

HERSHEY'S MILL HOMEOWNERS ASSOCIATION
BY-LAWS

ARTICLE I - OFFICE

1.1 The registered office of Hershey's Mill Homeowners Association (hereinafter called the "Association") shall be at: 1500 Green Hill Road, West Chester, PA 19380.

1.2 The Association may also have offices at such other places as the Board of Directors may from time to time appoint or the activities of the Association may require.

ARTICLE II - SEAL

2.1 The corporate seal shall have inscribed thereon the name of the Association, the year of its organization and the words "Corporate Seal, Pennsylvania."

ARTICLE III - POWERS AND DUTIES

3.1 The Association shall have the powers given and duties assigned to it pursuant to that certain Declaration of Covenants and Easements for Hershey's Mill dated April 24, 1978 and recorded in the Chester County, Pennsylvania Recorder of Deeds Office in Deed Book 405 beginning at page 180 as the same may from time to time be amended and supplemented (hereinafter called the "Declaration"). Capitalized terms used and not defined herein shall have the meanings assigned thereto in the Declaration.

ARTICLE IV - MEMBERS: VOTING

4.1 The members of the Association shall be the presidents of the Village Councils elected pursuant to the Village Declarations which govern land subject to the Declaration, as more fully set forth in Section 5.2 of the Declaration.

4.2 The members shall each have one vote.

ARTICLE V - MEETINGS OF THE MEMBERSHIP

5.1 Unless the Board of Directors fixes another date or time, an annual meeting of the members shall be held on the first Thursday of May in each year if not a legal holiday, and if a legal holiday, then the next full business day following at 10 o'clock AM, when they shall elect directors for the ensuing year and transact such other business as may properly be brought before the meeting. If the annual meeting shall not be called and held within three months after the designated time, any member may call such meeting upon twenty (20) days written notice to the membership.

5.2 Special meetings of the membership may be held at any time and from time to time upon the call of the Board of Directors and must be called by the Board of Directors upon written demand submitted by at least 10% of the members.

5.3 Meetings of the membership shall be held upon the Declared Hershey's Mill Land or such other convenient and nearby place as the Board of Directors shall determine.

5.4 The Secretary of the Association shall give each member at least 20 days' prior written notice of the time and place of each meeting, including the annual meeting, together with the proposed agenda. Business conducted at any meeting of the members other than the annual meeting shall be limited to the matters set forth on the proposed agenda delivered to the members.

5.5 At any meeting a quorum shall consist of the presence in person of at least one-fourth of the members. When a quorum is present, any action taken by a majority of the members represented in person shall be binding on all members, unless otherwise specified in the Declaration. If a meeting cannot be organized because a quorum is not present, those present may, by the vote of the majority of the members represented, adjourn the meeting to such time and place as they may determine. Those who attend the second of such adjourned meetings, although less than a quorum as otherwise provided in this subsection, shall nevertheless constitute a quorum for the purpose of enacting any business, provided that at least five (5) days' prior written notice of the time and place of each of the two such adjourned meetings shall have been delivered to each member; and provided further that notice of such second adjourned meeting shall include a provision notifying each member that the normal quorum requirements shall not apply to such meeting. Voting by proxy shall not be permitted.

5.6 Except as otherwise expressly provided herein, the members of the Association shall have no power to exercise or perform any of the powers or duties delegated to the Board of Directors.

ARTICLE VI - DIRECTORS

6.1 The business and affairs of the Association shall be managed by its Board of Directors, of no less than 9 in number, who need not be members of the Association but who shall be natural persons of full age who are Home Owners (except that designees of the Declarant may but need not be Home Owners).

6.2 The initial directors of the Association and their successors shall be appointed by the Declarant until control of the Board of Directors is transferred to the Association. The Declarant must transfer control of the Board of Directors to the Association within sixty (60) days following the first to occur of (i) the sale and conveyance of 2,200 Houses to Home Owners other than Declarant, or (ii) December 31, 1998. The Declarant may, in its sole discretion,

transfer control of the Board of Directors at an earlier date. Control shall be transferred at a meeting of the members of the Association (including Declarant). At such meeting, the new Board of Directors shall be elected for staggered terms as follows: Three for three years, three for two years and three for one year. Thereafter, individuals will be elected to three-year terms to replace those directors whose terms are scheduled to expire on the date of the annual meeting that year. Each director shall serve until his successor is duly elected and qualified, unless sooner removed in accordance with these By-Laws and the law. Directors may serve consecutive terms if reelected by the members of the Association.

6.3 Unless the Board of Directors fixes another date or time, an annual meeting of the Board of Directors shall be held immediately following each annual meeting of the membership, when the directors shall elect officers and transact such other business as may properly be brought before the meeting. If the annual meeting shall not be called and held within three months after the designated time, any director may call such meeting upon twenty (20) days' written notice to the directors.

6.4 The meetings of the Board of Directors may be held at such times and at such place or places within this Commonwealth, or elsewhere, as a majority of the directors may from time to time appoint, or as may be designated in the notice calling the meeting.

6.5 Written or personal notice of the time and place of every meeting of the Board of Directors shall be given to each director at least five days prior to the day named for the meeting.

6.6 A majority of the directors in office or 3 persons, whichever is the lesser number, shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. Voting by proxy shall not be permitted. Any action which may be taken at a meeting of the directors may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and shall be filed with the Secretary of the Corporation. Voting by proxy shall not be permitted.

6.7 The Board of Directors shall receive no compensation for their services as such.

6.8 Any individual director may be removed from office with or without cause (which shall include, but not be limited to, failure to attend three (3) consecutive board meetings without reasonable excuse) by the resolution of a majority of the directors in office, provided that such resolution appoints new directors to fill any vacancies so created.

ARTICLE VII - OFFICERS

7.1 The officers of the Association shall be elected by the Board of Directors, and shall be a President, Secretary, Treasurer and one or more Vice-Presidents and such other officers and assistant officers as the Board of Directors may elect. The officers of the Association shall be elected annually by the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. The officers shall be natural persons of full age who are members of the Association, (except that designees of the Declarant need not be members of the Association.) Each officer and assistant officer shall hold his office for a term of one year and until his successor has been duly elected and qualified and shall have such authority and shall perform such duties as are provided by the By-Laws and as shall from time to time be prescribed by the Board of Directors. It shall not be necessary for the officers other than the President and the Secretary to be directors and any number of offices may be held by the same person except the offices of President and Secretary. The Board of Directors may secure the fidelity of any or all such officers by bond or otherwise, the cost of which shall be a Common Expense assessable against the Home Owners in accordance with the Declaration. The initial officers of the Association and their successors shall be appointed by the Declarant until control of the Board of Directors is transferred to the Association.

7.2 Any officer or agent may be removed by the Board of Directors or the membership with or without cause whenever in their judgment the best interests of the Association will be served thereby, but such removal shall be without prejudice to the indemnity rights of any person so removed pursuant to Section 12.2 hereof.

7.3 The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and of the directors; he shall have general power to manage the affairs of the Association; shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the directors to delegate any specific powers, except such as may be by statute exclusively conferred on the President, to any other officer or officers of the Association. He shall execute under the seal of the Association such deeds, bonds, mortgages, leases, subleases, contracts and other instruments requiring a seal; as the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other officer or agent of the Association, He shall have the general powers and duties of supervision and management usually vested in the office of President.

7.4 In the absence of the President or in event of his inability or refusal to act, the Vice-President or in the event there be more than one Vice-President, Vice-Presidents, in the order determined by the Board of Directors; shall perform the duties of the

President, and when so acting, shall have all the powers of and be subject to all the restrictions on the Presidents. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

7.5 The Secretary shall attend all meetings of the members and of the Board and act as clerk thereof, and record all the votes of the members and of the Board and the minutes of all such transactions in a book to be kept for that purpose; and shall perform like duties for all committees of the Board of Directors when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the corporate seal of the Association and when authorized by the Board, affix the same to any instrument requiring it.

7.6 The Treasurer shall have custody of the funds of the Association and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall keep the moneys of the Association in separate accounts to the credit of the Association in such banks, trusts, companies, or other depositaries as shall be selected by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it an account of all his transactions as Treasurer and of the financial condition of the Association. Checks drawn on Association bank accounts shall be signed by the Treasurer and the President, or such other two officers of the Association as shall be designated by the Board of Directors.

7.7 The book and record keeping function of the Secretary and the Treasurer, and the sending of notices, may be delegated to management company employed by the Association.

ARTICLE VIII- VACANCIES

8.1 If the office of any officer becomes vacant for any reason, the Board of Directors may choose a successor, who shall hold office for the unexpired term in respect of which such vacancy occurred.

8.2 Vacancies in the Board of Directors shall be filled by resolution of the Board of Directors, and each person so appointed shall be a director for the unexpired term in respect of which such vacancy occurred.

ARTICLE IX- TRANSACTION OF BUSINESS

9.1 The Association shall make no material purchase of real property nor sell, mortgage, lease away or otherwise dispose of any

material part of its real property, unless authorized by a vote of two-thirds of the members in office of the Board of Directors. If the real property is subject to a trust the conveyance away shall be free of trust and the trust shall be impressed upon the proceeds of such conveyance.

9.2 Whenever the lawful activities of the Association involve among other things the charging of fees or prices for its services or products, it shall have the right to receive such income and, in so doing, may make an incidental profit. All such incidental profits shall be applied to the maintenance and operation of the lawful activities of the Association, and in no case shall be divided or distributed in any matter whatsoever among the members or directors or officers of the Association except as expressly permitted by the Declaration.

9.3 All demands for money and notes of the corporation shall be signed by the President or any Vice-President, and the corporate seal shall be affixed by the Secretary or any Assistant Secretary.

9.4 No agreement, check or other instrument shall be binding upon the Association unless entered into on its behalf by at least two members of the Board of Directors or by one member of the Board of Directors and by the managing agent employed by the Board of Directors.

ARTICLE X - ANNUAL REPORT AUDITS

10.1 The Treasurer shall present annually to the Board of Directors a report, audited and certified by a Certified Public Accountant (the expense of which shall be a Common Expense assessable against the Home Owners in accordance with the Declaration) showing in appropriate detail the following:

(a) The assets and liabilities of the Association as of the end of the fiscal year immediately preceding the date of the report.

(b) The principal changes in assets and liabilities during the year immediately preceding the date of the report.

(c) The revenue or receipts of the Association both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report.

(d) The expenses or disbursements of the Association, for both general and restricted purposes, during the year immediately preceding the date of the report.

Sufficient copies of the said report shall be furnished upon written request to each member to enable him to make distribution

thereof to each Home Owner in such members' Village.

ARTICLE XI - NOTICES

11.1 Whenever written notice is required to be given to any person, it may be given to such person, either personally or by sending a copy thereof by first class mail, postage prepaid, or by telegram, charges prepaid, to his address supplied by him to the Association for the purpose of notice. If the notice is sent by mail or by telegraph, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office for transmission to such person. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by statute or these By-laws. When a meeting is adjourned it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcements at the meeting at which such adjournment is taken.

11.2 Whenever any written notice is required to be given under the provisions of the statutes or the Articles or By-Laws of the Association, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by statute, neither the business to be transacted at nor the purpose of a meeting shall constitute a waiver of notice of such meeting, to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE XII - MISCELLANEOUS PROVISIONS

12.1 One or more persons may participate in a meeting of the Board of Directors or any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

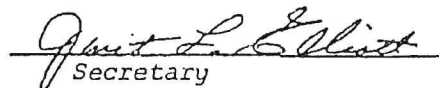
12.2 The members of the Board of Directors and officers (a) shall not be liable to the Home Owners or the members of the Association as a result of their activities as such for any mistake of judgment, negligence or otherwise except for their own willful misconduct or bad faith; (b) shall have no personal liability in contract to a Home Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (c) shall have no personal liability in tort to a Home Owner or any other person or entity direct or imputed by virtue of acts performed by or for them, in their capacity as such, except for their own willful misconduct or bad faith; and (d) shall have no personal liability arising out of the use, misuse or condition of the Declared Common Open Space or which might in any other way be assessed against or imputed to them as a

result or by virtue of their capacity as such. The Home Owners and the members of the Association shall indemnify and hold harmless any person, his heirs, and personal representatives, from and against any and all personal liability, and all expenses, including counsel fees, incurred or imposed, or arising out of or in settlement of any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative instituted by any one or more Home Owners or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board of Directors or officer other than to the extent if any, that such liability or expense shall be attributable to his willful misconduct or bad faith. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of members of the Association or of the Board of Directors, or otherwise. The indemnification by the Home Owners and the members of the Association set forth in this clause shall be paid by the Board of Directors on behalf of the Home Owners and members and shall constitute a Common Expense assessable against the Home Owners in accordance with the Declaration. Complaints brought against the Association or the Board of Directors or the officers, in their respective capacities as such, or the Declared Common Open Space, shall be directed to the Board of Directors, which shall promptly give written notice thereof to the members of the Association and shall be defended by the Association, and the Home Owners and members of the Association shall have no right to participate other than through the Association in such defenses.

ARTICLE XIII - AMENDMENTS

13.1 These By-Laws may be amended or supplemented or repealed only at a meeting of the membership duly called and held in accordance with these By-Laws, at which a quorum is present, by a two-thirds (2/3) affirmative vote of the members present and entitled to vote provided that the proposed amendment, supplement or repeal shall have been submitted to the membership together with the notice of such meeting required to be given by these By-Laws and provided that those provisions of these By-laws which are governed by the Articles of Incorporation of the Association may not be amended except as provided in the Articles of Incorporations and in accordance with applicable law; and provided further that any provision relating to any matter which is stated herein to be or which is in fact governed by the provisions of the Declaration may not be amended except as provided in the Declaration.

13.2 In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the provisions of the Declaration shall control.


Secretary

RE-STATED DECLARATION OF COVENANTS AND EASEMENTS
FOR HERSHEY'S MILL
[INCLUDES REMOVAL OF CERTAIN PROPERTY
FROM THE UNIT PROPERTY ACT]

Dated: MARCH 1, 1984

East and West Goshen Townships,
Chester County, Pennsylvania

Declarant: West Chestnut Realty Corp.

Recorded: Office of Chester County Recorder of Deeds
Miscellaneous Deed Book 633 Beginning at Page 412

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- Exhibit D - Green Hill Sewer Association Easement Agreement
- Exhibit E - Hershey's Mill Services Association Easement Agreement

RESTATED DECLARATION OF COVENANTS
AND
EASEMENTS FOR HERSHEY'S MILL

THIS RESTATED DECLARATION dated this 1st day of March 1984 by WEST CHESTNUT REALTY CORP., a Pennsylvania corporation ("Declarant") and DAVID M. BOUCHER, as attorney-in-fact for the Home Owners pursuant to Section 6.4 hereof, amends in its entirety and restates in full that certain Declaration of Covenants and Easements for Hershey's Mill made by Declarant dated April 24, 1978 and recorded in the Chester County Recorder of Deeds Office in Miscellaneous Book 405 at page 180, as amended and supplemented by the three prior Amendments and seven prior Supplements described in Schedule 1 attached hereto. This Restated Declaration (hereinafter referred to as the "Declaration") provides as follows:

ARTICLE I - DESCRIPTION OF PERSONS AND PROPERTY SUBJECT
TO DECLARATION; CANCELLATION OF EXISTING
DOCUMENTATION AND REMOVAL OF CERTAIN PROPERTY
FROM THE UNIT PROPERTY ACT DEVELOPMENT PLANS

Section 1.1 - Description of Property Subject to Declaration;
Cancellation of Existing Documentation and Removal of Certain Property from
the Unit Property Act. The property which is subject to this Declaration upon the date hereof (subject to the rights reserved to Declarant in this Section to subject additional property hereto) is a tract of real property, with all buildings and improvements now or hereafter constructed or installed thereon, located in East Goshen Township, Chester County, Pennsylvania bounded and described as set forth in the metes and bounds description attached hereto as Exhibit A, together with the additional land described in the seven Supplements listed on Schedule 1 attached hereto, and hereinafter collectively referred to as the "Declared Hershey's Mill Land". The Declared Hershey's Mill Land is part of a larger parcel of land located partly in East Goshen Township and partly in West Goshen Township, Chester County, Pennsylvania described by metes and bounds in Exhibit B attached hereto conveyed to Declarant by the Federal Deposit Insurance Corporation by deed dated August 18, 1977, and recorded in the Office of the Recorder of Deeds of Chester County, Pennsylvania in Deed Book 051 beginning at page 280 and hereinafter referred to as the "Hershey's Mill Land".

The Declarant reserves the right at any time or from time to time to subject additional portions of the Hershey's Mill Land, or any other property within one (1) mile of any part of the Hershey's Mill Land, to the benefits and burdens of this Declaration by executing and recording in the aforesaid Recorder's Office one or more supplements hereto with a supplemental Exhibit A attached thereto which describes the additional land by metes and bounds or by reference to the Preliminary Hershey's Mill Plan hereinafter described, and upon the recording of each such supplement the term "Declared Hershey's Mill Land" as used herein shall be deemed to include the additional land so described, together with all buildings and improvements now or hereafter constructed or installed thereon. Unless and until additional portions of the Hershey's Mill Land are subjected hereto by the execution and recording of such supplements,

those portions shall not be subject to any of the terms or conditions hereof. The right reserved to Declarant to subject additional land to this Declaration pursuant to this paragraph shall lapse upon the first to occur of (a) the sale and conveyance of 2200 Houses (as hereinafter defined) by Declarant to Home Owners (as hereinafter defined) other than Declarant; or (b) December 31, 1998.

Declarant makes no covenant or warranty, expressed or implied, to subject additional land to this Declaration.

This Declaration, and the Preliminary Hershey's Mill Plan described in Sections 1.2 and 1.4 below, and the Village Declarations described in Section 1.2(a) below (as such instruments may be from time to time amended or supplemented) constitute the instruments governing the use and development of the Declared Hershey's Mill Land. Accordingly, Declarant hereby revokes and cancels those certain recorded instruments governing the Declared Hershey's Mill Land (and certain additional property owned by Declarant) being (a) that certain Declaration of Covenants and Easements of Hershey's Mill made by Farmer's Bank of the State of Delaware (hereinafter the "Farmers Bank") dated March 10, 1976, and recorded in the aforesaid Recorder of Deeds Office in Miscellaneous Deed Book 320 beginning at page 217; and (b) that certain Declaration of Condominium made by the Farmers Bank dated March 10, 1976, and recorded in the aforesaid Recorder of Deeds Office in Miscellaneous Deed Book 321 beginning at page 1; and (c) that certain Supplementary Declaration - The Village of Ashton made by the Farmers Bank dated March 10, 1976, and recorded in the aforesaid Recorder of Deeds Office in Miscellaneous Deed Book 321 beginning at page 39; and (d) that certain Code of Regulations of The Village of Ashton, a Condominium executed by Joseph A. Zadlo et al. dated March 10, 1976, and recorded in the aforesaid Recorder of Deeds Office in Miscellaneous Deed Book 320 beginning at page 280; and (e) that certain Declaration Plan for The Village of Ashton prepared by Nolen O'Neill Associates dated February 23, 1976, and recorded in the aforesaid Recorder of Deeds Office as Plans Number 305 through 314A, inclusive; and (f) that certain plan entitled "Hershey's Mill Village, Phase IA" made by Yerkes Associates, Inc. dated November 20, 1973, last revised March 26, 1974, and recorded in the aforesaid Recorder of Deeds Office in Plan Book 54, page 42; and (g) that certain plan entitled "Hershey's Mill Village I Phase II Final Approval" made by Billy Jay Hoffman and Associates dated June 16, 1974, and last revised June 14, 1974, and recorded in the aforesaid Recorder of Deeds Office in Plan Book 58, page 27 and Declarant hereby declares its intention, pursuant to Section 601 of the Unit Property Act, Act of July 3, 1963, P.L. 196, Article VI, Section 601, to remove the property described in the aforesaid Declaration of Condominium, Code of Regulations and Declaration Plan from the provisions of the Unit Property Act.

Section 1.2 - Development Plans. Subject to the rights reserved in Section 1.3 hereof, the Declarant reserves the right to develop and improve the Declared Hershey's Mill Land with the following categories of land use which will be located substantially as shown on that certain preliminary development plan of the Hershey's Mill Land made by Roger K. Lewis AIA and Associates, Architects/Planners, dated May 18, 1978, and recorded in the aforesaid Recorder of Deeds Office as Plan No. 1832, as supplemented by a plan of the Hershey's Mill Land entitled "Final Wastewater Treatment System Plan" made by A. W. Martin Associates, Inc., dated July 28, 1978, last revised August 21, 1978, and

recorded in the aforesaid Recorder's Office as Plan No. 2048 (such plans together being hereinafter called the "Preliminary Hershey's Mill Plan") as the said plans may be from time to time amended pursuant to Section 1.4 hereto:

(a) Villages: Tracts of land subdivided into separate parcels of residential real property (hereinafter called the "Houses") owned in fee simple by persons (including Declarant) hereinafter called "Home Owners" and a common area owned as undivided tenancies in common by the Home Owners, or, alternatively, owned by the Village Association with easements of enjoyment vested in each Home Owner and appurtenant to his or her title in the House. Each Village will be subject to a separate recorded Declaration (hereinafter called the "Village Declarations") which will provide, among other things, for the creation of a nonprofit association (incorporated or unincorporated) hereinafter called the "Village Homeowners Associations" to manage the affairs of the Village;"

(b) Private Utility Facilities: Facilities for the supply and distribution of electricity (and such additional services including, but not limited to, water, security alarm, cable television or common television antennas, as Declarant may include within the definition of Private Utility Facilities by recording a supplement to this Declaration for such purpose) to any part of the Hershey's Mill Land (whether or not subject to this Declaration) and the disposal of sanitary sewage generated therein. For the purposes of this Declaration the term "Private Utility Facilities" shall include all buildings, improvements, machinery, equipment and facilities or appurtenances of any kind or nature related to the supply or distribution of any service by or through the Private Utility Facilities including, but not limited to, poles, wires, conduits and cables (up to and including the meter or junction box of the building served) pipelines (up to but excluding the lateral serving a building, but including the valve giving access to such lateral) transformers, pads, substations, fences, pumps and pumphouses, valves, maintenance shops, equipment storage facilities, offices, retention ponds, aeration lagoons, dams, sanitary sewage spray equipment, treatment facilities, stream discharge facilities, access roads, parking facilities, and also including the easement reserved to Declarant in Section 2.2(b) hereof; and

(c) Common Open Space: The balance of the Declared Hershey's Mill Land not occupied by Villages and Private Utility Facilities will be the Common Open Space. The Common Open Space which is subject to this Declaration pursuant to Sections 1.1 and 1.4 hereof (sometimes hereinafter referred to as the "Declared Common Open Space") is presently owned by the Declarant but is being conveyed to the Master Homeowners Association as provided in Article V hereof and will be subject to certain easements as more fully set forth in Section 1.3 and Article II hereof. The Common Open Space may be developed and improved with all or any part of the following subcategories of land use, all of which will be part of the Common Open Space for the purposes of this Declaration:

(1) Country Club: A country club facility comprising a golf course of at least 18 holes and a club house with restaurant and which may include a swimming pool and tennis courts and other similar amenities.

(ii) Recreational Facilities: The recreational facilities on the Common Open Space, except the Country Club, which may include one or more tennis courts, paddle ball courts, swimming pools, community gardening facilities and other similar amenities and a facility for holding meetings which recreational facilities will be subject to a free easement of use and enjoyment in favor of the Home Owners as set forth in Section 2.2(e) hereof. For the purposes of this Declaration the term "Recreational Facilities" shall exclude such facilities located within the Villages;

(iii) Roads: A network of vehicular roadways providing access between the Villages and the Common Open Space and ingress and egress to and from public streets. For the purposes of this Declaration the term "Roads" shall include the main through roads across Villages (excluding turn-offs and parking areas within Villages) and shall also include related improvements including storm drainage facilities, lights, berms, shoulders, slopes, embankments, landscaping, medial strips, curbs, traffic signs, bridges, culverts, entranceways and guard houses;

(iv) Storm Water Management Facilities: Retention basins, storm sewers, drainage swales and ditches, culverts and related facilities for the management of storm water run-off; and

(v) Parkland: The remainder of the Common Open Space not occupied by Villages, the Country Club, Recreational Facilities, Roads or Storm Water Management Facilities which will be improved with hiking and riding trails, picnic areas, ponds, boating facilities and other similar amenities for outdoor recreation but otherwise will be preserved substantially in its present unimproved state.

Section 1.3 - Rights Reserved to Declarant. Because of the inherent uncertainties surrounding a development of the scope and magnitude described in this Declaration (including, among other things, physical characteristics of the site, availability of financing, market conditions, availability of utilities and governmental requirements) it is impossible for the Declarant to predict with any certainty the location, size or characteristics of the future development or improvement of the Hershey's Mill Land. Accordingly, Declarant reserves for itself and its successors and assigns the right, at any time or from time to time, subject to the provisions of the last paragraph of this Section 1.3 and the requirements of Section 1.4 hereof to:

(a) Change the use, size, location or configuration of any Village from that shown on the Preliminary Hershey's Mill Plan or described herein, provided that such right will not exist with respect to any Village in which a House has been conveyed to a Home Owner other than Declarant and has not been reacquired by Declarant at the time of reference (unless the applicable Village Declaration permits expansion thereof);

(b) Set aside portions of the Hershey's Mill Land (whether or not subject to this Declaration) for commercial use (such areas being hereinafter referred to as the "Commercial Areas") and reserve for Declarant, or grant to the owner or owners of any Commercial Area which has no frontage on a public street, easements of ingress and egress across the Roads or other parts of the Declared Hershey's Mill Land to provide access to such Commercial Areas by the most direct feasible route to a public street provided that the owner or owners of any Commercial Area benefitted by such an easement shall be required to maintain and repair the right of way and keep the same in good condition at its or their expense. Any land designated by Declarant as a Commercial Area which has theretofore been made subject to this Declaration pursuant to Section 1.1 hereof shall be deemed released from the provisions of this Declaration upon the execution and recording by Declarant in the Chester County Recorder of Deeds Office of a supplement hereto which describes the Commercial Area by metes and bounds and provides that such land shall be released herefrom pursuant to this Section; provided that Declarant shall reserve to itself or grant to the Master Homeowners Association as part of the Roads hereunder a perpetual right of way over any main through road passing through such a Commercial Area;

(c) Change the use, size, location or configuration of the Roads, Private Utility Facilities, Country Club, Recreational Facilities, Storm Water Management Facilities or Parkland from that shown on the Preliminary Hershey's Mill Plan or described herein, provided that no such change can be effected with respect to any Declared Common Open Space which has been conveyed to the Master Homeowners Association unless:

(i) the change is limited to a change in the location or boundary of such Road, Private Utility Facility, Country Club, Recreational Facility, Storm Water Management Facility, or Parkland immediately adjacent to future development described in Section 1.2 hereof or shown on the Preliminary Plan (as amended from time to time); and

(ii) the change does not materially affect the beneficial use of the Declared Common Open Space by the Home Owners.

