

BUCKS COUNTY RECORDER OF DEEDS

55 East Court Street
Doylestown, Pennsylvania 18901
(215) 348-6209

Instrument Number - 2007107386

Recorded On 11/14/2007 At 12:05:07 PM

* Total Pages - 129

* Instrument Type - DEED AGREEMENT - NO PROPERTY TRANSFER

Invoice Number - 225366

User - NMS

* Grantor - PENNLAND BEDMINSTER L P

*

* Customer - CENTER POINT MANAGEMENT SERVICES CO INC

*** FEES**

RECORDING FEES

\$395.00

TOTAL PAID

\$395.00

This is a certification page

DO NOT DETACH

This page is now part
of this legal document.

RETURN DOCUMENT TO:

CENTER POINT MANAGEMENT SERVICES CO INC
ATTN: AUDREY

I hereby CERTIFY that this document is
recorded in the Recorder of Deeds Office
of Bucks County, Pennsylvania.



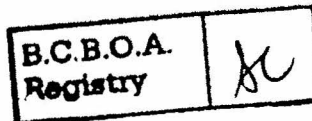
Edward R. Gudknecht
Edward R. Gudknecht
Recorder of Deeds

* - Information denoted by an asterisk may change during
the verification process and may not be reflected on this page.



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CPN# (See Attached List for County Tax Parcel Numbers)

DECLARATION OF PLANNED COMMUNITY

PENNLAND FARM WEST, A PLANNED COMMUNITY Bedminster Township Bucks County Commonwealth of Pennsylvania

THIS DECLARATION, made this 6th day of November, A.D. 2007, by Pennland Bedminster, L.P., a Pennsylvania limited partnership ("Declarant") the legal owner of the real estate herein described.

WITNESSETH:

ARTICLE I SUBMISSION

1.1 Name; County; Description. Pennland Bedminster, L.P., legal owner of the Real Estate described in Exhibit "A" attached hereto (the "Land") located in the Township of Bedminster and County of Bucks, Pennsylvania, does hereby submit said Land, together with the Buildings and improvements thereon erected or to be erected and the easements, rights and appurtenances thereunto belonging (collectively, the "Property") to the provisions of the Pennsylvania Uniform Planned Community Act, 68 Pa. C.S.A. Section 5101, et seq. (the "Act"), and hereby creates a planned community, to be known Pennland Farm West, a planned community (the "Community").

1.2 Submission of Supplemental Common Facilities; Release of Supplemental Common Facilities upon Dedication. Pennland Bedminster, L.P., legal owner of the Real Estate described in Exhibit "F" attached hereto, does hereby submit the Supplemental Common Facilities, together with the Buildings and improvements thereon erected or to be erected and the

easements, rights and appurtenances thereunto belonging to the Act, and to this Declaration; subject to Declarant's reservation of the right to dedicate the Supplemental Common Facilities to the appropriate governmental entities as set forth in Article XXIII. Further provided, that upon the recordation of an instrument with the Bucks County Recorder of Deeds dedicating any portion of the Supplemental Common Facilities to Bedminster Township, the Bedminster Municipal Authority or other appropriate governmental entity, that portion of the Supplemental Common Facilities is released from the provisions of the Act and this Declaration.

1.3 Easements and Licenses. Included among the easements, rights and appurtenances referred to in Section 1.1 above are the recorded easements, licenses, restrictions, etc., as are more specifically set forth upon Exhibit "D" attached hereto and incorporated herein as fully as though set forth at length hereat, and the Property is hereby submitted to the Act in accordance with same. The Property is also subject to all easements and restrictions depicted and set forth on the Approved Plans for Pennland Farm West, as defined hereinbelow, and the easements set forth in this Declaration.

ARTICLE II DEFINITIONS

2.1 Terms defined or used in the Act. Terms used herein and in the Plats and Plans shall have the meanings specified or used for such terms in Section 5103 or elsewhere in the Act, unless otherwise defined herein.

2.2 More Specific Meanings and Non-Statutory Terms Defined. The following terms when used herein or in the Plats and Plans shall have the meanings set forth below:

a. "Approved Plans" shall mean the final subdivision plans approved by the Bedminster Township Board of Supervisors and recorded with the Bucks County Recorder of Deeds Office in Doylestown, Pennsylvania at Plan Book 349, page 1, and as the same may be amended or revised.

b. "Association" or "Community Association" shall mean the Pennland Farm West Community Association, Inc., its successors and assigns, organized or to be organized as a nonprofit corporation under the laws of the Commonwealth of Pennsylvania.

c. "Board" or "Executive Board" shall mean the Executive Board of the Association, elected in accordance with the Bylaws of the Association.

d. "Bylaws" shall mean the Bylaws of the Association, which have been or shall be adopted by the Board, as such Bylaws may be amended from time to time.

e. "Common Assessment" shall mean the charge against each Owner and his Unit, representing a portion of the total costs to the Association of maintaining, improving, repairing, replacing, managing and operating the Common Facilities and/or Controlled Facilities or any portion of the Property which is the responsibility of the Association. The funds raised by such charges shall be placed in the Operating Fund.

f. "Common Expenses" shall mean the actual and estimated costs of any or all of the following: maintenance, management, operation, repair and replacement of the Common Facilities (including unpaid Special Assessments), including those costs not paid by the Owner responsible for payment; maintenance, management, operation, repair and replacement of the Controlled Facilities (including unpaid Special Assessments), including those costs not paid by the Owner responsible for payment; costs of compensation paid by the Association to Manager, accountants, attorneys and other employees; the costs of all landscaping and other services benefiting the Common Facilities and/or Controlled Facilities; the costs of casualty and liability insurance, workmen's compensation insurance, and other insurance covering the Property or the officers and directors of the Association; the costs of bonding of the members of the management body; taxes paid by the Association, if any; amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Facilities, Controlled Facilities, or portions thereof; and the costs of any other item or items designated by, or in accordance with other expenses incurred by the Association for any reason whatsoever in connection with the Common Facilities and/or Controlled Facilities, for the benefit of all of the Owners.

g. "Common Facilities" shall mean and refer to that real estate within the Community which is or shall be owned and maintained by the Association shown on the Approved Plans as Parcel A, Parcel B1, Parcel D, Parcel F, Parcel G (the Propane Storage Area), Village Green #1, Village

Green #2, Village Green #3, Village Green #4 and Village Green #5, and including all improvements located thereon and therein, including without limitation the storm water management facilities and improvements, all landscaping and other plantings, pavilions, playing fields, tot lots, cluster mailboxes, lighting, benches, paving, bike paths, walkways, macadam paths, signs, and recreational facilities. The term "Common Facilities" does not include a Unit. This term also does not include the roadways, public water and sanitary sewer easements and facilities and other utilities within Pennland Farm West, which the Declarant has reserved the right to dedicate as public improvements pursuant to Section 23.2 of this Declaration, or Parcel B and Parcel C, except that the Declarant has identified those areas as "Supplemental Common Facilities" which may be designated as part of the Common Facilities of the Community at the sole discretion of Declarant if the applicable governmental entities fail or refuse to accept dedication of same. If any or all of the Supplemental Common Facilities are designated as Common Facilities by the Declarant, the provisions of this Declaration applicable to Common Facilities shall be applicable to the portions of the Supplemental Common Facilities which have been designated as Common Facilities.

h. "Controlled Facilities" "Controlled Facilities" shall mean and refer to that real estate and/or improvements within the Community, whether or not part of a Unit, as shown on the Approved Plans or as designated in this Declaration, which is not a Common Facility but is maintained, improved, repaired, replaced, regulated, managed, insured or controlled by the Association, being:

i. The paths and bike paths located within Units and on Parcel B as shown on the Approved Plans.

i. "Community" shall mean the residential community of various types of single family detached homes to be known as "Pennland Farm West, a Planned Community", as depicted upon the Plats and Plans, as the same may be amended from time to time.

j. "Declarant" shall mean and refer to Pennland Bedminster, L.P., a Pennsylvania limited partnership, its successors and assigns, except the purchasers of individual Units for residential use. If Pennland Bedminster, L.P. sells less than all of the remaining undeveloped portions of Pennland Farm West to a person or entity who will develop same, the

disposition of Declarant's rights under this Declaration shall be determined between the Buyer and Seller.

k. "Declaration" shall mean this instrument as it may be amended from time to time.

l. "General Common Expenses" means Common Expenses other than Limited Common Expenses, if any.

m. "Hedge Buffer Units" means Units which contain a hedge buffer to be maintained by the Owner pursuant to Section 9.1(h) of this Declaration.

n. "Home" shall mean the single family detached residence located within a Unit.

o. "Manager" shall mean the person, firm or corporation, if any, appointed by the Association hereunder as its agent and delegated certain duties, powers or functions of the Association.

p. "Member" shall mean any person or entity who is a Unit Owner.

q. "Mortgage; Mortgagor" shall mean any mortgage or deed of trust affecting a Unit or other portion of the Property. The term "Deed of Trust" or "Trust Deed" when used herein shall be synonymous with the term "Mortgage." "Mortgagor" shall mean a person or entity who mortgages his or its property to another (i.e., the maker of the Mortgage), and shall include the Trustor of a Deed of Trust. The term "Trustor" shall be synonymous with the term "Mortgagor."

r. "Operating Fund" shall mean the accounts created for receipts and disbursements of the Association, pursuant to Article XVI hereof.

