

Declaration of Covenants, Conditions & Restrictions Snow Ridge Village Community Association

THIS DECLARATION is made by the Snow Ridge Village Community Association, a Pennsylvania nonprofit corporation, having a business address c/o Preferred Management Associates, LLC, PO Box 687, Moscow, PA 18444.

BACKGROUND AND INTENT

A. Snow Ridge Village, a planned community, (the “Community”) is a residential and recreational community located in Kidder Township, Carbon County, Pennsylvania that was created by Snow Ridge, Inc. on February 19, 1982 via the Snow Ridge Village Trust Document and Deed of Conveyance (the “Trust Document”), dated February 18, 1982 and recorded on February 19, 1982 in the Office of the Recorder of Deeds in and for Carbon County, Pennsylvania, in Record Book 427, Page 895. The Trust Document was subsequently amended via the First Amendment dated February 1, 1985, recorded in Record Book 61, Page 66; and via the Second Amendment dated February 9, 1990 recorded in Record Book 63, Page 249; and via the Third Amendment dated June 6, 1993 recorded in Record Book 70, Page 794; and via the Fourth Amendment dated November 17, 1999 recorded in Record Book 857, Page 467; and via a restated Trust Document, dated April 20, 2002 and recorded on May 8, 2002 in Record Book 1021, Page 49.

B. The Community consists of 42.04 acres, with 283 Units, which are listed by address and parcel number in Exhibit A to this Declaration and which is demonstrated in the Final P.U.D. Plan, Snow Ridge, Section A, Kidder Township, Carbon County, Pa.” dated June 10, 1981 (the “Plan”) prepared by R.K.R. Hess Associates, Stroudsburg, Pa., recorded in Carbon County Courthouse in Map Book 1, Page 559 (the “Property”). The Units were sold subject to protective covenants and restrictions as described in the Trust Document and its predecessor documents in the chain of title, including the Deed from Blue Ridge Real Estate Company to Snow Ridge, Inc., recorded in the Office of the Recorder of Deeds in and for Carbon County, Pennsylvania, in Record Book 424, Page 36. These documents provided for easements, building restrictions, architectural guidelines and other restrictions commonly found in a planned community or community association. In addition to the Units, the Community has Common Facilities for the use and benefit of the Unit Owners and residents, including the water system, underground infrastructure (electric, water and sewer), roadways, two ponds and walking trails.

C. In addition to the protective covenants and restrictions contained in the Final P.U.D. Plan, the Trust Document and the predecessor documents in the chain of title, the legal description for the Community is provided in Exhibit B and the Plats and Plans for the Community are attached as Exhibit C to this Declaration.

D. The Snow Ridge Village Community Association (the “Association”) was formed to (1) own and manage the Common Facilities that have been created and may be created in the future in Snow Ridge Village, and (2) maintain and advance the social and civic interests of Unit Owners at Snow Ridge Village.

E. The Unit Owners wish to adopt this Declaration in order to provide further for the preservation, use and occupancy of the Units and the Property in a manner that will be beneficial to the Unit Owners and occupants of the Units; to confirm the easements and restrictions that govern the Property for the benefit of the Unit Owners and to confirm the existence and organization of the Association for the purpose of owning, maintaining, managing, administering, repairing and replacing the Common Facilities and carrying out the obligations and functions set forth in this Declaration, all for the purpose of protecting the value and desirability of the Property and the Units.

F. The Unit Owners and the Association intend that Snow Ridge Village is and will be a planned community that will comply, in its organization and operation, with the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S.A. § 5101, et seq. (the “Act”), and all other statutes and laws applicable to the Community.

ARTICLE 1. GENERAL PROVISIONS

Section 1.1. Submission of Property. Each of the Units is made part of the Snow Ridge Village Community pursuant to the Plan, the Trust Document, its predecessor documents in the chain of title, as well as any covenants contained in the deed(s) to each Unit. The Association hereby declares on behalf of itself and its constituent Unit Owners, and each Unit by acceptance of a deed for a Unit, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, that the Property is and shall be held, transferred, sold, conveyed, leased, occupied and used subject to the Act and the covenants, obligations, conditions, easements, duties and other provisions created, declared and contained in this Declaration (as amended from time to time). All present and future Unit Owners and the Units, and their respective tenants, family members, guests, invitees, permittees, agents, servants, employees and any other persons occupying or using any Unit, shall be bound by all of the terms and conditions of this Declaration, the Plats and Plans, the Bylaws and any Rules and Regulations that may be adopted by the Executive Board.

Section 1.2. Applicability of Governing Documents. Each present and future Unit Owner, lessee, occupant and mortgagee of a Unit shall be subject to and shall comply with the provisions of the Act, and with the covenants, conditions and restrictions set forth in this Declaration, the Plats and Plans, the Bylaws, the Rules and Regulations and the deed to such Unit. Acceptance of a deed or mortgage to any Unit, or entering into of a lease or entering into occupancy of any Unit shall constitute an agreement that the provisions of the Act, this Declaration, the Plats and Plans, the Bylaws, the Rules and Regulations and all amendments thereto, and the covenants, conditions and restrictions set forth in the deed to such Unit are accepted and ratified by such grantee, mortgagee or lessee.

Section 1.3. Construction. This Declaration shall be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania, and it is the Association’s intention that this Declaration complies with the Act in all respects. All easements, rights and options created in favor of the Association shall be liberally construed in order to carry out the purpose and intent of such easements, rights and options. In the event that any provisions of this Declaration are determined by a court to be invalid or unenforceable, such invalid or unenforceable provisions of this Declaration shall be deemed stricken and shall not affect the validity or

enforceability of any other provisions of this Declaration. In the event that any provisions of this Declaration are unenforceable or invalid as written, but may be reformed so as to make the same valid and enforceable in accordance with the reasonable intent of the Community's developer, it is the intent of the Association that any court interpreting such provisions shall to the extent permitted by law reform the same so as to make the same valid and enforceable in accordance with the reasonable intent of the Community's developer.

Section 1.4. Covenants and Easements Running with the Land. All of the covenants, easements and restrictions set forth herein shall constitute covenants, easements and restrictions running with the Property in perpetuity, and all such covenants, easements and restrictions shall be binding upon and inure to the benefit of the Association, the Unit Owners and their respective heirs, executors, administrators, successors and assigns.

Section 1.5. Terms Defined in the Act. Terms defined in Section 5103 of the Act and used in the Governing Documents shall, unless otherwise defined herein, have the meanings specified in Section 5103 of the Act or, if not defined in Section 5103 but used in the Act, such terms shall be defined as used in the Act unless otherwise defined herein.