(d) Sell, mortgage, lease, encumber or convey all or any part or parts of the Declared Hershey's Mill Land owned by Declarant except the Declared Common Open Space and, in connection with any such mortgage financing entered into by Declarant to fund the cost of developing or improving the Declared Hershey's Mill Land, Declarant may agree to insurance provisions that are inconsistent with and supersede the provisions of Article IV of this Declaration;

(e) Sell, mortgage, lease, encumber or convey all or any part of the Declared Hershey's Mill Land, except the Declared Common Open Space, free and clear of this Declaration, provided that following such transaction all Villages for which Village Declarations have been recorded shall have free access by fee ownership or perpetual easement to (i) public roads and non-contiguous Declared Common Open Space by way of paved and completed streets; and (ii) sources of utility supply by installed and completed utility lines and provided further that Declarant shall execute and record in the aforesaid Recorder of Deeds Office a supplement hereto which describes the released area by metes and bounds and provides that such land shall be released herefrom

pursuant to this Section. Any part of the Declared Hershey's Mill Land or interest therein sold, mortgaged, leased, encumbered or conveyed pursuant to this Section 1.3(e) shall no longer be deemed part of the Declared Hershey's Mill Land for the purposes of this Declaration following the recording of the instrument of conveyance or transfer;

(f) Lease the Country Club or any part thereof to a business corporation, partnership or other entity, which may, but need not, be owned or controlled by Declarant, with the tenancy (but not the reversion) being free and clear of this Declaration (except the easements described in Section 2.2 hereof, which shall continue to burden the leased land), pursuant to a written lease agreement; the Country Club is presently leased to Hershey's Mill Golf Club, Inc., a Pennsylvania corporation, an affiliate of the Declarant, pursuant to a certain Country Club Lease Agreement dated July 1, 1980 and recorded in the aforesaid Recorder's Office in Miscellaneous Deed Book 482, page 413 and a copy of which Country Club Lease Agreement is attached hereto as Exhibit "C";

(g) Lease or convey or dedicate the Private Utility Facilities or any part thereof (including, at Declarant's option, the fee title to the land upon which such Facilities, or any part thereof, are located together with appropriate yards or curtilage and including also the easement appurtenant thereto reserved to Declarant pursuant to Section 2.2(b) below and the powers granted to Declarant pursuant to Section 2.4(a) below) at Declarant's option, (i) to any governmental authority or public utility company supplying the respective service, free and clear of this Declaration, or (ii) to one or more business corporations, partnerships or other entities owned or controlled by Declarant, or (iii) to the Master Homeowners Association described in Article V below, provided that in the event of a lease or conveyance pursuant to options (ii) or (iii) the lessee or grantee shall assume and agree to perform the undertakings of Declarant set forth in Section 2.4 hereof and provided further that in any event if the lessee or grantee is not owned or controlled by Declarant, the effect of such lease or conveyance will be to relieve Declarant of all further liability or obligation hereunder with respect to the portion of the Private Utility Facilities leased or conveyed; certain Private Utility Facilities have been conveyed to Green Hill Sewer Association, a Pennsylvania nonprofit corporation, pursuant to a certain Easement Agreement dated July 1, 1980, recorded in the aforesaid Recorder's Office in Miscellaneous Deed Book 482, page 433, a copy of which is attached hereto as Exhibit "D", and certain other Private Utility Facilities have been conveyed to Hershey's Mill Services Association, a Pennsylvania nonprofit corporation, pursuant to a certain Easement Agreement dated July 1, 1980, recorded in the aforesaid Recorder's Office in Miscellaneous Deed Book 482, page 423, a copy of which is attached hereto as Exhibit "E". Membership in Green Hill Sewer Association and Hershey's Mill Services Association (collectively, the "Service Associations") shall be deemed an appurtenance to the title to each House or any other subdivided portion of the Hershey's Mill Land to which such membership is applicable (as provided in the Articles of Incorporation of the Service Associations) and such membership may not be severed from such title or separately assigned or conveyed. Every grantee of a deed to a House or other subdivided portion of the Hershey's Mill Land to which membership is applicable shall upon acceptance of such deed (whether before or after the recording of this Declaration) be deemed to have accepted such membership and to have agreed to be bound by the terms and conditions of the Articles of Incorporation and By-Laws of the Service

Associations as such instruments may from time to time be amended in accordance with their terms and applicable law;

(h) Develop or improve any portion of the Declared Hershey's Mill Land (other than portions owned by any Home Owner other than Declarant) in any manner permitted by the zoning ordinances of East Goshen Township or West Goshen Township in effect at the time of reference (as applicable); and

(i). Dedicate the Declared Common Open Space or any part or parts thereof not theretofore conveyed to the Master Homeowners Association to any governmental authority free and clear of this Declaration.

The rights reserved to Declarant in this Section shall lapse upon the first to occur of (a) the sale and conveyance of 2200 Houses by Declarant to Home Owners other than Declarant; (b) December 31, 1998; or (c) upon conveyance of any portion of the Declared Common Open Space to the Master Homeowners Association pursuant to Article V hereof with respect to the portion of the property conveyed.

Section 1.4 - Concerning the Preliminary Hershey's Mill Plan: Amendments Thereto and to This Declaration: Final Plan. The Preliminary Hershey's Mill Plan (as the same may be amended from time to time pursuant to this Section) is a graphic representation of the Declarant's plan, as the same may be amended from time to time pursuant to this Article, for the location of the various land uses described in Section 1.2 hereof upon the Declared Hershey's Mill Land, and accordingly, the said plan (which must be recorded separately from this Declaration because of its size) is an integral part of this Declaration and is incorporated herein by this reference.

The Declared Hershey's Mill Land described by metes and bounds in Exhibit A attached hereto, together with the additional land described in the seven Supplements listed on Schedule 1 attached hereto, is graphically displayed (together with the Section 1.2 land uses thereon) on the Preliminary Hershey's Mill Plan, and in the event that at any time or from time to time Declarant shall (i) add additional property to the Declared Hershey's Mill Land pursuant to the rights reserved in Section 1.1 hereof or (ii) remove property from the effect of this Declaration or change land uses thereon pursuant to the rights reserved in Section 1.3 hereof, Declarant shall execute and record in the Chester County Recorder of Deeds Office one or more supplements to Preliminary Hershey's Mill Plan graphically displaying the Declared Hershey's Mill Land at the time of reference, together with the Section 1.2 land uses thereon.

In addition, Declarant may at any time, and shall upon the lapse of the rights reserved to it in Section 1.3 hereof, pursuant to the last paragraph of that Section, execute and record in the aforesaid Recorder of Deeds Office a final supplement to the Preliminary Hershey's Mill Plan consistent with the provisions of this Article which shall be designated the "Final Hershey's Mill Plan" and shall not be further amended by Declarant except as may be permitted pursuant to Article VI hereof.

Upon the execution and recording by Declarant of the aforesaid supplements to the Preliminary Hershey's Mill Plan, all references herein to the Preliminary Hershey's Mill Plan shall be deemed to refer to the said plan as

revised by such supplement or supplements, including the Final Hershey's Mill Plan upon the recording thereof.

Each such supplement to the Preliminary Hershey's Mill Plan (or to this Declaration pursuant to Section 1.1 or 1.3 hereof) shall, upon the execution and recording thereof by Declarant, be deemed to benefit and bind all Home Owners owning property subject hereto, and all other persons or entities having or claiming any interest in the Declared Hershey's Mill Land, as if such Home Owners and other persons or entities were parties to such supplements.

Section 1.5 - No Representations or Warranties by Declarant.

Declarant shall use its best efforts to develop and improve the Declared Hershey's Mill Land in the manner described herein and in the Preliminary Hershey's Mill Plan (as the same may be amended from time to time pursuant hereto) but nothing in this Declaration shall be deemed, taken by or relied on by any person as a representation by Declarant that it will develop or improve the Declared Hershey's Mill Land in any manner or within any time frame.

Section 1.6 - Persons Bound. The administration of the Declared Hershey's Mill Land at the time of reference shall be governed by this Declaration (as the same may be from time to time supplemented or amended pursuant to Articles I and VI hereof) which shall constitute the governing instrument for the regulation and management of the Declared Hershey's Mill Land. The rights, covenants, articles, obligations, duties, benefits, easements and regulations created and declared in this Declaration shall benefit and bind the Declarant, the Master Homeowners Association (upon its acquisition of all or any part of the Declared Common Open Space pursuant to Article V hereof), each Village Homeowners Association, each Home Owner, and all purchasers, lessees, users, mortgagees and holders of any right, title and interest in all or any part of the Declared Hershey's Mill Land, and their respective heirs, personal representatives, successors and assigns, and shall at all times hereafter be appurtenant to, affect and run with the Declared Hershey's Mill Land including without limitation the Houses, Villages, and the Declared Common Open Space as well as to and with the Village Land generally. This Declaration shall be recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania and when so recorded, every deed, lease, mortgage or other instrument conveying, leasing, mortgaging or in any way affecting title to or any interest in any one or more Houses or Declared Common Open Space or to or in the Declared Hershey's Mill Land generally, shall be under and subject to this Declaration and to the rights, covenants, articles, obligations, duties, benefits, easements and regulations herein created, declared and contained as fully as though the same were herein fully recited and set forth in their entirety. All present and future owners, mortgagees, lienholders, lessees and users of the Houses, and of the Declared Common Open Space, and their agents and employees, and any other person or entity who or which may use the facilities or the Declared Hershey's Mill Land, and their respective heirs, successors, personal representatives and assigns, are subject to and bound by and shall comply with the provisions of this Declaration, and the acceptance of any such lease, deed, mortgage or other such instrument, or the act of occupancy or use of such facilities of the Declared Hershey's Mill Land, shall constitute an agreement to be subject to and so bound, and an acceptance and ratification of this Declaration.

**ARTICLE II - THE DECLARED COMMON OPEN SPACE;
EASEMENTS: POWERS AND DUTIES OF DECLARANT**

Section 2.1 - Physical Description of Declared Common Open Space. For the purposes of the remaining Articles of this Declaration, the term "Declared Common Open Space" shall mean all of the Declared Common Open Space (as defined in Section 1.2(c) above) which at the time of reference (subject to Section 1.4 hereof) is subject to this Declaration together with all buildings and improvements now or hereafter thereon erected and all appurtenances (including the Country Club, Recreational Facilities, Roads, Storm Water Management Facilities and Parkland).

Section 2.2 - Easements. The Declared Hershey's Mill Land is subject to the following easements, subject to the rights retained by the Declarant in Sections 1.3 and 1.4 hereof:

(a) **Roads.** There is hereby reserved to Declarant (for the benefit of any of the Hershey's Mill Land owned by Declarant, whether or not subject to this Declaration, and whatever the use thereon provided only that such use is permitted under applicable zoning laws) and granted and created for the benefit of each Home Owner and their respective tenants, employees, agents, invitees and licensees, a perpetual vehicular and pedestrian right of way over and across all Roads now or hereafter located upon the Declared Hershey's Mill Land;

(b) **Private Utility Facilities.** There is hereby reserved to Declarant a perpetual easement to install, relocate, operate, repair, replace and maintain the Private Utility Facilities upon, over, through or under the Declared Hershey's Mill Land;

(c) **Public Utility Facilities.** There is hereby reserved to Declarant the right to grant and convey to any public utility company such easements as the said utility company may reasonably require in order to provide service to any part of the Hershey's Mill Land whether or not subject to this Declaration;

(d) **Development Selling and Leasing Rights.** Until the first day on which the Declarant shall not be in title to any House or any part of the Hershey's Mill Land (other than as lessee of the Country Club or owner or lessee of the Private Utility Facilities), the Declarant may make use of all or any part of the Hershey's Mill Land (other than the portion comprising Houses which have been conveyed by the Declarant to others and have not been reacquired by Declarant at the time of reference) which is consistent with the development and improvement thereof as described in Section 1.2 hereof, and of the sale or rental of Houses, without regard to any and all limitations on use elsewhere in this Declaration contained, including by way of illustration and not of limitation, the use and storage of construction equipment and materials, maintenance of one or more construction offices and one or more administrative, sales or rental offices, the use of one or more sample Houses as models, and the use of appropriate signs;

(e) Common Use of Declared Common Open Space by the Home Owners. There is hereby granted and created for the benefit of each Home Owner (including Declarant) and his tenants, bona fide residents of his House and bona fide guests, a perpetual easement to use and enjoy the Declared Common Open Space (excluding the Country Club during the term of any lease entered into by Declarant pursuant to Section 1.3(f) hereof), in common with all other Home Owners, for the purposes for which they are intended, subject to the rights of way and easements created pursuant to Sections 2.2(a), (b), (c) and (d) above; and subject also to the exercise of due care and consideration for the rights of other Home Owners and subject also to such reasonable rules and regulations as may be promulgated from time to time by the Declarant or Master Homeowners Association pursuant to Section 2.3(e) hereof.

(f) Master Homeowners Association Rights. The Master Homeowners Association referred to in Article V hereof shall have such easements and right of ingress, egress, access and use over and in the Declared Hershey's Mill Land as are necessary or appropriate to enable it to carry out the duties and exercise the rights provided in the said Article V (including, but not limited to, the enforcement of the rules and regulations promulgated pursuant to Section 2.3 (e) hereof).

(g) Encroachments. If construction, reconstruction, repair, shifting, settlement or other movement of any portion of any House or other improvement results in either the Declared Common Open Space encroaching on any House, or in a House encroaching on the Declared Common Open Space of another House, a valid easement shall exist for both the encroachment and its maintenance so long as such encroachment exists.

Section 2.3 - Powers and Duties of Declarant and Master Homeowners Association. Subject to the rights, limitations and restrictions contained in this Declaration, the Declarant and/or the Master Homeowners Association, as the case may be, shall have so long as this Declaration shall be effective, the following powers and duties (which shall not apply to the Country Club during the term of any lease thereof entered into by Declarant pursuant to Section 1.3(f) hereof):

(a) to enforce this Declaration;

(b) to pay real estate taxes and other governmental charges or assessments against the Declared Common Open Space in a timely fashion, unless the Master Homeowners Association shall determine in its sole discretion to contest such taxes, charges or assessments in which event it may delay payment provided that it (i) prosecutes such contest in good faith and (ii) makes such payment of past due taxes, penalties and interest as shall be necessary to prevent a judicial sale of all or any part of such property;

(c) to operate and maintain the Declared Common Open Space in a good, clean and safe condition including the Roads, Recreational Facilities, Storm Water Management Facilities and Parkland, and any buildings or improvements (including related furnishings and equipment) located thereon or therein and to employ persons or independent contractors to perform such work on such terms as the Master Homeowners Association shall deem reasonable, and to grant permits, licenses and easements over the Declared Common Open Space for

utility lines and other purposes which the Master Homeowners Association may deem necessary or desirable to promote the mutual use and enjoyment thereof by the Home Owners;

(d) to procure and pay for the insurance provided for in Article IV hereof except as otherwise provided in Section 4.1(f) hereof;

(e) to promulgate and enforce rules and regulations which the Master Homeowners Association may deem necessary or desirable to promote the mutual use and enjoyment of the Declared Common Open Space by the Home Owners (including the power to assess fines for violations of such rules and regulations and including also the right to limit or restrict access to any Recreational Facility by a Home Owner or bona fide residents of his House or his bona fide guests if such Home Owner or such residents or guests fail to observe such rules or regulations or if such Home Owner is delinquent in the payment of Common Expenses due hereunder or if a limitation as to the number of guests allowed is necessary, in the opinion of the Master Homeowners Association, to prevent undue congestion of the Recreational Facility);

(f) to determine, assess, collect and pay the Common Expenses and other charges described in Article III hereof, and to estimate the Common Expenses in advance and prepare appropriate budgets;

(g) to exercise such other powers or perform such other duties as are specifically provided for or necessarily implied in any other provision of this Declaration;

(h) subject to Section 5.4 below, to employ at the Master Homeowners Association's discretion, such independent contractors (including a managing agent), professionals and/or employees as it shall select (which may be entities owned or controlled by Declarant or employees of Declarant or its affiliates or parent), on such terms as the Master Homeowners Association shall deem reasonable, to carry out the duties hereinabove set forth; and

(i) To restore, to the extent of the sum of (x) any insurance proceeds received or receivable by the Master Homeowners Association in respect thereof; and (y) any deductible amount permitted pursuant to Section 4.1(a) hereof; and (z) any applicable amounts held in the reserve fund described in Section 3.1(o) hereof, damage by fire or other casualty or any other cause whatsoever to the Declared Common Open Space.

Section 2.4 - Powers and Duties of Declarant with Respect to Private Utility Facilities; Transfer to Others. Subject to the rights, limitations and restrictions contained in this Declaration, the Declarant shall have (subject to the right of transfer set forth in Section 2.4(b) below), so long as this Declaration shall be effective, the following powers and duties:

(a) to operate, restore, repair and maintain the Private Utility Facilities and to supply electric, sanitary sewer and cable television service (and such additional services as Declarant may determine, pursuant to Section 1.2(b) hereof, to include within the definition of Private Utility Facilities hereunder) subject to the availability of such service from municipal authorities, public utilities or other suppliers or sources on or at the

boundaries of the Declared Hershey's Mill Land, which availability Declarant does not guarantee, to the Home Owners, and to buildings and facilities on the Declared Common Open Space up to the meter or junction box of the building served, or (in the case of sanitary sewer service) the lateral serving such building and to charge a fee for such services to each Home Owner, or as a part of the Common Expenses in the case of services supplied to buildings and facilities on the Declared Common Open Space, at a rate of (i) for electric service: based on separate metering and not to exceed the rates charged by municipal authorities or public utilities for comparable service in the same general area; and (ii) for sanitary sewer service: at a rate to be equitably determined by Declarant based upon the cost of supplying the service plus a reasonable profit; and (iii) for cable television service: at a rate to be equitably determined by Declarant based on the cost of supplying the service plus a reasonable profit. Utility charges for service to Home Owners may be billed directly to each Home Owner or they may be billed to the Village Homeowners Association having jurisdiction over the Home Owner served. Each Village Homeowners Association so billed shall enforce collection of the amounts due as a common expense under its Village Declaration. Declarant reserves the right to terminate utility service supplied to any Village or Home Owner whose bills remain unpaid for 30 days following written notice of the delinquency.

(b) Upon the conveyance or lease of all or any part of the Private Utility Facilities by Declarant pursuant to Section 1.3(g) hereof, the grantee or lessee (unless such grantee or lessee is a public utility company) shall be deemed to have assumed and agreed to perform the duties imposed on Declarant in Section 2.4(a) above with respect to the Private Utility Facilities transferred, and shall have the powers granted to the Declarant with respect to the Private Utility Facilities transferred, and (whether or not the grantee or lessee is a public utility company) Declarant shall be released from such duties (except in the case of a lease where the release shall only be for the duration of the term thereof) unless the lessee or grantee is owned or controlled by Declarant.

Section 2.5 - Books and Records: Reports.

(a) The Master Homeowners Association (or a managing agent employed by the Master Homeowners Association) shall maintain complete, accurate and current books and records adequate to reflect fully the operations, proceedings and receipts and disbursements of the Master Homeowners Association. Such books and records shall be kept at the registered office of the Master Homeowners Association (or at the office of the managing agent employed by the Master Homeowners Association) and shall be available for examination during regular business hours by Home Owners and by persons who have entered into binding written agreements to purchase a House.

(b) The Master Homeowners Association shall, within 60 days after the end of each calendar year, and in accordance with applicable law, provide each of its members with a report of assets and liabilities and of either income and expenses or of receipts and disbursements of the Master Homeowners Association for the year then ended. On or before the last day of November of each calendar year, the Master Homeowners Association shall provide each of its members with a budget of estimated Common Expenses for the ensuing year.

ARTICLE III - COMMON EXPENSES; FINES; ASSESSMENTS; BUDGET

Section 3.1 - "Common Expenses" Defined. The term "Common Expenses" shall mean all costs, liabilities, obligations or expenses incurred by the Declarant or the Master Homeowners Association, as the case may be, in carrying out its duties and responsibilities under this Declaration with respect to the Declared Hershey's Mill Land (excluding the initial cost of financing, acquiring, developing and improving the Declared Hershey's Mill Land and the duties with respect to the supply of utility service provided for in Section 2.4 above) including, without limitation:

(a) real estate taxes and other governmental charges or assessments against the Declared Common Open Space;

(b) the cost of all utilities and services supplied by or through public utility facilities or Private Utility Facilities to the Recreational Facilities, or for street lighting along the Roads, or for any other purposes on the Declared Common Open Space;

(c) insurance premiums incurred to insure the Declared Common Open Space pursuant to Article IV hereof except as otherwise provided in Section 4.1(f) below;

(d) the cost of operation, policing, maintenance and repair (in accordance with Section 2.3(1) hereof) of the Roads (including but not limited to snow removal, security, operation and staffing of guard houses and also including the portions of the Roads on Village Lands or Commercial Areas), the Recreational Facilities (including, but not limited to, staffing thereof), the Storm Water Management Facilities and paths and trails in the Parkland;

(e) the cost of maintenance, repair and replacement (in accordance with Section 2.3(1) hereof) of all buildings and improvements (including related machinery, equipment and furnishings) on the Declared Common Open Space;

(f) the cost of grass cutting, tree trimming, pond and waterway maintenance and other grounds maintenance costs associated with the Declared Common Open Space, including purchase, maintenance, repair and replacement (in accordance with Section 2.3(1) hereof) of necessary machinery and equipment;

(g) the costs of employees, management companies, independent contractors and professionals employed by Declarant or the Master Homeowners Association including taxes, insurance and bonding requirements, except as otherwise provided in Section 4.1(f) below;

(h) the cost of owning, operating, maintaining, repairing and replacing (in accordance with Section 2.3(1) hereof) buses or other transportation furnished to the Home Owners;

(i) the cost of all betterments, capital improvements or other extraordinary expenses costing in each case less than \$25,000 and those costing

more than \$25,000 if such costs are determined to be common by the vote of an absolute majority of all the members of the Master Homeowners Association at a meeting duly called and held for such purpose;

(j) Common Expenses which have been assessed against any Home Owner as hereinafter provided, and which are in arrears by more than six months, provided that Declarant or the Master Homeowners Association shall be seeking vigorously by all reasonable means to collect the unpaid amount;

(k) extraordinary expenses incurred by Declarant or the Master Homeowners Association on account of emergency or natural disaster including the cost of restoration of damage by fire or other casualty or cause of any kind which is not covered by insurance;...

(l) the cost of incorporating the Master Homeowners Association pursuant to Section 5.1 hereof, and of transferring title to the Declared Common Open Space and the Common Open Space Property (as defined in such Section) to the Master Homeowners Association pursuant to such Section;

(m) the cost of recordkeeping and providing financial statements pursuant to Sections 2.5 and 8.2(c) hereof;

(n) all costs of owning, operating, maintaining, restoring and repairing the Declared Common Open Space not described in the preceding paragraphs of this Section 3.1; and

(o) an adequate reserve fund for the periodic maintenance, repair and replacement of buildings and improvements located on the Declared Common Open Space.

Section 3.2 - Budget and Assessments. The Master Homeowners Association shall periodically (and in no event less than annually) determine the estimated Common Expenses for the ensuing period (of not more than one year) including any reserves it deems advisable, and the Common Expenses incurred and the assessments and other receipts, if any, received during the period then ended.

Promptly following such determination of the Common Expenses theretofore incurred (and not theretofore assessed) and of budgeted estimated future Common Expenses, the Master Homeowners Association shall assess such incurred and estimated Common Expenses against and collect from each Home Owner (other than Declarant as provided below) and each Home Owner agrees to pay the Master Homeowners Association a pro rata amount of such incurred and estimated Common Expenses equal to a fraction of which the numerator is the number of Houses owned by such Home Owner and the denominator is the total number of Houses for which a certificate of occupancy has been issued by the governmental authority having jurisdiction. The Master Homeowners Association may also assess and collect from each Home Owner (other than Declarant as provided below) such special assessments for extraordinary or unforeseen expenses as the Master Homeowners Association may from time to time deem necessary or advisable. In the sole discretion of the Master Homeowners Association, Assessments shall be billed either monthly or quarterly.

Section 3.3 - Concerning Assessments Generally.

(a) The Home Owners shall be severally and not jointly liable for the payment of assessments for Common Expenses and special assessments (collectively the "Assessments"), which shall be payable within 30 days from the date on which written notice of assessment is given by the Master Homeowners Association.

In addition, in the event that any damage to the Common Open Space is willfully or grossly negligently caused by any Home Owner or any resident of his House or any of his guests, employees, invitees or agents, the Master Homeowners Association shall assess such Home Owner for the entire cost of repairing and restoring the damage, and such assessment shall be deemed an Assessment for the purposes of this Declaration.

Any Home Owner (or Village Homeowners Association if the said Association is assessed as provided in subparagraph (f) below) who fails to pay any Assessment within 10 days of the date when the same is payable as above set forth shall be subject to a late charge of 4% of the amount due to reimburse the Master Homeowners Association for the cost of collection.

Assessments shall, until fully paid, together with interest thereon at 18% per annum (or the highest rate allowed by law, if lower) from the 30th day following the date of such notice, constitute a charge against the House of each Home Owner assessed, and shall be a continuing lien upon such House subject to the prior lien of certain mortgages, as provided in subsection 3.3(b) below. Each such Assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was Home Owner at the time when the Assessment fell due.

Until control of the Master Homeowners Association is transferred pursuant to Section 5.4 hereof, Declarant shall either (i) subsidize the operating deficits of the Master Homeowners Association or (ii) in its sole discretion, Declarant may elect to receive the Assessments from the Home Owners on behalf of the Master Homeowners Association, and provide the necessary services and facilities for which the Master Homeowners Association is responsible. Upon the transfer of control of the Master Homeowners Association pursuant to Section 5.4, the Declarant shall not be obligated to subsidize any operating deficits of the Master Homeowners Association, and the Master Homeowners Association shall receive the Assessments and provide the services and facilities for which it is responsible. After the transfer of control of the Master Homeowners Association pursuant to Section 5.4, the Declarant shall be responsible only for Assessments as to those Houses owned by Declarant for which a certificate of occupancy has been issued by the governmental authority having jurisdiction.

If the actual expenses and charges for any period are less than total net receipts attributable thereto, in the discretion of the Master Homeowners Association, the surplus shall either be applied toward the expenses of the next ensuing period including reasonable reserves or shall be refunded to the Home Owners at the option of the Master Homeowners Association and in accordance with applicable law. The Master Homeowners Association shall in all events have the right to make such distribution or adjustment of any surplus in assessed funds

(including without limitation, funds collected upon enforcement of uncollected Assessments), capital or otherwise, as it considers equitable under the circumstances.

(b) Any delinquent Assessment, together with accrued interest and late payment penalties, if any, may be enforced by suit by the Master Homeowners Association, in an action in personam to enforce the personal obligations provided for in Section 3.3(a), which shall be indexed by the prothonotary as lis pendens or by an action to enforce the lien and charge provided for in Section 3.3(a). Each Home Owner agrees and shall be deemed to agree by acceptance of a deed or other conveyance of a House subject hereto, whether or not it shall be so expressed in such deed or conveyance, that, on failure to timely pay any Assessment, the Master Homeowners Association by its attorney is empowered to enter a copy of this Declaration, certified by the President or any Vice President of the Master Homeowners Association, to be true and correct and with such officer's affidavit that the defendant is a Home Owner subject to the provisions hereof, in any court having jurisdiction and there to confess judgment in favor of the Master Homeowners Association and against the delinquent Home Owner for the amount of any delinquent assessments, plus interest and late charges as aforesaid, costs and a 15% attorney's fee. Any judgment against a Home Owner shall be a lien against his House enforceable as provided by law. The delinquent Home Owner shall be obligated to pay all expenses of the Master Homeowners Association, including attorney's fees, incurred in the collection of the delinquent Assessment by legal proceedings or otherwise, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent Assessment and shall be collectible as such. Any lien or charge for delinquent Assessments (whether or not delinquent) shall be subordinate not only to any existing mortgage on all or any part of the Hershey's Mill Land but also to any subsequently created mortgage which at the time of creation is otherwise a first lien, but notwithstanding any divestiture of any lien or charge for unpaid Assessments by foreclosure of such mortgage, the delinquent Home Owner shall remain personally liable therefor.

(c) Subject to subparagraph (d) below, upon any voluntary or involuntary conveyance or transfer of a House by gift, sale, devise, intestacy, bankruptcy, operation of law or otherwise, the personal obligation to pay the Assessments becoming due and payable prior to the date of any such conveyance or transfer together with interest and other charges thereon shall remain the personal obligation of the grantor or transferor and shall not pass to the grantee or transferee. However, the lien of such unpaid Assessments, interest and other charges shall continue to bind the House and may be enforced in the manner herein set forth. The new Home Owner shall and the former Home Owner shall not be liable for any Assessments made after the date of conveyance or transfer of title to a House, even though the Common Expenses for which the Assessment is made relate in whole or in part to any period prior to that date.

(d) In the event that title to a House is transferred at sheriff's sale pursuant to execution upon any lien or judgment against the House, the Master Homeowners Association shall give notice in writing to the sheriff of any unpaid Assessments which are a lien and charge against the House and which have not theretofore been reduced to judgment and lien pursuant to this Section 3.3. All unpaid Assessments (whether or not reduced to judgment and lien as aforesaid) shall be paid out of the proceeds of the sale prior to

the distribution of any balance to the former Home Owner against whom the execution issued. The purchaser at such sheriff's sale and the House involved shall not be liable for unpaid Assessments which became due prior to the sheriff's sale of the House. Similarly, the grantee in a deed in lieu of foreclosure and the House involved shall not be liable for unpaid Assessments which become due prior to the delivery of the deed in lieu of foreclosure. Any such unpaid Assessments which cannot be promptly collected from the former Home Owner shall be reassessed by the Master Homeowners Association as a Common Expense to be collected from all of the Home Owners, including the purchaser who acquired title at the sheriff's sale or by the deed in lieu of foreclosure, his successors and assigns.

(e) In all cases where all or part of any Assessments cannot be promptly collected from the persons or entities liable therefor under this Declaration, the Master Homeowners Association shall reassess the same against all Home Owners as a Common Expense, without prejudice to its rights of collection against such persons or entities.

(f) Any Common Expenses assessable hereunder against Home Owners may, at the discretion of the Master Homeowner Association be assessed against any of the Village Homeowners Associations of which the Home Owners are members (without, however, waiving the Master Homeowners Association's right to enforce collection of such amounts hereunder directly from the Home Owners) and in such event each Village Homeowners Association assessed shall enforce the collection of the assessed amount as a Common Expense under its respective Village Declaration.

(g) Upon request, the Master Homeowners Association shall provide a statement of the amount of Assessments which are a lien and charge upon a House, and upon receipt of payment of such amount the Master Homeowners Association shall execute and deliver a release of such liens and charges in recordable form. Such statement, when executed by an officer of the Master Homeowners Association, shall be conclusive evidence of the amount of such liens and charges, and such a release, when executed and delivered by an officer of the Master Homeowners Association, shall be effective to release such liens and charges.

(h) No Home Owner may exempt himself from liability with respect to the Common Expenses by waiver of the right to use the Declared Common Open Space or any part thereof or by abandonment of his House or otherwise whatsoever.

