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Michele Mustello T20100003290
Butler County Recorder MLGRACE BA

DECLARATION OF COVENANTS, CONDITIONS, RESERVATIONS AND
RESTRICTIONS

CHATHAM COURT, A FLEXIBLE PLANNED COMMUNITY

Pursuant to the provisions of the
Pennsylvania Uniform Planned Community Act,
68 Pa. C.S. § 5101 *et. seq.*, as amended

Township of Adams
County of Butler
Commonwealth of Pennsylvania

February 25, 2010



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

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

MAIL TO:
PO. BOX 407
ZELIGWOPLE, PA 16063

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EXHIBIT A—LEGAL DESCRIPTION OF PROPERTY

EXHIBIT A-1 – LEGAL DESCRIPTION OF ADDITIONAL PROPERTY

EXHIBIT B— PERCENTAGE INTERESTS

EXHIBIT C —PLATS AND PLANS

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

CHATHAM COURT

Township of Adams

County of Butler

Commonwealth of Pennsylvania

THIS DECLARATION is made this 25th day of February, 2010, by Grace Bay Limited Partnership, a Pennsylvania limited partnership (the "Declarant"), as owner in fee simple of the Property (hereinafter described).

ARTICLE I

SUBMISSION

Section 1.1 Declarant; Property; County Name. Grace Bay Limited Partnership (the "Declarant"), the owner in fee simple of the property located in Adams Township, Butler County, Pennsylvania described in Exhibit "A" attached hereto and incorporated herein (the "Property"), has made the Property subject to the following covenants, conditions, reservations and restrictions. The Declarant intends that the Property subject to this Declaration shall constitute a flexible "planned community," as that term is defined in the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. §§ 5101, *et seq.*, as the same may be amended from time to time (the "Act"). The planned community shall be known as "Chatham Court" (the "Planned Community").

ARTICLE II

DEFINITIONS

Section 2.1 Terms Defined in the Act. Capitalized terms not otherwise defined herein or in the Bylaws or the Plats and Plans (as defined herein) have the meanings specified or used in the Act.

Section 2.2 Terms Specifically Defined in this Declaration. In addition to the terms defined above, the following terms have the following specific meanings in this Declaration, the Bylaws, and Plats and Plans:

- (a) "Additional Property" means the real property identified on Exhibit "A-1".
- (b) "Agreement of Sale" means an agreement of sale entered into between the Declarant and the prospective purchaser of a Unit.
- (c) "Association" means the Unit Owners' Association, which shall be known as "Chatham Court Homeowners' Association."
- (d) "Budget" means the annual budget approved by the Association for the expenses of the Planned Community.

(e) **"Bylaws"** means the document having that name and providing for the governance of the Association, pursuant to section 5306 of the Act, as such document may be amended from time to time.

(f) **"Common Elements"** means and refers to the Common Facilities and the Controlled Facilities.

(g) **"Common Expenses"** means expenditures made or liabilities incurred by or on behalf of the Association for the benefit of the Unit Owners, together with any allocation to reserves.

(h) **"Common Facilities"** means and refers to all of the Property within the planned community owned by or leased to the Association, which is not designated as a Unit on the Plats and Plans. Common Facilities are those set forth in Section 4.1 of this Declaration.

(i) **"Controlled Facilities"** means and refers to those portions of the Property whether or not part of a Unit, which are not Common Facilities but which are maintained, improved, repaired and replaced by the Association. Controlled Facilities are those set forth in Section 5.1 of this Declaration.

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

(k) **"Executive Board"** means the executive board of the Association.

(l) **"Lot"** means the lot area surrounding each Unit as described in the Plans intended as the site for one Unit.

(m) **"Manager"** means the Person, if any, appointed by the Association hereunder as its agent to whom there has been a delegation of certain duties, powers, or functions of the Association.

(n) **"Monthly Assessment"** means a Unit's individual share of the anticipated Common Expenses for each month of the Association's fiscal year as reflected in the Budget adopted by the Executive Board for such fiscal year.

(o) **"Percentage Interest"** means the undivided interest in the Common Elements, and the share of all votes of Unit Owners and the share of Common Expenses appurtenant to a Unit, which are to be based upon the number of Units in the entire Planned Community.

(p) **"Period of Declarant Control"** means the period commencing on the date of the first conveyance of a Unit to a Person other than the Declarant and ending no later than the date on which the events set forth in Section 13.1(d) occur.

(q) **"Person"** means any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

(r) **"Planned Community Documents"** include the Declaration, Plats and Plans, Bylaws, and Rules and Regulations, if any.

(s) "Plats and Plans" means the Chatham Court Planned Community Revision No. 2 Development Application, approved by Adams Township, Butler County on October 13, 2009, as shown on the Plats and Plans attached to this declaration as Exhibit "C" and recorded herewith, as the same may be amended from time to time.

(t) "Public Offering Statement" means the statement issued by Declarant pursuant to section 5402 of the Act.

(u) "Rules and Regulations" means any rules and regulations that are promulgated by the Executive Board from time to time with respect to the use of all or any portion of the Property.

(v) "Special Assessment" means a Unit's individual share of any assessment made by the Executive Board in addition to the Monthly Assessment.

(w) "Unit" means each Unit as described herein and shown on the Plats and Plans. The term "Unit" shall not include any Common Facilities or property conveyed or to be conveyed to any governmental/public entity(ies).

(x) "Unit Owner" means the Person or Persons or other legal entity or entities, including the Declarant and any Unit Owner, holding fee simple title to a Unit.

Section 2.3 Provisions of the Act. The Property will be a Planned Community created and operated under the Act. The provisions of the Act will apply to and govern the operation and governance of the Planned Community, except to the extent that contrary provisions, not prohibited by the Act, are contained in one or more of the Planned Community Documents.

ARTICLE III

UNIT BOUNDARIES AND MAINTENANCE RESPONSIBILITIES

Section 3.1 Unit Boundaries. Each Unit consists of the space, excluding any Common Elements passing through the title lines as defined by section 5202 of the Act, within the title lines or boundaries of each Unit, with applicable identifying number of such Unit also being shown thereon, which are situated as shown on the Plats and Plans and described as follows:

(a) *Upper and Lower (Horizontal) Boundaries:* The upper and lower horizontal boundaries of each Unit are coextensive with the horizontal boundaries of the Property.

(b) *Vertical Boundaries:* The vertical boundaries of the Unit are the exterior limit of walls, including any exterior surface finish application of walls that do not separate the Unit from any other Unit and (ii) centerline of the party walls that separate the Unit from another Unit.

(c) Each Unit is to include the items within the boundaries as described in section 5202 of the Act. If any mechanical, electrical or other components, including without limitation wires, outlets, conduits, pipes, fixtures or other equipment, serving only one Unit are located partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit shall be part of that Unit.

Section 3.2 Maintenance Responsibilities.

(a) The Units and Common Elements shall be maintained, replaced, and repaired by each Unit Owner and by the Association in accordance with the provisions of section 5307 of the Act, except as expressly set forth to the contrary in this Declaration. Except as expressly set forth herein to the contrary, the Association shall have the obligation to make adequate provision for the maintenance, repair and replacement of, and to maintain, repair or replace as and when in the sole judgment of the Executive Board is required, any and all structures, facilities, wetlands, lawns, trees, shrubs, landscaping, and land comprising the Common Facilities as defined in Section 4.1, and any maintenance, replacement, or repair of Common Elements that benefits all Unit Owners will be assessed as a Common Expense, and section 5314(c)(2) of the Act will not apply to the cost of any such maintenance, replacement, or repair. Any maintenance, replacement, or repair of the Common Elements arising out of or caused by the willful or negligent act or omission of a Unit Owner, or such Unit Owner's family, guests, invitees, or tenants shall be done at such Unit Owner's expense or a Special Assessment for the same will be made against such Unit.

