any Lot. All pets shall be kept inside of the residence or garage from sunset to sunrise and no pet shall be left unattended at any time while outdoors. Each Owner shall be responsible for the control of his or her domesticated household pets and shall be responsible for cleaning up after his or her pet. In the event of failure of Owner to properly clean up after his or her pet, the Association may take whatever action is necessary to clean up after the pet of Owner and may surcharge Owner for the reasonable costs thereof.
- (c) No garbage, refuse, rubbish or cutting shall be deposited on any Lot, street, sidewalk or parking area. Trash may be placed outside no earlier than 6:00 P.M. the night prior to the collection. Containers provided by the Owners shall not be placed on any street, sidewalk or parking area except when necessary for collection and shall regularly be kept in a location on the Lot which is unobtrusive to view from any other portion of Rolling Ridge Townhomes, as provided by the rules of the Association.

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- (d) No commercial (except for standard size pick-up trucks and standard passenger vehicles with signage no greater than four square feet on each side for a total of eight square feet) or other non-passenger vehicle of any type shall be permitted to remain overnight, outside on any property of an Owner or any Lot, other than as may be used by the Declarant or its assigns in conjunction with building operations. Commercial and non-passenger vehicles may be kept inside the garage. Unlicensed vehicles shall not be parked or stored on a Lot unless inside of the garage.
- (e) No mobile home, motor home, trailer, pick-up camper or boat shall be permitted to occupy a Lot or any part thereof, or driveway thereon, unless the vehicle or boat is located inside of the garage. Temporary parking for a period not to exceed twenty-four (24) hours for the above mentioned vehicles or boat shall be permitted.
- (f) No parking shall be permitted on any street, lawn, median strip, public walkway, swale, berm or other unpaved area or any place other than on the paved driveway of each Lot. Each Owner shall be responsible for compliance with the foregoing parking restrictions by any visitors to a Lot.
- (g) No trucks (other than standard pick-ups), trailers, boats, motor cycles, recreational vehicles, motor homes, water vehicles, snow mobiles or other motor vehicles shall be parked, repaired or stored on any street overnight within the Rolling Ridge Townhomes.
- (h) No all terrain vehicles or similar vehicles, go-carts, mopeds, motor cycles, snow mobiles, or similar types of motorized vehicles shall be operated on any of the Lots within Rolling Ridge Townhomes. All of the foregoing vehicles shall, at all times, be stored inside of the garage.
- (i) No outside radio or television antennas shall be erected on a Lot or a building within Rolling Ridge Townhomes, other than circular satellite receivers having a diameter of not more then eighteen (18) inches placed in a location approved by the Association Executive Board.
- (j) No drying or airing of any clothing or bedding shall be permitted outdoors on any Lot, and clothes hanging devices such as lines, reels, poles frames, etc., shall not be erected.
- (k) No noxious, unsightly or offensive activity, vehicle repairs (except inside garage), no open fires or burning of trash, brush or any other materials whether or not located in a container, shall be conducted on any Lot or by an

- 14 -PEC 1123 % 345 Owner on the street, nor shall anything be permitted to be done thereon which may be or become an annoyance or nuisance to any Owner. No rubbish, ashes, cuttings or debris of any kind shall be kept or dumped at the rear of or on any other location on any Lot or Common Area. Regular trash disposal services shall be obtained by each Owner for the disposal of all garbage and other trash, with said disposal to occur on at least a weekly or more frequent basis, so that garbage and other trash shall not be permitted to accumulate on any Lot.

- (1) Gardening will be permitted only in areas specifically approved by the Declarant, subject to the written approval of the Executive Board.
- (m) No sign of any kind shall be displayed to the public view of any Lot or building thereon except a one-family name sign of not more than two (2) square feet on each side (a total of four (4) square feet on both sides), or one temporary sign of not more than four (4) square feet on each side (a total of eight (8) square feet on both sides), advertising the property for sale or rent. No such sign shall be illuminated. This provision shall not apply to the Declarant pursuant to its activities to sell Lots in Rolling Ridge Townhomes,
- (n) No swimming pools (above ground or in-ground), hot tubs, jacuzzi's, water slides, or similar devices shall be permitted on any Lot, except that jacuzzi's and hot tubs of appropriate size located in a basement or other suitable area within a residence.
- (o) No garage or other structure (except for the townhouse shall be used for human habitation temporarily or permanently.
- (p) No lawn or garden ornamentation, statuary, furniture or sports equipment shall be permanently located on any area of any Lot which is to be mowed or otherwise maintained by the Association. Lawn furniture, sports equipment and similar items may be temporarily located in the grassed areas or other portions of a Lot which are maintained by the Association, but shall be moved from such areas at the end of each day. If an Owner shall place any of the foregoing items or any other obstructions in the grassed area or other portion of a Lot to be maintained by the Association, such Owner shall be subject to a surcharge by the Association for the moving of such items and for the resulting delay to the maintenance activities of the Association. The amount of such surcharge may be established from time to time by the Executive Board of the Association, in its discretion.
 - (q) No Lot shall be permitted to be subdivided by any Owner.

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- (r) No flags of any type shall be displayed on any Lot other than the flag of the United States of America, which shall be no larger than 3' x 5'.
- (s) No sheds, free standing garages, gazebo, storage buildings or other structures (other than the townhouse and attached garage) shall be constructed or located on any Lot.
- Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.
 - (a) The right of any Owner to contribution from any other Owner under Section 3 shall be appurtenant to the land and shall pass to such Owner's successors in title.
 - (b) In the event of any dispute arising concerning a party wall, or under the provisions of Article VI, Section 3, the Owners involved in such dispute shall submit the matter to the Executive Board of the Association for decision. A ruling by the majority of the Executive Board of the Association regarding any question involved under Section 3 shall be final and conclusive.

ARTICLE VII

MAINTENANCE OBLIGATIONS

Section 1. The Association shall maintain all of the paint and wood finish on the exterior surface of any building or other improvement on any Lot. In the event that the need for such maintenance of paint and wood finish is caused:

- (a) through the negligence or willful act of the Owner, the Owner's family, or guests, or invitees; or
- (b) by an alteration or change by Owner, other than Declarant, of any improvement on the Lot,

the cost of such maintenance shall be added to and become a part of the assessment to which such Lot is subject.

