

VILLAGE OF ADAMS RIDGE II,
PHASE VI
A PLANNED COMMUNITY

PUBLIC OFFERING STATEMENT

NAME OF PLANNED COMMUNITY: ADAMS RIDGE TOWNHOUSE
PLANNED COMMUNITY SERVICES
ASSOCIATION

ADDRESS OF PLANNED COMMUNITY: ADAMS TOWNSHIP, BUTLER COUNTY,
PENNSYLVANIA

NAME OF DECLARANT: ADAMS RIDGE II, L.P.

ADDRESS OF DECLARANT: 3468 BROADHEAD ROAD
MONACA, PENNSYLVANIA 15061

EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT: DECEMBER 26, 2001

THIS PUBLIC OFFERING STATEMENT IS BEING PRESENTED BY THE DECLARANT IN AN ATTEMPT TO DISCLOSE AND SUMMARIZE INFORMATION PERTINENT TO CONSIDERATION OF A PURCHASE OF A LOT AT THE VILLAGE OF ADAMS RIDGE II, PHASE VI, AND THE SOUTHERN VALLEY COMMONS PLAN, BOTH PART OF A PLANNED COMMUNITY.

WITHIN 15 DAYS AFTER RECEIPT OF A PUBLIC OFFERING STATEMENT, OR AN AMENDMENT TO THE PUBLIC OFFERING STATEMENT, THAT MATERIALLY AND ADVERSELY AFFECTS THE RIGHTS OR OBLIGATIONS OF THE PURCHASER, THE PURCHASER, BEFORE CONVEYANCE, MAY CANCEL ANY CONTRACT FOR PURCHASE OF A UNIT FROM A DECLARANT.

IF DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT AND ANY AMENDMENTS THERETO TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY RECOVER FROM THE DECLARANT DAMAGES AS PROVIDED IN SECTION 5406(c) OF THE UNIFORM PLANNED COMMUNITY ACT (68 PA. C.S.A. §5101 ET SEQ.) IN AN AMOUNT EQUAL TO 5% OF THE SALES PRICE FOR SUCH UNIT, UP TO \$2,000.00, OR IN AN AMOUNT EQUAL TO THE ACTUAL DAMAGES SUFFERED BY THE PURCHASER, WHICHEVER IS GREATER.

IF A PURCHASER RECEIVED THE PUBLIC OFFERING STATEMENT MORE THAN 15 DAYS BEFORE SIGNING A CONTRACT, HE CANNOT CANCEL THE CONTRACT EXCEPT

THAT PURCHASER SHALL HAVE THE RIGHT TO CANCEL THE CONTRACT BEFORE CONVEYANCE WITHIN 15 DAYS AFTER RECEIPT OF ANY AMENDMENT THERETO THAT WOULD HAVE A MATERIAL AND ADVERSE EFFECT ON THE RIGHTS OR OBLIGATIONS OF THAT PURCHASER.

DECLARANT

- 1.1 The Declarant is Adams Ridge II, L.P., a Pennsylvania limited partnership.

DESCRIPTION OF PLANNED COMMUNITY

2.01 The Adams Ridge Townhouse Planned Community will consist of up to 125 townhouse units in the Village at Adams Ridge II, Phase VI, located in the Township of Adams, County of Butler, Commonwealth of Pennsylvania, and townhouse units in Southern Valley Commons, a proposed subdivision plan to be developed of up to 200 townhouse lots. The Declarant is presently developing 146 single family detached lots and 125 townhouse lots in Adams Ridge, Phase VI. Site development began in Phase VI in February of 2001 with the improvements to be completed by the spring of 2002. Development of Southern Valley Commons has not begun.

2.02 Each lot in Phase VI will be required to connect onto the public sanitary sewer system operated by the Breakneck Creek Regional Authority and a water system operated by the Adams Township Water Authority. The Declarant will construct a sanitary sewage collection system and water distribution system in accordance with the specifications of the Authority providing service. Upon completion of the collection system and distribution system, Declarant will convey the collection system and distribution system to the appropriate Authority. Individual unit owners will be required to construct a service line from the building on the Unit to the public sanitary sewer and water lines and to pay all tapping and connection fees to the Authorities.

DESCRIPTION OF UNITS

3.01 The units being offered by the Declarant in Adams Ridge VI are townhouse building lots as shown on the Master Plan attached as Exhibit "G". The actual location of each lot in Phase VI is shown on the recorded Subdivision Plan. The Plan is recorded in the Recorder of Deeds Office of Butler County Plan Book Volume 243, Page 16-23, and the Village of Adams Ridge II Phase VI Plan of Lots, Revision #1, is recorded at Plan Book Volume 247, Pages 39-42. Each lot will be subdivided into townhouse lots which will be Units in The Planned Community. Declarant expects to record a subdivision plan of Southern Valley Commons within 90 days. No work has been started in Southern Valley Commons. In Adams Ridge VI the Declarant shall be responsible for the construction of the streets, sanitary sewers and water lines and has made arrangements with the public utility companies for the installation of electric, cable, television, telephone and gas. In addition, the Declarant will construct the storm water collection, management

and detention system and the entrance monument. The Declarant will not be performing any work for the preparation of any individual lots in Adams Ridge VI. In Southern Valley Commons the Declarant will be responsible for the same improvements as Adams Ridge VI.

PUBLIC OFFERING STATEMENT
ADAMS RIDGE TOWNHOUSE PLANNED COMMUNITY

1. The name of the Planned Community is Adams Ridge Townhouse Planned Community (hereinafter the "Planned Community") and its address is 3468 Brodhead Road, Monaca, Pennsylvania 15601. The name of the Declarant is Adams Ridge II, L.P., and its address is 3468 Brodhead Road, Monaca, Pennsylvania 15061.
2. Declarant will create, prior to conveyance of the first Unit, a flexible planned community located in Adams Township, Butler County, Pennsylvania, by filing a Declaration of Planned Community in the Recorders Office of Butler County, Pennsylvania, which will contain Convertible Real Estate, to which Additional Real Estate may be added, and from which Withdrawable Real Estate may be withdrawn. Declarant may elect, at any time, to withdraw any or all portions of the Withdrawable Real Estate.
3. Declarant will submit Lots No. T-1 through T-28 in the Village of Adams Ridge II Phase VI Plan of Lots recorded in the Recorders Office of Butler County in Plan Book Volume 243, Pages 16-23, and Village of Admas Ridge II Phase VI Plan of Lots, Revision #1, recorded in the Recorders Office of Butler County in Plan Book Volume 247, Pages 39-42, to the provisions of the Pennsylvania Uniform Planned Community Act (the "Act").
4. Declarant will subdivide Lot No. T-5 to create 6 units. Thereafter Declarant will subdivide each of the Lots T-1 through T-4 and T-6 through T-28 and convert them to Units. There will be 125 Units created upon which townhouses may be built in Adams Ridge VI. The Declarant is not erecting any buildings.
5. Municipal approvals presently allow, and there may be ultimately constructed in Adams Ridge VI, a maximum of 125 Units with townhouses thereon consisting of 6 buildings of 2 units each, 3 buildings of 3 units each, 3 buildings of 4 units each, 4 buildings of 5 units each, and 12 buildings of 6 units each for a total of 125 townhouses. Southern Valley Commons may ultimately contain up to 200 Units with townhouses thereon. Municipal approvals to date approve 325 townhouse units in the Planned Community. The Planned Community may ultimately contain less than 325 Units with dwellings and a different mix of types of dwellings. No Common Facility are presently planned in Adams Ridge VI, but Common Facilities may be in Southern Valley Commons. The remainder of the lots in the aforesaid Adams Ridge VI are expected to have single-family detached dwellings thereon and will not be part of this Planned Community

6. Declarant reserves the right, but does not assume the obligation to construct improvements and facilities in Common Facilities within the Planned Community which shall become Common Facilities.

7 Declarant will complete and is required by the Act to complete improvements or facilities it is committed to build or elects to build by the later of the date of conveyance by the Declarant of the last Unit the Declarant has reserved the right to include in the Planned Community or the date of expiration of Declarant's rights under Section 5211 of the Act as reserved by Declarant.

8. Declarant at this time does not intend to market the Units as rentals or to investors although there is a possibility that an investor or investors may purchase Units.

9. A Unit is a parcel of land which has been designated as a Unit in the Declaration or in the Plats and Plans as amended and includes a Development Unit which may be subdivided into residential subdivision plans and into two or more Units, Common Elements, or a combination thereof. Units will be fully improved townhouse lots

10. Declarant has a written agreement with NVR, Inc., trading as Ryan Homes, terminable under certain conditions by either party, whereby NVR, Inc. has the exclusive right to buy the lots in Adams Ridge VI. NVR, Inc. plans to build townhouses on these lots and sell them to customers. Declarant intends to create additional Units as prior Units are completed. Completion of all 125 Units is expected by the end of 2006 and in Southern Valley Commons by the end of 2008. However, such a schedule is merely an estimate and is subject to a number of variables not within Declarant's control, such as the pace of sales activity (which in turn depends in large part on the state of the economy, interest rates, availability of construction and permanent financing, etc.) and construction delays, any of which could accelerate or slow down the schedule. Declarant expects to have 125 units in Adams Ridge VI and 175 to 200 units in Southern Valley Commons.

11. Declarant has reserved an option under the Declaration until the seventh anniversary of the recording of the Declaration to withdraw any or all portions of the Withdrawable Real Estate described in Exhibit "E" of the Declaration at any time or at different times without the consent of any Unit Owner. If real estate containing units is withdrawn, membership in the Association will be decreased by the number of Units withdrawn. The number of votes in the Association will be decreased by one vote for each Unit in the withdrawn Real Estate. The amount of Common Expense Liability of each remaining Unit may be increased or decreased.

12. The following is a brief narrative description of the significant features of the Declaration. Potential Unit owners are urged to read carefully the proposed Declaration attached as Exhibit "A". Declarant reserves the right to change said Declaration before filing.

(a) The Planned Community will be made up of Units (upon which dwellings may be erected), Controlled Facilities, and perhaps Common Facilities. Present municipal approvals provide for Units designed for townhouses.

(b) Controlled Facilities, i.e., those maintained, improved, repaired or replaced, regulated, managed, insured or controlled by the Adams Ridge Townhouse Planned Services Association (the "Association") consists of the following: All Units now or hereafter created and all improvements thereon including the exteriors of all dwellings now or hereafter erected thereon and anything attached to said exteriors (but excluding the interiors of the dwellings) and including as part of the Controlled Facilities, but not limited to, all brick, siding, paint, roofs, gutters, downspouts, windows, doors, screens, porches, patios, balconies, decks, shutters, chimneys, antennas, satellite disks, and all yards, open spaces, grass, shrubs, trees, landscaping and plantings, flowerbeds, fences, driveways, access driveways and structures; each Unit except the interior of a dwelling thereon shall be subject to control and regulation by the Association.

(c) The Association shall be responsible for the following in connection with the Controlled Facilities of a Unit:

(1) Grass cutting in front yards, rear yards beyond any privacy fences and side yards

(2) Mulching of areas in front and side yards as mulched originally by the building of the townhouse

(3) Maintenance, repair and replacement of the exterior of any dwelling erected on a Unit and attachments to the exterior but only if the Unit Owner does not do so to a level similar to other like Units in the community.

(4) Such other obligations as may be imposed by the Declaration, the By-Laws, Rules and Regulations of the Association of the Act.

(d) The Planned Community will be operated by the Adams Ridge Townhouse Planned Community Services Association, a Pennsylvania non-profit corporation, which will have three (3) members on its Executive Board. All Unit Owners will be members and have one vote per Unit. The expenditures made by and financial liabilities of the Association and any allocations to reserves will be paid for equally by the Unit Owner as the Unit Owner's Common Expense Liability except as set forth in (3) "Special Allocations of Expenses" below.

1) After any assessment has been made by the Association, assessments shall be made at least annually, based on a budget adopted at least annually by the Association. The budgets of the Association shall segregate any Limited Common Expenses from General Common Expenses if and to the extent appropriate.

(2) Except for assessments under Subsection (3), all Common Expenses shall be assessed against all the Units in accordance with the Common Expense Liability allocated to each Unit in the case of General Common Expenses and in accordance with Subsection (c) in the case of special allocation of expenses. Any past due assessment or

installment thereof shall bear interest at the rate of fifteen (15%) percent per year unless the Executive Board establishes a lower rate.

(3) Special Allocations of Expenses.

1) Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed in equal shares against the Units to which that Limited Common Element was assigned at the time the expense was incurred.

(2) Any Common Expense benefiting fewer than all of the Units shall be assessed exclusively against the Units benefited.

(3) The costs of insurance shall be assessed in proportion to risk, and the cost of any utilities that are separately metered to each Unit shall be assessed in proportion to usage.

(4) If a Common Expense is caused by the negligence or misconduct of any Unit Owner, the Association may assess that expense exclusively against his Unit.

(e) The Association has a lien on a Unit for any assessment levied against that Unit or fines imposed against its Unit Owner.

(f) The Executive Board may levy special assessments for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair or replacement of the Common Facilities and improvement thereon, but any such special assessment shall require the approval of 51% of the Association. Nothing herein shall limit the authority of the Executive Board to levy assessments for Common Expenses.