s. "Owner" or "Unit Owner" shall mean the person or persons or other legal entity or entities, including Declarant, holding fee simple interest of record to any Unit which is a part of the Property, including sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation.

t. "Percentage Interest" means each Unit Owner's share of Common Expense Liability appurtenant to each Unit as set forth in Article IV of this Declaration.

u. "Permitted Mortgage" means a first Mortgage to (i) the Declarant; (ii) the Seller of a Unit; (iii) a bank, mortgage service company, insurance company, credit union, pension fund, or like institutional investor or lender; and/or (iv) any individual.

v. "Permitted Mortgagee" means the holder of a Permitted Mortgage who has registered its name, address, and the Unit for which it holds a permitted mortgage, in writing with the Association.

w. "Person" shall mean a natural individual or any other entity with the legal right to hold title to real property.

x. "Property" shall mean that certain parcel of land described in the legal description attached hereto as Exhibit "A", including the improvements located thereon and therein.

y. "Special Assessments" shall mean a charge against a particular Owner and his Unit, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration, or shall mean a charge against all Owners for Common Expenses in excess of the Common Assessments in a budget year.

z. "Supplemental Common Facilities" shall mean those portions of the Community which are intended to be dedicated to Bedminster Township, the Bedminster Municipal Authority or other applicable governmental entity, being all roadways, sanitary sewer and water easements and facilities, utility easements and facilities, Parcel B and Parcel C, which the Declarant may designate, in whole or in part, as part of the Common Facilities of the Community if the applicable governmental entity or entities fail or refuse to accept dedication of same. If any or all of the Supplemental Common Facilities are designated as Common Facilities by the Declarant, the provisions of this Declaration applicable to Common Facilities shall be applicable to the portions of the Supplemental Common Facilities which have been designated as Common Facilities.

aa. "Unit" shall mean and refer to a lot in the planned community and all improvements thereon, designated for separate ownership, as shown on the Plats and Plans and the boundaries of which are as described in Article III of this Declaration. A lot becomes a Unit, subject to assessments, upon the recordation of the Declaration or amendment to the Declaration allocating the percentage interest appurtenant to that Unit under Article IV of this Declaration. No Unit shall be severed from the covenants, restrictions, easements and conditions contained in the Declaration.

bb. "Wetlands Areas" shall mean and refer to those areas shown on the Approved Plans as federally-regulated wetlands and/or federally-regulated waters of the United States, which are governed by federal and state laws and regulations, and local ordinances. Portions of the Common Facilities, and certain Units within the Community, contain Wetlands Areas.

ARTICLE III BUILDINGS; UNITS; BOUNDARIES; TYPES

3.1 Plats and Plans; Units/Common Facilities. The intended location and dimensions of the buildings and other structures and improvements comprising the Property and the location of Units and Common Facilities of the Community are shown on the Plats and Plans attached hereto, made a part hereof and marked Exhibit "C". In addition, the Plats and Plans show fully and accurately the extent of any encroachments by or upon any portion of the Community; to the extent feasible, the location and dimensions of all easements serving or burdening any portion of the Community; all other matters customarily shown on land surveys; as well as the location and dimension of the vertical boundaries of each Unit, to the extent those boundaries lie within or coincide with the boundaries of the building in which the Unit is located; the horizontal Unit boundaries, if any; and the identifying number for each Unit shown thereon.

3.2 Unit Boundaries. The boundaries of each Unit are situated as shown on the Plans and defined as that portion of the Property subdivided and designated as a separate lot in accordance with the Approved Plans. All space, fixtures and improvements within the Unit boundaries are part of the Unit.

a. If any fixture or improvement lies partially within and partially outside the boundaries of a Unit, any portion of the fixture or

improvement serving only that Unit is a Limited Common Facility allocated solely to that Unit.

b. Any fixtures or improvements designed or designated in the Declaration to serve less than all of the Units, but located outside the Unit boundaries, are Limited Common Facilities allocated exclusively to the Unit or Units.

3.3 General Maintenance Responsibilities. The Units and Common Facilities shall be maintained and repaired by each Unit Owner and by the Association in accordance with the provisions of Section 5307 of the Act, except as expressly set forth to the contrary herein. The Controlled Facilities shall be maintained and repaired by the Association to the extent set forth in Article IX of the Declaration. Article IX of this Declaration sets forth maintenance, repair and replacements responsibilities relating to the Homes and Units. All expenses associated with the maintenance, repair and replacement of Limited Common Facilities shall be borne by the Owner(s) of the Unit(s) to which the Limited Common Facilities are allocated.

3.4 Relocation of Unit Boundaries; Subdivision of Units. The Declarant and any Unit Owner or Owners may relocate boundaries between Units pursuant to the requirements of Section 5214 of the Act and upon the approval of Bedminster Township Board of Supervisors. The Declarant, and any Unit Owner or Owners, may subdivide a Unit for the purpose of merging a portion of that Unit with other Units, subject to the requirements of Section 5215 of the Act and upon the approval of Bedminster Township, and provided that no portion of the subdivided Unit shall remain unmerged with another Unit.

3.5 Alterations of Units, Common Facilities, and Controlled Facilities. A Unit Owner:

a. May make any improvements or alterations to the Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Community subject, however, to the Owner's compliance with Section 8.3 of this Declaration.

b. May not change the appearance of or make any alterations to the Common Facilities or Controlled Facilities.

ARTICLE IV
ALLOCATION OF COMMON EXPENSE LIABILITIES AND VOTES

4.1 Allocation of Common Expense Liabilities and Votes:

Attached as Exhibit "B" hereto is a list of all Units, their identifying numbers, number of votes, and the Percentage Interest appurtenant to each Unit for purposes of allocation of Common Expense Liabilities. Except for minor variations due to rounding, the total allocation of Percentage Interests shall aggregate 100%. The Percentage Interest assigned to each Unit shall be calculated by dividing 1, representing the Unit, by the total number of Units created in the Community, and multiplying the result by 100. Allocation of Common Expense Liabilities shall occur not later than sixty (60) days following the date of the first sale of a Unit in a phase. Each Unit shall be entitled to one (1) vote.

ARTICLE V
DESCRIPTION, ALLOCATION AND RESTRICTION AND USE OF COMMON FACILITIES AND LIMITED COMMON FACILITIES

5.1 Common Facilities. The "Common Facilities" are as defined in Article II, Section 2.2(g) of this Declaration. If any or all of the Supplemental Common Facilities are designated as Common Facilities by the Declarant, the provisions of this Declaration applicable to Common Facilities shall be applicable to the portions of the Supplemental Common Facilities which have been designated as Common Facilities.

5.2 Limited Common Facilities. Limited Common Facilities are the portion or portions of the Common Facilities, if any, allocated by the operation of Section 5202(2) or (3) of the Act, or by the Declaration, for the exclusive use of one or more but fewer than all of the Units. A Unit Owner cannot designate any improvement as a Limited Common Facility; any such allocation, reallocation or designation of Limited Common Facilities is subject to the requirements of Section 5209 of the Act.

5.3 Covenant against Partition. The undivided interest of a Unit in the Common Facilities shall be inseparable from a Unit, and any conveyance, lease, devise or other disposition or mortgage or other encumbrance of any Units shall extend to and include the undivided interest in the Common Facilities, whether or not expressly referred to in the instrument effecting the same. The undivided interests of the Units in the Common Facilities and the

fee titles to respective Units conveyed therewith shall not be separately conveyed, transferred, alienated or encumbered and each of said undivided interests shall be deemed to be conveyed, transferred, alienated, or encumbered with its respective Unit, notwithstanding the fact that the description in the instrument of conveyance, transfer, alienation or encumbrance may refer only to the fee title to the Unit. The Common Facilities shall remain undivided and no action for partition or division of any part thereof shall be permitted, unless otherwise provided by law.

5.4 Use of Common Facilities. Except as their use may otherwise be limited by this Declaration, the Bylaws of the Community Association or any Rules or Regulations hereinafter promulgated by the Association (hereinafter collectively referred to as "Community Documents"), each Unit Owner, tenant and occupant of a Unit, and the family members, guests, customers, clients, agents and employees of such Unit Owner, tenant and occupant, may use the Common Facilities in common with all other Unit Owners and tenants or occupants of other Units, and their respective family members, guests, customers, clients, agents and employees, in accordance with the purpose for which they are intended without hindering or encroaching upon the lawful rights of the other Unit Owners.

5.5 Maintenance of Common Facilities; Alteration of Common Facilities by Unit Owner. The Executive Board shall oversee all maintenance and repairs to the Common Facilities. No Unit Owner shall do any work which would affect or alter any of the Common Facilities, or jeopardize the soundness or safety of the Property, or impair any easement or hereditament therein without the consent of the Board. The Board shall have the responsibility for assuring that the Common Facilities, including grass and landscaped areas are kept in a state of repair, except such portions of the Common Facilities as are to remain in their natural state. Maintenance of the stormwater management facilities within the Common Facilities shall include periodic grass mowings and clearout of accumulated sediment, and the performance of periodic inspections of basin berms and outlet structures. Each Unit Owner hereby grants to the Association and the Executive Board as well as to their agents, servants and employees, an easement over such lands of the individual Units as are necessary to perform the repairs or maintenance to the Common Facilities as are deemed necessary by the Executive Board.