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- Section 2. The Association shall also maintain all of the sidewalks within Rolling Ridge Townhomes and shall not only be responsible for maintenance with requisite improvements to same, but shall also be responsible for snow removal from all sidewalks to the point of entrance to the building on each Lot. The Association shall not remove snow for any accumulation of less than two (2) inches. The Owner shall be responsible for any damage to sidewalks resulting from the Owner, Owner's lessee, agent, contractor or invitee applying salt or any other snow or ice melting substance to the surface of the sidewalks.
- Section 3. The Association shall not be responsible for maintenance of wooden decks, spouting or roofing, provided, however, that the Association does have the right to control the maintenance of wood decks, spouting and roofs, and perform maintenance or repairs if the Owner refuses to do so and it is deemed necessary by the Association, the cost of said maintenance or repair to be the sole responsibility of Owner.
- Section 4. The Association shall also be responsible for all cutting of grass and all exterior lawn and shrub maintenance and repair and/or replacement of all walks, walkways, sidewalks and access easements as depicted on the plans on each Lot. The Association shall cut the grass to the curbs of the dedicated public streets.
- Section 5. The Association shall employ such contractors or subcontractors as are necessary to provide the services provided for each Owner as contemplated in this Article by competitive closed bidding in accordance with rules and regulations to be determined by the Executive Board.
- Section 6. Except with respect to exterior paint and wood finish as above provided, in the event any Owner of any Lot in Rolling Ridge Townhomes shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Executive Board, the Association, after approval by two-thirds (2/3) vote of the Executive Board, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VIII

WITHDRAWABLE REAL ESTATE

Section 1. Declarant hereby explicitly reserves the option, until the seventh (7th) anniversary of the recording of this Declaration, to withdraw all or any portion of the Withdrawable Real Estate in compliance with Section 5212 of the Act, without the consent of any of the Unit Owners or holders or insurers of any interest in the Unit, if any. This option

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to withdraw may be terminated prior to the seventh (7th) anniversary of the filing of the Declaration only upon the filing of an amendment to this Declaration by the Declarant. Declarant expressly reserves the right to withdraw, without limitation, any or all portions of the Withdrawable Real Estate at any time, at different times and in any order; provided, however, that the Withdrawable Real Estate shall not exceed the area(s) described in the Plat for Rolling Ridge Townhomes, attached hereto as Exhibit "C" hereto. There are no other limitations on this option to withdraw the Withdrawable Real Estate. The withdrawal of all or any part of the Withdrawable Real Estate will result in fewer Units and, therefore the total number of Owners who are members of the Association will decrease. Each Owner shall continue to be entitled to one (1) vote for each Lot as provided in Article IV, but because of fewer total votes, the relative strength or value of each vote could be viewed as being greater than if the Withdrawable Real Estate or any part thereof is not withdrawn. Likewise, the percentage share of Common Expense assessed against each Unit under Article V will increase proportionately if some or all of the Withdrawable Real Estate is withdrawn and, therefore, fewer Units are created. However, if the Declarant withdraws some or all of the Withdrawable Real Estate and fewer Units are therefore created, the total amount of the Common Expenses should be less than if more Units were created and the amount of the Assessments imposed upon each Unit should not significantly change as a result of Declarant exercising its option to withdraw all or a portion of the Withdrawable Real Estate. In the event that the Declarant withdraws all or any portion of the Withdrawable Real Estate, the assurances, if any, contained in this Declaration shall not apply to the Withdrawable Real Estate withdrawn from Rolling Ridge.

To withdraw all or any part of the Withdrawable Real Estate from Rolling Ridge, the Declarant shall prepare, execute and record an amendment to the Declaration which shall contain a legally sufficient description of the real estate being withdrawn and stating the fact of the withdrawal from Rolling Ridge. If any portion of the Withdrawable Real Estate is owned by any person other than the Declarant, that portion may not be withdrawn by the Declarant. Until withdrawal occurs or the period during which withdrawal may occur expires, whichever occurs first, the Declarant will be responsible for payment of the real estate taxes assessed against the Withdrawable Real Estate and all other expenses in connection with the Withdrawable Real Estate. No other Unit Owner and no other portion of the planned community is subject to a claim for payment of those taxes or expenses.

Section 2. Easements Regarding Withdrawable Real Estate. If and when Withdrawable Real Estate is withdrawn, the Declarant, for the benefit of the Unit Owners and the Association, and the owners and/or occupants of the portion of the Withdrawable Real Estate withdrawn shall execute and record a Declaration of Reciprocal Easements establishing the following easements:

(a) A non-exclusive easement and right-of-way over, on and upon any roads and streets created within Rolling Ridge for ingress and egress to and from any public street serving Rolling Ridge;

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- (b) The right of access for the placement and maintenance of utilities which serve or will serve any owner of any portion of the Property including, without limitation, electrical, gas, telephone, sewer and water lines;
- (c) The right to use and gain access to existing utilities located on the Property including, without limitation, water lines, sanitary sewer and storm sewer facilities, and to tie into said facilities, together with the right to install and maintain new utility facilities.

ARTICLE IX

OFFICES, SIGNS AND MODELS

The Declarant specifically reserves the right and right and privilege to maintain offices and models in the townhouses constructed on any Lots owned by Declarant in connection with its management, sale and/or rental of Lots owned by the Declarant in Rolling Ridge Townhomes. The Declarant shall have the right to locate, relocate and maintain offices and models used in connection with management, sale or lease of units owned by the Declarant to any of the Declarant's unit. The Declarant may maintain signs in the Declarant's Lots owned by the Declarant for sale and/or rent.

ARTICLE X

COMMON UTILITY LINES

To provide the Owners with underground utility lines, it may be necessary that two (2) Lots be served with a common service entrance line. Owners of Lots with such lines agree to cooperate fully with the utility companies concerned therewith for all maintenance, repair and other measures as may be necessary to provide adequate and proper service to the Owners and Lots served thereby.

ARTICLE XI

PUBLIC USE OF EASEMENTS

Section 1. In order that there be adequate ingress and egress to all Lots, all Owners hereby agree to permit the use by other Owners and the Association of a reasonable. portion of their Lot, which use and enjoyment shall be limited to access to the rear yard of a Lot

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and those walkways, sidewalks and access easements as depicted on the plans and the maintenance of the lawns.

