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DECLARATION OF CARRIAGE CROSSING PLANNED COMMUNITY

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THIS DECLARATION is made on this 6th day of 50 y, 2000, by TELVIL CORP., a Pennsylvania corporation (hereinafter referred to as "Declarant").

WITNESSETH:

ARTICLE I

PROPERTY: DEFINED TERMS

Section 1.1 Submission of Property. This Declaration is made pursuant to the provisions of the Pennsylvania Uniform Planned Community Act, Act 180 of 1996, Title 68, Pa. C.S.A. Section 5101 et seq. (the "Act") for the purpose of submitting to the provisions of the said Act, the property described in Article II hereof, located in the Township of Lower Salford, Montgomery County, Pennsylvania, as more particularly described in Exhibit "A" (the "Property"), together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind now erected or to be erected thereon, owned by Declarant in fee simple together with all easements, rights and appurtenances belonging thereto and hereby creates with respect to the Property a Planned Unit Community to be known as the Carriage Crossing Planned Community (the "Community").

Section 1.2 Easements and Licenses. The Property is submitted under and subject to the matters of record listed on Exhibit "B" attached hereto and made a part hereof, only to the extent such matters continue to affect the Property, the Declarant expressly disclaiming any intent to revive or extend any such matters which do not presently affect the Property.

Section 1.3 Defined Terms. Capitalized terms not otherwise defined herein or in the Plats and Plans shall have the meanings specified or used in the Act. The following terms used or defined in general terms in the Act shall have the specific meaning herein as follows:

A. "Architectural Committee" shall mean the committee created pursuant to Article IX hereof.

B. "Assessments" means a Unit's individual share of the anticipated expenses of the Association for each fiscal year as reflected in the budget adopted by the Executive Board for such year.

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- C. "Association" means the Unit Owners' Association of the Community and shall be known as "Carriage Crossing Community Association".
- D. "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.
- E. "Common Elements" means all portions of the Property other than the Units, as more specifically set forth in Section 3.2 below, specifically including, but not limited to, entrance signage, community mail stations, street lights, overflow parking areas, the storm water management system as defined in Section 2.1 below and the portions of the open space not dedicated to the Township.
- F. "Common Expenses" shall mean the actual and estimated costs of maintenance, management, operation, repair and replacement of the Common Elements, including those costs not paid by the Owner responsible for payment; costs of compensation paid by the Association to Manager, accountants, attorneys and other employees; the cost of all gardening, landscaping and other services benefiting the Common Elements; the costs of maintaining street lights, if any; the costs of fire, casualty and liability insurance, workmen's compensation insurance, and other insurance covering the Property or the officers and directors of the Association; the costs of bonding of the members of the management body; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the Property, or portions thereof; the cost of trash removal; and the costs of any other item or items designated by, or in accordance with other expenses incurred by the Association for any reason whatsoever in connection with the Property, for the benefit of all of the Owners.
- G. "Community" means the Carriage Crossing Planned Community to be developed by the Declarant on the Property.
- H. "Community Documents" includes the Declaration, Plats and Plans, Bylaws and any Rules and Regulations which may be promulgated by the Association.
- I. "Declarant" means the party described in the initial paragraph above and all successors to any special Declarant rights.
- J. "Declaration" means this document, as the same may be amended from time to time.
 - K. "Executive Board" means the Executive Board of the Association.
- L. "Limited Common Assessment" shall mean a charge against a particular Unit Owner and his Unit directly attributable to the Unit Owner, equal to a cost incurred by the

Association for corrective action performed pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

- M. "Party Wall" means any wall, the centerline of which is a boundary line between two Units.
- N. "Permitted Mortgage" means a mortgage to (i) the Declarant; (ii) the seller of a Unit; (iii) a bank, trust company, savings bank, savings and loan association, mortgage service company, insurance company, credit union, pension fund, real estate investment trust or like institutional investor or lender; and (iv) any other holder of a first mortgage on any Unit who shall have provided to the Association a statement of its name, address and the Units against which it holds a first mortgage lien. A holder of a Permitted Mortgage is referred to herein as a "Permitted Mortgagee".
- O. "Plans" means the Plats and Plans attached hereto as Exhibit "C" and made a part hereof, as the same may be amended from time to time.
 - P. "Property" means the Property described in Section 1.1 above.
- Q. "Rules and Regulations" means such rules and regulations as are promulgated by the Executive Board from time to time, with respect to various details of the use of all or any portion of the Property, either supplementing or elaborating upon the provisions in the Declaration or the Bylaws.
- R. "Special Assessment" means such assessment as may be levied by the Association to cover costs not otherwise covered by the Assessment pursuant to Article VIII below.
- S. "Township" means Lower Salford Township, Montgomery County, a municipal corporation of the Commonwealth of Pennsylvania.
- T. "Unit" means any portion of a residential dwelling constructed on the Property as described herein and in the Plans.
- U. "Unit Owner" means the person or persons whose estate or interest, individually or collectively, aggregate fee simple ownership of a Unit. In case of joint ownership of a Unit, the term "Unit Owner" shall refer to all such joint owners collectively, and the obligations of a Unit Owner hereunder or under the Act shall, with respect to such Unit, be joint and several among such joint owners. The Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION; UNITS TO BE CONSTRUCTED

Section 2.1 Property. The Community shall consist of the Units constructed within the Property together with the easement rights and appurtenances belonging thereto. To service the Community, Declarant intends to construct the storm water management system and appurtenant pipes, swales, inlets and other components (collectively referred to as the "Storm Water Management System") as Common Facilities servicing the Community.

