

BEECH MOUNTAIN LAKES ASSOCIATION, INC.

1 Burke Drive, Drums, PA 18222
Office (570) 788-1010 Fax (570) 788-5117

RESALE CERTIFICATE
UNDER SECTION 5407 OR THE
PENNSYLVANIA UNIFORM PLANNED COMMUNITY ACT

Name of Selling Unit Owner: _____

Unit Being Sold: _____

Date of Resale Certificate: _____

BEECH MOUNTAIN LAKES ASSOCIATION, INC. PROVIDES THIS RESALE CERTIFICATE IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 5407 OF THE PENNSYLVANIA UNIFORM PLANNED COMMUNITY ACT.

1. *Declaration (excluding plats and plans). By-laws and Rules and Regulations*

The current forms (including amendments) of the Declaration of Beech Mountain Lakes Association, Inc. (excluding plats and plans) and the Rules and Regulations of Beech Mountain Lakes Association, Inc. are attached to this Certificate. The current By-laws for the property Association are attached.

2. *Statement disclosing the effect on the proposed disposition of any right of first refusal or other restraint on the free alienability of the unit.*

There are no rights of first refusal or other restraints on the free alienability of the unit.

3. *Statement of annual common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner and any surplus fund credits applicable to the unit.*

The current annual common expenses assessment is _____ (There are no) unpaid (there are) unpaid common expenses or special assessments currently due and payable from the Selling Unit Owner. The amounts owing total \$ _____. (There are no) (There are) surplus fund credits applicable to this Unit.

4. *Statement of any other fees payable by unit owners.*

The Board of Directors of BML Association voted and approved to collect a Capital Improvement Fee at the June 26, 2001 meeting. As of January 1, 2007 the Capital Improvement Fee of \$600 on a home and \$300 on a lot will be collected. (See Attached) Please make separate check payable to Beech Mtn Lakes Association
The Selling Unit Owner is personally responsible for all County, Township, School and Real Estate taxes on the Unit as well as all Utilities furnished to the individual unit.

***SEE OUTSTANDING VIOLATION SECTION PAGE 4**

5. *Statement of any capital expenditures proposed by Beech Mountain Lakes Association for the current and two (2) next succeeding fiscal years.*
None planned.

6. *Statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by Beech Mountain Lakes Association, Inc. for any specified project.*

See attached operating budget.

7. *Most recent regularly prepared balance sheet and income and expense statement of Beech Mountain Lakes Assoc. is attached to this Certificate. (The predecessor in interest Beech Mountain Lakes Association, Inc. development transferred on January 7, 1998.) The current 2011 and 2012 Audited report is available upon request.*

The most recent regularly prepared balance sheet and income and expenses statement of Beech Mountain Lakes Association is attached to this Certificate.

8. *Current operating budget of Beech Mountain Lakes Association.*

The current operating budget of Beech Mountain Lakes Association is attached to this Certificate. The Association is operating pursuant this budget for Fiscal 2010.

9. *Statement of any judgments against Beech Mountain Lakes Corporation which Beech Mountain Lakes Association, Inc. has been substituted plaintiff and party in interest and the status of any pending suits to which Beech Mountain Lakes Corporation has a party in interest.*

See attachment "Litigation".

10. *Statement as to whether the Executive Board has knowledge of any violations of applicable governmental requirements or knowledge of existence of any hazardous conditions with respect to the unit, the limited common elements assigned tot he unit or any other portion of the planned community.*

The Executive Board (Declarant) is not aware of any violations of governmental requirements or the existence of any hazardous conditions with respect to the unit, the limited common elements to the unit, or any other portion of the planned community.

11. *Statement of insurance coverage provided by Beech Mountain Lakes Association, Inc. for benefit of unit owners.*

The insurance certificate attached to this Certificate describes the insurance coverage currently provided by Beech Mountain Lakes Association, Inc.

12. *Statement as to whether the Executive Board has knowledge that any alterations*

or improvements to the unit or to the limited common elements assigned thereto violate any provision of the Declaration.

The alterations and improvements to the unit, and to the limited common elements assigned to the unit, do not violate any provision of the declaration.

13. *Statement of the remaining term of any leasehold estate affecting the planned community and the provisions governing any extension or renewal of such leasehold estate.*

Not applicable.

14. *Statement as to whether the Declaration provides for cumulative voting or class voting.*

The Declaration does not provide for cumulative voting or class voting.

15. *Statement as to whether an agreement to terminate the planned community has been submitted to the unit owners for approval and remains outstanding.*

No agreement to terminate the planned community has been submitted to the unit owners.

16. *Statement of whether the planned community is a master association or is part of a master association, or could become a master association or part of a master association.*

A Master Association has been founded comprised of Quail Hollow Village Association , Phase I and a potential Phase II could be included.

17. *Statement describing which units, if any, may be owned in time share estates and the maximum number of time share estates that may be created in the planned community.*

Time share estates are currently limited to the Quail Hollow Village Community. There is no limit as to the maximum number of timeshare estates that may be created in the planned community.

18. *Statement of whether the Declarant retains the special Declarant right to cause a merger or consolidation of the planned community and, if so, the information describing such right which was supplied by the declaration pursuant to Section 5205 (relating to contents of declaration; all planned communities), if any.*
Not Applicable.

THIS RESALE CERTIFICATE IS SIGNED BELOW BY AN AUTHORIZED
SIGNATORY ON BEHALF OF BEECH MOUNTAIN LAKES ASSOCIATION INC.

BEECH MOUNTAIN LAKES ASSOC. INC.

BY: Board of Directors

Attachments: Declaration (and amendments)
Rules and Regulations (and amendments)
Most Recent Balance Sheet and Income Expense Statement (Audited
Statements)
Current Operating Budget
Insurance Certificate
Litigation
By Laws

* **OUTSTANDING VIOLATIONS** _____

11-28-06 Reversed & Approved
to begin Jan 1, 2002

**RESOLUTION OF
BEECH MOUNTAIN LAKES ASSOCIATION
INSTITUTING A CAPITAL IMPROVEMENT FEE**

WHEREAS, the Pennsylvania Uniform Planned Community Act, 68 Pa.C.S. §5302, allows for a Capital Improvement Fee; and

WHEREAS, pursuant to the aforesaid Act and other promulgations, and enabling documents of the Association, the following action is undertaken;

NOW THEREFORE, be it resolved by the Board of Directors of the Beech Mountain Lakes Association that the Capital Improvement Fee is hereby levied and assessed;

I. A capital improvement fee of six hundred (\$600.00) dollars for any improved lot for each resale or transfer of a lot, immediately payable to the Association upon such occurrence, provided that:

- A.* In the case of resale or transfer of a lot consisting of unimproved real estate, the capital improvement fee shall be three hundred (\$300.00) dollars for each resale or transfer of a lot, immediately payable to the Association upon such occurrences; and
- B.* In the case of resale or transfer of a lot which was either created or added to the planned community in accordance with section 5311 (relating to conversion and expansion of flexible planned communities) of the Uniform Planned Community Act, at some time during the most recently completed fiscal year of the Association but was not in existence for the entire fiscal year, the capital improvement fee shall be an amount not to exceed one-half of the annual assessments for general common expenses charges to a lot comparable to such lot during most recently completed fiscal year of the Association.

II. Capital improvement fees allocated by the Association will be maintained in a separate capital account and will be expended only for new capital improvements or replacement or existing common elements, and will not be expended for operation, maintenance or other purposes.

III. No capital improvement fee shall be imposed on any gratuitous transfer of a lot between any of the following family members: spouses, parent and child, siblings, grandparent and grandchild. Appropriate sworn affidavits to the effect of same shall be provided to the Association at the time of sale or transfer or other indicia as may be acceptable by the Association or its management.

IV. No fees may be imposed upon any person who:

- A. Acquires a lot consisting of unimproved real estate and signs and delivers to the Association at the time of such person's acquisition a sworn affidavit to the Association declaring the person's intention to reconvey such lot within 18 months of its acquisition; and
- B. Completes such reconveyance within such 18 months. In which case the fee shall **NOT** be collected on the original transaction but collected on the subsequent resale or transaction occurring within said period.
- C. In the event the reconveyance does not occur, then the fee shall be due from the date of the original transaction for which exemption was claimed, and payable immediately with interest thereon at the rate of ten (10%) percent per annum from the original date. By the way of explanation and not limitation, payment of original fee(s) shall be in addition to any subsequent fee(s) which may arise outside the eighteen-month period.

V. The grantor and grantee of such property in a voluntary conveyance, and the previous owner and the grantee in an involuntary conveyance, including tax sales or judicial sales, shall be jointly and severally liable for all unpaid fees and other charges pertaining to said lot with regard to the capital improvement fee.

VI. The annual dues and assessment for general common expense for the year 2006 is six hundred and sixty-seven (\$667.00) dollars for both improved lots and unimproved lots, and said sum is presumed for the purposes of this resolution to be the minimum amount now or hereafter in effect unless and until there is further Board action modifying same.

VII. In the event the fee is not paid, it shall be delinquent and said persons shall be subject to legal and equitable action and such other remedies as may exist in the Association's Declaration of Covenants, Bylaw and Rule and Regulations. The Association shall have the right, inter alia, to file for collection, or to pursue, through a collection agency, sums due hereunder. Delinquent accounts may be pursued through an Association-approved professional collection agency and/or legal procedures. An administrative cost of \$350.00 minimum per action will be assessed together with all other costs of collection, expenses and attorney fees and will become the obligation of the persons herein referred. The grantor and grantee shall be jointly and severally liable for all costs of collection, expenses, and attorney's fees, together with interest at the rate of ten (10%) percent per annum on the delinquent fee.

VIII. Any section, subsection or part hereof held to be illegal or otherwise stricken shall not affect the remaining portions.

IX. Assessments collected hereunder shall not be used for extraordinary expenditures above and beyond the annual operating and capital requirements. As deemed appropriate by the Board.

X. The assessment hereunder shall be effective on transactions occurring on or after January 31, 2007.

Resolution - Capital Improvement Fee

XI. This Resolution is an amendment to the prior Resolution of Beech Mountain Lakes Association Instituting a Capital Improvement Fee introduced and passed by majority vote of the Beech Mountain Lakes Association, Inc. Board of Directors on June 26, 2001.

Motion introduced on the 28 day of NOVEMBER, 2006 by Mr. JEAN CASTAGNA and seconded by Mr. DON LOZZI.

Motion passed by a vote of 5 () in favor and 0 () opposed and no abstentions.

Dated: 11/28/06

Beech Mountain Lakes Association

by:
President

by:
Secretary

Beech Mountain Lakes	
2014 Budget Summary	
\$820.00 Dues - No Increase	
Non Operational Income	2014 Budget
Membership Dues	\$987,600
Association Reimbursement	\$177,120
GARBAGE FEE INCOME	\$174,720
Late Fee Inc.	\$24,000
Interest Income - Investm	\$7,200
RESALE CERTIFICATE INCOME	\$3,600
ACC FILING FEES	\$3,600
Miscellaneous Income	\$4,000
Over/Short	-\$900
Total Non Operational Inc	\$1,380,940
Non Operational Expenses	
Garbage Fee Expense	\$164,700
Dam Spillway Loan	\$43,800
Property & Liability Insu	\$66,600
D&O Insurance	\$8,750
Dam Insurance (Bond)	\$3,300
Depreciation Expense	\$90,000
Contribution to Building Replacement	
Bad Debt	\$49,308
Dock ROI to Capital	\$9,800
Total Non Operational Exp	\$436,258
Departmental Expense/(Income)	
Administration	\$256,772
Clubhouse	\$113,925
Recreation	\$72,875
Maintenance	\$154,325
Security	\$175,425
Campground	\$25
Food & Beverage	\$18,335
Road Maintenance	\$177,000
Total Dept. Expense/(Inco	\$968,682
Income (Loss)	-\$24,000
TRANSFER FEE INCOME	\$24,000
Net Inc/(Loss) Before Reserve	\$0
Net Income/(Loss)	\$0

Beech Mountain Lakes		
2013 Proposed Budget Summary		
\$820.00 Dues - No Increase		
	Non Operational Income	2013 Proposed Budget
60120	Membership Dues	987,600
60100	Association Reimbursement	177,120
60700	GARBAGE FEE INCOME	174,720
60220	Late Fee Inc.	24,000
60226	Interest Income - Investment	15,000
60540	RESALE CERTIFICATE INCOME	3,600
60550	ACC FILING FEES	3,600
60126	Miscellaneous Income	3,000
60104	Over/Short	-900
	Total Non Operational Inc	1,387,740
Non Operational Expenses		
80700	GARBAGE FEE EXPENSE	164,700
80950	Dam Spillway Loan	43,800
80900	Property & Liability Insurance	108,000
80902	D&O Insurance	2,850
80903	Dam Insurance (Bond)	3,300
80995	Depreciation Expense	90,000
80999	Bad Debt	43,800
80225	Dock ROI to Capital	8,000
	Total Non Operational Exp	464,450
Departmental Expense/(Income)		
	Administration	257,205
	Clubhouse	112,800
	Recreation	75,367
	Maintenance	140,200
	Security	167,440
	Campground	-650
	Food & Beverage	22,628
	Road Maintenance	172,300
	Total Dept. Expense/(Income)	947,290
	Income (Loss)	-24,000
60510	TRANSFER FEE INCOME	24,000
	Net Inc/(Loss) Before Reserve	0
	Road Repairs - Reserve Acct	Now in Budget
	Net Income/(Loss)	0

LEASE AGREEMENT

This Lease Agreement (the "Lease") is made this 7 day of January, 1998 by and between Quail Hollow Village Association, Inc. a Pennsylvania corporation, having its principal place of business at 1 Edge Rock Drive, Drums, Butler township, Luzerne County, Pennsylvania ("Quail Hollow").

and

Beech Mountain Lakes Association, Inc., a Pennsylvania nonprofit corporation, having its principal place of business at 1 Burke Drive, Drums, Butler Township, Luzerne County, Pennsylvania ("Beech Mountain")

WITNESSTH

WHEREAS, Quail Hollow is the owner of that certain improved real property located in Butler Township, Luzerne County, Pennsylvania, more particularly described on Exhibit "A" attached to this Lease and made a part hereof (the "Property"); and

WHEREAS, the Property is improved with a Building, a portion of which Beech Mountain desires to lease; and

WHEREAS, Quail Hollow desires to lease the Leased Premises (hereinafter defined) to Beech Mountain pursuant to the terms and conditions of this Lease.

NOW THEREFORE, in consideration of the above premises and the mutual promises, and understanding hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Quail Hollow does demise and lease to Beech Mountain a portion of the Building consisting of approximately 200 square feet being the front portion of the Building used for security purposes and a rest room facility (the "Leased Premises").

2. The Leased Premises is leased in "as is" condition, with no further renovations by Quail Hollow. Beech Mountain shall have the right to improve and/or decorate the Leased Premises without consent of Quail Hollow provided that:
 - a. such improvements/decoration shall not have any adverse structural effect upon the Leased Premises; and
 - b. Beech Mountain shall have the right to remove its improvements/decoration which are not permanently affixed to the Leased Premises.
3. The terms of this Lease shall be for ninety-nine (99) years (the "Term") beginning January 7, 1998 (the "Commencement Date") and terminating January 6, 2097 (the "Termination Date"). Notwithstanding anything to the contrary herein, this Lease shall terminate thirty (30) days after the Leased Premises is no longer used by Beech Mountain for security purposes.
4. Beech Mountain shall be responsible for any pay for all utilities to the Building, including, electric, heat, air conditioning, water and sewer. Quail Hollow and Beech Mountain shall each pay their own telephone charges incurred at the Building.
5. Beech Mountain shall be responsible for all repairs and maintenance to the Building.
6. Quail Hollow and Beech Mountain shall each have equal access to the rest room facility located in the Building.
7. Quail Hollow shall pay all real estate taxes associated with the Property. Beech Mountain and Quail Hollow shall each pay one-half (1/2) of the realty transfer taxes in connection with this Lease.
8. Beech Mountain agrees to maintain general public liability insurance in amount acceptable to Quail Hollow, covering the Leased Premises and its occupancy thereof. Quail Hollow shall be responsible for and pay for public liability insurance upon the Property which shall include the sidewalks and common areas of the Property. Quail Hollow shall be responsible for and pay casualty insurance covering the Building on the property.
9. Beech Mountain agrees to return the Leased Premises to Quail Hollow in substantially the same condition as it existed upon the Commencement Date, reasonable wear and tear and insured casualty excepted.