ARTICLE XII

CATV

Because of architectural characteristics of certain buildings within Rolling Ridge Townhomes, Declarant, their heirs, successors and assigns, may install master television antenna systems ("MATV") or CATV systems therein. Each Owner who shares access to such a system hereby grants an easement for the installation, operation, maintenance and repair of such system, which easement shall permit the Declarant, and their agents, employees or designees access at reasonable hours for said purposes. In the case of CATV or MATV systems, the connection for service shall be optional and service charges will be levied by the Owner or operator thereof.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Municipal Access and Assessments. If the Association shall fail or be unable to properly maintain and repair the stormwater management facilities, sanitary sewer facilities or other infrastructure improvements which are not dedicated for public use to a public body and maintained by the Association for the common benefit of the Units, the Borough of Milton shall have the right to access the infrastructure facilities and undertake the maintenance, repair and/or replacement of the facilities as may be necessary to preserve the health, safety and welfare of the Unit Owners and the community of the Borough of Milton generally. In such event, the Borough of Milton shall have the right to enforce the provisions of this Declaration and issue assessments against the Unit Owners to recover any costs and expenses incurred by the Borough in carrying out the maintenance, repair and/or replacements as aforesaid. Any assessments which are unpaid shall be a "municipal lien" on the Units for which the assessments are not paid.

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Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 4. Termination and Amendment. Subject to this Declaration being terminated at any time by a vote of at least eighty percent (80%) of the Owners of the Lots in Rolling Ridge Townhomes, the covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded after which time they shall be automatically extended for successive periods of ten (10) years, unless not less than eighty percent (80%) of the Owners vote not to extend the Declarations and such vote is taken not less than six months prior to the date for the beginning of a ten (10) year extension. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than seventy (70%) percent of the Owners, and thereafter by an instrument signed by not less than seventy-five (75%) percent of the Owners; provided, however, that the Declarant shall be permitted to amend this Declaration when such amendment relates to Withdrawable Real Estate. Any amendment must be recorded to be effective and binding.

Section 5. Phase III Declaration of Protective Covenants. The Declaration of Protective Covenants for Rolling Ridge PRD Phase III, dated August 7, 1995, and recorded in the Office of the Recorder of Deeds in and for Northumberland County in Book 1014, at Page 55, as amended from time to time, are applicable to the Property. If there is any conflict between the provisions of those protective covenants and the provisions of this Declaration, the provisions set forth herein shall govern.

IN WITNESS WHEREOF, this Declaration has been executed the day and year above written.

JOHN FOGARTY DEVELOPMENT CORPORATION

104734/September 9, 1997

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COUNTY OF UNION

On this <u>ITH</u> day of <u>SEPTEMBER</u>, 1997, before me, a Notary Public, the undersigned officer, personally appeared John T. Fogarty, President of Fogarty Development Corporation, a Pennsylvania corporation and executed the foregoing instrument for the purpose therein contained by signing his name as President.

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

Notary Public

My Commission Expires:

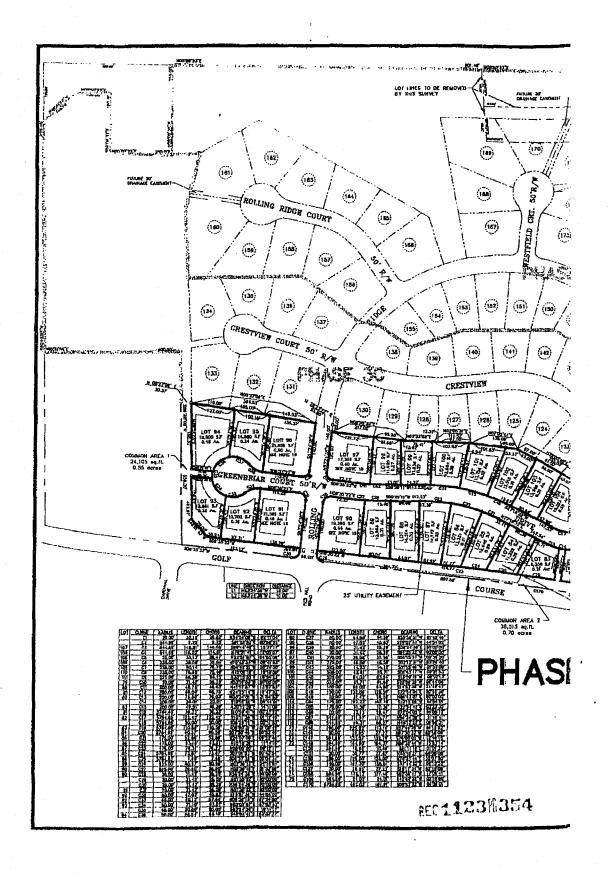
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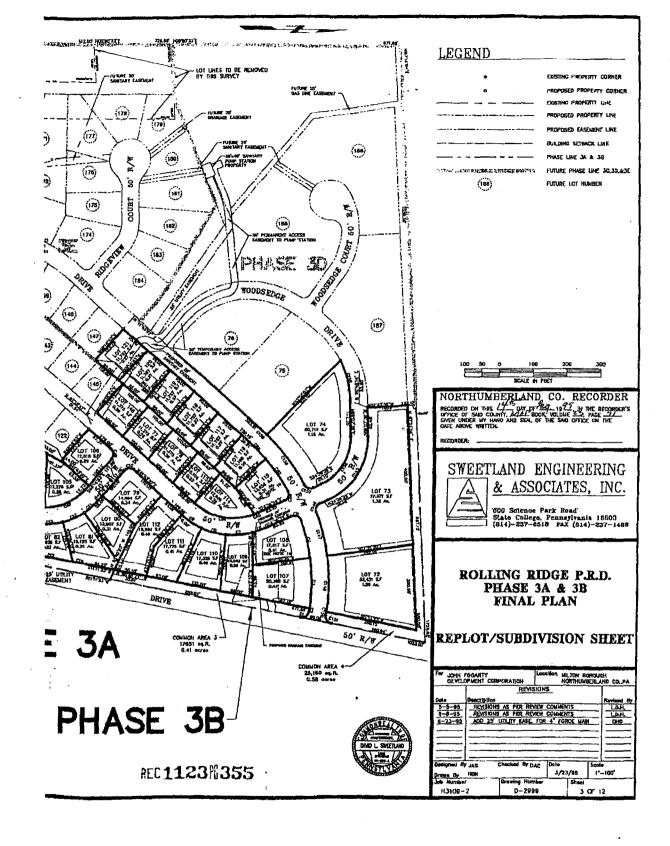
Notarial al
Gary W. Bennett, Notary Public
East Buffaio Twp., Union County
My Commission Expires Jan. 11 2001