5.6 Wetland and Wooded Portions of Common Facilities.
Portions of the Common Facilities are located within an area of federally-

regulated wetlands or within an area of federally-regulated waters of the United States (collectively "Wetlands Areas"), which are governed by state and federal laws, and local ordinances. Such areas are to remain in their natural state, and no action shall be taken which is contrary to state or federal law, or local regulation. Wetlands Areas are considered environmentally sensitive areas, and as such are prohibited from receiving fill material, structures and any ground disturbance (grading). Wetland vegetation may be maintained (i.e. trimmed or cut back) in order to control overgrowth, but may not be formally converted into a lawn. Wooded portions of the Common Facilities shall remain wooded. If a tree within the Common Facilities falls into a Unit, the Association shall remove that portion of the tree within the Unit. Other tree removal within the Common Facilities shall be at the Board's sole discretion for the purpose of addressing hazardous conditions.

ARTICLE VI COMMUNITY ASSOCIATION

6.1 The Community Association. The Community Association shall mean the Association of all Unit Owners, which shall be the organization by and through which the affairs of the Association are administered by its duly appointed or elected Board. Such Community Association shall be known as the Pennland Farm West Community Association. The Community Association is the governing body for all of the Unit Owners of the maintenance, repair, replacement, cleaning, sanitation, management, operation and use of the Common Facilities and Controlled Facilities and the making of any additions or improvements thereto, and shall be carried out as provided by the Bylaws of the Community Association, which constitute the governing regulations as adopted pursuant to the Act and this Declaration for the regulation and management of the Property, including such amendments thereto as may be adopted from time to time, and which are incorporated herein and made a part hereof by reference thereto. The Common Expenses incurred or to be incurred for the maintenance, repair, replacement, cleaning, sanitation, management, operation and use of the Common Facilities, the making of any additions thereto, and the maintenance, repairs and replacements to the Controlled Facilities, shall be assessed by the Community Association as provided for in the Declaration and/or Bylaws, against and collected from the Unit Owners. All Unit Owners upon acceptance of a deed to a Unit shall become members of the Community Association.

Every Unit Owner who shall be a member of the Community Association shall be entitled to all the rights and shall be bound by all of the obligations accompanying membership, provided that any Unit Owner who is holding the interest in a Unit merely as a security for the performance of any obligation shall not be a member.

ARTICLE VII EASEMENTS

7.1 Utility Easements. The Units and Common Facilities shall be, and are hereby, made subject to easements in favor of the Declarant, the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this Section 7.1 shall include, without limitation, the rights of the Declarant, the Association or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, electric lines, wires and conduits, cable television lines, wires, conduits and facilities, water mains and pipes, sewer and drain lines, telephone wires and conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Facilities. Notwithstanding the foregoing provisions of this Section 7.1, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existing at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use or occupancy of the Unit by its occupants, to the extent same is reasonable and practicable. In addition, each Unit Owner shall have an easement in common with all other Unit Owners to use all pipes, wires, ducts, cables, conduits, public utility lines on other Common Facilities serving that Unit and located in any of the other Units. Each Unit shall be subject to an easement in favor of all other Unit Owners to use such pipes, conduits, cables, wires, public utility lines and other Common Facilities serving such other Units and located in such Unit.

7.2 Structural Support. Each Unit shall have an easement to the extent necessary for structural support over every other Unit and over the Common Facilities, and each Unit and the Common Facilities shall be subject to an easement for structural support in favor of every other Unit.

7.3 Declarant's Easement to Correct Drainage. Declarant reserves an easement on, over and under those portions of the Property not located within a building for the purpose of maintaining and correcting drainage of surface water in order to maintain the reasonable standards of health, safety and appearance. The easement created by this Section 7.3 expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Declarant shall restore the affected property as closely to its original condition as practicable. This easement shall terminate two (2) years after the sale or lease of the last home in Pennland Farm West by Declarant or Transfer Declarant to a purchaser. For purposes of this paragraph, the determination of the "last home" shall be based upon the number of homes the Declarant has the right to build in Pennland Farm West.

7.4 Association Access. The Association and its Executive Board, officers, agents and employees shall have an easement of access to each Unit as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Facilities or Controlled Facilities accessible therefrom or the making of any additions or improvements thereto; to make repairs to the Common Facilities or Controlled Facilities if such repairs are reasonably necessary for public safety or to prevent damage to another Unit or Units or the Common Facilities or for general maintenance purposes; for performing maintenance and making those repairs and replacements to the Unit that are the Association's responsibility as set forth in this Declaration; as well as for the purpose of abating any violation of law, orders, covenants, restrictions, rules or regulations of the Association, or of any governmental authorities having jurisdiction thereof.

7.5 Encroachments. If any portion of the Common Facilities hereafter encroaches upon any Unit, or if any Unit hereafter encroaches upon any other Unit or upon any portion of the Common Facilities, a valid easement is granted to the encroaching Unit or Common Facilities for the encroachment and for the maintenance of the same. This easement shall not relieve a Unit Owner of liability in case of the Unit Owner's willful misconduct, nor relieve the Declarant, or any contractor, subcontractor or materialman or any other person of liability for failure to adhere to the plats and plans.

7.6 Easement for Dedication. The Declarant shall have an easement on the Property for the purpose of completing improvements within

any portion of the Property, or any adjoining properties owned by Declarant in connection with the dedication of improvements for Pennland Farm West. This easement shall expire upon the expiration of the maintenance period following the acceptance of dedication of the last improvements dedicated at Pennland Farm West.

7.6 Easements to Run with the Land. The foregoing easements shall run with the land and inure to the benefit of and be binding upon the Association, each Unit Owner, and each mortgagee, lessee, occupant or other person having an interest in any Unit or in the Common Facilities at the time of reference.

ARTICLE VIII OWNERSHIP OF UNITS AND USE RESTRICTIONS

8.1 Ownership of Unit. Except as otherwise provided herein or in the Bylaws of the Association, the Units may be sold, conveyed, mortgaged, leased or otherwise dealt with in the same manner as like dealing are conducted with respect to real property and interests therein. Every Unit, together with its undivided interest in the Common Facilities, is and for all purposes shall be a separate parcel of real property and the Owner thereof shall have the exclusive ownership and possession thereof subject to the covenants, restrictions, easements, rules, regulations, resolution and decisions contained in this Declaration, the Bylaws, or the Rules and Regulations adopted pursuant thereto. Every written instrument dealing with that Unit shall specifically set forth the name by which the Property is identified and that Unit designation identifying the Unit involved.

8.2 Use Restrictions. All real property within the Property shall be held, used and enjoyed subject to the following limitations and restrictions, subject to the exemption of Declarant in Section 8.3 hereof:

a. Each Unit shall be used as a residence for a single family and for no other purpose including any accessory uses otherwise permitted by the Bedminster Township Zoning Ordinance. Otherwise, no part of the Property shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other such non-residential purposes; except Declarant, its successors or assigns, may use any portion of the Property for a

model home or homes, and display sales office, during the construction and sales period.

b. Except for a single small, non-illuminated name sign on the door of a Home, no signs, advertising or other displays shall be maintained or permitted on any part of the Property except in such location and form as shall be determined by the Board. The right is reserved by the Declarant or its agent(s), to place "for sale" or "for rent" signs on any unsold or unoccupied Units, and on any part of the Common Facilities, and the right is hereby given to any permitted mortgagee, who may become the Owner of a Unit, to place such signs on any Unit owned by such permitted mortgagee.

c. There shall be no obstruction of the Common Facilities nor shall anything be stored in the Common Facilities without the prior consent of the Board except as herein expressly provided.

d. Nothing shall be done or kept in any Unit or on or in the Common Facilities which will increase the rate of insurance on the Property, or on the contents thereof, applicable for residential use, without the prior written consent of the Board, which consent may be conditioned upon the Owner of such Unit being required to bear the full amount of such increase. No Owner shall permit anything to be done or kept in its Unit or in the Common Facilities which will violate any law, statute, ordinance or regulation of any governmental body or which will result in the cancellation of any insurance maintained by the Board. No waste shall be committed in the Common Facilities.

e. No pets, other than common domestic pets in the nature of dogs, cats, small birds, fish, hamsters, etc., may be kept by an Owner as household pets. Normal domestic pets, such as those set forth hereinabove, may be kept by Owners, but not for commercial purposes, provided that they do not constitute a nuisance to others and are kept in strict accordance with any rules and regulations relating to household pets promulgated by the Board.

f. No noxious or offensive activity shall be carried on within any Unit or on or in the Common Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or occupants.

g. This Article VIII shall not be construed to prevent or prohibit an Owner from maintaining his personal professional library, keeping his personal business or professional records or accounts, handling his personal business or professional telephone calls or conferring with business or professional associates, clients or customers in the Home.

h. Reasonable Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property, may be promulgated from time to time by the Executive Board. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to Bedminster Township and all Owners by the Board promptly after the adoption of such Rules and Regulations or any amendments thereto.