Section 3.4 - Power to Acquire, Hold and Sell. As an incident to its powers relating to the collection and enforcement of Assessments, charges and claims, the Master Homeowners Association shall have the powers (which it may exercise either directly or through an agent or trustee): (i) to acquire any House or Commercial Site upon which an unpaid Assessment has become a lien and charge according to the provisions of Sections 3.3(a) and (b), whether such acquisition is by foreclosure, by judicial sale, equitable proceedings, or otherwise; and (ii) to thereupon hold, lease, convey and otherwise use and enjoy such property, without restriction, but subject to this Declaration.

Section 3.5 - Former Members Have No Interest in Master Homeowners Association Property. No former member of the Master Homeowners Association shall have any interest, right or claim in or to any property held by the Master Homeowners Association pursuant to Section 3.4 hereof or to any other provision of this Declaration, whether such property has been acquired, held or sold before, during or after the term of membership of such former member.

Section 3.6 - Fines. Pursuant to the power reserved to the Master Homeowners Association in Section 2.3(e) of this Declaration to promulgate and enforce rules and regulations respecting use and enjoyment of the Declared Common Open Space, the Master Homeowners Association may promulgate a schedule of fines assessable by the Master Homeowners Association against any Home Owner if such Home Owner, or any tenant or resident of his House, or any guest, invitee, or employee of such Home Owner violates any such rule or regulation. Any fine so assessed against a Home Owner shall constitute a lien and charge against his House and shall be assessable against such Home Owner in the same manner provided above for Common Expenses.

ARTICLE IV - INSURANCE

Section 4.1 - Insurance Maintained by Master Homeowners Association. The Master Homeowners Association shall maintain, at all times, insurance in the types, containing the clauses, and in the amounts, provided as follows (which shall not apply to the Country Club during the term of any lease thereof entered into by Declarant pursuant to Section 1.3(f) hereof):

(a) property insurance on a so-called "all risk" basis covering all buildings and improvements erected upon the Declared Common Open Space, and all fixtures and equipment affixed to¹⁴ and considered part of the real estate and all furnishings and equipment therein belonging to the Master Homeowners Association and related to the common use and enjoyment by the Home Owners of the Declared Common Open Space. Such insurance will be on a full insurable replacement cost basis, without deduction for depreciation, but may be subject to a deductible provision in an amount of up to one thousand dollars (\$1,000) for each occurrence, and the full amount of the deductible shall be deemed a Common Expense assessable hereunder. The proceeds of such insurance shall be payable to an institutional insurance trustee selected by the Master Homeowners Association, in trust pursuant to an insurance trust agreement with such trustee, to fund the costs incurred by the Master Homeowners Association to restore the damage pursuant to Article II hereof, with any excess being retained by the Master Homeowners Association to fund the cost of future Common Expenses (including reserves) or, at the sole option of the Master Homeowners Association, distributed ratably to the Home Owners in such shares as the Master Homeowners Association shall equitably determine, or both;

(b) comprehensive general liability insurance covering as named insureds the Declarant, the Master Homeowners Association, their respective directors, officers and employees, any managing agent employed by the Master Homeowners Association and each Home Owner against liability to the public or to the Home Owners or residents of their Houses or their agents, employees,

tenants, guests or invitees, relating to the operation, maintenance or use of the Declared Common Open Space. Limits of liability including personal injury shall be at least one million dollars (\$1,000,000) combined single limit bodily injury and/or property damage or both combined. The policy of insurance shall include cross liability;

(c) worker's compensation insurance and employers' liability insurance as required by law for any employees of the Master Homeowners Association or employees of the Declarant working on the Declared Hershey's Mill Land;

(d) all policies obtained pursuant to the provisions of this subsection shall: (i) provide that the Master Homeowners Association or its authorized representative shall be the sole adjuster of any losses and that all proceeds shall be paid to the insurance trustee selected by the Master Homeowners Association pursuant to Section 4.1(a) hereof, to be distributed by such trustee as contemplated hereby; (ii) contain waivers of all rights of subrogation; (iii) provide that the coverage afforded to any insureds shall not be affected by the acts or omissions of any one or more other insureds; and (iv) provide that they shall not be cancelled or modified without thirty (30) days' prior written notice to all whose interests are covered thereby, including all mortgages;

(e) in no event shall insurance obtained and maintained by the Master Homeowners Association and by individual Home Owners be brought into contribution;

(f) comprehensive disappearance and dishonesty bonds or equivalent coverage against dishonest acts on the part of the Declarant and the Master Homeowners Association and their directors, officers, managers and employees, any managing agent and all others who handle or are responsible for the handling of Assessments. The bond or insurance must name the Master Homeowners Association as obligee or insured. The bonds or insurance should cover the maximum funds that will be in the custody of the Master Homeowners Association at any time, and shall be in an amount equal to at least the sum of the estimated annual Common Expenses, plus the reserve funds. The bonds or insurance must contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Premiums for the bonds or insurance obtained by any managing agent for its own personnel will be paid by such managing agent from its own funds and will not be paid by the Master Homeowners Association as a Common Expense.

ARTICLE V - INCORPORATION OF MASTER HOMEOWNERS ASSOCIATION; TRANSFER OF DECLARED COMMON OPEN SPACE

Section 5.1 - Incorporation of Master Homeowners Association and Transfer of Declared Common Open Space Thereto. Within ninety (90) days from the date of this Declaration, the Declarant shall convey, transfer and assign all its right, title and interest in and to the Declared Common Open Space and in and to all machinery, equipment, furniture, furnishings, bank accounts, contracts, receivables, rights, books, records and tangible property of any kind or nature located upon or related to the use and enjoyment of the

Declared Common Open Space including Declarant's interest as lessor in any lease of the Country Club and all Assessments paid and collected or due and payable (hereinafter called the "Common Open Space Property") to the HERSHEY'S MILL HOMEOWNERS ASSOCIATION, a non-profit Pennsylvania corporation (hereinafter called the "Master Homeowners Association"). Declarant has designated the initial officers and directors of the Master Homeowners Association.

Declarant reserves the right, pursuant to Article I, at any time and from time to time, to convey, transfer and assign any additional Declared Common Open Space and the related Common Open Space Property to the Master Homeowners Association.

All conveyances and transfers pursuant hereto shall be by special warranty deed and non-recourse assignment, subject to (a) this Declaration; (b) any lease of the Country Club entered into pursuant to Section 1.3(f) hereof; (c) any lease or conveyance of the Private Utility Facilities or any part thereof entered into pursuant to Section 1.3(g) hereof; (d) all liens and encumbrances upon the Declared Common Open Space (excepting only liens of mortgages securing obligations incurred or assumed by Declarant); and (e) payment by the Home Owners or on their behalf by the Master Homeowners Association of all normal and necessary costs incurred by Declarant in connection therewith (including transfer taxes, title company charges, premiums for title insurance of the Declared Common Open Space in an amount equal to the fair market value thereof as determined by Declarant, recording costs and reasonable legal fees); such costs shall be deemed Common Expenses assessable in accordance herewith.

Section 5.2 - Members of the Master Homeowners Association. The Master Homeowners Association is a non-stock, membership non-profit Pennsylvania corporation, the members of which are those persons who, at the time of reference, are the presidents of the Village Councils elected pursuant to the Village Declarations which govern land subject to this Declaration. From and after the date of incorporation of the Master Homeowners Association, each person who is on that date president of a Village Council shall and is hereby required to be, automatically, ex officio, and without any formal action or further act or deed and by reason of, and for the period of, such ownership, a member of the Master Homeowners Association.

Section 5.3 - Effect of Transfer of Declared Common Open Space:
Substitution of Master Homeowners Association for Declarant. From and after the date of delivery by the Declarant to the Master Homeowners Association of any deed to all or any part of the Declared Common Open Space and a transfer and assignment of the related Common Open Space Property, the rights, powers and duties of Declarant with respect to such land set forth in Sections 2.2(c), 2.3, 2.5, 7.1 and 7.2 and Articles III, IV, VI and VIII of this Declaration shall be deemed transferred and assigned to and assumed by the Master Homeowners Association (including the power to assess Common Expenses against the Declarant with respect to any House owned by Declarant on the assessment date for which a Certificate of Occupancy has been issued by the governmental authority having jurisdiction) and the Declarant shall be deemed released from all liability or obligation hereunder (whether theretofore or thereafter incurred) with respect to the portion of the Declared Common Open Space and Common Open Space Property conveyed, transferred and assigned (excepting only liability arising out of the

willful fraud or negligence or disregard of the provisions of this Declaration, or arising out of Declarant's status as a Home Owner), and wherever the term Declarant appears in such provisions of this Declaration, the term Master Homeowners Association shall (with respect only to the portion of the Declared Common Open Space and Common Open Space Property conveyed, transferred and assigned in the case of a conveyance of less than all of such property) be deemed substituted instead.

In addition to the powers above specified, from and after the date of delivery of the aforesaid deed the Master Homeowners Association shall also have the power to open and maintain bank accounts and designate signatories therefor.

Section 5.4 - Transfer of Control of Master Homeowners Association.

(a) The business and affairs of the Master Homeowners Association shall be managed on behalf of the Master Homeowners Association by a board of directors (the "Board of Directors"), in compliance with and subject to this Declaration and the Articles of Incorporation and By-Laws of the Master Homeowners Association.

(b) Except as otherwise provided herein, the Declarant shall have the right to designate all the members of the Board of Directors. The Declarant must transfer control of the Master Homeowners Association to its members within sixty (60) days following the first to occur of (i) the sale and conveyance of 2,200 Houses by Declarant to Home Owners other than Declarant, or (ii) December 31, 1998. The Declarant may, in its sole discretion, transfer control of the Master Homeowners Association at an earlier date. Control shall be transferred at a meeting of the members of the Master Homeowners Association called by Declarant, at which meeting a new Board of Directors shall be elected by the members of the Master Homeowners Association. Thereafter, the Board of Directors will be elected by the members of the Master Homeowners Association in accordance with the Articles of Incorporation and By-Laws of the Master Homeowners Association.

Section 5.5 - Professional Management Required. The Master Homeowners Association shall employ an "Acceptable Management Company" (as the term is hereinafter defined) to carry out and perform the duties of the Master Homeowners Association set forth in this Declaration as managing agent for the Master Homeowners Association (hereinafter the "Managing Agent") pursuant to a written management agreement between the Managing Agent and the Master Homeowners Association (hereinafter the "Management Agreement"). The following provisions shall govern the selection and employment of the Managing Agent:

(a) for the purpose of this Declaration, an Acceptable Management Company shall mean a private enterprise, experienced and competent in the management of residential communities similar to the Declared Common Open Space governed by this Declaration, which is a member of the Community Associations Institute presently located at 1832 M Street N.W., Washington, D.C. 20036 (the "Institute") (or if the Institute or a successor is no longer in existence, then any similar organization which undertakes to establish professional standards for entities providing professional management to

residential communities), and which is not owned or controlled by or affiliated in any way with the Master Homeowners Association.

(b) the Declarant may negotiate as agent for the Master Homeowners Association, and submit to the Master Homeowners Association, on or before the first day of each November, a proposed Management Agreement for the ensuing calendar year between the Master Homeowners Association and a Managing Agent selected by the Declarant. Upon receipt of such a proposed agreement, the Master Homeowners Association shall have the following two options, and no others:

(i) to accept, execute and deliver the proposed Management Agreement on behalf of the Master Homeowners Association; or

(ii) to negotiate, execute and deliver an alternate Management Agreement between the Master Homeowners Association and an Acceptable Management Company selected by the Master Homeowners Association.

If the Master Homeowners Association fails to exercise one or the other of the aforesaid options on or before the first day of December following submission by the Declarant of its proposed Management Agreement, the Declarant may execute and deliver the said proposed Management Agreement as agent for the Master Homeowners Association, and in such event the proposed Management Agreement will become a binding contract between the Master Homeowners Association and the Managing Agent named therein upon execution and delivery thereof by such Managing Agent. Each Home Owner shall be deemed to have granted to the Declarant the agency described herein.

(c) any Management Agreement entered into by the Master Homeowners Association during the period when Declarant has control of the Master Homeowners Association shall be terminable, without cause, and without payment of any termination or penalty fee, upon ninety (90) days' notice by the Master Homeowners Association after control is transferred as provided in Section 5.4(b) hereof. In addition, every Management Agreement shall be terminable by the Master Homeowners Association for cause upon thirty (30) days' written notice and the term of any Management Agreement may not exceed one (1) year, renewable by the same procedure as provided for in the initial Management Agreement.

ARTICLE VI - AMENDMENT AND TERMINATION

Section 6.1 - General Amendments. Subject to the provisions of Section 8.4, this Declaration and the Preliminary Hershey's Mill Plan may be amended (a) at any time or from time to time after incorporation of the Master Homeowners Association by the vote of at least 67% of all of the members thereof (not merely of those members attending the meeting) at a special meeting of the members called for that purpose, or (b) by the Declarant (in addition and not in substitution for the rights granted to Declarant in Article I hereof) without the approval of any other Home Owner or the Master Homeowners Association at any time or from time to time before the sooner of (i) the sale and conveyance of 2,200 Houses by Declarant to Home Owners other than Declarant, or (ii) December 31, 1998; provided in either case that no such amendment shall, without the consent of all Homeowners affected, (x) reduce or limit the right, title or

interest of any Home Owner in and to the Declared Common Open Space or reduce the amount of Declared Common Open Space or of the assets of the Master Homeowners Association; or (y) increase any Home Owner's proportional share of the Common Expenses; or (z) change the boundaries of any Houses.

Section 6.2 - Curative Amendments. Any amendment deemed necessary in the judgment of the Declarant or the Master Homeowners Association, as the case may be, to cure any ambiguity or to describe adequately the completion of any improvements or to correct or supplement any provision of this Declaration or of the Preliminary Hershey's Mill Plan which is incorrect or defective or which is inconsistent with any other provision hereof or thereof or of the Zoning Ordinance of East Goshen Township or West Goshen Township (as applicable) or any other applicable law, ordinance or regulation of duly constituted governmental authority, the Declarant or the Master Homeowners Association, as the case may be, may, without approval of any Home Owner, effect an appropriate corrective amendment to this Declaration.

Section 6.3 - Documentation. Each amendment permitted by this Article VI or Article I hereof shall be effective upon the recording in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania of an appropriate instrument reciting that this Declaration and/or the Preliminary Hershey's Mill Plan is to be amended in accordance therewith, duly executed and acknowledged on behalf of the Master Homeowners Association or the Declarant, as the case may be.

Section 6.4 - Power of Attorney. Each Home Owner, by acceptance of a deed for any House, shall be deemed to have made, constituted and appointed the President of the Master Homeowners Association (ex officio) and the President of the Declarant (ex officio) (or either of them independently) as his true and lawful attorneys (irrevocably and coupled with an interest) to execute and acknowledge for him and in his name any amendment or modification of this Declaration authorized pursuant to this Article VI or Article I hereof to the end that any such instrument may be executed and acknowledged in his name by either of said attorneys and filed of record in the aforesaid Recorder of Deeds Office.

Section 6.5 - Termination. This Declaration may only be terminated by an appropriate instrument of termination executed and acknowledged by all record owners of Houses at the time of reference, except as otherwise provided in Section 8.4(1) in the event of a substantial destruction or condemnation of the Declared Common Open Space. In addition, the consent, in writing, of sixty-seven percent (67%) of the First Mortgagees (based on one vote for each First Mortgage owned) shall be required for any termination, except as otherwise provided in Section 8.4(1).

ARTICLE VII - GENERAL PROVISIONS

Section 7.1 - Condemnation. Whenever any proceedings are instituted which could result in the temporary or permanent taking, injury or destruction of all or part of the Declared Common Open Space, by the power of or a power in the nature of eminent domain or by an action or deed in lieu of condemnation, the Master Homeowners Association shall notify each Home Owner and

the Master Homeowners Association shall and the Home Owners at their expense may participate in such proceedings. If all or part of the Declared Common Open Space is permanently or temporarily taken, injured or destroyed by the power of or a power in the nature of eminent domain or by an action or deed in lieu of condemnation, the net award or other net proceeds thereof shall be payable to the Master Homeowners Association. The Master Homeowners Association shall, if necessary, first use such proceeds to repair or restore the Declared Common Open Space and then shall distribute any balance equally to the Home Owners or retain all or part thereof for use to pay or reserve against Common Expenses. Each Home Owner affected shall be entitled to any proceeds attributable to the taking of all or part of his House or Commercial Site or any buildings and improvements thereon erected.

Section 7.2 - Invalidity: Noncompliance and Waiver. If any provisions of this Declaration are determined to be invalid, the determination shall not affect the validity or effect of the remaining provisions hereof, all of which shall continue in effect as if such invalid provisions had not been included herein. Failure or any threatened failure to comply with this Declaration shall be grounds for an action for the recovery of damages (including the costs of Declarant's or the Master Homeowners Association's taking any action necessary to correct or remedy any such failure) assessable as a Common Expense or for injunctive relief, or both, maintainable by the Declarant or the Master Homeowners Association, or in a proper case, by an aggrieved Home Owner aggrieved by any such noncompliance. No restriction, condition, obligation or provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure, single or repeated, to enforce the same.

Section 7.3 - Declarant's Rights and Liabilities.

(a) Declarant may transfer, assign, convey or encumber any or all of its rights hereunder.

(b) Declarant reserves for itself, its successors and assigns, the unrestricted right to use, sell, lease, rent and/or mortgage any House which it, or its successors or assigns, owns at any time or from time to time after the recording of this Declaration, for any purpose permitted under applicable zoning and related laws and governmental regulations.

(c) Anything implied herein or in any agreement of sale or deed to the contrary notwithstanding, Declarant disclaims any intent to have made herein any warranty or representation in connection with any part of the Declared Hershey's Mill Land or any improvements thereon, and no person shall rely upon any such warranty or representation.

Section 7.4 - Definitional Cross References. The following defined terms used in this Declaration are defined in the indicated Section hereof:

Acceptable Management Company	5.5
Board of Directors	5.4
Commercial Areas	1.3(b)
Common Open Space	1.2(c)
Common Open Space Property	5.1
Common Expenses	3.1
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First Mortgage (First Mortgagee)	8.1
Hershey's Mill Land	1.1
Home Owners	1.2(a)
Houses	1.2(a)
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Preliminary Hershey's Mill Plan	1.2
Private Utility Facilities	1.2(b)
Recreational Facilities	1.2(c)(ii)
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Storm Water Management Facilities	1.2(c)(iv)
Village Declarations	1.2(a)
Village Homeowners Associations	1.2(a)
Village Lands	1.2(a)
Villages	1.2(a)

ARTICLE VIII
ACCESS TO INFORMATION AND OTHER
RIGHTS OF HOME OWNERS AND
FIRST MORTGAGEES

Section 8.1 - Register of Mortgages. The Secretary of the Master Homeowners Association shall maintain a register of all First Mortgagees who notify the Secretary of the Master Homeowners Association of their interest, in writing, giving the name and address of the First Mortgagee and the House on which it holds a First Mortgage. "First Mortgage" means a mortgage which is intended to be a first lien on a House, as those terms are understood by the common usage or customs of the trade and "First Mortgagee" is the holder of a First Mortgage. For purposes of this Section and Sections 8.2, 8.3 and 8.4(m) only, the term First Mortgagee includes insurers and guarantors of a First Mortgage.

Section 8.2 - Access to Books, Records and Documents. The Master Homeowners Association will make available for inspection, upon request, during normal business hours, to any Home Owner and to any First Mortgagee who is registered as provided in Section 8.1:

(a) current copies of this Declaration, by-laws and rules adopted by the Master Homeowners Association;

(b) books, records and financial statements of the Master Homeowners Association; and

(c) in addition, Home Owners and First Mortgagees shall be entitled, upon written request, to receive a copy of an audited financial statement of the Master Homeowners Association, free of charge.

Section 8.3 - Notice to First Mortgagees. First Mortgagees who have registered as provided in Section 8.1 hereof are entitled to written notice from the Master Homeowners Association concerning the following:

(a) any 60-day delinquency in the payment of Assessments owed by a Home Owner of a House on which it holds a First Mortgage;

(b) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Master Homeowners Association;

(c) any condemnation or casualty loss which affects a material portion of the Declared Common Open Space; and

(d) any proposed action which requires the consent of First Mortgagees under Section 8.4 of this Article.

Section 8.4 - Consent of First Mortgagees to Certain Actions. The consent, in writing, of at least fifty-one percent (51%) of First Mortgagees (based on one vote for each First Mortgage owned) who have registered as provided in Section 8.1 hereof, must be obtained for any change in this Declaration which involves:

(a) voting rights and procedures;

(b) assessments, assessment liens or subordination of assessment liens;

(c) reserves for maintenance, repair and replacement of the Declared Common Open Space;

(d) responsibility for maintenance and repairs;

(e) reallocation of interests in the Declared Common Open Space, or rights of enjoyment and use of the Declared Common Open Space;

(f) boundaries of any House, other than a House owned by Declarant;

(g) convertibility of Houses owned by Home Owners other than Declarant into the Declared Common Open Space or vice versa;

(h) contraction of the Declared Hershey's Mill Land, or the withdrawal of property from the Declared Hershey's Mill Land;

(i) insurance or fidelity bonds;

(j) a decision by the Master Homeowners Association to establish self-management in lieu of the professional management required under Section 5.5 above;

(k) restoration or repair of the Declared Common Open Space and the improvements located thereon (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration;

(l) any action to terminate this Declaration after substantial destruction or condemnation of the Declared Common Open Space; and

(m) any provision which is for the express benefit of the First Mortgagees.

IN WITNESS WHEREOF, intending to be legally bound, the undersigned have executed this Declaration the day and year first above written.

(SEAL)

WEST CHESTNUT REALTY CORP.

Attest:

By: David M. Boucher s/s
President

David Huggler s/s
Asst. Secretary

DAVID M. BOUCHER, ex officio, as President of West Chestnut Realty Corp., and as attorney-in-fact for all Home Owners who have accepted a deed for any House pursuant to the power granted by Section 6.4 of this Declaration.

David M. Boucher s/s
David M. Boucher

DECLARATION OF COVENANTS AND EASEMENTS FOR THE VILLAGE OF FRANKLIN

Dated April 1, 1984, as Amended
East Goshen Township, Chester County, Pennsylvania
Declarant: West Chestnut Realty Corporation

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DECLARATION OF COVENANTS AND EASEMENTS FOR THE VILLAGE OF FRANKLIN

Dated April 1, 1984, as Amended

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THIS DECLARATION, made this 1st day of April 1984 by WEST CHESTNUT REALTY CORP., a Pennsylvania corporation (hereinafter referred to as the "Declarant") as the owner of the real property in East Goshen Township, Chester County, Pennsylvania (hereinafter called the "Village Land") described by metes and bounds in Exhibit A attached hereto, provides as follows:

ARTICLE I PHYSICAL DESCRIPTION OF THE VILLAGE; TITLE TO THE LAND

Section 1.1 Residential Buildings, Houses, and Common Area; Recording of Final Village Plan. The Village Land is improved or is to be improved by Declarant with 29 frame buildings (hereinafter called the "Residential Buildings") divided into separate residential dwelling Houses (hereinafter called the "Houses") as shown graphically on the plan of the Village Land made by Pennoni Associates, Inc. dated March 2, 1984, and recorded in the Chester County Recorder of Deeds Office as Plan Number 4945 (hereinafter called the "Preliminary Village Plan"). Each house constitutes a separate parcel of real property owned in fee simple. There are 86 Houses (numbered 521 through 606 inclusive as shown on the Preliminary Village Plan) and the title lines of each House are located as shown on the Preliminary Village Plan and are bounded and described as follows:

The perimeter boundaries of each House are (a) the exterior surfaces of the exterior walls of the Residential Building (which shall be deemed closed by planes crossing openings formed by windows, doors or otherwise); (b) vertical planes along the perimeter of the patio

(if any) extending out from the House; and (c) a plane bisecting any wall separating the House from any adjoining House. The perimeter boundaries of a House shall also include (d) the exterior surfaces of the walls of the detached garage designated on the Village Plan by a "G" and the corresponding House number. The houses have no upper or lower boundaries within such perimeters.

For the purposes of the above description, the title lines of each House shall be deemed to include exterior architectural or structural elements of the Residential Building serving or attached to that House, including stairs, decks, shutters, windows, doors, window and door frames, chimneys, balconies and the like (but excluding walkways) and shall also include additions to any House made by Declarant prior to the initial conveyance thereof, or made subsequently thereto and approved in accordance with the provisions of Section 4.1 hereof.

The balance of the Village Land not occupied or to be occupied by Residential Buildings, whether or not such Residential Buildings have been erected, is hereinafter referred to as the "Common Area." The Common Area includes all buildings and improvements now or hereafter erected thereon including all walkways, parking

spaces, and drives.

On or before the ninetieth (90) day after the date when foundation footings are poured for the last Residential Building to be constructed on the Village Land, Declarant shall execute and record a plan of the Village Land showing the as-built location of all Residential Buildings and Common Area Improvements (the "Final Village Plan") which shall supersede and replace the Preliminary Village Plan for all purposes of this Declaration. The term "Village Plan" as used hereinafter shall refer to the Preliminary Village Plan (and any amendment thereto) until the Final Village Plan is recorded, and shall refer to the Final Village Plan after the recording thereof.

Section 1.2 "Home Owner" Defined. As used herein the term Home Owner shall mean the record owner or owners of a House (including Declarant with respect to any House shown on the Village Plan whether or not constructed or completed) at the time of reference.

Section 1.3 Variations between Village Plan and Siting of Residential Buildings. To the extent, if any, that the location of any Residential Building now or hereafter erected, repaired, or reconstructed; or any wall therein separating any House from an adjoining House (such walls, being sometimes hereinafter referred to collectively as the "Interior Title Line Walls") may vary from the location shown on the Village Plan on account of contractor or surveyor error, settling or shifting of foundations or similar causes, the actual physical location of the Residential Buildings and the Houses therein shall be controlling for the purposes of determining hereunder the title lines between Houses and between Houses and Common Area.

Section 1.4 Common Area Improvements. Declarant reserves the right, but shall have no obligation under this Declaration, to erect screenings consisting of walls, fences or plantings in order to promote privacy, or to erect any improvements on the Common Area not now erected or completed, whether or not shown on the Village Plan, provided that such erection of improvements does not materially reduce the acreage of Common Area remaining after such change or materially limit the use and enjoyment thereof by any Home Owner.

Section 1.5 Title to Common Area. Prior to the sale of any house to any purchaser other

than Declarant, title to the Common Area shall be conveyed to the Village of Franklin Homeowners Association subject to the easements of enjoyment in favor of the Home Owners created or reserved in Section 1.6.

Section 1.6 Easements. The Village Land is subject to and benefited by the following easements:

(a) **Hershey's Mill Declaration.** The Village Land is part of a larger tract of land hereinafter called the "Hershey's Mill Tract". The entire Hershey's Mill Tract is described in and certain portions thereof (including the Village Land) are subject to and benefited by the provisions of an instrument entitled "Restated Declaration of Covenants and Easements for Hershey's Mill" (hereinafter called the "Hershey's Mill Declaration") which is dated March 1, 1984 and recorded in the Office of the Recorder of Deeds of Chester County in Miscellaneous Deed Book 633 beginning at page 412 (as the said Declaration may be revised or supplemented from time to time pursuant to the terms thereof). Pursuant to the Hershey's Mill Declaration, the main through road across the Village (excluding turn-offs and parking areas) (as shown on the Village Plan) and the main utility lines from time to time running through the Village Land are subject to easements in favor of all owners of the Hershey's Mill Tract, and the Home Owners are given certain reciprocal rights in other portions of the Hershey's Mill Tract. Reference should be made to the Hershey's Mill Declaration for the precise terms and conditions of such benefits and burdens, including common assessments applicable to the Home Owners, and the right of Declarant to grant easements to public utilities companies.

(b) **Common Use of Common Area.** There is hereby reserved to Declarant, and granted and created for the benefit of each other Home Owner and bona fide residents of his House and his bona fide guests, a perpetual non-exclusive easement to use and enjoy the Common Area, in common with all other Home Owners, for the purposes for which it is intended, subject to the exercise of due care and consideration for the rights of other Home Owners (including without limitation the right of privacy) and subject also to such reasonable rules and regulations as may be promulgated from time to time by the Homeowners Association pursuant to Sections 2.3(b)(i) hereof, and

subject also to certain rights set forth in the Hershey's Mill Declaration and in Sections 1.6(c), (d), and (e) below.