Member, Pennsylvania Association of Notaries

Percorder's Office of

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ROLLING FINAL LAND DI PHASE 3B LOTS 72 FAYLOR-MIDDLECHEEK INC. PARCEL II D.B. 884 PG. SC FAYLOR-MODELEREDX INC. TAX (18-85) PARCEL L TRACT "C" OF D.B. 564 PG. 931 SCALE: 1"=2000 LOCATION MAP NOTES: O MILTON CENETARY CO. TAX # 18-44 TREST BAPTIST CHURCH OF MILTON TAX # 18-85A D.R. 500 PG. 488 0 INDEX OF DRAWINGS COVER/SIGNATURE SHEET SITE LAYOUT/GEOMETRY PLAN UTILITY PLAN PLAN & PROFILE GRADING/SWM PLAN E & S CONTROL PLAN LIGHTING/LANDSCAPE PLAN CONSTRUCTION DETAIL SREET REC1123%356

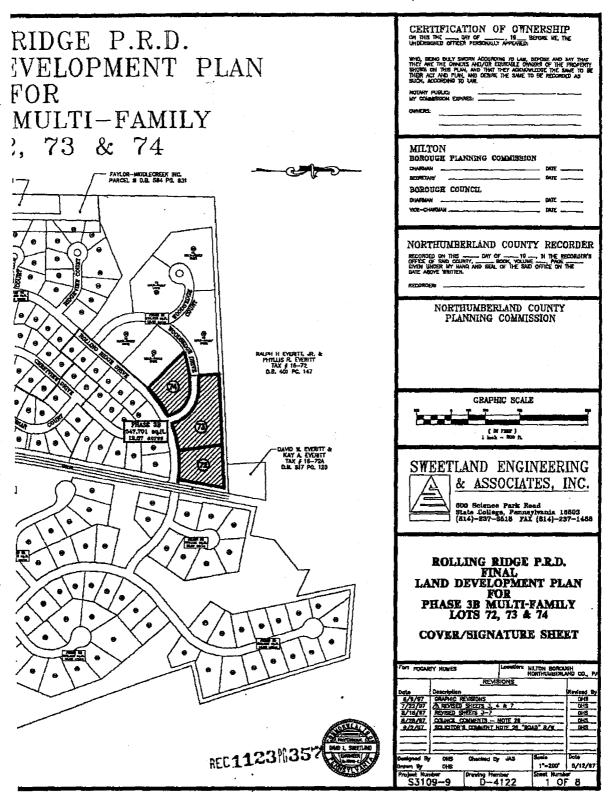
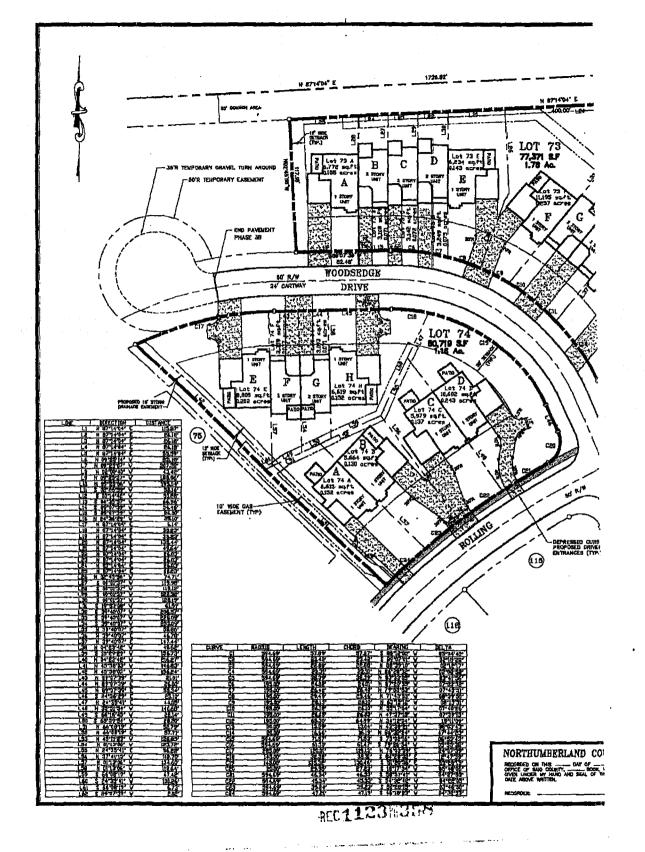
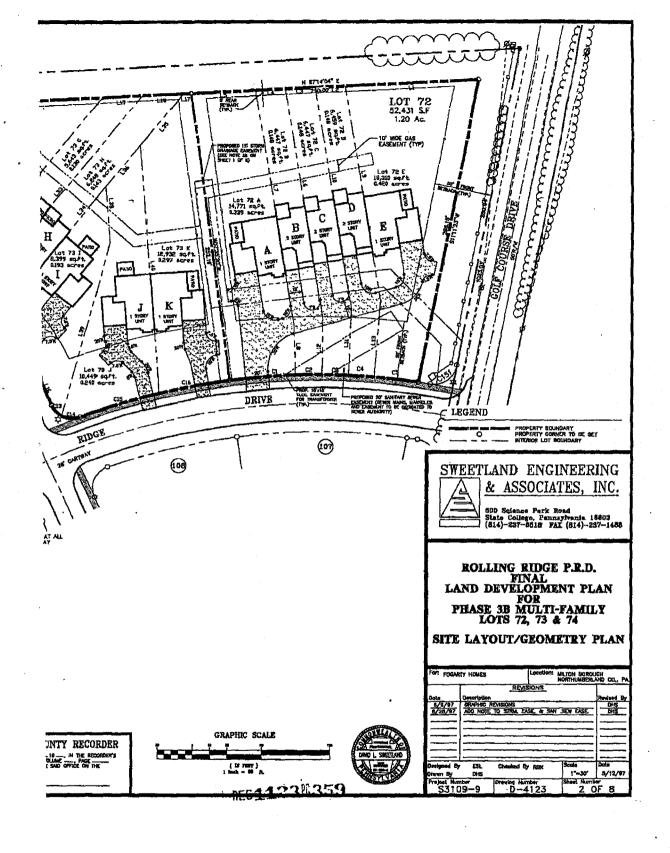
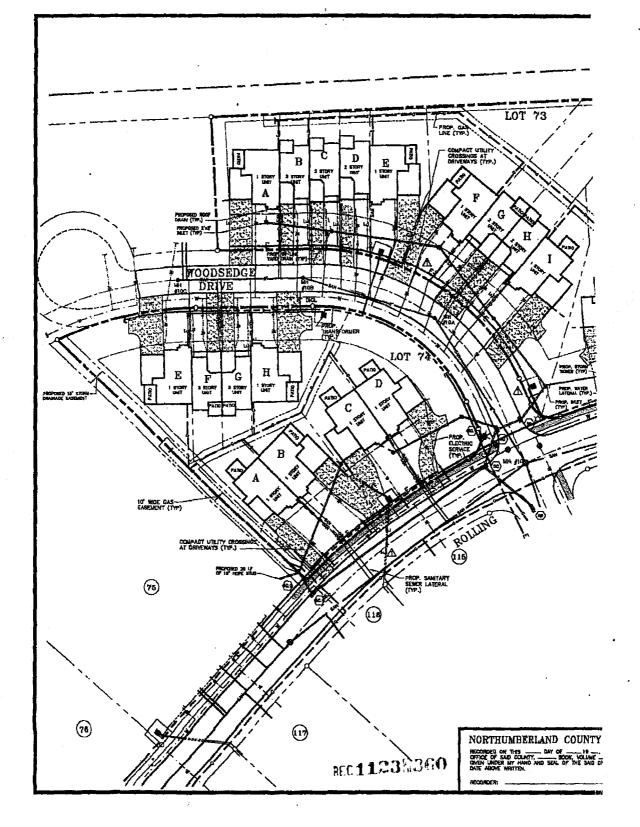
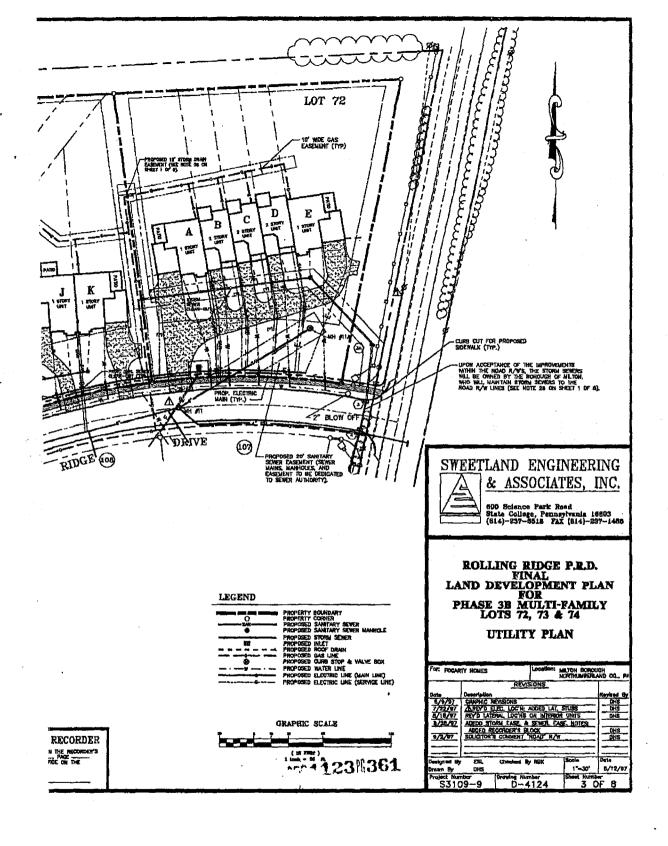