10. Each of the parties release the other to the extent of their respective insurance coverage's from any and all liability for any loss damage caused by fire or other insurance peril, even if such loss or damages shall be brought about by default or negligence of the party or by its employees, agents, servants or any persons claiming under them, provided however, that this provisions shall be in force and effect only with respect to loss or damage occurring during such time as a party's policy covering such loss or damage shall contain a clause to the effect that this release shall not affect said policies or the right to recover thereunder.

11. Each of the parties shall comply with all requirements of duly constituted public authorities, and with the terms of any state or federal statute, regulation, and of any local ordinance, applicable to the Leased Premises and the Property.

12. Any notice required to be given here under shall be given to parties hereto as follows, or at such other addresses as to parties hereto, or either or them, may from time to time designate by notification to the other in writing by registered or certified mail, postage prepaid:

If to Beech Mountain: Beech Mountain Lakes Association, Inc.
1 Burke Drive
Drums, PA 18222
Attn: Manager

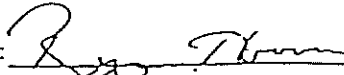
If to Quail Hollow: Quail Hollow Village Association, Inc.
1 Edge Rock Drive
Drums, PA 18222
Attn: Rick Bachman

13. This Lease contains the entire agreement between the parties and there are no other terms, obligations, representations, statements or conditions, verbal or written, concerning the transaction contemplated by this Lease. Any changes or additions to this Lease must be made in writing and executed by both Beech Mountain and Quail Hollow.


[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have hereunder set their hands and seals to this Lease the day and year first above written.

BEECH MOUNTAIN LAKES
ASSOCIATION, INC.,
a Pennsylvania nonprofit corporation

BY: 
Its: President

QUAIL HOLLOW VILLAGE
ASSOCIATES, INC.,
a Pennsylvania corporation

BY: 
Its: Vice President

LITIGATION

1. In re: Opening of a private road through those lands formerly known as Angela Park or between Lot 71 of Beech Mountain Lakes and the property of A. Barletta & Sons, Inc., Luz. Co. Docket No. 6205-C of 2002. A civil action requesting appointment of a Board of View for a determination of entitlement to an easement across Beech Mountain green space / buffer zone to allow ease of access to allegedly landlocked property owned by A Barletta & Sons, Inc. The matter is pending before the Luzerne County Court of Common Pleas.
2. Assessment Appeals: The Association has several matters pending before the Luzerne County Board of Assessment regarding future Taxation of units acquired by the Association.
3. Collections: There are a number of ongoing legal actions, primarily in Magisterial District Court 11-3-03 (District Justice O'Donnell) and the Luzerne County Court of Common Pleas, where the Association has brought suit with respect to past due assessments and fees and violations of the Covenants.

BEECH MOUNTAIN LAKES ASSOCIATION DAM PROJECTS ADVISORY

The Division of Dam Safety, Bureau of Waterway Engineering and PA-DEP has determined that the dams at Beech Mountain Lakes and the Spillway must be improved to handle the Hundred Year Flood Plan that has been adopted by the State of Pennsylvania. Major work will be required on both dams in order to comply.

BMLA has hired Pennoni Associates to do Annual Dam Inspections and to provide engineering services. The scope of services and construction is initially estimated to be One Million Seven Hundred Thousand Dollars (\$1,700,000). All efforts are being made to secure funding from any and all sources. Initial work will begin 2008 and expected completion is 2009-2010.

Up-dated information is available in the Administration Office.

BEECH MOUNTAIN LAKES ASSOCIATION RULES AND REGULATIONS

These rules are based on the Protective Covenants that run with the land and are enforceable in a Court of Law. Since all Property Owners have received a copy of the Traffic, Property and Nuisance Violations, and the summary covenant description, there will be no warning Citations (At the discretion of the Security Officer). All fines must be paid in full, or Appealed for hearing before the BMLA Appeal Committee Board in writing within thirty (30) days from the issue date of the citation. All Property Owners are responsible for their guests and renters adherence to these Traffic, Property and Nuisance Violations and are obligated to inform and provide guests and renters with current copies. Copies may be obtained at the Administration Offices.

Solicitation: Absolutely no solicitation within Beech Mountain Lakes Association property.

Firearms: No firearms, bow and arrows, air/BB guns, Paint Ball guns, Pellet guns or similar weapons may be discharged within BMLA property, except in designated areas. Hunting on BMLA Unit I property is further prohibited. Violation of this regulation will result in fines of up to \$300.

Boating and Lake Regulations: Anyone using the Lake does so at their own risk. All watercraft activities must cease on the Lake during electrical storms and other hazardous conditions. No child under the age of 14 will be permitted in a rented watercraft unless accompanied by a person 18 years of age or older. No privately owned gasoline powered boats are permitted on the Lake. No boat longer than 24 feet in length is permitted on the Lake. All watercraft must have USCG approved lifejackets or flotation devices for each occupant in the craft and comply with all the rules and regulations of the Boat and Fishing Commissions of the Commonwealth of Penna., the US Coast Guard and the BMLA. All fishing tournaments to be held on the BMLA Lake are to be sponsored by the BMLA Sports Club and must be approved by the BMLA Board of Directors. Daily or yearly guests must obtain a boating permit prior to using the Lake. Failure to display a current BMLA permit is subject to a twenty-five (25) dollar fine and loss of privileges. Only Association Members in good standing can use the Lake. Violators are subject to fines and prosecution for trespassing. All watercraft in use must stay 50 feet from private docks and 50 feet away from marked swimming areas except to take out or to return boats to mooring locations. All boats are to be secured to an approved lakefront private dock or wet-slip provided by BMLA, (no boats shall be anchored off shore and unattended for a period of greater than 12 hours). All watercraft except those moored at private docks are to be removed from BMLA waters by the last weekend in October. No boat shall be stored on BMLA Common areas/roads without written permission from BMLA General manager. Violations are subject to a warning on first offense, second and subsequent violations are subject to a fine of \$50 and up to \$300 and potential loss of member privileges.

Nuisance and Disorderly Conduct 13.5, 13.27.4: No person (s) may conduct themselves in such a manner that the use and enjoyment of others, as for example (but not limited to), producing loud noises, engaging in boisterous conduct, late hour parties, raucous behavior and the like. There is an initial fine of \$50. Persistence in such conduct will cause a suspension of privileges and or removal from the property and up to a \$300 fine.

Animals and Pets 13.7, 13.27.3: All pets must be confined to the owners property or on a leash. No person shall allow any dog or cat owned by them or under their control to defile, befoul, corrupt or otherwise desecrate any public, private property of another or the common area of the Association. Animals are not permitted on the beach or in the clubhouse or condominiums. Barking dogs will not be tolerated. Initial fine of twenty-five (25) dollars with subsequent violations subject to fines up to \$300.00.

Littering and Unsightly Use 13.9, 13.22, 13.25, 13.27.6: No littering. All household trash and garbage must be disposed of by the owner with a local hauler. Building waste, brush and household furnishings must be disposed of properly. The burning of trash is prohibited. Improper disposal of trash/and or burning shall constitute littering and is subject to fine. Community dumpsters are for the exclusive use of the Association, with unauthorized use being subject to a littering fine. Initial violation is subject to a fifty (50) Dollar fine with subsequent violations up to \$300.

Traffic Control, Motorized Vehicles and Parking 13.8, 13.27.7, 13.27.8: All State of Pennsylvania Traffic Regulations apply. No vehicle shall be parked on any street in the Unit I development unless authorized by the ACC. Violations to section 13.8 and 13.27.8 are subject to a minimum fine of fifty (50) dollars for the initial infraction with violators also subject to being towed at the owner's expense. Property owner's window stickers and guest/renter vehicle passes must be visible and displayed in or on the vehicle while on BMLA property. **Failure to display a current sticker or pass is subject to a fine of one hundred (100) dollars and the vehicle owner may be required to provide proof of property ownership or be subject to trespass.** No passing is permitted of vehicles in the same direction of travel and careless driving are each subject to the 1st violation fine of fifty (50) dollars, 2nd violation of one hundred (100) dollars with subsequent violations up to \$300 dollars. **Failure to stop at a stop sign is a fine of one hundred (\$100).** **THE MAXIMUM SPEED LIMIT ON BMLA PROPERTY IS 25 MPH.** Speed violations are subject to a minimum \$45 fine plus mileage charges a per PaVC Section 3362, subsection A-3 Speeding Fine Scale. Meeting, overtaking or passing a School Bus while discharging passengers (and at an intersection) with it's red signal lights flashing is subject to a two hundred fifty (250) dollar with subsequent violation up to \$300.

Recreational Vehicles:

Recreation Vehicles (mini bikes, snowmobiles, trail bikes, ATV's) licensed/unlicensed are prohibited on BMLA property and are subject to a \$100 fine for the first offence, \$200 fine for the second and \$400 for the third and subsequent offences.

EXCEPTION TO THE RECREATIONAL VEHICLE REGULATION WILL BE MADE IF THE VEHICLE IS BEING USED FOR EMERGENCY SERVICE OR SNOW PLOWING.

Removal of Trees 13.12: No tree over six (6) inches in diameter may be cut down without the prior written consent of the ACC. Removal of one or more trees without ACC written approval is subject to a fine of up to one thousand (1,000) dollars per tree and three (3) replacement trees must be planted for every tree removed that is over six (6) inches in diameter. The replacement trees must be three (2) inches or greater in diameter measured three (3) feet above the ball of the tree. Replacement conifer trees must be at least five (5) feet tall above the ball.

Ditches and Swales 13.15: Each property owners shall keep any drainage ditches and swales located on his property free and unobstructed and in good repair and shall provide for the installation of such culverts upon his property as may be required by the ACC. Should the property owner be notified of a violation, subject corrections are to be made within 30 days of the date of notice. BMLA is authorized to maintain restore or repair any property with the property owner being billed for all cost plus an additional 15% administration fee. None payment by the property owner is subject to late fees and possible loss of use to the common areas.

All Violations to Covenants and or Rules and Regulations not specifically covered by Approved Board Resolution 8.0, 13.0: Each cited violation of the covenants and or rules and regulations not specifically covered by a Board passed resolution shall have a fine not to exceed fifty (50) dollars for the first violation (a warning maybe issued), with payment and/or remedial action required completed prior to thirty (30) days from date of citation. Subsequent violations are subject to a fine up to \$300 and restriction of member's privileges. **EXCEPTION:** Violations of quiet time on Sunday, where no

construction is to be performed by contractors, the 1st violation is subject to a fine of two hundred (200) dollars and the 2nd and subsequent violations a fine of four hundred (400) dollars.

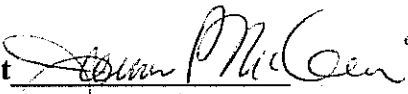
All fines imposed as a result o violations to the Covenants and Rules and Regulations may be appealed to the Appeals Committee Board for hearing and resolution and must be submitted in writing within the thirty (30) day citation period to the Administration office.


Revised (added no Paintball and Pellet Guns) approved by the Board 3/27/07.

Approved: _____
John Castagna, President


Don Scalise, Secretary


Revised (moved Recreational Vehicles out of Traffic Control and increased the fines) and approved by the Board at the April 29, 2009 meeting.

President 
James McGuire

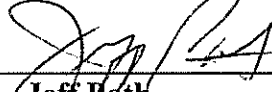
Secretary 
Leonard Jones


Revised (Fine for failure to show current sticker on vehicle is now \$100.00) approved by the board at the October 27, 2010 meeting.

President 
James McGuire

Secretary 
John Keefer

Revised (Fine for failure to come to a complete stop at a stop sign is now \$100.00) approved by the board at the February 23, 2011 meeting.

President 
Jeff Poth

Secretary 
John Keefer

BYLAWS
OF
BEECH MOUNTAIN LAKES ASSOCIATION, INC.

ARTICLE I.

The Association

1.1 Beech Mountain Lakes Association, Inc. (herein the "Association") is a Pennsylvania nonprofit corporation, the membership of which are all Owners of Interests in the Beech Mountain Lake Development. The Association is successor to the Four Seasons Property Owners Association, all as is provided in the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes, as amended and supplemented, and as recorded in the Office for the Recording of Deeds in and for Luzerne County, Pennsylvania (herein the "Declaration").

ARTICLE II.

Definitions

2.1 The terms used herein shall have the meanings specified in the Declaration and, where applicable, as specified in Section 1.1 hereof and in this Article.

The following terms shall have the following meanings, unless the context clearly otherwise requires.

"Household" means one or more persons, each related to the other by blood, marriage or legal adoption or a group of not more than three (3) adult persons, not

so related, who in each instance, regularly and customarily reside together in the same home as a principal resident.

“Member” means any Owner of an Interest as provided in the Declaration.

“Quail Hollow Community” means that portion of the Development as identified in the Declaration and the Quail Hollow Community Declaration.

“Unit I Community” means that portion of the Development as identified in the Declaration and the Unit I Community Declaration.

“Unit II Community” means that certain property added to the Development, as provided in the Declaration, as amended and supplemented.

ARTICLE III.

Association Membership and Voting.

3.1 The Members hereof shall be the Owners as provided in the Declaration.

3.2 Transfer of ownership, either voluntary or by operation of law, shall terminate membership in the Association, whereupon such membership shall become vested in the transferee. For purposes hereof, transfer of ownership shall occur upon the transfer of title to any Interest in real property within the Development, as recorded in the Office for the Recording of Deeds in and for Luzerne County, or upon transfer of any Interest in a Membership Certificate, as provided in the Declaration, applicable Community Declaration, or any rules and regulations applicable to such Membership Certificate.

3.3 When a Member ceases to be an Owner, such person's membership shall cease, but such person shall remain liable for all Assessments or other obligations incurred pursuant to provisions of the Declaration and any applicable Community Declaration prior to termination of such ownership and prior to written notice to the Association that such person is no longer an Owner.

3.4 Each Owner, and the Owner's respective heirs, administrators, successors and assigns shall, by reason of such ownership, be deemed a Member of the Association. If not otherwise a Member, each of the following persons shall be entitled to all rights and privileges of membership in the Association, other than the right to vote:

- (a) the spouse and minor children, or any other persons constituting the Household of an Owner;
- (b) guests of an Owner, lessees of any Unit and guests or business invitee of Declarant; and
- (c) timeshare exchange guests.

If ownership of any Interest is vested in more than one person or other entity, then such Owners shall designate the person authorized to act on behalf of the Owners with respect to attendance at meetings, exercise of the right to vote and the exercise of other similar rights with respect to membership in the Association.

3.5 Subject to the rights retained by the Declarant under the Declaration, voting rights of the Members of the Association shall be vested exclusively in Delegates appointed or elected on behalf of each Community. Each Community

shall be represented by three (3) Delegates. Delegates shall be elected or appointed annually on behalf of each Community. The procedure for election or designation of Delegates and the removal thereof shall be as set forth in the applicable Community Declaration. With the exception of the Initial Delegates, each Delegate shall be an Owner of his Unit within the Community he represents; provided, however, that in no event shall any two or more co-owners of the same Unit both serve as Delegates from the same Community concurrently. If a Delegate ceases to be an Owner of his Unit within the Community he represents, he shall be deemed to have resigned as a Delegate.

3.6 The Initial Delegates representing the Quail Hollow Community and the Initial Delegates representing the Unit I Community shall be the persons so appointed by the Declarant. The Initial Delegates representing the Unit II Community shall be the persons so appointed by the Declarant, or otherwise appointed or elected as provided in the Unit II Community Declaration.

3.7 The Board of Directors of the Quail Hollow Village Association shall, on or before December 31 of each year commencing with the year following appointment of the Initial Delegates, appoint three (3) persons to serve as Delegates representing the Quail Hollow Community, as provided in Section 6.6 of the Declaration. Upon such appointment, the Board of Directors of the Quail Hollow Village Association shall provide written notice to the Board of the names and addresses of the persons appointed to serve as Delegates representing the Quail Hollow Community.

3.8 The Board shall call and conduct annually a meeting of the Owners of record within each Community, where no Community Association has been formed, for the purpose of election of three (3) persons to serve as Delegates representing such Community. The election shall be held by written ballot and proxy voting shall be authorized.

A slate of nominees shall be made by the Delegates representing such Community for the current year and transmitted to the Board; notice thereof shall be provided by the Board to all Owners within such Community at least sixty (60) days prior to the annual meeting. Additional nominations may be made by three or more Owners within such Community, by a written notice filed with the Board at least thirty (30) days prior to the Annual Meeting. The election of Delegates to represent the Unit I Community shall be held on or before December 31 of each year commencing with the year following appointment of the Initial Delegates by the Declarant. The appointment or election of Delegates to represent the Unit II Community shall be held as provided in the Unit II Community Declaration, or in the absence of any such provision as provided herein.