ARTICLE III

DESCRIPTION OF UNITS AND COMMONS ELEMENTS

Section 3.1 Unit Boundaries. Subject to the provisions of Section 9 below, each Unit shall consist of all space, fixtures and improvements, up to the center line of any party walls within the residential "building footprint" lot as designated on the record plan of Carriage Crossing prepared by Ludgate Engineering Corporation dated January 8, 1999, last revised May 10, 2000, as recorded in the Office of the Recorder of Deeds of Montgomery County. The Units shall also consist of the single family dwelling constructed on each such lot.

A. If any mechanical or structural component including, without limitation, air conditioner or heat pump compressors, shoots, flues, ducts including, without limitation, exhaust and dryer vents, wires, conduits, pipes, bearing walls, bearing columns, fixtures or hardware serving only one Unit lies partially or completely outside the boundary of the Unit, such mechanical or structural component shall be part of the Unit which it serves.

Section 3.2 Common Elements. Common Elements shall include all real estate not included within the title lines of any lot and any improvements on such real estate not dedicated to the Township of some governmental agency or authority including, but not limited to, entrance signage, community mail stations, street lights, overflow parking areas, the storm water management system, all sidewalks not located within the public right-of-way and the entire easement area intended for the community path except for that portion of the easement area for the community path on which an actual trail has been constructed. In the event the Township constructs a trail within the easement area, the maintenance of that constructed trail shall be the responsibility of the Township. Water lines servicing the Community shall be dedicated to the North Penn Water Authority. Sewer lines servicing the Community shall be dedicated to the Lower Salford Township Authority. The rights-of-way along Route 113 and Gruber Road shall be dedicated to the Township. Until such time as the aforesaid public improvements are dedicated, they shall constitute Common Elements.

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ARTICLE IV

EASEMENTS

- Section 4.1 Unit Owners' Easements of Enjoyment. Every Unit Owner shall have a right and easement of ingress and egress and of enjoyment in, to and over the Common Elements which shall be appurtenant to and shall pass with title to every Unit, subject to the following, provisions:
- A. The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Elements.
- B. The right of the Association in accordance with its Articles of Incorporation, Bylaws and this Declaration, with the vote or written assent of sixty-seven percent (67%) of each class of Members to borrow money for the purpose of improving the Common Elements and facilities and in aid thereof, and, subject to the provisions of Article XII of this Declaration, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such Permitted Mortgagee shall be subordinated to the rights of the Unit Owners.
- C. The right of the Association to replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the Common Elements.
- Section 4.2 Delegation of Use. Any Unit Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Elements to the members of his family, his tenants, or contract purchasers who reside in his Unit, subject to reasonable regulation by the Board.
- Section 4.3 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. The easements created in this section shall include, without limitation, rights of the Declarant, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace underground propane gas tanks and propane gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment and ducts and vents over, under, through, along and on Units and Common Elements. Notwithstanding the foregoing provisions of this section, 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.

- A. Declarant expressly reserves for itself, its successors and assigns, an easement for access, ingress and egress over the Common Elements for the purpose of connecting to existing storm and sanitary sewer lines, water lines and other utilities and for the purpose of installation, replacement and maintenance of such utility and service lines and systems as Declarant may in the future install and connect with the aforesaid utility lines, such additional utility lines to service any future development by the Declarant of Units and Common Elements created in the Convertible Real Estate pursuant to the provisions of Section 14.2 of this Declaration.
- Section 4.4 Easements Relating to Unit. Each Unit shall be, and it hereby is, made subject to the following rights, easements, and covenants in favor of each adjoining Unit and the Association:
- A. An easement for lateral and surface supports, in, through, over, under and alongside each adjoining Unit;
- B. An easement in favor of the Declarant, Association and their respective agents, employees and independent contractors for access to and ingress and egress over such portions of the Units as may be necessary for inspection, maintenance, repair and replacement of the Common Elements situated in or accessible from such Units; and correction of emergency conditions in one or more Units, or casualties to the Common Elements and/or the Units.
- C. The obligation of each Unit Owner to maintain all portions of his Unit in such condition as to insure structural support, sanitary hygienic condition, habitability, soundness and weather tightness of the adjoining Unit, and to maintain or repair his Unit, whether after damage by fire or otherwise, so as not to materially impair the value of any other Unit.