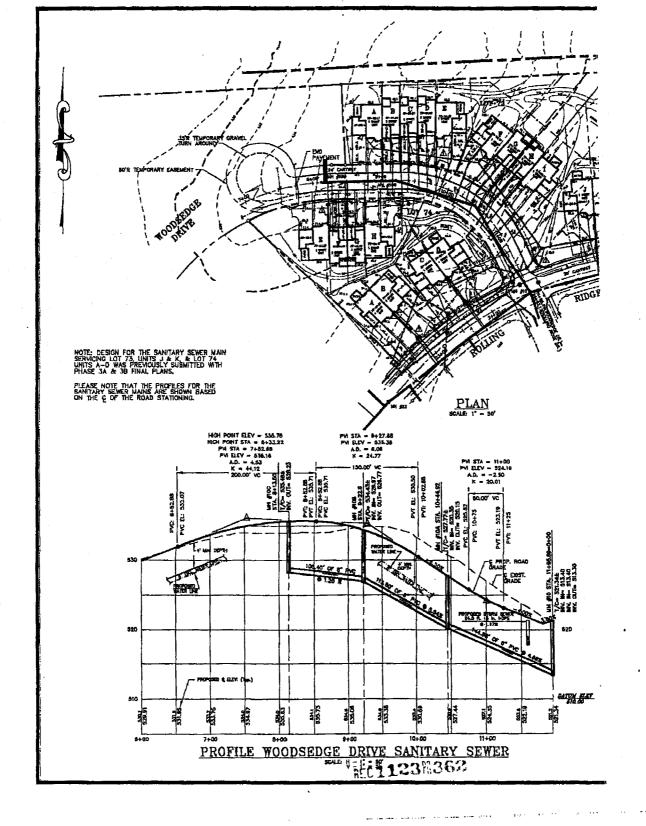
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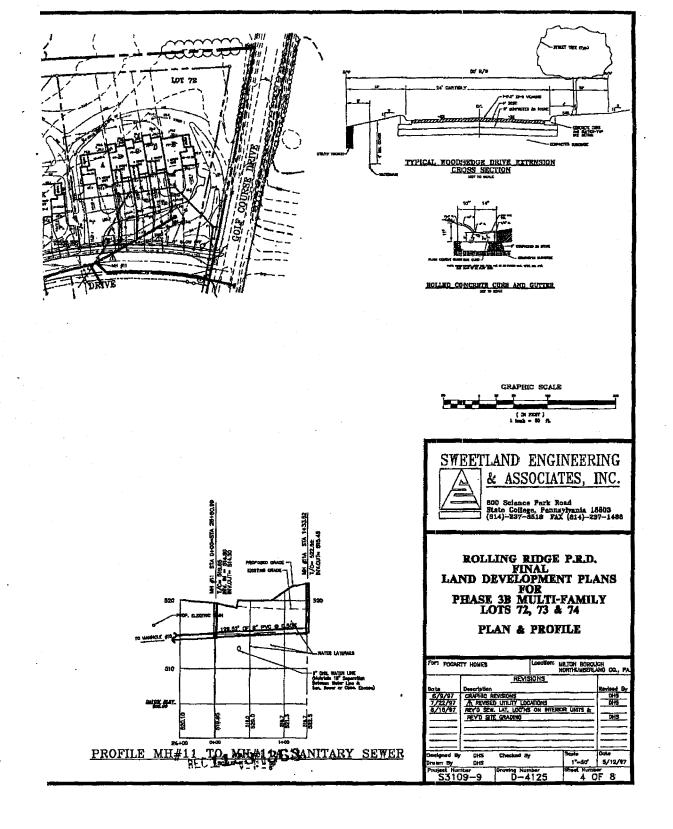