3.9 Election of the Delegates to represent a Community, where no Community Association has been formed, shall be as provided in the applicable Community Declaration. Unless otherwise provided therein, the Board shall conduct the election by mailed ballot prior to the annual meeting of the Owners within the Community, and shall determine the manner in which votes are to be cast as follows:

(a) Each Owner shall be entitled to one vote for each Unit owned. For any Unit within the Community that is owned by more than one person, or is owned by a corporation or other legal entity, the person authorized to cast the vote for such Unit shall be designated in a certificate executed by all of the recorded Owners of such Unit or executed on behalf of the corporation or other legal entity and filed with the Secretary of the Association, in which event such person shall be the "voting member". If such a certificate is not on file with the Secretary of the Association for a Unit owned by more than one person or by a corporation or other legal entity, the vote of the Unit concerned shall not be considered in determining the requirement for a quorum or for any purpose requiring the approval of a person entitled to cast a vote, unless said Unit is owned by a husband and wife. Any such certificate shall be valid until revoked or until superseded by subsequent certificate or until a change in the ownership of the Unit. If a Unit is owned jointly by a husband and wife, the following provisions shall apply:

- (i) They may, but shall not be required to, designate a voting member;
- (ii) If they do not designate a voting member, and if both are present at a meeting and are unable to concur in a decision upon any

subject requiring a vote, they shall lose their right to vote on that subject at that meeting; or

(iii) Where they do not designate a voting member and only one is present at a meeting, the person present may cast a vote, as though he or she were the sole owner of said Unit and without establishing the concurrence of the absent spouse.

3.10 A quorum at either a special meeting or the annual meeting where no Community Association has been formed, shall be the Owners of Units within the Community or authorized representatives thereof holding at least 20% of the votes entitled to be cast at such meeting by person or by proxy. The vote of a majority of the votes entitled to be cast at any meeting (those present by proxy or in person) at which a quorum is present, shall be necessary for the adoption of any matter voted upon by such Owners, unless a greater proportion is required hereby, by the Declaration or by law.

3.11 Notwithstanding anything contained herein to the contrary, the Declarant shall be entitled, at any special or annual meeting of any Owners of Units within any Community, to cast a vote for each Unit owned by the Declarant.

ARTICLE IV.

MEETINGS OF THE MEMBERSHIP

4.1 All meetings of the Association shall be held at an appropriate location within the Development, or at such other place and at such time as shall

be designated by the Board of the Association and stated in the notice of the meeting and shall be open to all Members.

4.2 It shall be the duty of the Secretary to mail or deliver a notice of each annual or special meeting, stating the time and place thereof, to each Delegate at least ten (10), but not more than sixty (60) days prior to such meeting. Notice of any special meeting shall state the purpose thereof. All Notices shall be mailed to or served at the address of the Delegate as it appears on the books of the Association. Notice of each annual or special meeting also shall be published in a newspaper of general circulation within the location of the Development, or within any bulletin or publication normally distributed to Owners, one time at least ten (10), but not more than sixty (60) days prior to such meeting.

4.3. The annual meeting shall be held on or before December 31 of each year commencing after the first full year of operation or such date, time and place as determined by the Board for the purpose of transacting any business authorized to be transacted on behalf of the Association.

4.4. Special meetings of the Association for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of a majority of the Board, or at the request, in writing, of Delegates representing twenty percent (20%) of the Delegates' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof. A quorum at either a

special meeting or the annual meeting of Members shall be the Delegates present, either in person or by proxy, holding more than fifty percent (50%) of the votes entitled to be cast at such meeting by person or by proxy. The vote of a majority of the votes entitled to be cast at a meeting (those present by proxy or in person) at which a quorum is present shall be necessary for the adoption of any matter voted upon by the Delegates at such meeting, unless a greater proportion is required hereby, by the Declaration or by law.

4.6 Whenever the vote of Delegates at a meeting is required or permitted by a provision of these Bylaws to be taken in connection with any action of the Association, the meeting and vote of Delegates may be dispensed with if not less than a majority of the Delegates who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken; however, notice of such action shall be given to all Delegates, unless all Delegates approve such action.

4.7 If any meeting of Members cannot be organized because a quorum of voting Delegates is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

4.8 The Manager and the Declarant shall be entitled to Notice of all Association meetings, and shall be entitled to attend the Association's meetings, and they may designate such person(s) as they desire to attend such meetings on behalf of each of them.

ARTICLE V

The Board of Directors

- 5.1 The Board shall:
- (a) Manage and control the affairs of the Association.
 - (b) Designate a banking institution or institutions as depository for the Association's funds; and the officer or officers authorized to make withdrawals therefrom and to execute obligations on behalf of the Association.
 - (c) Perform other acts, the authority for which has been granted herein, by the Declaration or by law, including the borrowing of money for Association purposes. A resolution by the Board that the interests of the Association require the borrowing of money shall be sufficient evidence for any person that the borrowing is for a proper corporate purpose. The Board may, if it determines that the same shall be reasonably necessary, assign, pledge, mortgage or encumber any Association property, including any Common Property owned by the Association, as security for such borrowing, and may pledge or assign future revenues of the Association as security therefor.
 - (d) Enforce and cause the Association and its members to perform and to abide by provisions of the Declaration.

- (e) Adopt such rules and regulations relating to use of Association property, and sanctions for non-compliance therewith, as it may deem reasonably necessary for the best interests of the Association and its members.
- (f) Cause the Association to employ sufficient personnel to adequately perform the responsibilities of the Association.
- (g) Adopt reasonable rules of order for the conduct of the meetings of the Association.
- (h) Elect the officers of the Association. It may establish committees of the Association and appoint the members thereof. It may assign to such committees such responsibilities and duties not inconsistent with the provisions of the Declaration, these By-laws or with law as it may deem appropriate.
- (i) The Board shall, on or before December 1 of each year, adopt and make available to each Member an annual budget, as required by, and for the purposes set forth in, section 7.3.1 of the Declaration and upon consideration of any other sources of income of the Association, establish, levy and collect the annual Association Assessment for the following year, in accordance with the Declaration.

5.2 Until the Unit II Delegates are elected or appointed, the Board shall consist of six (6) members each of whom shall be a Delegate. Upon appointment

or election of Delegates to represent the Unit II community, such Delegates shall become members of the Board and the Board shall thereafter consist of nine (9) members each of whom shall be a Delegate.

5.3 The Initial Board shall consist of six (6) persons appointed by the Declarant, immediately following incorporation of the Association and shall serve for the balance of the calendar year in which the appointments were made and for the next succeeding calendar year. Thereafter, the Members of the Board shall be the Delegates elected or appointed as provided herein or in the Declaration which shall serve for a one year term commencing the following January 1.

5.4 The Board shall meet at such intervals as it shall determine, from time to time. Special meetings of the Board may be called by a majority of the Board and shall be held at such place as the call or notice of the meeting shall designate. Notice of a special meeting may be given in writing at least twenty-four (24) hours prior to the date of said special meeting, or notice thereof may be waived by the directors in writing. After adoption of a resolution setting forth the times of regular meetings, no notice of such meetings shall be required, or waived, but notice of special meetings of the Board shall be given.

5.5 Unless prohibited by law, any action which may be taken at a meeting of the Board may be taken without a meeting if authorized in a written consent signed by all of the directors who would be entitled to vote upon said action at a meeting, and filed with the Secretary of the Association.

5.6 A majority of the directors shall constitute a quorum to transact business of the Board, and the act of the majority of the directors present at any meeting shall be deemed to be the act of the Board.

5.7 If any vacancy exists on the Board, such vacancy shall be filled by the remaining directors even though those remaining directors might be less than a quorum, except in the case of the initial Board, wherein any vacancy shall be filled by appointment by the Declarant. . Any person so elected or appointed as a director shall serve out the unexpired term of the director whom he has replaced.

5.8 Any director may resign at any time by sending a written Notice of such resignation to the office of the Association, delivered to the Secretary or upon his resignation as a Delegate. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. No member shall continue to serve on the Board should he be removed from office as a Delegate or shall he be more than thirty (30) days delinquent in the payment of any Charge, or any other amounts payable to the Association or any Community Association, and said delinquency, even if questioned, shall automatically constitute a resignation.

5.9 Before or at any meeting of the Board, any Director may waive Notice of such meeting and such waiver shall be deemed equivalent to the giving of Notice. Attendance by a Director at any meeting of the Board shall be a waiver of Notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no Notice shall be required and any business may be transacted at such meeting.

5.10 There shall be no Director's fees.

5.11 The Manager and the Declarant shall be entitled to notices of all Board meetings and shall be entitled to attend the Directors' meetings and they each may designate such person(s) as they desire to attend such meeting on behalf of each of them; Provided that the Manager or its designee may be excluded from any meeting of the Board called solely to discuss the Manager's contracts, compensation, or other terms of the Management Agreement.

5.12 Unless otherwise determined by the Board, any Member of the Association shall be entitled to attend any meeting of the Board.

5.13 The Board may establish such rules and regulations for the conduct of business at its meetings as may be reasonable. Notwithstanding anything herein to the contrary, the Board shall have the right to hold closed meetings and to exclude any person or persons except for members of the Board (and the Declarant within two years of the Turnover Date) within the Board's sole discretion.

ARTICLE VI

The Officers

6.1 The officers of the Association shall be the President, one or more Vice-Presidents, the Secretary, the Treasurer and such other officers and assistant officers as the Board may from time to time determine, all of whom shall be elected by the Board. Officers shall serve for a term of one year and shall be elected at the first meeting of the Board in each calendar year; officers shall serve

at the will of the Board. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. Officers shall be Members of the Board of Directors of the Association.

6.2 The President shall be the chief executive officer of the Association, except as otherwise determined by the Board, and he shall be vested with the powers and duties generally incident to the office of President of a nonprofit corporation, except as otherwise determined by the Board, or as may be otherwise set forth in these Bylaws.

6.3 In the absence of the President, or in the event of his inability or refusal to act, the Vice-President is empowered to act and shall thereupon be vested with the powers and duties of the President. In the event that there is more than one Vice-President, the Board shall establish the order in which they serve and their respective duties.

6.4 The Secretary of the Association shall keep the minutes of the business and other matters transacted at the meetings of the Members and of the Board. He shall mail, or cause to be mailed, all notices required under the Bylaws. He shall have the custody of the corporate seal, if any, and records and maintain a list of the Members and their addresses and perform all other duties incident to the office of Secretary.

6.5 The Treasurer's duties shall be as follows:

(a) He shall have custody of the Association's funds and shall keep full and accurate accounts of receipts and disbursements in books belonging to the

Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such depositaries as may be designated from time to time by the Board. The books shall reflect an account for each Unit.

(b) He shall disburse the funds of the Association as may be ordered by the Board in accordance with these Bylaws, making proper vouchers for such disbursements, and shall render to the President and Board at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the Treasurer and of the financial condition of the Association.

(c) He shall collect the Assessments and such other Assessments, fees or other amounts payable to the Association and shall promptly report the status of collections and of all delinquencies to the Board.

(d) He shall give a status report to potential transferees on which reports the transferees may rely.

(e) The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent.

(f) The duties of the Treasurer may be fulfilled by a Manager employed by the Association, whereupon said Manager shall fulfill the duties of the Treasurer, and shall have custody of such books of the Association as the Board determines or agrees and the foregoing shall include any books required to be kept by the Secretary of the Association.

ARTICLE VII

Finances and Assessments

7.1 The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board from time to time upon resolutions approved by the Board, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board. Unless otherwise determined by the Board, any officer or the Association Manager alone may sign checks or demands for money on behalf of the Association in amounts up to and including \$500; any two officers, including the Association Manager must sign checks and draws for money in excess of \$500. Other obligations of the Association shall be signed by the President and Secretary, or by at least two other officers of the Association as the Board shall authorize.

7.2 The Treasurer and all officers who are authorized to sign checks, and all officers and employees of the Association, and any contractor handling or responsible for Association funds may be bonded and in such amount as may be determined by the Board. The premiums on such Bonds shall be paid by the Association. The Bond shall be in an amount sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other account.

7.3 The fiscal year for the Association shall be annual, beginning on the first day of January each year.

7.4 The Board of the Association shall fix and adopt an annual budget on or before December 1 of each year for the ensuing year commencing January 1, and shall make the same available to the Owners as provided in the Declaration. The Board is specifically empowered, on behalf of the Association to make and collect Association Assessments and such other assessments, fees or other payments as may be authorized by the Declaration.

7.5 A copy of the proposed annual budget of Common Expenses shall be made available at the Association Office or elsewhere as designated to the Members, not less than thirty (30) days prior to the meeting of the Board at which the budget will be considered. The Members shall be given written notice of the time and place at which the meeting of the Board shall be held to consider the Common Expenses and such meeting shall be open to the Members.

7.6 If an Owner shall be in default in the payment of an installment upon any Charge, Assessment, fee, or other payment required to be made to the Association, as provided in the Declaration, such Owner shall not be entitled to vote at any meeting or on any matter requiring vote of the Members of the Association or any Community Association.

7.7 An audit of the accounts of the Association shall be made each calendar year, commencing with the first full calendar year from the Turnover. Said audit shall be prepared by such accountant as the Board determines, and a copy of said report shall be available to the members of the Association in the office of said Association and with the Treasurer of the Association. Such report

shall be available not later than six (6) months after the end of the year for which the report is made.

7.8 Any payments to or receipts by the Association, whether from Owners or otherwise, paid during the year in excess of the operating expenses and other Common Expenses of the Association shall be retained by the Association and applicable to expenses for the following year.

ARTICLE VIII

Amendments to the By-Laws

8.1 The By-Laws may be altered, amended or added to at any duly called meeting of the Members, as provided herein;

- (a) Notice of the meeting shall contain a statement of the proposed amendment;
- (b) If the amendment has received the approval of the Board, then it shall be approved upon the affirmative vote of the Delegates casting in excess of fifty percent (50%) of the total votes entitled to be cast at the meeting;
- (c) If the amendment is not approved by the Board, then it shall be effective only if approved upon the affirmative vote of the Delegates casting at least eighty percent (80%) of the total votes entitled to be cast at the meeting;
- (d) Said Amendment shall be recorded and certified; and

(e) Notwithstanding the foregoing, these By-Laws may only be amended with the written approval when required of the parties specified in the Declaration;

Provided, however, any such amendment shall be consistent with and conform to the Declaration, and any amendment contrary thereto shall be null and void. No amendment affecting the rights of the Declarant under these Bylaws or under the Declaration shall be effective without the prior written consent of the Declarant.

ARTICLE IX

Notices

9.1 Whatever notices are required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for notices as set forth in the Declaration.

ARTICLE X

Indemnifications

10.1 The Association shall indemnify every Director and every officer, their heirs, executors, and administrators, against all loss, cost and expense reasonable incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association and within the scope of his duties as a director or officer, as provided in section 6.11 of the Declaration.

ARTICLE XI

Liability Survives Termination of Membership

11.1 The termination of membership in the Association shall not relieve or release any such former Owner or member from any liability or obligations incurred under or in any way connected with the Association during the period of such ownership and Membership, or impair any rights or remedies which the Association may have against such former Owner and member arising out of [or] in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XII

Rules and Regulations

12.1 The Board may, from time to time, adopt or amend previously adopted administrative Rules and Regulations governing the details of the operation, use, maintenance, management and control of the Common Areas and **Sports** Facilities, as applicable, and such other matters as shall be within the responsibility for administration and control by the Association, pursuant to the Declaration.

12.2 In the event of any conflict between the Rules and Regulations adopted, or from time to time amended, and the Declaration, the latter shall prevail. If any unreconciled conflict should exist or hereafter arise with respect to the interpretation of these By-Laws and the Declaration, the provisions of the Declaration shall prevail.

ARTICLE XIII

Declaration Incorporated by Reference

13.1 The Declaration, in its entirety and not only to the extent specifically referred to in these By-Laws, is hereby incorporated into and made a part of these By-Laws of the Association.

ARTICLE XIV

Miscellaneous

14.1 No cumulative voting shall be permitted on any matter or at any meeting of the Association or the Board of Directors.

14.2 Unless otherwise specifically provided herein, any matter requiring approval of the Association, the Delegates or the Board of Directors shall be adopted upon approval by vote in excess of fifty percent (50%) of votes entitled to be cast at any such meeting.