Section 1.6. Terms Specifically Defined. The following terms have the following specific meanings:

- “Act” means the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. §5101 et seq., as amended from time to time.
- “Assessments” means those levies, assessments or sums payable by one or more Unit Owners from time to time as levied or assessed by the Association, in accordance with this Declaration. The term Assessments shall also include any amounts that may become payable by any Unit Owner or that may be levied or assessed by the Association against any Unit, including but not limited to maintenance expenses chargeable to the Unit Owner and fines, costs of enforcement, costs of collection, attorneys’ fees, late charges, interest, fines and penalties.
- “Association” means the Snow Ridge Village Community Association, which has been organized as a Pennsylvania non-profit corporation and which acts as the association of all Unit Owners, and which shall have the duties, rights and privileges that are set forth in this Declaration, in the Nonprofit Corporation Law, in the Bylaws and in the Act.
- “Bylaws” means the rules in effect for the governance of the Association and for the regulation of the organization of the Association. The Bylaws shall be binding upon the Association and all Unit Owners notwithstanding that such Bylaws are not recorded.
- “Common Expense Liability” means the liability for Common Expenses allocated to each Unit Owner.
- “Common Expenses” means and includes the actual and estimated expenses incurred by the Association from time to time for the general benefit of all Unit Owners,

including but not limited to the actual and estimated costs and expenses of: (i) operating the Association; (ii) obtaining insurance coverages required or permitted hereunder; (iii) maintaining, operating and repairing the Common Facilities and the Controlled Facilities, if any, and the establishment of reserves for future costs of maintenance, repair or replacement of any of the Common Facilities and the Controlled Facilities, if any; (iv) promoting the Community and the interests of the Unit Owners as they relate to the Community; (v) settling or satisfying any claim made by any Person against the Association; and (vi) all other costs, expenses and liabilities incurred or to be incurred by the Association in carrying out its rights, duties and privileges pursuant to this Declaration and the Bylaws. In the discretion of the Association and in accordance with this Declaration and the Act, Common Expenses may be designated as “General” (benefiting all Unit Owners) or “Limited” (benefiting fewer than all Unit Owners).

- “Common Facilities” shall mean the real estate and attached improvements that are or will be owned by the Association, and which are described in Section 2.2 of this Declaration. “Common Facilities” shall include the Common Facilities and the Controlled Facilities, and those other facilities that the Association may hereafter own, acquire, construct or control and designate as Common Facilities or Controlled Facilities.

- “Common Maintenance Obligation” shall mean the obligations of the Association to maintain and repair the Common Facilities, and to perform those other duties that may be required hereunder or may be necessary or desirable for the maintenance and improvement of the Community.

- “Community” means the residential development known as Snow Ridge Village and includes all of the Property and all of the Units, the Common Facilities and Controlled Facilities.

- “Controlled Facilities” shall mean any real estate and attached improvements within the Community, whether or not a part of a Unit that is not a Common Facility, and for which the Association may be obligated to maintain, improve, repair, replace, regulate, manage, insure or otherwise control, and which are described in Section 2.3 of this Declaration.

- “Declaration” means this Declaration of Covenants, Conditions & Restrictions for the Snow Ridge Village Community Association, as from time to time amended and supplemented. Words such as “herein”, “hereof”, “hereto” and similar words when used herein, shall be deemed to refer to this Declaration in its entirety, as amended from time to time, unless the context clearly requires otherwise.

- “Executive Board” means the governing body of the Association, consisting of those individuals elected from time to time, pursuant to the Bylaws.

- “Governing Documents” means the Declaration, the Plats and Plans, the Articles of Incorporation, the Bylaws of the Association and the Rules and Regulations of the Association.
- “Limited Common Expenses” means those Common Expenses that are allocated by the Executive Board to less than all of the Units in the Community, as permitted by the Act.
- “Member” means a Unit Owner entitled to membership in the Association.
- “Member in Good Standing” shall mean a Unit Owner (1) who is current in payments of all financial obligations due the Association for every Unit the Member owns in the Community, including obligations pursuant to Executive Board approved payment plans, and (2) who is also currently in compliance with all other legal obligations for every Unit the Member owns in the Community, including all other legal obligations arising under the Governing Documents of the Association.
- “Person” means a natural person, corporation, partnership, association, trust or other entity or combination thereof.
- “Plan” or “Plats and Plans” means the plans for Snow Ridge Village that are recorded in the Office of the Recorder of Deeds in and for Carbon County, Pennsylvania and which are identified in this Declaration.
- “Property” means all of the Units, together with the Common Facilities.
- “Rules”, “Rules and Regulations” or “Community Rules” or similar phrases means those Rules and Regulations that may be adopted by the Executive Board from time to time governing the community, including the Unit Owners’ use and enjoyment of the Unit, the Common Facilities and the Controlled Facilities, if any. The Rules and Regulations may provide greater restrictions on the use and enjoyment of the Common Facilities and Controlled Facilities, if any, than are provided in this Declaration, but may not relax any restrictions on the Unit Owners’ rights of use and enjoyment of the Common Facilities and Controlled Facilities, if any, that are set forth in this Declaration.
- “Stormwater Management Facilities” shall mean, as the context requires, any and all stormwater management or detention ponds or other containment structures, stormwater diversion and/or discharge structures, drainage systems, basins, and any other structures, devices, berms, swales, basins and other improvements, installed or to be installed or constructed for the purpose of collection, transmission, containment, diversion and/or discharge of stormwater, including also any inlets, outlets, headwalls, end-walls, pipes or piping, and any and all other structures or facilities to be constructed or installed on any part of the Property or on any easements appurtenant thereto or on any Unit or Units for the purpose of managing and/or controlling stormwater runoff, as the same may be modified, reconstructed, enlarged, altered or replaced from time to time.

- “Township” means Kidder Township, Carbon County, Pennsylvania, or any successor municipality within which the Property is located.
- "Unit" means the individual parcels owned by each Unit Owner, and such term shall be deemed to include any improvements located thereon, namely, single-family residences, which are not designated “Common Facilities” at any time.
- "Unit Owner" means the record owner, whether one or more Persons or entities, of the fee simple title to any Unit, except a Person holding such title solely as security for an obligation. If more than one Person holds title to any Unit, all such Persons, taken together, shall be deemed to be a single Unit Owner for purposes of this Declaration, and all obligations imposed on a Unit Owner pursuant to this Declaration shall be the joint and several obligations of all of the Persons holding title to the particular Unit.
- “Utility Easements” means the easements for occupancy of utilities, and for access thereto, for inspections, repairs, maintenance, replacements and renewals thereof by the Association, the Township and each Unit Owner (if necessary).

ARTICLE 2. DESCRIPTION OF COMMUNITY

Section 2.1. Units. There are 283 Units in the Community, which is the maximum number of Units. Each Unit is comprised of the single family residence and the parcel on which it is located. Units are subject to the regulation and control of the Association. Unit Owners are responsible for the maintenance, repair and replacement of all portions of the exterior of the Unit. Maintenance and architectural standards for the Units may be adopted and enforced by the Association. Owners are required to insure their Units, and may be required to provide evidence of such insurance to the Association.

Section 2.2. Common Facilities. The Common Facilities shall include (to the extent not dedicated to the Township or any applicable municipal or private authority or utility provider), all real estate not included within the title lines of any Unit and any improvements on such real estate. There is no convertible real estate in the Community. The Common Facilities include, but are not limited to the water system, underground infrastructure (electric, water and sewer), roadways, two ponds and walking trails.

Section 2.3. Controlled Facilities. The Controlled Facilities are facilities that are not owned by the Association but that are required to be maintained, improved, repaired, replaced, regulated, managed, insured or controlled by the Association. Certain duties and restrictions may be placed on Unit Owners with respect to the Controlled Facilities. The Association is not obligated to insure any of the facilities that are not owned by the Association. In each case, the Association will have the right to enforce the obligations of the Owner and the restrictions on use. If an Owner or other Person obligated to do so does not maintain a Unit in accordance with the Governing Documents and the standards of the Association or does not comply with any other obligations imposed by the Governing Documents, then the Association shall have the right to perform the work necessary to bring the Unit and facilities into compliance with the Governing Documents and the Association’s standards, and to assess the costs of such work to the Unit Owners or Persons

who failed to do so. The Controlled Facilities in the Community shall include, but may not be limited to, an agreed-upon percentage of required maintenance for Jack Frost Mountain Road that benefits the Community, and an agreed-upon percentage of required maintenance of a wastewater treatment plant that benefits the Community (in accord with pertinent Road Maintenance Agreement(s) and Wastewater Treatment Agreements, and any addenda thereto).