8.3 Declarant Exemption. Declarant or its successors and assigns will undertake the work of constructing Homes and developing all of the Units included within the Property and any annexation thereto. The completion of that work and sale, rental and other disposal of Homes is essential to the establishment and welfare of said property as a residential community. As used in this Section and its subparagraphs, the words "its successors and assigns" specifically do not include Owners of Lots improved with completed Homes. In order that said work may be completed and the Property be completed and the Property be established as a fully occupied residential community as rapidly as possible, no Owner nor the Association shall do anything to interfere with, and nothing in this Declaration shall be understood or construed to:

a. Prevent Declarant, its successors or assigns, or their contractors or subcontractors, from doing on any Lot owned by them whatever they determine to be necessary or advisable in connection with the completion of said work, including without limitation the alteration of its construction plans and designs as Declarant deems advisable in the course of development;

b. Prevent Declarant, its successors or assigns, or their representatives, from erecting, constructing and maintaining on any Lot, or portion thereof, owned or controlled by Declarant, or his heirs, successors or assigns or his or their contractors or subcontractors, such structures as may be reasonably necessary for the conduct of its or their business of completing said work and establishing the Property as a residential community and disposing of the same in Lots by sale, lease or otherwise;

c. Prevent Declarant, its successors or assigns, or their contractors or subcontractors, from conducting on any Lot, or any portion thereof, owned or controlled by Declarant, or its successors or assigns, their business of developing, subdividing, grading and constructing Homes and other improvements in the Property as a residential community and of disposing of Homes thereon by sale, lease or otherwise;

d. Prevent Declarant, its successors and assigns or their contractors or subcontractors, from maintaining such sign or signs on any Lot owned or controlled by any of them as may be necessary including but not by way of limitation safety and lot identification signs in connection with the sale, lease or other marketing of Lots and Homes in the Property; or

e. Prevent Declarant, at any time prior to acquisition of title to a Lot by an Owner, from granting additional licenses, reservations and rights-of-way to himself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Property.

8.4 Leasing. Except as expressly provided in this Section, there shall be no restrictions on the leasing of Units. No transient tenants may be accommodated in any Unit, and no lease shall be for less than a whole Unit, nor for an initial term of less than twelve (12) months. Each lease shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Act, this Declaration, the Bylaws and the rules and regulations of the Association, and that any failure by the lessee to comply with the terms of such documents shall be an event of default under the lease. The Association shall be a third party beneficiary of such covenants in any lease and shall have the right to enforce them.

A Unit Owner shall provide the Board with the name of the tenant, a copy of the lease, and such other information as the Board may reasonably require, within ten (10) days after leasing his Unit. In the event the Owner shall fail to pay any charge or Assessment levied by the Board against a leased Unit, and this failure to pay continues for sixty (60) days, the Board shall have the right, after first giving the Owner written notice, sent by certified mail, return receipt requested, that the Board intends to so proceed, to notify the lessee of the Unit in writing of the amount(s) due and within fifteen (15) days after the date of the notice, the lessee shall pay to the Board the amount(s) of all

unpaid charges or Assessments. In no event shall the lessee be responsible to the Board for any amount of unpaid charges or Assessments during any one month in excess of one monthly rental installment. In no event shall the delivery of such notice from the Board to the lessee or payment by the lessee of the sums due from the Owner to the Association give the lessee any right to default under the lease or otherwise fail to perform its obligations under the lease unless the specific provisions of the lease shall so provide. The amounts of unpaid charges or Assessments paid to the Board by the lessee after the nonpayment by the Owner shall be credited against and shall offset the next monthly rental installment due to the Owner following the payment by the lessee of the charges or Assessments to the Board.

8.5 Wetland Areas within a Unit. Units 18, 19, 20, 21, 22, 23, 24, 25, 26, 30, 31, 34, 35, 36, 54, 55, 56, 57, 141, 142, 167, 168, 169, 170, 171, 172, 180, 181, 182, 183, 185, 186, 190, 191, 192, and 193 contain federally-regulated wetlands and/or federally-regulated waters of the United States (collectively "Wetlands Areas"), which are governed by state and federal laws, and local ordinances. Such areas are to remain in their natural state, and no action shall be taken which is contrary to state or federal law, or local regulation. Wetlands Areas are considered environmentally sensitive areas, and as such are prohibited from receiving fill material, structures and any ground disturbance (grading). Wetland vegetation may be maintained (i.e. trimmed or cut back) in order to control overgrowth, but may not be formally converted into a lawn.

ARTICLE IX MAINTENANCE, REPAIRS AND ALTERATIONS

9.1 Maintenance of and Repairs to Homes and Units; Enforcement by Association.

a. The Association shall not be responsible for any maintenance of or repairs to the Homes or the Units. All maintenance of and repairs to the Home and the Unit shall be the responsibility of the Owner, and the Owner shall keep the exterior of the Home and the Unit in a reasonable, neat and well-appearing condition.

b. The Association shall provide for trash collection and recycling pickup for the Community through a private contractor.

c. The Owner shall be responsible for snow removal from any areas of sidewalk on, and adjacent to their Unit, and from the driveway serving their Unit, whether or not the same are on the Unit or within the Common Facilities. The Owner shall be responsible for maintenance, repair and replacement of sidewalks and driveways on and adjacent to their Unit, whether or not the same is on the Unit or within the Common Facilities.

d. The Association shall be responsible for maintenance, repairs and replacements to the Controlled Facilities.

e. The standards of maintenance and the scheduling of work for which the Association is responsible shall be in the sole discretion of the Association, based upon recommendations of the management company, if any.

f. Maintenance of Buffer Hedges. Units +++++ (lot nos. from Stip - diff on plan - 1, 65, 66, 67, 68, 94, 138, 182 and 216) contain a hedge in the rear of the Unit to provide a buffer along the existing road. The Owner of each of these Units shall be responsible to maintain, repair and replace the hedge and/or the individual plantings that make up the hedge.

g. In the event that an Owner does not comply with the requirements of this Article IX, the Association shall give the Owner written notice specifying the work required to the Home and/or Unit, and giving the Owner a thirty day period to perform such work. In the event the work is not performed by the Owner as required, the Association shall have the right, without further notice or permission, to enter the Unit and to perform the work, and to charge the cost of such work to the Owner as an assessment against the Unit.

ARTICLE X CONVERTIBLE AND WITHDRAWABLE REAL ESTATE

10.1 Reservation of Option. Declarant explicitly reserves the option, in accordance with the provisions of the Act, until the expiration of seven (7) years from the date of recordation of this Declaration, to create Units and/or Limited Common Facilities, and/or to withdraw real estate, within and from the Convertible/Withdrawable Real Estate as described in Exhibit "G" attached hereto and made a part hereof.

10.2 Approval. This option may be exercised by the Declarant without the consent or approval of any Owner or holder of a mortgage for any Unit, excepting any approval required by Bedminster Township or any governmental agency.

10.3 Termination of Option. This option shall not terminate prior to its expiration seven (7) years from the date of the recording of this Declaration, except by amendment to this Declaration made in accordance with Article XI hereof, filed of record by the Declarant.

10.4 Limitation of Option. Declarant expressly reserves the right to create Units and/or Limited Common Facilities, and/or to withdraw real estate, in and from the Convertible/Withdrawable Real Estate, at any time, at different times, in any order, and without limitation, provided however, that the Convertible/Withdrawable Real Estate shall not exceed the property as described in Exhibit "G". Declarant shall not be required to create Units or Limited Common Facilities within the Convertible/Withdrawable Real Estate.

10.5 Assurances as to Convertible/Withdrawable Real Estate. The Declarant makes no assurances with respect to the exact location or dimensions of any building that the Declarant may build or Units or Limited Common Facilities that the Declarant may create within the Convertible/Withdrawable Real Estate, except that barring such amendments to the subdivision and land use approvals of the Property as may be sought and obtained by the Declarant, buildings and Units, to the extent they are built or created, shall be located in the areas shown on the Plats and Plans. The Declarant makes no assurances with regard to the time in which any Unit or Limited Common Facilities will be created in the Convertible/Withdrawable Real Estate, if at all. The Declarant makes no assurances as to the location, size, architectural style, quality of construction or principal materials employed in the construction of any buildings to be erected within the Convertible/Withdrawable Real Estate, provided, however, that any such buildings or improvements shall be constructed in accordance with the applicable governmental approvals and the quality of construction shall be consistent with the buildings and improvements initially subject to this Declaration. The Declarant makes no assurances as to the nature, type, size or maximum number of Limited Common Facilities, if any, it may create within the Convertible/Withdrawable Real Estate. The Declarant makes no assurances with regard to the boundaries of the portions of the Convertible/Withdrawable Real Estate which may be converted and/or withdrawn, or the order in which

they may be converted and/or withdrawn, except that the Convertible/Withdrawable Real Estate shall not exceed the property described in Exhibit "G".

10.6 Restrictions. All restrictions in this Declaration affecting use, occupancy and alienation of Units, as well as other provisions of the Declaration, shall apply to such Units and lots as may be created within the Convertible/Withdrawable Real Estate, except that differentiations may be made by Declarant as to such Units and lots to reflect and account for considerations that are particular to the Convertible/Withdrawable Real Estate.

10.7. Voting Strength and Common Expense Liability. The share of Common Expense Liability of each Unit in the Community at the time this Declaration is recorded may be increased or decreased by any actions made pursuant to the conversion option reserved in this Article, and any change in the share of Common Expense Liability shall be made using the formula for obtaining Unit Percentage Interest as set forth in this Declaration and in the Public Offering Statement. The voting rights of each Unit Owner shall not change upon the exercise of the option reserved in this Article, and shall be maintained at the one (1) vote allocated to each Unit. The date for assigning assessments and granting voting rights to Units created pursuant to the conversion option reserved in this Article shall be the date of recording of the Amendment to the Declaration effecting such creation.