DECLARATION
OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS
FOR
BEECH MOUNTAIN LAKES

BEECH MOUNTAIN LAKES

Declaration of Protective Covenants, Exceptions,
Reservations and Conditions

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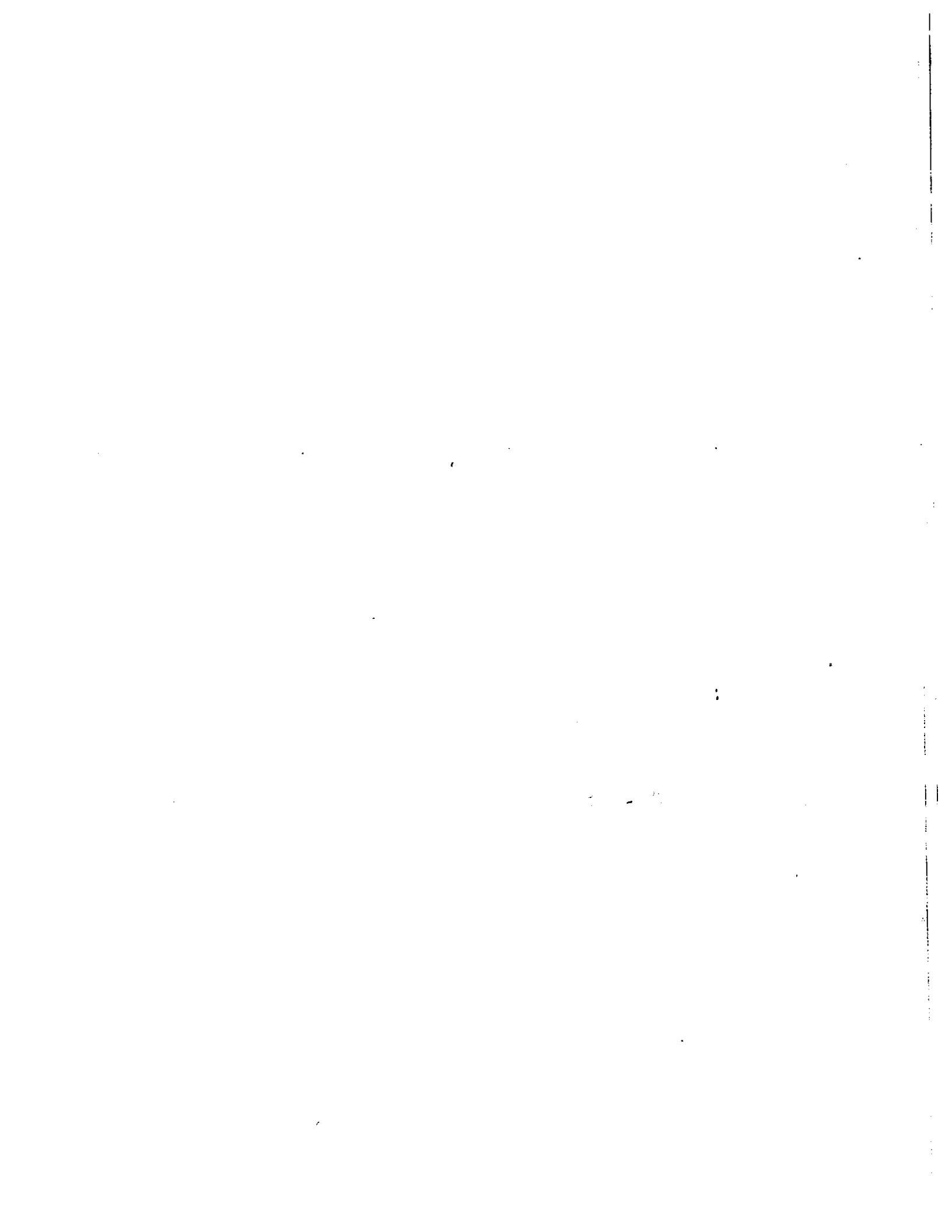


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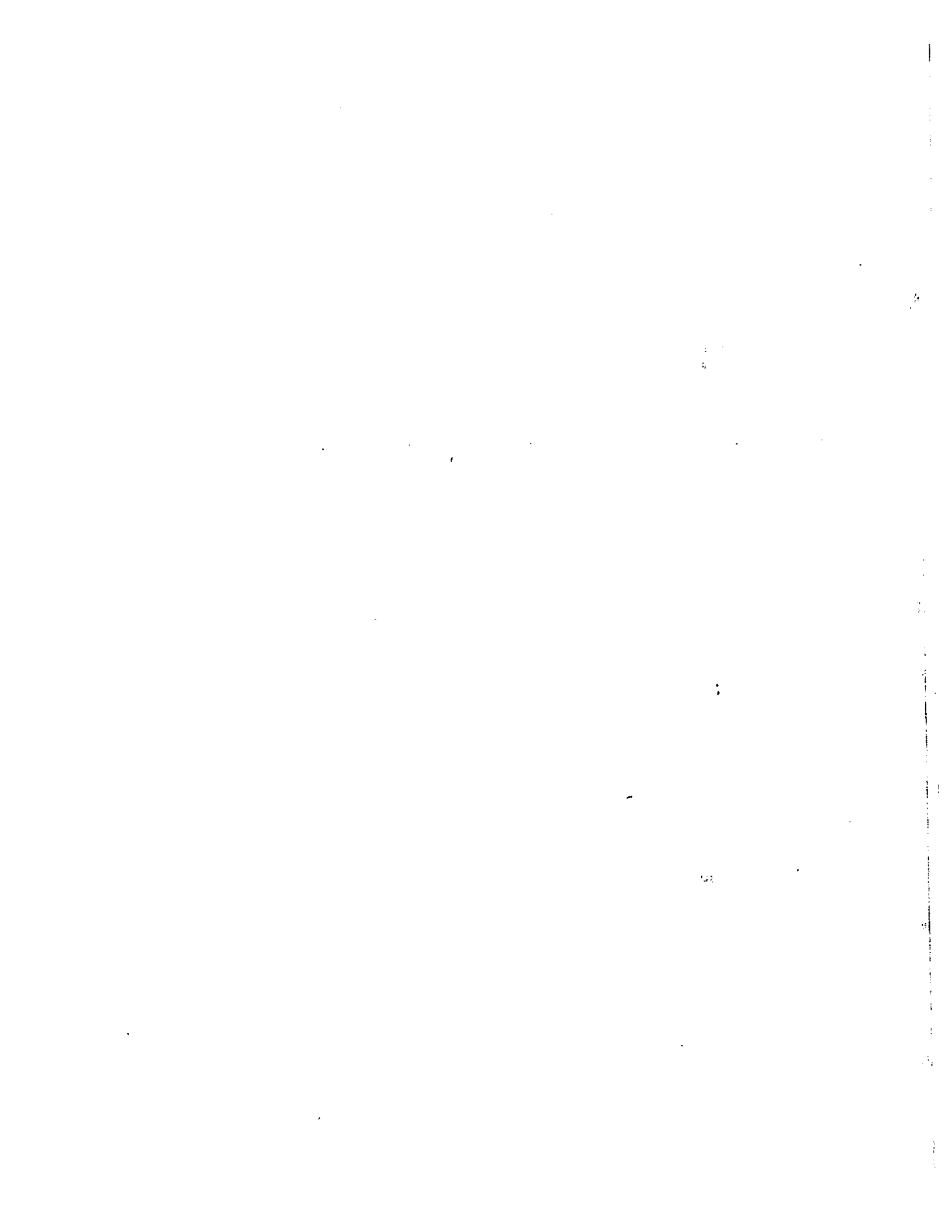
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6



AMENDMENT TO DECLARATION OF
PROTECTIVE COVENANTS, EXCEPTIONS,
RESERVATIONS AND CONDITIONS

This Amendment made this 1st day of MAY,
1985, by Beech Mountain Lakes Corporation, a Pennsylvania Corporation
(hereinafter called "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of the real property now known as "Beech Mountain Lakes" formerly known as "Lake of the Four Seasons," a subdivision situated in the Townships of Butler, Foster and Dennison in Luzerne County, Pennsylvania, as more particularly described in Exhibit A attached hereto and made a part hereof, except for those lots which have been conveyed to third party purchasers for good and valuable consideration by deeds recorded in the office of the Recorder of Deeds of Luzerne County, Pennsylvania, which real property is hereinafter referred to as the "Development"; and

WHEREAS, Unit I of the Development, is shown in maps and plats recorded in Map Book 32, Page 1 (a-f), that part of Unit I designated as Quail Hollow Village Association is shown on a plat recorded in Map Book 32, Page 31 and Unit II, designated as Snowberry Village Association, is shown on a plat recorded in Map Book 32, Page 10-A, all of which have been recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania; and

WHEREAS, Unit I is subject to the Declaration of Protective Covenants, Restrictions, Exceptions, Reservations and Conditions recorded in Deed Book 1780, Page 283 in the Office for Recording of Deeds, Luzerne County, Pennsylvania (hereinafter "Declaration") which superceded and extinguished the Declaration of Protective Covenants, Restrictions, Exceptions, Reservations and Conditions recorded in Deed Book 1779, Page 59 in the office of the Recorder of Deeds of Luzerne County, Pennsylvania; and

WHEREAS, Quail Hollow Village Association and Snowberry Village Association are subject to the Declaration and to the Declaration of Protective Covenants, Restrictions, Exceptions, Reservations and Conditions Applying Only to the Village Commons Associations, Inc., recorded in Deed Book 1820, page 965, in the Office for Recording of Deeds, Luzerne County, Pennsylvania, (hereinafter "Villages Declaration") which superceded and extinguished the Declaration of Protective Covenants, Restrictions, Exceptions, Reservations and Conditions Applying Only to the Village Commons Associations, Inc., recorded in Deed Book 1817, page 154 recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania, which Villages Declaration added to and was made subject to the Declaration; and

WHEREAS, Unit I of the Development consists of 1264 lots of which 350 were sold by the prior developer of the Development and 914 lots of which are owned by the Declarant; Quail Hollow Village Association consists of 42 multi-family units all of which are owned by the Declarant; and Snowberry Village Association consists of 76 multi-family units all of which are owned by the Declarant; and

WHEREAS, as the record owner of two-thirds of all the lots in Unit I, Quail Hollow Village Association and Snowberry Village Association, Declarant is entitled to amend the Declaration of Protective Covenants, Restrictions, Exceptions, Reservations and Conditions and the Villages Declaration pursuant to the provisions of Paragraph 14 of said Declaration; and

WHEREAS, Declarant wishes to amend the Declaration and Villages Declaration in the manner set forth herein.

NOW THEREFORE, in compliance with Paragraph 14 of the Declaration, the Declaration and Villages Declaration are hereby amended and fully superceded, and the real property subject thereto shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the Declaration and Villages Declaration as amended and fully superceded, as follows:

DECLARATION
OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS
FOR
BEECH MOUNTAIN LAKES

THIS DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS (hereinafter referred to as the "Declaration") is made this _____ day of _____, 19____, by BEECH MOUNTAIN LAKES CORPORATION a Pennsylvania corporation, (hereinafter referred to as "Declarant").

RECITALS

WHEREAS, Declarant is the owner in fee simple and developer of certain real property located in Butler Township, Luzerne County, Pennsylvania, which real property is more particularly described in Exhibit A attached hereto and made a part hereof (said real property, together with riparian and littoral rights as may be applicable and appurtenant thereto and together with all improvements now or hereafter located thereon, including the recreational facilities and amenities, and all appurtenances thereunto belonging, hereinafter referred to as the "Development"); and

WHEREAS, Declarant desires to create and establish a uniform plan of development to maintain the beauty of the Development to insure high quality standards for the enjoyment of the Development as an integrated development and to promote the recreational interest, health, safety and social welfare of each "Owner" in the Development, as defined herein; and

WHEREAS, Declarant desires to provide for the preservation and enhancement of the Development, Declarant desires to impose upon the Development mutual and beneficial restrictions, covenants, equitable servitudes and charges under a general plan of improvement to apply uniformly to the transfer and encumbrance of the real property within the Development for the mutual benefit of the Development and all Owners and future Owners therein; and to provide for creation of an Owners' association to which shall be delegated and assigned the powers of maintaining and administering the common facilities within the Development, enforcing the covenants and restrictions of this Declaration and collecting and disbursing the assessments and charges levied by the association.

NOW, THEREFORE, Declarant declares that all of the property in the Development is held and shall be held, sold, conveyed, mortgaged, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the provisions of this Declaration, all of which are declared and agreed to be in furtherance of a plan for the development, improvement, sale or lease of said

Development and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness thereof. The provisions of this Declaration are intended to create mutual equitable servitudes upon each Owner in favor of each and all other such Owners to create reciprocal rights between the respective Owners; to create a privity of contract and estate between the grantees and transferees thereof, their heirs, successors and assigns; and shall, as to any Owner, his heirs, successors or assigns, operate as covenants running with the land for the benefit of each and all other such Owners, present and future.

1. DEFINITIONS.

The following terms as used in this Declaration, unless the context otherwise expressly provides or requires, are defined as follows:

1.1 "Advisory Board" means an Advisory Board composed of the three (3) Delegates from each Community. The Advisory Board shall be formed to meet, prior to the Turnover Date, from time to time, to resolve issues arising between the Declarant or any committee formed by the Declarant and any Community Association or the Owners in a Community which has no Community Association.

1.2 "Architectural Control Committee" or "ACC" means the committee empowered with the authority to approve and disapprove all places for buildings, structures and any improvements whatsoever.

1.3 "Articles of Incorporation" means the Articles of Incorporation of the Beech Mountain Lakes Association, Inc., as they may lawfully be amended from time to time.

1.4 "Annual Assessment" means the amount levied annually upon any Owner, which includes, but is not limited to, a Community Assessment and an Association Assessment.

1.5 "Assessment" means any amount which, from time to time, is levied as permitted by this Declaration or a Community Declaration, by the Declarant, the Board of Directors of the Association or the Board of Directors of a Community Association, upon any Owner, including, but not limited to the Annual Assessment and Special Assessments.

1.6 "Association" means the Beech Mountain Lakes Association, the association of all property owners of Beech Mountain Lakes development. UNTIL SUCH TIME AS THE ASSOCIATION IS RE-ACTIVATED, ALL RIGHTS AND OBLIGATIONS OF THE ASSOCIATION SHALL BE ASSUMED AND CARRIED OUT BY THE DECLARANT.

1.7 "Association Assessment" means the amounts which the Association shall assess and collect from the Owners to pay the Common Expenses and accumulate reserves for such expenses, as more fully described in Section 7. The Association Assessment does not include the Recreation Fee, which is separate and apart from any assessment by the Association.

1.8 "Association Instruments" means this Declaration, the Articles of Incorporation and By-Laws of the Association and any Rules and Regulations adopted by the Association, as each may be amended from time to time.

1.9 "Board" or "Board of Directors" means the duly elected or appointed Board of Directors of the Association. UNTIL SUCH TIME AS THE ASSOCIATION HAS BEEN RE-ACTIVATED, ALL RIGHTS AND OBLIGATIONS OF THE BOARD OF DIRECTORS SHALL BE ASSUMED AND CARRIED OUT BY THE DECLARANT.

1.10 "By-Laws" means the By-Laws of the Beech Mountain Lakes Association, as they may lawfully be amended from time to time.

1.11 "Campground" means any such land and improvements which has been platted as a campground on a recorded Plat and intended for camping use as described in a declaration of covenants, and restrictions for such campground recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania.

1.12 "Campground Interest" means an undivided interest in a Campground or a membership interest in a camping club for a Campground within the Development.

1.13 "Campsite" means an area designated and marked for identification on the general plan of a Campground, which is intended for occupancy and use for camping purposes in accordance with the recorded covenants and restrictions for the Campground.

1.14 "Charge" means the Association Assessment, the Community Assessment, any Special Assessment, Personal Charges, the Recreation Fee and/or any other charges or payments which an Owner is required to pay or for which an Owner is liable hereunder.

1.15 "Commercial Lot" means any unimproved parcel of land owned by Declarant or an Owner located within the Development which is designated by Declarant as a Commercial Lot and is designed to accommodate public, commercial, or business enterprises to serve the Development including but not limited to: business and professional offices; facilities for the retail sale of goods and services; social clubs; restaurants; theaters; lounges; and recreational facilities; provided, however, that Commercial Lots shall not include any of the areas within the legally described boundaries of a condominium, campground, subdivision or planned development within the Development. A parcel of land meeting the above criteria shall be deemed to be unimproved as a Commercial Lot until the Improvements being constructed thereon are sufficiently completed for occupancy so as to be defined as a Commercial Unit.