Unit

- D. An easement in favor of the Association, its agents, employees and independent contractors for access over, through and across the Property for the purpose of lawn mowing and maintenance of the front and end elevation landscaping in accordance with Section 10.2 of this Declaration.
- Section 4.5 Declarant Easement to Correct Drainage. Declarant reserves an easement on, over and under those portions of the Units and Common Elements not located within a building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this section expressly includes the right to cut any trees, bushes or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this result, following which the Declarant can restore the affected property as closely to its original condition as practicable.
- Section 4.6 Propane Gas Tanks. Declarant hereby reserves for itself, the Association, any propane gas supplier contracting with the Association and the Unit Owners and their respective successors and assigns an easement for access, ingress and egress on, over and through such

portions of the Units and Common Elements for the purpose of installing, repairing, maintaining and replacing underground storage tanks for propane gas and underground pipelines for the conveyance of propane gas from the underground storage tanks to each Unit. Declarant further reserves for the benefit of itself, the Association, any propane gas supplier contracting with the Association and the Unit Owners and their respective successors and assigns, the right of ingress and egress over such portion of the Units and Common Elements as may be necessary for the delivery of propene gas to the underground gas tanks.

A. All propane gas provided to each Unit shall be separately metered and will be billed on a monthly basis directly to Unit Owners by the propane supplier and will be each Unit Owner's sole obligation to pay. The underground propane storage tanks, pipelines, and appurtenances will be owned and maintained by the propane supplier. Underground tanks will be monitored and automatically filled by the propane supplier. Unit Owners will be responsible for service charges covering any costs of billing incurred by the Association.

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Section 4.7 Binding Effect. All easements and rights described and mentioned herein are easements appurtenant, running with the land, the Units and the Common Elements and shall be in full force and effect for the life of this Declaration, as amended, and at all times shall inure to the benefit of and be binding upon the Declarant, his successors and assigns, the Executive Board and any Unit Owner, purchaser, Permitted Mortgagee, lessee or other person having an interest in the land or any Units, Common Elements or portions thereof.

ARTICLE V

MEMBERSHIP IN THE ASSOCIATION: VOTING RIGHTS

Section 5.1 Membership. Unit Owner of a Unit shall be a Member of the Association. Memberships in the Association shall not be assignable, except by transfer of title and every membership in the Association shall be appurtenant to and may not be separated from the fee ownership of such Unit. Ownership of such Unit shall be the sole qualification for membership in the Association.

Section 5.2 Transfer of Membership Interest. Any transfer of membership interest shall be in writing and shall be delivered to the Executive Board before any Unit purchaser may vote. However, the Unit seller may remain liable for all charges and assessments attributable to his Unit until fee title to the Unit sold is transferred. In the event the Unit Owner of any Unit should fail or refuse to transfer the membership registered in his name to the purchaser of such Unit upon transfer of fee title thereto, the Executive Board shall have the right to record the transfer upon the books of the Association. The Executive Board shall have the right to charge a reasonable Limited Common Assessment against any Unit Owner, and his Unit, equal to the cost to the Association of effectuating any such transfer of his membership upon the books of the Association.

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- Section 5.3 Voting Membership. The Association shall have one class of membership. Each Owner of a Unit submitted to this Declaration is automatically a member.
- Section 5.4 Vote Distribution. Members shall be entitled to one (1) vote for each Unit in which they hold the interest required for membership. When more than one person holds such interest or interests in any Unit ("co-owner"), all such co-owners shall be Members and may attend any meetings of the Association, but only one (1) such co-owner shall be entitled to exercise the vote to which the Unit is entitled.

ARTICLE VI

USE RESTRICTIONS

- Section 6.1 Use and Occupancy of Units and Common Elements. The occupancy and use of the Units and Common Elements, shall be subject to the following restrictions:
- 6.1.1 Single Family Residence. Subject to Section 6.1.2 of this Article 6, each Unit shall be used as a residence for a single family dwelling and for no other purpose unless otherwise permitted herein and permitted by the Lower Salford Township Zoning Ordinance. Otherwise, no part of the Property shall ever be used or caused to be used or allowed or authorized in any way, direc 'y or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other such non-residential purposes; except Declarant, its successors or assigns, may use any portion of the Property for a model home site, and display sales office during the construction and sales period in accordance with Section 6. 1. 10 of this Article VI.
- 6.1.2 Nuisances. No noxious or offensive activity (including but not limited to the repair of motor vehicles) shall be carried on, in or upon any Unit or Common Elements nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any other Unit Owner. No loud noises or noxious odors shall be permitted on the Property, and the Executive Board shall have the right to determine in accordance with the Bylaws if any noise, odor or activity producing such noise, odor or interference constitutes a nuisance. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smokey vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles or other items which may unreasonably interfere with television or radio reception of any Unit Owner in the Property, shall be located, used or placed on any portion of the Property, or exposed to the view of other Unit Owners without the prior written approval of the Architectural Committee.
- 6.1.3 Signs. Until such time as the Declarant has conveyed all Units to Unit Owners other than the Declarant, its successors and assigns, no sign, poster, display, billboard or other advertising device of any kind shall be displayed to the public view on any portion of the Property or on any Unit except for one sign containing not more than one (1) square foot

Use Restriction specifying the resident of the Unit and house number assigned by the United States Postal Service.