(b) Except as herein provided, ordinary maintenance, repair and cleaning of Controlled Facilities, if any, is the responsibility of the Unit Owner to which such Controlled Facility is appurtenant. The Association shall have the obligation to make adequate provision for the maintenance, repair and replacement of, and to maintain, repair or replace as and when in the sole judgment of the Executive Board is required all structural elements of the Controlled Facilities, to provide periodic maintenance of accessible yards, accessible Declarant-installed landscaping and snow removal for all driveways and sidewalks to the front door of each accessible Unit, the costs of which shall be allocated to the Unit(s) to which such Controlled Facility(ies) are appurtenant, provided that the cost of any such structural repair or replacement that was necessitated due to the negligence or misconduct of one or more Unit Owners will be charged to such Unit Owner(s).

Section 3.3 Units Owned by Declarant. In accordance with section 5215 of the Act, the Declarant reserves the right to convert any Unit, or portion thereof, owned by the Declarant to Common Elements. If the Declarant converts all of a Unit to Common Elements, the Declarant must notify the Association of such conversion and the Association must prepare, execute, and record an amendment to the Declaration, including the Plats and Plans, that identifies the converted Unit as Common Elements. The amendment must reallocate the Percentage Interest and voting strength formerly allocated to the converted Unit on a pro rata basis.

ARTICLE IV

DESCRIPTION OF COMMON ELEMENTS

Section 4.1 Common Elements.

(a) The Common Elements include all real estate, improvements, appurtenances and facilities, not included within the title lines of any Unit (as set forth in Article III hereof) thereon, including, but not limited to, the following:

- (A) the private access roads;
- (B) all entryway signage;
- (C) all open space;
- (D) all stormwater basins;
- (E) all sidewalks; and
- (F) all other portions of the Property, which are intended for, or available for common use by all Unit Owners, their agents, licensees and invitees, as well as those portions designated as Common Elements herein or in the Plats and Plans.

(b) The operation of the Common Elements will be conducted by the Association.

Section 4.2 Location and Dimensions. The location and dimensions of the Common Elements are shown on the Plats and Plans, to the extent feasible to do so.

ARTICLE V

DESCRIPTION AND ALLOCATION OF CONTROLLED FACILITIES

Section 5.1 Description of Controlled Facilities. Controlled Facilities are defined in Section 2.2 of this Declaration, and include:

- i. the accessible yard of each Unit which shall include all areas of the Lot on which the Unit is located except for the physical boundaries of the Unit erected thereon;
- ii. any accessible Declarant-installed landscaping on each Lot;
- iii. driveways located within the boundaries of any Lot;
- iv. any approved fencing located within the Lot;
- v. any deck or patio located on the Lot;
- vi. pipes, ducts, heating, ventilating and air conditioning systems, electrical, telephone and other wiring and cables and all other utility lines and conduits located on the Lot serving more than one Unit; and
- vii. the exterior components (including but not limited to stoops, stairs and railings) and all finishing materials, including roofing, including any surface finish application, siding, and appurtenances thereto including soffits, eaves, vents, gutters and downspouts, paint applied to enclosing components including front doors, and all exterior lighting fixtures whether attached to the structure or free standing (such as light posts) of Units, but specifically excluding all doors and windows.

For purposes of this Section 5.1, any yards or Declarant-installed landscaping within enclosing fences (unless the Unit Owner shall have entered into an agreement therefore with the Association) shall be deemed not to be accessible. Landscaping installed by or on behalf of a Unit Owner other than Declarant shall not be deemed to be a Controlled Facility.

Notwithstanding the provisions of this Section 5.1, any yard within an enclosed fence shall be deemed not to be accessible to the extent that any unleashed pet is located therein.

Section 5.2 Indemnity. The Unit Owner to which a Controlled Facility is designated shall indemnify, defend and hold each other Unit Owner (and such other Unit Owner's respective tenants, licensees and invitees) and the Association harmless (except for negligent or tortuous acts or omissions of any such other Unit Owners or the Association, or their respective agents, tenants, licensees or invitees) from and against any and all claims, actions, suits, judgments, damages, liabilities and expenses (including, without limitation, reasonable attorney's fees) in connection with loss of life, personal injury and/or damages to property arising from or out of any occurrence in or upon the Controlled Facilities during such Unit Owner's use thereof.

Section 5.3 Limited Common Elements. There are no Limited Common Elements created by the provisions of this Declaration.

ARTICLE VI

OPTION TO EXPAND THE PLANNED COMMUNITY

Section 6.1 Reservation. Declarant hereby explicitly reserves an option until the seventh (7th) anniversary of the recording of this Declaration, to create Units, Common Elements or both and to add, convert or withdraw the Additional Real Estate to the Planned Community from time to time in compliance with section 5211 of the Act, without the consent of any other Unit Owner. This option to expand, convert or withdraw may be terminated prior to such anniversary only upon the filing by Declarant of an amendment to this Declaration. Declarant expressly reserves the right to add, convert or withdraw any or all portions of the Additional Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other real estate be added, converted or withdrawn; provided, however, that the Additional Real Estate shall not exceed the area described as such on Exhibit "A-1" hereto. There are no other limitations on this option to add Additional Real Estate to the Planned Community. Notwithstanding the foregoing, however, Declarant has no obligation to add the Additional Real Estate as described on Exhibit "A-1".

Section 6.2 Assurances. Declarant makes no assurances as to location of Units or other improvements on the Additional Real Estate. Declarant makes no assurances that any Units to be constructed on the Additional Real Estate shall be compatible in quality, size, materials, and architectural style with the other Units on the Property. Declarant expressly reserves the right to designate Common Elements in the Additional Real Estate. Declarant makes no assurances as to type, size, or maximum number of such Common Elements or proportion of Common Elements to Units. The reallocation of Percentage Interests in the Additional Real Estate and the Property shall be computed as provided in Section 7.1 herein by allocating factors. All restrictions in this Declaration affecting use, occupancy, and alienation of Units shall apply to Units created in the Additional Real Estate. In the event that Declarant shall not add, or adds and then subsequently withdraws, any portion of the Additional Real Estate, Declarant shall nevertheless have the right to construct all or any portion of any Unit and operate the same without restriction, except as set forth above.

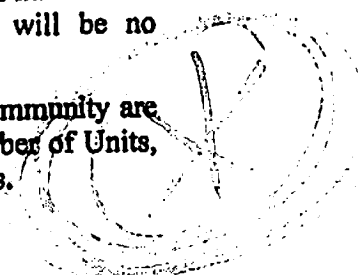
ARTICLE VII

**ALLOCATION OF PERCENTAGE INTERESTS;
COMMON EXPENSES AND VOTING RIGHTS**

Section 7.1 Percentage Interests. Each Unit will have the respective Percentage Interest set forth on Exhibit "B". The computation of Percentage Interests is based upon the number of Units in the entire Planned Community. Each Unit will bear a share of the Common Expenses equal to its Percentage Interest, provided, however, that a Unit Owner will be solely responsible for the costs associated with the appurtenant Controlled Facilities as set forth in Section 3.2(b) hereof.