10.8 Use. Any and all Units created pursuant to the conversion option reserved in this Article shall be restricted exclusively to residential use, provided that such other activities permitted pursuant to Section 8.2(o) of this Declaration shall be permitted.

10.9 Procedure for converting Convertible Real Estate and withdrawing Withdrawable Real Estate. Upon Declarant's election to exercise the options reserved in this Article, as to all or any portion of the Convertible/Withdrawable Real Estate, Declarant shall, at its own cost and expense, prepare, execute and record an amendment to this Declaration in accordance with the provisions of the Act and Article XI hereof, so as to convert such Convertible Real Estate and create Units, Limited Common Facilities, or both, and/or to withdraw such portion of the Withdrawable Real Estate from the Property. The Declarant shall have this right to amend without the approval of any Unit Owner or any mortgagee holding, insuring or

guaranteeing a lien against any Unit. Any such amendment(s) shall be effective upon recordation with the Bucks County Recorder of Deeds Office.

10.10 Maximum number of Units. The maximum number of Units that may be created within the real property described in Exhibit "A", which includes the Convertible/Withdrawable Real Estate described in Exhibit "G", is two hundred seventeen (217) Units. Notwithstanding the foregoing, the Declarant reserves the right to increase or decrease the total number of Units to be created in the Convertible/Withdrawable Real Estate, and to thereby increase the maximum number of Units or decrease the total number of Units to be created in the Community, by obtaining the required governmental approvals for such change.

ARTICLE XI AMENDMENT TO DECLARATION

11.1 Amendment Generally. This Declaration may be amended only in accordance with the procedures specified in Section 5219 of the Act, the other Sections of the Act referred to in Section 5219 thereof, and the express provisions of this Declaration. Provided, however, that no amendment shall discriminate by decreasing a Unit Owner's rights or increasing his obligations, or otherwise against any Unit Owner nor any Unit or class or group of Units unless the Unit Owner so affected and their first mortgagee shall consent; and no amendment shall change any Unit, and other of its appurtenances, nor increase the Owner's share of the Common Expenses unless the Owner of the Unit concerned and such mortgagee as first above recited shall join in the execution of the amendment. Unless a different percentage is expressly required or permitted by this Declaration or the Act, this Declaration may be amended by a vote of at least 67% of the Association.

11.2 Before any Conveyance. Prior to the transfer of any Unit by the Declarant to a Unit Owner, the Declarant may amend this Declaration, plan, and the Bylaws in any legal fashion as the Declarant may deem appropriate. After such transfer, the terms of the following subparagraphs shall apply; provided, however, that any of the provisions of this Declaration setting forth other conditions or amendments shall take precedence.

11.3 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the Executive

Board in which a proposed amendment is considered, and shall be served upon all Unit Owners in the manner hereinafter provided for service of notice.

11.4 Resolution. An amendment may be prepared by either the Executive Board or by Unit Owners holding an aggregate percentage interest of at least 25% in the Common Facilities. No resolution of the Executive Board adopting a proposed amendment shall be effective unless it has the affirmative vote of at least 67% of the votes in the Association as allocated or any larger majority as this Declaration may be amended to specify or as provided for in the Act.

11.5 Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by all the record Owners of Units in the Community in the manner required for the execution of a deed, such amendment shall be effective when recorded.

11.6 Requirement for Unanimous Consent or Declarant Joinder. Unless expressly permitted or required by the Act, no amendment may create or increase special declarant rights, alter the terms or provisions governing the completion or conveyance or lease of Common Facilities, increase the number or Units or change the boundaries of any Unit, the Common Expense Liability or voting strength in the Association allocated to a Unit, or the uses to which a Unit is restricted, if any, without unanimous consent of all Unit Owners affected. Additionally, no provisions of the Declaration reserving special Declarant rights shall be amended without the express written joinder of the Declarant in such amendment.

11.7 Execution and Recording. A certificate shall be attached to or included with a copy of each amendment, certifying that the amendment was duly adopted, which certificate shall be executed and acknowledged by any officer of the Association designated for that purpose or, in the absence of designation, by the President of the Association. Every amendment to the Declaration must be recorded in the Office for the Recording of Deeds in and for Bucks County and shall be indexed in the name of the Community in both the grantor and grantee index. An amendment is effective only upon recordation.

11.8 Corrective Amendment. If an amendment to this Declaration, plats or plans is necessary in the judgment of the Executive Board

to cure any ambiguity or to correct or supplement any provision of the Declaration, plats or plans that is defective, missing or inconsistent with any other provision thereof or with the Act, or if an amendment is necessary in the judgment of the Executive Board to conform to the requirements of any agency or entity that has established national or regional standards with respect to loans secured by mortgages or deeds of trust on units in planned community (such as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation), the Executive Board may, at any time and from time to time, at its discretion, effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or part of the Property upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this Section 11.8, together with a like opinion from an independent registered architect or licensed professional engineer, in the case of an amendment to the plats or plans. Each amendment shall be effective upon its recording pursuant to Article XI, Section 11.7 above.

11.9 Rights of Permitted Mortgagee. Subject to the limitations imposed by Section 5221 of the Act, no amendment of this Declaration which would have the effect of terminating or abandoning the Community (except for termination or abandonment as a result of a taking of all the Units by eminent domain or a casualty resulting in termination), or abandoning, encumbering, selling or transferring the Common Facilities, shall be effective or may be made without the prior written approval of all Permitted Mortgagees. Any amendment having the effect of partitioning or subdividing any Unit or the Common Facilities, or changing the percentage interests of the Unit Owners shall require the written approval of all holders of permitted mortgages on the Units affected thereby. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Facilities shall not be deemed to be a transfer within the meaning of this Section.

11.10 Rights of Declarant. No change, modification or amendment which affects the rights, privileges or obligations of the Declarant shall be effective without the prior written consent of the Declarant.

ARTICLE XII
TERMINATION AND CONDEMNATION

12.1 Termination. The Community shall be terminated as provided by the Act.

12.2 Eminent Domain. Whenever any or all parts of the Common Facilities shall be taken, injured, or destroyed by eminent domain, each Unit Owner shall be entitled to notice thereof by the Executive Board or its designee which shall have the sole and exclusive right to participate in the proceedings incident thereto on behalf of all Unit Owners pursuant to an irrevocable power of attorney which each Unit Owner shall be deemed to have granted to the Executive Board and its designees by the Unit Owner's acceptance of a deed, or conveyance of his Unit. In any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest herein. After such determination, the portion of the award attributable to the interest of the Association in the Common Facilities taken shall be paid to the Association. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Facilities among the Unit Owners in proportion to the Common Expense Liability attributable to the Units before the taking, but any portion of the award attributable to the acquisition of a Limited Common Facility shall be equally divided among the owners of the Units to which that Limited Common Facility was allocated at the time of acquisition.

12.3 By Unanimous Agreement and Approval by Bedminster Township. The Community may be terminated at any time by agreement, in writing, executed by all of the Unit Owners of Units as of the day prior to the date the agreement is recorded. Such termination agreement must be approved by Bedminster Township prior to recording, and such approval by Bedminster Township shall be attached to and made a part of the recorded termination agreement. The termination agreement shall be null and void and of no force and effect in the absence of such approval. Such termination agreement shall include the terms required under Section 5220 of the Act, and shall be recorded with the Bucks County Recorder of Deeds within the time required under Section 5220 of the Act. If, pursuant to a termination agreement, any real estate in the Community is to be sold following termination, the termination agreement shall set forth the terms of the sale. Said termination agreement and all ratifications thereof shall be indexed in the name of the Community in both

the grantor index and the grantee index. A termination agreement shall be effective upon recordation.

12.4 Status if Real Estate not Sold. If the real estate constituting the Community is not to be sold following termination, title to the Common Facilities, upon termination, vests in the Unit Owners as tenants in common in proportion to their respective interests as provided in Section 5220(f) of the Act, and liens on the Units shift accordingly. While the tenancy in common exists, each Unit Owner and the Owner's successors in interest have an exclusive right to occupancy to the portion of the real estate that formerly constituted the Owner's Unit.

12.5 Community Association. The Executive Board, or its designee, is designated to represent Unit Owners in proceedings, negotiations and agreements arising out of condemnation, destruction or liquidation of the Common Facilities, pursuant to an irrevocable power of attorney which each Unit Owner shall be deemed to have granted to the Executive Board and its designees by the Unit Owner's acceptance of a deed, or conveyance of his Unit. Each Unit Owner shall be deemed to have granted an irrevocable power of attorney to the Executive Board and its designees by the acceptance of a Deed or conveyance of his Unit, of the purpose of appointing an insurance trustee to act on behalf of the Unit Owners to receive insurance proceeds if the Association enters into an insurance trust agreement as provided in the Public Offering Statement.

Proceeds from the termination of the Community or destruction or condemnation of the Common Facilities shall be payable to the Association.

12.6 General Provisions. Upon termination of the Community, each Unit Owner's rights shall be governed by Section 5220 of the Act except as set forth above.