A. After such time as the Declarant has conveyed all Units to Unit Owners other than the Declarant and its successors or assigns, Unit Owners shall be permitted to display one (1) sign containing not more than four (4) square feet which advertises the sale of the Unit, such sign to be placed only in the front window. This Section shall be superceded by the ordinances of the Township if such ordinances are more restrictive with regard to signs advertising the sale of homes.

Signs

6.1.4 Parking and Venicular Restrictions.—Unit Owners shall park vehicles in the driveway located immediately adjacent to their Unit.—The parking spaces within the parking areas adjacent to roadways are intended primarily for visitor parking and shall be used by Unit Owners on a temporary basis only. No Unit Owner shall park, store or keep on or within the Property any large commercial type vehicle (dump truck, cement-mixer truck, oil or gas truck, delivery truck or any other vehicular equipment, mobile or otherwise, deemed to be a nuisance by the Executive Board), or any recreational vehicle (camper unit, motor home, truck, trailer, boat, mobile home or other similar vehicle), upon any uncovered parking space, so as to be visible from anywhere in the Property. The above excludes trucks up to and including one (1) ton when used for everyday-type transportation and subject to approval by the Executive Board. No Unit Owner shall conduct major repairs or major restorations of any motor vehicle, boat, trailer, aircraft or other vehicle upon any portion of the Property.

6.1.5 Animal Restriction. No animals, livestock, reptiles or poultry of any kind shall be raised, bred or kept on the Property, except usual and ordinary dogs, cats, fish, birds and other household pets may be kept in Units subject to Rules and Regulations adopted by the Association, provided that they are not kept, bred or maintained for commercial purposes or in unreasonable quantities. As used in this Declaration, "unreasonable quantities" shall ordinarily mean more than two (2) pets per household, provided, however, that the Association (or the Architectural Committee or such other person or entity as the Association may from time to time designate) may determine that a reasonable number in any instance may be more or less. The Association, acting through the Executive Board, shall have the right to prohibit maintenance of any animal which constitutes, in the opinion of the Executive Board, a nuisance to any other Unit Owner. Animals belonging to Unit Owners, occupants or their licensees, tenants or invitees within the Property must be either kept in a Unit or deck or on a leash being held by a person capable of controlling the animal. Should any animal belonging to a Unit Owner be found unattended out of the Unit and not being held on a leash by a person capable of controlling the animal, such animal may be removed by the Association of a person designated by the Association to do so to an animal shelter. Furthermore, any Unit Owner shall be absolutely liable to each and all remaining Unit Owners, their families, guests, tenants, and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Property by a Unit Owner or by members of his family, his tenants or his guests; and it shall be the absolute duty and responsibility of each Unit Owner to clean up after such animals which have used any portion of the Common Elements.

- 6.1.6 Outdoor Activities. No rubbish, trash or garbage or other waste material shall be kept or permitted upon the Property, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. Trash cans and any other refuse container must be removed after pick-up, the day of said pick-up and shall be stored in the garage of the Unit. No refuse or any personal effects are to be stored in the front or rear yard of any Unit, with the exception of firewood. Firewood shall be neatly stacked in a location in the rear of the Unit and manner so as not to be offensive to adjoining Units and shall at all times be kept free of rodents or insects or other hibernating animals. Unit Owners may plant individual gardens to be maintained by the Unit Owner, such gardens to be located in the rear yard not more than fifteen feet (15') beyond the rear wall of the Unit.
- 6.1.7 Accessory Structures. No garage may be converted into living space or storage where such storage would prevent the parking of a vehicle inside the garage. No exterior storage sheds, above-ground swimming pool or other buildings or improvements shall be placed on the Property, either temporarily or permanently. No outdoor clothes lines, swing sets or any other structure which remains for more than twenty-four (24) hours are permitted in the front yard or rear yard on any Unit. Outdoor furniture may be placed on the deck to the rear of each Unit. Any deck to be constructed appurtenant to a Unit shall be subject to review by the Architectural Committee and shall be subject to the requirements of the Township Zoning Ordinance. No deck or patio or other outdoor structure may be placed beyond the outdoor living setback lines as shown on the Plan.
- 6.1.8 Common Facilities. Nothing shall be altered or constructed in or removed from the Common Elements except upon the written consent of the Association and Township.
- 6.1.9 Declarant Exemption. Declarant or its successors or assigns will undertake the work of constructing Units and developing all of the Common Elements included within the Property. The completion of that work and sale, rental and other disposal of Units is essential to the establishment and welfare of said property as a residential community. As used in this Section and its subparagraphs, the words "its successors and assigns" specifically do not include purchasers of completed Units. In order that said work may be completed and the Community be completed and established as a fully occupied residential community as rapidly as possible, no Unit Owner nor the Association shall do anything to interfere with, and nothing in this Declaration shall be understood or construed to:
- A. Prevent Declarant, its successors or assigns, or their contractors or subcontractors, from doing on or in any Unit or Common Element whatever it determines to be necessary or advisable in connection with the completion of said work, including without limitation the alteration of its construction plans and designs as Declarant deems advisable in the course of development;
- B. Prevent Declarant, its successors or assigns, or their representatives, from erecting, constructing and maintaining on or in any Unit or Common Element, or portion thereof, owned or controlled by Declarant, or its successors or assigns or its or their contractors