Section 7.2 Allocation of Unit Owner's Voting Rights. Each Unit Owner will have a vote in the Association equal to the Unit Owner's Percentage Interest. There will be no cumulative voting.

Section 7.3 Adjustment of Percentage Interests. As Units in the Planned Community are developed, and if the addition of any Additional Real Estate increases the number of Units, the Units Percentage Interests will be adjusted based on the total number of Units.



ARTICLE VIII

EASEMENTS

Section 8.1 Additional Easements. In addition to and in supplementation of the easements provided for by sections 5216, 5217, and 5218 of the Act, the following easements are hereby created by this Declaration:

Section 8.2 Declarant's Use for Sales Purposes. Declarant shall have the right to maintain models, management offices, and sales offices on the Property in Units or in the Common Elements and to relocate such models, management offices, and sales offices from time to time within the Property. The models, management offices, and sales offices shall be subject to the following requirements:

(a) The number and use of any Unit owned by Declarant is subject to the Declarant's discretion. Models may also be used as sales, management, and construction offices;

(b) Declarant shall have the right to place models, management offices, sales offices, and advertising signs on any portion of the Common Facilities in such locations as Declarant deems appropriate;

(c) Declarant may from time to time relocate models, management offices, sales offices, and advertising signs to different locations within Units or the Common Facilities. Upon the relocation of a model, management office, or sales office constituting a Common Facilities, Declarant may remove all personal property and fixtures therefrom. Such activities by Declarant shall all be at Declarant's expense.

(d) The rights provided in this Section 8.2 shall terminate at such time as Declarant ceases to be a Unit Owner, and shall terminate with respect to each Unit and its appurtenant Controlled Facilities upon the conveyance of such Unit to a Unit Owner other than Declarant.

Section 8.3 Utility Easements. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property or the Additional Real Estate. The easements created in this Section 8.3 shall include, without limitation, rights of Declarant, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer, stormwater and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 8.3, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

Section 8.4 Maintenance Easements. The Planned Community shall be subject to the following easements:

(a) An easement over the Common Elements and Controlled Facilities in favor of the Association, acting through its agents, employees and independent contractors for purposes of the inspection, operation, maintenance, repair, improvement and replacement of the Common Elements and Controlled Facilities;

(b) An easement over the Common Elements in favor of each Unit Owner for the maintenance, use, repair, improvement, removal and replacement of Controlled Facilities which are a part of or serve a Unit and which pass across or through a different Unit or the Common Elements;

(c) If and only to the extent required in the event of emergency, an easement over and through the Units in favor of the Association acting through its agents, employees, and independent contractors, for correction of emergency conditions in one or more Units or Controlled Facilities, or both, or casualties to the Common Elements and/or Controlled Facilities. The Association and its agents, employees, and independent contractors shall take reasonable steps to minimize any interference with a Unit Owner's use of his Unit resulting from the Association's exercise of any rights it may have pursuant to this Section 8.4(c);

Section 8.5 Declarant's Easement for Development of Additional Real Estate.

(a) Declarant reserves an easement on, over, and under the Common Elements for all purposes relating to the construction, development, leasing, and sale of improvements on the Additional Real Estate. This easement shall include without limitation, the right of vehicular and pedestrian ingress and egress, the right to park motor vehicles, and to engage in construction and marketing activities of any nature whatsoever, including the movement and storage of building materials and equipment, the conduct of sales, leasing and management

activities, the maintenance of models and offices and the erection and maintenance of directional and promotional signs. Such models or offices maintained by Declarant pursuant to this Section 8.5 may be located on any portion of the Common Elements and may be relocated and removed by Declarant at Declarant's sole discretion.

(b) The easement created by this Section 8.5 shall terminate upon the annexation of all of the Additional Real Estate to the Planned Community. Declarant, upon the annexation of all of the Additional Real Estate to the Planned Community, shall have the easements and rights for construction and marketing activities with respect to the Planned Community as are otherwise provided in the Act and this Declaration.

Section 8.6 Easement for Access to Real Estate. Declarant reserves a non-exclusive perpetual right of access and easement on, over and under those portions of the Common Facilities for the purpose of pedestrian and vehicular ingress, egress and regress to all or any part of the Real Estate, including the right to modify the location of improvements to the Common Facilities to facilitate such ingress, egress and regress, including without limitation the removal of obstructions to the exercise of such rights of ingress, egress and regress, and the grading or re-grading of landscaped areas of the Common Facilities.

Section 8.7 Easement for Use of Common Elements and Repair of Controlled Facilities.

(a) Grant of Easement to Unit Owner. Each Unit Owner and each person lawfully residing on the Real Estate is hereby granted a non-exclusive perpetual right and easement of access to and enjoyment in common with others of the Common Elements.

(b) Grant of Easement to Declarant and Association. Each Unit Owner hereby grants to the Declarant and the Association the non-exclusive perpetual right and easement of access to the Controlled Facilities for the purposes of maintenance, repair and replacement of the Controlled Facilities and the enforcement of this Declaration.

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

ARTICLE IX

RESTRICTIONS ON USE; LEASES OF UNITS

Section 9.1 Uses. The Units in the Planned Community (except any Unit owned by the Declarant or the Association and used by either of them as a manager's office, sales office, model or storage facility) are restricted to residential use and may not be used for any other purposes. However, residential use shall include uses that are customarily accessory to the residential use, provided that any such use conforms to the applicable zoning regulations of Adams Township, as they may be amended from time to time, including, without limitation, the use of the Unit as a home office.

Section 9.2 Restrictions. The following restrictions apply to the use of the Planned Community.

(a) No Unit Owner may obstruct the Common Facilities in any way. No Unit Owner may store or leave anything in or on the Common Facilities without the prior written consent of the Executive Board. The Common Facilities may be used only for the benefit or enjoyment of all Unit Owners and all occupants, agents, licensees and invitees of the Units.

(b) Without limiting the previous provisions of this Section 9.2, no Unit Owner may carry on any practice or permit any practice to be carried on that unreasonably interferes with the quiet enjoyment by the occupants of any other Unit. Each Unit shall be maintained in a clean and sanitary condition. No Unit Owner may place any garbage, trash, or rubbish anywhere on the Property other than in the Unit Owner's Unit.

Section 9.3 Specific Restrictions. The specific restrictions which may apply to the use of the Planned Community are more fully set forth in the Rules and Regulations of the Association which are incorporated herein.

Section 9.4 Lease of Units.

(a) The Declarant may lease or sublease a Unit or Units owned by the Declarant at any time and from time to time without restriction. A Unit Owner, other than the Declarant, may lease or sublease the Unit Owner's Unit or Units at any time and from time to time provided that:

(1) No Unit owned by a Unit Owner, other than Declarant, may be leased or subleased for an initial term of less than one year or without a written lease or sublease, or both;

(2) A copy of such lease or sublease (other than leases or subleases entered into by the Declarant) must be furnished to the Association within ten (10) days after execution thereof, together with a reasonable fee as may be established from time to time by the Executive Board or property manager for the registration of the lease or sublease; and

(3) The rights of any lessee or sublessee of any Unit (under a lease or sublease whose current term or current renewal or extension commences on or after the date of recordation of this Declaration) will be subject to, and each such lessee or sublessee will be bound by, the covenants, conditions, and restrictions contained in this Declaration; provided however, such lessee or sublessee shall not, by reason of this provision have direct liability to pay any Monthly Assessments or Special Assessments on behalf of the Unit Owner of the Unit.