ARTICLE XIII RIGHTS OF PERMITTED MORTGAGEES

13.1 Reports and Notices. Upon the specific written request of a Permitted Mortgagee, or its servicer, to the Executive Board, the Permitted Mortgagee shall receive some or all of the following as designated in the request:

a. Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Executive Board to the Owner of the Unit covered by the permitted mortgage;

b. Any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Unit Owners;

c. Copies of notices of meetings of the Unit Owners and the right to be represented at such meetings by a designated representative;

d. Notice of the decision of the Unit Owners to make any material amendment to this Declaration;

e. Notice of substantial damage to any part of the Common Facilities (the repair of which would cost in excess of \$10,000.00);

f. Notice of the commencement of any condemnation or eminent domain proceeding with respect to any part of the Property;

g. Notice of any default by the Owner of a Unit which is subject to the permitted mortgage, where such default is not cured by the Unit Owner within thirty days after the giving of notice by the Association to the Unit Owner of the existence of the default;

h. The right to examine the books and records of the Executive Board at any reasonable time upon twenty-four hours prior notice; or

i. Notice of any decision by the Executive Board to change the type of management of the Community.

The request of a Permitted Mortgagee or its servicer shall specify which of the above items it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Executive Board. The Executive Board need not inquire into the validity of any requests made by a Permitted Mortgagee hereunder. Failure to comply with the requirements set forth above shall in no way invalidate otherwise proper actions of the Association and the Executive Board.

13.2 Taxes, Assessments and Charges. All taxes, assessments and charges which may become liens prior to the first mortgage under the laws of the Commonwealth of Pennsylvania shall relate only to the individual Units and not to the Community project as a whole.

13.3 Unit Owners Priority. No Unit Owner or any other party shall have any priority over any rights of first mortgagees of Units pursuant to their mortgages in the event of a distribution to Unit Owners of insurance proceeds of condemnation awards for losses to or a taking of Units and/or Common Facilities.

ARTICLE XIV REAL ESTATE TAXES

14.1 Real Estate Taxes. It is understood that real estate taxes are to be separately assessed and taxed to each Unit Owner for his Unit, as provided in the Act. For the year in which this Declaration is first recorded, real estate taxes shall be apportioned between Declarant and each Unit Owner on the basis of the fiscal year of the various taxing authorities. In the event that real estate taxes for any year are not separately assessed against each Unit Owner, but rather are assessed against the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage interest in the Common Facilities, and, in said event, such taxes shall be a Common Expense. The Executive Board shall have authority to advance Association funds in payment of all or a portion of such taxes pending receipt from the respective Unit Owners of their proportionate share thereof.

14.2 Real Estate Taxes on Common Facilities. Pursuant to Section 5105(b) of the Act, no separate tax shall be imposed against the Common Facilities. The value of a Unit includes that Unit's appurtenant interest in the Common Facilities.

ARTICLE XV MORTGAGES

15.1 Permitted Mortgages. A Unit Owner other than the Declarant may not voluntarily encumber or subject his or its Unit to any lien, other than the lien of a Permitted Mortgage. All such Permitted Mortgages and the obligation secured thereby shall be deemed to provide, generally, that the Permitted Mortgage and the rights and obligations of the parties thereto shall

be subject to the terms and conditions of the Act, this Declaration and the Bylaws, and shall be deemed to provide specifically but without limitation, that the Permitted Mortgagee shall have no right (a) to participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Common Facilities, (b) to receive or apply the proceeds of insurance to the reduction of mortgage debt or otherwise, except in the event and to the extent of a distribution hereof to Unit Owners upon the happening of either a termination or of insurance proceeds being received in excess of the cost to repair or restoration to the Common Facilities, or (c) to accelerate the mortgage debt or to have any other remedies by virtue of waste or alleged water or other conditions accruing anywhere on the property other than within the affected Unit, and the obligation secured shall be repayable, without penalty, upon the happening of any termination as aforesaid. No Unit Owner shall deliver any mortgage, or any obligation to be secured thereby, unless it has first notified the Executive Board of the name and address of the proposed mortgagee and of the amount of the debt proposed to be so secured. When such a Permitted Mortgage is delivered to the Permitted Mortgagee, the Unit Owners shall simultaneously provide executed or conformed copies to the Executive Board. Upon receipt of such copy of a Permitted Mortgage, the Secretary of the Executive Board shall instruct the insurer of the Property to add the name of the Permitted Mortgagee to the mortgagee loss payable provision of the hazard insurance policy covering the Property and to provide such Permitted Mortgagee with a certificate of insurance showing that the Permitted Mortgagees name has been so added. The Secretary shall maintain a register of such Permitted Mortgages, showing the names and addresses of the Permitted Mortgages and the amounts secured thereby.

15.2 Notice to Mortgagees. The Association shall give Permitted Mortgagees the right, upon written request, to timely written notice of any sixty (60) day delinquency in the payment of an assessment, the lapse, cancellation or material modification of any insurance policy or fidelity bond, or any proposed action requiring the consent of a specified percentage of eligible mortgage holders.

ARTICLE XVI
BUDGETS, COMMON EXPENSES: ASSESSMENTS
AND ENFORCEMENT

16.1 Budget. The method of preparation of the budget, Common Expenses, assessments and enforcement is set forth in Article V of the Bylaws of the Pennland Farm West Community Association. Anything to the contrary contained therein notwithstanding, the following conditions apply to any budget, Common Expense or assessment adopted by the Executive Board.

16.2 Limitation on Expenditures. All expenses, charges and costs of the maintenance, repair or replacement of the Common Facilities and Controlled Facilities, insurance, and any other expenses, charges or costs which the Executive Board may incur or expend pursuant hereto, shall be approved by the Executive Board, and a written memorandum thereof prepared and signed by the Treasurer. There shall be no structural alterations, capital additions to, or capital improvements on, the Common Facilities (other than for purposes of repairing, replacing and restoring portions of the Common Facilities) requiring an expenditure in excess of \$20,000.00 without the prior approval of the Unit Owners entitled to cast 66-2/3% of the votes of all Unit Owners.

16.3 Reserves.

a. Reserve for Replacement and Contingencies. Each annual budget for monthly assessments of Common Expenses shall include an amount reasonably considered by the Executive Board to be sufficient as a reserve for replacements and contingencies as set forth in the Bylaws.

b. Initial Reserve Capital Contribution. At the time of conveyance of a Unit, each purchaser (including purchasers from Declarant and subsequent purchasers from Unit Owners) shall pay, at time of settlement, the sum of Two Hundred Fifty Dollars (\$250.00), and shall remit such amount to the Association. This initial reserve capital contribution fund shall be used to fund or offset the reserve for replacements and contingencies required to be included in the Budget as set forth above. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such initial reserve, as the Executive Board shall determine. In addition, the Executive Board shall have the right to segregate all or any portion of the initial reserve for any specific capital improvement, replacement or contingency upon such conditions as the Executive Board deems appropriate. The Declarant shall not use any portion of the reserve to defray expenses, reserve contributions or construction costs, or to make up a budget deficit.

c. Operating Reserve. Any unused funds remaining in the Operating Fund at the end of the Association's fiscal year shall be placed in an Operating Reserve for future replacements and contingencies.

16.4 Lien. The Association has a lien on a Unit for any assessment levied against that Unit or fines imposed against its Unit Owner from the time the assessment or fine becomes due. The Association's lien may be enforced in accordance with Section 5315 of the Act. Any such lien on a Unit shall be subordinated to a first mortgage recorded before the assessment or fine became due.

ARTICLE XVII INSURANCE

17.1 Generally. The Executive Board shall acquire and pay for insurance as required by the Act in addition to and subject to the following:

a. The Association shall be responsible for obtaining such insurance as the Executive Board deems advisable in the operation, and for the protection, of the Common Facilities and Controlled Facilities.

b. The amount of property insurance on the Common Facilities obtained pursuant to the Act shall be equal to the replacement value of the insured property, without deduction. Such insurance policy(ies) may, at the option of the Board, contain a deductible provision in an amount determined by the Board but not to exceed \$25,000.00.

c. Each Unit Owner and the Executive Board hereby waives and releases any and all claims which he or it may have against any other Unit Owner, the Association, the Executive Board members thereof, the Declarant and the respective employees and agents, for damage to the Common Facilities, caused by fire or other casualty or any act or omission of any such property to the extent that such damage is covered by fire or other form of hazard insurance.

d. If the act or omission of a Unit Owner, or of a member of his family, a household pet, guest, occupant or visitor of such Unit Owner, shall cause damage to the Common Facilities, or maintenance, repairs or replacement shall be required which would have otherwise been a Common

Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Executive Board, to the extent such payment is not waived or released under the provisions of subparagraph (c) above.

e. The release or waiver referred to in subparagraph (c) and (d) hereof shall be valid only if such release or waiver does not affect the right of the insured under the applicable insurance policy to recover thereunder. The Unit Owners and the Executive Board, with regard to the insurance carried by each of them, shall use their best efforts to see that their insurance carriers agree that such release or waiver does not affect their rights to recover.

f. If the Executive Board fails within sixty (60) days of an insured loss to initiate a claim for damages recoverable under the property insurance policy(ies) obtained pursuant to the Act, the holder of any permitted mortgage may initiate such a claim on behalf of the Board. At least once every three (3) years, but more frequently if in the Board's judgment the Common Facilities and Controlled Facilities are rapidly appreciating in value, the Board shall cause an appraisal of the Common Facilities and Controlled Facilities to be made for the purpose of determining the current full insurable replacement value of the insured property, without considering depreciation, and the Board shall change the amount of property insurance on such property to the amount of the then current full insurable replacement value of the property as established by such appraisal.

g. The insurance policy or policies obtained by the Association shall conform to the requirements set forth in Section 5312(d) of the Act.