(g) The percentage of Common Expenses Liability shall be determined by dividing the existing number of Units into 100 and the quotient shall be the percentage paid by each Unit. Attached to the Declaration is Exhibit "F" which shows the number of votes and the percentage of Common Expenses Liability of existing Units. The percentage of Common Expense Liability for each of the first six Units is 16.7%. The costs for the duties performed in connection with Controlled Facilities by the Association as set forth in the Declaration shall be assessed as Common Expenses exclusively against the Units benefited thereby. Except to the extent otherwise provided by the Declaration, each Unit Owner is responsible for maintenance, repair and replacement of his Unit. If any damage to the Common Elements is caused by the willful or negligent act of a Unit Owner, or his family, guests, or invitees, the costs of repair or replacement shall be assessed against the Unit Owner.

(h) All Common Expense assessments shall be payable in equal monthly installments in advance on the first day of each month including Special Allocations. Special assessments shall be due and payable in one or more monthly payments, in advance, on the first day of each month, as determined by the Executive Board.

(i) Any member may delegate his right of enjoyment to any Common Facilities if created to the members of his family and his guests and tenants, subject to the Rules and Regulations of the Association.

(j) A Unit may be subdivided into two or more Units or in the case of a Unit owned by Declarant (including a Development Unit) may be subdivided into two or more Units, Common Elements or a combination thereof. This will not change the maximum permitted number of Units.

(k) Declarant or any person designated by Declarant may maintain sales offices and models on Units and on the Common Facilities and post signs advertising Units in the Planned Community.

(l) Declarant has the right to designate any portions of the Planned Community as Common Facilities and to install other amenities in addition any specified.

(m) Declarant has reserved the following rights and combination of rights:

(i) To add real estate to the Planned Community.

(ii) To create Units, Common Facilities, Limited Common Facilities, Controlled Facilities and Limited Controlled Facilities within the Planned Community including, but not limited to, all Additional and Convertible Real Estate.

(iii) To subdivide Units, to convert Units into Common Facilities, Limited Common Facilities or Controlled Facilities or Limited Controlled Facilities.

(iv) To withdraw real estate from the Planned Community.

(n) Declarant has reserved the following Special Declarant rights

(i) To complete improvements indicated on plats and plans.

(ii) To convert convertible real estate.

(iii) Add additional real estate.

(iv) Withdraw withdrawable real estate.

(v) Convert a Unit into two or more units, common facilities or controlled facilities or into two or more units and common facilities or controlled facilities.

(vi) Maintain offices, signs and models.

(vii) Use easements through the Common Facilities for the purpose of making improvements within the Planned Community or within any Convertible or Additional Real Estate.

(viii) Appoint or remove an officer of the Association or an Executive Board member during any period of Declarant Control.

(o) Declarant has reserved an option until the seventh (7th) anniversary of the recording of the Declaration, to add Additional Real Estate to the Planned Community from time to time without the consent of any Unit Owner or holder of a mortgage on a Unit. Declarant expressly reserves the right to add any or all portions of the Additional Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other real estate be added, converted or withdrawn; provided however, that the Additional Real Estate shall not exceed the area described as such on Exhibit "C" of the Declaration. The maximum number of Units which Declarant can create within the Additional Real Estate is 200.

(p) Declarant has reserved an option until the seventh (7th) anniversary of the recording of this Declaration, to convert all or any portion of the Convertible Real Estate to Units, Common Elements, Limited Common Elements, or any combination thereof from time to time without the consent of any Unit Owner or holder of a mortgage on a Unit. Declarant expressly reserves the right to convert any or all portions of the Convertible Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other real estate be added, converted or withdrawn; provided, however, that the Convertible Real Estate shall not exceed the area described as such on Exhibit "D" of the Declaration. The maximum number of Units that may be created within the Convertible Real Estate is 319.

(q) Declarant has reserved an option, until the seventh (7th) anniversary of the recording of this Declaration, to withdraw Withdrawable Real Estate from the Planned Community from time to time without the consent of any Unit Owner or holder of a mortgage on any Unit. Declarant expressly reserves the right to withdraw any or all portions of the Withdrawable Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other real estate be withdrawn, added or converted; provided, however, that the Withdrawable Real Estate shall not exceed the areas described as such on Exhibit "E" of the Declaration.

(r) Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or completing development, and construction or sales or leasing of Units or exercising special Declarant rights.

(s) The Units and Common Elements shall be made subject to easements in favor of the Declarant, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property or the Additional or Convertible Real Estate. Any such easement through a Unit shall be located either in substantially the

same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use or occupancy of any dwelling.

(t) Declarant has reserved an easement on, over and under those portions of the Common Elements not located within a Building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety, welfare and appearance.

u) Declarant has reserved an easement on¹ over and under the Common Elements not located in a building, for all purposes relating to the construction, development, leasing, and sale of improvements on the Additional or Convertible Real Estate.

(v) Developer has the right, as often as it deems necessary, to connect utility lines, pipes and cables, including, but not limited to, water, gas, sewer, electricity, telephone and cable television, from the other parts of the Planned Community, Additional or Convertible Real Estate or Withdrawable Real Estate whether or not added, converted or withdrawn in order to furnish utility services to such other parts. Declarant may assign its rights.

(w) Declarant has reserved the right to subject any portion of the Planned Community to easements or licenses in favor of any Additional Real Estate not added to the Planned Community or Withdrawable Real Estate withdrawn therefrom in connection with development of such lands or in favor of persons not owners of Units or occupants of a Unit in the Planned Community. Any such easements or licenses shall not increase the expenses of the Association.

(x) To the extent any Unit or Common Element encroaches on another Unit or Common Element, a valid easement for the encroachment exists and to the extent any party wall encroaches upon an adjoining Unit, a valid easement exists.

(y) Declarant Control.

(i) Until the 60th day after conveyance of 81 Units to Unit Owners other than Declarant, Declarant shall have the right to appoint and remove any and all officers and members of the Executive Board. Declarant may not unilaterally remove any members of the Executive Board elected by Unit Owners other than Declarant.

(ii) Not later than 60 days after conveyance of 81 Units to Unit Owners other than Declarant, at least one member and not less than 25% of the members of the Executive Board shall be elected by Unit Owners other than Declarant.

(iii) No later than 60 days after conveyance of 162 Units to Unit Owners other than Declarant, not less than one-third of the Executive Board shall be elected by Unit Owners other than Declarant.

(iv) Not later than the earlier of (i) seven years after the date of conveyance of a Unit to a person other than Declarant; (ii) 60 days after 243 Units have been conveyed to Unit Owners other than Declarant; (iii) two years after Declarant has ceased to offer Units for sale in the ordinary course of business; (iv) two years after any development right to add new Units was last exercised, all members of the Executive Board appointed by Declarant and its present officers shall resign and the Board shall be elected by the Unit owners.

(v) Declarant may voluntarily surrender the right to appoint and remove officers and Members of the Executive board before termination of that period. In that event the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective

(z) Subject to certain limitations as set forth in the Declaration and Act, the Declaration, including the plats and plans, may be amended only by vote of at least 75% of the Association.

(aa) Until December 31, 2011, the Planned Community may be terminated only by agreement of Unit Owners to which 100% of the votes in the Association are allocated. After said date, the percentage of votes required shall be 80%. Such terminations must also have the written consent of Declarant, so long as Declarant (or its designee pursuant to agreement with Declarant) is actively developing or building dwellings in the Planned Community, including Additional Real Estate.

(bb) The Executive Board shall establish reasonable rules and regulations concerning the Planned Community, the performance of its obligations under the Declaration and law, the regulation and use of Common Facilities and all improvements upon the Common Facilities, including the imposition of reasonable user fees (except for members, family residing in the Unit and tenants) and limits upon the number of permitted guests.

(cc) The Association, the Declarant or any Unit Owner shall have the right to enforce by proceedings at law or in equity, the covenants, conditions, restrictions, reservations, liens and charges now or hereafter imposed by the Declaration, By-Laws or Rules and Regulations.

(dd) The Association is required to carry certain insurance under the Act. See below.

(ee) The Association is given all the powers under Section 5302 of the Act including, among others, the power to.

(1) Adopt and amend by-laws and rules and regulations.

(2) Adopt and amend annual budgets and collect assessments.

- (3) Hire and terminate managing agents
- (4) Make contracts and incur liabilities.
- (5) Regulate the use, maintenance, repair, replacement and modification of common elements.
- (6) Cause additional improvements to be made to the Common Facilities and, to the extent permitted in the Declarations, the Controlled Facilities.
- (7) Grant easements, licenses and concessions through or over the Common Facilities and to the extent permitted in the Declaration, the Controlled Facilities.
- (8) Impose and receive payments, fees or charges for use of the Common Elements, however, user fees to Unit Owners is prohibited.
- (9) Impose a capital improvement fee upon the resale or transfer of a Unit.

(ff) No member may exempt himself from liability for his charges and assessments duly levied by the Association in accordance with the provisions of this Declaration and the By-Laws, nor release the Unit owned by him from the liens and charges by waiver of the use and enjoyment of the Common Elements, by abandonment of the Unit or by any conveyance or covenant severing the rights and benefits from the Unit.

(gg) As used in the Declaration, and herein, the word person or reference to a person shall mean and include a natural person, corporation, partnership, trust or other entity or any combination thereof; the plural shall be substituted for singular and the singular for the plural where appropriate and words of any gender shall mean or include any other gender.

(hh) Matters of dispute or disagreement between Association members or with respect to interpretation or application of the provisions of the Declaration or the By-Laws shall be determined by the Executive Board, which determination shall be binding except that this provision shall not apply to Declarant.

(ii) In the event of a conflict between the Declaration and the By-laws, the Declaration shall prevail.

(jj) Every owner of a Unit shall be a member of the Association. Membership may not be separated from Ownership of a Unit.

13. The By-laws provided for the manner in which the Association functions and contains provisions governing the organization and operation of the Association, and includes sections dealing with meetings of Unit owners, the qualifications for members of the Executive Board (the governing body of the Association) and officers of the Association, elections and removal of Executive Board members and Association officers, powers of the Executive Board and officers and meetings of the Executive Board. Attached as Exhibit B1 are the By-laws of the Association.

14. Attached as Exhibit "C" is the projected budget for one year ending December 31, 2002, prepared under the direction of the Declarant. The material assumption used in preparing such budget is that the number of Units in the Planned Community in each month will be as shown on line 1 of page 1 of the projected budget. No inflationary factor was used.

The budget contains an amount for reserves for repair and replacement only as shown therein. There is no provisions made in the budget for reserves for anticipated material capital expenditures or other reserves except as set forth above or in the budget. The budget shows the projected common expense assessment by category of expenditures for the Association. The budget shows the monthly Common Expense assessment for each Unit for General Common Expenses and any Special Allocations.

During the first year, to the extent not covered by the projected budget, Declarant will furnish the services required by the Association and pay for expenses of the Association. These will become a Common Expense of the Association when included in future budgets. Declarant anticipates that such expenses and services for the first year incurred by it will be zero.

15. Attached as Exhibit D is a description of liens or encumbrances in or affecting the title to the Planned Community.

16. Declarant will not offer or arrange for financing for purchasers although Ryan Homes may do so.

17. Warranty Against Structural Defects. Nothing herein shall be constructed to make the Declarant responsible for any items of maintenance relating to the Units or Common Elements except as set forth in the Declaration.

Section 5411 of the Planned Community Act imposes a statutory Warranty upon Declarant against structural defects as set forth therein.

Ryan Homes will give the same structural warranty as provided in Section 5411 of the Planned Community Act as to the dwelling only subject to the limitations therein.

18. There are no judgments against the Association and there are no lawsuits pending against the Planned Community of which the Declarant has any knowledge.

19. Any deposits made in connection with the purchase of a Unit shall be held in accordance with the provisions of Section 5408 of the Planned Community Act. Any deposit will be returned to the purchaser if he or she cancels an Agreement of Sale pursuant to Section 5406 of the Planned Community Act.

20. There are no restraints on alienation of any portion of the Planned Community.

21. The Association shall maintain insurance coverage for the Association as follows:

a) Property insurance on the Common Facilities insuring against all common risks of direct physical loss commonly insured against. This does not cover the Units, improvements and betterments installed by Unit Owners and the Controlled Facilities thereon and each Unit Owner must maintain separate property insurance for his Unit. The Association's property insurance shall be in an amount equal to 80% of the cash value of the property insured, exclusive of land, excavations, foundations and other items normally excluded from property policies. All proceeds of this policy will be payable to the Association.

(b) Comprehensive general liability insurance for the Association including medical payments insurance covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements. Initial limits of liability shall be \$1,000,000 for death or bodily injury to one person and \$1,000,000 for property damage in any single occurrence. EACH UNIT OWNER SHOULD MAINTAIN HIS OWN COMPREHENSIVE GENERAL LIABILITY INSURANCE, MUST MAINTAIN UNIT OWNER'S PROPERTY INSURANCE AND SHOULD MAINTAIN PERSONAL PROPERTY INSURANCE INCLUDING COVERAGE FOR IMPROVEMENTS AND BETTERMENTS INSTALLED BY THE UNIT OWNER.

