

**BEAVER RUN KNOLL COMMUNITY ASSOCIATION
DECLARATION & COVENANTS
Conditions & Restrictions**

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The following print indicates *New Section or Amendments*
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE DECLARATION, made on the date hereinafter set forth by WEDGWOOD ASSOCIATES, a Pennsylvania Limited Partnership (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Caln Township, County of Chester, Commonwealth of Pennsylvania, which property is more particularly described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, Declarant desires to develop thereupon a residential community, together with common lands and facilities, for recreation purposes for the benefit of such community; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities in said community and for maintenance of said common lands and facilities; and, to this end, desires to subject the real property referred to above to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is, and are for the benefit of said property, and each owner thereof; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation of values and amenities in said community, to create an entity to which will be delegated and assigned the powers of maintaining and administering the community facilities, administering and enforcing the covenants and restrictions and levying, collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated, or intends to incorporate, under the law of the Commonwealth of Pennsylvania, as a nonprofit corporation, a community for the purpose of exercising the functions aforesaid;

NOW THEREFORE, Declarant hereby declares that all the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property, and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration or amendment (unless the context shall prohibit) shall have the following meanings:

Section 1. "Association" shall mean and refer to Beaver Run Knoll Homeowners' Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to the Lot which is a part of Properties, including contract seller, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real Property herein before described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real Property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners., The Common Area to be owned by the Association at the time of the conveyance of the first lot as described in Exhibit "B" attached hereto and made a part hereof.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Developer" shall mean and refer to Wedgwood Associates, a Pennsylvania Limited Partnership, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Party Fence" shall mean and refer to the entire wall or a portion of which is used for support of each adjoining Property, situate or intended to be situated on the boundary line between adjoining Properties.

Section 8. "Party Wall" shall mean and refer to the entire wall, or apportion of which is used for support of each adjoining Property, situated or intended to be situated on the boundary line between adjoining Properties.

Section 9. "Member" shall mean and refer to all those owners who are Members of the Association as provided in Article III, Section I, hereof.

ARTICLE II **PROPERTY RIGHTS**

Section 1. Member's Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and rights to use the recreational facilities of a Member for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of Members has been recorded;

(d) the rights of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage said Properties and the rights of such mortgages in said Properties shall be subordinate to the rights of the Members hereunder;

(e) the right of the Association to take such steps as are reasonably necessary to protect the above-described Properties against foreclosure;

(f) the right of the Declarant and the Associate to grant and reserve easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspecting of lines and appurtenances for public or private water, sewer, drainage, fuel oil, other utilities, and development; and

(g) the right of the Association to enter upon any Lot for the purpose of maintenance, restoration or repair in accordance with Article VI, Section 1.

Section 2. Delegation of Use. Any Member may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the member of his family, his tenants, or contract purchasers who reside on the Property.

Section 3. Declarant's Reservation of Right to Maintain Sample Homes. Until such time as the Declarant, its heirs or assigns, is no longer the owner of any Lot or Lots in the Properties subject to this Declaration or in any Property annexed pursuant to Article VII hereof, the Declarant reserves, for itself and its heirs and assigns, the right to such reservation of rights is the right for the developer, its heirs and assigns, to erect and maintain reasonable signage advertising lots and homes for sale and directing potential buyers to the sample homes.

Section 4. Conveyance or Mortgage of the Common Area. The Common Area cannot be mortgaged or conveyed without consent of at least two-thirds (2/3) of the Lot Owners (excluding the developer). If ingress or egress to any residence is through the Common Area, any such conveyance or encumbrance of such Common Area is subject to the Lot Owners easements.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot which is subject to assessment. However, in the event that a Member of the Association should lease his Lot to another person then, and only in the event, Lessee shall be entitled to all the privileges of membership in Association except that the Owner will still be responsible for payment of all assessments and will still be entitled to the vote allotted to the particular Lot in question. The Lessee shall be required to comply with the provisions of this covenant and the rules, regulation and By-Laws of the Association.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any lot, all such persons shall be Members and their vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Members shall be the Declarant which shall be to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Membership upon the happening of either of the following events, whichever occurs earlier:

- a) when the total votes outstanding in the Class A membership equal the total votes outstanding the Class B membership, or
- b) seven (7) years from the date hereof.

When a purchaser of an individual Lot takes title thereto from the Declarant, the purchaser becomes a Class A member and the membership of the Declarant with respect to such Lot shall cease. In the event the Declarant should lease any Lot in the development to another person, then at the time the tenant takes possession and for the duration of such lease and occupancy, the membership of the Declarant with respect to such Lot shall convert a Class A membership and the Declarant's Class B membership with respect to such Lot shall cease.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each lot owned within the Properties, hereby covenants, and each Owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed, such deed is deemed to covenant and agree to pay to the Association; **(1)** annual assessments or charges, and **(2)** special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, cost of collection and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made binding upon the Owner, his heirs, successors and assigns. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall be the personal obligation of the person who was the Owner of the property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to a Member, the maximum annual assessment shall be Three Hundred (\$300.00) Dollars per Lot.