(b) The Association, for the benefit of the Association and every Unit Owner, has the rights of enforcement of any lease directly against the lessee(s) including, without limitation, the right to terminate any lease by reason of violation of the provisions of the lease, this Declaration, the Bylaws, or the Rules and Regulations and to then, at the option of the Association, evict the lessee from the Unit without liability to the Unit Owner/lessor. All Unit Owners agree to be bound by the foregoing provision for the common good of all Unit Owners, although some financial loss may be suffered by the Unit Owner of the affected Unit by reason of these conditions.

ARTICLE X

[RESERVED]

ARTICLE XI
INSURANCE

Section 11.1 Insurance to be Carried by the Association. The Association shall maintain, to the extent reasonably available, all of the following:

(a) Property insurance on the Common Facilities and Controlled Facilities (to the extent the Controlled Facilities can be insured separately from the Unit), insuring against all common risks of direct physical loss. The total amount of insurance after application of any deductibles shall be not less than eighty percent (80%) of the actual cash value of the insured property, exclusive of land, excavations, foundations and other items normally excluded from property policies.

(b) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Executive Board covering all occurrences commonly insured against for death, bodily injury and property damage, arising out of or in connection with the use, ownership or maintenance of the Common Elements.

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

Section 11.2. Other Insurance Carried by the Association. The Association may also carry such other insurance as the Executive Board may deem appropriate to protect the Association.

Section 11.3. Policy Terms. Insurance policies carried under Section 11.1 shall provide all of the following:

(a) Each Unit Owner is an insured person under the policy with respect to liability arising out of his membership in the Association.

(b) The insurer waives its right to subrogation under the policy against any Unit Owner or member of the Unit Owner's household.

(c) No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.

(d) If at the time of a loss under the policy there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy is primary insurance not contributing with the other insurance.

(e) The insurer shall issue certificates or memoranda of insurance to the Association and, upon request, to any Unit Owner. The insurance may not be canceled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association and each Unit Owner to whom a certificate or memorandum of insurance has been issued.

Section 11.4. Proceeds From Property Insurance. Any loss covered by the property policy under Section 11.1(a) shall be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to

the Association, and not to any mortgagee or beneficiary under a deed of trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interests may appear. Subject to the provisions of Section 11.5, the proceeds shall be disbursed first for the repair or restoration of the damage to the Common Elements.

Section 11.5. Disposition of Insurance Proceeds. Any portion of the Property for which insurance is required to be maintained by the Association and which is damaged or destroyed shall be repaired or replaced promptly by the Association unless repair or replacement would be illegal under any state or local health or safety statute or ordinance or eighty percent (80%) of the Unit Owners vote not to rebuild. The cost of repair or replacement of those portions of the Property in excess of insurance proceeds and reserves shall be a Common Expense.

Section 11.6. Unit Owner's Insurance. Each Unit Owner shall insure the Unit Owner's Unit in an amount not less than the original replacement value thereof. The Unit Owner shall cause the insurer to issue certificates or memoranda of insurance to the Association. The Unit Owner shall promptly repair or replace any improvement to the Unit Owner's Unit that is damaged or destroyed unless repair or replacement would be illegal under any state or local health or safety statute.

Section 11.7. Waiver of Subrogation. Each Unit Owner and the Association hereby waives and releases any and all claims which he or it may have against any other Unit Owner, the Association, the Executive Board and members thereof, the Declarant, and their respective assignees, partners, members, officers, employees, agents and contractors, for damage to the Common Elements, or to any personal property located in the Common Elements, caused by fire or other casualty or any act or omission of any such party, to the extent that such damage is covered by fire or other form of hazard insurance. If the act or omission of a Unit Owner, or of a member of his family, a household pet, guest, occupant or visitor of such Unit Owner, shall cause damage to the Common Facilities or Controlled Facilities, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Executive Board, to the extent such payment is not waived or released under the preceding sentence. Any release or waiver shall be valid only if such release or waiver does not affect the right of the insured under the applicable insurance policy to recover thereunder. The Unit Owners and the Association, with regard to the insurance carried by each of them, shall use their best efforts to see that their insurance carriers agree that such release or waiver does not affect their rights to recover.

Section 11.8 Costs of Insurance. Premiums for all insurance obtained or maintained by the Association, fees and expenses of the insurance trustee, if any, and the cost of any appraisal that the Executive Board deems advisable to obtain in connection with any insurance shall be Common Expenses.

ARTICLE XII

UNITS SUBJECT TO PLANNED COMMUNITY DOCUMENTS; EMINENT DOMAIN

Section 12.1 Applicability of Planned Community Documents. Each present and future Unit Owner, lessee, occupant, and mortgagee of a Unit will be subject to and must comply with the provisions of the Act, the Planned Community Documents and with the covenants, conditions, and restrictions as set forth in the deed to the Unit; nothing contained in this Declaration may impose upon any lessee or mortgagee of a Unit any obligation that the Act or one or more of the documents, or both, make applicable only to Unit Owners (including, without limitation, the obligation to pay assessments for Common Expenses). The acceptance of a deed or mortgage to any Unit, or the entering into of a lease or the entering into occupancy of any Unit will constitute an agreement that the provisions of the Act, the Planned Community Documents, and the covenants, conditions, and restrictions set forth in the deed to the Unit are accepted and ratified by the grantee, mortgagee, or lessee. All such provisions will be covenants running with the land and will bind any Person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage, or lease of the Unit.

Section 12.2 Eminent Domain. Whenever all or part of the Common Facilities will be taken, injured, or destroyed by eminent domain, each Unit Owner will be entitled to notice of that fact and to participate in the proceedings incident thereto, but in any proceedings for the determination of damages, the damages will be determined for the taking, injury, or destruction as a whole and not for each Unit Owner's interest in it.

ARTICLE XIII

EXECUTIVE BOARD OF THE ASSOCIATION

Section 13.1 Members.

(a) The Executive Board will consist of no more than three (3) members and no less than one (1) member. The Declarant reserves the right to appoint members of the Executive Board during the Period of Declarant Control in accordance with section 5303 of the Act. The members of the initial Declarant-controlled Executive Board will be appointed, removed, and replaced from time to time by the Declarant without the necessity of obtaining resignations. The Declarant-appointed members of the Executive Board will be replaced with Unit Owners in accordance with the provisions of paragraphs (b), (c) and (d) of this Section 13.1 and the Bylaws.

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

(c) Not later than sixty (60) days after conveyance of fifty percent (50%) of Units to Unit Owners other than the Declarant, not less than thirty-three percent (33%) of the members of the Executive Board shall be elected by the Unit Owners other than the Declarant.

(d) No later than the earlier of (i) seven (7) years after the date of the first conveyance of a Unit to a purchaser other than the Declarant, or (ii) sixty (60) days after conveyance of seventy-five percent (75%) of Units to Unit Owners other than the Declarant, all members of the Executive Board who have been appointed by the Declarant shall resign or shall be removed, and the Unit Owners shall elect a new Executive Board. Thereafter, the terms of the office of the Executive Board members will be two (2) years.