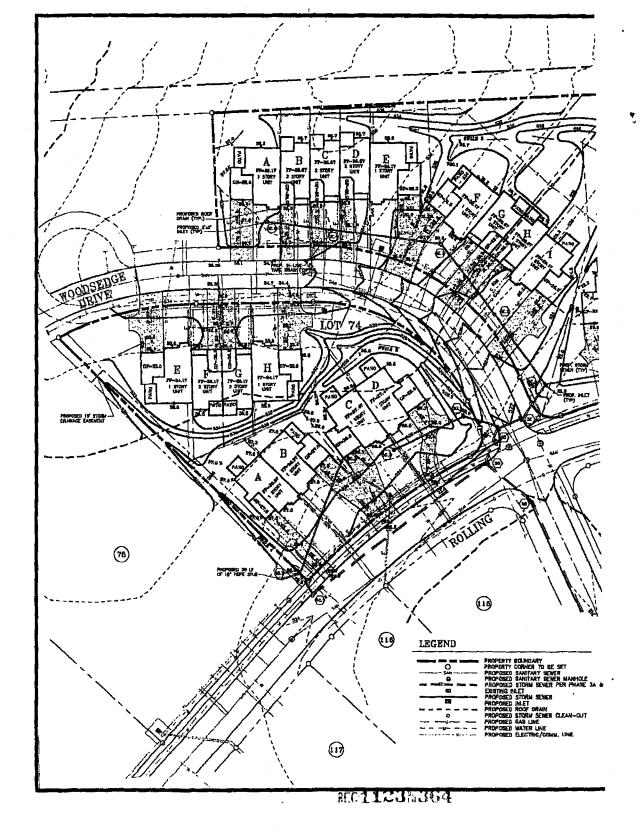


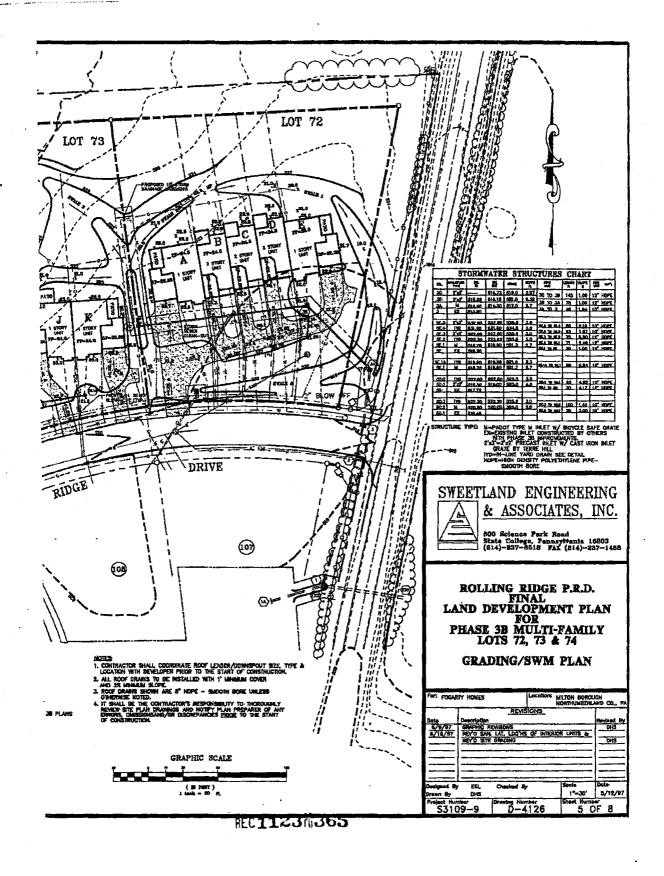




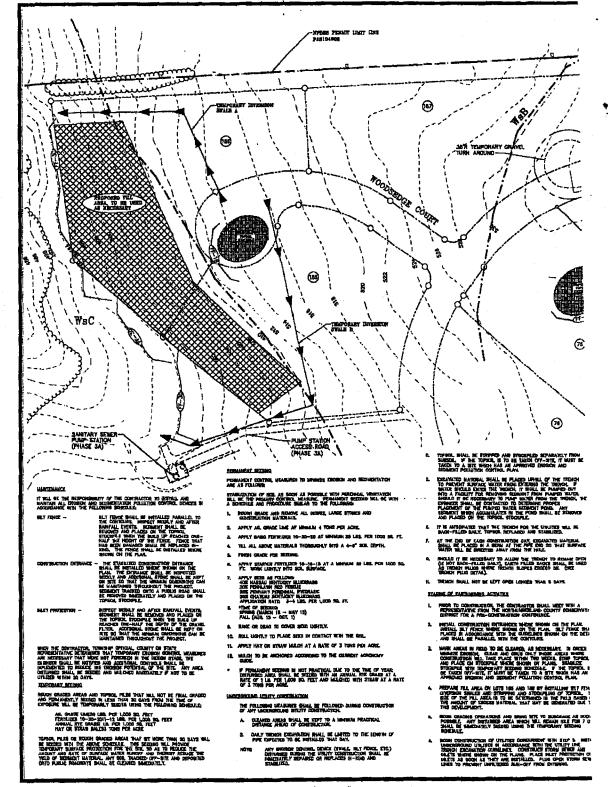




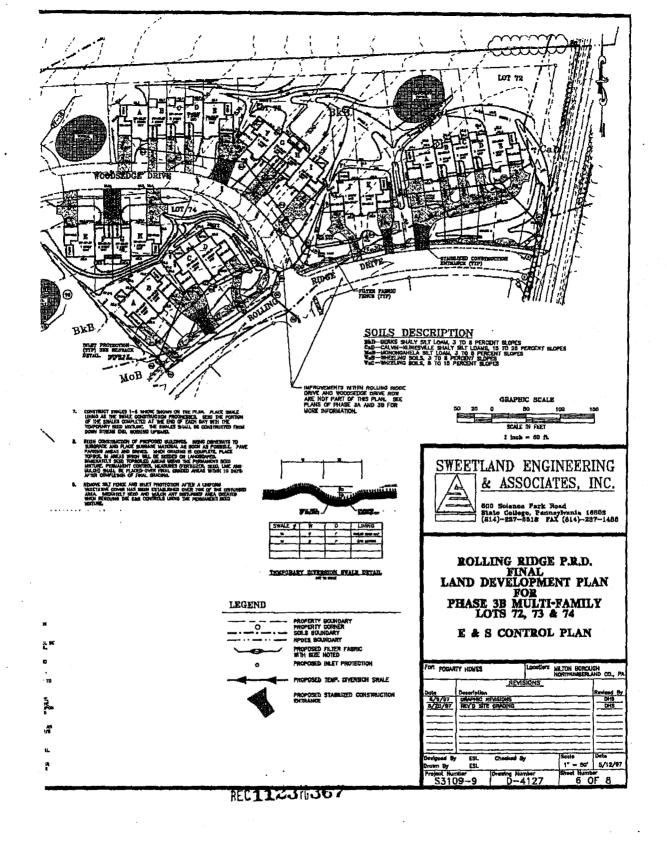