ARTICLE 3. ASSOCIATION; MEMBERSHIP; ASSESSMENTS

Section 3.1. Association Powers and Duties. The Executive Board shall be the governing body for and on behalf of all Unit Owners, and shall have all duties, rights, privileges and responsibilities as are set forth in this Declaration, in the Bylaws and in the Act. All rights, powers and duties that are granted to the Association pursuant to this Declaration, the Bylaws or the Act shall be exercised, carried out and performed by and through the Executive Board, except when any provision of this Declaration, the Bylaws or the Act requires that any such powers, rights, duties or privileges may be exercised or carried out only by Members. The Association shall be responsible for the maintenance, repair, replacement, management, operation and administration of the Common Facilities and the Controlled Facilities.

Section 3.2. Membership. Every Unit Owner, by acceptance of the deed to his/her/its/their Unit, shall become a Member of the Association and shall become liable to pay all Assessments that may be levied by the Association against him/her/its them with respect to his/her/its/their Unit, and any costs and expenses for which the Unit Owner may become liable pursuant to this Declaration, the Bylaws or the Rules and Regulations. Membership in the Association shall not be severable from ownership of a Unit, and membership in the Association shall be transferred automatically upon the conveyance of title to a Unit. Membership in the Association shall, except as otherwise hereinafter provided, be limited to the Unit Owners.

3.2.1. Membership Rights and Obligations. Every Unit Owner, as a Member of the Association, shall be entitled to enjoy all of the rights and shall be subject to all of the obligations of membership in the Association, subject to the right of the Executive Board to suspend any such rights or privileges, including voting rights, in the event any Member fails to pay Assessments levied against him/her/its them or his/her/its/their Unit.

Section 3.3. General Duties and Powers. Without limiting the general grant of authority and duties provided in this Declaration or the Act, the Association, acting by and through the Executive Board, shall have the following rights, duties, obligations and privileges (the power and the duty):

- To maintain and manage the Common Facilities and certain of the Controlled Facilities, if any (as elsewhere provided herein);
- To keep the Common Facilities and certain Controlled Facilities, if any, in good condition and repair and to make any necessary repairs and replacements thereof or thereto;
- To purchase insurance coverages or fidelity bonds for or on behalf of the Association;

- To adopt operating and capital budgets of the Association with respect to the Common Facilities and Controlled Facilities, if any, and to make amendments thereto, as from time to time necessary;
- To compute, levy, assess and collect Assessments;
- To enforce the collection of delinquent Assessments by any one or more methods set forth in this Declaration, and to impose late payment fees or charges, and after providing for notice and an opportunity to be heard, to levy reasonable fines for violations of this Declaration, the Bylaws or the Rules and Regulations;
- To adopt, amend and repeal, from time to time, such Rules and Regulations as the Executive Board may deem necessary or appropriate for the regulation of the use and enjoyment of the Common Facilities, the administration of the Community or for the health benefit and welfare of the Unit Owners and the residents of the Community;
- To promote compliance with the Governing Documents and, when reasonably necessary, to use reasonable measures to enforce the Governing Documents using one or more remedies available at law or in equity any and all of the provisions of the Governing Documents;
- To prosecute or defend claims, suits, and causes of action by or against the Association, its directors, officers, agents and employees, and to litigate, arbitrate, mediate, settle, compromise and/or release any such claims against the Association and members of the Executive Board and to maintain directors and officers liability insurance;
- To promote Community spirit and civic involvement by the Association and its members, by supporting reasonable community and civic activities; and
- To do all things necessary or expedient in order to carry out all the powers, rights, privileges, duties and functions of the Association.

Section 3.4. Discretionary Powers. Without limiting the general grant of authority and duties provided in this Declaration or the Act, the Association, acting by and through the Executive Board, shall have the following rights and privileges (the power but not the duty):

- To grant easements to third parties over, across or under the Common Facilities (if, as and when acquired) or any portions thereof, as may be necessary from time to time for the benefit of the Association or any of its Members, including but not limited to easements in favor of public or private utility or service companies furnishing electric, gas, water, sanitary sewer, telephone, open video systems, cable internet access, or cable television services;
- To undertake additional obligations with respect to the Controlled Facilities, if any, and to assess such expenses as either General Expenses, at the discretion of the Executive Board;
- To impose fees for the preparation and recording of amendments to the Declaration and a charge for resale certificates;

- To dedicate and convey, with an 80% affirmative vote of the Members, the Common Facilities or parts thereof;
- To cause additional improvements to be made as part of the Common Facilities and Controlled Facilities, if any; and
- To enter into contracts or agreements with third parties as may be necessary or appropriate from time to time in connection with the performance of the Association's rights, duties and obligations, and to pay for goods and services furnished to the Association pursuant to such contracts or agreements.

Section 3.5. Delegation of Powers. The Executive Board shall have the right, subject to any limitation set forth in the Bylaws, to delegate one or more of its duties hereunder to a manager or agent or to other Persons, firms or corporations, provided that any contracts with any such managers, agents or other firms shall be for a term of not more than three (3) years and shall be terminable by either party without cause and without further liability on the part of the Association upon not more than ninety (90) days prior written notice given by the Association. All other terms and conditions of such agreements shall be as determined by the Executive Board.

Section 3.6. Voting; Membership Standing. Each Member in Good Standing shall be entitled to one (1) vote per Unit. A vote may be cast in person, by proxy, by mail-in ballot or electronically through the use of a commercial third-party Association voting platform. In the event that a Unit is owned by more than one Person, such Unit Owners, taken together, shall have only one (1) vote with respect to such Unit.

Section 3.7. Conflicts in Voting. In the event that a Unit is owned by more than one Unit Owner, and if there is a conflict between the Unit Owners as to how such vote should be cast on any matter, such vote shall be counted for purposes of determining the presence of a quorum at any annual or Special Meeting of Members, but otherwise the conflicting votes of the Owners of such Unit with respect to a particular matter on which the Members are entitled to vote shall be deemed to cancel each other and, therefore, shall not be counted. The voting rights of a Member, where a corporation, partnership or other entity owns the Unit, shall be exercised by the individual designated from time to time by the Unit Owner in a written instrument provided to the Secretary of the Association, subject to the provisions of this Declaration and the Bylaws.

Section 3.8. Executive Board. Subject to the other provisions of this Declaration and of the Bylaws, the Executive Board shall have the full power and authority to act on behalf of the Association. The Executive Board shall also have the power and authority to elect and remove Officers as provided in the Bylaws.

Section 3.9. Limitations on Authority. The Executive Board may not act on behalf of the Association to amend this Declaration, terminate the Community, elect members of the Executive Board or determine the qualifications, powers and duties or terms of office of the Executive Board members, except as set forth in this Declaration or the Bylaws. The Executive Board may fill vacancies in its membership for the unexpired portion of any term. The Executive Board shall deliver to all Unit Owners copies of each budget approved by the Executive Board and

notice of any capital expenditure approved by the Executive Board promptly after such approval. The Unit Owners may, by an affirmative vote of a majority of all Members, reject any budget or capital expenditure approved by the Executive Board within thirty (30) days after approval.

ARTICLE 4. MAINTENANCE, REPAIRS, REPLACEMENT & IMPROVEMENTS

Section 4.1. Obligations of the Association. The Association shall maintain, repair, operate and replace the Common Facilities as reasonably necessary, and shall have the authority to improve the Common Facilities. The Executive Board has the discretion and authority to determine the level, frequency, quality and cost of all maintenance, repair, operational and replacement service obligations of the Association. The Association has no obligation to maintain, repair, or replace any portion of any Unit.