(a) The maximum annual assessment may not be increased each year more than five (5%) above the maximum assessment for the previous year except by a vote of two-thirds (2/3) of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

(b) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Annual Assessment of Developer. The Declarant, the Lots it owns, shall pay an annual assessment equivalent to no less than twenty-five (25%) percent of the annual assessment paid by the Lot Owners, but said assessment shall be limited to those Lots which are encumbered by a construction loan mortgage and which do not have an occupied dwelling unit thereon. The Declarant, for Lots it owns, shall pay the full assessment for those Lots encumbered by a construction Loan mortgage upon which an occupied dwelling unit exists. However, in the event the annual assessments imposed on actual cost of maintaining all Lots, the Declarant shall be responsible for the payment of a sum not to exceed the total annual assessment and charges which it would otherwise be required to pay on all Lots encumbered by a construction loan mortgage, and if this balance is not paid, it will become a lien against those Lots covered by this Declaration that are owned by the Developer.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including necessary fixtures and personal property related thereto, not adequately covered by the Association's reserve fund for such purpose, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each Class of Members who are voting in person or by proxy at the meeting duly called for this purpose.

Section 6. Notice and Quorum for Any Action Authorized Under Section 3 or 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty (60%) percent of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than (60) days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, except that one twelfth (1/12) of the portion of each Members annual assessment allocable to the reserve fund for the replacement of improvements to the Common Area (as set forth below) must be paid by each Member monthly.

Section 8. Date of Commencement of Annual Assessment Due Dates. The Annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period, which assessment shall be allocated in part to a reserve fund for replacement of the improvements to the Common Area. Written notice of annual assessment shall be sent to every Member subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an office of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot shall be binding upon the Association as of the date of its issuance.

Section 9. Effect Nonpayment of Assessment: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the Member personally obligated to pay the same, or foreclose the lien against the Property. No Member may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien of Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

Section 11. Rights of Mortgagee.

(a) Without obtaining the prior written consent of at least seventy-five (75%) percent in number of the persons holding first mortgages on any of the Lots, the Association may not:

(i) Seek, by act or omission, to abandon, partition, subdivide, encumber, sell, or transfer all or any parts of the Common Area or any improvements thereon (except that the Association may grant easement through, over or under the Common Area for public utilities or for other public purposes consistent with the intended use of the Common Areas):

(ii) Change the method of determining the annual and special assessments charged to each Member, as set forth in this Article IV;

(iii) By any act or omission change, waive, or abandon the provisions of Article VI hereof;

(iv) Fail to maintain policies of fire insurance with extended coverage on all improvements to the Common Area, in an amount of the then current replacement cost thereof, but not less than one hundred (100%) percent of the insurable value thereof, based on then current replacement cost; or

(v) Use the proceeds of any hazard insurance for losses to any improvements to the Common Area for other than the repair, replacement, or reconstruction of such improvements.

(b) The holder of any first mortgage on any Lot shall have the right, individually or collectively:

(i) To examine the books and records of the Association during regular business hours, after reasonable notice to the President of the Association; and

(ii) To pay taxes and other charges with respect to the Common Area which are in default and which have become a charge against all or part of the Common Area; and

(iii) To pay overdue premiums on hazard insurance policies insuring the Common Area and the improvements thereto or to secure new policies of such type in the event that previous coverage has lapsed.

Any sums paid by any first mortgagee pursuant to subparagraphs (ii) or (iii) hereof shall be immediately due and payable by the Association to the mortgagee who advanced such funds.

(c) Mortgagees shall not be required to collect assessments nor shall the failure of a Lot owner to pay assessments constitute a default under any insured mortgage.

Section 12. Insurance. The Association shall take out, maintain, and keep in force such policies of insurance as the Board of Directors shall from time to time determine to be necessary for the Common Area. At all times, however, the following insurance coverage shall be maintained by the Association:

(a) Fire and other casualty insurance with "extended coverage" endorsement covering the Common Area and the improvements thereto, in an amount not less than one hundred (100%) percent of the replacement cost thereof. The Board of Directors shall periodically review the adequacy of the limits of existing policies.

(b) Comprehensive public liability insurance covering the Common Area, with such limits of liability as the Board of Directors shall from time to time determine. Such policy of insurance shall name the Association and all Members as insureds and shall contain a "severability of interest" endorsement which shall cover cross liability of one insured against another and shall preclude the insurer from denying the claim of a Member arising out of the negligent act or omission of the Association or another Member

ARTICLE V **ARCHITECTURAL CONTROL**

Section 1. Exterior Changes. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specification showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within **thirty (30)** days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with.

ARTICLE VI **GENERAL PROVISIONS**

Section 1. Easements and Reservations of Rights.