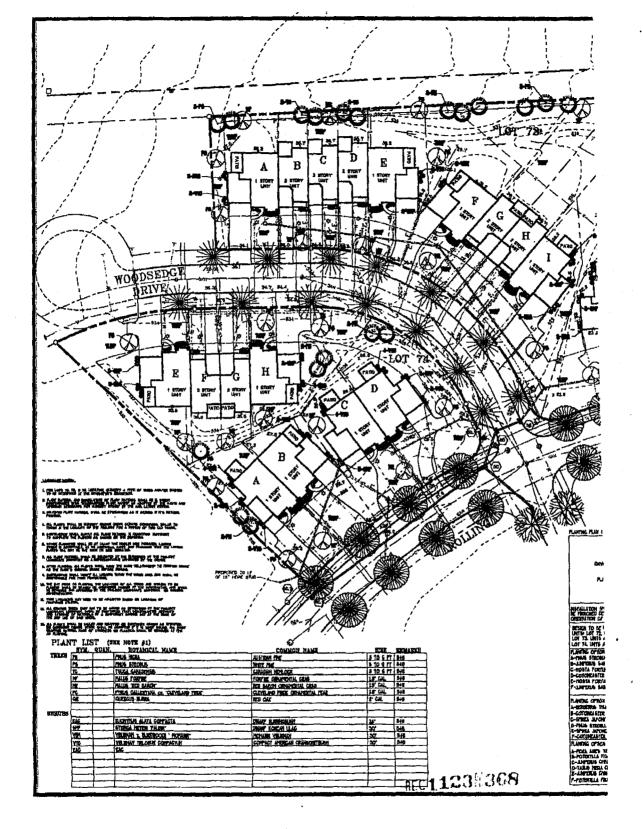


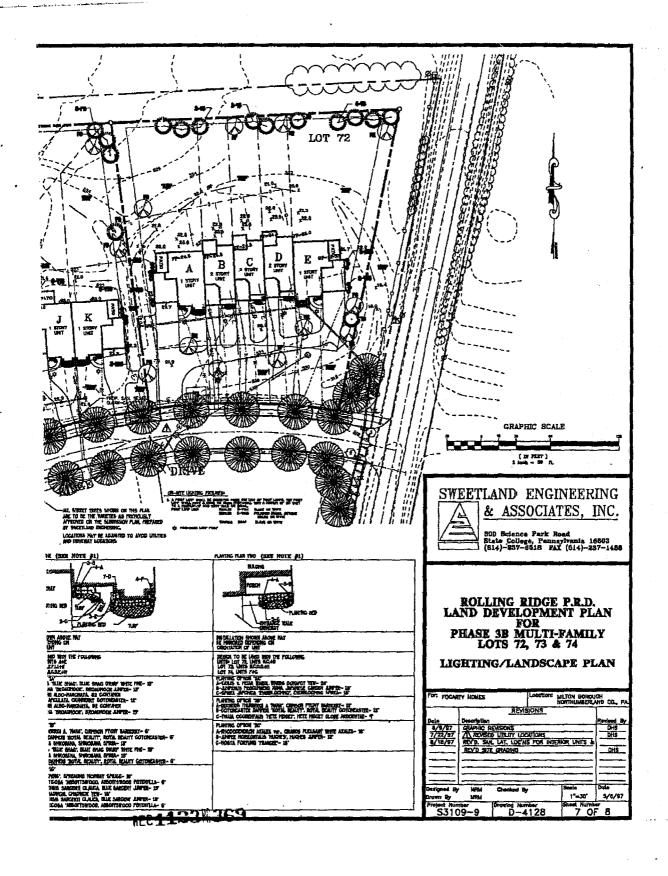
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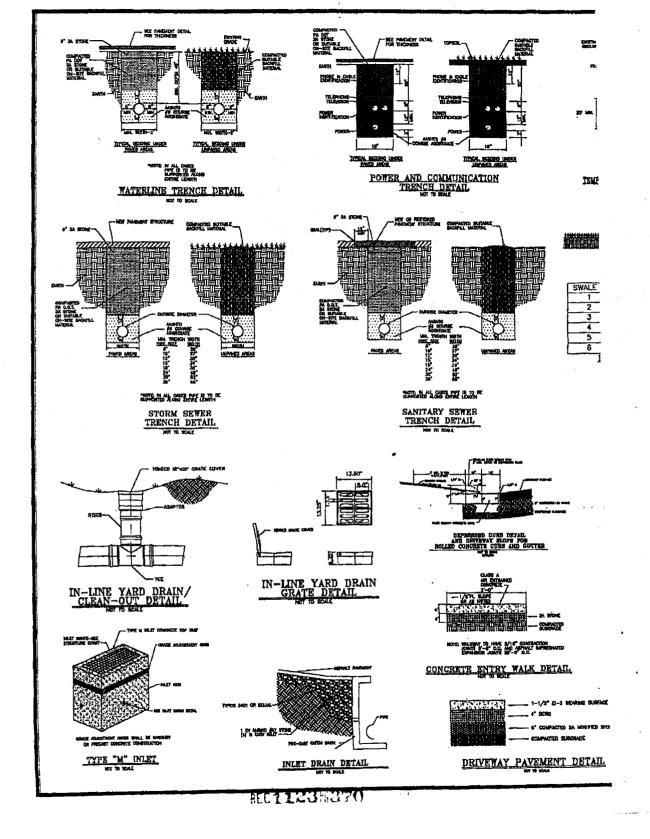