Section 4.2. Obligations of the Unit Owners. Each Unit Owner shall maintain, repair and replace all interior and exterior components of the Unit. Each Unit Owner shall maintain the Unit in a safe, clean and sanitary manner, in good order and repair and in accordance with all those covenants, conditions, restrictions, rules and regulations as may apply and with the reasonable standards of the Association. In the event that the Unit is not maintained in accordance with such standards, the Association may request compliance and, subject to due notice and hearing, the Executive Board may impose sanctions to encourage responsible maintenance and, in appropriate cases, the Association may undertake corrective action and assess the expenses of such action against the Unit Owner as a Limited Common Expense. Prior to making any improvements to the Unit, the Unit Owner shall comply with the procedures and standards established by the Governing Documents and obtain such written approvals as are required.

Section 4.3. Duty of Care and Damages. In performing their obligations, each Unit Owner and the Association and their contractors shall be aware of the location of all under-ground utility facilities and Stormwater Management Facilities, and shall use due care when performing any work on and about these facilities so as not to damage them. Each party shall be responsible for its own acts or omissions and the acts or omissions of any of its contractors that cause damage to any facilities in the Community.

ARTICLE 5. ASSESSMENTS AND BUDGET

Section 5.1. Assessments for Common Expenses. Each Unit will be allocated and assessed an equal (pro rata) share of the Association's General Common Expenses. Individual Unit Owners may also be assessed Limited Common Expenses relating to expenses which benefit their Unit but not all Units, or as otherwise permitted by the Act, and/or Controlled Facilities, if any. Each Owner of a Unit shall pay to the Association all Assessments that may be levied by the Association against his/her/its/their Unit or against him/her/its them with respect to his/her/its/their Unit, including, but not limited to, all regular Assessments made due and payable on a monthly, quarterly, yearly or other periodic basis as determined from time to time by the Executive Board based upon the budget of the Association, all Special Assessments that may be levied and assessed from time to time in accordance with the terms of the Declaration and any interest charges, attorneys' fees, late fees, fines or penalties that may be levied by the Executive Board for non-

payment of Assessments or for non-compliance with the terms and conditions of this Declaration, Bylaws and/or any Rules and Regulations promulgated by the Executive Board.

5.1.1. The annual common expense assessments shall be based on the approved budget, and will be assessed against the Unit Owners in such fair and equitable proportions and amounts as shall from time to time be deemed appropriate for the proper functioning of the Association.

Section 5.2. Budget; Assessments; Fees.

5.2.1. Annual Budget. The Executive Board of the Association shall adopt a budget of the Association for such fiscal year setting forth the estimated Common Expenses of the Association and other costs, expenses, liabilities and reserves which the Executive Board may deem appropriate. Assessments for the fiscal year to which such budget relates shall be computed based on the total Common Expenses, including Limited Common Expenses, if any, anticipated for such fiscal year as set forth in the budget, in excess of any other income and surplus actually resulting from the excess of Assessments levied from a prior year or years over Common Expenses actually incurred in such prior year or years. The Executive Board shall levy Assessments at least annually and shall cause notice of all Assessments to be sent to all Unit Owners promptly after the Assessment for any fiscal year has been determined or re-determined in accordance with the Declaration.

(a) Amending the Budget. The budget of the Association may be changed from time to time by the Executive Board to reflect any substantial change in the Common Expenses incurred or expected to be incurred by the Association for such fiscal year. The Executive Board shall have the power to increase or decrease the Assessments based on such changes in the budget, such increase or decrease to be effective not earlier than thirty (30) days after the Association's Treasurer shall have given notice to the Unit Owners.

5.2.2. Notice of Budget. Promptly after adoption (or amendment) of the budget for a fiscal year, the Executive Board shall cause notice of the Assessment and a copy of the budget to be provided to each Unit Owner. Such budget shall become effective unless rejected within thirty (30) days by majority vote of all Members of the Association at a duly called and constituted Special Meeting of the Association. Unless the Members request a meeting, the budget and Assessment shall take effect without a meeting of the Members, effective as of the first day of the fiscal year of the Association to which such budget relates.

5.2.3. Failure to Adopt Budget. In the event that the budget is rejected by the Members, or in the event that the Executive Board fails for any reason to adopt a budget for any fiscal year, then the regular Assessment for the immediately preceding fiscal year shall be deemed to continue in effect until a budget has been adopted by the Executive Board (and not rejected by the Members) on the basis of which a new regular Assessment may be determined.

Section 5.3. Special Assessment. The Executive Board of the Association may, from time-to-time, levy one or more Special Assessments to meet unanticipated or extraordinary

expenses, to make repairs, additions or improvements to the Common Facilities or for other purposes consistent with the Declaration.

Section 5.4. Lien for Assessment. Any regular or Special Assessments or supplemental Assessments, together with interest thereon, fines, late charges, costs of collection and attorneys' fees shall be a charge against the Unit, and shall be a continuing lien upon the Unit against which such Assessment is made, from time of Assessment (notwithstanding that such Assessment may be payable at a later time or in two or more installments) having such lien priorities and being subject to divestiture in such manner as is provided in the Act as the same may be amended from time to time.

Section 5.5. Capital Improvement Fee. The Executive Board shall have the power to impose a Capital Improvement Fee to be paid upon every transfer of title to a Unit. The amount of the Capital Improvement Fee shall not exceed the total annual Common Expense Assessment(s) which were levied against the Unit being conveyed or transferred during the most recent completed fiscal year of the Association.

5.5.1. No Capital Improvement Fee shall be payable upon a purely gratuitous transfer of title to a Unit between spouses, parent and child, siblings or grandparent or grandchild.

5.5.2. Capital Improvement Fees may be used only for new capital improvements or replacements of existing improvements on the Common Facilities, and may not be used for operation, maintenance or other purposes.

5.5.3. The Capital Improvement Fee shall be payable in addition to any Assessments which may be due on a Unit at the time of conveyance or transfer of the title. The Capital Improvement Fee is a lien on the new Unit Owner's Unit, and the personal obligation of the new Unit Owner. Until paid, the Capital Improvement Fee is enforceable and collectible in the same manner as an unpaid Assessment. The Capital Improvement Fee is not refundable.

Section 5.6. Unit Owner's Continuing Obligations to Pay Assessments. In consideration of the continuing obligations and duties borne by the Association, and without regard for whether stated in any deed for a Unit, each Unit Owner of record, by accepting and retaining the deed to a Unit, shall be, and shall remain at all times during which they remain the Unit Owner of record of a Unit, subject to a continuing duty and obligation to pay all Assessments, fees, fines, expenses, interest, costs, attorney's fees and/or charges levied or assessed by the Executive Board under the Governing Documents, together with the duty and continuing obligation to promptly fulfill all of the Unit Owner's duties and obligations under the Governing Documents.

5.6.1. Non-Abatement of Unit Owner's Duties and Obligations. A Unit Owner's duties and/or obligations under the Governing Documents shall not be abated, canceled, released or waived, in whole or in part, due to any maintenance, repair or replacement work which may be performed by a Unit Owner, an Occupant and/or by a Unit Owner's or occupant's agents, servants, employees, or contractors upon any Unit. A Unit Owner's duties and/or obligations under the Governing Documents shall not be abated, canceled, released or waived, in whole or in part, due to any interruption or impairment of any Unit Owner's or occupant's use, enjoyment or occupancy

of any Unit, or by any interruption or impairment of any Unit Owner's or occupant's use of the Common Facilities or Limited Common Facilities, if any. A Unit Owner's obligations to fully and promptly pay assessments, liened assessments, fees, fines, expenses, interest costs, attorneys' fees and/or charges levied or assessed by the Executive Board under the Governing Documents, or any of a Unit Owner's other obligations or duties under the Governing Documents, shall not be abated, canceled, released or waived in whole or in part, due to insufficient services or the interruption of services intended for the benefit of the Unit Owner or occupant, by the Association under the provisions of the Governing Documents.