1.16 "Commercial Unit" means any improved parcel of land owned by Declarant or an Owner located within the Development which is designated by Declarant as a Commercial Unit and is designed to accommodate public, commercial, or business enterprises to serve the Development including but not limited to: business and professional offices; facilities for the retail sale of goods and services; social clubs; restaurants; theaters; lounges; and recreational facilities; provided, however, that Commercial Units shall not include any of the areas within the legally described boundaries of a condominium, campground, subdivision or planned development within the Development. A parcel shall not be deemed to be improved as a Commercial Unit until such time as the Improvements being constructed on said parcel are sufficiently completed in accordance with plans and specifications.

1.17 "Common Areas" means those portions of the Development, which are specifically designated as Common Areas in Exhibit A hereto, as Exhibit A may be amended or supplemented from time to time, any real property which may be designated as a Common Area on any Plat, and any other land deeded to and accepted by the Association for use as Common Areas together with all improvements located above and below the ground and rights appurtenant thereto. The Common Areas shall generally include the roadways, bodies of water, open space, drives, parking areas, walkways and green areas, but shall not include any Common Areas, Units or the Sports Facilities. The Declarant may make any Common Area subject to this Declaration pursuant to Section 4 hereof.

1.18 "Common Expenses" means and includes all expenses incurred by the Association or its duly authorized agent for the operation, maintenance, repair and replacement of the Common Areas and the operation and administration of the Association as more fully described in Section 7.5 hereof.

1.19 "Common Surplus" means the excess of all amounts received by the Association, including but not limited to Charges and rents, profits, and revenues, if any, over the Common Expenses.

1.20 "Community" means a portion of the Development which is described and designated as a "Community" in Exhibit A hereto, as Exhibit A may be amended or supplemented from time to time, and which shall consist of Units and may (but need not) include one or more Community Common Areas. Each Unit shall be part of a Community. Each Community shall be identified on Exhibit A or on a recorded Plat. The Declarant may make Added Property, as described in Section 2.1.2, part of an existing Community or may designate Added Property as a new Community, as more fully described in Section 2.

1.21 "Community Assessment" means the amounts which the Declarant, the Community Association or Association shall assess and collect from the Owners of Units located within a particular Community to pay the Community Expenses and to accumulate reserves for such expenses, as more fully described in Section 7.6.

1.22 "Community Association" means any association which is duly formed under the laws of the Commonwealth of Pennsylvania for purposes of administering any condominium, campground, subdivision or planned development within the Development or upon recorded Plat in the Office for Recording of Deeds, Luzerne County, Pennsylvania, as being a part of the Development, whose members shall be Owners of Interests in the Community so described.

1.23 "Community Common Area" means that portion of the Development, if any, which is a part of a Community and which is described and designated as a "Community Common Area" on a recorded Plat, together with all improvements thereon, rights appurtenant thereto, and all personal property used in connection with the operation thereof. A Community Common Area shall not be deemed to be part of the Common Areas. A Community Common Area shall be exclusively used by the Owners of the Community of which it is a part.

1.24 "Community Declaration" means a declaration of covenants, conditions and restrictions for a particular community which has been recorded in the Office of Recording of Deeds, Luzerne County, Pennsylvania, as it may be amended from time to time.

1.25 "Community Expenses" means and includes all expenses incurred by a Community Association or its duly authorized agent for the operation, maintenance, repair and replacement of the Community Common Areas or the operation and administration of the Community Association as more fully described in Section 7.6 of this Declaration and the Community Declaration.

1.26 "Declarant" means Beech Mountain Lakes Corporation, a Pennsylvania corporation, or any assigns or successor in title, who comes to stand in the same relation to the Development as Declarant, including, without limitation, any party that acquires ownership of all Declarant's then remaining Interests in the Development.

1.27 "Declaration" means this Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes, as it may be amended from time to time.

1.28 "Delegate" means an Owner in a particular Community who shall be selected pursuant to the provisions of Section 6.6. to represent that Community. After the Turnover Date, the Delegates shall be entitled to vote at meetings of the members

of the Association on behalf of the members of their Community as more fully provided in Section 6.7 and shall elect the members of the Board as provided in Section 6.9.

1.29 "Development" means all that real property situated in Luzerne County, Pennsylvania, described in Exhibit A hereto together with all improvements thereon and rights appurtenant thereto and any additions thereto as described in Section 2.

1.30 "Exchange User" means any person who occupies a Unit committed to timesharing or a Campsite pursuant to a reciprocal exchange program approved by the Board of Directors of the relevant Community Association.

1.31 "Improvements" means all buildings, outbuildings, streets, roads, driveways, parking areas, fences, retaining and other walls, docks, piers, hedges, poles, antennas and any other structures of any type or kind located on real property within the Development.

1.32 "Interest" means any ownership interest in the real property of the Development as described in Exhibit A hereto, and all other real property which may be annexed thereto, which has been recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania, and, for purposes of this Declaration, any ownership interest in a Membership Certificate pertaining to a camping club or timesharing arrangement for the use of any property within the Development, even though such Membership Certificate does not constitute an interest in real property. Any reference herein to title to an Interest shall be deemed to include the ownership interest in a Membership Certificate.

1.33 "Lot" means any numbered and lettered lot or tract on a Plat, whether improved or unimproved, including, but not limited to a Residential Lot or a Commercial Lot, except utility lots and other designated and/or excluded lots, tracts or areas, as filed and recorded in the Office for Recording of Deeds, County of Luzerne, Pennsylvania, and any revision thereof.

1.34 "Management Agreement" means the then-effective agreement between the Association and a Manager which provides for the management of the Common Areas.

1.35 "Manager" means the person or entity, its successors and assigns, engaged by the Association to undertake the duties, responsibilities, and obligations of managing the Common Areas, pursuant to the then effective Management Agreement.

1.36 "Membership Certificate" means the instrument under which a person is entitled to use the facilities of a camping club or timesharing arrangement for the use of any property within the Development, subject to the restrictions and limitations contained therein and in this Declaration.

1.37 "Mortgagee of Record" or "Mortgagee" means the holder of a bona fide first deed of trust or a purchase money mortgagee, or equivalent security interest covering a Unit, and its successors and assigns, provided that such interest is evidenced by a written instrument which has been recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania. For the purposes of this Declaration only, the term Mortgagee of Record shall include any primary secured party holding a security interest covering a Membership Certificate, and its successors and assigns, provided that such security interest has been filed of record in the Prothonotary's Office of Luzerne County, Pennsylvania.

1.38 "Owner" means any person or legal entity, including Declarant, who holds fee simple title to an Interest in real property Development or who holds an Interest in a Membership Certificate pertaining to a camping club or timesharing arrangement

for the use of any property in the Development. Owner shall not mean or refer to a Mortgagee of Record, its successors or assigns, unless or until such Mortgagee of Record has acquired title pursuant to foreclosure proceedings or by deed in lieu of foreclosure. Declarant shall be deemed to be the Owner of any portion of the Development for which title has not been transferred to another party. If any portion of the Development is subject to use under a camping club or timesharing arrangement, Declarant shall be deemed the owner of any Membership Certificates which have not been transferred to another party.

All benefits, obligations, restrictions, or requirements imposed hereby upon an Owner shall also be imposed upon any person using the Development or occupying any Unit or Campsite in the Development pursuant to a contract, lease, or agreement of any form or other arrangement with any Owner or Resident, including Exchange Users and the guests, agents, licensees, or invitees of any person owning, using, or occupying any portion of the Development.

1.39 "Personal Charge" means a Charge as more fully described in Section 7.9, levied by the Declarant, the Association or a Community Association against a particular Owner for one of the reasons set forth herein.

1.40 "Plat" means a final condominium, campground, subdivision or planned development map with respect to the Development, duly recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania, including any and all lawful additions or revisions to said Plat.

1.41 "Recreation Fee" means the annual fee charged by the Declarant for the use of the Sports Facilities, as more fully described in Section 16.4. The Recreation Fee shall be separate and apart from any Assessment by the Association or Community Association. All Owners are obligated by the terms of this Declaration to pay the Recreation Fee, which fee shall be a lien on each Owner's Interest.

1.42 "Resident" means an individual who resides in a Unit and who is either the Owner, a tenant of the Owner, an Exchange User, a contract purchaser of the Unit, or a relative of any such Owner, Exchange User, tenant or contract purchaser.

1.43 "Residential Dwelling Unit" means any Improvement to a Residential Lot intended for use as a single family or multi-family residential dwelling, including without limitation, any single family detached dwelling, garden home, patio dwelling, condominium unit or townhouse unit, which Improvement constructed thereon is sufficiently completed in accordance with the plans and specifications therefore.

1.44 "Residential Lot" means any unimproved parcel of land located within the Development which has been platted into lots intended for use as sites for single family detached dwellings, condominium units, townhouse units, garden home or patio dwelling as described on a recorded Plat. A parcel of land meeting the above criteria shall be deemed to be unimproved as a Residential Lot until the Improvements being constructed thereon are sufficiently completed for occupancy so as to be defined as a Residential Dwelling Unit.

1.45 "Rules and Regulations" means written conditions governing use of the Common Areas or Community Common Areas, established by the entity responsible for the management and operation of such areas, as each may be amended from time to time, which shall be binding on all Owners.

1.46 "Special Assessment" means an Assessment levied upon any Owner in the event that the total of the Annual Assessments

is inadequate to meet the Common Expenses of the Association or the Community Association of which the Owner is a member.

1.47 "Sports Facilities" means the recreational facilities owned and maintained by the Declarant in Exhibit B attached hereto and more fully described in Section 16. All Owners are obligated to pay an annual Recreation Fee which will entitle them to use the Sports Facilities.

1.48 "Timesharing Unit Week" means a specified period each year during which an Owner under a timesharing arrangement may use and occupy a Unit, pursuant to the provisions hereof and of the Community Declaration for the Community in which the timesharing arrangement is located.

1.49 "Turnover Date" means the date on which the rights of the Declarant to designate the members of the Association Board are terminated under Section 11.3.

1.50 "Unimproved Land" means unimproved and developable land owned by Declarant located within the Development which has not been subdivided or platted of record as a Residential Lot, Commercial Lot or Campground or which has not been improved as a Commercial Unit or Residential Dwelling Unit and which is designated by Developer for residential, commercial or camping development. Property shall be deemed Unimproved Land until such time as such property is platted of record so as to constitute Residential Lots, a Commercial Lot, or a Campground or until such time as Commercial Units, Residential Dwelling Units and Campsites are sufficiently completed for occupancy and use so as to be defined as a Commercial Unit, Residential Dwelling Unit or Campsite.

1.51 "Unit" means a Residential Lot, Commercial Lot, Residential Dwelling Unit, Commercial Unit, Campsite or Lot as defined herein. A unit shall include a subdivided Lot as shown on a recorded Plat, except that, if with Association approval, a residential dwelling is constructed on a parcel consisting of more or less than one lot, then the parcel shall be deemed to be one Unit hereunder; a unit in a condominium created under Pennsylvania law; or a unit in a cooperative housing association created under Pennsylvania law. If a subdivided Lot or Lots which are Units hereunder are made subject to a condominium declaration, then each condominium unit created under the condominium declaration shall become a Unit hereunder and the subdivided Lot or Lots shall no longer be deemed Units hereunder. If portions of a subdivided lot or lots which are Units hereunder are deeded to and accepted by a Community Association as a Community Common Area, then the said portion shall be assessed to the appropriate Community and said portion shall not be considered a Unit hereunder.

1.52 "Warranty Deed" means that certain instrument by which Declarant conveys one (1) or more Interests in the Development together with any subsequent assignments thereof.

2. SCOPE OF DECLARATION.

2.1 Property Subject to Declaration.

2.1.1 Existing Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration consists of that land situated in Luzerne County, Pennsylvania, as more particularly described in Exhibit A attached hereto, sometimes referred to herein as the "Existing Property." The Declarant intends to develop the Existing Property at its sole discretion at any time based upon its continuing development plan.

2.1.2 Added Property. The Declarant shall have the right, within its sole discretion, at any time and from time,

prior to the Turnover Date, to annex to the Existing Property and to submit to this Declaration as "Added Property" additional properties, including (i) properties now or hereafter acquired by it, and, (ii) property of others which is either abutting the Existing Property (including additions thereto) or which is so situated that its addition will be reasonably consistent with the uniform scheme for development set forth in this Declaration. After the Turnover Date, Declarant may exercise the rights described herein to annex, add and subject additional portions of the Development to the provisions of this Declaration, provided that the consent of two-thirds (2/3) of the Delegates is first obtained. Any Improvements to the Added Property will be consistent with the Improvements to the Existing Property in quality of construction.

In the event that any Added Property is annexed to the Existing Property pursuant to the provisions of this Section 2.1.2, such Added Property shall be considered within the definition of the Development for all purposes of this Declaration.

2.2 Supplemental Declarations. Any such addition as authorized in Section 2.1.2 above may be made by the filing of record of one or more Supplemental Declarations with respect to the Added Property. A Supplemental Declaration shall contain a statement that the real property which is the subject of the Supplemental Declaration constitutes Added Property which is to become a part of the Development subject to this Declaration. In addition, a Supplemental Declaration may contain such additions to or modifications of the provisions hereof applicable to any Added Property as may be necessary to reflect the different character, if any, of the Added Property that is the subject of the Supplemental Declaration, including modifications in the basis of assessments or amounts thereof. Such Supplemental Declaration shall become effective upon being recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania; provided that, in the event of any conflict between such additional provisions and the provisions in the Declaration, the provisions of this Declaration shall control. Additionally, any Supplemental Declaration shall not remove or reduce any real estate which is described in Exhibit A immediately prior to the recording of such Supplemental Declaration.

2.2.1 Effect of Supplemental Declaration. Upon the recording of a Supplemental Declaration by Declarant which annexes and subjects Added Property to this Declaration, as provided in this Section, then:

(a) The easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits and privileges set forth and described herein shall run with and bind the Added Property and inure to the benefit of and be binding on any Owner having any Interest in the Added Property in the same manner, to the same extent and with the same force and effect that this Declaration applies to the existing Owners having an Interest in the property subjected to this Declaration prior to the date of the recording of the Supplemental Declaration.

(b) Every Owner of an Interest in Added Property shall be a member of the Association on the same terms and subject to the same qualifications and limitations as those members who are Owners immediately prior to the recording of such Supplemental Declaration.

(c) The recording of each Supplemental Declaration shall not alter the amount of the lien for any Charge made to a Unit or its Owner prior to such recording.

(d) Each Owner of an Interest in Added Property shall be responsible for the payment of the Association Assessment and Community Assessment applicable to his Unit, but shall not be responsible for the payment of any Special Assessment which

was levied prior to the time that the Added Property became subject to assessment under this Declaration.

(e) In all other respects, all of the provisions of this Declaration shall include and apply to the Added Property made subject to this Declaration by any such Supplemental Declaration and the Owners, Mortgagees of Record, and lessees thereof, with equal meaning and of like force and effect and the same as if such Added Property were subjected to this Declaration at the time of the recording hereof.

(f) With respect to the Added Property, the Declarant shall have and enjoy all rights, powers and easements reserved by the Declarant in this Declaration, plus any additional rights, powers and easements set forth in the Supplemental Declaration.

2.3 Effect on Communities. A Supplemental Declaration may (but need not) (i) make Added Property part of an existing Community, (ii) designate a part or all of the Added Property as a new Community or (iii) make Added Property a Community Common Area within an existing Community or a new Community. If a Supplemental Declaration makes Added Property part of an existing Community, the Owners of an Interest in the Added Property shall have the same rights and duties as the existing Owners of Interests in that Community and shall pay a Community Assessment in the same manner as all other Owners in such Community. A Supplemental Declaration may contain a provision which states that no more Added Property shall be made part of a particular Community, and thereupon Declarant's right to make Added Property part of the Community under this Section shall terminate.

2.4 Community Declarations. Declarant intends, as the Development is developed and offered for sale, to subject portions thereof to Supplemental Declarations known as Community Declarations which shall contain specific covenants and restrictions which apply only to each portion as defined and described in each such Community Declaration. Such Community Declarations shall be subject to the provisions hereof so that the Development remains an integrated development.