(c) Easements and Covenants Relating to Residential Buildings. Each House shall be, and it hereby is, made subject to the following rights, easements, restrictions and covenants in favor of each adjoining house:

(i) an easement within the interior Title Line Walls for driving and removing nails, screws, bolts, staples and other similar fastenings; provided that such action will not unreasonably interfere with the area burdened hereunder or the use thereof, or impair or structurally weaken any load-bearing walls, ceilings or floors;

(ii) an easement for the installation, maintenance, use, repair, removal and replacement of electric, telephone, plumbing, heating, ventilating, common antenna, cable television, security alarm, chimneys and flues, or other similar facilities or equipment of any kind appertaining to and serving or benefiting any House which passes across or through any other House or any Interior Title Line Walls; provided that such action will not unreasonably interfere with the area burdened hereunder or the use thereof or impair or structurally weaken any load-bearing walls, ceilings, or floors; and provided that no Home Owner shall enter an adjoining house for any such purpose except at reasonable hours, upon reasonable notice to the Home Owner thereof, and with the consent and in the presence of a person designated by such other Home Owner; provided, however, that, in an emergency or if the consent of such other Home Owner be unreasonably withheld or delayed, the Home Owner requiring entry may cause entry to be made into such other House for the sole purpose of making necessary installation, maintenance, repair, removal or replacement of such equipment. All damage caused by such installation, maintenance, use, repair, removal and replacement shall be repaired at the expense of the Home Owners benefiting therefrom;

(iii) an easement for lateral and surface support in, through, over, under and alongside each adjoining House;

(iv) an easement for air and light; and

(v) the obligation of each Home Owner to maintain all portions of his House in such condition as to ensure structural support, sanitary hygienic condition, habitability, soundness and weather tightness of the

adjoining Houses, and to maintain or repair his House, whether after damage by fire or otherwise, so as not to materially impair the value of any other House.

(d) Homeowners Association Rights. The Homeowners Association referred to in Article II hereof shall have such easements and rights of ingress, egress, access and use over and in the Common Area and the Houses as are necessary or appropriate to enable it to carry out the duties and exercise the rights provided in the said Article II (including, but not limited to, the enforcement of the rules and regulations promulgated pursuant to Section 2.3(b) (i) and (x) thereof.

(e) Encroachments. If construction, reconstruction, repair, shifting, settlement or other movement of any portion of any House or other improvement results in either the Common Area encroaching on any House, or in a House encroaching on the Common Area or another House, a valid easement shall exist for both the encroachment and its maintenance so long as such encroachment exists.

ARTICLE II **INCORPORATION OF VILLAGE OF** **FRANKLIN HOMEOWNERS ASSOCIATION:** **CONVEYANCE AND MANAGEMENT** **OF COMMON AREA: POWERS AND** **DUTIES OF HOMEOWNERS ASSOCIATION**

Section 2.1 Incorporation of Homeowners Association and Conveyance of Common Area. Declarant will cause to be incorporated (pursuant to applicable provisions of Pennsylvania law in effect at the time of reference) a non-profit Pennsylvania corporation to be called VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION (or a similar name if that name is not available) (hereinafter called the "Homeowners Association"), by the filing of Articles of Incorporation in the form attached hereto as Exhibit B and the adoption of By-Laws in the form attached hereto as Exhibit C. The initial members of the Village Council (as defined in the By-Laws) and the officers of the Homeowners Association shall be designated by Declarant. The aforesaid Articles and By-Laws, as such instruments may be amended from time to time in accordance with their terms and applicable law, are hereinafter referred to as the "Articles" and the "By-Laws". The Articles and the By-Laws may be amended from time to time in accordance with the provisions thereof, and of applicable law, provided that no such amendment shall

contain any provision which is inconsistent with the provisions thereof, and in the event of such inconsistency, the provisions of this Declaration shall govern.

Prior to the sale of any House to any purchaser other than Declarant (as provided in Section 1.5 hereof) but not later than the sixtieth (60th) day following the recording of the Final Village Plan (as provided in Section 1.1 hereof), Declarant shall convey, transfer and assign all its right, title and interest in and to the Common Area and in and to all buildings, improvements, machinery, equipment, bank accounts, contracts, receivables, rights, books, records and tangible and intangible property of any kind or nature located upon or related to the use and enjoyment of the Common Area to the Homeowners Association.

The aforesaid conveyance, transfer and assignment pursuant hereto shall be by special warranty deed and non-recourse assignment, subject to (a) this Declaration; (b) the liens of mortgages held by the Fidelity Bank, which liens may be partially released as to the Common Area only upon the consent of the Fidelity Bank, which consent shall not unreasonably be withheld; (c) all other liens and encumbrances upon the Common Area (excepting liens of other mortgages securing obligations incurred or assumed by Declarant or any affiliate of Declarant, which shall be released prior to conveyance to the Homeowners Association); and (d) payment by the Homeowners Association of all normal and necessary costs incurred by Declarant in connection therewith (including transfer taxes, title company charges, premiums for title insurance of the Common Area in amount equal to the fair market value thereof as determined by Declarant, recording costs and reasonable legal fees); such costs shall be deemed Common Expenses assessable in accordance herewith.

Section 2.2 Members of the Homeowners Association. The Homeowners Association shall be a nonstock, membership non-profit Pennsylvania corporation as defined in Exhibit B. Each Home Owner shall and is hereby required to be, without any formal action and by reason of, and for the period of, such ownership, a member of the Homeowners Association. If a person owns more than one of the Houses that person shall have the rights and duties of that number of members which equals the number of Houses owned by him. If any House is owned

jointly by more than one person, either as tenants by the entireties, joint tenants or as tenants in common, then the joint owners thereof (and in proportion to their degree of ownership) shall share the rights and duties of one member of the Homeowners Association in respect thereof; provided, however, that at any meeting of the Homeowners Association all of such joint owners shall count as only one owner for quorum purposes and shall be entitled to cast only one vote, which vote may be cast by any one of such joint owners.

Section 2.3 Powers and Duties of the Homeowners Association.

(a) The Homeowners Association shall have the powers and perform the duties set forth in subsection 2.3(b) below, in compliance with and subject to this Declaration and the Articles and By-Laws. The business and affairs of the Homeowners Association and the performance of its duties with respect to the Common Area shall be managed on behalf of the Homeowners Association by a board of five natural individuals, who are each Home Owners, in compliance with and subject to the Articles and By-Laws and this Declaration. Such Board is sometimes herein called the "Village Council".

(b) Subject to the limitations and restrictions contained in this Declaration and in the Articles and By-Laws, the Homeowners Association shall have irrevocably so long as the Declaration shall be effective, the following powers and duties:

(i) to operate and maintain the Common Area, including the power to promulgate and enforce rules and regulations which the Homeowners Association may deem necessary or desirable to promote the mutual use and enjoyment thereof by the Home Owners (the "Village Rules") (including but not limited to the right to limit or restrict access to any recreational facility on the Common Area by a Home Owner or bona fide residents of his House or his bona fide guests if such Home Owner or such residents or guests fail to observe such rules or regulations or if such Home Owner is delinquent in payment of assessments for Common Expenses due hereunder or if a limitation as to the number of guests allowed is necessary in the opinion of the Homeowners Association, to prevent undue congestion of the recreational facility);

(ii) to operate, restore, repair and maintain in good, clean, safe condition the

lawns, plantings, walkways, roads, garages, recreational facilities, utility lines and any other improvements from time to time located upon the Common Area (except to the extent that main roads and trunk utility lines are maintained by Declarant or the Master Homeowners Association or a public or private utility company pursuant to the Hershey's Mill Declaration);

(iii) to determine, assess, collect and pay (as applicable) the Common Expenses and Reserve Fund Assessments described in Article III hereof, and to estimate such Common Expenses in advance and prepare appropriate budgets;

(iv) subject to paragraph (v) below, to repair, restore, and maintain the following parts of the Residential Buildings and Houses:

A. exterior walls from the exterior frame surface out;

B. interior Title Line Walls (except interior finish);

C. all structures above the unfinished lower surface of the ceiling of the uppermost floor, including, without limitation, ceilings, attic areas, crawl spaces, roofs (including beams and sheathing), but excluding any fixtures related to heating or air conditioning;

D. all lines (but excluding fixtures and equipment) related to electricity, telephone, television antenna;

E. all lines, including fixtures and equipment, related to the Security Alarm System;

F. exterior doors and window frames, but excepting all glass; and

G. chimneys above the damper.

(v) to restore to the extent of the sum of (x) any insurance proceeds received or receivable by the Homeowners Association in respect thereof; and (y) any deductible amount permitted pursuant to Section 5.1(a) hereof, damage by fire or other casualty or any other cause whatsoever to any Residential Building or House excluding only the personal property which each Home Owner has the responsibility to insure pursuant to Article V hereof;

(vi) to open and maintain bank accounts and designate the signatories therefor;

(vii) to enter into and perform such contracts, purchases or agreements as the Homeowners Association shall deem necessary or appropriate to carry out its duties hereunder;

(viii) to procure and pay for the insurance required to be maintained by the Homeowners Association pursuant to Section

5.1 hereof;

(ix) to enforce this Declaration;

(x) to promulgate as part of the Village Rules and enforce rules and regulations governing the use of the Houses in order to promote the quiet and peaceful use and enjoyment thereof by all Home Owners and their residents and guests;

(xi) to exercise such other powers or perform such other duties as are specifically provided for or necessarily implied in any other provision of this Declaration or the Articles and By-Laws;

(xii) to employ, at the Homeowners Association's discretion (subject to Section 2.4 below), such independent contractors (including a managing agent), professionals and/or employees as the Homeowners Association shall select on such terms as the Homeowners Association shall deem reasonable, to carry out the duties herein above set forth;

(xiii) to maintain a registered office on the Hershey's Mill Tract;

(xiv) to acquire by purchase, gift, lease or otherwise, any real or personal property reasonably related to the purposes set forth herein (including, but not limited to, Houses), and to sell, mortgage or lease the same;

(xv) to commence and maintain legal or administrative proceedings on behalf of the Homeowners Association.

(c) The Homeowners Association (or a managing agent employed by the Homeowners Association) shall maintain complete, accurate and current books and records adequate to reflect fully the operations, proceedings and financial condition of the Homeowners Association. Such books and records shall be kept at the registered office of the Homeowners Association (or at the office of the managing agent employed by the Homeowners Association) and shall be available for examination during regular business hours by the Home Owners and by persons who have entered into binding written agreements to purchase a House.

(d) The Homeowners Association shall, within 60 days after the end of each calendar year, and in accordance with applicable law, provide each Home Owner with a report of assets and liabilities and of either income and expenses or of receipts and disbursements of the Homeowners Association for the year then ended. On or before the last day of November of each calendar year, the Homeowners Association shall provide each Home Owner with a

budget of estimated Common Expenses for the ensuing year.

Section 2.4 Professional Management Required. The Homeowners Association shall employ an "Acceptable Management Company" (as the term is hereinafter defined) to carry out and perform the duties of the Homeowners Association set forth in this Declaration as managing agent for the Homeowners Association (hereinafter the "Managing Agent") pursuant to a written management agreement between the Managing Agent and the Homeowners Association (hereinafter the "Management Agreement"). The following provisions shall govern the selection and employment of the Managing Agent:

(a) for the purpose of this Declaration, an Acceptable Management Company shall mean a private enterprise, experienced and competent in the management of residential communities similar to the Village governed by this Declaration, which is a member of the Community Associations Institute presently located at 1832 M Street N.W., Washington, DC 20036 (the "Institute") (or if the Institute or a successor is no longer in existence, then any similar organization which undertakes to establish professional standards for entities providing professional management to residential communities). Should a majority of the Villages of Hershey's Mill incorporate a non-profit Management Association whose purpose is to manage the Villages' affairs and hire a Community Manager to oversee the operation, such an Association shall be deemed to be an acceptable Management Company within the definition of this paragraph.

(b) Declarant may negotiate as agent for the Homeowners Association and submit to the Homeowners Association, on or before the first day of each November, a proposed Management Agreement for the ensuing calendar year between the Homeowners Association and a Managing Agent selected by Declarant. Upon receipt of such a proposed agreement, the Homeowners Association shall have the following two options, and no others:

(i) to accept, execute and deliver the proposed Management Agreement on behalf of the Homeowners Association; or

(ii) to negotiate, execute and deliver an alternate Management Agreement between the Homeowners Association and an Acceptable Management Company selected by the

Homeowners Association.

If the Homeowners Association fails to exercise one or the other of the aforesaid options on or before the first day of December following submission by Declarant of its proposed Management Agreement, Declarant may execute and deliver the said proposed Management Agreement as agent for the Homeowners Association, and in such event the proposed Management Agreement will become a binding contract between the Homeowners Association and the Managing Agent named therein upon execution and delivery thereof by such Managing Agent. Each Home Owner, upon acceptance and recordation of a deed to his House, shall be deemed to have granted to Declarant the agency described herein.

(c) Any Management Agreement entered into by the Homeowners Association during the period when Declarant has control of the Homeowners Association shall be terminable, without cause, and without payment of any termination or penalty fee, upon ninety (90) days' notice by the Homeowners Association after control passes to the Home Owners (other than Declarant). In addition, every Management Agreement shall be terminable by the Village Council for cause upon thirty (30) days' written notice and the term of any Management Agreement may not exceed three (3) years, renewable by the same procedure as provided for in the initial Management Agreement.

Section 2.5 Enforcement.

(a) If informal discussions with a Home Owner are not possible or prove unproductive, and at least four members of the Village Council vote that the alleged action or inaction of a Home Owner presumptively violates any provision of this Declaration or any part of the Village Rules, the managing agent shall give written notice to the Home Owner describing the violation with reasonable particularity and giving the Home Owner ten days within which to cease the violation if it is of a continuous nature, or make request for a hearing before the Village Council or a committee of three Home Owners to be appointed by it.

(b) If the Home Owner neither corrects the violation nor requests a hearing, nor otherwise demonstrates that he or she did not commit a violation or is not in violation, the allegation of violation shall be deemed proven.

(c) If after a requested hearing, of which

all parties shall have been given notice and at which all parties shall have been given full opportunity to be heard, the Village Council or committee appointed to hear the matter determines that the alleged action or inaction occurred or continues to a degree constituting violation of a provision of this Declaration or of the Village Rules, the allegation of violation shall be deemed proven.

(d) If the allegation of violation shall have been deemed proven, the Village Council shall impose a fine consistent with the nature and severity of the violation to a maximum amount of \$50 for a violation or for each day of continued violation of any provision of this Declaration or any part of the Village Rules. Persistent or repetitive violations within 30 days of the initial written notice of same shall be construed as part of the original violation and fines will be calculated as of the date of written notice and imposed immediately. Written notice of the imposition of a fine shall be given promptly to the Home Owner by hand delivery or deposit in the U.S. Mails, postpaid, certified mail with return receipt requested.

(e) Any fine not paid within 30 days of the giving of notice shall constitute a Common Expense assessment and a lien against the Home Owner's House. It shall be collectible as a common assessment.

(f) The enforcement procedures set forth above shall not be exclusive of other rights and remedies available to the Homeowners Association or its Village Council. All legal fees, court costs and other expenses incurred by the Village Council in the enforcement of this Declaration and of the Village Rules and in the collection of any fine imposed shall be obligations of the Home Owner against whom enforcement is sought or fine levied. They shall constitute common expense assessments and liens against the Home Owner's House. They shall be collectible as common assessments.

ARTICLE III

COMMON EXPENSES: ASSESSMENTS:

BUDGET

Section 3.1 "Common Expenses" Defined.
The term "Common Expenses" shall mean all costs, liabilities, obligations or expenses incurred by the Homeowners Association in carrying out its duties and responsibilities under this Declaration, including, without limitation:

(a) the cost of operating, maintaining, restoring and repairing the Common Area

including, without limitation, the lawns, plantings, walkways, roads and utility lines (except the main roads and trunk utility lines to the extent maintained by Declarant or the Master Homeowners Association or a public or private utility company pursuant to the Hershey's Mill Declaration), parking areas, recreational facilities, and other buildings and improvements from time to time erected thereon;

(b) utilities supplied to the Common Ground will be separately metered so as to assure the cost will be borne by the Homeowners Association and not by any of the individual Home Owners;

(c) the cost of maintaining, restoring and repairing certain portions of the Residential Buildings and Houses in accordance with Section 2.3(b)(iv) and (v) hereof;

(d) the cost of employees, independent contractors, managing agents or professionals employed by the Homeowners Association pursuant to this Declaration, including taxes, insurance and bonding except as otherwise provided in section 5.1 hereof;

(e) the cost of insurance maintained by the Homeowners Association pursuant to Section 5.1 hereof including the fees payable to any insurance trustee selected pursuant to such Section except as otherwise provided in Section 5.1 hereof;

(f) the cost of all betterments, capital improvements or other extraordinary expenses under \$5,000 in amount, and the cost of such expenses in excess of \$5,000 if incurred to alleviate an emergency condition or which are determined to be common by the vote of an absolute majority of all the members of the Homeowners Association (not merely those attending a meeting) at a meeting of the Homeowners Association duly called and held for such purposes;

(g) common expenses assessed against the Homeowners Association pursuant to the Hershey's Mill Declaration;

(h) rental and other costs associated with maintaining a registered office on the Hershey's Mill Tract;

(i) the cost of record keeping and providing annual financial reports in such manner as may from time to time be required by the Articles and By-Laws of the Homeowners Association and this Declaration;

(j) real estate taxes and other governmental charges and assessments assessed

against all or any part of the Common Area, or against any House owned by the Homeowners Association;

(k) all costs of owning, operating, maintaining, restoring and repairing the Common Area not described in the preceding paragraphs of this Section 3.1;

(l) the costs of services supplied to the Home Owners by the Green Hill Sewer Association, which is a Pennsylvania non-profit corporation, which are billed to the Homeowners Association; and

(m) an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area.

Section 3.2 Budget and Assessments.

(a) The Homeowners Association shall periodically (and in no event less than annually) determine the estimated Common Expenses for the ensuing period (of not more than one 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 Homeowners Association shall assess and collect from each Home Owner and each such Home Owner agrees and shall be deemed to covenant and agree by acceptance of a deed for his House, whether or not it shall be so expressed in any such deed, to pay to the Homeowners Association a pro rata amount of such incurred and estimated Common Expenses determined by multiplying the total amount thereof by a fraction the numerator of which is the number of Houses owned by such Home Owner and the denominator of which is the number of Houses for which a certificate of occupancy has been issued by East Goshen Township (excluding Houses acquired and held by the Homeowners Association pursuant to Section 3.3 below).

The Homeowners Association may also assess and collect from each Home Owner such special assessments for extraordinary or unforeseen expenses as the Homeowners Association may from time to time deem necessary or advisable. The Home Owners shall be severally and not jointly liable for the payment of such assessments for Common Expenses and special assessments (collectively, the "Assessments"), which shall be payable either within 30 days from the date on which written notice of assessment is given

by the Homeowners Association, or on or before the due date set forth on any assessment coupon issued by the Homeowners Association to each Home Owner. Assessments shall be billed quarterly or monthly, in the discretion of the Homeowners Association.

In addition, in the event that any damage to the Common Area or the Houses (except interior portions thereof for which the Homeowners Association has no responsibility for maintenance and repair) is caused by any Home Owner or any resident of his House or any of his guests, employees, invitees or agents, the Homeowners Association shall assess such Home Owner for the entire cost of repairing and restoring the damage, and such assessment shall be deemed an Assessment for the purposes of this Declaration.

Any Home Owner who fails to pay any Assessment within 10 days of the date when the same is payable as above set forth shall be subject to a late charge of 4% of the amount due to reimburse the Homeowners Association for the cost of collection.

Assessments shall, until fully paid, together with interest thereon at 18% per annum (or the highest rate allowed by law, if lower) from the 30th day following the date of such notice, constitute a charge on the House of each Home Owner assessed, and shall be a continuing lien upon such House subject to the prior lien of certain mortgages, as provided in subsection 3.2(b) below. Each such Assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was Home Owner at the time when the Assessment fell due.

If actual Common Expenses for any period are less than total net receipts attributable thereto, the surplus shall be applied toward payment of Common Expenses of the next ensuing period, or shall be refunded to the Home Owners, at the discretion of the Homeowners Association and in accordance with applicable law.

(b) Any Assessment which is delinquent, together with accrued interest and late payment penalties, if any, may be enforced by suit by the Homeowners Association, in an action *in personam* to enforce the personal obligations provided for in Section 3.2(a), which shall be indexed by the prothonotary as *lis pendens* or by action to enforce the lien and charge provided for in Section 3.2(a). Each Home Owner

agrees and shall be deemed to agree by acceptance of a deed or other conveyance of a House subject hereto, whether or not it shall be so expressed in such deed or conveyance, that, on failure to timely pay any Assessment, the Homeowners Association by its attorney is empowered to enter a copy of this Declaration, certified by an officer of the Homeowners Association to be true and correct and with that officer's affidavit that the defendant is a Home Owner subject to the provisions hereof, in any court of competent jurisdiction and there to confess judgement in favor of the Homeowners Association and against the delinquent Home Owner for the amount of any delinquent assessments, plus interest and late charges as aforesaid, costs and the attorney's fee. Any judgement against a Home Owner shall be a lien against his House, enforceable as provided by law. The delinquent Home Owner shall be obligated to pay all expenses of the Homeowners Association, including attorney's fees, incurred in the collection of the delinquent Assessment by legal proceedings or otherwise, which expenses and amounts, together with any accrued interest, shall be deemed to constitute part of the delinquent Assessment and shall be collectible as such. Any lien or charge for Assessments (whether or not delinquent) shall be subordinate not only to any existing mortgage upon all or any part of the Village Land but also to any subsequently created mortgage which at the time of creation is otherwise a first lien, but notwithstanding any divestiture of any lien or charge for unpaid Assessments by foreclosure of such mortgage, the delinquent Home Owner shall remain personally liable therefor.

(c) Subject to subparagraph (d) below, upon any voluntary or involuntary conveyance or transfer of a House by gift, sale, demise, intestacy, bankruptcy, operation of law or otherwise, the personal obligation to pay the Assessments becoming due and payable prior to the date of such conveyance or transfer together with interest and other charges thereon shall remain the personal obligation of the grantor or transferor and shall not pass to the grantee or transferee. However, the lien of such unpaid Assessments, interest and other charges shall continue to bind the House and may be enforced in the manner herein set forth. The new Home Owner shall and the former Home Owner shall not be liable for any Assessments made after the date of conveyance or transfer of title to a House, even though the

Common Expenses for which the Assessment is made relate in whole or in part to any period prior to that date.

(d) In the event that title to a House is transferred at a sheriff's sale pursuant to execution upon any lien or judgment against the House, the Homeowners Association shall give notice in writing to the sheriff of any unpaid Assessments which are a lien and charge against the House and which have not theretofore been reduced to judgment and lien pursuant to this Section 3.2. All unpaid Assessments (whether or not reduced to judgement and lien as aforesaid) shall be paid out of the proceeds of the sale prior to the distribution of any balance to the former Home Owner against whom the execution issued. The purchaser at such sheriff's sale and the House involved shall not be liable for unpaid assessments which became due prior to the sheriff's sale of the House. Similarly, the grantee in a deed in lieu of foreclosure and the House involved shall not be liable for unpaid Assessments which become due prior to the delivery of the deed in lieu of foreclosure. Any such unpaid Assessments which cannot be promptly collected from the former Home Owner shall be reassessed by the Homeowners Association as a Common Expense to be collected from all of the Home Owners, including the purchaser who acquired title at the sheriff's sale or by the deed in lieu of foreclosure, his successors and assigns.

(e) In all cases where all or part of any Assessments cannot be promptly collected from the persons or entities liable therefor under this Declaration, the Homeowners Association shall reassess the same against all Home Owners as a Common Expense, without prejudice to its rights of collection against such persons or entities.

(f) Upon request, the Homeowners Association shall provide a statement of the amount of Assessments which are a lien and charge upon a House, and upon receipt of payment of such amount the Homeowners Association shall execute and deliver a release of such liens and charges in recordable form. Such statement, when executed by an officer of the Homeowners Association, shall be conclusive evidence of the amount of such liens and charges, and such a release, when executed and delivered by an officer of the Homeowners Association, shall be effective to release such liens and charges.

(g) No Home Owner may exempt himself

from liability with respect to the Common Expenses by waiver of the right to use the Common Area or any part thereof or by abandonment of his House or otherwise whatsoever.

Section 3.3 Power to Acquire, Hold and Sell. As incident to its powers relating to the collection and enforcement of assessments, charges and claims, the Homeowners Association shall have the powers (which it may exercise either directly or through an agent or trustee): (i) to acquire any House upon which an unpaid assessment has become a lien and charge according to the provisions of Sections 3.2(a) and (b), whether such acquisition is by foreclosure, by judicial sale equitable proceedings, or otherwise; and (ii) to thereupon hold, lease, convey and otherwise use and enjoy such property, without restriction.

Section 3.4 Former Members Have No Interest in Homeowners Association Property. No former member of the Homeowners Association shall have any interest, right or claim in or to any property held by the Homeowners Association pursuant to Section 3.3 hereof or to any other provision of this Declaration, whether such property has been acquired, held or sold before, during or after the term of membership of such former member.

Section 3.5 Real Estate Taxes. Neither the Homeowners Association (except in respect of the Common Area and a House acquired pursuant to Section 3.3 hereof) nor the Home Owners as a class shall be responsible for real estate taxes or other governmental charges or assessments assessed against the House, which shall in all events be the responsibility of each respective Home Owner.

ARTICLE IV

ARCHITECTURAL CONTROL; AGE AND USE RESTRICTIONS

Section 4.1 Houses. In order to insure harmonious and efficient development of the Village Land, no modification, repair, renovation, reconstruction or addition (including painting or staining) shall be undertaken to any House (other than nonstructural work on the interior and within title lines thereof) by any Home Owner (other than Declarant) except in accordance with plans and specifications which have first been submitted (such submission to be made only against a written receipt therefor signed by an officer of the Homeowners

Association or by the Managing Agent, noting the date of submission) to and approved by the Homeowners Association, which approval shall not be unreasonably withheld. In reviewing the plans and specifications, the Homeowners Association shall consider, among other things: location of the improvements to avoid encroaching on the Common Area (except as permitted by the next paragraph) or other Houses (including easements appurtenant thereto); applicable zoning and other ordinances, laws and regulations; conformity to the general and specific architectural style, roof pitch, and details of existing Residential Buildings and Houses; and exterior colors and materials. The Homeowners Association shall meet within 30 days of receipt of any such submission to consider the same, and the submission shall be deemed to have been approved by the Homeowners Association unless it shall mail to the submitting Home Owner, within 30 days after the date of such meeting, written notice of (a) disapproval or (b) approval conditioned on specified modifications of the plans and specifications or performance of specified conditions.

Any addition to a House which will include an expansion of its exterior walls or roof into the Common Area must be first approved by the Home Owners and First Mortgagees as provided in Article VI hereof. Any such addition which is approved as above provided must, in addition to receiving such approval, be described in reasonable detail (using drawings as appropriate) in a supplement to this Declaration which shall be executed and acknowledged by the President or any Vice-President and the Secretary or any Assistant Secretary of the Homeowners Association and recorded in the Chester County Recorder of Deeds Office, at the expense of the requesting Home Owner. Any acquisition of common ground by such approval shall be subject to a fee, payable to the Franklin Village Home Owners Association, such fee to be determined by two trained and mutually acceptable real estate appraisers.

The addition of standard patio and deck enclosures, as defined in the September 26, 1989 First Supplement to this Declaration, titled Specifications for purchase and installation of Patio and Deck Enclosures, may be approved under the provisions of the First Paragraph of this Section. Requests for non-conforming types or styles of Patio and Deck Enclosures are subject to the provisions of the Second Paragraph

of this Section.

Section 4.2 Signs: Common Area. No Home Owner shall erect any sign of any kind on any part of the Residential Buildings or Common Area; or install or erect any improvement or fixture upon the Common Area (except as provided in Section 4.1); or place or store any personal property or plant, cut, prune, relocate or remove any trees, shrubs or plants upon the Common Area without the prior written approval of the Homeowners Association.

Section 4.3 Restrictions on Use of House. Pursuant to the provisions of the Federal Fair Housing Act, as amended from time to time, and the continued policy of Hershey's Mill to provide "housing for older persons" as that term is defined in 42 U.S.C.A. 3607(b)(2)(c), Franklin Village is intended and operated for occupancy by at least one person fifty-five (55) years of age or older per House. In order to provide for congenial occupancy of the property and for the protection of the value of the Houses, each House shall be occupied only by a single family solely for residential purposes, subject to the following:

(a) Occupancy shall be restricted so that at least eighty percent (80%) of the Houses in Franklin Village shall at all times be occupied by at least one person fifty-five (55) years or older per House and in no event shall any House be occupied by less than one person forty-two (42) years of age or older or any child below the age of eighteen (18) years. These age restrictions are subject to the following exceptions: (i) a husband or wife, regardless of age, residing with his or her spouse at the House provided the spouse is of the age of fifty-five (55) years or older (forty-two (42) years where applicable); (ii) a surviving husband or wife, regardless of age, who was residing with his or her deceased spouse at the House provided the deceased spouse was of the age of fifty-five (55) years (forty-two (42) years where applicable) or older at his or her death; (iii) any child of the age of eighteen (18) years or older residing at the House with a parent who is either of the age of fifty-five (55) years (forty-two (42) years where applicable) or older, or is permitted by either Subsection (i) or (ii); (iv) notwithstanding the foregoing provision raising the minimum age for at least eighty percent (80%) of the Houses from forty-two (42) to fifty-five (55) years of age, certain other persons may continue to be or may become occupants on and after the effective date of this Amendment: (A) a person of the age of forty-two (42) years or older who shall have been an occupant

immediately before the effective date may continue to be an occupant thereafter; (B) the husband or wife, regardless of age, residing with his or her spouse of the age of forty-two (42) years or older who shall have been an occupant immediately before the effective date may continue to be or become an occupant thereafter provided his or her spouse shall continue to be an occupant thereafter pursuant to Subparagraph (a) hereof; (C) the surviving husband or wife, regardless of age, who shall have been an occupant immediately before the effective date may continue to be an occupant thereafter provided he or she shall have resided with the spouse at the spouse's death and the spouse shall have been an occupant of the age of forty-two (42) years or older at death; (D) the surviving husband or wife, regardless of age, residing with his or her spouse at the spouse's death, provided the spouse shall have been an occupant pursuant to subparagraph (a) hereof at death; or (E) any child of the age of eighteen (18) years or older residing with a parent who is an occupant under a provision of this Subsection (iv).