5.6.2. No Withholding or Escrow of Sums Due to the Association. A Unit Owner may not withhold, set-off against, escrow, refuse or forebear from making prompt and full payment of all assessments, fees, fines, expenses, interest, costs, attorneys' fees and/or charges levied or assessed by the Executive Board under the Governing Documents or withhold, refuse or forebear from performing any of the Unit Owner's other obligations or duties under the Governing Documents for any reason.

5.6.3. Unit Owner's Continuing Obligations to Pay Assessments. A failure of the Association to enforce any of the Governing Documents shall not bar or limit the power of the Association to demand and enforce strict performance of the Governing Documents at a later time, and shall not in any way diminish, including but not limited to, each Unit Owner's obligation to pay all Assessments, costs, expenses, fees, fines, charges, interest and costs of collection, including attorneys' fees levied or assessed by the Executive Board under the Governing Documents.

Section 5.7. Delinquencies. If any Unit Owner fails to pay any Assessment within ten (10) days after the due date, interest thereon shall accrue from the due date at the rate of fifteen (15%) percent per year. The Association, acting through the Executive Board, shall have the right to establish late fees applicable to delinquent Assessments. The Association shall have the right to recover all of the costs of collection (including attorneys' fees and costs) from a Unit Owner who is delinquent in the payment of any Assessments. In the event that an Owner is delinquent in the payment of any Assessments for more than sixty (60) days after the due date, the Executive Board shall have the right to accelerate all future installments of Assessments for the current fiscal year with respect to the delinquent Unit Owner.

5.7.1. Collection. The Executive Board, on behalf of the Association, may bring a lawsuit to recover any delinquent Assessments and other costs and expenses which may be payable by any Unit Owner. The lawsuit may be brought at law or in equity against the Unit Owner personally obligated to pay the same. The Association shall be entitled to seek and pursue any and all rights and remedies as may be available at law or in equity. The Association may recover from the delinquent Unit Owner all attorneys' fees and other costs of collection as well as late charges, interest and fines levied by the Association with respect to unpaid and delinquent Assessments, and the same shall become due on demand by the Association.

5.7.2. Suspension of Rights. If any Assessment or installment thereof is not paid within thirty (30) days after its due date, or in the event that all delinquencies are not satisfied at least five (5) days prior to any annual or Special Meeting of Members, the Executive Board shall

have the right to suspend the rights of the delinquent Member to use and enjoy the Common Facilities and to suspend the voting rights and other privileges of such Member.

Section 5.8. Collection Upon Sale of a Unit. In the event that title to a Unit is transferred in connection with a sale pursuant to execution on any lien against the Unit, the Executive Board may give notice in writing of any unpaid Assessments which have not been reduced to a lien, and such unpaid Assessments of which the Sheriff has notice shall be paid out of the proceeds of such sale after payment of other claims required by law to be paid first, but prior to any distribution of proceeds to the Unit Owner of such Unit. If an Eligible Mortgagee or other purchaser acquires title to a Unit pursuant to foreclosure of a first mortgage, or by deed in lieu of foreclosure, the transferee shall not be liable for unpaid Assessments accrued through the date of such transfer, but the lien securing such amounts shall not be divested except as provided in the Act.

Section 5.9. Statement of Amounts Due. The Executive Board shall, upon the written request of a Unit Owner, provide the Unit Owner with a statement setting forth the amount of unpaid Assessments currently levied upon such Unit Owner's Unit, including any credits or surplus in favor of such Unit. The Executive Board will deliver the statement within ten (10) business days after receiving the Unit Owner's written request for such a statement.

Section 5.10. Information for Purchasers. In the event of a resale of a Unit, the Unit Owner shall furnish to a purchaser before execution of any contract for sale of a Unit, a copy of the Declaration, the Bylaws, the Rules and Regulations and a Resale Certificate as required under Section 5407 of the Act (the "Resale Certificate"). The Unit Owner shall also provide a copy of the Agreement of Sale to the Association promptly after its execution.

Section 5.11. Resale Certificate. The Unit Owner shall notify the Association of his/her/its/their intention to sell the Unit so that the Association may prepare a Resale Certificate. Within ten (10) days of the receipt of written notification, the Association shall issue a Resale Certificate, which shall contain all of the information required under Section 5407 of the Act. A reasonable fee shall be established from time to time for the cost of preparation of such Certificate and shall be paid by the Unit Owner at the time of the request for such Certificate. The Resale Certificate may be prepared by an Executive Board member of the Association or by an employee of the Association's management company. No conveyance shall discharge the personal liability of the Unit Owner for unpaid Assessments or charges whether or not shown on such Certificate. A properly executed Resale Certificate of the Association as to the status of Assessments on a Unit shall be binding upon the Association as to any purchaser or mortgagee relying thereon in good faith as of the date of its issuance, but shall not relieve the Unit Owner of personal liability for any unpaid Assessments.

ARTICLE 6. INSURANCE

Section 6.1. General Right and Duty to Purchase Insurance. The Executive Board shall obtain or cause to be obtained commercial general liability and casualty insurance covering liability or loss or injury (including death) to persons and loss or damage to property, in such amounts and against such risks, and from insurance companies, as the Executive Board shall determine, provided that in no event shall such commercial general liability insurance be less than One Million Dollars (\$1,000,000.00) for bodily injury or death arising from a single occurrence.

Such policies shall have such deductibles or co-payments as the Executive Board may determine, in its discretion. Such insurance shall protect the Owners and the Association against liability arising out of the use of, or the loss, damages or injuries occurring on the Common Facilities and/or Controlled Facilities, if any. The minimum insurance amount may be reduced to such amount as the Executive Board shall determine is appropriate in the absence of the Association having any rights or interests in the Common Facilities and/or Controlled Facilities, if any, so long as such minimum insurance amount (or such increased amount as the Executive Board shall determine appropriate) is maintained in the event the Association does retain or acquire any rights and interests in the Common Facilities and/or Controlled Facilities, if any.

Section 6.2. Association Property Insurance. The Executive Board shall obtain all risk hazard insurance policies covering damage to the Common Facilities, including, if applicable, flood insurance coverage, such insurance to cover any fixtures, improvements or equipment constructed or to be constructed on the Common Facilities. To the extent available, such insurance shall be with “replacement cost” coverage.

Section 6.3. Insurance Obligations of Unit Owners. The Association shall have no insurance responsibility with respect to any Unit or other improvements located on any Unit. Each Unit Owner shall maintain hazard, fire and liability insurance with respect to his/her/its/their Unit, and against losses, damages or injuries occurring on his/her/its/their Unit. The Executive Board shall have the right to promulgate standards that shall be required to be met by each Unit Owner with respect to property, casualty and liability insurance coverage to be obtained with respect to the Units to be located on the Units. The Association shall have the authority to obtain appropriate insurance coverage for any Unit Owner who does not do so, if practicable, and the power to assess the costs of such coverage against such Unit Owner.