The Association may carry any other policies of insurance it deems appropriate.

22. Except for the Common Expense assessments and any other charges referred to above, Declarant does not expect to cause or have any other charges or fees imposed on the Unit Owners for the use of any Common Facilities except for private parties and similar events.

23. All structural components of development and major utility installations in development of Phase VI have been installed and constructed within the past 24 months and are in good condition. This Paragraph is not a warranty nor does it increase any warranty by Declarant. The useful life (based solely on manufacturer's representations and reasonable expectations) and estimated cost of replacing such items for each Unit (based on year 2000 costs) is as follows:

<u>ITEM DESCRIPTION</u>	<u>CONSTRUCTION COST</u>	<u>LIFE</u>
1. Stormwater Detention Ponds	\$31,105.00	20 yr.
2. Sidewalks	\$39,270.00	20 yr.
3. Entrance Monument	\$ 9,600.00	20 yr.
4. Village Green Amenities	\$25,000.00	15 yr.
5. Street Lights	\$25,000.00	15 yr.

All major utilities in the Planned Community are or will be public but this does not include any utilities customarily not accepted for permanent maintenance or parts customarily belonging to the home owner or certain drainage facilities.

24. The following is a list of all governmental approvals and permits required for the use and occupancy of Phase VI, and the name of each.

<u>Agency Granting Permit</u>	<u>Name of Permit/ Approval</u>	<u>Date Issued</u>	<u>Expiration Date</u>
Butler County	Subdivision Approval	5/16/01	none
Adams Township Supervisors	Subdivision	5/29/01	none
Adams Township Planning Commission	Subdivision	12/06/01	none

25. There are no outstanding and uncured notices of violations of governmental requirements.

26. To the best of Declarant's knowledge, there are no hazardous conditions, including contamination, affecting the Planned Community site by hazardous substances, hazardous waste or the like or the existence of underground storage tanks for petroleum products or other hazardous substances.

The Declarant has obtained a Phase I environmental site investigation to determine the presence of hazardous conditions on or affecting the Planned Community. At present, there are no hazardous conditions on or affecting the Planned Community.

To the extent that any investigation has been undertaken by the Declarant, there is no finding or action recommended to be taken in the report or by any governmental body,

agency or authority in order to correct any hazardous conditions or any action taken pursuant to those recommendations.

The addresses and telephone numbers of the governmental agencies regulating environmental matters on the Property are:

Department of Environmental
Protection
1012 Water Street
Meadeville, PA 16335
(814) 724-8557

United States Environmental
Protection Agency
814 Chestnut Street
Philadelphia, PA 19107
(800) 438-2474

27. Declarant has explicitly retained and reserved the right to designate as Common Facilities (including Limited Common Facilities) any portions of the Planned Community or any improvement or facility existing or contemplated and to install other amenities including but not limited to sidewalks and parking areas, landscaping and accessories to recreational facilities.

28. Declarant may designate Common Facilities in the Additional Real Estate and Convertible Real Estate in Southern Valley Commons on subdivision plans when recorded of portions of the Additional Real Estate and Convertible Real Estate and on plats and plans. Portions of the Planned Community, improvements or facilities which will become Common Facilities will be conveyed or leased to the Association at various times by the Declarant or a successor to the interest of the Declarant in the portion by the later of the date of conveyance or lease by the Declarant of the last Unit the Declarant reserves the right to include in the Planned Community or the date of expiration of Declarant's rights under Section 5211 of the Act as reserved by Declarant.

29. The obligation of Declarant to convey or lease the future Common Facilities, in Phase VI and any other portion of the Planned Community, improvement or facility intended to become a Common Facility established in the Additional Real Estate or Convertible Real Estate shall be binding on Declarant and any successor in interest of the Declarant in the portion whether or not the successor succeeds to any special Declarant right.

30. Declarant presently owns all the land within which Common Facilities may be created and anticipates that it will be its Owner at the time of any conveyances or leases to the Association, but does not assure that it will be the Owner at the time of any conveyance or lease to the Association.

31. The procedure to be followed with regard to conveyance or lease of any portion of the Planned Community, improvement or facility which are created to the Association will be as follows:

(a) Declarant will send a duly executed special warranty deed or proposed lease to the Board. Title will be subject to matters shown in Exhibit "D" attached hereto except mortgage liens.

(b) If the documents are in order, the Board will accept the deed or lease and cause the deed to be recorded or execute the lease.

(c) The parties will take such other action as is usual and customary for the transfer of real property in the Commonwealth of Pennsylvania.

(d) The portion of the Planned Community, improvement or facility conveyed or leased to the Association shall be for no consideration.

(e) Upon the conveyance or lease of any portion of the Planned Community, improvement or facility to the Association, the expenses of the Association will increase and the total budget will increase as well as the Common Expense Liability of each Unit Owner.

(f) No conveyance or lease of any portion of the Planned Community, improvement or facility to the Association shall occur until any contemplated improvement therein has been completed unless Declarant gives a guarantee of completion, for the benefit of the Association, and a statement of Declarant's guarantee shall not expire until completion of the portion of the Planned Community, improvement or facility.

32. (a) Declarant reserves the right, but does not assume the obligation to construct improvements and facilities within any land which shall become Common Facilities.

(b) Legal descriptions of the future Common Facilities land are not presently available.

(c) Declarant will complete and is required by the Act to complete such improvements or facilities as it is committed to build or elects to build by the later of the date of conveyance by the Declarant of the last Unit the Declarant has reserved the right to include in the Planned Community or the date of the expiration of Declarant's rights under Section 5211 of the Act as reserved by Declarant.

(d) Until the facility or improvement is completed, Declarant shall be solely responsible for real estate taxes assessed against or allocable to the improvement or facility and for all other expenses in connection with the improvement or facility.

(e) No third party guarantee, bond, escrow, letter of credit or other mechanisms shall be provided by Declarant, and only Declarant's own guarantee shall be provided to assure, for the benefit of the Association, completion of improvements or facilities.

33. Declarant has mortgage loans on the Planned Community property as set forth on Exhibit "D". Such loans are for the purpose of construction of the improvements to be made by Declarant.

34. The Association will be responsible for the maintenance, repair, improvement and regulation of any amenities. The Unit Owners will pay for such through Common Expense Assessments.

35. There is an assessment payable to the Master Association by each Unit owner payable at time of closing on the Unit in the amount of \$250.

36. Cumulative or class voting is not permitted.

37. Declarant has not obtained any permits for Southern Valley Commons but would expect to obtain all necessary permits and approvals and at its expense. Declarant believes all such would be the same types as obtained for Phase VI.


ADAMS RIDGE II, L.P.

BY: RIDGE DEVELOPMENT CORPORATION,
its sole general partner

ATTEST:



BY:



Charles J. Betters, President

EXHIBITS

EXHIBIT A

Declaration of Planned Community of
Adams Ridge Townhouse Planned Community

EXHIBIT B

By-Laws of Adams Ridge Townhouse
Planned Community Services Association

EXHIBIT C

Projected Budget

EXHIBIT D

Liens and Encumbrances

EXHIBIT E

Articles of Incorporation of
Adams Ridge Townhouse
Planned Community Services Association

EXHIBIT F

Specimen Agreement Between
Ryan Homes and Buyer

EXHIBIT G

Master Plan

December 18, 2001

DECLARATION OF PLANNED COMMUNITY

OF

ADAMS RIDGE TOWNHOUSE PLANNED COMMUNITY

By

Adams Ridge II, L.P.

Pursuant to the provisions of the
Pennsylvania Uniform Planned Community Act
68 Pa. P.S.A. 5101 et. seq.

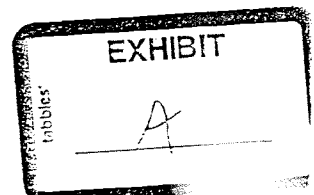


TABLE OF CONTENTS

	Page
ARTICLE I	
Submission; Defined Terms.....	1
Section 1.1 Declarant; Property; County; Name.....	1
Section 1.2 Liens and Encumbrances.....	1
Section 1.3 Defined Terms.....	1
ARTICLE II	
Types or Classes of Units; Boundaries.....	4
Section 2.1 Types or Classes of Units.....	4
Section 2.2 Boundaries; Title Lines.....	4
Section 2.3 Boundaries of Existing Units on Plats and Plans; Unit Identifying Number; Votes.....	4
ARTICLE III	
Controlled Facilities; Obligations of Association; Limited Common Elements.....	4
Section 3.1 Controlled Facilities.....	4
Section 3.2 Obligations of the Association with Regard to Controlled Facilities.....	5
Section 3.3 Other Obligations of Association.....	5
Section 3.4 Reservation.....	6
ARTICLE IV	
Assessments and Lien for Assessments....	6
Section 4.1 Assessment for Common Expenses.....	6
Section 4.2 Lien for Assessments.....	7
Section 4.3 Capital Improvements.....	8

ARTICLE V		
	Allocation of Votes; Common Expense Liabilities; Maximum Number of Units....	8
Section 5.1	Votes and Common Expenses Liabilities...	8
Section 5.2	Lien and Personal Liability for Common Expense Liability.....	8
Section 5.3	Reallocation of Percentages.....	9
Section 5.4	Maximum Number of Units.....	9
ARTICLE VI		
	Assessments for Controlled Facilities; Special Allocations; Limited Common Facilities.....	9
Section 6.1	Special Allocation.....	9
Section 6.2	General Rule.....	9
Section 6.3	Willful Damage.....	9
Section 6.4	Special Unit Assessments.....	10
Section 6.5	Driveway To Unit.....	10
ARTICLE VII		
	Membership in Association; Master Association.....	10
Section 7.1	Membership.....	10
Section 7.2	Master Associatoin.....	10
ARTICLE VIII		
	Monthly Payments, Subordination, Assignment.....	11
Section 8.1	Monthly Payments.....	11
Section 8.2	Subordination of Certain Charges.....	11
Section 8.3	Assignment of Income Rights.....	11
ARTICLE IX		
	Enjoyment of Unit	11
Section 9.1	Enjoyment of Unit by Owner.....	11
ARTICLE X		
	Utility Service Connections.....	11
Section 10.1	Utility Service Connections.....	11

TABLE OF CONTENTS (cont.)

	Page
ARTICLE XI	
Disputes Under Article X.....	12
Section 11.1 Disputes.....	12
ARTICLE XII	
Subdivision or Conversion of Development Units; Maximum Units.....	12
Section 12.1 Development Units.....	12
Section 12.2 Maximum Units.....	13
ARTICLE XIII	
Declarant Offices, Models and Signs.....	13
Section 13.1 Common Elements.....	13
ARTICLE XIV	
Designation of Common Facilities.....	13
Section 14.1 Right to Designate Controlled Facilities, etc.....	13

TABLE OF CONTENTS (cont.)

	Page
ARTICLE XV	
Development Rights.....	16
Section 15.1 Reservation.....	16
ARTICLE XVI	
Special Declarant Rights.....	16
Sectoin 16.1 Reservations.....	16
ARTICLE XVII	
Additional Real Estate.....	17
Section 17.1 Reservation to Add Additional Real Estate.....	17
Section 17.2 Assurances.....	17
ARTICLE XVIII	
Convertible Real Estate.....	18
Section 18.1 Reservation to Convert Real Estate.....	18
Section 18.2 Assurances.....	19
ARTICLE XIX	
Withdrawable Real Estate.....	20
Section 19.1 Reservations to Withdraw Real Estate....	20
ARTICLE XX	
Easements to Facilitate Completion, Conversion and Expansion.....	20
Section 20.1 Easement.....	20
Section 20.2 Utility Easements.....	21

TABLE OF CONTENTS (cont.)

	Page
ARTICLE XXI	
Declarant's Easement to Correct Drainage.....	21
Section 21.1 Reservation.....	21
ARTICLE XXII	
Declarant's Easement for Development of Additional or Convertible Real Estate.....	22
Section 22.1 Reservation.....	22
Section 22.2 Utility Connections.....	22
Section 22.3 Assignment.....	22
ARTICLE XXIII	
Easements and Licenses.....	22
Section 23.1 Reservation.....	22
ARTICLE XXIV	
Easement for Encroachments.....	23
Section 24.1 Units or Common Element Encroachments...	23
ARTICLE XXV	
Easement as to Encroachment of Dwelling.	23
Section 25.1 Dwellings.....	23
ARTICLE XXVI	
Declarant's Appointment of Executive Board Members.....	24
Section 26.1 Control.....	24

TABLE OF CONTENTS (cont.)