(e) The Executive Board will possess all of the duties and powers granted to the Executive Board by the Act.

Section 13.2 Disputes. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions or interpretation or application of the provisions of the Planned Community Documents, the determination of the dispute by the Executive Board will be final and binding on all Unit Owners. The Executive Board has the authority to seek a declaratory judgment or other appropriate judicial relief or order to assist it in carrying out its responsibilities under this Section 13.2. All costs of obtaining such a judgment will be borne by the disputants, or in the absence of disputants, by the Association as a Common Expense.

Section 13.3 Amendments to the Planned Community Documents. The Planned Community Documents may be amended in accordance with the Act and the Planned Community Documents. Despite any other provisions of this Declaration to the contrary, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provisions of the Planned Community Documents that are defective, missing, or inconsistent with any other provisions thereof (including, by way of illustration, changes required to comply with the Americans with Disabilities Act), or if such amendment is necessary to conform to the requirements of any agency or entity that has established national or regional standards with respect to loans secured by mortgages on units in planned community projects, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence. Each amendment of the type described in this Section 13.3 will be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, which instrument has been executed and acknowledged by one or more officers of the Executive Board.

Section 13.4 Public Offering Statement. Pursuant to section 5401, *et seq.*, potential purchasers of a Unit shall be provided with the Public Offering Statement. The Public Offering Statement shall disclose certain information to potential purchasers as required by the Act.

Section 13.5 Abating and Enjoining Violations by Unit Owners. The violation of any Rules and Regulations adopted by the Executive Board, the breach of any provision contained in the Bylaws, or the breach of any provision of this Declaration or the Act by any Unit Owner or any tenant of the Unit Owner will give the Executive Board the right, in addition to any other rights to which it may be entitled, to enjoin, abate, or remedy by appropriate legal proceedings, either by law or in equity, the continuance of any such breach.

ARTICLE XIV
MANAGEMENT

During the Period of Declarant Control, the Declarant has the right, itself or through a managing agent, to oversee the daily operation of the Planned Community, in accordance with the provisions of the Act, this Declaration, the Bylaws, and the Rules and Regulations. After the Period of Declarant Control, the Association has the right to employ a Manager who will oversee the daily operation of the Planned Community, in accordance with the provisions of the Act, this Declaration, the Bylaws, and the Rules and Regulations.

ARTICLE XV
LIMITATION OF LIABILITY

Section 15.1 Limited Liability of the Executive Board. The Executive Board, and its members in their capacity as members, officers, and employees:

(a) Will not be liable for the failure of any service to be obtained by the Executive Board and paid for by the Association, or for injury or damage to persons or property caused by the elements or by another Unit Owner or person on the Property, or resulting from electricity, gas, water, rain, dust, or sand that may leak or flow from the outside or from any part of a Unit, or from any of the pipes, drains, conduits, appliances, or equipment, or from any other place unless in each instance such injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Executive Board;

(b) Will not be liable to the Unit Owners as a result of the performance of the Executive Board members' duties for any mistake of judgment, negligence, or otherwise, except for the Executive Board members' own willful misconduct or gross negligence in the performance of the Executive Board members' duties;

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

(d) Will not be liable to a Unit Owner, or the Unit Owner's tenants, employees, agents, customers, guests, or invitees, for loss or damage caused by theft of or damage to personal property left by the Unit Owner or his or her tenants, employees, agents, customers, or guests in a Unit, or in or on the Common Elements, except for the Executive Board members' own willful misconduct or gross negligence in performance of the Executive Board members' duties;

(e) Will have no personal liability in tort to a Unit Owner or any other Person, direct or implied, by virtue of acts performed by or for them, except for the Executive Board members' own willful misconduct or gross negligence in the performance of their duties; and

(f) Will have no personal liability arising out of the use, misuse, or condition of any Unit, or that might in any other way be assessed against or imputed to the Executive Board members as a result of or by virtue of their performance of their duties, except for the Executive Board members' own willful misconduct or gross negligence in the performance of their duties.

Section 15.2 Indemnification. Each member of the Executive Board in his or her capacity as an Executive Board member, officer, or both, will be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with any proceeding in which the member or officer may become involved by reason of being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he or she is an Executive Board member, officer, or both at the time such expenses are incurred, except in cases wherein the Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his or her duties. However, in the event of a settlement, this indemnification will apply only if and when the Executive Board (with the affected member abstaining if he or she is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association. The indemnification by the Unit Owners set forth in this Section 15.2 will be paid by the Association on behalf of the Unit Owners and will constitute a Common Expense and be assessed and collectible as such. This right of indemnification will not be deemed exclusive of any other rights to which the Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

Section 15.3 Joint and Several Liability of Unit Owners and Lessees. Each Unit Owner will be jointly and severally liable with any lessee or sublessee of the Unit owned by the Unit Owner for all liabilities arising out of the ownership, occupancy, use, misuse, or condition of the Unit or any portion of the Common Elements.

Section 15.4 Defense of Claims. Complaints brought against the Association, the Executive Board, or the officers, employees, or agents thereof in their respective capacities as such, or the Planned Community as a whole, must be directed to the Executive Board of the Association, which will promptly give written notice thereof to the Unit Owners, and such complaints will be defended by the Association. The Unit Owners have no right to participate other than through the Association in such defense. Complaints against one or more but less than all Unit Owners or Units will be defended by the Unit Owners who are defendants themselves and the Unit Owners will promptly give written notice of the institution of any such suit to the Association.

ARTICLE XVI

ASSESSMENTS; LIABILITY OF UNIT OWNERS

Section 16.1 Creation of Lien and Personal Obligation of Assessments. Each Unit Owner by acceptance of a deed for a Unit, whether or not it is so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) Common Assessments for Common Expenses, and (ii) Special Assessments. Each such assessment, together with interest, costs, and reasonable attorneys' fees (if the assessment is not timely paid), will be the personal obligation of the person who was the Unit Owner of the Unit at the time when the assessment fell due, and if the assessment remains unpaid, the entire outstanding balance of the assessment will become effective as a lien against the Unit from the due date of the delinquent installment pursuant to section 5315 of the Act. Subject to provisions of section 5315(a) of the Act regarding prior liens, the personal obligation for delinquent assessments as disclosed in the Resale Certificate will pass to the successors-in-title of the Unit Owner.

(a) Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as during the last year for which an assessment was made, if any, until a new budget becomes effective and a new assessment is levied pursuant thereto. Any such budget may include as an expense item any shortfall in amounts previously collected.

(b) No Owner may exempt himself from liability for assessments by non-use of Common Elements, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

(c) Upon written request, the Association shall furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

Section 16.2 Power to Assess. The Association, acting through the Executive Board in accordance with the Bylaws, has the power to fix and determine, from time to time, the sum or sums necessary and adequate to provide for the Common Expenses, including, but not limited to, any amounts that are necessary for uncollectible assessments, budget deficits, any reserves that are hereinafter described, and any additional reserves that the Executive Board may deem necessary or prudent, and any other expenses specifically provided for in the Act, this Declaration, or the Bylaws. The Executive Board will establish one or more separate accounts (each, an "Operating Fund") into which will be deposited all such assessments paid to the Association, and from which disbursements will be made, as provided herein, in the performance of functions by the Association under the provisions of this Declaration. Upon the initial transfer of title from the Declarant to a non-Declarant purchaser of each Unit, the Association will collect from the purchaser and purchaser will pay to the Association an amount equal to a minimum of two (2) months' estimated Common Expense liability, which will be deposited into an Operating Fund. No Unit Owner is entitled to a refund of these monies by the Association upon the subsequent conveyance of the Unit or otherwise. Each Unit purchaser shall pay a capital improvement fee to the Association at settlement in an amount equal to one-fourth (1/4th) of the annual assessments as set forth in the first annual budget allocable to the Unit (or, in the case of Unit resales, a capital improvement fee equal to one-fourth (1/4th) of the annual assessments for that Unit for that year).