(a) Perpetual easements for the installation and maintenance of sewer, water, gas and drainage facilities, for the benefit of the adjoining land Owners and/or the municipality and/or municipal or private utility company ultimately operating such facilities, are reserved. Also, easements in general, in and over such Lot for the installation of electric, gas & telephone facilities, are similarly reserved. No building or structure shall be erected within the easement areas occupied by such facilities.

(b) Notwithstanding any provisions of this Declaration to the contrary, and in addition to any other reservations of property rights of easements created herein, the Declaration accepts and reserves unto himself, his heirs, assigns and successors in interest, all together with the right of ingress egress to and from all the properties, both private and common, for the purposes of installing, resurfacing, reconstructing, and changing the course of and concerning surface water drainage, water, pipelines, storm water courses and piping, and sanitary sewer courses and lines, which rights are to be exercised so as to cause the least practicable damage and inconveniences, as well as the right to clear and keep clear all trees, roots, bushes, and other obstruction, and all structures of whatsoever kind or nature from the surface and subsurface of the permanent right-of-way and easements, and, during the construction periods only, from the surface and subsurface of the temporary right-of-way and easements, and to place on said temporary right-of-way and easement on each of the aforesaid Properties, wood and timber cleared therefrom, and to install gates and any fence crossing the said right-of-way or easement; provided, however, that nothing herein contained shall be construed as interfering with the right of the Owner or Owners of said Property and successors entitled thereto to use and enjoy the land occupied by said right-of-way and easement for any purpose which does not interfere with the construction, maintenance, and uses aforesaid. Furthermore, the Declarant and its successors in title shall restore and reconstruct, to the extent reasonable practicable, any surface damage arising from the construction, maintenance, and uses aforesaid.

Section 2. Insurance. Nothing shall be done or kept in any Lot or in the common elements which will increase the rate of insurance of the building, or contents thereof, applicable for residential use, without prior written consent of the Association. No Member shall permit anything to be done or kept on his Lot, or in the common elements, which will result in the cancellation of insurance on the building, or contents thereof, or which would be in violation of any law. No waste will be committed in the common elements.

Section 3. Slopes/Drainage. The existing slope or configuration of any Lot shall not be altered, nor shall any structure, retaining wall or planting be moved or installed if such activity would retard, change or otherwise interfere with the natural flow of surface drainage waters causing actual or threatened injury to any other Lots, or which might create erosion or similar problems.

Section 4. Street Lighting. The installation and maintenance of the street lighting system in both the Common Areas and the areas dedicated to the Township of Caln shall be the responsibility of the Association.

Section 5. Enforcement. The Association, or any Member, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Member to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 6. Severability. Invalidation of any one of these covenants or restrictions by judgment or court shall in no way affect any other provisions which shall remain in full force and effect.

Section 7. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than **ninety (90%)** percent of the Lot owners, and thereafter by an instrument signed by not less than **seventy five (75%)** percent of the Lot Owners. Any amendment must be recorded.

Section 8. FHA/VA Approval. As long as there is a Class B Membership, and provided there is an FHA/VA guaranteed mortgage or commitment then outstanding, the following actions will require the prior approval of the Federal Housing Administration or the Veteran's Administration which shall not be unreasonably withheld: annexation of additional Properties, mergers and consolidations, mortgaging of Common Areas, dedication of Common Areas, amendment of the Declaration of Covenants, Conditions and Restrictions, dissolution and amendment of the Articles of Incorporation and amendments of the By-Laws.

ARTICLE VII
ADDITIONS TO THE PROPERTIES BY DECLARANT

Section 1. Annexation. If the Declarant, its heirs and assigns, should develop additional lands contiguous with the property described in Exhibit A attached hereto, such additional lands may be annexed to the said properties without the consent of the Members provided that such annexation shall take place within five (5) years from the date of this instrument and further provided that the development of the addition lands described in this Section shall be not unlike the development of the land described herein. Any such addition shall be made by filing of record a Supplementary Declaration with respect to the additional property which shall extend the scheme of the Declarations, Covenants and Restrictions to such property, modified as necessary to reflect the different character of the additional properties, but not to be inconsistent with any material terms of this Declaration nor to be construed as amending this Declaration in any way. Any proposed additions will become subject to assessment for their share of Association expenses in accordance with the terms hereof.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has hereunto set its hand and seal this 1st day of August, 1985.

WEDGEWOOD ASSOCIATES, A Pennsylvania Limited Partnership

By: _____ (seal)
Peter DePaul, General Partner

By: _____ (seal)
Eugene DePaul, General Partner

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF MONTGOMERY :
: SS.

On this, the 31st day of July, 1985, before me, the undersigned officer, personally appeared Peter DePaul and Eugene DePaul, who acknowledged themselves to be the General Partners of Wedgewood Associates, a Pennsylvania Limited Partnership, and that they as the General Partners, and being authorized to do so, executed the foregoing instrument for the Declarant.

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

Notary Public
SAMUEL C. LEONARD NOTARY PUBLIC