	Page
ARTICLE XXVII	
Amendment of Declaration.....	24
Section 27.1 Number of Votes Required.....	24
Section 27.2 Rights of Secured Lenders.....	27
ARTICLE XXVIII	
Termination of Planned Community.....	27
Section 28.1 Requirements.....	27
ARTICLE XXIX	
Rules and Regulations.....	27
Section 29.1 Adoption; Fines.....	27
ARTICLE XXX	
Limitation of Liability.....	28
Section 30.1 Standard of Conduct.....	28
Section 30.2 Good Faith Reliance.....	29
Section 30.3 Limited Liability.....	29
Section 30.4 Indemnification.....	29
Section 30.5 Directors and Officers.....	30
ARTICLE XXXI	
Violations.....	30
Section 31.1 Enforcement.....	30
ARTICLE XXXII	
Other Provisions.....	30
Section 32.1 Insurance.....	30
Section 32.2 Severability.....	30
Section 32.3 Waiver of Use.....	31
Section 32.4 Person and Gender.....	31
Section 32.5 Implied Rights.....	31
Section 32.6 Matters of Dispute.....	31
Section 32.7 Conflict with Declaration.....	31

DECLARATION
ADAMS RIDGE TOWNHOUSE PLANNED COMMUNITY

ARTICLE I

Submission: Defined Terms.

Section 1.1 Declarant: Property: County: Name. Adams Ridge II, L.P., (the "Declarant") owner of the Real Estate described in Exhibit "A" attached hereto, located in Adams Township, Butler County, Pennsylvania, hereby submits the Real Estate, including all easements, rights and appurtenances thereunto belonging and the Buildings and improvements erected or to be erected thereon (collectively, the "Property") to the provisions of the Pennsylvania Uniform Planned Community Act (Pa. P.S.A. 5101 et. seq.) (the "Act"), and hereby creates with respect to the Property a flexible planned community to be known as "Adams Ridge Townhouse Planned Community" (the "Planned Community") and the Property shall be held, sold, and conveyed subject to the Declaration, the Act and the following easements, restrictions, covenants, and conditions as set forth herein, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, administrators, executors, successors and assigns, and shall inure to the benefit of each owner thereof. Some portions of the Additional Real Estate, Convertible Real Estate and Withdrawable Real Estate are situate in Cranberry Township, Butler County.

Section 1.2 Liens and Encumbrances. The Property referred to in Section 1.1 above is subject to the items set forth on Exhibit "B-1" and the Property is hereby submitted to the Act together with and subject to the same.

Section 1.3 Defined Terms.

1.3.1 Capitalized terms not otherwise defined herein or in the Plats and Plans shall have the meanings specified or used in the Act.

1.3.2 The following terms if used or defined in general terms in the Act shall have specific meanings herein as follows:

a. "Additional Real Estate" means real estate that may be added to the Planned Community as described in Exhibit "C" attached hereto.

b. "Association" or "Unit Owners' Association" means the Unit Owners' Association of the Planned Community and shall be known as the "Adams Ridge Townhouse Planned Community Services Association".

c. "Common Expenses" means expenditures made by or financial liabilities of the Association together with any allocations to reserves. The term includes general common expenses and limited common expenses.

d. "Common Elements" means Common Facilities or Controlled Facilities in the Planned Community.

e. "Common Expense Liability" means the liability for Common Expenses allocated to each Unit.

f. "Common Facilities" means any real estate within the Planned Community which is owned by the Association or leased to the Association. The term does not include a Unit.

g. "Controlled Facilities" means real estate within the Planned Community, whether or not part of a Unit, that is not a Common Facility but is maintained, improved, repaired, replaced, regulated, managed, insured or controlled by the Association.

h. "Convertible Real Estate" means a portion of the flexible planned community not within a building containing a Unit and described in Exhibit "D" and within which additional Units, Common Facilities, Limited Common Facilities, Controlled Facilities and Limited Controlled Facilities or any combination thereof may be created.

i. "Declarant" means the Declarant described in Section 1.1 above and all successors to any Special Declarant Rights.

j. "Declaration" means this document, as the same may be amended from time to time, and shall include the Plats and Plans as the same may be amended from time to time.

k. "Development Unit" means a Unit owned by Declarant which may be subdivided into residential subdivision plans and in which two or more Units, Common Elements or a combination of Units and Common Elements may be created.

l. "Executive Board" or "Board" means the Executive Board of the Association.

m. "Flexible Planned Community" means the Planned Community containing Withdrawable and Convertible Real Estate and to which Additional Real Estate may be added or a combination thereof.

n. "General Common Expenses" means all Common Expenses other than Limited Common Expenses.

o. "Limited Common Elements" means a Limited Common Facility or a Limited Controlled Facility.

p. "Limited Common Expenses" means all expenses covered by Section 5314(c) of the Act and Section 4.1(c) of the Declaration.

q. "Limited Common Facility" means a portion of the common facilities allocated by or pursuant to the Declaration or by the operation of Section 5202(2) or (3) of the Act for the exclusive use of one or more but fewer than all of the Units.

r. "Plats and Plans" means the Plats and Plans filed in the Recorder's Office as part of this Declaration and made a part hereof, as the same may be amended from time to time.

s. "Recorder" means the Office of the Recorder of Butler County, Pennsylvania.

t. "Property" means the Property described in Section 1.1 above together with such portions of the Convertible or Additional Real Estate as shall have been added to the Planned Community and less such portions of the Withdrawable Real Estate as shall have been withdrawn from the Planned Community.

u. "Unit" means any parcel of land designated in the Declaration or in the Plats and Plans as a Unit, including a Development Unit. Declarant reserves the right to and the boundaries of any Unit shall be automatically amended without further action by the Declarant executing and recording an Amendment to the Declaration or the Plats and Plans changing any Unit boundary line, providing Declarant is the owner of the Unit whose boundaries are changed and any other affected land, otherwise nothing herein shall be a limitation upon the rights of any owner under Section 5214 of the Act.

v. "Withdrawable Real Estate" means the real estate described in Exhibit "E" attached hereto that may be withdrawn from the flexible planned community.

ARTICLE II

Types or Classes of Units; Boundaries.

Section 2.1 Types or Classes of Units.

(a) There shall be in addition to Development Units, those types or classes of Units designed for:

(1) Construction thereon or having erected thereon a single-family dwelling with one or two party walls with the front entrance of all attached dwellings of which the structure is composed facing in the same direction and generally known as a townhouse;

(2) Construction thereon or having erected thereon what is generally known as a townhouse.

Section 2.2 Boundaries; Title Lines. The horizontal boundaries or title lines of each Unit (including a Development Unit) shall be the boundary lines of the Unit as shown on the Plats and Plans as such dimensions may be amended as provided in the Declaration. Within such dimensions as amended the vertical boundaries shall extend from the horizontal boundaries upward to the heavens and downward to the center of the earth at right angles to such horizontal boundaries, subject to limitations of law and to title matters. Each Unit shall include all improvements existing or subsequently installed thereon.

Section 2.3 Boundaries of Existing Units on Plats and Plans; Unit Identifying Number; Votes.

(a) The horizontal boundaries of each existing Unit are shown in the Plats and Plans filed with the Declaration. Attached as Exhibit "F" is a list of existing Units with identifying numbers and the votes in the Association of each Unit.

ARTICLE III

Controlled Facilities; Obligations of Association; Limited Common Elements.

Section 3.1 Controlled Facilities.

(a) The following shall be Controlled Facilities for the purposes of Section 3.2, 6.4 and other applicable Sections of the Declaration.

(1) All Units now or hereafter created and all improvements thereon and the exteriors of all dwellings now or hereafter erected thereon and anything attached to said exteriors (but excluding the interiors of the dwellings) and including as part of the Controlled Facilities, but not limited to, all brick, siding, paint, roofs, gutters, downspouts, windows, doors, screens, porches, patios, balconies, decks, shutters, chimneys, antennas, satellite disks, and all yards, open spaces, grass, shrubs, trees, landscaping and plantings, flowerbeds, fences, driveways, access driveways and structures; each Unit except the interior of a dwelling thereon shall be subject to control and regulation by the Association.

Section 3.2 Obligations of the Association with Regard to Controlled Facilities.

(a) The Association shall be responsible for the following in connection with the Controlled Facilities of a Unit:

(1) Grass cutting in front yards, rear yards beyond any privacy fences and side yards.

(2) Mulching of areas in front and side yards as mulched originally by the builder of the townhouse.

(3) Maintenance, repair and replacement of the exterior of any dwelling erected on a unit and attachments to the exterior but only as provided in Section 6.4.

Section 3.3 Other Obligations of Association.

(a) The Association shall be also responsible for:

(1) Snow removal from any parking areas and any streets established upon any Common Facilities and from other parts of the Common Facilities as determined by the Executive Board.

(2) Exclusive operation, maintenance, repair and replacement, regulation, management and control of any Common Facilities, including but not limited to, all improvements whether constructed before or after conveyance to the Association.

(3) Maintenance, repair and replacement of any detention or drainage ponds, drainage facilities and easements

therefor and appurtenances and accessories not accepted for permanent maintenance by applicable municipal bodies or agencies or not assumed by the Adams Ridge Homeowners Association and to the extent located on any Unit shall be Controlled Facilities.

(4) Maintenance, repair and replacement of any easements established to provide access to the Common Facilities.

(5) Insurance as required by the Act, the Declaration or the By-Laws, or Rules and Regulations of the Association, and other insurance as the Association deems appropriate.

(6) Such other obligations as may be imposed by the Declaration, the By-Laws, Rules and Regulations of the Association or the Act.

Section 3.4 Reservation. Declarant reserves the right to create Limited Common Facilities and Limited Controlled Facilities. The expense to the Association for maintenance, repair and replacement thereof will be assessed as Limited Common Expenses pursuant to Section 4.1(c) of the Declaration. Allocations of Limited Common Facilities and Limited Controlled Facilities may be made by deeds or assignments executed by Declarant or the Association or by the Declaration or Plats and Plans or Amendments thereto.

ARTICLE IV

Assessments and Lien For Assessments.

Section 4.1 Assessment for Common Expenses.

(a) General Rule. Until the Association makes a Common Expense assessment, the Declarant shall pay all the expenses of the Planned Community. After any assessment has been made by the Association, assessments shall be made at least annually, based on a budget adopted at least annually by the Association. The budgets of the Association shall segregate any Limited Common Expenses from General Common Expenses if and to the extent appropriate.

(b) Allocation and Interest. Except for assessments under Subsection (c), all Common Expenses shall be assessed against all the Units in accordance with the Common Expense Liability allocated to each Unit in the case of General Common Expenses and in accordance with Subsection (c) in the case of special allocation of expenses. Any past due assessment or

installment thereof shall bear interest at the rate of fifteen (15%) percent per year unless the Executive Board establishes a lower rate.

(c) Special Allocations of Expenses.

(1) Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed in equal shares against the Units to which that Limited Common Element was assigned at the time the expense was incurred.

(2) Any Common Expense benefitting fewer than all of the Units shall be assessed exclusively against the Units benefitted.

(3) The costs of insurance shall be assessed in proportion to risk, and the cost of any utilities that are separately metered to each Unit shall be assessed in proportion to usage.

(4) If a Common Expense is caused by the negligence or misconduct of any Unit Owner, the Association may assess that expense exclusively against his Unit.

(d) Reallocation. If Common Expense Liabilities are reallocated, Common Expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense Liabilities.

Section 4.2 Lien for Assessments.

(a) General Rule. The Association has a lien on a Unit pursuant to Section 5315 of the Act for any assessment levied against that Unit or fines imposed against its Unit owner from the time the assessment or fine becomes due. Fees, charges, late charges, fines and interest charged under Section 5302(a)(10), (11) and (12) of the Act (relating to power of Unit Owners Association) and reasonable costs and expenses of the Association, including legal fees, incurred in connection with collection of any sums due to the Association by the Unit Owner or enforcement of the provisions of the Declaration, By-Laws, Rules or Regulations against the Unit Owner are enforceable as assessments under this Section. If an assessment is payable in installments and one or more installments are not paid when due, the entire outstanding balance of the assessment becomes effective as a lien from the due date of the delinquent installment.

(b) Other Remedies Preserved. Nothing in this Section shall be construed to prohibit actions or suits to recover sums for which Subsection (a) creates a lien or to prohibit an association from taking a deed in lieu of foreclosure.

(c) Costs and Attorney Fees. A judgment or decree in any action or suit brought under this Section shall include costs and reasonable attorney fees for the prevailing party.

(d) Statement of Unpaid Assessments. The Association shall furnish to a Unit Owner upon written request a recordable statement setting forth the amount of unpaid assessments currently levied against his Unit and any credits of surplus in favor of his Unit or under Section 5313 (relating to surplus funds). The statement shall be furnished within ten business days after receipt of the request and is binding on the Association, the Executive Board and every Unit Owner.

Section 4.3 Capital Improvements. The Executive Board may levy special assessments for the purpose of defraying, in whole or in part, any cost of construction, reconstruction, repair or replacement of the Common Facilities and improvements thereon, but any such special assessment shall require the approval of 51% of the Association. Nothing herein shall limit the authority of the Executive Board to levy assessments for Common Expenses.

ARTICLE V

Allocation of Votes:

Common Expense Liabilities: Maximum Number of Units.

Section 5.1 Votes and Common Expense Liabilities. Each Unit shall have one Vote in the Association. Each Unit shall pay an equal percentage (determined by dividing the existing number of Units into 100 and the quotient shall be the percentage paid by each Unit) of the Common Expenses of the Association subject to special allocations which shall be made by the Association and payable by Unit Owners pursuant to Section 5314(c) of the Act and Section 4.1(c) hereof. Attached is Exhibit "F" which shows the percentage of Common Expenses Liability of existing Units.