2.5 Conveyances Subject to Declaration. All covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant to and running with the land and shall at all times inure to the benefit of and be binding on any Owner of any Interest. Reference in any deed of conveyance, Membership Certificate, lease, mortgage, trust deed, other evidence of obligation, or other instrument to the provisions of this Declaration shall be sufficient to create and reserve all of the covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits and privileges which are granted, created, reserved or declared by this Declaration, as fully and completely as though they were set forth in their entirety in any such document.

3. EASEMENTS.

3.1 Right of Enjoyment. Each Owner, his family, guests, invitees, and licensees shall have a perpetual non-exclusive right and easement to use and enjoy the Common Areas and the Community Common Areas within his Community. Such right and easement shall run with the land, be appurtenant to and pass with title to every Interest, subject to and governed by the provisions of this Declaration, the By-Laws, and the Rules and Regulations. Non-Owners may use and enjoy the Common Areas and Community Common Areas only to the extent permitted by the Rules and Regulations and such Rules and Regulations may require that any such individual be a guest of an Owner who has the right to use such areas and/or pay a use fee set by the entity

responsible for the management and operation of the Common Areas or the Community Common Areas.

3.2 Access Easement. Each Owner, his family, guests, invitees and licensees shall have a perpetual non-exclusive easement for ingress to and egress from his Unit; over and across all walkways, private roads and driveways located on the Common Areas and the Community Common Areas, which easement shall run with the land, be appurtenant to and pass with the title to every such Interest. The Association, its employees, agents and contractors, shall have the right of ingress to and egress from the Common Areas and the Community Common Areas, including but not limited to parking and security patrolling and the right to store equipment in the Common Areas and the Community Common Areas for the purposes of furnishing any maintenance, repairs, or replacements of such areas, as required or permitted hereunder.

In the event that said easements for ingress and egress shall be encumbered by any mortgage, leasehold or other lien, other than those which have been recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania prior to the date of recordation of this Declaration, such mortgages, leaseholds or other liens shall hereby be subordinate to the use rights of any Owner or Owners whose ownership interest is not also encumbered by said mortgage, leasehold or other lien.

3.3 Construction Easement. The Declarant shall be entitled to construction easements over the Common Areas or Community Common Areas in order to conduct and complete construction and improvements as may be reasonably required, convenient or incidental to the completion, renovation, improvement or development of such areas.

3.4 Easement for Declarant's Business Use. Declarant shall have and hereby retains for itself, an easement to maintain business and sales offices in the Common Areas and Community Common Areas, which easement shall include, but not be limited to, the right to erect and maintain signs, a sales office, a business office and promotional facilities within such areas.

3.5 Utility Easements. The Association shall have the right, for the benefit of the Development, to utilize and to grant easements over, across, and under the Common Areas or Community Common Areas for utilities, sanitary and storm sewers, security or other types of monitors, walkways, roadways, and rights-of-way, and to relocate or to realign any existing easements or rights-of-way over, across, and under such areas including without limitation, any existing utilities, sanitary lines, or sewer lines. In addition, the Association is authorized to give, convey, transfer, cancel, relocate, and otherwise deal with any and all utility and other easements now or hereafter located on or affecting such Common Areas or Community Common Areas.

All public and private utilities (including cable television) serving the Development are hereby granted the right to lay, construct, renew, operate, and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment, into and through the Common Areas and Community Common Areas for the purpose of providing utility, drainage or irrigation services to the Development; provided the exact location of said equipment and easements shall be approved in advance, in writing by the Association.

3.6 Emergency Vehicles. Luzerne County, Butler, Foster and Dennison Townships or any other governmental authority or utility which has jurisdiction over the Development shall have a non-exclusive easement over the Common Areas and Community Common Areas for police, fire, ambulance and any other lawful emergency vehicles for the purpose of furnishing utilities or municipal or emergency services to the Development.

3.7 Repair and Maintenance. The Association shall have a reasonable right of entry upon any Unit to perform emergency repairs or to perform any other work reasonably necessary for the proper maintenance of the Development, provided, such exterior maintenance is, in the opinion of the Board, required, including without limitation: paint; repair; roof repair and replacement; installation of gutters downspouts and exterior building surfaces; and yard clean-up. The provision of any exterior maintenance services by the Association to any Unit shall not be deemed an acceptance of ongoing responsibility to maintain such property or the ownership of such property. At such time as the Association renders such exterior maintenance services, it shall do so at the sole expense of the Owner, which expense shall be a Personal Charge hereunder, separate, apart and in addition to any other Assessment or Charge imposed by this Declaration. The cost of such maintenance may be assessed against an Owner, which, in the opinion of the Association, benefits from same. Such maintenance costs may also be assessed against all condominium Units to the extent that such maintenance is required to be performed upon the condominium common elements.

3.8 Easement for Encroachment. If by reason of the design, construction, reconstruction, settlement or shifting of any building or other improvement located in the Development:

(a) a Unit or any structure containing one or more Units shall encroach upon another Unit, upon the Common Areas or upon a Community Common Area; or

(b) improvements to the Common Areas or a Community Common Area shall encroach upon a Unit or the common elements of a condominium;

then there shall be deemed to be an easement in favor of and appurtenant to such encroaching improvement for the continuance, maintenance, repair and replacement thereof. The person who is responsible for the maintenance of any encroaching improvement for which an easement for continuance, maintenance, repair and replacement thereof is granted under this Section shall continue to be responsible for the maintenance of such encroaching improvement and the person who is responsible for the maintenance of the real estate upon which such improvement encroaches shall not have the duty to maintain, repair or replace any such encroaching improvement unless otherwise provided in this Declaration.

3.9 Owners' Responsibility. The right-of-way and easement areas reserved by Declarant or dedicated to public utility purposes shall be maintained continuously by the Owner of the affected property, but no structures, plantings or other materials shall be placed or permitted to remain or other activities undertaken which may damage or interfere with the installation or maintenance of utilities, which may change the direction of flow of drainage channels in the easements, which may obstruct or retard the flow of water through drainage channels in the easements, or which damage or interfere with established slope ratios or create erosion or sliding problems; provided, however, that where the existing location of a drainage channel would hinder the orderly development of an Owner's property, the drainage channel may be relocated on such property provided the newly formed drainage swale is properly stabilized and provided such relocation does not cause an encroachment on any other property in the Development. Improvements within such areas shall also be maintained by the respective Owners except for those which a public authority or utility company is responsible.

3.10 Mineral Rights. The Declarant reserves unto itself, all coal, oil, gas, mineral, mining and drilling rights. Under the Act of Assembly of the Commonwealth of Pennsylvania of 1957, P.L. 984 #1 and its amendments, notice that the title to coal underlying a piece of land and that the right of support are

not included must be given to all purchasers. This notice appears in some prior deeds in the chain of title to the lands included in the Development. Therefore, the required notice will be placed in bold type, as required on the face of all deeds to lands in the Development as follows:

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN THE LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT.

3.11 Easement for Benefit of Community. The Declarant and/or the Association shall have the right and authority from time to time to lease or grant easements, licenses, or concessions with regard to any portions or all of the Common Areas and each Community Common Area which the Declarant or the Association owns for such uses and purposes as the Declarant or Association deems to be in the best interests of the Owners and which are not prohibited hereunder, including, without limitation, the right to grant easements for utilities, cable television, and similar and related purposes. Any and all proceeds from leases, easements, licenses or concessions with respect to the Common Areas or a Community Common Area shall be used to pay the Common Expenses or appropriate Community Expense, as the case may be. Each person, by acceptance of a deed, Membership Certificate, mortgage, trust deed, other evidence of obligation, or other instrument relating to ownership, shall be deemed to grant a power coupled with an interest to the Declarant or the Association Board, as the case may be, as attorney-in-fact, to grant, cancel, alter or otherwise change the easements provided for in this Section. Any instrument executed pursuant to the power granted herein shall be executed by Declarant or by the President of the Association and attested to by the Secretary of the Association and duly recorded.

4. COMMON AREAS.

4.1 Ownership of Common Areas. Declarant intends to construct, operate and maintain certain facilities within the Development from time to time (the "Common Areas"). The Common Areas shall be identified and designated by Declarant, who may add to or subtract from the Common Areas at any time without the consent of the Association. All Common Areas are private property owned by Declarant and shall remain private property. Declarant's execution and recording of a Plat shall not be construed as a dedication to the public of any of the Common Areas. The legal status of the relation between the Owners and the Declarant, or whatever entity owns the Common Areas, with regard to the Common Areas, shall be that the owner of a Common Area shall be deemed a licensor and the Owners shall be deemed licensees. The Common Areas shall be available to Owners, their families, guests, invitees and licensees, subject to payment of the Charges described herein, any individual use or user fees, the Rules and Regulations affecting each Common Area and any further restrictions or limitations contained therein or herein.

Declarant may, in its sole discretion, convey the Common Areas to the Association. Declarant may convey each Common Area one at a time, or convey all Common Areas at the same time. Declarant may convey one, some or all Common Areas. On the date of said conveyance, the Common Areas, or the part

thereof conveyed, shall be free and clear of all liens and encumbrances, subject only to liens for taxes not then delinquent, such easements and rights-of-way as then appear of record and perpetual non-exclusive easements from and to the Common Areas as described herein. Such conveyance shall be deemed delivered for all purposes upon Declarant's recording thereof in the Office of the Recorder of Deeds of Luzerne County, Pennsylvania. The Association shall be obligated to accept the conveyance(s) by the Declarant to the Association of any and all Common Areas and shall have no right to refuse such conveyance. Upon conveyance of some or all of the Common Areas to the Association, all rights, powers, privileges and immunities of Declarant, as such, with respect to the Common Area conveyed, shall vest in the Association.

Declarant further reserves the exclusive right to dedicate any roads, streets and avenues in the Development to public use without the joinder, release or consent of any Owner, grantee or transferee and such Owner, grantee or transferee hereby releases all damages and claims resulting therefore.

As provided in Section 21.4, as long as the Declarant holds title to a Common Area, Declarant reserves the right to change the arrangement of any such Common Area and to construct additional facilities within any such Common Area. Subject to the rights of all Owners as set forth in Sections 3.1 and 3.2, so long as it holds title to a Common Area, Declarant may sell, convey, mortgage, hypothecate or encumber, lease, rent, use, occupy and improve such Common Area in its sole discretion.

4.2 Operation and Management. As long as the Declarant holds title to a Common Area, Declarant shall operate and maintain such Common Area and shall be reimbursed for the cost of such operation and management by the Association, using the funds provided by the Association Assessment, as more fully provided in Section 7.5.2. After title to a Common Area has been conveyed to the Association, the Association shall maintain and repair any Common Areas which it owns.

Nothing contained herein shall be deemed to preclude the entity which holds title to a Common Area from allowing members of the general public to use such Common Areas to the extent it determines to allow for such use, and to charge such members of the general public such use fees or rental fees it may establish from time to time.

The entity which holds title to a Common Area shall have the sole and exclusive right and duty to manage and operate the Common Areas which it owns, including, without limiting the generality of the foregoing, the right:

(a) to maintain, repair, replace or restore all of the improvements and landscaping within such Common Areas;

(b) to promulgate, amend and rescind from time to time general policies and guidelines governing the use of such Common Areas;

(c) to regulate the use of such Common Areas and establish a use or user fee schedule for each such facility;

(d) to receive all notices, claims and demands relating to taxes and assessments affecting such Common Areas; and

(e) to contract with others for the management, maintenance, operation, construction or restoration of such Common Areas or any portion thereof.

4.3 Commercial Use. Unless otherwise prohibited by the Community Declaration covering a particular Common Area, the entity which holds title to a Common Area shall retain the right

to operate or enter into agreements with third parties which permit such parties to operate commercial ventures, including, but not limited to, food concessions within such Common Areas.

4.4 Damage, Destruction or Condemnation of Common Areas.

4.4.1 Attorney In Fact. Each Owner hereby irrevocably appoints the Declarant, as to any Common Areas it owns, and/or the Association, as to any Common Areas it owns, as his Attorney In Fact in his name, place, and stead for the purpose of dealing with the Common Areas upon its damage, destruction, condemnation or obsolescences, as hereinafter provided. As Attorney In Fact, Declarant or the Association, by its authorized officers, as the case may be, shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner which is necessary and appropriate in order to exercise the powers herein granted.

4.4.2 Determination to Repair, Reconstruct or Rebuild. As long as it holds title to a particular Common Area, responsibility for the maintenance, repair, replacement, restoration, improvement, operation, and administration of such Common Areas shall be vested solely in the Declarant. As long as the Declarant holds title to a particular Common Area, the determination whether to repair, reconstruct or rebuild such Common Area following any damage or destruction to any portion of such Common Area shall be the determination of the Declarant alone and the Declarant shall be under no obligation to repair, reconstruct or rebuild any such Common Areas or portion thereof.

After title to a particular Common Area has been conveyed to the Association, as soon as practicable following any damage to or destruction of any portion of such Common Area covered by any insurance maintained by the Association, the Board of Directors shall proceed with the filing and adjustment of all claims arising under such insurance as a result of such damage or destruction and shall obtain reliable and detailed estimates of the cost of repairing or restoring such portion of such Common Area to substantially the same condition in which it existed prior to the occurrence of such damage or destruction.

4.4.3 Obligation to Repair. After title to a particular Common Area has been conveyed to the Association, any damage to or destruction of any portion of such Common Area shall be repaired, reconstructed or rebuilt unless at least two-thirds (2/3) of the Delegates shall determine, within ninety (90) days after the occurrence of such damage or destruction, not to repair, reconstruct or rebuild the same; provided, however, that during such time as Declarant owns one (1) or more Interest in the Development primarily for the purpose of sale, any such determination not to repair, reconstruct or rebuild shall require the agreement of Declarant and of at least two-thirds (2/3) of the Delegates, exclusive of the votes appertaining to Interests owned by Declarant.

4.4.4 Repair, Reconstruction and Rebuilding. After title to a particular Common Area has been conveyed to the Association, all of the work of repairing, reconstructing or rebuilding any portion of such Common Area, the damage to or destruction of which resulted in the payment of any insurance proceeds under any insurance policy maintained by the Association, shall be the responsibility of the Association, and shall be performed under the supervision of the Board of Directors. In discharging such supervisory responsibility, the Board of Directors shall be authorized, but shall not be obligated, to employ as its agent or consultant such building supervisors or architects as the Board of Directors shall determine. Any fees which shall be payable to any such building supervisor or architect as shall be employed by the Board of Directors shall be a Common Expense of the Association. Any repair, recon-

struction or rebuilding of any portion of such Common Area shall be substantially in accordance with the plans and specifications for the damaged or destroyed property prior to the occurrence of such damage or destruction, or in accordance with such different plans and specifications as may be approved by the Board of Directors and at least two-thirds (2/3) of the Delegates. The cost of repairing, reconstructing or rebuilding such portion of such Common Area shall be paid with any insurance proceeds which shall be paid to the Association on account of such damage or destruction.

If such insurance proceeds, together with any amounts as may be available from any reserve funds maintained by the Association for such purposes, are not sufficient to defray such costs of such repairing, reconstructing or rebuilding, then the Board of Directors shall levy a Special Assessment against all of the Owners to raise the excess funds necessary to defray such costs, which Special Assessment shall not be subject to approval by the Owners.

4.4.5 Property Not Restored. After title to a particular Common Area has been conveyed to the Association, and in the event it is determined, in accordance with the provisions of Section 4.4.3, that any portion of such Common Area shall not be repaired, reconstructed or rebuilt, any insurance proceeds paid to the Association on account of such damage or destruction shall be allocated to the Association, which proceeds shall, in the discretion of the Board, be (i) applied to pay the Common Expenses or (ii) used to acquire additional real property to be used and maintained for the mutual benefit of all Owners as a Common Area under this Declaration.

4.4.6 Condemnation or Eminent Domain. After title to a particular Common Area has been conveyed to the Association, and in the event that all or substantially all of such Common Area is taken by any authority having the power of condemnation or eminent domain, the proceeds of any award therefor shall be paid to the Association and such proceeds, together with any Common Area Capital Reserves being held for such part of the Common Area, shall, in the discretion of the Association Board, be (i) applied to pay the Common Expenses, or (ii) used to acquire additional real estate to be used and maintained for the mutual benefit of all Owners, as a Common Area under this Declaration.

If any portion of the Common Areas is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, all Mortgagees of Record will be entitled to timely written notice of any such proceeding or proposed acquisition, and no provision of this Declaration or of any other instrument relating to the Interests in the Development will entitle any Owner or other person to priority over any Mortgagee of Record with respect to the distribution of the proceeds of any award or settlement relating to such Common Areas.