or subcontractors, such structures and equipment as may be reasonably necessary for the conduct of its or their business of completing said work and establishing the Property as a residential community and disposing of the same in Units by sale, lease or otherwise;

- C. Prevent Declarant, its successors or assigns or its contractors or subcontractors, from maintaining such signs on any Unit or Common Element as may be necessary including, but not by way of limitation, safety and Unit identification signs in connection with the sale, lease or other marketing of Units in the Property; or
- D. Prevent Declarant, its successors or assigns, from granting additional licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary for the proper development and disposal of the Property.

The provisions herein restricting Unit Owners and the Association from interfering with the construction activities of the Declarant shall survive turnover of control of the Association pursuant to Article XV below.

- 6.1.10 Sales Models. Declarant reserves the right pursuant to Section 5217 of the Act to maintain offices and models in t¹. Common Element portion of the Community in connection with the management of, sale or r stal of Units owned by the Declarant in the Community. Declarant may maintain such offices and models in units which have been constructed but not sold by the Declarant or in trailers placed by Declarant on the Common Elements. Declarant shall maintain no more than six (6) such offices or models which shall either be Units as constructed by Declarant or one-story trailers. Unsold Units shall not be deemed models unless specifically designated as models by the Declarant.
- 6.1.11 Outside Installations. Any exterior lighting must be shielded to prevent glare or annoying emission of light which unreasonably affects any other Unit. No solar panels or similar installations may be made unless specifically authorized by the Architectural Committee. No awnings or window guards shall be installed by any Unit Owner without the prior approval of the Architectural Committee. No radio station or shortwave operators of any kind shall operate from any Unit unless approved by the Executive Board. No exterior radio antenna, television antenna, satellite dishes or other signal receptors of any type shall be erected or maintained in the Property without review and approval by the Architectural Committee as to location and appearance. Signal receptors shall be subject to the following restrictions:
 - 1. Only one antenna or satellite dish shall be permitted per Unit.
 - 2. No satellite dish may be greater than eighteen inches (18") in diameter.
- 3. No antenna shall be installed on the exterior of any Unit unless a Unit Owner can demonstrate that it cannot receive a reasonably acceptable signal with internal installation.

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- 4. Any external installation shall be colored to match the surrounding or background structure.
 - 5. No structure may be installed by a Unit Owner in the Common Elements.

The Association shall have the right to establish additional Rules and Regulations as to location and screening of any externally placed signal receptor.

- 6.1.12 Insurance Rates. Nothing shall be done or kept in the Property which will increase the rate of insurance on any property insured by the Association without the approval of the Executive Board, nor shall anything be done or kept in the Property which would result in the cancellation of insurance on any property insured by the Association or which would be in violation of any law.
- 6.1.13 <u>Drainage</u>. There shall be no interference by any Unit Owner with the established drainage pattern over any Common Elements within the Property. For the purposes hereof, "established" drainage is defined as the drainage which exists at the time the overall grading of any Unit is completed by Declarant in accordance with the Subdivision Plan referred to above.
- 6.1.14 Draperies, Curtains, Venetian Blinds or Other Window Treatments. All draperies, curtains, venetian blinds or other window treatments must be off white or white in color on the exterior side.
- 6.1.15 Sale of Units. There shall be no restriction on the sale, conveyance or other transfer of title to any Unit, but any sale, conveyance or other transfer shall be subject to the Act, this Declaration, the Bylaws, and the Rules and Regulations of the Association. Without limiting the generality of the foregoing, the sale of a Unit shall not be subject to any right of first refusal in favor of the Association or any other Unit Owner. In order to maintain proper Association records, at least thirty (30) days prior to any transfer, a transferring Unit Owner shall notify the Executive Board in writing of the name and address of the proposed transferee and the projected date of settlement.
- 6.1.16 Leasing of Units. Except as expressly provided in this Section, there shall be no restrictions on the leasing of Units. No transient tenants may be accommodated in any Unit, and no Lease shall be for less than a whole Unit, nor for an initial term of less than one (1) year. Each Lease shall be in writing and shall provide the terms of the Lease, shall be subject in all respects to the provision of the Act, this Declaration, the Bylaws and the Rules and Regulations of the Association, and that any failure by the Lessee to comply with the terms of such documents shall by an event of default under the Lease. The Association shall be a third party beneficiary of such covenants in any Lease and shall have the right to enforce them. A Unit Owner shall not engage in the leasing of his Unit except after having his lessee execute a lease which contains the following provisions:

"Lessee hereby agrees to be bound by all terms and conditions contained in the Declaration of Carriage Crossing Planned Community, Bylaws and Rules and Regulations of the Association as the same shall apply to the Unit leased hereunder, and agrees to assume all duties and responsibilities and be jointly and severally liable with the Unit Owner for all of the liabilities and for the performance of all of the obligations applicable to the Unit Owners under the Act, the Community documents or otherwise during the term of the Lease. Lessee further agrees that he shall not sublet or assign this Lease except with the approval and consent of the Lessor."

Language must be included in each Lease

ARTICLE VII

EXECUTIVE BOARD OF THE ASSOCIATION

Section 7.1 Powers of the Executive Board. The Executive Board shall consist of three (3) members who shall be elected at the annual meetings of the Association members as provided in the Bylaws. The first Executive Board shall be appointed by the Declarant until their successors are elected pursuant to the provisions of Section 5303 of the Act. In addition to the powers set forth in the Act, the Executive Board shall have the following additional powers:

- A. To appoint committees of the Executive Board (which need consist of only one (1) Board Member) and to delegate to such committees the Executive Board's authority to carry out certain duties of the Executive Board, subject to the approval and control of the Executive Board.
- B. To engage the services of any persons (including, but not limited to, accountants and attorneys) deemed necessary by the Executive Board at such compensation as is deemed reasonable by the Executive Board, in the operation, repair, maintenance and management of the Property, or in connection with any duty, responsibility or right of the Executive Board and to remove, at any time, any such personnel.
- C. To pay any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Property or any part thereof which may in the opinion of the Executive Board constitute a lien against the Property or against the Common Elements, rather than merely against the interest therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Executive Board by reason of said lien or liens shall be specially assessed to said Unit Owners.
- Section 7.2 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 such Unit Owner, shall 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 at law or in equity, the continuance of any such breach.

ARTICLE VIII

ASSESSMENTS

Section 8.1 Creation of the Lien and Personal Obligation of Assessments. Declarant, for each Unit owned by it within the Property, hereby covenants, and each Unit Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (1) annual Assessments for Common Expenses, (2) Special Assessments and (3) Limited Common Assessments; such assessments to be established and collected as hereinafter provided. Each such assessment, together with interest, costs and reasonable attorney's fees, shall be the personal obligation of the person who was the Unit Owner of such Units at the time when the assessment fell due. Subject to provisions of this Declaration protecting first Permitted Mortgagees, the personal obligation for delinquent assessments shall pass to the successors-in-title of such Unit Owner. The Executive Board shall establish one (1) or more separate accounts into which shall be deposited all assessments paid to the Association, and from which disbursements shall be made, as provided herein, in the performance of functions by the Association under the provisions of this Declaration.

Section 8.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the common health, safety, benefit, and welfare of the Unit Owners and for the improvement and maintenance of the Common Elements and improvements on the Common Elements, including, but not limited to, the Storm Water Management System.

Section 8.3 Damage to Common Elements by Unit Owners. Any maintenance, repairs or replacements within the Common Elements arising out of or caused by the willful or negligent act or omission of the Unit Owner, his family, guests or invitees shall be done at said Unit Owner's expense or a Limited Common Assessment therefor shall be made against his Unit; provided, however, that the liability of an individual Unit Owner for such damage to the Common Elements shall not be absolute, but shall only be that for which the Unit Owner is legally responsible under the laws of the Commonwealth of Pennsylvania.

Section 8.4 Basis of Assessment. The Executive Board shall periodically (and in no event less than annually) determine the estimated Common Expenses for the ensuing period (of not more than one (1) year) including any reserves it deems advisable, and the Common Expenses incurred and the assessments and other receipts, if any, received during the prior period. Promptly following each determination of the Common Expenses theretofore incurred (and not theretofore assessed) and of budgeted estimated future Common Expenses, the Executive Board shall assess and collect from each Unit Owner (including Declarant with respect to any Unit owned by Declarant on the assessment date for which a certificate of occupancy has been issued

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by Township) and each such Unit Owner agrees to pay the Association a share of such incurred and estimated Common Expenses as set forth in Section 8.10 of this Article 8.

Section 8.5 Monthly Payments. All Common Expense assessments made in order to meet the requirements of the Association's annual budget shall be deemed to be adopted and assessed on a monthly basis (rather than on an annual basis payable in monthly installments) and shall commence and be due and payable in advance on the first day of each month after settlement by the Unit Owner on the Unit. The initial monthly payment for the period of one (1) year from the first settlement on a Unit within the Community between Declarant and Unit Owner shall be Ninety-five Dollars (\$95.00).