Section 5.2 Lien and Personal Liability for Common Expense Liability. The adoption of the budget, or any amended budget by the Executive Board, or any adoption or approval of any Capital Assessment or Special Unit Assessment or other charge or fine permitted by the Declaration, By-Laws, Rules and Regulations or

the Act, with an allocation of the percentage or amount due by a Unit or class of Units, shall be an assessment levied for such amount against such Units and a lien against the Unit(s) in accordance with Section 5315 of the Act and Section 4.2 from the time the assessment or fine becomes due which the Unit owner covenants and agrees to pay.

Section 5.3 Reallocation of Percentages. Articles XVII, XVIII, and XIX state the formula to be used to reallocate the percentages of the allocated shares of Common Expenses of the Association and the percentage of votes in the Association among all Units included in the Planned Community after the addition of Additional Real Estate containing Units or the conversion of Convertible Real Estate creating Units or the withdrawal of Withdrawable Real Estate.

Section 5.4 Maximum Number of Units. The maximum number of Units that may be created in the Planned Community by any means permitted by the Declaration or Act (excluding Development Units) is 325.

ARTICLE VI

Assessments For Controlled Facilities: Special Allocations: Limited Common Facilities.

Section 6.1 Special Allocation. The costs for the duties performed in connection with Controlled Facilities by the Association as set forth in Article III and elsewhere in the Declaration shall be assessed as Common Expenses exclusively against the Units benefitted thereby as special allocations pursuant to Section 5314(c) of the Act and this Declaration.

Section 6.2 General Rule. Except to the extent otherwise provided by the Declaration, each Unit Owner is responsible for maintenance, repair and replacement of his Unit. Each Unit Owner shall afford to the Association and the other Unit Owners and to their agents or employees access through the Unit reasonably necessary for those purposes. If damage is inflicted on the Common Elements or on any Unit through which access is taken, the Unit Owner responsible for the damage, or the Association if it is responsible, is liable for the prompt repair of the damage.

Section 6.3 Willful Damage. If any damage to the Common Elements is caused by the willful or negligent act of a Unit Owner, or his family, guests, or invitees, the costs of repair or replacement shall be assessed against the Unit Owner.

Section 6.4 Special Unit Assessments. Notwithstanding any other provisions hereof, if any Owner of a Unit fails to maintain the exterior of his dwelling or anything attached thereto or any other part of his Unit (including his yard except for matters for which the Association has responsibility) to a level equal to other similar Units in the Planned Community, the Executive Board, after reasonable notice and hearing, at which the Owner may be heard, shall have the right through the Association's agents and contractors and subcontractors to perform such maintenance, replacement and repair upon such Unit as is appropriate to bring the Unit up to such standard. The Board shall levy an assessment against the Owner and his Unit to reimburse the Association for such expenses incurred and bring suit against the Owner for collection, costs, expenses and attorneys fees. Any such assessment shall be due and payable on such date as the Board determines and gives reasonable notice thereof to the Owner. Any such Owner does hereby give a right of entry to the Association's agents, contractors and subcontractors to enter upon and into his Unit (including the dwelling) for the purpose of inspection and performance of the work upon reasonable notice.

Section 6.5 Driveway to Unit. Any driveway situate upon a Unit which provides access to the garage of another Unit presently existing or hereafter created, may be used by that other Unit for ingress and egress to the Unit garage, and Declarant for itself, its successors and assigns hereby gives and grants to each such Unit Owner, his heirs and assigns, whose access to his garage is over such a driveway situate upon another Unit, a perpetual non-exclusive easement thereover for ingress and egress, pedestrian and vehicular, and by guests, invitees, and all others entering with permission of that Unit Owner to his garage in common with all other Unit Owners to whom access is provided to their garages over said driveway.

ARTICLE VII

Membership in Association Master Association

Section 7.1 Membership. Every Owner of a Unit shall be a member of the Association. Membership may not be separated from ownership of a Unit.

Section 7.2 Master Association. Every Owner of a Unit shall also be a member of the Master Association and is subject to the Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions for Adams Ridge dated July 26, 2001, and recorded July 27, 2001, at Instrument No. 200107270020603.

ARTICLE VIII

Monthly Payments, Subordination, Assignment.

Section 8.1 Monthly Payments. All Common Expense assessments made in order to meet the requirements of the Association's annual budget shall be payable in equal monthly installments in advance on the first day of each month including Special Allocations. Special assessments shall be due and payable in one or more monthly payments, in advance, on the first day of each month, as determined by the Executive Board.

Section 8.2 Subordination of Certain Charges. To the extent not inconsistent with Section 4.2, any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to Sections 5302(a)(10), (11) and (12) of the Act and which the Executive Board is hereby authorized to levy unless otherwise prohibited by the Declaration, shall be subordinate to the lien of a Mortgage on a Unit.

Section 8.3 Assignment of Income Rights. The Association may assign its rights to future income, including payments made on account of assessments for General Common Expenses and Limited Common Expenses, to secure any loan obtained by the Association for repairs, replacements or capital improvements to the Common Elements, provided that any such assignment is authorized by the vote of not less than 75% of the members of the Executive Board.

ARTICLE IX

Enjoyment of Unit

Section 9.1 Enjoyment of Unit by Owner. The Owner of a Unit shall have the exclusive right to the enjoyment of the Unit and all improvements thereon, notwithstanding that a portion of the Unit may contain Controlled Facilities and subject to rights of others as set forth in the Declaration and the rights and obligations of the Association as set forth in the Declaration and the Act. No Owner shall in any way interfere with, obstruct or impede the use of any Access Driveway or lateral or other driveway into the dwelling of another Owner.

ARTICLE X

Utility Service Connections.

Section 10.1 Utility Service Connections. The rights and duties of the Owners of Units within the Planned Community with respect to utility service connections, including sanitary and

storm sewer, water, electric, gas and telephone lines and related facilities, shall be governed by the following:

(a) Wherever utility service connections, or any portion thereof, lie in or upon a Unit owned by another Unit Owner or upon the Common Facilities, the Owner of any Unit served by the connections shall have the right and license from time to time to enter upon the other Unit or the Common Facilities in order to repair, replace and generally maintain said connections to the full extent necessary for such purposes.

ARTICLE XI

Disputes Under Article X

Section 11.1 Disputes. In the event of a dispute between Unit Owners with respect to the repair, replacement or maintenance of any connections, or with respect to the sharing of the cost hereof, then upon written request of one of such Owners addressed to the Association, the matter shall be submitted to its Executive Board which shall decide the dispute and the decision of the Board shall be final and conclusive on the parties.

ARTICLE XII

Subdivision or Conversion of Development Units: Maximum Units.

Section 12.1 Development Units.

(a) A Unit may be subdivided into two or more units or, in the case of a Unit owned by a Declarant (including a Development Unit) may be subdivided into two or more Units, Common Elements or a combination of Units and Common Elements. Upon application of a Unit Owner to subdivide a Unit or upon application of a Declarant to subdivide or convert a Unit, the Association shall prepare, execute and record an amendment to the Declaration, including the plats and plans, subdividing or converting that Unit.

(b) Execution and Contents of Amendment. The amendment to the Declaration must be executed by the Owner of the Unit to be subdivided, must assign an identifying number to each Unit created and must reallocate the allocated votes in the Association and Common Expense Liability formerly allocated to the subdivided Unit to the new Units in any reasonable manner prescribed by the Owner of the subdivided Unit.

(c) Conversion of Unit of Declarant to Common

Elements. In the case of a Unit owned by a Declarant, if a Declarant converts all of a Unit to Common Elements, the amendment to the Declaration must reallocate Common Expense Liability formerly allocated to the converted Unit on a pro rata basis, *inter se*.

Section 12.2 Maximum Units. The maximum number of units that may be created by the subdivision or conversion of Development Units owned by the Declarant pursuant to Section 5215 of the Act is 325.

ARTICLE XIII

Declarant Offices, Models and Signs.

Section 13.1 Common Elements.

(a) Declarant or any person designated by Declarant may maintain offices and models in the Common Element portion of the Planned Community only in connection with management of or sale or rental of Units owned by the Declarant in the Planned Community subject to the limitation that Declarant may not maintain in the Common Elements more than two offices and models of any class of the sizes typical or planned for the Planned Community. Declarant reserves the right to remove any such office or model. Upon relocation, the Declarant may remove all personal property and fixtures therefrom.

(b) Signs. Declarant or persons designated by Declarant may maintain signs in the Declarant's Units and on the Common Elements advertising Units in the Planned Community.

(c) Units. Declarant or persons designated by Declarant shall have the right to locate, relocate and maintain offices and models used in connection with management of or sale or rental of Units in the Planned Community on the Declarant's Unit or Units in the Planned Community notwithstanding the fact that the Declaration would otherwise preclude use of Units for such purpose.

ARTICLE XIV

Designation of Common Facilities.

Section 14.1 Right to Designate Common Facilities, etc.

(a) Declarant explicitly retains and reserves the

right to designate as Common Facilities (including Limited Common Facilities) any portions of the Planned Community or any improvement or facility existing or contemplated and to install amenities therein.

(b) Declarant may designate Common Facilities in the Additional Real Estate and Convertible Real Estate on subdivision plans when recorded of portions of the Additional Real Estate and Convertible Real Estate or on Plats and Plans. Portions of the Planned Community, improvements or facilities which will become Common Facilities will be conveyed or leased to the Association at various times by the Declarant or a successor to the interest of the Declarant in the portion by the later of the date of conveyance or lease by the Declarant of the last Unit the Declarant reserves the right to include in the Planned Community or the date of expiration of Declarant's rights under Section 5211 of the Act as reserved by Declarant.

(c) The obligation of Declarant to convey or lease land subsequently designated as Common Facilities, in any portion of the Planned Community, including the Additional Real Estate or Convertible Real Estate shall be binding on Declarant and any successor in interest of the Declarant in the portion whether or not the successor succeeds to any special declarant right.

(d) Declarant presently owns all the land within which Common Facilities will be created and anticipates that it will be its Owner at the time of any conveyances or leases to the Association, but does not assure that it will be the Owner at the time of any conveyance or lease to the Association.

(e) The procedure to be followed with regard to conveyance or lease of any portion of the Planned Community, improvement or facility which are created to the Association will be as follows:

(1) Declarant will send a duly executed special warranty deed or proposed lease to the Board. Title to deeded property will be subject to matters shown in Exhibit "B" except the mortgages.

(2) If the document is in order, the Board will accept the deed or lease and cause the deed to be recorded or execute the lease.

(3) The parties will take such other action as is usual and customary for the transfer of real property in the Commonwealth of Pennsylvania.

(f) The portion of the Planned Community, improvement or facility conveyed or leased to the Association shall be for no consideration.

(g) Upon the conveyance or lease of any portion of the Planned Community, improvement or facility to the Association, the expenses of the Association will increase and the total budget will increase as well as the Common Expense Liability of each Unit Owner.

(h) No conveyance or lease of any portion of the Planned Community, improvement or facility to the Association shall occur until any contemplated improvement therein has been completed unless a third party guarantee, bond, escrow letter of credit or other mechanism assuring completion has been provided by Declarant, in addition to Declarant's own guarantee of completion, for the benefit of the Association, and a statement that the third party mechanism and Declarant's own guarantee shall not expire until completion of the portion of the Planned Community, improvement or facility.

(i) As to any uncompleted improvement or facility that may become a Common Facility:

(1) Declarant reserves the right, but does not assume the obligation to construct improvements and facilities within the land which shall become Common Facilities.

(2) Legal descriptions of any future Common Facilities land are not presently available.

(3) Declarant will complete and is required by the Act to complete any improvements or facilities if constructed or installed by the later of the date of conveyance by Declarant of the last Unit the Declarant has reserved the right to include in the Planned Community or the date of the expiration of Declarant's rights under Section 5211 of the Act as reserved by Declarant.

(4) Until any facility or improvement is completed, Declarant shall be solely responsible for real estate taxes assessed against or allocable to the improvement or facility and for all other expenses in connection with the improvement or facility.

(5) No third party guarantee, bond, escrow, letter of credit or other mechanisms shall be provided by Declarant, and only Declarant's own guarantee shall be provided

to assure, for the benefit of the Association, completion of improvements or facilities.

(j) Any portion of the planned community, an improvement or facility will be deemed to be completed upon the recording of a certificate executed by an independent registered surveyor, architect, or professional engineer stating that the portion of the planned community, improvement or facility is substantially completed in accordance with the descriptions set forth in the Declaration, the Plats and Plans and the Public Offering Statement and so as to permit the use of such portion of the planned community, improvement or facility for its intended use.

ARTICLE XV

Development Rights.

Section 15.1 Reservations. Declarant reserves the following rights and combination of rights:

- (a) To add real estate to the Planned Community.
- (b) To create Units, Common Facilities, Limited Common Facilities, Controlled Facilities and Limited Controlled Facilities within the Planned Community including, but not limited to, all Additional and Convertible Real Estate.
- (c) To subdivide Units, to convert Units into Common Facilities, Limited Common Facilities or Controlled Facilities or Limited Controlled Facilities.
- (d) To withdraw real estate from the Planned Community.