Section 6.4 . Policy Provisions. All policies purchased by the Association shall be for the benefit of the Association, and the costs and premiums thereof, and any deductibles or co-payments thereunder, shall be deemed to be General Common Expenses of the Association. Such insurance shall be purchased for the benefit of the Association, the Executive Board, the Unit Owners and all Eligible Mortgagees, as their interests may appear, provided that it shall be sufficient if the named insured on such policies is the Association. Endorsements in favor of mortgagees holding mortgages on any Units may be issued upon request, any expenses thereof to be borne by the Unit Owners requesting such endorsements. The Association shall maintain any insurance coverage that may be required under applicable law. The Executive Board shall have the right to increase insurance coverage and obtain additional insurance coverage not specifically stated herein as the Executive Board may from time to time determine, in its discretion, and the premiums for such additional or different insurance coverage shall be deemed to be General Common Expenses of the Association. Policies of insurance shall be deposited with and shall be maintained by the Executive Board.

Section 6.5. Repair After Casualty or Damage. Each Unit Owner further covenants and agrees that in the event of any damage to the Unit, the Unit Owner shall proceed promptly to repair, replace or to reconstruct the damaged Unit in a manner consistent with the Community. Any new structure used as a replacement to a structure that has been damaged, destroyed or razed shall be substantially the same quality or better as the structure that it is replacing. Any portion of the

Community for which insurance is required to be maintained by the Unit Owner by the Act or the Declaration and which is damaged or destroyed shall be required to be repaired or replaced promptly by the Unit Owner unless:

(1) the Community is terminated;

(2) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or

(3) Eighty (80%) percent of all of the Unit Owners, including any Owner of a Unit that will not be rebuilt, vote to not rebuild.

The Unit Owner shall pay any costs of repair or reconstruction not covered by insurance proceeds.

Section 6.6. Other Insurance Coverage. The Executive Board shall also have the right to obtain other insurance coverage and endorsements which may be applicable to the Common Facilities, all premiums for which shall be General Common Expenses, including, but not limited to, workers compensation insurance, directors and officers liability insurance, fidelity bonds with respect to employees, agents or managers hired by the Association, and/or any and all other insurance coverage as the Executive Board may from time to time deem necessary or appropriate.

Section 6.7. Powers of Executive Board. The Executive Board shall have full and exclusive power and authority to negotiate, adjust and compromise all claims for insurance coverage for all losses except losses to the Unit(s), and to execute and deliver releases therefor upon payment of the agreed settlement for such claims.

ARTICLE 7. PROTECTIVE COVENANTS

Section 7.1. Residential Uses. The Units are restricted to single family residential use and may not be used for any other purpose by any Unit Owner or any occupant or any future Unit Owner or occupant.

Section 7.2. Commercial Use Prohibited. The Units may not be used for (a) any commercial or business purpose, or for the manufacture of, or permit the manufacture “for sale” of any vinous, spirituous or malt liquors thereon; and/or for (b) any industrial, manufacturing or commercial activity, trade or business; and/or for (c) any mining, quarrying or removal of gravel, soil, rock or other materials from the Property or any of the Units, except for excavation and removal of soil necessary in connection with the normal construction and maintenance of buildings, driveways, landscaping and appurtenant residential improvements on the Units.

Section 7.3. General Use Restrictions. The Association shall have the right to enforce use restrictions, including but not limited to those which arise in the deed from Blue Ridge Real Estate Company to Snow Ridge, Inc., dated August 31, 1981 and recorded on September 1, 1981 in Carbon County Deed Book Volume 424 at Page 36, etc., and/or the following:

- i. No Unit shall be committed to a form of ownership known as Time Shared or Interval Ownership. As used herein, Time Shared Ownership or Interval Ownership shall mean a form of ownership whereby the Unit is conveyed or an interest in and to such dwelling unit is conveyed or otherwise transferred for a stated period of time wherein the purchaser thereof receives a right to occupy such Unit for a stated time period coupled with a freehold estate or an estate for years in and to such Unit, or a right to occupy such House for a stated time period not coupled with a freehold estate or an estate for years (this last form of Time Shared or Interval Ownership is herein called a “time-shared license”).
- ii. No Unit Owner or occupant will do, suffer or permit any activity or storage on or in any Unit which will increase the rate of insurance on such Unit or any other Units in the Community, or on the Common Facilities.
- iii. The Association shall have the right, with the approval of the Executive Board, to make Reasonable Rules and Regulations as to the conduct of the Unit Owners or upon the Common Facilities to enhance the Community and prevent erosion, depletion, and to protect plantings, seeded areas, trees, shrubs, grass, bushes, wildlife, water, banks, streams, dams, bridges, fish, birds, and to destroy pests and pursuant to such authority to prohibit temporarily the Unit Owners or others from the enjoyment of access over the Common Facilities for such reasonable periods as the Executive Board deems necessary from time to time. These shall be deemed to include, but shall not be limited to, the right to repair roads and walks, create detours and repair, reconstruct, replace or build anew any road, walk, pipe, building structure, bridge or any other manner or thing reasonably necessary to effectuate the foregoing without let or hindrance from the Unit Owners. The Executive Board shall have the further right, upon the same terms and conditions as set forth in this paragraph, to make and enforce reasonable rules for the use of the Common Facilities including the scheduling of use and such other rules and regulations as may be necessary for the good order, health, safety and welfare of the users thereof. This power shall be deemed to include the power to bar, limit or charge fees for the use of Common Facilities by bona fide guests of Unit Owners and to limit their number, time, use or deportment upon the Common Facilities.

Section 7.4. Accessory Uses. Units may be used for accessory uses that are customarily incidental to residential use, including home-based (i.e., “work from home”) occupations; provided that any such use conforms with applicable zoning regulations, and is otherwise approved by local authorities and does not unreasonably interfere with other Unit Owners/residents. No use will be permitted that includes the presence of any customers, clients, staff, employees or contractors. The Association may promulgate and enforce reasonable Rules and Regulations regarding accessory uses and/or home-based businesses.

Section 7.5. Approval Required. No Unit, part of any Unit, or any addition, alteration or improvement to an existing Unit may be erected without first obtaining, in writing, the approval of the Association, as to location, elevation, plan and design. No structure of a temporary character, trailer, basement, tent or shack may be used on any Unit at any time as a residence, either

temporarily or permanently; nor may any outhouse of any nature whatsoever be constructed or located upon the premises. Any construction initiated on any Unit must be completed within twelve (12) months of the date of such initial construction.

Section 7.6. Animals. No animals, livestock or poultry of any kind may be raised, bred or kept on any Unit, except that dogs, cats or other household pets may be kept by Unit Owners, provided that they are not kept, bred or maintained for any commercial purpose. A maximum of two (2) household pets may be kept by any Unit Owner in any Unit at any one time. Tenants/Leasees are not permitted to keep any household pets at any time.

Section 7.7. Burning Brush, Debris. No Person may clear brush, trees or anything else of an inflammable nature, without first obtaining written permission of the Association. Unit Owners may not burn brush anywhere in the Community.

Section 7.8. Firearms. The use of firearms, fireworks, BB/pellet guns, explosives of any kind and bows and arrows, is prohibited anywhere in the Community.

Section 7.9. Illegal Uses. No Unit Owner shall permit his/her/its/their Unit to be used or occupied for any illegal or prohibited purpose. Unit Owners and their guests shall conduct themselves at all times in an orderly manner, so as not to disturb the peace and quiet of others.

Section 7.10. Parking; Vehicles. Parking is limited to two personal vehicles per Unit. Commercial vehicles, other than for local delivery or maintenance, buses, vehicles in excess of 5000 lbs. empty weight, non-operating and unlicensed vehicles, snowmobiles, trailers, boats, boat trailers, recreational vehicles, motor homes, ATVs and unlicensed motorcycles are prohibited unless prior written approval is granted by the Executive Board. The Executive Board shall have the power to define and limit the types of vehicles which may be driven, parked or stored on the Property, and may promulgate reasonable rules and regulations governing the use of the roads and parking areas. The Executive Board may prohibit certain types of vehicles from being driven, parked or stored on the Property. No maintenance work shall be done to any vehicle located on any Unit or any exterior portion of the Property.