Nothing in this section shall prohibit the entertainment of persons of any age, or temporary occupancy not aggregating more than ninety (90) days in any calendar year by persons of any age.

Section 4.4 Use Restrictions. In order to preserve the character of the Village as a residential community, no part of the Village Land or the Houses shall be used for transient or hotel purposes or for any industry, business, trade, occupational or professional (except professional offices to the extent permitted by the zoning ordinance of East Goshen Township) or commercial, religious, educational, institutional or non-residential use of any kind, whether or not intended for profit.

ARTICLE V INSURANCE

Section 5.1 Insurance Maintained by Homeowners Association. The Homeowners Association shall maintain, at all times, insurance in the types, containing the clauses, and in the amounts, provided as follows:

(a) property insurance on a so-called "all risk" basis covering all real property of the Home Owners and of the Homeowners Association, including the Common Area and all buildings and improvements thereon, the Residential Buildings and Houses, and all fixtures and equipment affixed to and considered part of the real estate. Such insurance will be on a

full insurable replacement cost basis, without deduction for depreciation, but may be subject to (i) a deductible provision for loss or damage related to the thawing of snow, sleet or ice (ice damming) in an amount of up to Seven Thousand Five Hundred Dollars (\$7500), and the full amount of such deductible shall be borne by any Home Owner incurring the loss or damage; and (ii) with a deductible provision in an amount of One Thousand Dollars (\$1000) for each other occurrence, and the full amount of such deductible shall be borne by the Homeowners Association and shall be assessed as a Common Expense. The full amount of such insurance shall (notwithstanding any contrary provision in any mortgage upon a House) be payable to an institutional insurance trustee selected by the Homeowners Association, in trust pursuant to an insurance trust agreement between the Homeowners Association and such trustee, to fund the costs incurred by the Homeowners Association to restore the damage pursuant to Article II hereof, with any excess being payable equally to each Home Owner or his mortgagee as their interests may appear;

(b) comprehensive general liability insurance covering as named insureds the Homeowners Association and the officers thereof, any Managing Agent employed by the Homeowners Association, and each Home Owner against liability to the public or to the Home Owners or residents of their Houses, or their agents, employees, tenants, guests or invitees, relating to the operation, maintenance or use of the Village Land, except within the title lines of any House. Limits of liability including personal injury shall be at least One Million Dollars (\$1,000,000) combined single limit bodily injury and/or property damage or both combined. The policy of insurance shall include cross liability;

(c) Workers' Compensation insurance and Employers' Liability as required by law for any employees of the Homeowners Association;

(d) comprehensive disappearance and dishonesty bonds or equivalent coverage against dishonest acts on the part of the members of the Village Council, the Managing Agent, the officers and employees of the Homeowners Association and all others who handle or are responsible for the handling of funds of the Homeowners Association. The fidelity bonds or insurance must name the Homeowners Association as obligee or insured. The fidelity bonds or insurance should cover the maximum funds that will be in the custody of the

Homeowners Association or the Managing Agent at any time, and shall be in an amount equal to at least the sum of 25% of the annual Common Expenses, plus the reserve funds. The fidelity bonds or insurance must contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;

(e) all policies obtained pursuant to the provisions of this subsection shall: (i) provide that the Homeowners Association or its authorized representative shall be the sole adjuster of any losses and that all proceeds shall be paid to the insurance trustee selected by the Homeowners Association pursuant to Section 5.1(a) hereof, to be distributed by such trustee as contemplated hereby; (ii) contain waivers of all rights of subrogation; (iii) provide that the coverage afforded to any insureds shall not be affected by the acts or omissions of any one or more other insureds; and (iv) provide that they shall not be cancelled or modified without thirty (30) days' prior written notice to all whose interests are covered thereby, including all mortgagees;

(f) in no event shall insurance obtained and maintained by the Homeowners Association and by individual Home Owners be brought into contribution.

Section 5.2 Insurance Maintained by Home Owners. Each Home Owner will be responsible for the purchase and payment of insurance to protect his own personal property and real property insurance sufficient to pay the deductible for which the Home Owner is responsible under the policy maintained by the Homeowners Association in accordance with Section 5.1 (a) hereof, and all personal liability not provided for in Section 5.1(b) hereof. No Home Owner may maintain property insurance covering any real property owned by him or in which he owns any interest if the effect of such coverage would be to cause the insurance maintained by the Homeowners Association pursuant to Section 5.1 (a) above to be brought into contribution therewith. No Home Owner shall contract for insurance in such a way as to decrease the amount that the Homeowners Association, on behalf of the Home Owners, may realize under any insurance policy that the Homeowners Association may have in force on any part of the Village Land at any particular time.

No Home Owner shall do or permit any act which would void or impair the coverage afforded by any policies held by the Homeowners Association pursuant to Section 5.1 hereof or would result in an increase in the

premium therefor; and any Home Owner so doing or permitting any such act shall be liable to the Homeowners Association for any such increase which shall be assessable as a Common Expense exclusively against such Home Owner pursuant to the assessment provisions of this Declaration.

Copies of each insurance policy, whether obtained by the Homeowners Association or by a Home Owner, covering any part of the House, shall be filed with the secretary of the Homeowners Association within ten (10) days after such policy takes effect.

Section 5.3 Uninsured Damage to Residential Buildings. In the event of damage to or destruction of all or any portion of a Residential Building, and if the cost of repair of such damage or destruction exceeds the sum of (a) the proceeds of the insurance maintained by the Homeowners Association pursuant to Section 5.1(a) hereof; and (b) the deductible amount permitted pursuant to such Section, the amount of such uninsured loss shall be allocated among the owners of Houses in the affected Residential Building in proportional amounts in accordance with the cost of restoration or repair of each House, as equitably determined by the Homeowners Association (except that any member of the Village Council or officer of the Homeowners Association who is an owner of a damaged House shall abstain from such deliberations), and shall be the personal responsibility of such Home Owners. The allocated portion of such uninsured loss shall be assessed as a Common Expense against each responsible Home Owner.

ARTICLE VI

ACCESS TO INFORMATION AND OTHER RIGHTS OF HOME OWNERS AND FIRST MORTGAGEES

Section 6.1 Register of Mortgages. The Secretary of the Homeowners Association shall maintain a register of all First Mortgagees who notify the Secretary of their interest, in writing, giving the name and address of the First Mortgagee and the House on which it holds a First Mortgage. "First Mortgage" means a mortgage which is intended to be a first lien on a House as those terms are understood by the Common usage or customs of the trade and "First Mortgagee" is the holder of a First Mortgage. For purposes of this Section and Sections 6.2, 6.3 and 6.4(o) only, the term First Mortgagee

includes insurers and guarantors of a First Mortgage.

Section 6.2 Access to Books, Records and Documents. The Homeowners Association will make available for inspection, upon request, during normal business hours, to any Home Owner and to any First Mortgagee who is registered as provided in Section 6.1:

(a) current copies of this Declaration, By-Laws and Rules adopted by the Village Council;

(b) books, records and financial statements of the Homeowners Association; and

(c) in addition, Home Owners and First Mortgagees shall be entitled, upon written request, to receive a copy of an audited financial statement of the Homeowners Association for the preceding fiscal year, free of charge.

Section 6.3 Notice to First Mortgagees. First Mortgagees who have registered as provided in Section 6.1 hereof are entitled to written notice from the Homeowners Association concerning the following:

(a) any 60-day delinquency in the payment of Assessments owed by a Home Owner of a House on which it holds a First Mortgage;

(b) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Homeowners Association;

(c) any condemnation or casualty loss which affects either a material portion of the Village Land or the House securing its First Mortgage; and

(d) any proposed action which requires the consent of First Mortgagees under Section 6.4 of this Article.

Section 6.4 Consent of Home Owners and First Mortgagees to Certain Actions. The consent, in writing, of at least sixty-seven percent (67%), 58 votes, of the Home Owners (based on one vote for each House) and of at least fifty-one percent (51%) of First Mortgagees (based on one vote for each First Mortgage owned) who have registered as provided in Section 6.1 hereof, must be obtained for any change in this Declaration which involves:

(a) voting right and procedures;

(b) assessments, assessment liens or subordination of assessment liens;

(c) reserves for maintenance, repair and replacement of the Common Area;

(d) responsibility for maintenance and repairs;

(e) reallocation of interests in the Common Area, or rights of enjoyment and use of the Common Area;

(f) boundaries of any House;

(g) convertibility of Houses owned by Home Owners other than Declarant into the Common Area or vice versa;

(h) expansion or contraction of the Village Land, or the addition, annexation or withdrawal of property to or from the Village Land;

(i) insurance or fidelity bonds;

(j) leasing of Houses;

(k) imposition of any restrictions on a Home Owner's right to sell or transfer his or her House;

(l) a decision by the Homeowners Association to establish self-management in lieu of the professional management required under Section 2.4 above;

(m) restoration or repair of the Common Area or Residential Buildings (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration;

(n) any action to terminate this Declaration after substantial destruction or condemnation of the Common Area or Residential Buildings; and

(o) any provision which is for the express benefit of the First Mortgagees.

ARTICLE VII

AMENDMENT AND TERMINATION

Section 7.1 General Amendments. Subject to the provisions of Section 6.4, this Declaration and the Village Plan may be amended at any time or from time to time by the vote of at least sixty-seven per cent (67%), 58 votes, of all the members of the Homeowners Association, not merely of those attending the meeting, at a special meeting of the Homeowners Association called for that purpose; provided, that no such amendment shall, without the consent of all Home Owners affected, (a) reduce or limit the right, title or interest of any Home Owner in and to the Common Area or as a member of the Homeowners Association; (b) increase any Home Owner's proportional share of the Common Expenses; or (c) change the boundaries of any House.

Section 7.2 Curative Amendments. If any amendment is deemed necessary in the judgment of the Homeowners Association Council to cure any ambiguity or to correct or

supplement any provision of this Declaration or of the Village Plan which is incorrect or defective or incomplete or which is inconsistent with any other provision hereof or thereof or of the Zoning Ordinance of East Goshen Township or any other applicable law, ordinance or regulation of any duly constituted governmental authority, the Homeowners Association Council may, without the approval of the Home Owners, effect an appropriate corrective amendment to this Declaration.

Section 7.3 Documentation. Each amendment permitted by this Article VII shall be effective upon the recording in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania of an appropriate instrument reciting that this Declaration and/or the Village Plan is to be amended in accordance therewith, duly executed and acknowledged by or on behalf of the Homeowners Association.

Section 7.4 Power of Attorney. Each Home Owner, by acceptance of a deed for any House, shall be deemed to have made, constituted and appointed the President of the Homeowners Association as his true and lawful attorney(s) to execute and acknowledge for him and in his name any amendment or modification of this Declaration authorized pursuant to this Article VII to the end that any such instrument may be executed and acknowledged in his name by either of said attorney(s) and filed of record in the aforesaid Recorder of Deeds Office.

Section 7.5 Termination. This Declaration may only be terminated by an appropriate instrument of termination executed and acknowledged by all record owners of Houses at the time of reference. In addition, the consent, in writing, of sixty-seven percent (67%) of the First Mortgagees (based on one vote for each First Mortgage owned) shall be required for any termination of this Declaration for reasons other than substantial destruction or condemnation of the Common Area or Residential Buildings.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1 Declaration to Run with Land; Persons Bound. The administration of the Village Land and the operation, regulation and management of the Homeowners Association shall be governed by this Declaration and the Articles and By-Laws, as the same may from

time to time be amended and until the Declaration may be terminated pursuant to Article VII. This Declaration, and the Articles and By-Laws, and any Village Rules and Regulations promulgated pursuant to Sections 2.3(b)(i) and (x) hereof shall constitute the governing regulations for the regulation and management of the Village Land. The rights, covenants, articles, obligations, duties, benefits, easements and regulations created, declared and contained in this Declaration shall benefit and bind each Home Owner, the Homeowners Association, all purchasers, lessees, users, mortgagees, and lienholders of the Houses, and their respective heirs, successors, personal representatives and assigns, and shall at all times hereafter be appurtenant to, affect and run with title to the Houses, as well as to and with the Common Area and Village Land generally. This Declaration shall be recorded in the Office of the Recorder of Deeds in and for Chester County, Pennsylvania and when so recorded, every deed, lease, mortgage or other instrument conveying, leasing, mortgaging or in any way affecting title to or any interest in any one or more Houses or all or any part of the Common Area, or to or in the Village Land generally, shall be under and subject to this Declaration and to the rights, covenants, articles, obligations, duties, benefits, easements and regulations herein created, declared and contained as fully as though the same were therein fully recited and set forth in their entirety. All present and future owners, mortgagees, lienholders, lessees and users of the Houses and of the Common Area, and their lessees, invitees, agents and employees, and any other person or entity who or which may use the facilities of the Village Land, and their respective heirs, successors, personal representatives and assigns, are subject to and bound by and shall comply with the provisions of this Declaration, and the acceptance of any such lease, deed, mortgage or other such instrument, or the act of occupancy or use of such facilities of the Village Land, shall constitute an agreement to be subject to and so bound, and an acceptance and ratification of this Declaration.

Section 8.2 Condemnation. Whenever any proceedings are instituted which could result in the temporary or permanent taking, injury or destruction of all or part of the Common Area, by the power of or a power in the nature of eminent domain or by an action

or deed in lieu of condemnation, the Homeowners Association shall notify each Home Owner and the Homeowners Association shall, and the said Home Owners at their expense may, participate in such proceedings. If all or part of the Common Area is permanently or temporarily taken, injured or destroyed by the exercise of a power in the nature of eminent domain or by an action or deed in lieu of condemnation, the net award or other net proceeds thereof shall be payable to the Homeowners Association. The Homeowners Association shall, if necessary, first use such proceeds to repair or restore the Common Area and then shall at its election either distribute any balance equally to each Home Owner or his mortgagee, as their interests may appear, or retain all or part thereof for use to pay or reserve against Common Expenses.

Section 8.3 Invalidity; Noncompliance and Waiver. If any of the provisions of this Declaration are determined to be invalid, the determination shall not affect the validity or effect of the remaining provisions hereof, all of which shall continue in effect as if such invalid provisions had not been included herein. Failure or any threatened failure to comply with this Declaration shall be grounds for an action for the recovery of damages (including the costs of the Homeowners Association's taking any action necessary to correct or remedy any such failure) which shall be assessable exclusively against the offending Home Owner as a Common Expense, or for injunctive relief, or both, maintainable by the Homeowners Association or, in a proper case, by an aggrieved Home Owner aggrieved by any such noncompliance. No restriction, condition, obligation or provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure, single or repeated, to enforce the same.

Section 8.4 Definitional Cross References. The following terms used in this Declaration are defined in the indicated Section hereof:

Acceptable Management Company	2.4
Articles	2.1
Assessments	3.2(a)
By-Laws	2.1
Common Area	1.1
Common Expenses	3.1
Declarant	Heading
Final Village Plan	1.1
First Mortgage	6.1

First Mortgagee	6.1
Hershey's Mill Declaration	1.6(a)
Hershey's Mill Tract	1.6(a)
Homeowners Association	2.1
Home Owner	1.2
House	1.1
Institute	2.4
Interior Title Line Walls	1.3
Management Agreement	2.4
Managing Agent	2.4
Permitted Occupant	4.3
Preliminary Village Plan	1.1
Residential Building	1.1
Village Council	2.3
Village Land	Heading
Village Plan	1.1
Village Rules	2.3(b)(i)

EXHIBIT A

DESCRIPTION OF FRANKLIN VILLAGE WITHIN HERSHEY'S MILL, EAST GOSHEN TOWNSHIP, CHESTER COUNTY, PA.

Beginning at a point in the common right of way lines of Chandler Drive and Mill Drive, said point being formed by the southeastern corner of the intersection of those roads; THENCE (1) along said southerly right of way line of Chandler Drive, N 74° 50' 00" E, a distance of 953.00 feet to a point of curvature; THENCE (2) along a curve to the right having a radius of 310.00 feet for an arc distance of 111.33 feet to a point in common lands of Hershey's Mill; THENCE (3) along said common lands of Hershey's Mill, S 42° 20' 00" E, a distance of 414.14 feet to a point; THENCE (4) along said lands, S 14° 00' 43" E, a distance of 502.58 feet to a point in common lands of Hershey's Mill; THENCE (5) along said common lands of Hershey's Mill, S 74° 46' 00" W, a distance of 175.00 feet to a point adjacent to Green Number 8 of the Hershey's Mill Golf Club; THENCE (6) along said common lands of Hershey's Mill, N 15° 14' 00" W, a distance of 198.00 feet to a point; THENCE (7) N 67° 30' 00" W, a distance of 55.00 feet to a point; THENCE (8) S 70° 20' 00" W, a distance of 980.00 feet to a point; THENCE (9) still along said common lands of Hershey's Mill, N 76° 51' 20" W, a distance of 126.86 feet to a point in the easterly right of way line of Mill Drive; THENCE (10) along said right of way line of Mill Drive, along a curve to the left having a radius of 671.50 feet for an arc distance of 417.18 feet to a point of tangency; THENCE (11) N 22° 26' 34" W, a distance of 253.00 feet; THENCE (12) still along said right of way line of Mill Drive, N 32° 30' 00" E, a distance of 32.00 feet to the first mentioned point and place of BEGINNING.

CONTAINING therein 20.0493 Acres of Land.
SUBJECT to all easements and restrictions of record.

EXHIBIT B

ARTICLES OF INCORPORATION FRANKLIN VILLAGE HOMEOWNERS ASSOCIATION

In compliance with the requirements of 15 Pa.C.S. §7316 (relating to articles of incorporation) the undersigned, desiring to be incorporated as a nonprofit corporation, hereby certifies (certify) that:

FIRST: The name of the corporation is Village of Franklin Homeowners Association.

SECOND: The location and post office address of the initial registered office of the corporation in this Commonwealth is 1500 Green Hill Road, West Chester, Pennsylvania 19380.

THIRD: The corporation is incorporated under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania for the following purpose or purposes:

To promote the health, safety and welfare of the residents of the Village of Franklin subdivision at Hershey's Mill, on Green Hill Road in East Goshen Township, Chester County, Pennsylvania, and for this purpose to:

(a) own, acquire, build, operate, repair, restore and maintain real and personal property, and improvements thereon and thereto, located within the said Village of Franklin (collectively, the "Properties"); and

(b) generally to adopt and fulfill those powers and duties and perform those services (the "Services") described in that certain Declaration of Covenants and Easements for the Village of Franklin made by Declarant, dated April 1, 1984 and recorded in the office of the Chester County Recorder of Deeds in Deed Book 639, beginning at page 535, as amended from time to time (the "Declaration").

FOURTH: The term for which the corporation is to exist is perpetual.

FIFTH: The corporation is organized upon a nonstock basis.

SIXTH: The corporation shall have two classes of members:

a. Each person or entity except the "Declarant" (as hereinafter defined) who or which, at the time of reference, holds record fee simple title to any "House" (as hereinafter defined) shall be a Class A member.

b. West Chestnut Realty Corp., a Pennsylvania corporation ("Declarant"), and its successors and assigns (by voluntary conveyance and not by sheriff's or judicial sale), for so long as it or they hold record fee simple title to any House (including any House shown on the "Village Plan" (as hereinafter defined) whether or not the improvements thereon are constructed or completed) shall (collectively) be the sole Class B member.

Each Class A member of the corporation shall, on the election of Directors and all other matters properly coming before the membership, have one vote in respect of each House owned by such member, and in the case of joint ownership of any House, all the joint owners thereof shall together be entitled to cast one vote in respect of each House so owned. The Class B member of the corporation shall have 75% of the number of votes which all members are entitled to cast on the election of Directors and all other matters properly coming before the membership until the date on which record fee simple title to 50% of the Houses has passed to the respective initial purchasers thereof who are Class A members of the corporation, and thereafter (or at any time prior thereto if the Class B member shall elect to relinquish such right) on all such matters the Class B member shall have one vote in respect of each House owned by the Class B member, including all Houses shown on the "Village Plan" referred to in the Declaration whether or not constructed or completed.

Membership of the corporation may not be pledged, transferred, assigned or conveyed separately from title to the real property to which it is appurtenant.

The term "House" refers to any one of the 86 residential dwelling units located in the Village of Franklin, East Goshen Township, Chester County, Pennsylvania,

which are further described in the Declaration and are shown graphically on the "Village Plan" referred to therein.

The By-Laws of the corporation may define and fix the rights, duties and responsibilities of the members including but not limited to, the obligation to pay assessments to fund the costs incurred by the corporation to own, operate, provide, maintain, repair and replace the Properties, and to provide the Services, provided that in the event of any inconsistency between the By-Laws and these Articles, the Articles shall govern.

SEVENTH: The name and post office address of the sole incorporator is West Chestnut Realty Corp., 1500 Green Hill Road, West Chester, Pennsylvania 19380.

EIGHTH: The names and post office addresses of the initial members of the board of directors (which is sometimes referred to in the Declaration and By-Laws as the Village Council) are: Robert E. Wooldridge, Edward E. McFalls, Janet L. Elliott, Robert J. Lewis, and Mary E. McFalls, all of 1500 Green Hill Road, West Chester, PA 19380.

NINTH: These Articles may be amended in accordance with applicable law; provided however, that any amendment to these Articles which restricts or affects the rights of the Class B members hereunder, or the right reserved to Declarant in the Declaration to convey Class A memberships to purchasers of Houses as an appurtenance to their title, shall not be adopted without the Class B member's approval; and provided further, that no amendment shall be effective to impair or dilute any rights of members that are created pursuant to or governed by the Declaration or the Village Plan.

TENTH: The corporation does not contemplate pecuniary gain or profit, incidental or otherwise. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its directors, officers or other private persons.

IN TESTIMONY WHEREOF, the incorporator has signed and sealed these Articles of Incorporation this 1st day of April, 1984.

WEST CHESTNUT REALTY CORP.

EXHIBIT C

VILLAGE OF FRANKLIN **HOMEOWNERS ASSOCIATION**

BY-LAWS

April 1984

ARTICLE I **OFFICE**

¶1.1 The registered office of the Village of Franklin Homeowners Association (hereinafter called the "Homeowners Association") shall be at 1500 Green Hill Road, West Chester, PA 19380.

¶1.2 The Homeowners Association may also have offices at such other places as the Council may from time to time appoint or the activities of the Homeowners Association may require.

ARTICLE II **SEAL**

¶2.1 The corporate seal shall have inscribed thereon the name of the Homeowners Association, the year of its organization and the words "Corporate Seal, Pennsylvania."

ARTICLE III **POWERS AND DUTIES**

¶3.1 The Homeowners Association shall have the powers given and duties assigned to it pursuant to that certain Declaration of Covenants and Easements for the Village of Franklin dated April 1, 1984, and recorded in the Chester County, Pennsylvania Recorder of Deeds Office in Deed Book 639 beginning at page 535 as the same may from time to time be amended and supplemented (hereinafter called the "Declaration"). Capitalized terms used and not defined herein shall have the meanings assigned thereto in the Declaration.

ARTICLE IV **MEMBERSHIP**

¶4.1 The members of the Homeowners Association shall be all Home Owners at the time of reference.

¶4.2 The rights of membership are subject to the payment of assessments (the "Assessments") levied by the Village Council on behalf of the Homeowners Association pursuant to the terms of Article III of the Declaration. The obligation of the Assessments is imposed on each Home Owner and becomes a lien upon each House against which such Assessments are made. The membership rights of any Home Owner whose interest in any House is subject to assessment under this Paragraph 4.2, whether or not he be personally obligated to pay such Assessments, may be suspended by action of the Village Council during the period when the Assessments remain unpaid; but upon payment of such Assessments his rights and privileges shall be automatically restored.

ARTICLE V **MEETINGS OF THE MEMBERSHIP**

¶5.1 The members of the Homeowners Association shall hold an Annual Meeting in the month of May of each year following the year in which the first meeting of the members is held, at such place and time as the Village Council shall determine, when they shall elect members of the Village Council as provided by

Article VI hereof and transact such other business as may properly be brought before the meeting. If the Annual Meeting shall not be called and held within three (3) months after the designated time, any member may call such meeting.

¶5.2 Special meetings of the members may be called at any time or from time to time by the Village Council, and must be called by the Village Council upon written demand therefor by at least fifteen (15) of the members. At least ten (10) days' prior written notice of the time and place of any meeting shall be given to all of the members. The notice of any special meeting shall state the purpose of the meeting, and business transacted at a special meeting shall be confined to matters stated in the notice thereof. The delivery of proper notice of meetings shall be the responsibility of the Village Council.

¶5.3 At any meeting, each Home Owner shall have one vote, subject to the provisions of Article IV hereof, and Section 2.2 of the Declarations.

¶5.4 At any meeting a quorum shall consist of the presence in person of at least twenty-five per cent (25%) of the Home Owners (22 units), subject to the provisions of this Paragraph 5.4 and Section 2.2 of the Declaration. When a quorum is present, any action taken by a majority of the Home Owners represented in person shall be binding on all members, unless otherwise specified in the Articles, these By-Laws, or the Declaration. Voting by proxy shall not be permitted, but written votes of absent members shall be permitted. If a meeting cannot be organized because a quorum is not present, those present may, by the vote of the majority of the Home Owners represented, adjourn the meeting to such time and place as they may determine. In the case of any meeting called to elect members of the Village Council, those who attend the second of such adjourned meetings, although less than a quorum as otherwise provided in this subsection, shall nevertheless constitute a quorum for the purpose of electing members of the Village Council. In the case of any meeting called for any other purpose, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of acting upon any resolution or other matter set forth in the notice of the meeting, if written notice of such second adjourned meeting, stating that those members who attend shall constitute a quorum for the

purpose of acting upon such resolution or other matter, is given to each member of record entitled to vote at such second adjourned meeting at least ten (10) days prior to the day named for the second adjourned meeting.

¶5.5 Except as otherwise expressly provided herein, the members of the Homeowners Association shall have no power to exercise or perform any of the powers or duties delegated to the Village Council herein.

ARTICLE VI

THE VILLAGE COUNCIL

¶6.1 The business and affairs of the Homeowners Association and the operation and maintenance of the Common Area shall be managed on behalf of the Homeowners Association by a board of five natural individuals who are each Home Owners, in compliance with and subject to the Articles, these By-Laws, and the Declaration. Such board is herein called the "Village Council."

¶6.2 So long as Declarant holds title to 25% or more of the Houses (including all Houses shown on the Village Plan whether or not constructed or completed) it shall have the right to designate all the members of the Village Council, except as otherwise provided in the Declaration. Declarant must transfer control of the Village Council to the Home Owners no later than the earlier of (i) four months after 75% of the Houses have been conveyed to the Home Owners, or (ii) three years after the first House is conveyed. Declarant may, in its sole discretion, transfer control of the Village Council at an earlier date. Control shall be transferred at a meeting of the Home Owners called by Declarant, at which meeting members the Village Council shall be elected by the Home Owners (including Declarant). At such meeting the members of the Village Council will be elected in the following manner: three (3) individuals will be elected to two (2) year terms, and two (2) individuals will be elected to one (1) year terms. Thereafter, individuals will be elected at the Annual Meeting, following appropriate nominating for two-year terms, and a majority will elect. Council members may serve consecutive terms if re-elected by the members of the Homeowners Association.

¶6.3 The officers of the Homeowners Association shall be elected annually by the members of the Village Council, and shall be a

President, Secretary and Treasurer and such other officers and assistant officers as the Village Council may elect. Each officer shall hold office for one year and until his successor has been duly elected and qualified and shall have such authority and shall perform such duties as are provided by the By-Laws and as shall from time to time be prescribed by the Village Council. The Village Council may secure the fidelity of any or all such officers by bond or otherwise, the cost of which shall be a Common Expense assessable against the Home Owners in accordance with the Declaration. Any officer may be removed by the Village Council with or without cause whenever in its judgement the best interests of the Association will be served thereby; but such removal shall be without prejudice to the indemnity rights of any person so removed under Paragraph 6.7.

¶6.4 Vacancies in the Village Council shall be filled temporarily until the next Annual Meeting of Home Owners by a vote of a majority of the remaining members of the Village Council, even though less than a quorum, promptly after the occurrence thereof.

¶6.5 Meetings of the Village Council may be held at such times and places as the members of the Village Council may from time to time determine. A majority of the members of the Village Council in office shall constitute a quorum at any meeting of the Village Council, and the acts of a majority of the members of the Village Council at a meeting at which a quorum is present shall be the acts of the Village Council. Meetings of the Village Council shall be called and held upon three (3) days' prior written notice to each member, but any action which may be taken at a meeting of the Council members may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the Council members in office and filed with the secretary of the Homeowners Association.