After title to a particular Common Area has been conveyed to the Association, and in the event of a partial taking in condemnation or by eminent domain of such Common Area, the Board shall arrange for any necessary repairs and restoration of the remaining portion of such Common Area, in accordance with the design thereof, at the earliest possible date. If such repairs and restoration in accordance with such design are not permissible under the laws then in force, the Board shall nonetheless repair and restore the premises as nearly as is reasonably possible to its condition immediately prior to such taking. The Board is expressly authorized to pay any excess cost of such restoration as a Common Expense, and to levy a Special Assessment, if necessary, in the event that the available Association funds are insufficient for such purpose. In the event that any such sums are received

by the Association in excess of the cost of repairing and restoring such Common Area, such excess proceeds shall be deemed Common Surplus.

After title to a particular Common Area has been conveyed to the Association, and in the event of a partial taking in which any portion of such Common Area is eliminated or not restored, the Board shall disburse that portion of the proceeds allocable to such portion, less the proportionate share of said portion in the cost of debris removal, to the Common Surplus.

5. COMMUNITY COMMON AREAS.

5.1 Ownership of Community Common Areas. Declarant intends to construct, operate and maintain certain facilities within the Communities from time to time (the "Community Common Areas"). The Community Common Areas shall be identified and designated on a recorded Plat of the Community. The Community Common Areas shall be available only to Owners of the Community in which they are located, their families, guests, invitees and licensees, subject to payment of the Charges described herein, any individual use or user fees, the Rules and Regulations affecting each Community Common Area and any further restrictions or limitations contained therein or herein.

Declarant may, in its sole discretion, convey the Community Common Areas to the Association or to the Community Association for the Community in which they are located. Declarant may convey each Community Common Area one at a time, or convey all Community Common Areas at the same time. Declarant may convey one, some or all Community Common Areas. On the date of said conveyance, the Community Common Areas, or the part thereof conveyed, shall be free and clear of all liens and encumbrances, subject only to liens for taxes not then delinquent, such easements and rights-of-way as then appear of record and perpetual non-exclusive easements from and to the Community Common Areas, which shall be deemed delivered for all purposes upon Declarant's recording thereof in the Office of the Recorder of Deeds of Luzerne County, Pennsylvania. The Association or the Community Association, as the case may be, shall be obligated to accept any such conveyance and shall have no right to refuse such conveyance. Upon conveyance of some or all of the Community Common Areas to the Association or a Community Association, all rights, powers, privileges and immunities of Declarant, as such, with respect to the Community Common Area conveyed, shall vest in the Association or applicable Community Association. Subject to the provisions and limitations of the relevant Community Declaration, so long as it holds title to a Community Common Area, Declarant may sell, convey, mortgage, hypothecate or encumber, lease, rent, use, occupy and improve such Community Common Area in its sole discretion.

5.2 Operation and Management. A Community Common Area shall be operated and maintained for the exclusive use and enjoyment of Owners in the Community of which it is a part, their families, guests, invitees and licensees and any guests, invitees or licensees of such owner, subject to payment of the Charges described herein, any individual use or user fees, the Rules and Regulations affecting each Community Common Area and any further restrictions or limitations contained therein or herein and may promulgate Rules and Regulations may be promulgated by the entity responsible for the operation and maintenance of each Community Common Area which shall regulate the use of such facility and, if applicable, establish a use or user fee schedule for each such facility.

The responsibility for the operation and maintenance of the Community Common Areas shall be established in the Community Declaration in one of the following manners:

- (a) The Declarant shall have the sole and exclusive

right and duty to manage and operate the Community Common Areas, subject to the provisions of the Community Declaration; or

(b) The Community Association shall have the sole and exclusive right and duty to manage the Community Common Areas, as set forth in the Community Declaration; or

(c) The Association, shall have the sole and exclusive right and duty to manage and operate the Community Common Areas, as set forth in the Community Declaration.

5.3 Consultation with Delegates. If the Community Declaration provides that the Declarant or the Association shall have the sole and exclusive right and duty to manage and operate the Community Common Areas, the Declarant or the Association Board shall consult with the Delegates from the affected Community in connection with the administration of the affairs of their Community and their Community Common Areas, including, without limitation:

(a) rules and regulations governing the use and enjoyment of the Community Common Areas;

(b) guest fees for the use of facilities on the Community Common Areas;

(c) negotiating and granting leases, concessions or licenses with respect to parts of the Community Common Areas;

(d) recommendations to the Association Board with respect to an annual budget for the Community Common Areas and the Community Assessment;

(e) whether alterations, additions or improvements shall be made to or any special services shall be provided at the Community Common Area;

(f) managing the affairs of the Community Common Area; and

(g) rules and regulations governing the architectural design and exterior decorating of structures and improvements located within the Community, all subject as provided in this Declaration or the By-Laws.

5.4 Damage, Destruction or Condemnation. All provisions regarding damage, destruction or condemnation of the Community Common Areas, including the determination whether to repair or reconstruct the Common Community Areas, shall be fully set forth in the Community Declaration.

6. BEECH MOUNTAIN LAKES ASSOCIATION.

6.1 Association of all Owners. The Beech Mountain Lakes Association, is or will be the association of all Owners of Interests in the Beach Mountain Lake Development (previously designated as Lake of the Four Seasons development.) The Lake of the Four Seasons Property Owners Association was incorporated by the prior developer as a Pennsylvania Non-Profit Corporation, but was never operational. Declarant, in its sole discretion, may re-activate the Association under the name of Beech Mountain Lakes Association at some time in the future, but not later than the Turnover Date, by filing amended Articles of Incorporation to reflect the renamed corporation and by promulgating By-Laws for the Association. Only the Declarant shall be authorized to re-activate the Association. All references to "Association" in this Declaration shall mean the Beech Mountain Lakes Association.

UNTIL SUCH TIME AS THE ASSOCIATION IS REACTIVATED, ALL RIGHTS AND OBLIGATIONS OF THE ASSOCIATION SHALL BE ASSUMED AND CARRIED OUT BY THE DECLARANT.

6.2 Multi-Tiered Association Structure. The Development is the subject of a multi-tiered association format, of which the Association is a part. It is anticipated that all Owners in the Development may become members of two (2) associations: (i) the Beech Mountain Lakes Association which is empowered with the rights, powers and duties set forth herein and in its Articles of Incorporation and its By-Laws, as the same may be amended from time to time, which Association is responsible for enforcing this Declaration and collecting and disbursing the Assessments and other Charges of the Association and (ii) a Community Association which is or will be responsible for the operation and maintenance of the condominium, campground, subdivision or planned development in which the Owner holds an Interest. By taking title to an Interest, each purchaser of an Interest agrees to become a member of two (2) associations, whether or not a Community Association for his Community has been formed at that time. On the primary level, the Association has the power to levy Assessments and other Charges upon Owners in accordance with the Association Documents. On the second and subordinate level, the Community Associations are responsible for administering those affairs related to the individual condominiums, campgrounds, subdivisions or planned developments and may levy Assessments and other Charges against their individual members in accordance with the provisions of their Community Declarations.

6.3 Association Superior to Community Associations. The Association is the organization with the primary responsibility to make and collect Assessments and other Charges from the Owners in accordance with the provisions of the Association Documents, which Assessments and Charges will be used for the purposes as more particularly set forth in the Association Documents.

A Community Association for a particular Community may be established pursuant to the terms of the Community Declaration for that Community. The Community Associations shall be subordinate in all respects to the Association, but shall retain all the rights and privileges as more particularly described herein and in their respective Community Declarations including, without limitation, the right to levy Assessments and other Charges.

In the event of any conflict between the provisions of a Community Declaration and the provisions in the Declaration, the provisions of this Declaration shall control.

6.4 Membership in Association. By recording a Warranty Deed to an Interest in the name of the Owner or transferring a Membership Certificate in the name of an Owner, each Owner, including the Declarant, so long as the Declarant owns any Interest in the Development, becomes a member of the Association until he ceases to be an Owner. If any person or entity other than the Declarant owns more than one Interest, such person or entity shall have one membership in the Association for each Interest owned. In the event of a dispute between the Owners of any Unit as to who holds membership or voting rights, the Association Board shall make the final decision. The Association shall be given written notice of the change of ownership of a Unit within ten (10) days after such change, and the purchaser shall pay the Association's fee for changing its records.

6.5 Transfer of Membership. The membership of each Owner in the Association is appurtenant to and inseparable from his ownership of his Interest and shall automatically be transferred upon any valid transfer or conveyance of his Interest to any transferee or grantee. Membership in the Association is transferable only in connection with the conveyance or transfer of the Interest giving rise to such membership, and any other transfer or assignment of membership shall be null and void.

The transfer of any Interest shall operate to transfer to the new Owner the interest of the prior Owner, if any, in all funds held by the Association, even though not expressly mentioned or described in the instrument of transfer and without further instrument of transfer.

6.6 Delegates. Subject to rights retained by the Declarant in Section 11.3 herein, voting rights of the members of the Association shall be vested exclusively in delegates ("Delegates"). Each Community shall be represented by three (3) Delegates. The Delegates shall be designated officers of a Community Association, appointed by the Board of Directors for such Community Association. If no Community Association has been formed, the initial Delegates shall be appointed by the Declarant; thereafter, the Delegates shall be elected by the Owners in each such Community. The procedures for election or designation of Delegates and the removal thereof shall be as set forth in the Community Declaration. With the exception of the initial Delegates, each Delegate shall be both an Owner and Resident of his Unit within the Community he represents; provided, however, that in no event shall an Owner and his or her spouse both serve as Delegates from the same Community concurrently. If a Delegate ceases to be either an Owner or a Resident of his Unit within the Community he represents, he shall be deemed to have resigned as a Delegate.

6.7 Voting Rights. Prior to the Turnover Date, all of the voting rights at each meeting of the Association shall be vested exclusively in the Declarant and the Owners shall have no voting rights. From and after the Turnover Date, all of the voting rights at any meeting of the Association shall be vested in the Delegates and each Delegate shall have one vote.

6.8 Advisory Board. An Advisory Board composed of the Delegates from each Community shall be formed to meet, prior to the Turnover Date, from time to time to resolve issues arising between the Declarant or any committee formed by the Declarant and any Community Association or the Owners in a Community which has no Community Association. Meetings of the Advisory Board may be called by either Declarant or the Advisory Board. The Advisory Board shall act in an advisory capacity only and any recommendations it may make shall be entirely non-binding.

6.9 Association Board. Subject to the rights retained by the Declarant under Section 11.3, the Association Board shall consist of five (5) members, each of whom shall be an Owner or Delegate. As provided in Section 11.3, until the Turnover Date, the Declarant shall have the right to appoint or remove any director or directors of the Association. After the Turnover Date, the Delegates shall elect the members of the Board of Directors. UNTIL SUCH TIME AS THE ASSOCIATION HAS BEEN RE-ACTIVATED, ALL RIGHTS AND OBLIGATIONS OF THE BOARD OF DIRECTORS SHALL BE ASSUMED AND CARRIED OUT BY THE DECLARANT.

6.10 Powers of the Association. Without limiting the generality of the foregoing, the Association shall have the right:

(a) to levy and collect fees, duties and Assessments and other Charges from its members as contemplated by Section 7 of this Declaration;

(b) to establish and maintain one (1) or more reserve funds to provide monies to the Association to pay any expenses incurred by the Association in the exercise of its powers or the performance of its duties;

(c) to pay taxes and assessments, if any, levied by any governmental authority on any real or personal property owned by the Association, or on any transactions entered into by the Association which are subject to tax in the normal course

of business including the right to reimburse the Declarant for any taxes, or portions thereof, paid by Declarant on behalf of the Association or any member thereof;

(d) to enforce the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association, any general policies and guidelines from time to time promulgated by the Association, and any other decisions of the Association, and to pay all expenses incidental to such enforcement, including reasonable attorneys' fees, including, without limiting the foregoing, the right to reimburse Declarant for all costs and expenses incurred or paid by it in connection with the enforcement of any of the conditions, covenants, restrictions, Charges or Assessments or terms contained herein;

(e) to obtain and maintain in force all policies of insurance required to be maintained by the Association by Section 9 of this Declaration;

(f) to expend monies collected by the Association from Assessments or other Charges and other sums received by the Association for the payment of all proper costs, expenses and obligations incurred by the Association in carrying out any or all of the purposes for which the Association is formed;

(g) after the Turnover Date and upon the affirmative vote of a majority of the Board, to borrow money and to mortgage, pledge, convey by deed to secure debt or deed of trust, to hypothecate any or all of its property as security for money borrowed or debts incurred; provided, however, that during such time as Declarant owns one (1) or more Interest in the Development, any such decision to borrow money or to mortgage, pledge, convey by deed to secure debt or deed of trust, or hypothecate any or all of the Association's property as security for money borrowed or debts incurred shall require a majority vote of the Board and the affirmative vote of the Declarant;

(h) to acquire by gift, purchase or otherwise and to hold, enjoy and operate real or personal property in connection with the business of the Association; provided, however, that after the Turnover Date the Association shall not acquire real property by purchase, lease, or otherwise unless such acquisition is approved by a majority vote of the Board and the affirmative vote of the Declarant; and

(i) to do and perform any and all other acts which may be either necessary for, or proper or incidental to, the exercise of any of the foregoing powers.

6.11 Liability and Indemnification. No director, officer, employee, or agent of the Association, and no heir, executor, or administrator of any such person, shall be liable to the Association for any loss or damage suffered by it on account of any action or omission by him as a director, officer, employee, or agent if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association, unless with respect to an action or suit by or in the right of the Association to procure a judgment in its favor such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Association.

The Association shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) because he is or was a director, officer, employee, or agent of the Association, against expenses (including reasonable attorneys' fees), judgments, fines, and amounts paid in settlement, actually and reasonably

incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

The Association shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor because he is or was a director, officer, employee, or agent of the Association against expenses (including reasonable attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made with respect to any claim, issue, or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such court shall deem proper.

To the extent that a director, officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in this Section, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including reasonable attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under this Section (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in this Section. Such determination may be made (1) by the Board upon a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, or (2) by independent legal counsel in a written opinion to the Association, if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs.

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

The indemnification provided by this Section shall not be deemed exclusive of any other rights to which those indemnified may be entitled, shall continue as to a person who has ceased to be a director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, administrators, and personal representatives of such person.

The Association shall purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association against any liability asserted against or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Section. Any such insurance shall be procured from such insurance company as is designated by the Board, and the premiums therefor shall constitute a Common Expense.

6.12 Management Agreement and Other Contracts. The Declarant, or an entity controlled by the Declarant, may be engaged by the Association to act as the Manager for the Association and as Manager shall be paid a reasonable fee for its services under a written Management Agreement. Prior to the Turnover Date, the Declarant may enter into a Management Agreement; however, any such Management Agreement shall not directly or indirectly bind the Association unless the Management Agreement includes a right of termination, with or without cause, and without payment of a termination fee; on sixty (60) days written notice, which the Association can exercise after the Turnover Date. After the Turnover Date, any Management Agreement entered into by the Association shall have a term of not more than one year and shall be terminable by either party, with or without cause, and without payment of a termination fee, on sixty (60) days written notice.

Developer, or an entity controlled by the Developer, may also enter into contracts with the Association to perform or furnish any lawful service or materials if the contract is in writing and is terminable at the will of either party and if the price being charged for such service or materials is no more than that charged for similar services and materials in the local community.

6.13 Delegation of Authority. The Association Board may from time to time, by a resolution adopted by a majority of the Association Board, delegate to any Community Association Board of Directors, the power of the Association Board to take any action with respect to the Community or its Community Common Area which the Association is required or permitted to take hereunder. The Association Board may attach conditions to any such delegation, including, without limitation, the right to veto any proposed action, and the Association Board may revoke any such delegation by action of the Association Board at any time.

6.14 Representation. The Association shall have the power and right to represent the interests of all of the Owners in connection with claims and disputes affecting the Common Areas or any Community Common Area for which it has the responsibility for maintenance and operation. Without limiting the foregoing, the Association shall have the power to settle warranty disputes or other disputes between the Association, the Owners, and Declarant affecting the construction, use or enjoyment of the Common Areas and Community Common Area for which it has the responsibility for maintenance and operation, and any such settlement shall be final and shall bind all of the Owners.

7. ASSESSMENTS AND OTHER CHARGES.

7.1 Purpose. The Annual Assessment and any other applicable Assessments or Charges shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners, for the reimbursement of expenses incurred by the Association or its assigns, and for other expenses incurred in the performance of the duties of the Association or its assigns as set forth in this Declaration.