Section 8.6 Surplus. The budget of the Association shall segregate capital expenses from Common Expenses. Any amounts accumulated from Assessments for Common Expenses and income from the operation of the Common Elements to which such Common Expenses pertain in excess of the amount required for actual Common Expenses may be reserved for future capital expenses at the discretion of the Executive Board. Any amounts accumulated in excess of the amounts required for actual Common Expenses and reserves for future capital expenses may, at the discretion of the Executive Board, be credited to each Unit Owner in accordance with its proportionate Common Expense liability, said credits to be applied to the next monthly assessment of general common expenses due from Unit Owners under the current fiscal year's budget and thereafter until exhausted. The Executive Board shall determine the application of such excess funds.

Excess Open & goes Into Reserve Accounts at endofyeur

Section 8.7 Capital Expense. The Association shall establish an adequate capital expense fund for major repair and replacement of those Common Elements which are anticipated to require replacement, repair or major repair on a periodic basis. The capital expense fund shall be funded by monthly payments as a part of Common Expenses.

Reserves

Section 8.8 Special Assessments. If the annual budget proves inadequate for any reason, including nonpayment of any Unit Owner's assessments, or any nonrecurring Common Expense or any Common Expense not set forth in the annual budget as adopted, the Executive Board may at any time levy a further assessment, which shall be assessed to the Unit Owners in accordance to each Unit Owner's percentage interest in the Common Elements. Such further assessment shall be payable in such monthly installments as the Executive Board may determine. The Executive Board shall serve notice of further assessment on all Unit Owners by a statement in writing giving the amount and reasons therefore, and such further assessment shall become effective and shall be payable at such time or times as determined by the Executive Board.

Section 8.9 Failure to Fix New Assessments. If the Executive Board shall fail to fix new assessments for Common Expenses for the subsequent fiscal year before the expiration of any fiscal year, the Unit Owners shall continue to pay the same sums they were paying for such assessments during the fiscal year just ended and such sum shall be deemed to be the new assessments for the succeeding fiscal year. If the Executive Board shall change the assessment

at a later date, such new assessment shall be treated as if it were a Special Assessment under Section 8.8 hereof

Section 8.10 Rate of Assessment. Assessments provided for shall be assessed against Units equally. The share of each Unit shall be determined by taking the total amount of the Common Expenses and multiplying by a fraction the numerator of which is the number one and the denominator of which is the total number of Units subject to this Declaration.

Section 8.11 Date of Commencement of Assessment. The Assessments provided for herein for each Unit shall commence with the first day of the month after settlement on the first Unit to a Unit Owner.

Section 8.12 Initiation Fee. Every Unit Owner shall, at the time of such Unit Owner's purchase of the Unit from the Declarant pay to the Declarant the sum of Five Hundred Dollars (\$500.00) as an Association initiation fee. The sum shall be applied to the operation of the Association in such manner as shall be determined in the sole discretion of the Declarant.

Section 8.13 Capital Contribution. Upon any resale of the Unit and purchase by a subsequent Unit Owner, the purchasing Unit Owner shall pay the Association a capital improvement fee as then established by the Association. The capital improvement fees collected by the Association shall be maintained in separate capital account. Such fee shall not exceed the annual Assessment for Common Expense charged to such Unit during the most recently completed fiscal year of the Association.

Section 8.14 Nonpayment of Assessments. Any installment of an Assessment, a Special Assessment or Limited Common Assessment not paid when due shall bear interest from the due date of such installment at the rate of fifteen percent (15 %) per annum. If a Unit Owner is in default of a monthly payment of any Assessment, Special Assessment or Limited Common Assessment for thirty (30) days, the Executive Board may, in addition to all other remedies in the Act or Declaration, accelerate all other monthly payments of Assessments, Special Assessments or Limited Common Assessment due for the following twelve (12) months.

Section 8.15 Liability of Purchaser of Unit for Unpaid Assessment. Subject to the provisions of Section 5407 of the Act, upon the voluntary sale, conveyance or any other voluntary transfer of a Unit or any interest therein, the grantce thereof shall be jointly and severally liable with the grantor thereof for all unpaid assessments for Common Expenses which are a charge against the Unit as of the date of consummation of the sale, conveyance or transfer, but such joint and several liability shall be without prejudice to such grantee's right to recover from such grantor the amount of any such unpaid assessments which such grantee may have paid, and until any such assessments are paid, they shall continue to be a lien against the Unit which may be enforced in the manner set forth in Section 5315 of the Act.

Section 8.16 Fees and Expenses. All expenses of the Executive Board in connection with any actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, asserted by the Association in collecting Assessments,

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Special Assessments or Limited Common Assessments shall be added to and deemed a Limited Common Assessment and the Association shall have a lien for all of the same, upon the defaulting Unit. Any and all rights and remedies shall be exercised any time and from time to time, cumulatively or otherwise.

Section 8.17 Utility Charges. All utilities provided to the Premises shall be separately metered and will be billed directly to Unit Owners and will be each Unit Owner's sole obligation to pay. Unit Owners shall be responsible for service charges covering any costs of billing incurred by the Association.