Section 7.11. Signs. No sign of any kind shall be placed upon any Common Facility at any time. No sign of any kind shall be placed upon any Unit if such sign is visible from the exterior, without the prior written approval of the Association. The Executive Board shall have the right to remove any sign placed in violation of this restriction or the rules adopted by the Board, and to assess the costs of such action against the Unit Owner.

Section 7.12. Miscellaneous Use Restrictions.

7.12.1. No Unit shall be used so as to create a nuisance or an unreasonable interference with the peaceful possession and occupancy or proper use of any other Unit or the Common Facilities. No Unit Owner or occupant of any Unit shall carry on, or permit to be carried on, any practice that unreasonably interferes with the quiet enjoyment and proper use of another Unit or the Common Facilities or the Controlled Facilities, if any, by the Unit Owner or occupant of any other Unit, or that creates or results in a hazard on the Property.

7.12.2. Each Unit shall be maintained by its Unit Owner and occupant in a safe, clean and sanitary manner and condition, in good order and repair and in accordance with all applicable restrictions, conditions, ordinances, codes and any rules or regulations as may be applicable hereunder or under law. In the event that the Unit Owner fails to keep the exterior appearance of the Unit in a neat and attractive manner and in conformity with any Rules and Regulations respecting maintenance of Units, the Association shall have the authority, but not the obligation, to undertake such repairs and restoration of the exterior of said Unit as the Executive Board may determine to be necessary or appropriate to bring said Unit into conformity, with the accepted appearance and standards of the Community and the aforesaid Rules and Regulations, and shall collect any charges therefor from the Unit Owner thereof in the same manner as any other charges assessed against the Unit Owner or occupant of said Unit.

7.12.3. No Person may obstruct the Common Facilities in any way. No one may store anything in or on the Common Facilities without the prior written consent of the Executive Board.

7.12.4. No portion of the Property shall be used or maintained as a dumping ground for rubbish, trash, new or used lumber or wood, metal scrap, garbage or other waste, except that such material may be kept in a Unit or in areas of the Property as shall be designated for such purpose by the Executive Board, provided such material shall be kept in sanitary containers and in a clean and sanitary condition.

Section 7.13. No Combination, Subdivision or Partition. Units may not be subdivided or partitioned, directly or indirectly, except with the prior written approval of the Association.

Section 7.14. Above-Ground Utilities. No above-ground conduits, pipelines, electric, telephone, cable television, radio or other utility transmission line or antenna shall be installed on any Unit or on the exterior of any Unit, except with the prior written approval of the Association.

Section 7.15. Outdoor Storage. The Association shall have the power to regulate the storage of items on the Property, including the Unit, and may promulgate reasonable rules and regulations governing the outdoor storage of such items including but not limited to, lumber, wood, firewood, building materials and/or other personal property.

Section 7.16. Stormwater Management Facilities. No activities, uses or improvements shall be conducted, constructed or maintained on any Unit which would be detrimental or adverse to or which may interfere with any erosion control, stormwater control or soil conservation facilities or improvements located on such Unit (including, but not limited to, stormwater management basins, drainage easements, drainage swales and the like).

Section 7.17. Trees/Landscaping. The Association shall have the power to regulate the removal of trees and shrubs throughout the Property, including the Units, and may promulgate reasonable rules and regulations governing the removal of trees and shrubs. No trees, shrubs or other plants may be planted or maintained within the right-of-way of any road in the Community or in any place that will interfere with the drainage swales along the roads in the Community.

Section 7.18. Appearance; Nuisances. No portion of any Unit shall be used in whole or in part for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye (in the sole discretion of the Executive Board). No loud, noxious or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause annoyance or nuisance to any Person using any portion of the Property. It shall be the responsibility of each Unit Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt condition of his/her/its/their Unit.

Section 7.19. Leasing. The Association shall have the power to regulate the leasing and rental of Units in the Community and may promulgate reasonable rules and regulations governing the leasing of Units in the Community, including rules and regulations governing the short-term rental of Units in the Community. The Association shall have the power to prescribe a form of rider or addendum to be used with any lease or rental agreement, which rider or addendum may contain reasonable provisions for the protection of the Association.

Section 7.20. Community Rules. Reasonable rules and regulations concerning the use and enjoyment of the Property may be promulgated from time to time by the Executive Board, and the Executive Board shall have the authority to enforce such Rules and Regulations by any appropriate means, including fines or other sanctions or the suspension of a Unit Owner's rights to participate in the Association or use of the Common Facilities. In the case of egregious or continuous violations that adversely affect any other resident of the Community or that jeopardize the safety of people or Property in the Community, the Executive Board shall have the power to seek Court approval to prohibit specified Persons from living in the Community. The Executive Board shall furnish copies of the Rules and Regulations to all Unit Owners promptly after the adoption of such Rules and Regulations or any amendments.

ARTICLE 8. ASSOCIATION APPROVAL

Section 8.1. Submission of Plans. When any provision of the Governing Documents requires the approval of the Executive Board or the Association prior to or in connection with the construction, reconstruction, alteration or modification of any Unit, or other improvement on any Unit, or any action, the Person proposing such action or improvements shall submit to the Board appropriate documentation to support the request, including, when appropriate, plans, specifications and elevations depicting the style, size and height of the proposed improvement, the exterior materials and colors to be used in connection therewith (including roofing materials) and the proposed location thereof on the Unit as shall be reasonably necessary for a proper review of the request for approval.

8.1.1. Approval Rights, No Deemed Approval. The Executive Board shall have the discretion to disapprove or conditionally approve any proposed actions, improvements, alterations or modifications to existing improvements which the Executive Board, in its sole and absolute discretion, determines do not comply with the Governing Documents or are undesirable based upon the nature, size, style and colors of other Units and other improvements located within the Community, the proximity of the proposed improvements to neighboring Units and the general architectural and aesthetic compatibility of the proposed improvement, structure, alteration or

modification with other similar structures and improvements constructed or planned for construction on the other Units within the Community. The Board may consider the visual impact that proposed improvements, alterations, modifications or structures may have on the Unit Owners or occupants of neighboring or nearby Units within the Community, and the fiscal impact that they may have on the Association's budget. There shall be no "deemed approval" of a request, and only a written approval, signed by an authorized representative of the Executive Boards binding on the Association. Any request for approval that is not approved in writing within 45 days of its complete submission will be deemed to be denied.

8.1.2. Liability for Approval or Disapproval. Neither the Association, the Executive Board nor any officer of the Association shall be liable, in damages or otherwise, to anyone in connection with the approval or disapproval of any plan or request for the construction, reconstruction, alteration, modification or addition of any improvement or structure, or for the consequences of such approval or disapproval. The Association shall not be responsible for determining the safety or structural soundness of any proposed construction, reconstruction, alteration, modification or improvement or the compliance thereof or of the plans and specifications relating thereto with applicable laws, regulations, ordinances and building codes.

Section 8.1.3. Aesthetic Appeal. The Unit Owner or occupant of any Unit proposing any such improvement shall try to maximize its aesthetic appeal and minimize the negative visual impact on other Units within the Community. The Board may retain all plans submitted to the Executive Board for review, regardless of whether the proposed improvement has been approved or disapproved.