ARTICLE XVI

Special Declarant Rights.

Section 16.1 Reservation. Declarant reserves the following Special Declarant rights to:

- (a) complete improvements indicated on plats and plans under Section 5210 of the Act.
- (b) convert Convertible Real Estate under Section 5211 of the Act.

(c) add Additional Real Estate under Section 5211 of the Act.

(d) withdraw Withdrawable Real Estate under Section 5212 of the Act.

(e) convert a Unit into two or more units, common facilities or controlled facilities or into two or more units and common facilities or controlled facilities.

(f) maintain offices, signs and models under Section 5217 of the Act.

(g) use easements through the Common Facilities for the purpose of making improvements within the Planned Community or within any Convertible or Additional Real Estate under Section 5218 of the Act.

(h) appoint or remove an officer of the Association or an Executive Board member during any period of Declarant Control under Section 5303 of the Act.

ARTICLE XVII

Additional Real Estate.

Section 17.1 Reservation To Add Additional Real Estate.
Declarant hereby explicitly reserves an option until the seventh (7th) anniversary of the recording of this Declaration, to add Additional Real Estate to the Planned Community from time to time in compliance with Section 5211 of the Act, without the consent of any Unit Owner or holder of a mortgage on a Unit. This option to expand may be terminated prior to such anniversary only upon the filing by Declarant of an amendment to this Declaration. Declarant expressly reserves the right to add any or all portions of the Additional Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other real estate be added, converted or withdrawn; provided, however, that the Additional Real Estate shall not exceed the area described as such on Exhibit "C" hereto. There are no other limitations on this option to add Additional Real Estate to the Planned Community.

Section 17.2 Assurances. The maximum number of Units that may be created within the Additional Real Estate is 200 (excluding Development Units). Any buildings to be constructed on the Additional Real Estate and Units therein shall be compatible in quality, materials and architectural style with the buildings and Units in the Planned Community except that no assurance is made as to size of buildings or Units. All Units

are restricted to Residential Use. Declarant makes no assurance (1) as to location of buildings or Units or other improvements and Limited Common Elements within the Additional Real Estate or the extent thereof, or (ii) that any Limited Common Elements created within any Additional Real Estate will be of the same general types and sizes as those within other parts of the Planned Community, or (iii) that the proportion of Limited Common Elements to Units created within any Additional Real Estate will be approximately equal to the proportions existing within other parts of the Planned Community. Declarant expressly reserves the right to designate Limited Common Elements in the Additional Real Estate and to make improvements. Declarant makes no assurances as to such improvements or Limited Common Elements or proportion of Limited Common Elements to Units. If Units are created in the Additional Real Estate, each Unit Owner shall be a member of the Association, each new Unit shall have one vote in the Association and each Unit shall have equal Common Expense Liability with all other Units for General Common Expenses (and each Unit shall have liability for Special Allocations under Section 5314 of the Act and Section 4.1(c) and Special Assessments under Section 6.4. The percentage of Common Expense Liability of each Unit shall be determined by dividing the total of the previously existing and any newly created number of Units into 100, and the quotient is the percentage of Common Expense Liability of each Unit for General Common Expenses. All restrictions in this Declaration affecting use, occupancy and alienation of Units shall apply to Units created in the Additional Real Estate. In the event that Declarant shall not add, or adds and then subsequently withdraws, any portion of the Additional Real Estate, Declarant shall nevertheless have the right to construct all or any portion of any Building on the Real Estate described in Exhibit "C" and operate the same without restriction. No assurance given herein shall apply to any portion of the Additional Real Estate not added to or withdrawn from the Planned Community.

ARTICLE XVIII

Convertible Real Estate.

Section 18.1 Reservation To Convert Real Estate. Declarant hereby explicitly reserves an option until the seventh (7th) anniversary of the recording of this Declaration, to convert all or any portion of the Convertible Real Estate to Units, Common Elements, Limited Common Elements, or any combination thereof from time to time in compliance with Section 5211 of the Act, without the consent of any Unit Owner or holder of a mortgage on a Unit. This option to convert may be terminated prior to such anniversary only upon the filing by Declarant of an amendment to

this Declaration. Declarant expressly reserves the right to convert any or all portions of the Convertible Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other real estate be added, converted or withdrawn; provided, however, that the Convertible Real Estate shall not exceed the area described as such on Exhibit "D" hereto. There are no other limitations on this option to convert Convertible Real Estate.

Section 18.2 Assurances. The maximum number of Units that may be created within the Convertible Real Estate is 319 (excluding Development Units). Any buildings to be constructed on the Convertible Real Estate and Units therein shall be compatible in quality, materials and architectural style with the buildings and Units in the Planned Community except that no assurance is made as to size of buildings or Units. All Units are restricted to Residential Use. Declarant makes no assurance (1) as to location of buildings or Units or other improvements within the Convertible Real Estate or the extent thereof or of Common Elements or Limited Common Elements, or (ii) that any Limited Common Elements created within any Convertible Real Estate will be of the same general types and sizes as those within other parts of the Planned Community, or (iii) that the proportion of Limited Common Elements to Units created within any Convertible Real Estate will be approximately equal to the proportions existing within other parts of the Planned Community. Declarant expressly reserves the right to designate Common Elements and Limited Common Elements in the Convertible Real Estate and to make improvements. Declarant makes no assurances as to such improvements or Common Elements, Limited Common Elements or proportion of Limited Common Elements to Units. If Units are created in the Convertible Real Estate, each Unit Owner shall be a member of the Association, each new Unit shall have one vote in the Association and each Unit shall have equal Common Expense Liability with all other Unit Owners for General Common Expenses (and each Unit shall have liability for Special Allocations under Section 5314 of the Act and Section 4.1(c) and Special Assessments under Section 6.4. The percentage of Common Expense Liability shall be determined by dividing the total of the previously existing and newly created number of Units into 100 and the quotient is the percentage of Common Expense Liability of each Unit for General Common Expenses. All restrictions in this Declaration affecting use, occupancy and alienation of Units shall apply to Units created in the Convertible Real Estate.

ARTICLE XIX

Withdrawable Real Estate.

Section 19.1 Reservations to Withdraw Real Estate.
Declarant hereby explicitly reserves an option, until the seventh (7th) anniversary of the recording of this Declaration, to withdraw Withdrawable Real Estate from the Planned Community from time to time in compliance with Section 5212 of the Act, without the consent of any Unit Owner or holder of a mortgage on any Unit. This option to withdraw may be terminated prior to such anniversary only upon the filing of an amendment to this Declaration by the Declarant. Declarant expressly reserves the right to withdraw any or all portions of the Withdrawable Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other real estate be withdrawn, added or converted, except as set forth in Section 5212 of the Act; provided, however, that the Withdrawable Real Estate shall not exceed the area described as such on Exhibit "E" hereto. There are no other limitations on this option to withdraw the Withdrawable Real Estate. If real estate containing Units is withdrawn from the Planned Community, membership in the Association will be decreased by the number of Units withdrawn. The number of votes in the Association will be decreased by one vote for each Unit in the withdrawn real estate. Each remaining Unit shall have one vote in the Association and each remaining Unit shall have equal Common Expense Liability with all other remaining Units for General Common Expenses (and each Unit shall have liability for Special Allocations under Section 5314 of the Act and Section 4.1(c) and Special Assessments under Section 6.4). The percentage of Common Expense Liability shall be determined by dividing the number of remaining Units into 100 and the quotient will be the percentage of Common Expense Liability of each Unit for General Common Expenses. In the event that Declarant withdraws any portion of the Withdrawable Real Estate, Declarant shall nevertheless have the right to construct all or any portion of any building on such real estate and operate the same without restriction. No assurance given herein shall apply to any portion of the Withdrawable Real Estate withdrawn from the Planned Community.

ARTICLE XX

Easements to Facilitate Completion, Conversion and Expansion.

Section 20.1. Easement. Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or completing

development, and construction or sales or leasing of Units or exercising special declarant rights. Declarant and its designees may store topsoil and construction materials and park construction vehicles and trailers on the Common Facilities during the build out period or to make repairs as deemed appropriate. In addition, without affecting the rights, if any, of each Unit Owner with respect to the use and enjoyment of the Common Elements, subject to the provisions of the Declaration, each Unit Owner and its agents, contractors and invitees shall have a non-exclusive access easement through the Common Elements as may be reasonably necessary for the purpose of construction, repair and renovation of the Owner's Unit.

Section 20.2 Utility Easements. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property or the Additional or Convertible Real Estate. The easements created in this Section shall include, without limitation, rights of Declarant, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drainage lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Elements and to dedicate same for permanent maintenance. Notwithstanding the foregoing provisions of this Section, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use or occupancy of any dwelling.

ARTICLE XXI

Declarant's Easement to Correct Drainage

Section 21.1 Reservations. Declarant reserves an easement on, over and under those portions of the Common Elements not located within a Building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety, welfare and appearance. The easement created by this Section expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which Declarant shall restore the affected property as closely to its original condition as practicable.

ARTICLE XXII

Declarant's Easement for Development of Additional or Convertible Real Estate

Section 22.1 Reservations. Without limiting other parts of Article XXVII, Declarant reserves an easement on, over and under the Common Elements not located in a building, for all purposes relating to the construction, development, leasing, and sale of improvements on the Additional or Convertible Real Estate. This easement shall include without limitation, the right of vehicular and pedestrian ingress and egress, the right to park motor vehicles and to engage in construction and marketing activities of any nature whatsoever, including the movement and storage of building materials and equipment, the conduct of sales, leasing and management activities, the maintenance of models and offices and the erection and maintenance of directional and promotional signs, subject to the limitation in number of models in Section 17.1(a).

Section 22.2 Utility Connections. Declarant shall have the right, as often as it deems necessary, to connect utility lines, pipes and cables, including, but not limited to, water, gas, sewer, electricity, telephone and cable television, from the other parts of the Planned Community, Additional or Convertible Real Estate or Withdrawable Real Estate whether or not added, converted or withdrawn in order to furnish utility services to such other parts.

Section 22.4 Assignment. Declarant may assign its rights under Section 27.5 to any successor in title to any portion of the Additional or Convertible Real Estate whether or not such successor is a transferee of Special Declarant Rights.

ARTICLE XXIII

Easements and Licenses

Section 23.1 Reservation. Declarant explicitly reserves and retains the right to subject any portion of the Planned Community to easements or licenses in favor of any Additional Real Estate not added to the Planned Community or Withdrawable Real Estate withdrawn therefrom in connection with development of such lands or in favor of persons not owners of Units or occupants of a Unit in the Planned Community. Any such easements or licenses shall not increase the expenses of the Association.

ARTICLE XXIV

Easement for Encroachments.

Section 24.1 Units or Common Element Encroachments. To the extent not inconsistent with Section 2.3(b) hereof, to the extent that any Unit or Common Element encroaches on any other Unit or Common Element, a valid easement for the encroachment exists. The easement does not relieve a Unit Owner of liability in case of the Unit Owner's willful misconduct nor relieve a Declarant or any contractor, subcontractor or materialman or any other person of liability for failure to adhere to the plats and plans.

ARTICLE XXV

Easement As To Encroachments of Dwelling.

Section 25.1 Dwellings.

(a) To the extent that any common or party wall between dwellings encroaches upon an adjoining Unit, the encroaching Unit shall have a valid perpetual easement, to the extent of such encroachment, which shall inure to the benefit of such encroaching Owner, his heirs and assigns.

(b) It if becomes necessary or desirable to repair or rebuild the whole or any portion of said common or party wall, the expense of such repairing or rebuilding shall be borne equally by the adjoining Unit Owner and if re-erected shall be built on the same spot on the same line and be of the same size and the same or similar material and of like quality. However, if the party wall is damaged by the act or omission of one Owner, that Owner shall be solely responsible for the entire repair and cost thereof.

(c) An Owner who, by his negligent or willful acts cause a party wall to be exposed to the elements shall bear the entire cost of furnishing the necessary protection against such elements.

(d) This Article shall be perpetual, be a covenant running with the land, no part of the fee of the soil upon which the wall or other encroachment stands or is located shall pass.

(e) This Article shall not diminish any rights of an encroaching party under the laws of the Commonwealth of Pennsylvania with regard to party walls.

running with the land, no part of the fee of the soil upon which the wall or other encroachment stands or is located shall pass.

(e) This Article shall not diminish any rights of an encroaching party under the laws of the Commonwealth of Pennsylvania with regard to party walls.

ARTICLE XXVI

Declarant's Appointment of Executive Board Members.

Section 26.1 Control.

(a) Until the 60th day after conveyance of 244 Units to Unit Owners other than Declarant, Declarant shall have the right to appoint and remove any and all officers and members of the Executive Board. Declarant may not unilaterally remove any members of the Executive Board elected by Unit Owners other than Declarant.

(b) Not later than 60 days after conveyance of 81 Units to Unit Owners other than Declarant, at least one member and not less than 25% of the members of the Executive Board shall be elected by Unit Owners other than Declarant.