¶6.6 No member of the Village Council shall be compensated for acting as such.

¶6.7 The members of the Village Council (a) shall not be liable to the Home Owners as a result of their activities as such for any mistake of judgement, negligence or otherwise, except for their own willful misconduct or bad faith; (b) shall have no personal liability in contract to a Home Owner or any other person or entity under any agreement, instrument or

transaction entered into by them on behalf of the Homeowners Association in their capacity as such; (c) shall have no personal liability in tort to a Home Owner or any other person or entity direct or imputed, by virtue of acts performed by or for them, in their capacity as such, except for their own willful misconduct or bad faith; and (d) shall have no personal liability arising out of the use, misuse or condition of the Village Land, or which might in any other way be assessed against or imputed to them as a result or by virtue of their capacity as such. The Home Owners shall indemnify and hold harmless any person, his heirs and personal representatives, from and against any and all personal liability, and all expenses, including counsel fees, incurred or imposed, or arising out or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative instituted by any one or more Home Owners or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Village Council or officer other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Home Owners or of the Village Council, or otherwise. The indemnification by the Home Owners set forth in this clause shall be paid by the Village Council on behalf of the Home Owners and shall constitute a Common Expense (as defined in Article III of the Declaration) and shall be assessed and collectible as such. Complaints brought against the Homeowners Association or the Village Council or the officers, in their respective capacities as such, or the Common Area, shall be directed to the Village Council, which shall promptly give written notice thereof to the Home Owners and shall be defended by the Homeowners Association, and the Home Owners shall have no right to participate other than through the Homeowners Association in such defense.

¶6.8 The Village Council shall have the powers and duties conferred and imposed by the Declaration.

¶6.9 Any individual Council member may be removed from office with or without cause

(which shall include, but not be limited to, failure to attend three (3) consecutive Council meetings without reasonable excuse) by the resolution of a majority of the Council members, provided that such resolution appoints new Council members to fill any vacancies so created.

ARTICLE VII

TRANSACTION OF BUSINESS

¶7.1 The Homeowners Association shall make no material purchase of real property nor sell, mortgage, lease away or otherwise dispose of any material part of its real property, unless authorized by a vote of two-thirds ($\frac{2}{3}$), (four) of the members of the Village Council. If the real property is subject to a trust, the conveyance away shall be free of trust and the trust shall be impressed upon the proceeds of such conveyance.

¶7.2 Whenever the lawful activities of the Association involve among other things the charging of fees or prices for its services or products, it shall have the right to receive such income and, in so doing, may make an incidental profit. All such incidental profits shall be applied to the maintenance and operation of the lawful activities of the Homeowners Association, and in no case shall be divided or distributed in any manner whatsoever among members or Council members of the Homeowners Association except as expressly permitted by the Declaration.

¶7.3 All demands for money and notes on behalf of the Corporation shall be signed by the President or any Vice President, and the corporate seal shall be affixed.

¶7.4 No agreement, check or other instrument shall be binding upon the Homeowners Association unless entered into on its behalf by at least two members of the Village Council or by one member of the Village Council and by the managing agent employed by the Village Council.

ARTICLE VIII

ANNUAL REPORT; AUDITS

¶8.1 On or before the last day of November of each calendar year, the Village Council shall provide each Home Owner with a budget of estimated Common Expenses for the ensuing calendar year.

¶8.2 Within 60 days after the end of each calendar year, the Village Council shall present

to the members of the Homeowners Association a report, certified by a majority of the members of the Village Council, showing in appropriate detail the following:

(a) The assets and liabilities of the Homeowners Association as of the end of the fiscal year immediately preceding the date of the report.

(b) The principal changes in assets and liabilities during the year immediately preceding the date of the report.

(c) The revenue or receipts of the Homeowners Association, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report.

(d) The expenses or disbursements of the Homeowners Association, for both general and restricted purposes, during the year immediately preceding the date of the report.

(e) The number of members of the Homeowners Association as of the date of the report, together with a statement of increase or decrease in such number during the year immediately preceding the date of the report, and a statement of the place where the names and addresses of the current members may be found.

¶8.3 The annual report of the Village Council shall be filed with the minutes of the meetings of members of the Homeowners Association.

¶8.4 The expenses incurred as a result of compliance with this Article VIII shall be a Common Expense assessable against the Home Owners in accordance with Article III of the Declaration.

ARTICLE IX

NOTICES

¶9.1 Whenever notice is required to be given to any person, it shall be in writing and may be given to such person, either personally or by sending a copy thereof by first class registered mail, return receipt requested, or by telegram, charges prepaid, to his address supplied by him to the Homeowners Association for the purpose of notice. A notice of any special meeting shall specify the place, day and hour of the meeting and any other information required by statute or these By-Laws. When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned

meeting, other than by announcement at the meeting at which such adjournment is taken.

¶9.2 Whenever any written notice is required to be given under the provisions of the statutes or the Articles or By-Laws of the Homeowners Association, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by statute, neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of such meeting. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE X **MISCELLANEOUS PROVISIONS**

¶10.1 One or more persons may participate in a meeting of the Village Council or any committee thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

¶10.2 All meetings of the membership or the Village Council or any committee thereof shall be governed by *Roberts' Rules of Order*. Unless otherwise specified herein, all actions shall be taken by majority vote.

ARTICLE XI **AMENDMENTS**

¶11.1 These By-Laws may be amended or supplemented or repealed only at a meeting of the membership of the Homeowners Association duly called and held in accordance with these By-Laws, at which a quorum is present, by a two-thirds ($\frac{2}{3}$) affirmative vote of the members present and entitled to vote; provided, that the proposed amendment, supplement or repeal shall have been submitted to the membership together with the notice of such meeting required to be given by these By-Laws; and provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of the Homeowners Association may not be

amended except as provided in the Articles of Incorporation and in accordance with applicable law; and provided further that any provision relating to any matter which is stated herein to be or which is in fact governed by the provisions of the Declaration may not be amended except as provided in the Declaration.

¶11.2 In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the provisions of the Declaration shall control.

EXHIBIT D

SPECIFICATIONS FOR INSTALLATION **OF PATIO OR DECK ENCLOSURE**

A. GENERAL

These specifications are prepared to assure the retention of architectural integrity within the Village of Franklin. In all cases the size of the enclosure shall not exceed the size of the existing patio or deck except as provided in Article IV, Section 4.1 as amended.

Two types of enclosures are permitted:

(1) A semi-permanent enclosure such as an opaque roof, straight eave or green house/solarium curved eave enclosure manufactured by Patio Enclosures, Inc., or approved equal. The photographs shown in Supplement I, attached hereto and made a part hereof, illustrate the general appearance of such enclosures.

(2) A permanent enclosure with walls and roof of frame construction, with doors, windows and siding in keeping with current construction and materials, in accordance with approved and acceptable designs obtained from Council—or from architects' sketches if different from approved designs but approved by Council.

Any Home Owner wishing to add a patio or deck enclosure must assume responsibility for all costs associated with the installation of such enclosure, including insurance, and for any damage to the home or Common Area attributable to the construction of said enclosure.

B. BASIC STIPULATIONS

1. For semi-permanent enclosures from Patio Enclosures, Inc.:

a. No alteration to the existing home roof or roof line is permitted. Gutters may be removed and replaced, as necessary to complete the work. Downspouts must be reconnected to the existing drainage system.

b. The portion of the exterior wall of the home within the enclosure remains the respon-

sibility of Franklin Village and cannot be painted, paneled, drywalled or in any other respect significantly altered by the Home Owner. If the enclosure is removed, the Home Owner must restore said wall to a condition commensurate with the existing exterior of the rest of the home.

c. All exterior painted metal surfaces shall be baked enamel finish compatible with Franklin Village standard trim colors. Shades or drop curtains shall be tan or other earth tones approved by Franklin Village.

d. Where deck handrails are removed, the enclosure must have a knee wall or a railing integrated into the structure.

e. The floor of the enclosure may be carpeted or covered by other appropriate material. If insulation is installed under a deck, it must be concealed.

f. No jalousie type windows will be permitted.

g. The enclosure shall not be used as a storage area.

2. For permanent enclosures:

a. All enclosures are to be built in accordance with approved construction drawings numbered A-1, A-2 or A-3 or architectural drawing submitted by the Home Owner and approved by Council. Further, all enclosures are to be built to conform with East Goshen Township Building Codes and the BOCA building codes that apply to "Occupied Structures", including requirements for adequate footing and support structures.

b. Any electrical, heating and/or air-conditioning work must be UL inspected, with copy of inspection report sent to East Goshen Township Building Inspector and to Managing Agent's office.

c. Upon completion, a Certificate of Occupancy issued by East Goshen Township shall be obtained and a copy furnished to the Managing Agent.

C. Enclosure Specifications

1. Opaque roof, straight eave enclosures:

a. The enclosure must have a single slope roof, but a minor deviation is permitted to provide clearance for an existing window. No flat or peak type roofs will be permitted. All roof panels shall be 3" or 6" super foam panels with aluminum skin glued to the foam on top and bottom. Sides shall be enclosed with aluminum I-beams, sized to limit deflection of the roof to manufacturer and Code requirements.

b. Skylights shall be aluminum, fixed or vented, and glass shall be safety tempered and double strength.

c. Transoms may be safety tempered glass or foam filled with glued aluminum skin on both faces.

d. Both fixed and sliding vertical panels shall be heavy aluminum extrusions with triple track design and drain holes. Glass shall be safety tempered double strength set in neoprene gaskets. Panels shall be arranged so sliding panel slides on the inside track. Sliding panels shall be mounted on steel ball-bearing wheels. Screen panel frames shall be extruded aluminum with heavy duty virgin-nylon rollers. Screening shall be black painted aluminum. Panels shall be equipped with non-shrink weatherproofing.

e. Doors shall have anti-lift bar lock and may have a cylinder lock that can be locked from the outside with a key. Screen panels shall have handles which lock from inside only.

f. Anchors shall be aluminum, spaced at a maximum of 18" c. to c.

g. All caulking shall be silicone sealant as manufactured by Dow Chemical Co. or approved equal, in appropriate color.

2. Greenhouse/Solarium Curved Eave Enclosures:

a. The enclosure shall have a sloping roof with curved eave. No straight-eave greenhouse/solarium enclosures will be permitted.

b. Panels shall be heavy extruded aluminum and spaced at 38" with 1" safety tempered glass in weatherproof neoprene gaskets.

c. The door may be equipped with a cylinder lock that can be locked from outside with a key.

3. Permanent enclosures:

a. Peaked or gable roofs are not permitted. The roof slope must be 4:12 or greater.

b. All roofing, siding and trim materials must match those used on the main portion of the home, as approved by Architectural Committee and Council.

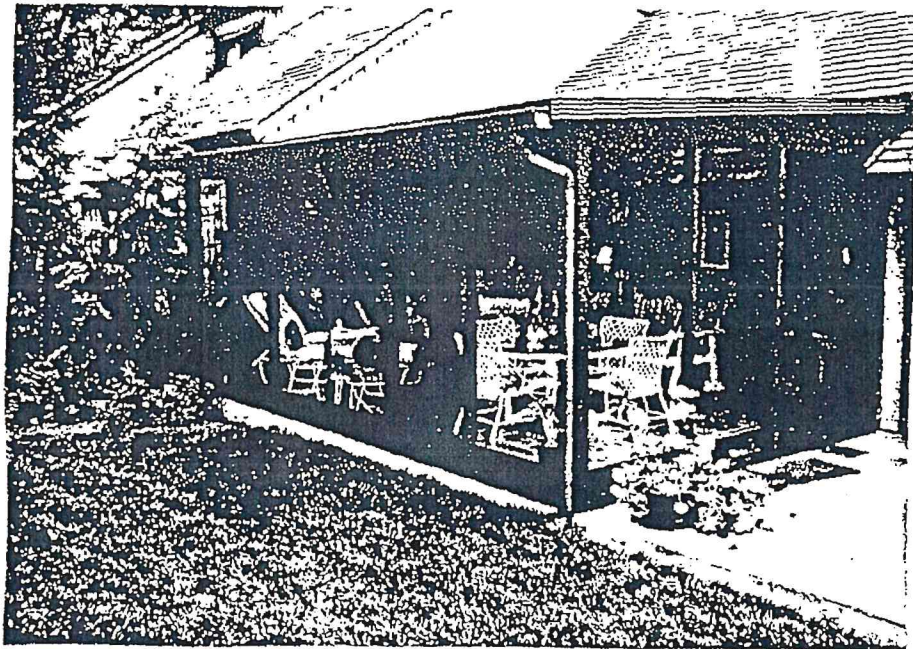
c. Rain gutters and downspouts must conform to those on the main building and must be connected with existing drains.

d. Skylights are permitted that match in color and style similar to those now in use in Franklin Village.

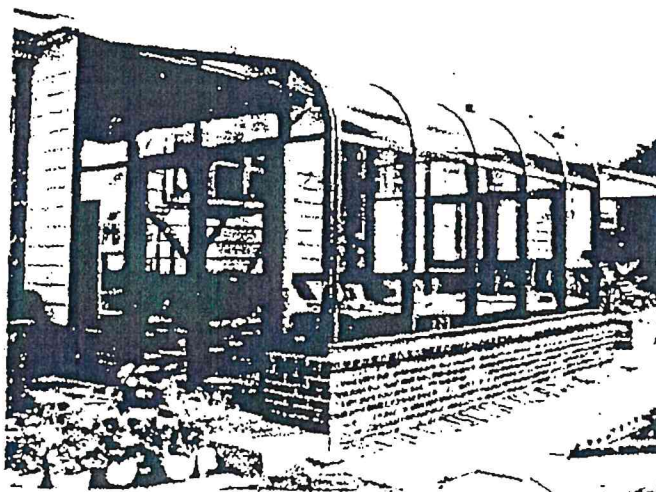
e. Windows above the first floor ceiling line are not permitted.

f. All windows and doors are to be metal clad and in the same color as those on the main building. The glass shall be clear and untinted.

SUPPLEMENT I



Opaque Roof Straight Eave Enclosure



Greenhouse/Solarium Curved Eave Enclosure

SECOND AMENDMENT OF DECLARATION
OF COVENANTS AND EASEMENTS
FOR THE VILLAGE OF FRANKLIN

THIS AMENDMENT, made this 5th day of August, 1985 by WEST CHESTNUT REALTY CORP., a Pennsylvania corporation ("Declarant") for itself, and as attorney-in-fact for the Home Owners (as defined in the Declaration of Covenants and Easements for the Village of Franklin) provides as follows:

BACKGROUND

Declarant has made a Declaration of Covenants and Easements for the Village of Franklin dated April 1, 1984 and recorded in the Office of the Chester County Recorder of Deeds in Miscellaneous Deed Book 433 beginning at Page #135, the subsequently amended by a First Amendment dated September 19, 1984 and recorded in the aforesaid Recorder's Office in Miscellaneous Deed Book 654 beginning at Page #240 (hereinafter the "Declaration"). The Declaration provides in Article VII for the amendment thereof from time to time by Declarant, subject to the terms and conditions set forth in said Article VII.

AMENDMENT

Section 1.1 of the Declaration was previously stated and recorded as follows:

Section 1.1. Residential Buildings, Houses, and Common Area: Description of Final Village Plan. The Village land is improved or is to be improved by the Declarant with 30 frame residential buildings (hereinafter called the "Residential Buildings") divided into separate residential dwelling units (hereinafter called the "Houses") as shown graphically on the plan of the Village Land made by Pennco Associates, Inc. dated March 2, 1984, and recorded in the Chester County Recorder of Deeds Office as Plan Number _____ (hereinafter the "Preliminary Village Plan"). Each House constitutes a separate parcel of real property owned in fee simple. There are 31 Houses (numbered 521 through 551 inclusive as shown on the Preliminary Village Plan) and the title lines of each House are located as shown on the Preliminary Village Plan and are bounded and described as follows:

Section 1.1 is hereby amended to be stated as follows:

Section 1.1. Residential Buildings, Houses, and Common Areas: Recording of Final Village Plan. The Village Land is improved or is to be improved by the Declarant with 29 frame residential buildings (hereinafter called the "Residential Buildings") divided into separate residential dwelling units (hereinafter called the "Houses") as shown graphically on the plan of the Village Land made by Pennoni Associates, Inc. dated March 2, 1984, and recorded in the Chester County Recorder of Deeds Office as Plan Number _____ (hereinafter the "Preliminary Village Plan"). Each House constitutes a separate parcel of real property owned in fee simple. There are 26 Houses (numbered 121 through 146 inclusive as shown on the Preliminary Village Plan) and the title lines of each House are located as shown on the Preliminary Village Plan and are bounded and described as follows:

THIS AMENDMENT is necessary in the judgment of the Declarant to correctly state the number of buildings and houses to be constructed and the numbering that applies thereto. The Preliminary Village Plan was amended subsequent to the recording of the Declaration and the Plan.

IN WITNESS WHEREOF, Declarant has caused this Amendment to be duly executed and acknowledged and its corporate seal affixed on the day and year first above written.

Attest:

WEST CHESTNUT REALTY CORP.



Mary M. Hall, Secretary



Robert E. Woodbridge, esq.
Attorney-in-Fact for David M.
Booster, President



COMMONWEALTH OF PENNSYLVANIA

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2 SS:
3

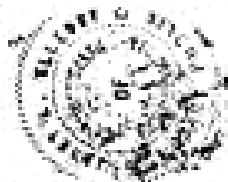
COUNTY OF CHESTER

On this the 21st day of August 1945, before me, the undersigned officer, personally appeared Robert E. Wooldridge, who acknowledged himself to be Attorney-in-Fact for David M. Boucher, President of West Chestnut Realty Corp., a Pennsylvania corporation, and that he as such officer, being authorized to do so, executed the within instrument for the purposes therein contained by signing the name of West Chestnut Realty Corp. by himself as such Attorney-in-Fact.

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


Notary Public

My Commission Expires



JAMES L. SMITH, Notary Public
East Chester Twp., Chester Co., Pa.
My Commission Expires June 21, 1946

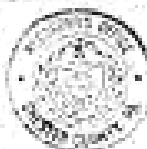
Rec. in Chester Co. Pa.

Ex. B. 43

Ph. 250



Recorder of Deeds



Franklin Village Homeowners Association
1500 Green Hill Road
West Chester, Pa. 19380

-1-

THIRD AMENDMENT OF DECLARATION
OF COVENANTS AND EASEMENTS FOR THE
VILLAGE OF FRANKLIN

THIS AMENDMENT made this 27th day of December, 1989, by the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION, Hershey's Mill, 1500 Green Hill Road, West Chester, Pennsylvania modifies the Declaration of Covenants and Easements for the Village of Franklin dated April 1, 1984 and recorded in the office of the Recorder of Deeds of Chester County, Pennsylvania in Miscellaneous Deed Book 839, Beginning at page 535 (the "Declaration").

BACKGROUND

1. The Declaration in Section 7.1 permits Amendments to the Declaration at any time or from time to time by the vote of at least 67 percent of all of the members of the Homeowners Association at a meeting called for that purpose.

2. The Amendment listed hereunder was approved by a vote of more than 67 percent of the Home Owners subsequent to a Special Meeting held on September 26, 1989 in accordance with the Declaration.

3. Section 7.4 of the Declaration authorizes the President of the Homeowners Association to execute and acknowledge as attorney for each owner any amendment or modification to be filed of record in the Recorder of Deeds Office.

AMENDMENT

The Declaration is hereby amended as follows:

Article - IV
Section - 4.1

Revise the second paragraph of Article IV, Section 4.1 to delete the words "or will result in the enclosure of any patio (excluding patios which are located under overhanging portions of the appurtenant House.", and insert the following text as the third paragraph of Section 4.1:

Village of Franklin Homeowner's Association

1500 Green Hill Road, West Chester, PA 19380

THIRD AMENDMENT TO DECLARATION OF COVENANTS AND EASEMENTS FOR THE VILLAGE

THIS THIRD AMENDMENT made as of September 26, 1989 by the Village of Franklin Homeowners Association,

WHEREAS, The Declaration of Covenants and Easements for the Village of Franklin dated April 1, 1984 requires any Home Owner desiring to enclose a patio or deck to submit detailed plans and obtain the approval of at least 67% of the Home Owners, and at least 51% of the First Mortgagees, and

WHEREAS, at least ten home owners have expressed interest in enclosing their patios or decks, Council believes it appropriate to revise the Declaration of Covenants and Easements to provide generic specifications and authorize Council to approve conforming applications, and

WHEREAS, at least 67% of all of the Home Owners (73 out of 86) have voted in favor of and consented in writing to the following amendment upon due notice to all Home Owners, and

WHEREAS, there are no First Mortgagees, no Mortgagees having ever notified the Secretary of the existence of any Mortgage, and

NOW, THEREFORE, the Declaration is hereby amended by revising the second Paragraph of ARTICLE IV, ARCHITECTURAL CONTROL: AGE AND USE RESTRICTIONS, Section 4.1 Houses., to delete the words "or will result in the enclosure of any patio (excluding patios which are located under overhanging portions of the appurtenant House).", and insert the following text as the third Paragraph of Section 4.1:

"The addition of standard patio and deck enclosures, as defined in the September 26, 1989 First Supplement to this Declaration, titled Specifications for purchase and installation of Patio and Deck Enclosures, may be approved under the provisions of the First Paragraph of this Section. Requests for non-conforming types or styles of Patio and Deck Enclosures are subject to the provisions of the Second Paragraph of this Section."

IN WITNESS WHEREOF, the Village of Franklin Homeowners Association has caused this Second Amendment to be duly executed and its corporate seal to be affixed hereto and duly attested.

Attest:


Secretary

Village of Franklin
Homeowners Association

By: 
President



STATE OF PENNSYLVANIA

SS:

COUNTY OF CHESTER

On this the 27th day of December, 1989 before me the undersigned officer, personally appeared George K. Snyder who acknowledged himself to be the President of Franklin Village Homeowners Association, that he as such President being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION by himself as President.

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


Notary Public

My Commission Expires:

(Notary Seal)

NOTARIAL SEAL
JANET L. ELLIOTT, Notary Public
East Goshen Twp., Chester Co.
My Commission Expires June 21, 1990

RETURN TO

Village of Franklin Homeowners Association
1500 Green Hill Road
West Chester, Pa. 19380

-1-

**FOURTH AMENDMENT OF DECLARATION
OF COVENANTS AND EASEMENTS FOR THE
VILLAGE OF FRANKLIN**

THIS AMENDMENT made this 27th day of December, 1989, by the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION, Hershey's Mill, 1500 Green Hill Road, West Chester, Pennsylvania modifies the Declaration of Covenants and Easements for the Village of Franklin dated April 1, 1984 and recorded in the office of the Recorder of Deeds of Chester County, Pennsylvania in Miscellaneous Deed Book 639, Beginning at page 535 (the "Declaration").

BACKGROUND

1. The Declaration in Section 7.1 permits Amendments to the Declaration at any time or from time to time by the vote of at least 67 percent of all of the members of the Homeowners Association at a meeting called for that purpose.
2. The Amendment listed hereunder was approved by a vote of more than 67 percent of the Home Owners subsequent to a Special Meeting held on November 28, 1989 in accordance with the Declaration.
3. Section 7.4 of the Declaration authorizes the President of the Homeowners Association to execute and acknowledge as attorney for each owner any amendment or modification to be filed of record in the Recorder of Deeds Office.

AMENDMENT

The Declaration is hereby amended as follows:

Article - IV
Section - 4.3

Delete the entire Section 4.3 (a), (b) and (c) and substitute the following new Section 4.3 (a):

**AMENDMENT TO FRANKLIN DECLARATION OF COVENANTS
ARTICLE IV, Section 4.3**

Restrictions and Use of Common Areas and Facilities

Section 4.3 Restrictions on Use of Units. Pursuant to the provisions of the Federal Fair Housing Act, as amended from time to time, Franklin Village is intended and operated for occupancy by at least one person fifty-five (55) years of age or older per unit. In order to provide for congenial occupancy of the property and for the protection of the value of the units, each unit shall be occupied only by a single family solely for residential purposes, subject to the following:

(a) Occupancy shall be restricted to persons of the age of fifty-five (55) years or over, except as follows: (i) a husband or wife, regardless of age, residing with his or her spouse at the unit provided the spouse is of the age of fifty-five (55) years or over; or (ii) a surviving husband or wife, regardless of age, who was residing with his or her deceased spouse at the unit provided the deceased spouse was of the age of fifty-five (55) years or over at his or her death; and (iii) any child of the age of eighteen (18) years or over residing at the unit with a parent who is either of the age of fifty-five (55) years or over, or is permitted by either subsection (i) or (ii). (iv) Notwithstanding the foregoing, certain other persons may continue to be or may become occupants on and after the effective date of this Amendment: (A) a person of the age of forty-two (42) years or older who shall have been an occupant immediately before the effective date may continue to be an occupant thereafter; (B) the husband or wife (regardless of age) residing with his or her spouse of the age of forty-two (42) years or older who shall have been an occupant immediately before the effective date may continue to be or become an occupant thereafter provided his or her spouse shall continue to be an occupant thereafter pursuant to subparagraph (A) hereof; (C) the surviving husband or wife regardless of age who shall have been an occupant immediately before the effective date may continue to be an occupant thereafter provided he or she shall have resided with the spouse at the spouse's death and the spouse shall have been an occupant of the age of forty-two (42) years or older at death; (D) the surviving husband or wife (regardless of age) residing with his or her spouse at the spouse's death, after the effective date may be an occupant after the spouse's death, provided the spouse shall have been an occupant pursuant to subparagraph (A) hereof at death; or (E) any child of the age of eighteen (18) years or over residing with a parent who is an occupant under a provision of this subdivision (iv).

Nothing in this section shall prohibit the entertainment of persons of any age, or temporary occupancy not aggregating more than 90 days in any calendar year by persons of any age.

IN WITNESS WHEREOF, the undersigned as President of Franklin Village Homeowners Association under power of attorney vested in him by each owner of a Unit in Franklin Village, hereby sets his hand and seal this day and year first written above.

FRANKLIN VILLAGE HOMEOWNERS ASSOCIATION


George Snyder, President

STATE OF PENNSYLVANIA

SS:

COUNTY OF CHESTER

On this the 27th day of December, 1989 before me the undersigned officer, personally appeared George K. Snyder who acknowledged himself to be the President of, Franklin Village Homeowners Association, that he as such President being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION by himself as President.

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


Notary Public

My Commission Expires:

(Notary Seal)

NOTARIAL SEAL
JANET L. ELLIOTT, Notary Public
East Goshen Twp., Chester Co.
My Commission Expires June 21, 1990

FIFTH AMENDMENT OF DECLARATION
OF THE COVENANTS AND EASEMENTS FOR THE
VILLAGE OF FRANKLIN

THIS AMENDMENT made this 23RD day of July, 1990, by the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION, Hershey's Mill, 1500 Green Hill Road, West Chester, Pennsylvania modifies the Declaration of Covenants and Easements for the Village of Franklin dated April 1, 1984 and recorded in the office of the Recorder of Deeds of Chester County, Pennsylvania in Miscellaneous Deed Book 639, Beginning at [age 535 (the "Declaration").

BACKGROUND

1. The Declaration in Section 7.1 permits Amendments to the Declaration at any time or from time to time by the vote of at least 67 percent of all the members of the Homeowners Association at a meeting called for that purpose.
2. The Amendment listed hereunder was approved by a vote of more than 67 percent of the Homeowners subsequent to a Special Meeting held on June 26, 1990 in accordance with the Declaration.
3. Section 7.4 of the Declaration authorizes the President of the Homeowners Association to execute and acknowledge as attorney for each owner any amendment or modification to be filed of record in the Recorder of Deeds Office.

AMENDMENT

The Declaration is hereby amended as follows:

Amend Article II, Section 2.3 Powers and Duties of the Homeowners Association, Paragraphs (c) (iv) D & E to read as follows:

D. all lines (but excluding fixtures and equipment) related to electricity, telephone, television antenna;

E. all lines, including fixtures and equipment, related to the Security Alarm System;

Amend Article I, PHYSICAL DESCRIPTION OF THE VILLAGE: TITLE TO THE LAND, Section 1.1 Line 10 to specify that there are 86 (not 94) houses; and that they are numbered 521 through 606 (not 521 through 814);

Delete the following text:

Article I, Section 1.3 second paragraph
Section 1.6, paragraph (d) Development Rights

Article II, Section 2.3, (b) and (c) (vi) - "Provided that if any bank maintains a branch office on the Hershey's Mill tract, all such bank accounts shall be maintained at such branch office";

Article III, Section 3.2 (a) fifth paragraph

Article V, Section 5.1 (d) last sentence

Article VIII, Section 8.4, (d) and (e)

IN WITNESS WHEREOF, the undersigned as President of Franklin Village Homeowners Association under power of attorney vested in him by each owner of a Unit in Franklin Village, hereby sets his hand and seal that day and year first written above.