Section 16.3 Date of Commencement of Monthly Assessment. Monthly Assessments provided for herein will commence for each Unit on the first day of the month after settlement on each Unit to a non-Declarant purchaser. The Executive Board will arrange for the preparation of an annual balance sheet and operating statement reflecting income and expenditures of the Association for each fiscal year, including deposits in and withdrawals from the Operating Fund, and distribute a copy of each such statement to each Unit Owner in the manner provided in the Bylaws of the Association. At least thirty (30) days prior to the

beginning of each fiscal year, the Executive Board will prepare and distribute the Budget to the Unit Owners.

Section 16.4 Common Expenses.

(a) Common Expenses shall be any expenditure made or liability incurred by the Association (including any allocations to reserves) pursuant to the Act, this Declaration or the Bylaws, including, without limitation, the following:

(i) Expenses of administration, operation, maintenance, repair, improvement, or replacement of the Common Elements;

(ii) Expenses declared Common Expenses by the Act, or by this Declaration, or by the Bylaws;

(iii) Expenses reasonably determined to be Common Expenses by the Executive Board and assessed against all Unit Owners;

(iv) Expenses for maintenance of the streets and snow removal;

(v) Expenses incurred pursuant to Article XV hereof;

(vi) Salaries, wages, and payroll taxes for employees and agents of the Association;

(vii) Legal, accounting, and management fees incurred by the Association;

(viii) Insurance premiums; and

(ix) Expenses for maintenance of Declarant-installed landscaping and lawns;

(b) As to utilities:

(i) The expense of gas, water and such other utility and electric, and other electronic systems and services which may hereafter be supplied for the benefit and use of all Units and/or for the Common Elements shall be a Common Expense;

(ii) Any such service which is furnished for the exclusive benefit and use of any Unit and is separately metered or charged by the supplier for such purpose shall not be a Common Expense, but shall be payable on such basis by the Unit Owner of such Unit.

Section 16.5 Surplus. The Budget of the Association will segregate capital expenses from Common Expenses. Any amounts accumulated from Common Assessments and Special Assessments and income from the operation of the Common Elements to which Common Expenses pertain in excess of the amount required for actual Common Expenses will be credited to each Unit in accordance with that Unit's Percentage Interest. Unless the Executive Board provides otherwise, these credits will be applied to the next Monthly Assessment of Common Expenses against the Unit under the current fiscal year's Budget and thereafter until exhausted.

Section 16.6 Reserves. The Association will establish an adequate reserve fund for material capital expenditures, and repairs and replacement of those Common Elements that are anticipated to require replacement, repair, or major repair on a periodic basis. There will be

no separate reserve for material capital expenditures. The reserve fund will be maintained in an account separate and apart from the Operating Fund. The reserve fund will be funded by monthly payments made as a part of the Common Assessment, and any capital improvement fee that the Executive Board may impose as authorized by the Act.

Section 16.7 Special Assessments. If the Budget proves to be insufficient to cover the actual Common Expenses for the related fiscal year for any reason (including, by way of illustration and not limitation, any Unit Owner's nonpayment of his or her assessment), the Executive Board has the power, at any time (and from time to time) it deems necessary and proper, to levy one or more Special Assessments against each Unit Owner. Any expense incurred by the Association for the exclusive benefit and use of one or more but fewer than all Units shall not be a Common Expense, but shall be payable on such basis by the benefited Unit Owner(s) of such Unit(s).

Section 16.8 Payment of Assessments. Each Owner must pay all assessments levied by the Association. Such assessments will be due and payable on a monthly basis as designated by the Executive Board.

Section 16.9 Failure to Fix New Assessments. If the Executive Board fails to fix new Monthly Assessments for Common Expenses for the subsequent fiscal year before the expiration of any fiscal year, the Unit Owners will continue to pay the same sums they were paying for the Monthly Assessments during the fiscal year just ended and these sums will be deemed to be the new Monthly Assessments for the succeeding fiscal year. If the Executive Board changes the Monthly Assessment at a later date, the new Monthly Assessment will be treated as if it were a Special Assessment under Section 16.7 of this Declaration.

Section 16.10 No Exemption by Waiver. No Unit Owner may exempt himself or herself from liability with respect to the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by the abandonment of his or her Unit or otherwise.

Section 16.11 Liability Related to Assessments.

(a) All sums assessed by the Association as a Monthly Assessment or Special Assessment will constitute a personal liability of the Unit Owner of the Unit so assessed and also will, until fully paid, constitute a lien against the Unit pursuant to section 5315 of the Act. The Association may take action for failure to pay any assessment or other charges pursuant to sections 5314 and 5315 of the Act. Any assessment, or installment thereof, not paid within five (5) days after due will accrue, and any delinquent Unit Owner must pay, a late charge in the amount of five percent (5%) of the overdue assessment or installment in addition to interest at the rate of twelve percent (12%) per annum or any greater amount permitted by applicable law from the date the assessment was due. In addition to any late charges assessed in accordance with section 5314 of the Act or this Declaration, the delinquent Unit Owner will be obligated to pay (i) any fines that may be assessed for nonpayment of fees and assessments, and (ii) all expenses of the Executive Board, including reasonable attorneys' fees, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, and (iii) any amounts paid by the Executive Board for taxes or on account of superior liens or otherwise to protect its lien. These expenses and amounts, together with accrued interest, will be deemed to constitute part of the delinquent assessment and will be collectible as such.

(b) Notwithstanding Section 16.11(a) above (but subject to the provisions of section 5407(c) of the Act), upon the voluntary sale, conveyance, or any other voluntary transfer of a Unit or any interest therein, the grantee will be jointly and severally liable with the grantor for all unpaid Monthly Assessments and Special Assessments that are a charge against the Unit as of the date of consummation of the sale, conveyance, or transfer, but such joint and several liability will be without prejudice to the grantee's right to recover from the grantor the amount of any unpaid Monthly Assessments and Special Assessments that the grantee may have paid, and until any of the Monthly Assessments and Special Assessments are paid, they will continue to be a lien against the Unit, which may be enforced in the manner set forth in section 5315 of the Act.

Section 16.12 Unpaid Assessments Upon Execution Sale Against a Unit. Any unpaid assessments that cannot be promptly collected from the former Unit Owner may be reassessed by the Executive Board as a Common Expense to be collected from all of the Unit Owners, including (by way of illustration and not limitation) the purchaser who acquired title at the sheriff's sale, his or her successors and assigns, and any holder of a mortgage who comes into possession of a Unit by deed in lieu of foreclosure or assignment in lieu of foreclosure.

Section 16.13 Subordination of Certain Charges. Any fees, charges, late charges, fines, and interest that may be levied by the Association pursuant to this Declaration will be subordinate to any prior recorded liens pursuant to section 5315(b) of the Act.