(c) No later than 60 days after conveyance of 162 Units to Unit Owners other than Declarant, not less than one-third of the Executive Board shall be elected by Unit Owners other than Declarant.

(d) Not later than the earlier of (i) seven years after the date of conveyance of a Unit to a person other than Declarant, or (ii) 60 days after 243 Units have been conveyed to Unit Owners other than Declarant, (iii) two years after Declarant has ceased to offer Units for sale in the ordinary course of business; (iv) two years after any development right to add new Units was last exercised, all members of the Executive Board appointed by Declarant and its present officers shall resign and the Board shall be elected by the Unit owners.

(e) Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive board before termination of that period. In that event the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

plans, may be amended only by vote of at least 67% of the Association.

(2) Paragraph (1) is limited by Subsection (d).

(3) Paragraph (1) shall not apply to any of the following Sections of the Act:

(I) Amendments executed by a Declarant under:

(A) Section 5210(e) or (f) (relating to plats and plans);

(B) Section 5211(a) (relating to conversion and expansion of flexible planned communities); or

(c) Section 5212(a) (relating to withdrawal of withdrawable real estate).

(ii) Amendments executed by the Association under:

(A) Subsection (f);

(B) Section 5107 (relating to eminent domain);

(C) Section 5207(d) (relating to leasehold planned communities);

(D) Section 5209 (relating to limited common elements); or

(E) Section 5215 (relating to subdivision or conversion of units).

(iii) Amendments executed by certain Unit Owners under the following Sections of the Act:

(A) Section 5209(b);

(B) Section 5214(a) (relating to relocation of boundaries between units);

(C) Section 5215; or

(D) Section 5220(b) (relating to termination of planned community).

(b) Limitation of Action to Challenge Amendment. No action to challenge the validity of an amendment adopted by the Association under this Section may be brought more than one year after the amendment is recorded.

(c) Recording Amendment. Every amendment to the Declaration shall be recorded in Washington County. An amendment is effective only upon recording.

(d) When Unanimous Consent or Declarant Joinder Required. Except to the extent expressly permitted or required by other provisions of the Act, without unanimous consent of all Unit Owners affected, no amendment may create or increase special declarant rights, alter the terms or provisions governing the completion or conveyance or lease of Common Facilities or increase the number of Units or change the boundaries of any Unit, the Common Expense Liability or voting strength in the Association allocated to a Unit, or the uses to which any Unit is restricted. In addition, no Declaration provisions pursuant to which any special declarant rights have been reserved to a Declarant shall be amended without the express written joinder of the Declarant in such amendment.

(e) Officer Authorized to Execute Amendment. Amendments to the Declaration required by this subpart to be recorded by the Association shall be prepared, executed, recorded and certified by an officer of the Association designated for that purpose or, in the absence of designation, by the President of the Association.

(f) Technical Corrections. Except as otherwise provided in the Declaration, if any amendment to the Declaration is necessary in the judgment of the Executive Board or Declarant to do any of the following:

- (1) Cure an ambiguity;
- (2) Correct or supplement any provision of the Declaration, including the plats and plans, that is defective, missing or inconsistent with any other provision of the Declaration or with this subpart; or
- (3) Conform to the requirements of any agency or entity that has established national or regional standards with respect to loans secured by mortgages or deeds of trust or units in planned community or so-called "PUD" projects, such as Federal

National Mortgage Association and the Federal Home Loan Mortgage corporation; the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of liens on the planned community, upon receipt of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this Subsection.

(g) Declarant is hereby also authorized to make the technical corrections set forth in (e) above and to execute and record such.

Section 27.2 Rights of Secured Lenders. Any published requirement of the Federal National Mortgage Association, or its successors (collectively "FNMA") or of the Federal Home Loan Mortgage Corporation, or its successors (collectively "FHLMC") with respect to approval of amendments to the Declaration by holders of mortgages on Units shall be complied with if, at the time such amendment is submitted to the Unit Owners for their approval, one or more mortgages on Units is held by whichever of FNMA or FHLMC imposes such requirement and the Executive board has been notified in writing that a mortgage is held by the entity imposing such requirement.

ARTICLE XXVIII

Termination of Planned Community.

Section 28.1 Requirements. Until December 31, 2011, the Planned Community may be terminated only by agreement of Unit Owners to which 100% of the votes in the Association are allocated. After said date, the percentage of votes required shall be 80%. Any such terminations must also have the written consent of Declarant, so long as Declarant (or its designee pursuant to agreement with Declarant) has rights under Section 5211 of the Act.

ARTICLE XXIX

Rules and Regulations.

Section 29.1 Adoption; Fines. The Executive Board may establish reasonable rules and regulations concerning the Planned Community, the performance of its obligations under the Declaration and law, the regulation and use of Common Facilities and all improvements upon the Common Facilities, including the imposition of reasonable user fees (except for members, family residing on the Unit and tenants) and limits upon the number of

permitted guests. Nothing herein shall prohibit the Executive Board from establishing fees to members for the use of a Common Facility for exclusive use by a member for private partys and similar activities. The Executive Board may adopt other Rules and Regulations as are reasonable for the health, safety, welfare and enjoyment of the residents of the Planned Community. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Unit Owners prior to the effective date thereof. Such rules and regulations shall be binding on all Unit Owners, their families, guests, invitees and agents, unless canceled or modified by vote of at least 67% of the Association and the consent of the Declarant so long as he has rights to create additional Units. The Executive Board shall have authority to impose reasonable monetary fines and other reasonable sanctions for violations of the Rules and Regulations. Fines shall be payable as provided in the Declaration, By-Laws, or the rules and regulations.

ARTICLE XXX

Limitation of Liability.

Section 30.1 Standard of Conduct.

(a) In the performance of their duties, the officers and members of the Executive Board shall stand in a fiduciary relation to the Association and shall perform their duties, including duties as members of any committee of the Board upon which they may serve, in good faith, in a manner they reasonably believe to be in the best interests of the Association and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

(b) In discharging the duties of their respective positions, the Executive Board members and officers may, in considering the best interests of the Association, consider the effects of any action upon employees and upon suppliers of the Association and upon communities in which the Planned Community is located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of the standards described above.

(c) Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as an Executive Board member or officer or any failure to take any action shall be presumed to be in the best interest of the Association.

Section 30.2 Good Faith Reliance. An officer or Executive Board member shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause his reliance to be unwarranted

Section 30.3 Limited Liability. No Executive Board member or officer, in his capacity as such, shall be personally liable for monetary damages for any action taken, or any failure to take any action, unless he has breached or failed to perform the duties of his office under the standards described above; provided, however, that the provisions of this Section shall not apply to the responsibility or liability of an Executive Board member or officer pursuant to any criminal statute, or to the liability of an Executive Board member or officer for the payment of taxes pursuant to local, state, or federal law.

Section 30.4 Indemnification. To the extent permitted under Pennsylvania law, each member of the Executive Board, in his capacity as an Executive Board member, officer or both, and any officer, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board or officer, or any settlement of any such proceeding, whether or not he is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged to be in breach of the standards of conduct described above; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association; and provided further that, indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Executive Board member and/or officer had no reasonable cause to believe his conduct was unlawful. The indemnification by the Unit Owners set forth in this Section shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

To the extent permissible under Pennsylvania law, expenses incurred by an Executive Board member or officer in defending a civil or criminal action, suit or proceeding shall be

paid by the Association in advance of the final disposition of such action, suit or proceeding upon the request of the Executive Board member or officer, after the Association has received an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Association.

Section 30.5 Directors and Officers. The Executive Board shall obtain insurance to satisfy the indemnification obligation of the Association and all Unit Owners set forth above, if and to the extent available at reasonable cost.

ARTICLE XXXI

Violations.

Section 31.1 Enforcement. The Association, the Declarant or any Unit Owner shall have the right to enforce by proceedings at law or in equity, the covenants, conditions, restrictions, reservations, liens and charges now or hereafter imposed by the Declaration, By-Laws or Rules and Regulations. Failure to enforce any provision shall not be deemed a waiver of the right to do so thereafter. The Association may also impose fines or other sanctions, collection of which shall be as provided in the Declaration, By-Laws or Rules and Regulations. The expense of enforcement by the Association (including reasonable attorney's fees) shall be chargeable to the Unit Owner violating such provision, and shall constitute a lien on the Unit. Before an individual Unit Owner may act to enforce any provisions of this Declaration, the By-Laws or Rules and Regulations, written notice must be given to the Executive Board and the Association given a reasonable opportunity to take appropriate action.

ARTICLE XXXII

Other Provisions.

Section 32.1 Insurance. The Association shall maintain such insurance as is required by Section 5312 of the Act. The Association may carry any other insurance it deems appropriate.

Section 32.2 Severability. Invalidation of any one of the provisions hereof or any part of any provision hereof shall in no way affect the remainder of the provision or any other provision which shall remain in full force and effect. In the event the Act creating planned communities is declared invalid, a common law community services association shall exist.

Section 32.3 Waiver of Use. No member may exempt himself from liability for his charges and assessments duly levied by the Association in accordance with the provisions of this Declaration and the By-Laws, nor release the Unit owned by him from the liens and charges hereof by waiver of the use and enjoyment of the Common Elements, by abandonment of his Unit or by any conveyance or covenant severing the rights and benefits from the Unit. Said charge, lien or assessment shall be, in addition to being an obligation running with the land, a personal obligation of the Owner at the time of the assessment levy not subject to set-off or counterclaim.

Section 32.4 Person and Gender. As used in this Declaration, the word person or reference to a person shall mean and include a natural person, corporation, partnership, trust or other entity or any combination thereof; the plural shall be substituted for singular and the singular for the plural where appropriate and words of any gender shall mean or include any other gender.

Section 32.5 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Act, by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege or reasonably necessary to effectuate any such right or privilege.

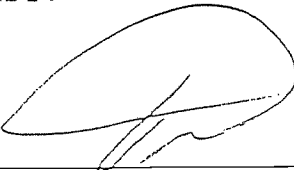
Section 32.6 Matters of Dispute. Matters of dispute or disagreement between Association members or with respect to interpretation or application of the provisions of this Declaration or the By-Laws shall be determined by the Executive Board, which determination shall be binding except that this Section shall not apply to Declarant.

Section 32.7 Conflict with Declaration. In the event of a conflict between the Declaration and the By-Laws, the Declaration shall prevail.

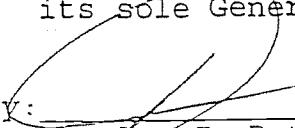
IN WITNESS WHEREOF, the said Adams Ridge, II, L.P. has executed these presents on this _____ day of _____, 200__.

ATTEST:

Adams Ridge II, L.P., by
Ridge Development Corporation,
its sole General Partner



Secretary

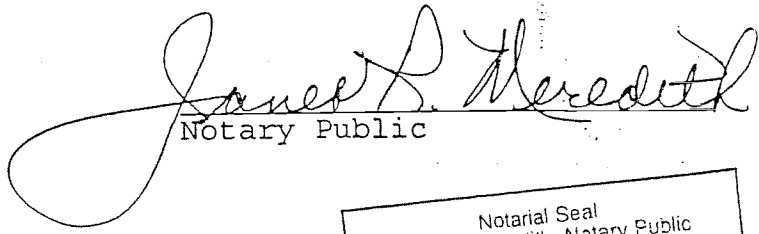
By: 

Charles J. Betters, President

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF Butler : SS.

On this 21st day of January, 2002, before me, a Notary Public in and for said County in the State aforesaid, personally appeared Charles J. Betters, who being duly sworn according to law deposes and says that he is President of Ridge Development Corporation, sole General Partner of Adams Ridge II, L.P., and that as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

In witness whereof, I have hereunto set my hand and seal.


Notary Public

My Commission Expires:

Notarial Seal
Janet R. Meredith, Notary Public
Cranberry Twp., Butler County
My Commission Expires June 10, 2002

LIST OF EXHIBITS

EXHIBIT A
SUBMITTED REAL ESTATE

EXHIBIT B
LIENS AND ENCUMBRANCES

EXHIBIT C
ADDITIONAL REAL ESTATE

EXHIBIT D
CONVERTIBLE REAL ESTATE

EXHIBIT E
WITHDRAWABLE REAL ESTATE

EXHIBIT F
SCHEDULE OF UNIT IDENTIFYING NUMBERS, VOTES, AND
PERCENTAGE OF COMMON EXPENSE LIABILITY
OF EXISTING UNITS

EXHIBIT G
PLATS AND PLANS

EXHIBIT A

ALL those certain parcels or pieces of ground situate in the Township of Adams, County of Butler, and Commonwealth of Pennsylvania, being Lots No. T-1 through T-28 in the Village of Adams Ridge Phase VI as recorded in the Recorder's Office of Butler County in Plan Book Volume 243, page 16-23.