FRANKLIN VILLAGE HOMEOWNERS ASSOCIATION

Attest: Hannet Spector

George K. Snyder
George Snyder, President



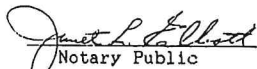
STATE OF PENNSYLVANIA :

SS:

COUNTY OF CHESTER :

On this the 23rd day of July 1990 before me the undersigned officer, personally appeared George K. Snyder who acknowledged himself to be the President of Franklin Village Homeowners Association, that he as such President being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION by himself as President.

IN WITNESS WHEREOF, I Hereunto set my hand and official seal.


Notary Public

My Commission Expires:

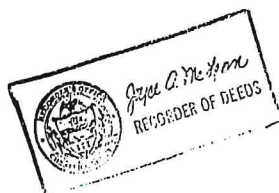
(Notary Seal)

NOTARIAL SEAL
JANET L. ELLIOTT, Notary Public
East Goshen Twp., Chester County
My Commission Expires June 21, 1994

184393

RECORDER OF DEEDS
CHESTER COUNTY, PA

90 AUG 31 PM 1:18



#184393	
MISC	13.00
TAX	0.50
SUBTL	48.50
CHECK	48.50
ITEM 6	
08-31-90 FRI #2	JANET 3591 13:52TH

RETURN TO

Louise Village Homeowners Assn.
1501 Green Hill Rd.
W.C. Pa 19380

Ent. Groden

13 519

BK2133PG142

Village of Franklin Homeowners Association
1500 Green Hill Road
West Chester PA 19380

SIXTH AMENDMENT OF DECLARATION
OF COVENANTS AND EASEMENTS FOR THE
VILLAGE OF FRANKLIN

THIS AMENDMENT made this 27th day of September, 1994, by the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION, Hershey's Mill, 1500 Green Hill Road, West Chester, Pennsylvania modifies the Declaration of Covenants and Easements for the Village of Franklin dated April 1, 1984 and recorded in the office of the Recorder of Deeds of Chester County, Pennsylvania in Miscellaneous Deed Book 639, Beginning at page 535 (the "Declaration").

BACKGROUND

1. The Declaration in Section 7.1 permits Amendments to the Declaration at any time or from time to time by the vote of at least 67 percent of all the members of the Homeowners Association at a meeting called for that purpose.

2. The Amendment listed hereunder was approved by a vote of more than 67 percent of the Home Owners subsequent to a Special Meeting held on September 27, 1994 in accordance with the Declaration.

3. Section 7.4 of the Declaration authorizes the President of the Homeowners Association to execute and acknowledge as attorney for each owner any amendment or modification to be filed of record in the Recorder of Deeds Office.

AMENDMENT

Article II
Section 2.4 Professional Management Required

(a) Delete underlined portion ...residential communities), and which is not owned or controlled by or affiliated in any way with the Homeowners Association.

Add underlined portion ...residential communities). Should a majority of the Villages of Hershey's Mill incorporate a non-profit Management Association whose purpose is to manage the Villages' affairs and hire a Community Manager to oversee the operation, such an Association shall be deemed to be an acceptable Management Company within the definition of this paragraph.


Section 2.4

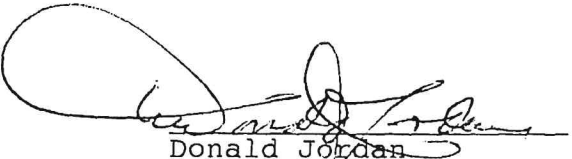
(c) Delete underlined portion...and the term of any Management Agreement may not exceed one (1) year.

Add underlined portion...and the term of any Management Agreement may not exceed three (3) years.

IN WITNESS WHEREOF, the undersigned as President of the Village of Franklin Homeowners Association under power of attorney vested in him by each owner of a unit in Franklin Village, hereby sets his hand and seal that day and year first written.

Attest:

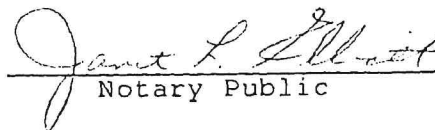

Secretary


Donald Jordan
President

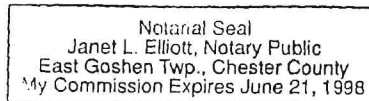
COMMONWEALTH OF PENNSYLVANIA :
: SS
COUNTY OF CHESTER :

On this the 20th day of December, 1994, before me the undersigned officer, personally appeared DONALD JORDAN, who acknowledged himself to be President of FRANKLIN VILLAGE, a Pennsylvania not-for-profit corporation, and that he as such President, being authorized to do so, executed the within instrument for the purposes therein contained by signing the name of the corporation by himself as such President.

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


Notary Public

My commission expires:



200855 1304

Village of Franklin Homeowner's Association

1500 Green Hill Road, West Chester, PA 19380

RETURN TO:

FRANKLIN VILLAGE HOA

1500 GREEN HILL RD.

WEST CHESTER, PA 19380

RETURN TO

SEVENTH AMENDMENT OF DECLARATION

OF COVENANTS AND EASEMENTS FOR THE

VILLAGE OF FRANKLIN

THIS AMENDMENT made this 27th day of September, 1994, by the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION, Hershey's Mill, 1500 Green Hill Road, West Chester, Pennsylvania modifies the Declaration of Covenants and Easements for the Village of Franklin dated April 1, 1984 and recorded in the office of the Recorder of Deeds of Chester County, Pennsylvania in Miscellaneous Deed Book 639, Beginning at page 535 (the "Declaration").

BACKGROUND

1. The Declaration in Section 7.1 permits Amendments to the Declaration at any time or from time to time by the vote of at least 67 percent of all the members of the Homeowners Association at a meeting called for that purpose.

2. The Amendment listed hereunder was approved by a vote of more than 67 percent of the Home Owners subsequent to a Special Meeting held on September 27, 1994 in accordance with the Declaration.

3. Section 7.4 of the Declaration authorizes the President of the Homeowners Association to execute and acknowledge as attorney for each owner any amendment or modification to be filed of record in the Recorder of Deeds Office.

AMENDMENT

Section 4.3 Restrictions on Use of House. Pursuant to the provisions of the Federal Fair Housing Act, as amended from time to time, and the continued policy of Hershey's Mill to provide "housing for older persons" as that term is defined in 42 U.S.C.A. 3607 (b)(2)(c). Franklin Village is intended and operated for occupancy by at least one person fifty-five (55) years of age or older per House. In order to provide for congenial occupancy of the property and for the protection of the value of the Houses, each House shall be occupied only by a single family solely for residential purposes, subject to the following:

(a) Occupancy shall be restricted so that at least eighty percent (80%) of the Houses in Franklin Village shall at all times be occupied by at least one person fifty-five (55) years of age or older per House and in no event shall any house be occupied by less than one person forty-two (42) years of age or older or any child below the age of eighteen (18) years. These age restrictions are subject to the following exceptions: (i) a husband or wife, regardless of age, residing with his or her spouse at the House provided the spouse is of the age of fifty-five (55) years or older (forty-two (42) years where applicable); (ii) a surviving husband or wife, regardless of age, who was residing with his or her deceased spouse at the House provided the deceased spouse was of the age of fifty-five (55) years (forty-two (42) years where applicable) or older at his or her death; (iii) any child of the age of eighteen (18) years or older residing at the House with a parent who is either of the age of fifty-five (55) years (forty-two (42) years where applicable) or older, or is permitted by either subsection (i) or (ii); or (iv) notwithstanding the foregoing provision raising the minimum age for at least eighty percent (80%) of the Houses from forty-two (42) to fifty-five (55) years of age, certain other persons may continue to be or may become occupants on and after the effective date of this Amendment: (A) a person of the age of forty-two (42) years or older who shall have been an occupant immediately before the effective date may continue to be an occupant thereafter; (B) the husband or wife, regardless of age, residing with his or her spouse of the age of forty-two (42) years or older who shall have been an occupant immediately before the effective date may continue to be or become an occupant thereafter pursuant to subparagraph (a) hereof; (c) the surviving husband or wife, regardless of age, who shall have been an occupant immediately before the effective date may continue to be an occupant hereafter provided he or she shall have resided with the spouse at the spouse's death and the spouse shall have been an occupant of the age of forty-two (42) years or older at death; (d) the surviving husband or wife, regardless of age, residing with his or her spouse at the spouse's death, provided the spouse shall have been an occupant pursuant to subparagraph (a) hereof at death; or ((E) any child of the age of eighteen (18) years or older residing with a parent who is an occupant under a provision of this subdivision (iv).

Nothing in this section shall prohibit the entertainment of persons of any age, or temporary occupancy not aggregating more than ninety (90) days in any calendar year by persons of any age.

IN WITNESS WHEREOF, the undersigned as President of the Village of Franklin Homeowners Association under power of attorney vested in him by each owner of a unit in Franklin Village, hereby sets his hand and seal that day and year first written.

Attest:

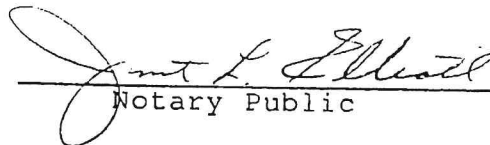

Secretary


Donald Jordan
President

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF CHESTER : SS
:

On this the 20th day of December, 1994, before me the undersigned officer, personally appeared DONALD JORDAN, who acknowledged himself to be President of FRANKLIN VILLAGE, a Pennsylvania not-for-profit corporation, and that he as such President, being authorized to do so, executed the within instrument for the purposes therein contained by signing the name of the corporation by himself as such President.

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


Notary Public

My commission expires:

Notarial Seal
Janet L. Elliott, Notary Public
East Goshen Twp., Chester County
My Commission Expires June 21, 1998



DATE: 12/27/1994 TIME: 11:31A INST NO.: 87903

CHESTER COUNTY, PA
OFFICE OF THE RECORDER OF DEEDS

RECEIPT NO : 060684	TYPE DOC :	MISC
REC FEE	:	13.00
LOC RTT	:	0.00
ST RTT	:	0.00
WRIT TAX	:	0.50

Village of Franklin Homeowners Association
1500 Green Hill Road
West Chester, PA 19380

EIGHTH AMENDMENT OF DECLARATION
OF COVENANTS AND EASEMENTS FOR THE
VILLAGE OF FRANKLIN

THIS AMENDMENT made this 28th day of November 1995, by the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION, Hershey's Mill, 1500 Green Hill Road, West Chester, Pennsylvania modifies the Declaration of Covenants and Easements for the Village of Franklin dated April 1, 1984 and recorded in the office of the Recorder of Deeds of Chester County, Pennsylvania in Miscellaneous Deed Book 639, Beginning at page 535 (the "Declaration").

BACKGROUND

1. The Declaration in Section 7.1 permits Amendments to the Declaration at any time or from time to time by the vote of at least 67 percent of all the members of the Homeowners Association at a meeting called for that purpose.
2. The Amendment listed hereunder was approved by a vote of more than 67 percent of the Home Owners subsequent to a Special Meeting held on November 28, 1995 in accordance with the Declaration.
3. Section 7.4 of the Declaration authorizes the President of the Homeowners Association to execute and acknowledge as attorney for each owner any amendment or modification to be filed of record in the Recorder of Deeds Office.

ENCLOSURE

AMENDMENT

<u>Section</u>	<u>Line</u>		
			ARTICLE I
			No changes
			ARTICLE II
2.2	2	Add	---Pennsylvania Corporation AS DEFINED IN EXHIBIT B.
2.2	6,7	Delete	(including, in the case---or completed)
2.3(a)	5	Delete	(except that designees---be Home Owners
2.3(b)ii	2	Change	carports to GARAGES
2.3(b)xii	3	Delete	(which may be---its parent or affiliate
			ARTICLE III
3.1(b)		Substitute	UTILITIES SUPPLIED TO THE COMMON GROUND WILL BE SEPARATELY METERED SO AS TO ASSURE THE COST WILL BE BORNE BY THE HO OWNERS ASSOCIATION AND NOT BY ANY OF THE INDIVIDUAL HOME OWNERS.
3.1(1)	2	Delete	or the Hershey's Mill Services Association, each of
3.2(a)	7	Delete	(other than Declarant---as provided belo
3.2)a)	16	Delete	(other than Declarant---as provided belo
3.2(a)	P2,L3	Delete	wilfully
3.2(b)	13	Change	a 15% to THE
			ARTICLE IV
4.1	P2,L2	Delete	(excluding stairs---non-structural detai
4.2	1	Delete	(other than Declarant)

ARTICLE V

5.1(g) Delete

ARTICLE VI

6.4 2 Add ---sixty-seven percent (67%) (58 VOTES) the Home Owners---

6.4(f) Delete other than a House owned by Declarant;

ARTICLE VII

7.1 3 Add ---67% (58 VOTES) of all the members of Homeowners Association, ---

7.2 2 Delete Declarant or of

7.2 7,8,9 Rewrite ---governmental authority, the Homeowne Association may, without the approval -

7.3 5 Delete or Declarant, as the case may be.

7.4 3 Delete and the President of the Declarant

7.5 1,2,3 Delete This Declaration---other than Declarant Otherwise

ARTICLE VIII

8.1 9 Delete Declarant,

8.4 Delete Delete entire article

BY-LAWS

ARTICLE IV

4.1 Delete (including Declarant)

4.2 4 Delete (other then Declarant except as provide in the Declaration)

5.4 1,2 Add ---at least one fourth (22) UNITS of ---

Section

ARTICLE VI

6.1	3,4	Delete	(except the designees---not be Home Own
6.2	12,13,14	Change	THEREAFTER, INDIVIDUALS WILL BE ELECTED THE ANNUAL MEETING, FOLLOWING APPROPRIA NOMINATING, FOR TWO YEAR TERMS AND A MAJORITY WILL ELECT. COUNCIL MEMBERS M; SERVE CONSECUTIVE TERMS IF RE-ELECTED -
6.4		Delete	Delete entire section 6.4
6.5	3	Delete	;prior to the date---filled by Declaran
6.6	7,8	Change	Change directors to COUNCIL MEMBERS
6.7		Delete	or officer
6.8	1	Add	---the Village Council and ITS officers-
6.10		Change	Any individual VILLAGE COUNCIL MEMBER ma be removed---by the resolution of a majority of the VILLAGE COUNCIL MEMBERS office,---new VILLAGE COUNCIL MEMBERS to fill---

ARTICLE VII

7.1	3	Add	---by a vote of two-thirds (4) of the members---
7.1	3	Delete	in office
7.2	6	Delete	or directors
7.3		Rewrite	ALL DEMANDS FOR MONEY AND NOTES ON BEHAL OF THE CORPORATION SHALL BE SIGNED BY THE PRESIDENT OR ANY VICE PRESIDENT, AND THE CORPORATE SEAL SHALL BE AFFIXED.

ARTICLE IX

9.1	2	Add	---first class REGISTERED mail,---
9.1	6	Add	---United States mail, RETURN RECEIPT REQUESTED, or ---

SECTION		LINE	PROPOSED CHANGES
2.5(d)	Insert	4or any part of the Village Rules. PERSISTENT OR REPETITIVE VIOLATIONS WITHIN 30 DAYS OF THE INITIAL WRITTEN NOTICE OF SAME SHALL BE CONSTRUED AS PART OF THE ORIGINAL VIOLATION AND FINES WILL BE CALCULATED AS OF THE DATE OF WRITTEN NOTICE AND IMPOSED IMMEDIATELY. Written notice of the
3.1(f)	Change	2	\$3,000 to \$5,000
4.1	Add	End of Para 2of the requesting Home Owner. ANY ACQUISITION OF COMMON GROUND BY SUCH APPROVAL SHALL BE SUBJECT TO A FEE, PAYABLE TO THE FRANKLIN VILLAGES HOMEOWNERS ASSOCIATION, SUCH FEE TO BE DETERMINED BY TWO TRAINED AND MUTUALLY ACCEPTABLE REAL ESTATE APPRAISERS.

SPECIFICATIONS FOR INSTALLATION OF PATIO OR DECK ENCLOSURE

A. GENERAL

These specifications are prepared to assure the retention of architectural integrity within the Village of Franklin. In all cases the total size of the enclosure shall not exceed the size of the existing patio or deck except as provided in Article IV, Section 4.1 as amended.

Two types of enclosures are permitted:

1) A semi-permanent enclosure such as an opaque roof, straight eave or greenhouse/solarium curved eave manufactured by PATIO ENCLOSURES, INC. or approved equal. The photographs shown in Exhibit 1, attached hereto and made a part hereof, illustrate the general appearance of such enclosures.

2) A permanent enclosure with walls and roof of frame construction, with doors/windows and siding in keeping with current construction and materials, in accordance with approved and acceptable designs obtained from Council or from architects sketches, if different from approved designs, but approved by Council.

Any home owner wishing to add a patio or deck enclosure must assume responsibility for all costs associated with the installation of such enclosure, including insurance, and for any damage to the home or Common Area attributable to the construction of said enclosure.

B. BASIC STIPULATIONS

1. For semi-permanent enclosures from PATIO ENCLOSURES, INC.

a. No alteration to the existing home roof or roof line is permitted. Gutters may be removed and replaced, as necessary, to complete the work. Downspouts must be reconnected to the existing drainage system.

b. The portion of the exterior wall of the home within the enclosure remains the responsibility of Franklin Village and cannot be painted, paneled, drywalled or in any other

respect significantly altered by the home owner. If the enclosure is removed, the home owner must restore said wall to a condition commensurate with the existing exterior of the rest of the home.

c. All exterior painted metal surfaces shall be baked enamel finish compatible with Franklin Village standard trim colors. Shades or drop curtains shall be tan or other earth tones approved by Franklin Village.

d. Where deck handrails are removed, the enclosure must have a knee wall or a railing integrated into the structure.

e. The floor of the enclosure may be carpeted or covered by other appropriate material. If insulation is installed under a deck, it must be concealed.

f. No jalousie-type windows will be permitted.

g. The enclosure shall not be used as a storage area.

2. For permanent enclosures.

a. All enclosures are to be built in accordance with approved construction drawings numbered A-1, A-2 or A-3 or architectural drawings submitted by home owner and approved by Council. Further, all enclosures are to be built to conform with East Goshen Township Building Codes and the BOCA building codes that apply to "Occupied Structures", including requirements for adequate footing and support structures.

b. Electrical and HVAC work must be U/L inspected, with copy of inspection report sent to East Goshen Township Building Inspector and to Managing Agent's office.

c. Upon completion, a Certificate of Occupancy issued by East Goshen Township shall be obtained and a copy furnished to the Managing Agent.

C. ENCLOSURE SPECIFICATIONS

1. OPAQUE ROOF, STRAIGHT EAVE ENCLOSURES.

a. The enclosures must have a single slope roof, but minor deviation is permitted to provide clearance for an existing window. No flat or peak type roofs will be permitted. All roof panels shall be 3" or 6" super foam panels with aluminum skin glued to the foam on top and bottom. Sides shall be enclosed with aluminum I-beams, sized to limit deflection of the roof to Manufacturer and Code requirements.

b. Skylights shall be aluminum, fixed or vented, and glass shall be safety tempered and double strength.

c. Transoms may be safety tempered glass or foamfilled with glued aluminum skin on both faces.

d. Both fixed and sliding vertical panels shall be heavy aluminum extrusions with triple track design and drain holes. Glass shall be safety tempered double strength set in neoprene gaskets. Panels shall be arranged so sliding panels slide on the inside track. Sliding panels shall be mounted on steel ball-bearing wheels. Screen panel frames shall be extruded aluminum with heavy duty virgin- nylon rollers. Screening shall be black painted aluminum. Panels shall be equipped with non-shrink weatherproofing.

e. Doors shall have anti-lift bar lock and may have a cylinder lock that can be locked from the outside with a key. Screen panels shall have handle which locks from inside only.

f. Anchors shall be aluminum, spaced at a maximum of 18", c. to c.

g. All caulking shall be silicone sealant as manufactured by Dow Chemical Company or approved equal.

2. GREENHOUSE/ SOLARIUM CURVED EAVE ENCLOSURES

a. The enclosure shall have a sloping roof with curved eave. No straight eave greenhouse/solarium enclosures will be permitted.

b. Panels shall be heavy extruded aluminum and spaced at 38" with 1" safety tempered glass in weatherproof neoprene gaskets.

c. The door may be equipped with a cylinder lock that can be locked from outside with a key.

3. PERMANENT ENCLOSURES

a. Peaked or gable roofs are not permitted. The roof slope must be 4:12 or greater.

- b. All roofing, siding and trim materials must match those used on the main portion of the house and in color as approved by Architectural Committee and Council..
- c. Rain gutters and downspouts must conform to those on the main house and must be connected with existing drains.
- d. Skylights are permitted that match in color and style similar to those now in use in Franklin Village.
- e. Windows above the first floor ceiling line are not permitted.
- f. All windows and sliding doors are to be metal clad and in the same color of those on the main house. The glass shall be clear and untinted.

IN WITNESS WHEREOF, the undersigned as President of the Village of Franklin Homeowners Association under power of attorney vested in him by each owner of a unit in Franklin Village, hereby sets his hand and seal that day and year first written.

Attest:

William C. Hayes
Secretary

W. Donald Jordan
W. Donald Jordan
President

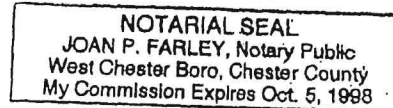
COMMONWEALTH OF PENNSYLVANIA :
 : SS
COUNTY OF CHESTER :

On this the 12th day of March, 1996, before me the undersigned officer, personally appeared DONALD JORDAN, who acknowledged himself to be President of FRANKLIN VILLAGE, a Pennsylvania not-for-profit corporation, and that he as such President, being authorized to do so, executed the within instrument for the purposes therein contained by signing the name of the corporation by himself as such President.

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

Joan P. Farley
Notary Public

My commission expires:



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DATE: 03/15/1996 TIME: 03:03P INST NO.: 14258

CHESTER COUNTY, PA
OFFICE OF THE RECORDER OF DEEDS

RECEIPT NO : 039564	TYPE DOC :	MISC
REC FEE	:	21.00
LOC RTT	:	0.00
ST RTT	:	0.00
WRIT TAX	:	0.50

JAN 22 1997

RETURN TO:

FRANKLIN VILLAGE HOA
111 SUMMIT DR.
EXTON, PA 19431

NINTH AMENDMENT OF DECLARATION OF COVENANTS AND EASEMENTS
FOR THE VILLAGE OF FRANKLIN

THIS AMENDMENT made this 26th day of November, 1996, by the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION, Hershey's Mill, 1500 Greenhill Road, West Chester, Pennsylvania modifies the Declaration of Covenants and Easements for the Village of Franklin dated April 1, 1984 and recorded in the office of the Recorder of Deeds of Chester County, Pennsylvania in Miscellaneous Deed Book 639, beginning at page 535 (the "Declaration").

BACKGROUND

1. The Declaration in Section 7.1 permits Amendments to the Declaration at any time or from time to time by vote of at least 67 percent of all the members of the Homeowners Association at a meeting called for that purpose.

2. The Amendment listed hereunder was approved by a vote of more than 67 percent of the homeowners subsequent to a Special Meeting held on November 26, 1996 in accordance with the Declaration.

3. Section 7.4 of the Declaration authorizes the President of the Homeowners Association to execute and acknowledge as attorney for each owner any amendment or modification to be filed in the Recorder of Deeds Office.

AMENDMENT

1. Section 5.1 (a) of the Declaration is hereby amended to read as follows:

Section 5.1 Insurance Maintained by Homeowners Association.
The Homeowners Association shall maintain at all times, insurance in the types, containing the clauses, and in the amounts, provided as follows:

(a) property insurance on a so-called "all risk" basis covering all real property of the Home Owners and of the Homeowners Association, including the Common Area and all buildings and improvements thereon, the Residential Buildings and Houses, and all fixtures and equipment affixed to and considered part of the real

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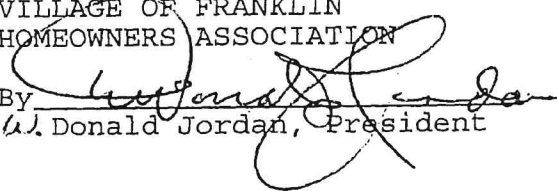
estate. Such insurance will be on a full insurable replacement cost basis, without deduction for depreciation, but may be subject to (i) a deductible provision for loss or damage related to the thawing of snow, sleet or ice (ice damming) in an amount of up to Seven Thousand Five Hundred Dollars (\$7500), and the full amount of such deductible shall be borne by any Home Owner incurring the loss or damage; and (ii) with a deductible provision in an amount of up to One Thousand Dollars (\$1000) for each other occurrence, and the full amount of such deductible shall be borne by the Homeowners Association and shall be assessed as a Common Expense. The full amount of such insurance shall (notwithstanding any contrary provision in any mortgage upon a House) be payable to an institutional insurance trustee selected by the Homeowners Association, in trust pursuant to an insurance trust agreement between the Homeowners Association and such trustee, to fund the costs incurred by the Homeowners Association to restore the damage pursuant to Article II hereof, with any excess being payable equally to each home Owner or his mortgagee as their interest may appear.

2. The first paragraph of Section 5.2 of the Declaration is hereby amended to provide as follows:

Section 5.2 Insurance Maintained by Homeowners. Each Home Owner will be responsible for the purchase and payment of insurance to protect his own personal property and real property insurance sufficient to pay the deductible for which the Home Owner is responsible under the policy maintained by the Homeowners Association in accordance with Section 5.1 (a) hereof, and all personal liability not provided for in Section 5.1 (b) hereof. No home Owner may maintain property insurance covering any real property owned by him or her or in which he or she owns any interest if the effect of such coverage would be to cause the insurance maintained by the Homeowners Association pursuant to Section 5.1 (a) above to be brought into contribution therewith. No Home Owner shall contract for insurance in such a way as to decrease the amount that the Homeowners Association, on behalf of the Home Owners, may realize under any insurance policy that the Homeowners Association may have in force on any part of the Village Land at any particular time.

IN WITNESS WHEREOF, the undersigned as President of the Homeowners Association under the power of attorney vested in him by each Home Owner of Franklin Village hereby sets his hand and the corporate seal on the day and year first above written.

VILLAGE OF FRANKLIN
HOMEOWNERS ASSOCIATION

By 
W. Donald Jordan, President

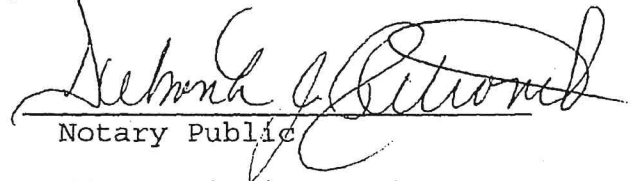
COMMONWEALTH OF PENNSYLVANIA :

SS:

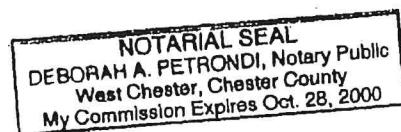
COUNTY OF CHESTER :

On this the 5th day of December, 1996, before me the undersigned officer, personally appeared Donald Jordan who acknowledged himself to be the President of the Village of Franklin Homeowners Association, that he as such President being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION by himself as President.

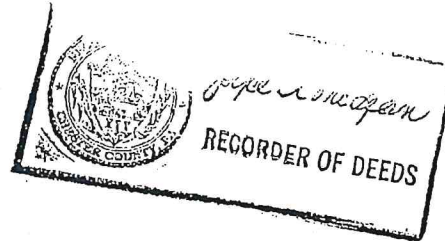
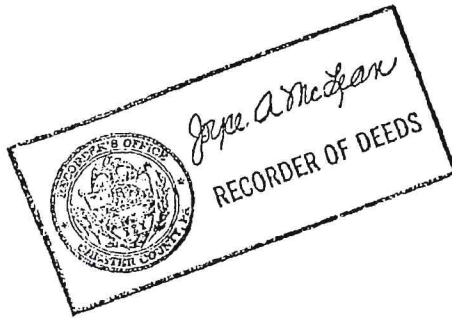
IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

My commission expires:



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75275

DATE: 12/17/1996 TIME: 10:39A INST NO.: 75275

CHESTER COUNTY, PA
OFFICE OF THE RECORDER OF DEEDS

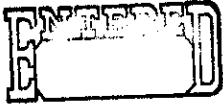
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REC FEE	:	13.00
LOC RTT	:	0.00
ST RTT	:	0.00
WRIT TAX	:	0.50

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U.P.I. # 53-2-25 ✓



**FIRST AMENDMENT
OF
AMENDED DECLARATION OF COVENANTS AND EASEMENTS
FOR
THE VILLAGE OF FRANKLIN**

This AMENDMENT made this 6th day of JUNE, 2002 by the Village of Franklin Homeowners Association, a Pennsylvania non-profit corporation ("Association") located at Hershey's Mill, 1500 Green Hill Road, West Chester, Pennsylvania, modifies Article V, Section 5.1 (a) of the Amended Declaration of Covenants and Easements for the said Village of Franklin. THE U.P.I. NUMBER IS 53-2-25

BACKGROUND

1. West Chestnut Realty Corp. has made a Declaration of Covenants and Easements for the Village of Franklin, dated April 1, 1984 and recorded in the Office of the Chester County Recorder of Deeds in Miscellaneous Deed Book 639 beginning at Page # 535 (hereinafter referred to as the "Declaration").
2. The Declaration provides in Article VII, Section 7.4 for the amendment thereof from time to time by the Homeowners Association, subject to the terms and conditions set forth in said Article VII.
3. The purpose of this present amendment is to increase the deductible amount for all losses, other than ice damming, per occurrence, to \$ 7,500.00, and to change the responsibility for the deductible for all losses to the individual homeowner, rather than the Village. The deductible amount for ice damming remains at an amount up to \$ 7,500.00, per house, per occurrence.
4. Article VII, Section 7.4 of the Declaration authorizes the President or Vice President of the Homeowners Association to execute and acknowledge as attorney for each Home Owner any amendment or modification to be filed of record in the Recorder of Deeds Office.