h. Comprehensive public liability and property damage insurance as required by the Act shall be such limits as the Board shall deem desirable provided that such limits shall not be less than One Million Dollars per occurrence, for personal injury and/or property damage, insuring the Association, the Board members, the managing agent, if any, and their respective agents and employees, and the Unit Owners from any liability to the public or to the Unit Owners, their tenants or invitees, relating in any way to the ownership and/or use of the property or any part thereof.

i. The Board may obtain such other forms of insurance as the Board shall elect, including Board members and officers' liability insurance and such workmen's compensation insurance as may be necessary to comply with applicable laws.

j. The Board shall obtain a fidelity bond or bonds or insurance to protect against dishonest acts on the part of the Board members, officers, agents, employees, volunteers and all others, who handle, or are responsible for handling, funds of the Association. Such bond(s) or insurance shall name the Association as an obligee or insured and shall be in the amount equal to 150% of the then current Common Expense budget or such higher amount as the Board deems appropriate. Such bond or bonds or insurance shall contain a waiver of defense based upon the exclusion of persons who serve without compensation from the definition of "employee" or other appropriate provisions to assure coverage of such persons. In the alternative, bonds or insurance meeting the aforesaid requirements may be provided by the Manager.

k. Except as otherwise provided in this Declaration, premiums for all insurance obtained or maintained by the Board, fees and expenses of the insurance trustee, if any, and the cost of any appraisal which the Board deems advisable in connection with any insurance, shall be Common Expenses.

l. The Association shall use its best efforts to secure policies providing that the policies cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual Unit Owners or any officer or employee of the Board or managing agent, if any, without a prior demand in writing that the Board or managing agent, if any, as the case may be, cure the defect and without a reasonable period of time thereafter in which to cure the same.

m. Insurance coverage on each Unit, including without limitation the residence and all improvements within the Unit, and insurance for his personal liability, shall be the responsibility of each such Unit Owner.

n. If there is a shortfall between all insurance proceeds paid and the estimated cost of repair and restoration to the Common Facilities, the cost of such shortfall shall be borne by the Association, and shall be included as a Common Expense to the Association.

ARTICLE XVIII
INDEMNIFICATION

18.1 Generally. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Board or Association) by reason of the fact that he is or was a Board member, committee member or officer of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Board or committee and the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe this conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Board or committee of the Association, and, with respect to any criminal action or proceeding had reasonable cause to believe that his conduct was unlawful.

The Association may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Board to procure a judgment in its favor by reason of the fact that he is or was a member of the Board, a member of a committee, or an officer of the Association, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Board or the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Board, committee, or the Association.

To the extent that a Board member, committee member or officer has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in the foregoing two paragraphs, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses

(including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under the first two paragraphs of this Article shall be made by the Board on behalf of the Association only as authorized in the specific case, upon the determination that indemnification of the Board member, committee member or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in the first two paragraphs of this Article. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of Board members who are not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Board members so directs, by independent legal counsel in a written opinion, or (3) by a vote of the Association.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Board on behalf of the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board in the specific case, upon receipt of an undertaking by or on behalf of the Board member or officer to repay such an amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article.

The sums necessary to discharge the obligations of the Association under this Article shall be Common Expenses.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board, or otherwise, both as to action in his official capacity and to act in other capacities while holding such office, and shall continue as to a person who has ceased to be a Board member or an officer.

ARTICLE XIX
DECLARANT'S RIGHTS

19.1 Control.

a. Until the 60th day after conveyance of 25% of the Units to Unit Owners other than Declarant, Declarant shall have the right to appoint and remove any and all officers and members of the Executive Board. Declarant may not unilaterally remove any members of the Executive Board elected by Unit Owners other than Declarant.

b. Not later than 60 days after conveyance of 25% of the Units to Unit Owners other than Declarant, two members of the five member Executive Board shall be elected by Unit Owners other than Declarant.

c. Not later than the earlier of seven (7) years after the date of the first conveyance of a Unit to a Unit Owner other than the Declarant, or sixty (60) days after conveyance of seventy-five percent (75%) of the Units to Unit Owners other than Declarant, or two (2) years after the Declarant, including any successors and assigns of Declarant, have ceased to offer Units for sale in the ordinary course of business, or two (2) years after any development right to add new units was last exercised, whichever shall first occur, all members of the Executive Board shall resign, and the Unit Owners (including Declarant to the extent of Units owned by Declarant) shall elect a new five member Executive Board, all of which must be Unit Owners. The Executive Board shall elect officers. The persons elected shall take office upon election.

d. In determining whether Unit Owners other than Declarant are entitled to elect a member of the Executive Board under subsection (b) of this Section 19.1, and/or whether Declarant control has terminated under subsection (c) of this Section 19.1, the percentage of Units conveyed is presumed to be that percentage which would have been conveyed if all of the Units the Declarant has built or reserved the right to build in the Declaration were included in the Community, including those Units which Declarant has reserved the right to create in the Convertible/Withdrawable Real Estate.

ARTICLE XX
COMMON FACILITIES

20.1 Reservation of Right. Declarant explicitly reserves the right, in accordance with the provisions of the Act, to designate as Common Facilities those portions of the Community, including the improvements, defined as Common Facilities in Article II, Section 2.2 hereof, including the Supplemental Common Facilities. The real estate comprising the Common Facilities is more particularly described in Exhibit "E" attached hereto and made a part hereof. The real estate comprising the Supplemental Common Facilities is more particularly described in Exhibit "F" attached hereto and made a part hereof.

20.2 Time for Designation. The portions of the Property set forth above will become Common Facilities upon lease to the Association by Declarant, or conveyance to the Association by Declarant through the recordation of a Deed or Deeds to the Association with the Bucks County Recorder of Deeds Office in Doylestown, Pennsylvania. Such conveyance may be made as to all or any portion or portions of the real estate described in Exhibit "E" and Exhibit "F", and may occur at any time, at different times, in any order, and without limitation except as set forth in this Declaration and the Act.

20.3 Time for Completion of Common Facilities. The Declarant is required to complete the Common Facilities in accordance with the Approved Plans, including the improvements which are a part thereof, not later than the date of conveyance or lease by the Declarant of the last Unit the Declarant reserves the right to include in the Community, or seven (7) years from the date of recordation of this Declaration, whichever shall last occur.

20.4 Responsibilities for Common Facilities prior to Completion. Until the Common Facilities are completed, the Declarant is solely responsible for any real estate taxes assessed against or allocable to the Common Facilities, and for all other expenses in connection with the Common Facilities or any part thereof. Following completion of the Common Facilities, or any portion thereof, the Association shall be responsible for all expenses in connection with the portion or portions of the Common Facilities which have been completed.

20.5 Assurance of Completion of Common Facilities. The Declarant hereby guarantees the completion of the Common Facilities. No third-party guarantee, bond, escrow, letter of credit or other mechanism shall

be provided to the benefit of the Association by the Declarant to secure such completion. The Declarant has posted security to guarantee the completion of the Common Facilities with and to the benefit of Bedminster Township, under and in accordance with the requirements of the subdivision approval for the Community.

20.6 Definition of Completion of Common Facilities. Any portion of the Community shall be deemed to be completed upon the recording of a certificate executed by an independent registered surveyor, architect or professional engineer stating that the portion of the Community, improvement or facility is substantially completed in accordance with the descriptions set forth in the Declaration, the plats and plans, and the public offering statement and so as to permit the use of such portion of the Community, improvement or facility for its intended use.

20.7 Conveyance to Association; Ownership prior to Conveyance. The Declarant shall convey the Common Facilities to the Association not later than the date of conveyance or lease by the Declarant of the last Unit in the Community. No conveyance of the Common Facilities, or any portion thereof, shall occur until the Common Facilities (or that portion of the Common Facilities being conveyed) have been completed, unless a third party guarantee or other mechanism assuring completion as provided in the Act has been provided by the Declarant, as well as the Declarant's own guarantee of completion for the benefit of the Association, and a statement that the third-party guarantee and the Declarant's guarantee shall not expire until completion of the Common Facilities. The obligation to convey the Common Facilities to the Association shall be binding upon the Declarant and any successor in interest of the Declarant, whether or not such successor succeeds to any special declarant rights. The Declarant will own the Common Facilities, including the improvements which are part of the Common Facilities, prior to conveyance to the Association.

20.8 Procedure for Conveyance to Association; Title. The Declarant shall convey title to the Common Facilities to the Association by special warranty deed, including all fixtures and facilities located thereon or therein, including but not limited to the detention basin and all other improvements. The Declarant shall convey title to the Association free and clear of all mortgages, liens, encumbrances and title objections except (a) title objections contained in the Owner's title insurance policy issued to Declarant when it acquired title to the Property; (b) easements of record at the time of

conveyance and utility easements granted or to be granted for drainage, sewer, water, gas, electricity, telephone and any other necessary utilities, and if such utilities are not installed or easements therefor are not granted or reserved prior to the conveyance of the Common Facilities, such easements shall be granted later by the Association at the request of Declarant; (c) this Declaration; (d) provisions of the Bedminster Township Zoning Ordinance and other applicable governmental statutes, ordinances, rules and regulations; and (e) current real estate taxes, if any, which shall be pro-rated between Declarant and the Association. Subject to Sections 20.3 and 20.7 of this Declaration, the conveyance shall occur at Declarant's sole discretion, and approval of the conveyance and/or acceptance of the deed for the Common Facilities by the Association or any Owner shall not be a condition or requirement of such conveyance.