EXHIBIT "B"

LIENS AND ENCUMBERANCES

Premises described in Exhibit "A"

1. Mortgage from Adams Ridge II, L.P. to Sky Bank in the original principal amount of \$7,100,000.00.
2. Mortgage from Adams Ridge II, L.P. to NVR Mortgage recorded July 31, 2001, at Instrument No. 200107310020902.
3. All coal and mining rights and all rights relating thereto.
4. Right-of-way and easements to Breakneck Creek Regional Authority at the following volumes and pages:
 - (A) Book 2191, page 211;
 - (B) Book 2191, page 116;
 - (C) Book 2312, page 119; and
 - (D) Book 2312, page 129.
5. Subject to a right-of-way to Harmony Natural Gas Co. Recorded at Deed Book 282, page 16.
6. Subject to a right-of-way to Bell Telephone Company of Pennsylvania at Book 461, page 340.
7. Subject to a right-of-way to New York State Natural Gas Corporation recorded at Book 597, page 400.
8. Modification of right-of-way to CNG Transmission recorded at Book 1410, page 643.
9. Subject to right-of-way to Municipal Water Authority of Adams Township at Instrument No. 200007120015903 on 7/12/2000.

EXHIBIT "B"

LIENS AND ENCUMBERANCES (CONT.)

10. Subject to a right-of-way to Pennsylvania Power Company recorded August 13, 2001, at Instrument No. 200108130022363.
11. Subject to the Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions for Adams Ridge recorded on July 27, 2001, at Instrument No. 200107270020603.
12. Subject to a Declaration of Easement of Adams Ridge II, L.P. dated October 24, 2001, recorded at Instrument No. 200110260030545.

Premises described in Exhibit "C"

1. Mortgage from Southern Valley Commons, L.P. to Sky Bank in the original principal amount of \$2,900,000.00.
2. All coal and mining rights and all rights relating thereto.
3. The following oil and gas leases:
 - a) To I.V. Hoag, Jr. dated October 20, 1886, and recorded in Deed Book Volume 82, page 258.
 - b) To H.P. Boyd dated December 20, 1889, and recorded in Deed Book Volume 108, page 405.
 - c) To J.D. Marshal dated June 9, 1892, and recorded in Deed Book Volume 131, page 294.
 - d) To J.D. Marshall dated June 9, 1892, and recorded in Deed Book Volume 131, page 297.
 - e) To J.N. Bolard dated June 9, 1892, and recorded in Deed Book Volume 131, page 302.
 - f) To Forest Oil Company dated November 22, 1893, and recorded in Deed Book Volume 141, page 76.

EXHIBIT "B"

LIENS AND ENCUMBERANCES (CONT.)

- g) To J.D. Marshall dated September 28, 1894, and recorded in Deed Book Volume 141, page 324.
 - h) To United National Gas Company dated April 28, 1894, and recorded in Deed Book Volume 148, page 54.
 - i) To Coronet Oil and Gas Company dated October 8, 1894, and recorded in Deed Book Volume 147, page 236.
 - j) To W.L. Kelly dated June 12, 1901, and recorded in Deed Book Volume 193, page 460.
 - k) To W.J. Burke dated March 14, 1920, and recorded in Deed Book Volume 368, page 362.
 - l) To A.J. Degenther dated September 23, 1930, and recorded in Deed Book Volume 464, page 210.
4. The following rights-of-way and easements:
- a) To New York State Natural Gas Corporation dated September 1, 1950, and recorded in Deed Book Volume 597, page 399.
 - b) To Bell Telephone Company of Pennsylvania dated February 19, 1930, and recorded in Deed Book Volume 461, page 346.
 - c) To Bell Telephone Company of Pennsylvania dated October 31, 1929, and recorded in Deed Book Volume 461, page 343.
 - d) To New York State Natural Gas Corporation dated November 30, 1950, and recorded in Deed Book Volume 606, page 186.
 - e) To Pennsylvania Power Company dated February 25, 1975, and recorded in Deed Book Volume 1002, page 755.

EXHIBIT "B"

LIENS AND ENCUMBERANCES (CONT.)

- f) To CNG Transmission Corporation dated July 20, 1988, and recorded in Deed Book Volume 1431, page 41.
- g) Sewer right-of-way easement agreement from DiCesare Engler Development Corporation and Seven Fields Development Corporation, Inc., dated May 2, 1991, and recorded in Deed Book Volume 1780, page 303
- h) To Breakneck Creek Regional Authority dated July 3, 1991, and recorded in Deed Book Volume 2135, page 222.
- i) To North Pittsburgh Telephone Company dated July 5, 1993, and recorded in Deed Book Volume 2340, page 382.
- j) To Pennsylvania Power Company dated August 3, 1993, and recorded in Deed Book Volume 2352, page 258.
- k) To North Pittsburgh Telephone Company dated August 5, 1993, and recorded in Deed Book Volume 2356, page 876.
- l) To Peoples Natural Gas Company dated September 14, 1993, and recorded in Deed Book Volume 2372, page 1019.
- m) To Pennsylvania Power Company dated July 5, 1994, and recorded in Deed Book Volume 2456, page 612.
- n) To Pennsylvania Power Company dated December 8, 1994, and recorded in Deed Book Volume 2497, page 519.
- o) To Pennsylvania Power Company dated April 6, 1995, and recorded in Deed Book Volume 2516, page 878.
- p) To Pennsylvania Power Company dated February 26, 1996, and recorded in Deed Book Volume 2604, page 247.

EXHIBIT "B"

LIENS AND ENCUMBERANCES (CONT.)

- q) To Pennsylvania Power Company dated April 18, 1996, and recorded in Deed Book Volume 2629, page 12.
- r) To Pennsylvania Power Company dated June 18, 1996, and recorded in Deed Book Volume 2643, page 380.
- 5. Access covenant between the Department of Transportation and Adams Ridge, Inc. Dated May 3, 1994, and recorded in Deed Book Volume 2433, page 417.
- 6. Highway Occupancy Permit granted to Adams Ridge, Inc dated May 3, 1994, and recorded in Deed Book Volume 2433, page 419.
- 7. Supplemental Highway Permit granted to Adams Ridge, Inc. dated May 3, 1994, and recorded in Deed Book Volume 2433, page 421.

EXHIBIT C

ADDITIONAL REAL ESTATE

All that certain parcel of land situate partly in Cranberry Township and partly in Adams Township, Butler County, Pennsylvania, being Parcel "A" in the Southern Valley Subdivision, recorded in Plan Book Volume _____, pages _____, more particularly bounded and described as follows:

BEGINNING at the northeasterly corner of the Parcel hereinafter described, said point being common with the southeasterly corner of Parcel "C" in the Castle Creek Plan of Lots Phase III recorded in Plan Book Volume 224, pages 8 through 10, the westerly line of Parcel "A-6" and the northwesterly corner of Parcel "C-6" in the Adams Ridge Plan of Lots Village VI, recorded in Plan Book Volume 176, page 20; thence along the westerly line of said Parcel "C-6" South $02^{\circ}19'27''$ West, 472.90 feet to the northeasterly corner of Parcel "B" in the above referenced Southern Valley Subdivision; thence along the northerly line of said parcel "B" the following seven courses: North $81^{\circ}57'20''$ West, 496.50 feet; thence South $77^{\circ}33'47''$ West, 226.41 feet; thence South $54^{\circ}57'20''$ West, 155.11 feet; thence South $32^{\circ}57'51''$ West, 138.84 feet; thence South $58^{\circ}55'17''$ West, 153.94 feet; thence South $42^{\circ}35'37''$ West, 151.52 feet; thence South $47^{\circ}51'25''$ West, 237.65 feet to a point on the easterly line of lands of Bayard Crossings Corporation recorded in Instrument No. 200012260030573; thence along said easterly line North $06^{\circ}32'02''$ West, 555.42 feet to a point on the southerly line of the aforementioned Parcel "C" in the Castle Creek Plan of Lots Phase III; thence along said southerly line the following two courses: North $55^{\circ}26'20''$ East, 784.44 feet; thence North $89^{\circ}10'25''$ East, 762.29 feet to the point of beginning.

Containing an area of 650,471 square feet or 14.933 acres.

EXHIBIT D

CONVERTIBLE REAL ESTATE

FIRST: ALL those certain parcels or pieces of ground situate in the Township of Adams, County of Butler, and Commonwealth of Pennsylvania, being Lots No. T-1 through T-28 in the Village of Adams Ridge Phase VI as recorded in the Recorder's Office of Butler County in Plan Book Volume 243, page 16-23. Excluding therefrom Units T5R-A, T5R-B, T5R-C, T5R-D, T5R-E and T5R-F.

SECOND: All that certain parcel of land situate partly in Cranberry Township and partly in Adams Township, Butler County, Pennsylvania, being Parcel "A" in the Southern Valley Subdivision, recorded in Plan Book Volume _____, pages _____, more particularly bounded and described as follows:

BEGINNING at the northeasterly corner of the Parcel hereinafter described, said point being common with the southeasterly corner of Parcel "C" in the Castle Creek Plan of Lots Phase III recorded in Plan Book Volume 224, pages 8 through 10, the westerly line of Parcel "A-6" and the northwesterly corner of Parcel "C-6" in the Adams Ridge Plan of Lots Village VI, recorded in Plan Book Volume 176, page 20; thence along the westerly line of said Parcel "C-6" South $02^{\circ}19'27''$ West, 472.90 feet to the northeasterly corner of Parcel "B" in the above referenced Southern Valley Subdivision; thence along the northerly line of said parcel "B" the following seven courses: North $81^{\circ}57'20''$ West, 496.50 feet; thence South $77^{\circ}33'47''$ West, 226.41 feet; thence South $54^{\circ}57'20''$ West, 155.11 feet; thence South $32^{\circ}57'51''$ West, 138.84 feet; thence South $58^{\circ}55'17''$ West, 153.94 feet; thence South $42^{\circ}35'37''$ West, 151.52 feet; thence South $47^{\circ}51'25''$ West, 237.65 feet to a point on the easterly line of lands of Bayard Crossings Corporation recorded in Instrument No. 200012260030573; thence along said easterly line North $06^{\circ}32'02''$ West, 555.42 feet to a point on the southerly line of the aforementioned Parcel "C" in the Castle Creek Plan of Lots Phase III; thence along said southerly line the following two courses: North $55^{\circ}26'20''$ East, 784.44 feet; thence North $89^{\circ}10'25''$ East, 762.29 feet to the point of beginning.

Containing an area of 650,471 square feet or 14.933 acres.

EXHIBIT E

WITHDRAWABLE REAL ESTATE

FIRST: ALL those certain parcels or pieces of ground situate in the Township of Adams, County of Butler, and Commonwealth of Pennsylvania, being Lots No. T-1 through T-28 in the Village of Adams Ridge Phase VI as recorded in the Recorder's Office of Butler County in Plan Book Volume 243, page 16-23. Excluding therefrom Units T5R-A, T5R-B, T5R-C, T5R-D, T5R-E and T5R-F.

SECOND: All that certain parcel of land situate partly in Cranberry Township and partly in Adams Township, Butler County, Pennsylvania, being Parcel "A" in the Southern Valley Subdivision, recorded in Plan Book Volume _____, pages _____, more particularly bounded and described as follows:

BEGINNING at the northeasterly corner of the Parcel hereinafter described, said point being common with the southeasterly corner of Parcel "C" in the Castle Creek Plan of Lots Phase III recorded in Plan Book Volume 224, pages 8 through 10, the westerly line of Parcel "A-6" and the northwesterly corner of Parcel "C-6" in the Adams Ridge Plan of Lots Village VI, recorded in Plan Book Volume 176, page 20; thence along the westerly line of said Parcel "C-6" South 02°19'27" West, 472.90 feet to the northeasterly corner of Parcel "B" in the above referenced Southern Valley Subdivision; thence along the northerly line of said parcel "B" the following seven courses: North 81°57'20" West, 496.50 feet; thence South 77°33'47" West, 226.41 feet; thence South 54°57'20" West, 155.11 feet; thence South 32°57'51" West, 138.84 feet; thence South 58°55'17" West, 153.94 feet; thence South 42°35'37" West, 151.52 feet; thence South 47°51'25" West, 237.65 feet to a point on the easterly line of lands of Bayard Crossings Corporation recorded in Instrument No. 200012260030573; thence along said easterly line North 06°32'02" West, 555.42 feet to a point on the southerly line of the aforementioned Parcel "C" in the Castle Creek Plan of Lots Phase III; thence along said southerly line the following two courses: North 55°26'20" East, 784.44 feet; thence North 89°10'25" East, 762.29 feet to the point of beginning.

Containing an area of 650,471 square feet or 14.933 acres.

EXHIBIT F

SCHEDULE OF UNIT IDENTIFYING NUMBERS, VOTES, AND
PERCENTAGE OF COMMON EXPENSE LIABILITY
OF EXISTING UNITS

<u>Unit Identifying Number</u>	<u>No. Of Votes</u>	<u>Percentage of Common Expense Liability Allocated*</u>
T5R-A	(all Unites have one vote)	16.7%
T5R-B		16.7%
T5R-C		16.7%
T5R-D		16.7%
T5R-E		16.7%
T5R-F		16.7%

* Except for assessments under Subsection (c) of Section 5314 of the Act and 4.1(c) of the Declaration, all Common Expenses shall be assessed against all the Units in accordance with the Common Expense Liability allocated to each Unit in the ase of general common expenses andin accordance with Section 5314(c) of the Act and 4.1(c) of the Declaration in the case of Special Allocation of Expenses.