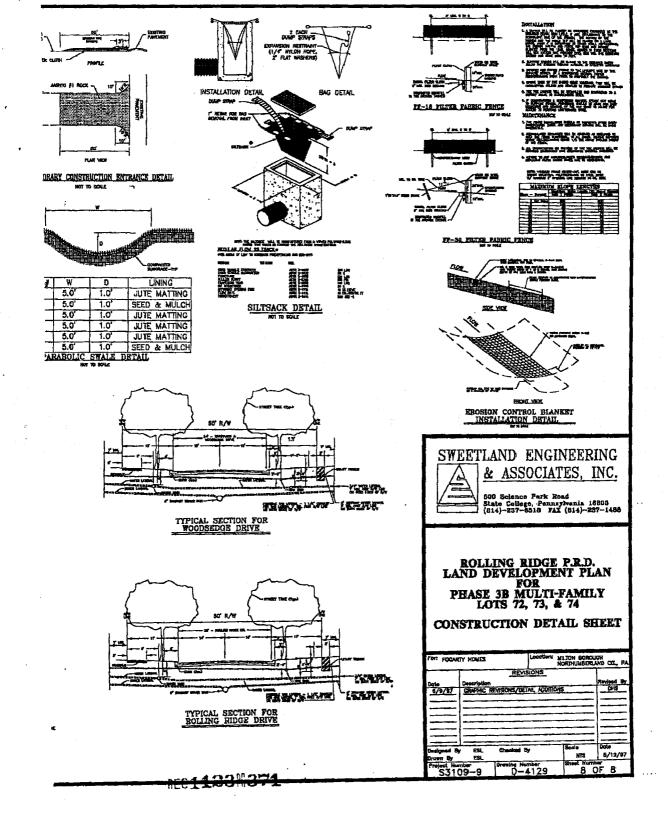
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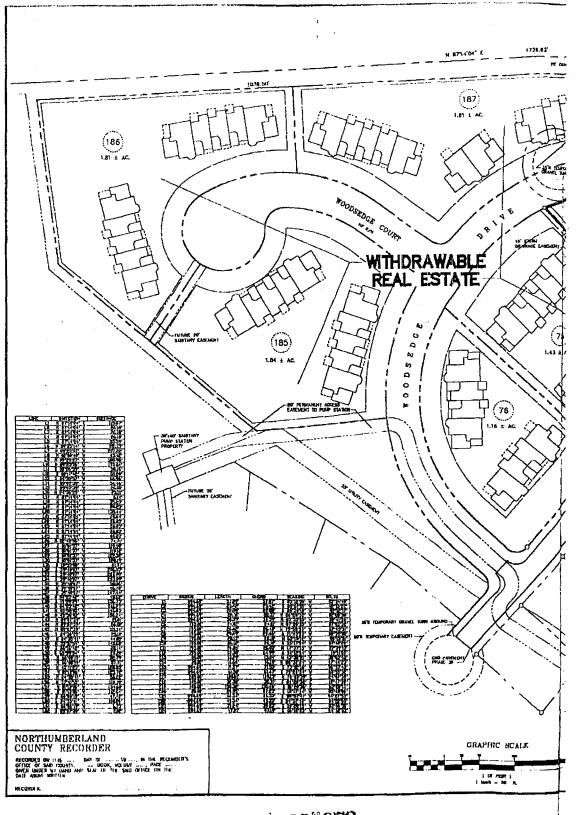




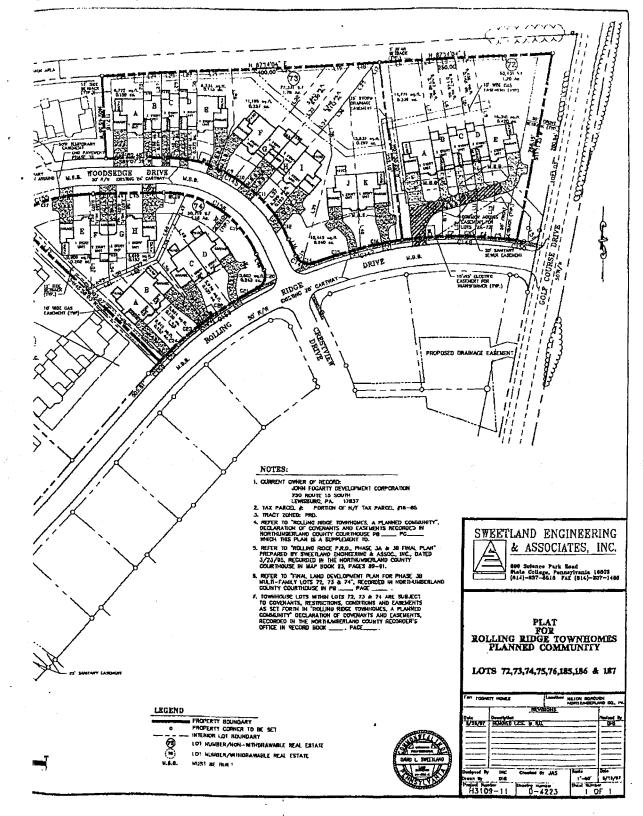








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