20.9 Consideration. The Common Facilities shall be conveyed by Declarant to the Association for no consideration.

20.10 Effect of Conveyance. Upon conveyance of the Common Facilities to the Association, the Association shall be solely responsible for all management, maintenance, upkeep, repairs and restoration of the Common Facilities, as well as all costs and expenses associated therewith. The costs and expenses of such management, maintenance, etc. will be part of the budget of the Association and will be assessed against all Owners as part of the General Common Assessment in accordance with the Owner's proportionate Common Expense Liability.

ARTICLE XXI NOTICES

21.1 Notices. All notices required to be served upon Unit Owners pursuant to the Act, this Declaration or the Bylaws shall be sufficient if delivered to the Unit or mailed to the Unit Owner at the Unit mailing address by regular mail.

ARTICLE XXII
SPECIAL DECLARANT RIGHTS

22.1 Provisions pertaining to Declarant. Notwithstanding any other provisions herein or in the Bylaws contained, for so long as the Declarant continues to own any of the Units, the following provisions shall be deemed to be in full force and effect:

a. The Declarant shall have the right at any time to sell, transfer, or to lease any Units which the Declarant continues to own after this Declaration has been recorded, without regard to any restrictions relating to the sale, transfer, lease, or form of lease contained herein or in the Bylaws, and without the consent or approval of the Executive Board or any other Unit Owner required.

b. The Declarant does not make, and specifically disclaims any intent to have made, any warranty or representation in connection with any Unit, the Common Facilities, the property or any Community Document except as specifically set forth herein or any agreement of sale for a Unit, and no person shall rely upon any warranty or representation not so specifically made therein.

c. No amendment may be made to the Community Documents without the written consent of the Declarant so long as the Declarant retains the ownership of at least one Unit.

d. The Declarant shall have the right to transact on the Property any business necessary to consummate the sale or leasing of Units in the Community. The Declarant shall have the right to carry on any activities it deems appropriate in the sale and marketing of Units in the Community. The Declarant shall have the right to invite the general public to the Community and to permit parking on the roadways in the Community during such marketing and sales activities.

e. The Declarant shall have the right to locate, relocate and maintain offices and models, including design centers, in the Declarant's Unit or Units, used in connection with the management of or sale or rental of Units owned by the Declarant in the Community. The Declarant shall have the right to locate, relocate and maintain landscaping, fencing, on-site lighting, and other improvements in connection with the offices and models.

f. The Declarant shall have the right to maintain signs within the Declarant's Units, and on the Common Facilities, advertising the sale or lease of Units in the Community owned by the Declarant at the sole cost and expense of Declarant.

g. The Declarant shall have the right to locate, relocate and maintain a construction compound including but not limited to the storage of equipment and materials, and a construction trailer in the Declarant's Unit or Units, and/or within the Common Facilities, and parking for workers, used in connection with the construction of homes within Units in the Community and the construction of improvements within the Common Facilities.

h. With respect to all Units in the Community which have not been sold to Unit Owners other than Declarant, but for which a Certificate of Occupancy has been issued for use as a residential unit, the Declarant shall have the same rights and obligations as Unit Owners.

22.2 Successors to Declarant. For purposes of this Article XXII, the term "Declarant" includes each successor of Declarant and each person to whom Declarant transfers special declarant rights pursuant to Section 5304 of the Act.

ARTICLE XXIII GENERAL PROVISIONS

23.1 Severability. If any provisions of this Declaration or of the plats or plans are determined to be invalid, then that determination shall not affect the validity or affect the main provisions hereof or of the Bylaws, the plats or the plans, all of which shall continue in effect as if such invalid provisions had not been included herein.

23.2 Dedication of Roadways and Utilities. The roadways and public water and sanitary sewer facilities and easements, and other utilities within Pennland Farm West, are not part of the Common Facilities of Pennland Farm West, except in the event the same are designated as part of the Common Facilities by the Declarant if the appropriate governmental entities fail or refuse to accept dedication of all or any part of the same. The Declarant reserves the right to dedicate or convey the roadways, water and sanitary sewer facilities and easements, and utilities and utility easements, including any and all

improvements located therein, to Bedminster Township, Bedminster Municipal Authority, or any other appropriate providing utility or service company or governmental agency or authority. The Declarant shall have the right to dedicate or convey the roadways, water and sanitary sewer facilities and easements, and utilities and utility easements as aforesaid without the consent or approval of the Association, the Board, or any Owner or holder of a mortgage for any Unit.

23.3 HUD/VA Approval. In addition to any other matters requiring HUD/VA approval set forth elsewhere in this Declaration, annexation of additional properties, dedication of Common Facilities, and amendment of this Declaration of Planned Community require prior approval of HUD/VA so long as the Declarant is in control of the Executive Board.

ARTICLE XXIV BEDMINSTER TOWNSHIP RESTRICTIONS

24.1 Bedminster Township Access to Common Facilities. Bedminster Township shall have a perpetual easement permitting Bedminster Township, its agents, employees, and contractors, to access the Common Facilities for the purpose of inspection, maintenance of and repair to the Common Facilities defined in Section 2.1(g) of this Declaration, and particularly to ensure that the maintenance requirements set forth in this Declaration are being maintained. This easement shall not impose any obligation of inspection, maintenance and repair upon the Township, which maintenance and repair shall be the responsibility of the Community Association. Bedminster Township shall exercise its rights under this easement in the Township's sole discretion, upon Bedminster Township's determination that the Community Association has defaulted in its obligations to properly maintain and/or repair the Common Facilities, and following thirty (30) days' notice by Bedminster Township to the Community Association of the Township's intention to exercise its rights as aforesaid. The Community Association shall pay all reasonable costs incurred by Bedminster Township in maintaining and repairing the Common Facilities under this Section 24.1.

The Association and Declarant shall indemnify and hold Bedminster Township harmless from and against all loss, costs and expenses, including reasonable counsel fees, reasonably incurred by the Township in connection with any action, suit or proceeding to which the Township may be made a

party by reason of the location, design, installation, construction and maintenance of the Common Facilities or the Controlled Facilities, unless such claim arises from the gross negligence or willful misconduct of the Township.

24.2 Bedminster Township Access to Units with Hedge Buffer.

Bedminster Township shall have a perpetual easement permitting Bedminster Township, its agents, employees, and contractors, to access the Units subject to Section 9.1(h) of this Declaration for the purpose of inspection, maintenance of and repair to the hedge on said Units. This easement shall not impose any obligation of inspection, maintenance and repair upon the Township, which maintenance and repair shall be the responsibility of the Owner of the Unit. Bedminster Township shall exercise its rights under this easement in the Township's sole discretion, upon Bedminster Township's determination that the Owner has defaulted in its obligations to properly maintain and/or repair the hedge within the Unit, and following thirty (30) days' notice by Bedminster Township to the Owner of the Township's intention to exercise its rights as aforesaid. The Owner shall pay all reasonable costs incurred by Bedminster Township in maintaining and repairing the hedge under this Section 24.2.

24.3 Enforceability. The restrictions of this Article XXIV shall be enforceable by Bedminster Township. The Declarant shall have the right to enforce the restrictions until the expiration of any maintenance period following the release of all performance security under the Financial Security Agreement by Bedminster Township.

24.4 Lien. Bedminster Township has a lien on each Unit for that Unit's proportionate share of the costs incurred by Bedminster Township in exercising its rights to maintain and repair the Common Facilities under Section 24.1 above, and a lien on each affected Unit for the costs incurred by Bedminster Township in exercising its rights against that Unit to maintain and repair the hedge on the Unit under Section 24.2 above. The costs incurred by Bedminster Township in connection with the collection of any sums due to the Township, including attorney's fees, shall be included in the lien. The Township's lien may be foreclosed in a like manner as a mortgage on real estate. Any such lien on a Unit shall be subordinated to a first mortgage recorded before the charge became due.

ARTICLE XXV
HEADINGS

25.1 Headings. The headings herein are for reference purposes only and shall not affect the meaning or interpretation of this Declaration.

25.2 Effective Date. This Declaration shall become effective when it and the plats and plans have been duly entered of record in the Office for the Recording of Deeds in and for the County of Bucks, Commonwealth of Pennsylvania.

25.3 Binding. This Declaration shall inure to the benefit of and shall be binding upon the Declarant, its successors and assigns.

IN WITNESS WHEREOF, the Declarant, PENNLAND BEDMINSTER, L.P. has hereunto set its hand and seal the day and year first above written.

DECLARANT:

PB GP, LLC, as sole General Partner of PB GP, Limited Partnership, as sole General Partner of PENNLAND BEDMINSTER, L.P.

BY: _____

Bernard K. Ciliberto, Authorized Member

Witness

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF BUCKS

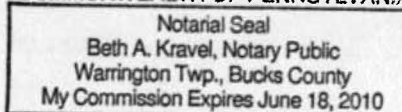
ON THIS, the 6th day of November, 2007, before me, a Notary Public, the undersigned officer, personally appeared Bernard K. Ciliberto, who who acknowledged himself to be an authorized member of PB GP, LLC, General Partner of PB GP, Limited Partnership, sole general partner of Pennland Bedminster, L.P., and that he as such authorized member executed the foregoing Declaration of Planned Community for the purposes therein contained by signing the name of the limited liability company as authorized member.

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

Beth A. Kravel

NOTARY PUBLIC

COMMONWEALTH OF PENNSYLVANIA



Member, Pennsylvania Association of Notaries