Section 16.14 Acceleration. If a Unit Owner is in default in the payment of the charges or monthly installments of assessments described in this Article XVI for sixty (60) days, the Executive Board may, in addition to all other remedies contained in the Act or this Declaration, accelerate all other charges and monthly installments of assessments to become due for the next twelve (12) months on the basis of the Budget for the fiscal year in which the default occurs and assuming the same Budget for the following year.

Section 16.15 Assignment of Income Rights. The Association may assign its rights to future income, including payments made on account of assessments for Common Expenses, to secure any loan obtained by the Association for repairs, replacements, or capital improvements to the Common Elements, provided that any such assignment is authorized by the vote of not less than fifty-one percent (51%) of the members of the Executive Board.

Section 16.16 Declarant Subsidy. During the Declarant's control of the Association, the Declarant may, but shall not be obligated to, pay to the Association the difference between the amount of assessments collected on all Units subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year. Any excess payments made by the Declarant during the year may, at the discretion of the Declarant, be treated as a contribution or a loan. The Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials or a combination of these. Payment of such subsidy in any year shall not obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

Section 16.17 Exempt Property. The following property shall be exempt from payment of assessments:

(a) Any property dedicated to and accepted by any governmental authority or public utility; and

(b) Any Property, including Additional Property, title to which has not been conveyed by Declarant to a non-Declarant purchaser of such Unit.

ARTICLE XVII

GENERAL PROVISIONS

Section 17.1 Headings. The headings used in this Declaration and the Table of Contents are inserted solely as a matter of convenience for the readers of this Declaration and should not be relied upon or used in construing the effect or meaning of any of the provisions of this Declaration.

Section 17.2 Severability. The provisions of this Declaration will be deemed independent and severable, and the invalidity or unenforceability of any provision or portion hereof will not affect the validity or enforceability of any other provision or portion hereof unless such deletions would destroy the uniform plan of development and operation of the planned community project that this Declaration is intended to create.

Section 17.3 Applicable Law. This Declaration will be governed by and construed according to the laws of the Commonwealth of Pennsylvania.

Section 17.4 Interpretation. The provisions of this Declaration will be liberally construed in order to effect the Declarant's desire to create a uniform plan for development and operation of the planned community project. Unless the context of this Declaration requires otherwise, (i) references to the plural include the singular, the singular include the plural, the whole includes the part, and the part includes the whole, (ii) references to any gender include all genders, (iii) "include" and "including" have the inclusive meaning frequently identified with the phrase "without limitation" and "but not limited to," and (iv) references to "hereunder," "herein," "hereby," "above," or "below" relate to this Declaration. The headings and subheadings in this Declaration are included for convenience and identification only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Declaration or any provision hereof. Section, subsection, schedule, and exhibit references are to this Declaration unless otherwise specified.

Section 17.5 Effective Date. This Declaration will become effective when it and the Plats and Plans have been recorded.

Section 17.6 Notices. All notices and other communications required or permitted to be given under or in connection with this Declaration must be in writing and will be deemed given when delivered in person or on the second business day after the day on which mailed by certified mail, return receipt requested, addressed at the address maintained in the register of current addresses established by the Association.

Section 17.7 Exhibits. All exhibits attached to this Declaration are hereby made a part of this Declaration.

IN WITNESS WHEREOF, the Declarant, intending to be legally bound hereby, has duly executed this Declaration, the day and year first above written.

WITNESS:

Grace Bay Limited Partnership
a Pennsylvania limited partnership
By: Providence Land Company, LLC
Its: General Partner



By: 
By: Timothy D. Kelly
Its: Member


COMMONWEALTH OF PENNSYLVANIA)

) ss:

COUNTY OF BUTLER)

ON THIS 26th day of February, 2010, before me, the undersigned officer, personally appeared Timothy D. Kelly, who acknowledged himself to be a member of Providence Land Company, LLC, the general partner of Grace Bay Limited Partnership, and that he as such member, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

WITNESS, my hand and official seal in the above County and State.


Notary Public

My Commission Expires: August 15, 2011

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Amanda R. Ruckdeschel, Notary Public
Worth Twp., Butler County
My Commission Expires Aug. 15, 2011
Pennsylvania Association of Notaries

SEAL

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

ALL that certain parcel of land situate in Adams Township, Butler County, Pennsylvania being known as Tax Parcel 3F-57-A8 and being further described as follows to wit:

BEGINNING at a point located in the center line of Three Degree Road, a 33-foot wide right-of-way, said point being the Northeast corner of the parcel herein described; thence along said center line, South 25 degrees 04 minutes 32 seconds East, for a distance of 125.60 feet to a point; thence by lands of now or formerly Panaro, the following two courses and distances: (1) South 87 degrees 22 minutes 28 seconds West, for a distance of 978.58 feet to a point; (2) South 52 degrees 40 minutes 28 seconds West, for a distance of 717.51 feet to a point; thence by the lands of now or formerly Mars Area School District, South 88 degrees 52 minutes 37 seconds West, for a distance of 217.83 feet to an stone; thence by lands of now or formerly Mars Home for Youth, North 00 degrees 54 minutes 51 seconds West, for a distance of 758.17 feet to a point; thence by lands now or formerly of Mars Home for Youth and now or formerly Colonello, North 88 degrees 30 minutes 28 seconds East, for a distance of 1405.52 feet to a point; thence by lands of now or formerly Mt. Olive Church, the following two courses and distances: (1) South 28 degrees 57 minutes 32 seconds East, for a distance of 227.56 feet to a point; (2) North 89 degrees 21 minutes 28 seconds East, for a distance of 209.56 feet to a point in the center line of said Three Degree Road, said point of beginning.

Containing 16.95 acres more or less according to a survey by Northern Surveyors and Associates dated April 16, 2007.

EXHIBIT A-1
LEGAL DESCRIPTION OF ADDITIONAL PROPERTY

ALL that certain parcel of land situate in Adams Township, Butler County, Pennsylvania being a 3-foot wide strip of land and being further described as follows to wit:

BEGINNING at a point, said point being common to now or formerly Mars Home for Youth, Chatham Court – Planned Community as recorded in the Butler County Recorder of Deeds Office in Plan Book Volume 309, Pages 22-23, and now or formerly Mars Area School District; thence by the dividing line of now or formerly Mars Home for Youth and Mars Area School District, South 88 degrees 52 minutes 37 seconds West, a distance of 3.00 feet to a point; thence through the property of now or formerly Mars Home for Youth, North 00 degrees 54 minutes 51 seconds West, a distance of 758.15 feet to a point; thence by the same, North 88 degrees 30 minutes 28 seconds East, a distance of 3.00 feet to a point common to now or formerly Mars Home for Youth and Chatham Court – Planned Community; thence by the dividing line of Mars Home for Youth and Chatham Court – Planned Community, South 00 degrees 54 minutes 51 seconds East, a distance of 758.17 feet to a point, the point of beginning.