ARTICLE 9. EASEMENTS

Section 9.1. Perpetual Easement. A perpetual easement exists in favor of Unit Owners, their heirs, successors, assigns, agents, servants, licensees and invitees, together with the right of ingress and egress and regress over a certain access easement to Snow Ridge Village from Route 940 described in Carbon County Deed Book 424, Page 36 et seq., on September 1, 1981.

Section 9.2. Easement of Unit Owners to Use and Enjoy Common Facilities. The Unit Owners who are Members in Good Standing and their residents, tenants, family members, invitees and guests shall have the right to use and enjoy, in common with all other Unit Owners, the Common Facilities subject to such Rules and Regulations regarding the use of the Common Facilities as the Executive Board may promulgate from time to time.

Section 9.3. Miscellaneous Easements. In addition to the easements specifically granted by the Act, the Community shall be subject to the following easements and restrictions:

9.3.1. An easement in favor of the appropriate utility companies for such services as are desirable or necessary to adequately serve the Community; including (by way of illustration and not limitation) the right to install, lay, maintain, repair, relocate and replace telephone, internet, fiber optic, cable television and/or other communication wires, cables and equipment, over, under, through, in, along and on the Community (including, without limitation, one or more Units therein).

9.3.2. The Common Facilities shall be and hereby are made subject to an easement in favor of the Unit Owners and their residents, tenants, family members, invitees and guests, the Association and the agents and employees of the Association for access, egress and ingress over, through and across each portion thereof, pursuant to such requirements and subject to such charges as the Executive Board may from time to time prescribe; provided that nothing contained herein shall create any access easement in favor of Unit Owners with respect to such portions of the Common Facilities which is not needed in order to gain access to one or more Units and as to which the Executive Board may from time to time determine is necessary or desirable to limit or control access by Unit Owners or the occupants of Units, or both.

9.3.3. The Common Facilities shall be and hereby are made subject to an easement in favor of the Association and the agents, employees and independent contractors thereof, for the purpose of the inspection, upkeep, maintenance, repair and replacement of the Common Facilities.

9.3.4. The Units are subject to easements in favor of the Association and its agents, employees and contractors, (i) for inspection of the Units in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible, (ii) for inspection, maintenance, repair, and replacement of the Common Facilities situated in or accessible from such Units, and (iii) for correction of emergency conditions the Common Facilities.

9.3.5. All easements, rights and restrictions described and mentioned in this Declaration are easements appurtenant to and running with the land and shall, at all times so long as the Community remains subject to the Act, be binding upon and inure to the benefit of the Declarant and its successors and assigns, the Association and its successors and assigns, and all Unit Owners, purchasers, mortgagees, lessees and other persons having an interest in the Community or any portion thereof.

9.4. Roads. All of the roads upon which any Unit abuts are subject to easements in favor of the Association and the Unit Owners for the use of said roads for the purpose of ingress, egress and regress by the Unit Owners and their residents, tenants, family members, invitees and guests, and available for such use as the Association may desire, suffer or permit.

ARTICLE 10. STORMWATER MANAGEMENT AND RELATED IMPROVEMENTS

Section 10.1. Association's Obligation to Maintain. The Association shall be responsible for the maintenance, repair, cleaning, mowing and general maintenance of all Stormwater Management Facilities including, but not limited to, basins, culverts, ponds, subsurface pipes or conduits from the conveyance of storm water runoff, drainage swales or berms, soil and surface runoff control devices, whether permanent or temporary, and similar improvements, as may be necessary from time to time to ensure the proper functioning of the Stormwater Management Facilities, or as otherwise may be required by the Township from time to time. The Association shall have an easement over and across any Unit on which such basin or other stormwater management facilities are located for the purpose of doing all things necessary to maintain, repair, clean, mow or replace the same. In particular, the Association shall have an easement over and across the Utility Easements and Controlled Facilities, if any, and adjacent lands as necessary for

access thereto, for the purpose of doing all things necessary to maintain, repair and/or replace the same. The costs and expenses of maintenance, cleaning, mowing, repairing and replacing such facilities shall be deemed to be General Common Expenses of the Association.

ARTICLE 11. COMPLIANCE WITH GOVERNING DOCUMENTS AND COMMUNITY STANDARDS

Section 11.1. Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Governing Documents and the Act, as any of the same may be amended from time to time. In addition to the remedies provided in the Act, a violation of the Governing Documents or other default by a Unit Owner shall entitle any aggrieved Unit Owner or the Association, acting through the Executive Board, to appropriate legal and/or equitable relief.

Section 11.2. Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his/her/its/their violation of the Governing Documents or by his/her/its/their act, neglect or carelessness or the violation, act, neglect or carelessness of his/her/its/their residents, tenants, guests, invitees or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Units or its appurtenances. Any insurance company of its rights of subrogation, however, shall construe nothing contained in the Governing Documents, as modifying any waiver.

Section 11.3. Association's Right of Self-Help. In addition to any other remedies, the Association shall have the power to enter any exterior portion of a Unit to abate or remove any thing or condition that violates the Governing Documents, using such force as may be reasonably necessary. Unless an emergency situation exists, the Association shall make reasonable efforts to give the affected Unit Owner thirty (30) days' written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorneys' fees actually incurred, shall be assessed against the Unit Owner.

Section 11.4. Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such attorneys' fees as may be determined by the court. It is the intent of this Declaration that the Association be reimbursed for all of the expenses and legal fees it incurs in defending or enforcing the Governing Documents. No costs or fees shall be payable by the Association or the Executive Board unless the court finds that the Association or the Executive Board has acted in bad faith.

Section 11.5. No Waiver of Rights. The failure of the Association, the Executive Board or a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, the Bylaws, the Rules and Regulations or the Act shall not constitute a waiver of the right of the Association, the Executive Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Board or any Unit Owner pursuant to any term, provision, covenant or condition of the Declaration, the Bylaws, the Rules and Regulations or the Act shall be deemed to

be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, the Bylaws, the Rules and Regulations or the Act or at law or in equity.

Section 11.6. Abating and Enjoining Violations by Unit Owners. The violation of any of the Rules and Regulations adopted by the Executive Board, the breach of any Bylaw or the breach of any provision of the Declaration or the Act shall give any aggrieved Unit Owner, the Association or the Executive Board a cause of action for appropriate relief and shall give the Association and the Executive Board the right, in addition to any other rights, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE 12. AMENDMENTS; TERMINATION

Section 12.1. Amendment Procedures. An amendment to this Declaration may be proposed by the Executive Board, or by a petition signed by Members of the Association entitled to cast at least 30% percent of the total votes of the Association. Except as otherwise specifically required by the Act, no proposed amendment to this Declaration shall be adopted unless approved by an affirmative vote of at least 67% of all Members of the Association. Notice of the proposed amendment shall be included in any notice of any meeting of the Association at which such proposed amendment is to be considered and such notice shall be served on all Members in the manner set forth in the Bylaws for service of notice of meetings of the Association.

12.1.1. Corrective Amendments. If any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of this Declaration that is defective, missing or inconsistent with any other provision hereof, or with the Act, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to Community projects, then from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

Section 12.2. Approval of Amendments by Township. Any amendment to this Declaration that would change or impair any specific right of the Township granted in this Declaration, shall be submitted to the Township for its review and approval. Such approval shall be deemed to have been granted in the event that the Township does not respond to the Association's request for such approval within sixty (60) days after such request for approval has been submitted to the Township. In the event that the Township disapproves such amendment as permitted herein, then no such amendment shall be effective.

IN WITNESS WHEREOF, the officers of the Association have executed this Declaration to confirm its approval by the requisite vote of the Unit Owners as of the ____ day of _____, 2024.

Attest:

Snow Ridge Village Community Association

Secretary

By: _____
President