Sections 5.1 (a) of Article V are hereby amended as follows (all portions of this text that are to be deleted by the amendment are struck-out and all additions are underlined):

**AMENDMENT
ARTICLE V
INSURANCE**

1. Section 5.1 Insurance Maintained by Homeowners Association

Section 5.1 Insurance Maintained by Homeowners Association: The Homeowners Association shall



maintain, at all times, insurance in the types, containing the clauses, and in the amounts, provided as follows:

(a) property insurance on a so-called "all-risk" basis covering all real property of the Home Owners and of the Homeowners Association, including the Common Area and all buildings and improvements thereon, the Residential Buildings and Houses, and all fixtures and equipment affixed to and considered part of the real estate. Such insurance will be on a full insurable replacement cost basis, without deduction for depreciation, but may be subject to (i) a deductible provision for loss or damage related to the thawing of snow, sleet or ice (ice damming) in an amount of up to Seven Thousand Five Hundred (\$7500), and the full amount of such deductible shall be borne by any Home Owner incurring the loss or damage; and (ii) with a deductible provision in an amount of ~~One Thousand Dollars (\$1,000)~~ Seventy-Five Hundred (\$7,500.00) for each other occurrence. ~~and the full amount of such deductible shall be borne by the Homeowners Association and shall be assessed as a Common Expense. The full amount of the deductible shall be borne by the Home Owner(s) who has suffered the loss.~~ The proceeds of such insurance shall (notwithstanding any contrary provision in any mortgage upon a House) be payable to an institutional insurance trustee selected by the Homeowners Association, in trust pursuant to an insurance trust agreement between the Homeowners Association and such trustee, to fund the costs incurred by the Homeowners Association to restore the damage pursuant to Article II hereof, with any excess being payable equally to each Home Owner ~~who has suffered the loss~~ or his mortgagee as their interests may appear;

IN WITNESS WHEREOF, the undersigned, as President of the Association under the power of attorney vested in him by each Home Owner in the Association, hereby sets his hand and the corporate seal on the day and year first above written.

Attest:

Lisa E. Keller

VILLAGE OF FRANKLIN
HOMEOWNERS ASSOCIATION

Charles Concklin
Charles Concklin, President

COMMONWEALTH OF PENNSYLVANIA:

: SS.

COUNTY OF CHESTER:

On this, the 6th day of JUNE, 2002, before me, a Notary Public in and for the Commonwealth of Pennsylvania, personally appeared Charles Concklin, who acknowledged himself to be the President of the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION, a Pennsylvania corporation, and that he as such officer, being authorized to do so, executed the within instrument for the purpose therein contained by signing the name of the Village of Franklin Homeowners Association by himself as such President.

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

Notarial Seal
Gary R. McEwen, Notary Public
East Goshen Twp., Chester County
My Commission Expires June 28, 2003
Member, Pennsylvania Association of Notaries

Gary R. McEwen

(Notarial Seal)

Mid-Atlantic Management



10217066
Page: 3 of 3
B-5642 P-573



Basement
Easement Agreement
for
Franklin Village

This Agreement, made this _____ day of _____, 20____, between the Village of Franklin Homeowners Association, (hereafter referred to as the Association), and _____, owners of Unit Number _____ of the Village of Franklin (hereafter referred to as the Home Owner(s)).

Witness:

- I. The Home Owner(s) desire to construct a basement exit system in their unit in order to comply with the Building Code of East Goshen Township, and for the safety of persons using the bedroom(s) or other room(s) constructed in their basement. This exit system would extend beyond their title lines and into the Village of Franklin Common Area, occupying approximately 20 square feet of the Common area.
- II. The Association is willing to grant an easement for such encroachment into the Common Area for the purpose of constructing a basement exit system, under the powers granted to The Association in Article II, Section 2.3(b) of the Village of Franklin Declarations and Covenants, provided that the Home Owner(s) agree to the stipulations and requirements stated below.

Therefore, the parties to this agreement agree as follows:

III. The Home Owner(s) agree:

- A. That they will record this Easement Agreement with the Recorder of Deeds of Chester County, Pennsylvania, at their own expense, and will provide a copy of the recorded agreement to the Association before starting construction on the basement exit;
- B. That this license shall expire 90 days after the above date if it has not been recorded;
- C. That the basement exit shall be constructed and maintained, at their own expense, in accordance with the specifications approved by the Architectural Committee and approved by the Village Council;
- D. That they will cause the repair or restoration of any damage to the Common Area, or those components of the Home which the Association is responsible for maintaining, occurring at any time after construction if damage due to the addition of the basement exit system;
- E. That they will cause the repair or restoration of any damage to the Common Area, or those components of the Home which the Association is responsible for maintaining, occurring at any time after construction if damage is due to the addition of the basement exit system;
- F. That they will indemnify and hold harmless the Association, its members, and Management, for and from any claims for damages arising out of the construction, use, or presence of the basement exit in the Common Area;
- G. That they acknowledge that the granting of this easement by the Association to them does not in any way extend their title lines into the Common Area; and
- H. That this agreement shall be binding on themselves, their heirs, assigns, or successors in interest.



SECOND AMENDMENT
OF THE
AMENDED DECLARATION OF COVENANTS AND EASEMENTS
FOR
THE VILLAGE OF FRANKLIN

This AMENDMENT made this 29th day of August, 2006 by the Village of Franklin Homeowners Association, a Pennsylvania non-profit corporation ("Association") located at Hershey's Mill, 1500 Green Hill Road, West Chester, Pennsylvania, modifies the Amended Declaration of Covenants and Easements for the said Village of Franklin. U.P.I. #53-2-25✓

BACKGROUND

1. West Chestnut Realty Corp. has made an Amended Declaration of Covenants and Easements for the Village of Franklin, dated April 1, 1984 and recorded in the Office of the Chester County Recorder of Deeds in Miscellaneous Deed Book 639 beginning at Page #535 (hereinafter referred to as the "Declaration").
2. The purpose of this amendment to the Declaration is to allow an easement into the Common Area for the construction of a basement exit system for a home in order to comply with the Building Code of East Goshen Township.
3. Article VII. Section 7.4 of the Declaration authorizes the President or Vice President of the Homeowners Association to execute and acknowledge as attorney for each Home Owner any amendment or modification to be filed of record in the Recorder of Deeds Office.

The first paragraph of Section 4.1 of Article IV is hereby amended as follows (all portions of this text that are to be deleted by the amendment are ~~struck out~~ and all additions are underlined):

AMENDMENT
ARTICLE IV
ARCHITECTURAL CONTROL: AGE AND USE RESTRICTIONS

Section 4.1 Houses In order to insure harmonious and efficient development of the Village Land, no modification, repair, renovation, reconstruction or addition (including painting or staining) shall be undertaken to any House (other than nonstructural work on the interior and within title lines thereof) by any Home Owner (other than Declarant) except in accordance with plans and specifications which have first been submitted (such submission to be made only against a written receipt therefore signed by an officer of the Homeowners Association or by the Managing Agent, noting the date of submission) to and approved by the Homeowners Association which approval shall not be unreasonably withheld. In reviewing the plans and specifications, the Homeowners Association shall consider, among other things: location of the improvements to avoid encroaching on the Common Area (~~except as permitted by the next paragraph~~) or other



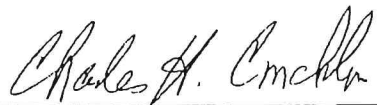
Houses (including easements appurtenant thereto); applicable zoning and other ordinances, laws and regulations: conformity to the general and specific architectural style, roof pitch, and details of existing Residential Buildings and Houses; and exterior colors and materials. Encroachment on the Common area is permitted as stated in the next paragraph, and for the construction of a basement exit system in order to comply with the Building Code of East Goshen Township. Homeowner(s) must sign and record with the Recorder of Deeds of Chester County, Pennsylvania, an easement agreement between the Homeowner(s) and the Association prior to the construction of the basement exit system. The Homeowners Association shall meet within 30 days of receipt of any such submission to consider the same, and the submission shall be deemed to have been approved by the Homeowners Association unless it shall mail to the submitting Home Owner, within 30 days after the date of such meeting, written notice of (a) disapproval or (b) approval conditioned on specified modifications of the plans and specifications or performance of specified conditions.

IN WITNESS WHEREOF, the undersigned, as President of the Association under the power of attorney vested in him by each Home Owner in the Association, hereby sets his hand and the corporate seal on the day and year first above written.

Attest:


Marilyn C. Buch

**VILLAGE OF FRANKLIN
HOMEOWNERS ASSOCIATION**


Charles Concklin, President



COMMONWEALTH OF PENNSYLVANIA:

:SS.

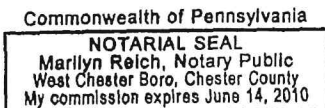
COUNTY OF CHESTER:

On this, the 9 day of November, 2006, before me, a Notary Public in and for the Commonwealth of Pennsylvania, personally appeared Charles Concklin, who acknowledged himself to be the President of the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION, a Pennsylvania corporation, and that he as such officer, being authorized to do so, executed the within instrument for the purpose therein contained by signing the name of the Village of Franklin Homeowners Association by himself as such President.

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

_____

(Notarial Seal)





FRANKLIN VILLAGE HOMEOWNERS ASSOCIATION
ADMINISTRATIVE RESOLUTION #1
ASSESSMENT COLLECTION PROCEDURE

WHEREAS, Article II and Article III of the Declaration define the duty of the Village Council to determine the amount of the annual assessment against each unit and to levy and collect such assessment from members; and

WHEREAS, the Village Council wishes to clearly define the administrative procedures it will follow to carry out the collection of any such assessments,

BE IT THEREFORE RESOLVED that the following procedures apply:

1. The assessment for Common Element Expenses of each Unit shall be assessed equally for each unit.
2. Any quarterly payment received after the tenth of the month shall be termed delinquent.
3. A late fee charge of 4% of the amount due will automatically be added without notice to every account with a balance as of the eleventh of the month the assessment is due to be paid.
4. If the account remains delinquent as of the twentieth of the month, Association will communicate warning that account could incur 18% interest per annum (or the highest rate allowed by law, if lower) of delinquent amount.
5. Assessments shall, until fully paid, together with interest thereon at 18% per annum (or the highest rate allowed by law, if lower), from the 30th day following the date of such notice, constitute a charge on the House of each Home Owner assessed, and shall be a continuing lien upon such House subject to the prior lien of certain mortgages, as provided in the documents. Each such Assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was Home Owner at the time when the Assessment fell due.
6. Any Unit Owner who has a delinquent balance in excess of the quarterly payment sixty (60) days after payment is due shall receive a copy of this Resolution, as well as a letter advising them that if payment is not received within ten (10) days, the Village Council may institute legal action.
7. The delinquent owner shall be obligated to pay all expenses of the Homeowner's Association including attorney's fees, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, which expenses shall be deemed to constitute part of the delinquent assessment and shall be collectible as such.
8. Any delinquent amount, together with accrued interest and late charges, may be pursued by suit by the Association, and the Association shall have any and all other remedies available at law or in equity.
9. The Village Council may exercise any and all of its rights permitted by law.

Donald Jordan, President

Date

Robert Webster, Treasurer

Date



FRANKLIN VILLAGE HOMEOWNERS ASSOCIATION
ADMINISTRATIVE RESOLUTION #2
RULES ENFORCEMENT PROCEDURES

WHEREAS, Article II, Section 2.3 (b), (x) of the Declaration of Covenants and Easements of Franklin Village provides for the Council to establish and enforce rules and regulations governing Franklin Village; and

WHEREAS, Article II, Section 2.5 (d) of the Declaration of Covenants and Easements of Franklin Village gives the Council the power to assess fines for violations of such rules and regulations and other costs incurred in enforcement of such rules and regulations; and

WHEREAS, the Franklin Village Council wishes to clearly define the administrative procedures to carry out the enforcement of any such rules and regulations.

BE IT THEREFORE RESOLVED that the following procedures apply:

1. The Council has previously adopted and amended rules and regulations for the Association. Copies of those rules were distributed to the current homeowners at the time rules were adopted or amended.
2. The Council shall provide copies of future rules and regulations adopted or amended to homeowners.
3. The Declaration contains certain Use Restrictions or Rules, which also are to be enforced by the Council.
4. Any Home Owner(s) or Village Council member(s) may submit a complaint to the Village Council alleging a violation by a Home Owner of the governing Documents or Village Rules. Complaints must be submitted in writing, signed by the complainant, specify the Village Rule or provision of the Governing Documents allegedly violated and set forth in reasonable detail the facts constituting the violation.
5. The Village Council shall review the complaint submitted by the complainant, and determine whether there is or has been a violation of the Governing Documents or Village Rules. Determinations of a violation must be by a vote of at least four Council members; otherwise the complaint shall be dismissed.
6. In the event that the Village Council determines that there has been a violation of the Governing Documents or Village Rules, the Village Council shall, with the assistance of the Managing Agent, make every effort to resolve the matter informally with the Home Owner.
7. If the Village Council's informal efforts to remedy a continuing violation are ineffective, the Village Council shall issue a Notice of Violation to the Home Owner(s) found to be committing or having committed a violation. A copy of such Notice of Violation issued by the Village Council shall be sent to the complainant, provided however, that if no

Notice of Violation is issued, the Village Council shall advise the complainant of the resulting disposition of the matter by the Village Council. Such Notice of Violation shall set forth, by citing relevant provisions of the Governing Documents or Village Rules which have been found to be in violation, a statement of the basis for the charge of a violation, a cease and desist order for any continuing violation and a statement describing the fine that the Village Council may impose against such Home Owner.

8. The Home Owner may elect to notify Council of their intention to cure a violation within ten (10) days or by written Notice of Appeal, request a hearing with the village Council. If the Home Owner fails to cure the violation, or request a hearing or otherwise demonstrate to the satisfaction of the Village Council that he or she did not commit a violation or is not in violation, violation shall be deemed proven.
9. If the Home Owner files a Notice of Appeal requesting a hearing, such hearing shall be held before the Village Council, or a Committee of three Home Owners appointed by the Council, within thirty (30) days after receipt of the Notice of Appeal upon ten (10) days written notice to the Home Owner. Such Home Owner(s) shall have the right to attend such hearing before the Village Council, or the Council appointed Committee, and produce any statements, evidence and/or witnesses on his or her behalf. The proceedings at any hearing shall be informal, and formal rules of evidence shall not apply. The parties to such hearing, including the Village Council or appointed Committee, may be represented by legal counsel. If either the complainant or the offending Home Owner is a member of the Village Council, he or she shall not participate in any deliberations of the Village Council or appointed Committee concerning the alleged violation and shall not be entitled to vote on the matter.
10. After consideration of the evidence presented at such hearing, the Village Council or appointed Committee shall issue its decision in writing to the Home Owner. Such decision shall be issued within ten (10) days after the conclusion of such hearing. Decisions of the Village Council or the appointed Committee shall be by majority vote of those members attending the hearing (not less than three), and shall be final and binding.
11. If the Home Owner fails to cure the violation or request a hearing or otherwise demonstrate to the satisfaction of the Village Council that he or she did not commit a violation or is not in violation, or the Home Owner is determined to be in continuing violation at a requested hearing, the Village Council may impose a fine to a maximum amount of Fifty Dollars (\$50.00) for each day of violation. In determining the amount of any fine, the Village Council shall consider the nature and severity of the violation and its effect on the health, safety and welfare of, and the peaceful enjoyment of the Village by, the residents of the Village. Written notice of the imposition of a fine shall be given promptly to the Home Owner by hand delivery or deposit in the U.S. Mails, postage paid, certified mail, return receipt requested.
12. Any fine imposed in accordance with this Section shall, until fully paid, constitute a Common Expense Assessment and a lien against the Home Owner's House, and shall be collectible in the same manner as provided for in the collection of Assessments and enforcement of liens.

13. The enforcement procedures set forth in this Section shall not be exclusive of other rights and remedies available to the Association or the Village Council as provided by the Governing Documents or law. All legal fees, court costs and other expenses incurred by the Village Council in the enforcement of the Governing Documents or the Village Rules and in the collection of any fine imposed shall be the obligation of the Home Owner against whom enforcement is sought or fine levied. Such costs or fines shall constitute a Common Expense Assessment and a lien against the House of such Home Owner and shall be collectible in the manner set forth therefore in this Declaration.

ATTEST:

President, _____

Date

Secretary, _____

Date

**FRANKLIN VILLAGE HOMEOWNERS' ASSOCIATION
RESOLUTION # 3
AMENDED CAPITAL RESERVE CONTRIBUTION**

WHEREAS, Article II, Section 2.3 (b) of the Declaration of Covenants creating the Village of Franklin Homeowners' Association provides the Association with the power to manage the business and affairs of the Association; and

WHEREAS, Article II, Section 2.3 (b) (iii) of the Declaration gives the Association the power to determine, assess, collect and pay (as applicable) the common Expenses and Reserve Fund Assessments, and

WHEREAS, Subsection 5302 (a) (12) of the Pennsylvania Uniform Planned Community Act, gives the Association the power to levy a capital improvement fee not in excess of the annual assessment for general common expenses assessed against the Unit during the Association's most recent fiscal year, upon the re-sale or transfer of a Unit; and

WHEREAS, the Council has determined that the levying of a capital improvement fee, to be called a Capital Reserve Contribution, will benefit the Association by creating a fund to be used by the Association solely for the purposes of paying for new capital improvements, or replacement of existing Common Areas and Common Area Facilities;

BE IT THEREFORE RESOLVED that effective January 1, 2011, these procedures will be followed regarding Capital Reserve Contributions:

1. A Capital Reserve Contribution equivalent to the quarterly rate is hereby levied and assessed upon the transfer of title or resale of each Unit.
2. The Capital Reserve Contribution is not refundable or transferable.
3. The Capital Reserve Contribution shall be paid to the Association by the person, corporation, partnership or entity to whom a Unit is transferred or sold within ten (10) days of the date upon which the Unit is transferred or sold to the new Owner.
4. If the Capital Reserve Contribution is not paid within ten (10) days of the date of the transfer or sale of a Unit, then the Capital Reserve Contribution shall remain the obligation of the Buyer of the Unit until paid; any unpaid Capital Reserve Contribution shall be collected from the Buyer, together with interest and costs of collection, including attorney's fees, in the same manner as an unpaid assessment under the applicable provisions of the Declaration and Resolutions.

5. No Capital Reserve Contribution shall be payable upon a gratuitous transfer of a Unit, between spouse, parent and child, siblings or grandparent and grandchild. A gratuitous transfer is one in which the Owner who is transferring title to a new Owner does not receive any benefit, compensation or consideration for the transfer of the Unit.
6. Notice of the obligation of the new Owner of a Unit to pay the Capital Reserve Contribution, and the amount of the Capital Reserve Contribution due from the new Owner upon the transfer or sale of a Unit, shall be given in all Resale Certificates issued by the Association.

THIS RESOLUTION was adopted by the Franklin Village Council on this 13 of December, 2010.

ATTEST:



President

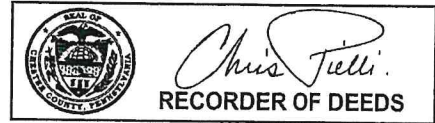
Date 12/13/2010



Secretary

Date 12/13/10

TENTH AMENDMENT OF



DECLARATION OF COVENANTS AND EASEMENTS FOR
THE VILLAGE OF FRANKLIN

THE CURATIVE AMENDMENT made this 13th day of July, 2020, by the FRANKLIN VILLAGE COUNCIL, Hershey's Mill, 1500 Green Hill Road, West Chester, Pennsylvania modifies the Declaration of Covenants and Easements for the Village of Franklin dated April 1, 1984 and recorded in the office of the Recorder of Deeds of Chester County, Pennsylvania in Miscellaneous Deed Book 639, beginning at page 535 (the "Declaration").
THE U.P.I. NUMBER IS 53-2-25. ✓

BACKGROUND

1. The Declaration in Section 7.2 permits Curative Amendments to the Declaration at "deemed necessary in the judgment of the Homeowners Association Council to cure any ambiguity or to correct or supplement any provision . . . without the approval of the Home Owners may, effect an appropriate corrective amendment to this Declaration." (p. 16)
2. The Amendment listed hereunder was approved by the unanimous vote of the Homeowners Association Council of Franklin Village on the day of , 2020, in accordance with the Declaration.
3. The purpose of this present amendment is to clarify Home Owners voting right by clarifying "First Mortgagees" usage and requiring the Professional Property Management Company duties regarding "First Mortgages".
4. The Section 7.4 of the Declaration authorizes the President of the Homeowners Association to execute and acknowledge as attorney for each owner any amendment or modification to be filed of record in the Recorder of Deeds Office.

AMENDMENT

**ARTICLE VI: ACCESS TO INFORMATION AND OTHER RIGHTS OF
HOMEOWNERS AND FIRST MORTGAGEES:**

1. Section 6.1: Register of First Mortgages:

The Secretary of the Homeowners Association **ADD(and the Professional Property Management Company)** shall maintain a register of all First Mortgages who notify the Secretary **ADD (and**



the Professional Management Company) of their interest in writing.

2. **Section 6.4: Consent of Home Owners and First Mortgagees to Certain Actions:**

The consent, in writing **ADD (or in person)**, of at least sixty-seven percent (67%). 58 votes, of the Home Owners (based on one (1) vote for each House) **DELETE (and of at least fifty-one percent (51%) of First Mortgagees (based on one vote for each First Mortgage owned) who have registered as provided in Section 6.1) hereof** must be obtained for any change in this Declaration.

IN WITNESS WHEREOF, the undersigned, as President of the Association under the power of attorney vested in him by each Home Owner in the Association, hereby sets his hand and the corporate seal on the day and year first above written.

Attest:

VILLAGE OF FRANKLIN
HOMEOWNERS ASSOCIATION

Just Lynn Adams

John Keeley
John Keeley, President

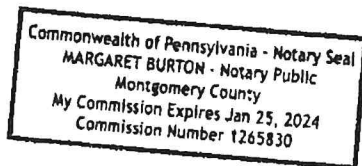
COMMONWEALTH OF PENNSYLVANIA:

:SS.

COUNTY OF CHESTER:

On this 13 day of July, 2020, before me, a Notary Public in and for the Commonwealth of Pennsylvania, personally appeared John Keeley, who acknowledged himself to be the President of the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION, a Pennsylvania Corporation, and he as such officer, being authorized to do so, executed the within instrument for the purpose therein contained by signing the name of the VILLAGE OF FRANKLIN HOMEOWNERS ASSOCIATION by himself to be the President.

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



M. Burton

(Notarial Seal)



VILLAGE OF FRANKLIN
HOMEOWNERS ASSOCIATION

Hershey's Mill

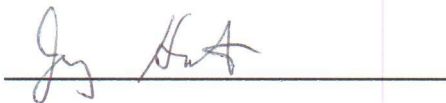
The Village of Franklin Homeowners Association Council hereby vote, as of July 19, 2021, to increase the Capital Contribution Fee "Fee" from one times (1X's) the Quarterly Assessment (Approved by the Franklin Homeowners Association on December 13, 2010 effective January 1, 2011) to two times (2X's) the Quarterly Assessment. The new "Fee" will be in effect for all Settlements and Agreements of Sale occurring on or after January 1, 2022. The "Fee" will be imposed in accordance with Section 5303 (a) (12) of the Pennsylvania Uniform Planned Community Act "The Act". In accordance with "The Act" all proceeds from the "Fee" will be used solely for Association Capital Improvements and or Replacement of Existing Common Elements.



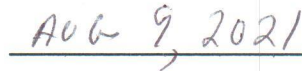
Dominic Aleardi, Council President



Date



Jay Harter, Council Treasurer



Date

PREPARED BY: Clemons Richter & Reiss, P.C.
2003 South Easton Road, Suite 300
Doylestown, PA 18901
(215) 348-1776



RETURN TO: CSK Management, Inc.
1012 W 9th Ave; Ste. 140
King of Prussia, PA 19406



BEING PART OF UPI 53-2-25.3

**AMENDMENT TO DECLARATION OF COVENANTS AND EASEMENTS FOR
THE VILLAGE OF FRANKLIN HOMEOWNERS' ASSOCIATION**

This AMENDMENT TO DECLARATION OF COVENANTS AND EASEMENTS ("Amendment") is made this 13th day of June, 2024 by the Village of Franklin Homeowners Association.

WHEREAS, The Village of Franklin Homeowners Association ("Association") is formed by a certain Declaration of Covenants, Easements and Restrictions ("Declaration") and Bylaws adopted pursuant thereto, to administer, maintain, repair, and replace certain units and common areas in a development situated in East Goshen Township, Chester County, Pennsylvania, known as "Village of Franklin". The Declaration is recorded in the Office of the Recorder of Deeds for Chester County, in Deed Book 639 at page 535 et seq, as amended.

WHEREAS, the Association is governed by the retroactive provisions of the Pennsylvania Uniform Planned Community Act (68 PA.C.S.A. 5101 et seq – the "Act").

WHEREAS, Article V of the Declaration requires that the Association obtain insurance on certain terms and conditions.

WHEREAS, as it pertains to the deductible amount of the Association's insurance policies, the requirement of Article V of the Declaration cannot reasonably be met and has become obsolete and defective.

WHEREAS, Article VII, Section 7.2 of the Declaration authorizes the Council to adopt curative amendments to the Declaration to correct or supplement any provision that is defective.

NOW THEREFORE, in accordance with Article VII, Section 7.2 of the Declaration, the Council hereby adopts and approves the following Amendment:

1. Article V, Section 5.1 (a) is hereby deleted and replaced with the following:

(a) property insurance on a so-called "all risk" basis covering all real property of the Home Owners and of the Homeowners Association, including the Common Area and all buildings and improvements thereon, the Residential Buildings and Houses, and all fixtures and equipment affixed to and considered part of the real estate. To the extent available, such insurance will be on a full insurable replacement cost basis, without deduction for depreciation, but may be subject to (i) a deductible provision for loss or damage related to the thawing of snow, sleet or ice in an amount determined by the Council (consistent with its fiduciary duty to act in the best interests of the Association, to be reasonable, appropriate, and available in the then current insurance market); and the full amount of the deductible shall be borne by any Home Owner incurring the loss or damage; (ii) with a deductible provision in an amount determined by the Council (consistent with its fiduciary duty to act in the best interests of the Association, to be reasonable, appropriate, and available in the then current insurance market) for each other occurrence; and the full amount of the deductible shall be borne by any Homeowners Association and shall be assessed as a Common Expense. The full amount to of such insurance shall (notwithstanding any contrary provision in any mortgage on a House) be payable to an institutional trustee selected by the Homeowners Association, in trust pursuant to an insurance trust agreement between the Homeowners Association and such trustee, to fund the costs incurred by the Homeowners Association to restore the damage pursuant to Article II hereof, with any excess being payable to each Home Owner or his mortgagee as their interests may appear;

2. To the extent not inconsistent herewith, the Declaration and all previous amendments shall remain in full force and effect.

3. In the event a Court of competent jurisdiction shall declare all or any part of this Amendment null and void, it shall have no effect on the validity of the remaining provisions of the Declaration and all prior amendments thereto.

CERTIFICATION OF APPROVAL

On the day and date set forth above, the undersigned officers of Village of Franklin Homeowners Association, hereby certify that the foregoing Amendment has been duly approved in accordance with Article VII of the Declaration.

**The Village of Franklin
Homeowners Association**

Margaret Callahan
President

J. K. Kealey
Secretary

COMMONWEALTH OF PENNSYLVANIA :

:

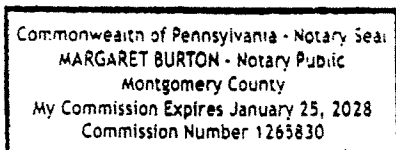
ss.

COUNTY OF CHESTER :

:

On this 13th day of June, 2024, before me, a Notary Public, the undersigned officer, personally appeared Margaret Callahan, who represents him/herself to be President of Village of Franklin Homeowners Association, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the Association as a duly elected officer.

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



Margaret Burton
Notary Public

COMMONWEALTH OF PENNSYLVANIA :

:

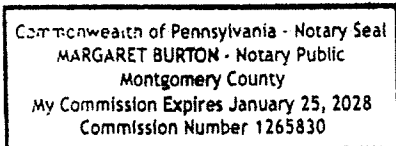
ss.

COUNTY OF CHESTER :

:

On this 13th day of June, 2024, before me, a Notary Public, the undersigned officer, personally appeared Jack Kealey, who represents him/herself to be Secretary of Village of Franklin Homeowners Association, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the Association as a duly elected officer.

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



Margaret Burton
Notary Public