Containing 0.0522 acres more or less

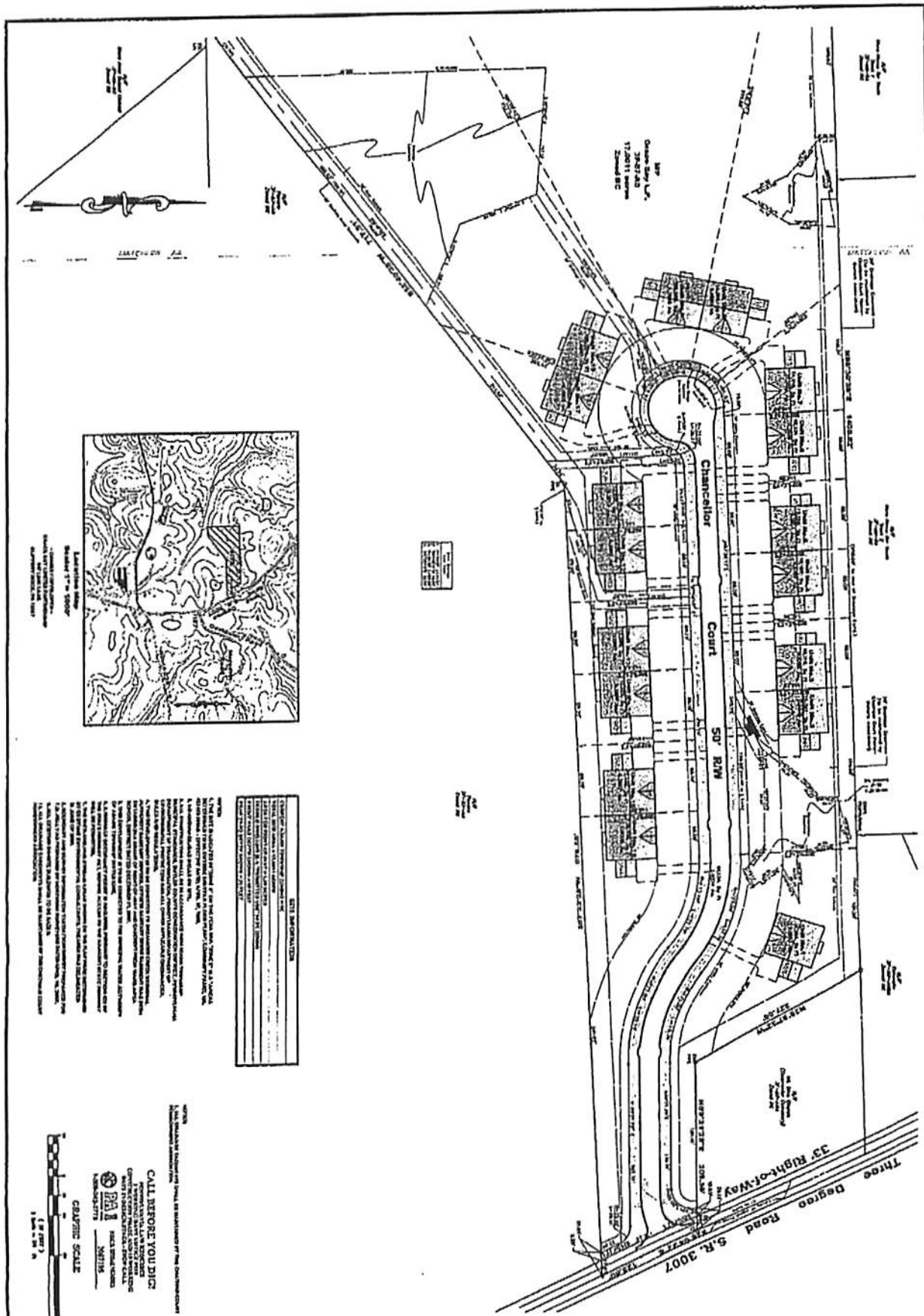
EXHIBIT B
PERCENTAGE INTERESTS

SCHEDULE OF UNIT IDENTIFYING NUMBERS AND PERCENTAGE INTERESTS

UNIT NUMBER	PERCENTAGE INTEREST OF UNIT
Unit No. 1	5.88%
Unit No. 2	5.88%
Unit No. 3	5.88%
Unit No. 4	5.88%
Unit No. 5	5.88%
Unit No. 6	5.88%
Unit No. 7	5.88%
Unit No. 8	5.88%
Unit No. 9	5.88%
Unit No. 10	5.88%
Unit No. 11	5.88%
Unit No. 12	5.88%
Unit No. 13	5.88%
Unit No. 14	5.88%
Unit No. 15	5.88%
Unit No. 16	5.88%
Unit No. 17	5.88%
TOTAL	100%

EXHIBIT C
PLATS AND PLANS

(See Attached)



NOTES

1. THE SITE IS LOCATED IN THE EAST TOWNSHIP, BUTLER COUNTY, PENNSYLVANIA.
2. THE SITE IS ZONED R-1 (RESIDENTIAL SINGLE-FAMILY) BY BUTLER COUNTY ORDINANCE NO. 100-100, AS AMENDED.
3. THE SITE IS SUBJECT TO THE CHATHAM COURT PLANNED COMMUNITY REVISION NO. 2 PLAN AS RECORDED IN P.L.S. 311, PAGE 1549, INSTRUMENT NUMBER 2007-001747 IN THE BUTLER COUNTY RECORDS OF DEEDS BY REC.
4. THE SITE IS SUBJECT TO THE CHATHAM COURT PLANNED COMMUNITY REVISION NO. 1 PLAN AS RECORDED IN P.L.S. 311, PAGE 1549, INSTRUMENT NUMBER 2007-001747 IN THE BUTLER COUNTY RECORDS OF DEEDS BY REC.
5. THE SITE IS SUBJECT TO THE CHATHAM COURT PLANNED COMMUNITY REVISION NO. 2 PLAN AS RECORDED IN P.L.S. 311, PAGE 1549, INSTRUMENT NUMBER 2007-001747 IN THE BUTLER COUNTY RECORDS OF DEEDS BY REC.
6. THE SITE IS SUBJECT TO THE CHATHAM COURT PLANNED COMMUNITY REVISION NO. 2 PLAN AS RECORDED IN P.L.S. 311, PAGE 1549, INSTRUMENT NUMBER 2007-001747 IN THE BUTLER COUNTY RECORDS OF DEEDS BY REC.
7. THE SITE IS SUBJECT TO THE CHATHAM COURT PLANNED COMMUNITY REVISION NO. 2 PLAN AS RECORDED IN P.L.S. 311, PAGE 1549, INSTRUMENT NUMBER 2007-001747 IN THE BUTLER COUNTY RECORDS OF DEEDS BY REC.
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10. THE SITE IS SUBJECT TO THE CHATHAM COURT PLANNED COMMUNITY REVISION NO. 2 PLAN AS RECORDED IN P.L.S. 311, PAGE 1549, INSTRUMENT NUMBER 2007-001747 IN THE BUTLER COUNTY RECORDS OF DEEDS BY REC.

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SCALE

GRAPHIC SCALE
1" = 100'

RP-1 7140	OWNER Grace Bay Limited Partnership Plan for Recording Calhoun Court - Planned Community Revision No. 2 Adams Township Butler County, Pennsylvania	DESIGNER HAMPTON TECHNICAL ASSOCIATES, INC. 180 BRAY ROAD SUITE 2 PLYMOUTH, PA 15098 PHONE 724 838-8800 FAX 724 838-8801 WWW.HAMPTON-PA.COM	DATE 08/15/07	REVISIONS	SCALE 1" = 100'
	DATE 08/15/07	SCALE 1" = 100'	DATE 08/15/07	REVISIONS	SCALE 1" = 100'