ARTICLEIX

ARCHITECTURAL CONTROL

Section 9.1 Members of the Committee. The Architectural Committee, sometimes referred to in this Declaration as the "Committee", shall consist of three (3) members. The initial members of the Committee shall consist of representatives of Declarant until their successors are elected as provided in the Bylaws. Thereafter, new members of the Committee shall be appointed for one (1) year terms by the Executive Board. Members of the Committee may be removed at any time without cause. The Executive Board shall have the right to appoint and remove all members of the Committee.

Review of Proposed Construction. Subject to Section 6.1.9 of this Declaration Section 9.2 and subject to all applicable municipal zoning ordinances, no addition, change or alteration to the exterior of any Unit, including change in color, shall be made until the plan and specifications showing the nature, kind, shape, height, materials and location of the same shall have been approved by said Committee and submitted to and approved in writing as to harmony of external design, color and location in relation to surrounding structures and topography by the Architectural Committee. The Unit Owner shall obtain approval by the Committee prior to filing an application with the municipality for a building permit. The Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby in the location indicated will not be detrimental to the appearance of the surrounding area of the Property as a whole, that the appearance of any structure affected thereby will be in harmony with the surrounding structures, and that the upkeep and maintenance thereof will not become a burden on the Association. The Committee may condition its approval of proposals or plans and specifications on such changes therein as it deems appropriate, upon the agreement by the Unit Owner submitting the same to grant appropriate easements to the Association or to assume any additional cost of maintenance and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Committee may also issue rules or guidelines setting forth procedures for the submission of plans for approval, requires a fee payable to the Association to accompany each application for approval, or additional factors which it will take into consideration in reviewing submissions. The Committee may provide that the amount of such fee shall be uniform, or that it be determined in any other reasonable

manner, such as by the reasonable cost of the construction, alterations or additions contemplated. The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and description or samples of exterior material and colors. Until receipt by the Committee of any required plans and specifications, the Committee may postpone review of any plans submitted for approval. Thereafter, the Committee shall communicate its response to the submitting Unit Owner within forty-five (45) days after such receipt. Lack of a timely response shall be deemed an approval of the request as made.

- Approved Materials. The Committee shall maintain a list of approved storm Section 9.3 doors and storm windows and shall be published as part of the Rules and Regulations of the Association. The Committee may add additional exterior improvements or materials.
- Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time, by resolution unanimously adopted in writing, designate a Committee Representative (who shall be one of its members) to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Section 9.9 hereof. In the absence of such designation, the vote of a simple majority of the members of the Committee taken without a meeting shall constitute an act of the Committee.
- No Waiver of Future Approvals. The approval of the Committee to any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent.
- Section 9.6 Compensation of Members. The members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.
- Inspection of Work. Inspection of work and correction of defects therein shall ARC Kequest lows: Section 9.7 proceed as follows:

- Upon the completion of any work for which approved plans are required under this Article IX, the Unit Owner shall give written notice of completion to the Committee.
- Within thirty (30) days thereafter, the Committee or its duly authorized representative may inspect such work. If the Committee finds that such work was not done in substantial compliance with the approved plans, it shall notify the Unit Owner in writing of such noncompliance within such thirty (30) day period, specifying the particulars of noncompliance, and shall require the Unit Owner to remedy the same.

- C. If upon the expiration of thirty (30) days from the date of such notification the Unit Owner shall have failed to remedy such noncompliance, the Committee shall notify the Executive Board in writing of such failure. Upon notice and hearing, the Executive Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Unit Owner shall remedy or remove the same within a period of not more than fifteen (15) days from the date of announcement of the Executive Board ruling. If the Unit Owner does not comply with the Executive Board ruling within such period, the Executive Board, at its option, may either remove the noncomplying work or remedy the noncompliance, and the Unit Owner shall reimburse the Association, upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Unit Owner to the Association the Executive Board shall levy a Limited Common Assessment against such Unit Owner for reimbursement.
- D. If for any reason the Committee falls to notify the Unit Owner of any noncompliance within thirty (30) days after receipt of said written notice of completion from the Unit Owner, the work shall be deemed to be in accordance with said approved plans.
- Section 9.8 Non-Liability of Committee Members. Neither the Committee nor any member thereof, nor its duly authorized Committee representative shall be liable to the Association, or to any Unit Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Committee or any such member or representative. The Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration or addition, solely on the basis of acothetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Property generally. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.
- Section 9.9 Variance. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration when circumstances such as hardship, aesthetic or environmental consideration may require. Such variances must be evidenced in writing, must be signed by at least a simple majority of the members of the Committee, and shall become effective upon recordation in the Office of the Recorder of Deeds of Montgomery County. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration or of any Supplemental Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Unit Owner's obligation to comply with all governmental laws and regulations affecting his use of the premises, including but not limited to zoning ordinances or other requirements imposed by any governmental or municipal authority.