7.2 Annual Assessment. Each Owner (except the Declarant, prior to the Turnover Date) shall be required to pay an Annual Assessment for each Interest owned. Inasmuch as the Declarant has borne the cost of construction of the Common Areas and Community Common Areas, and because the Declarant will not use the Common Areas and Community Common Areas to the same extent that other lot owners will use such facilities, prior to the Turnover Date, the Declarant shall not be responsible for, or be obligated to pay any Annual Assessments pursuant to this Section. After the Turnover Date, or earlier at Declarant's sole discretion, the Declarant shall pay the same Assessment for each Interest owned as any other Owner in the Development.

The amount of each Owner's Annual Assessment shall be determined as follows:

(a) Association Assessment: The Declarant, until the Association is re-activated, and thereafter, the Association, shall levy a fee upon each Owner to fund the Common Expenses of the Association. This fee shall be referred to as the "Association Assessment."

(b) Community Assessment: The Community Assessment shall fund the Community Expenses of each Community. A Community Assessment shall be levied against each Owner in each Community. The Community Assessment may be levied by the applicable Community Association, the Declarant or the Association, as provided in Community Declaration. Unless otherwise provided in the Community Declaration, the Community Assessment shall be collected by the Association as a part of the Annual Assessment.

7.3 Budgets.

7.3.1 Association Budget. Each year on or before December 1, the Declarant, until the Association is re-activated, and thereafter, the Board, shall adopt and make available to each Owner a budget for the ensuing year commencing January 1, which shall be prepared as follows:

(a) The Association budget shall be prepared on a calendar year basis.

(b) The Association budget shall utilize the same categories of revenues and expenses as appear in the audited financial statements for the Association for the previous year.

(c) The Association budget shall include the amounts in each category of revenue and expenses for:

(i) the previous year as shown in the audited financials for the Association;

(ii) The current year as shown in unaudited financials ending September 30; and

(iii) The ensuing calendar year.

(d) The Declarant, or the Association, as the case may be, shall provide the proposed Association budget to the Delegates from each Community and shall consult with the Delegates prior to establishing the final operating budget.

7.3.2 Community Association Budget. The budget for a particular Community Association shall be prepared as set forth in the Community Declaration and By-Laws for each Community. However, if the Community Assessment is levied by the Declarant or the Association, the entity which levies the Community Assessment, shall, annually, provide the proposed operating budget for each Community for the ensuing fiscal year to the Delegates from each affected Community and shall consult with the Delegates

from the affected Community prior to establishing the final operating budget for such Community.

7.4 Allocation of Association Assessment. The Association Assessment shall be allocated as follows:

(a) The Association Assessment for each Owner shall vary according to the type of property and the status of improvement to that property and shall be based on the following ratios:

Residential Dwelling Unit	-	1.0
Residential Unimproved Lot	-	.2
Timesharing Unit Week	-	.2
Campground Interest	-	.2
Commercial Unimproved Lot	-	2.0 per acre
Commercial Improved Lot	-	2.0 per acre

Revisions to the above listed categories and ratios or additional categories and the ratio for such categories may be unilaterally established by the Declarant at any time prior to the Turnover Date by recording an amendment to this Declaration pursuant to Section 21.4 hereof. After the Turnover Date, the Association may only revise the above listed categories and ratios or establish additional categories and ratios by recording an amendment pursuant to the provisions of Section 21.3 hereof.

(b) The formula used to calculate the Association Assessment is as follows:

Association Assessment per Residential Dwelling Unit =

$$\frac{\text{Total Estimated Common Expenses for ensuing year}}{(\$120.00 \times \# \text{ Charter Members}) + (1.00 \times \# \text{ Sold Residential Dwelling Units}) + (___ \times \# \text{ Sold Residential Unimproved Lots}) + (___ \times \# \text{ Sold Timesharing Unit Weeks}) + (___ \times \# \text{ Sold Campground Interests}) + (___ \times \# \text{ Sold Commercial Unimproved Acres}) + (___ \times \# \text{ Sold Commercial Improved Acres})}$$

Notwithstanding the above, the Declarant, in its absolute discretion, but with no obligation whatsoever, may reduce the amount of the Association Assessment by subsidizing the assessment. However, all such reduced assessments shall remain in the same ratio as set forth above and no one category shall be reduced proportionately more than another.

(c) Notwithstanding the above, those persons listed on Exhibit B hereto, which is incorporated herein by reference, who originally purchased lots from Eastern Pennsylvania Marine Properties, Inc., and who still own said lot or lots ("Charter Members"), will pay \$10.00 per lot per month as the Association Assessment for road maintenance, security, recreational facilities and maintenance. No additional Association Assessment will be made to such owners for construction and maintenance of additional amenities other than reasonable user fees. This right of limited assessment is nontransferable.

(d) Notwithstanding anything to the contrary herein, the Association Assessment shall not increase more than 10% per year, cumulatively, from the date of recordation of this Declaration, i.e., if the Association Assessment does not increase for two years, it may not be increased more than 20% in the following year (10% each year, cumulatively).

7.5 Common Expenses.

7.5.1 Elements of Common Expenses. The Common Expenses which shall be payable by the Association from Annual Assessments collected shall consist of, but not be limited to, costs of the following items:

(a) the expenses of administration (including management and professional services), operation, maintenance, repair, replacement, beautification and landscaping of the Common Areas including, a reasonable management fee to the Declarant for the operation and management of any Common Areas which it owns, such fee not to exceed five percent (5%) of gross Association Assessments. If the Declarant is responsible for the operation and maintenance of a Common Area, the Declarant shall be reimbursed for all reasonable expenses association with such operation and maintenance, as provided in Section 7.5.2 below.

(b) additions to the Community Area Capital Reserve; the cost of insurance, water, waste removal and scavenger services, electricity, telephone and other necessary utility expenses for the Common Areas;

(c) the cost of general and special real estate taxes and assessments levied or assessed against the Common Areas;

(d) the cost of, and the expenses incurred for, the maintenance, construction, repair and replacement of personal property acquired and used by the Association in connection with the operation of the Common Areas;

(e) the cost of providing security service to the entire Development;

(f) the establishment and maintenance of a reasonable reserve fund or funds to cover operating contingencies or deficiencies arising from unpaid Assessments, other Charges, liens, emergency expenditures and other matters as may be authorized from time to time by the Board of Directors;

(g) any expenses designated as Common Expenses by this Declaration; and

(h) any other expenses lawfully incurred by the Association for the common benefit of all of the Owners. Common Expenses shall not include any Community Expenses.

7.5.2. Reimbursement of the Declarant. The Declarant shall be reimbursed for the reasonable expenses it incurs in the operation and maintenance of any Common Areas for which it is responsible. Such expenses shall be determined by one of the methods described below or by a combination of the methods:

(a) The expenses may be based upon reasonable cost allocations for the Common Areas as determined by generally accepted accounting principles, based upon industry standards for such facilities as applied against the cost associated with such facilities, including the general and administrative expenses incurred by Declarant based upon the preceding twelve month period.

(b) The expenses may be determined by establishing a formula based upon the Common Areas available to the Development, and the total number of Owners, occupants, or any other lawful users of the facilities, as applied to the costs of operations of such facilities, including general and administrative expenses incurred by the Declarant for the operation and maintenance of the facility based on the preceding twelve-month period.

7.6 Community Expenses. The Community Expenses which shall be payable from the Community Assessments collected shall consist of, but not be limited to, costs of the following items:

(a) the expenses of administration (including management, security, and professional services), maintenance, operation, repair, beautification and replacement of a Community Common Area;

(b) additions to the Community Common Area Capital Reserves;

(c) the cost of insurance, real estate taxes and assessments, water, waste removal, electricity, telephone and other necessary utility expenses for the Community Common Area;

(d) the cost of and the expenses incurred for the maintenance, construction, repair and replacement of personal property used by the Association only in connection with the operation of the Community Common Area;

(e) any expense designated as a Community Common Area Expense by this Declaration or the applicable Community Declaration;

(f) any expenses incurred by the Association which, pursuant to generally accepted accounting principles, can reasonably be allocated to the Community Common Area; and

(g) any other expenses lawfully incurred by the Association for the common benefit of the Community Owners.

Community Expenses shall be determined on a Community by Community basis and no expenses incurred for any one Community shall be deemed to be a Community Expense for any other Community. Community Expenses shall not be deemed to be, and shall not be deemed to include, Common Expenses. In the event that certain expenses are incurred by the Association in connection with the operation of a given Community Common Area and another Community Common Area and/or the Common Areas, the allocation of expenses between the Common Expenses and the various Community Expenses shall be made by the Association Board based on generally accepted accounting principles consistently applied, and any allocation so made shall be final and binding.

7.7 Revised Assessments. If the Annual Assessments collected from the Owners are at any time inadequate to meet the costs and expenses incurred by or imposed upon the Association for any reason, including, but not limited to, the non-payment by any Owner of any Assessment, the Association may increase the Annual Assessment in such amount as the Association determines to be necessary to pay the Association's costs and expenses, which all Owners, with the exception of Declarant, shall be obligated to pay. The Association shall give written notice thereof (together with a revised budget and explanation for the adjustment) to each Owner not less than ten (10) days prior to the effective date of the revised Assessment.

7.8 Special Assessments. The Association-Board may levy a Special Assessment as provided in this Section:

(a) to pay (or build up reserves to pay) expenses other than Common Expenses or Community Common Area Expenses incurred (or to be incurred) by the Association from time to time for a specific purpose, including, without limitation, to make alterations, additions or improvements to the Common Areas, any Community Common Area or any other property owned or maintained by the Association; or

(b) to repair damage caused by extraordinary causes other than normal wear and tear which are not covered by insurance, including, without limitation, such causes as flooding, tornadoes, hurricanes and strong winds.

A Special Assessment for expenditures for the benefit of the Owners in a particular Community or their Community Common Area shall be levied only against such Community Owners, based on their respective Interests in the Community property. Any other Special Assessment shall be levied against all of the

Owners, based on their respective Interests in the Development.

The Association Board shall serve notice of a Special Assessment on all Owners who shall be subject to payment thereof by a statement in reasonable detail, and the Special Assessments shall be payable in such manner and on such terms as shall be fixed by the Association Board. Any assessments collected pursuant to this Section shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

7.9 Personal Charges. Each Owner shall be responsible for paying to the Declarant, the Association or his Community Association any and all expenses incurred as a result of the act or omission to act of the Owner or such Owner's family, guests, invitees or licensees, including, but not limited to, the cost of any exterior maintenance as provided in Section 3.7; the cost of repair, maintenance or restoration as provided in Section 12.11; the cost to satisfy any expenses arising from an intentional or negligent act or omission of an Owner, a member of his family, his guests, invitees or licensees (to the extent not covered by insurance) or resulting from his breach of the provisions of the Association Instruments; and any late fees, fines, attorneys' fees and other amounts which the Association Instruments expressly permit to be assessed upon a particular Lessee. Such Personal Charges shall be paid by each Owner within thirty (30) days after the date upon which a notice of such Personal Charges is mailed to the responsible Owner.

Any Personal Charge shall be a lien on the Unit which is the subject of the Personal Charge, shall be a personal obligation of the Owner and shall be due and payable, together with interest, charges, penalties and late fees as provided by the Board. Fees for costs of collection by any Personal Charges, including reasonable attorneys' fees, shall be subordinate to the interest of any Mortgagee of Record.

7.10 Liability for Assessments and Other Charges. No Owner may exempt himself, his successors or assigns, from his obligation to pay any Assessments or other Charges by his waiver of the use and enjoyment of any of the Common Areas or Community Common Areas or by the abandonment of his Interest.

7.11 Initial Working Capital Contribution. The Association reserves the right to require each purchaser of an Interest in the Development to make a working capital contribution to the Association at the time of purchase. The Association shall determine the amount of such contribution, based on the same allocation ratio provided in Section 7.4 hereof. Said amount shall be placed in a separate account and shall be used by the Association as a working capital reserve.

7.12 Capital Reserves. The Association shall segregate and maintain separate special reserve accounts to be used solely for making capital expenditures in connection with the Common Areas (the "Common Area Capital Reserve") and each Community (the "Community Common Area Capital Reserve").

The Association Board shall determine the appropriate level of the Common Area Capital Reserve based on a periodic review of the useful life of improvements to the Common Areas and equipment owned by the Association and periodic projections of the cost of anticipated major repairs or replacements to Common Areas and the purchase of equipment to be used by the Association in connection with its duties hereunder.

The Delegates from each Community shall, in consultation with the Association Board, determine the appropriate level of the Community Common Area Capital Reserve for its Community Common Area based on a periodic review of the useful life of

improvements to the Community Common Area and periodic projections of the cost of anticipated major repairs or replacements to the Community Common Area and the purchase of equipment to be used by the Association only in connection with its duties with respect to the Community Common Area.

Each budget shall disclose that percentage of the Annual Assessment which shall be added to the Common Area Capital Reserve and that percentage of the Community Assessment which shall be added to the Community Common Area Capital Reserve and each Owner shall be deemed to make a capital contribution to the Association equal to such percentages multiplied by each installment of the Association Assessment and Community Assessment, respectively, paid by such Owner.

7.13 Surplus Funds. The Association, through its Board of Directors, shall, from time to time, fix and determine the sum or sums which are necessary and adequate to provide for the Common Expenses and Community Expenses and such other charges as are specified herein. The procedure for determining all Charges shall be as set forth in the By-Laws and this Declaration. In the event that the Board determines at any time during the Association's fiscal year that the aggregate amount of Assessments is, or will be, in excess of the amounts needed to meet the Common Expenses or Community Expenses, such excess amount shall appear as a line item on the Association's budget for the immediately succeeding fiscal year, and shall be applied to reduce the amount assessed to meet the Common Expenses or Community Expenses for such fiscal year. Any such excess shall not relieve any Owner from his obligation to pay any delinquent amounts which he owes the Association, nor shall any Owner be entitled to a refund of all or any portion of any Assessment previously paid on account of such excess.

7.14 Creation of Personal Liability and Priority of Lien. Each Owner, by acceptance of a deed or other conveyance or transfer of an Interest (whether it is so expressed in any such deed or other conveyance or transfer), covenants and agrees to pay to the Association, and/or the Community Association for the Community in which the Owner has an Interest, the Charges, together with any interest thereon, against his Interest during his ownership thereof as shall be fixed or assessed by the Association or such Community Association in accordance with the terms and provisions of this Declaration, any applicable Community Declaration, the Articles of Incorporation and the By-Laws of the Association, and/or the Community Association for the Community in which the Owner has an Interest. Each Charge and any late fees, interest and costs of collection, including reasonable attorneys' fees shall also be a personal obligation of the Owner against whom they are assessed. The obligation to pay any Charge, late fees, interest, and costs of collection thereof, including reasonable attorneys' fees, is secured by a lien or lien right in favor of the Association, and/or the Community Association for the Community in which the Owner has an Interest, which, as to each and every Interest, relates back to the date of recordation of this Declaration in the Office for Recording of Deeds, Luzerne County, Pennsylvania. Such lien shall be superior in all respects to all rights of homestead which may arise in favor of any Owner.

Any lien arising hereunder shall continue in full force and effect until fully paid or otherwise discharged. The lien against an Interest for unpaid Assessments may be foreclosed or enforced in the same manner as is authorized by the laws of the Commonwealth of Pennsylvania for the foreclosure of mortgages on real property or the enforcement of security interests. The Association or the applicable Community Association shall have the right to bid on the Interest at any foreclosure sale or public sale of the Interest and may acquire, hold, lease, mortgage, and convey the Interest acquired at such sale.

7.15 Subrogation. For purposes of enforcing any provision of this Declaration and particularly for the purpose of collecting unpaid Charges due hereunder from Owners who are personally liable for any debt or violation of any provision of this Declaration, if the Association so desires, the Community Associations hereby agree to subrogate any rights they may have to collect Charges from any Community Association's membership or Owner under any other set of recorded restrictions, covenants or other rights such Community Association may have to such collection to the Association. The Association shall have such rights and remedies as those of the Community Association for purposes of collecting said Charges from Owners or Community Association members.

7.16 Effect of Transfer of Interest. The sale or transfer of any Interest shall not affect the lien set forth in Section 7.14, above, and any grantee or transferee shall be jointly and severally liable for the portion of any Charge assessed against such Interest as may be due and payable at the time of conveyance or transfer, but without prejudice to the rights of the grantee or transferee to recover from the grantor or transferor the amounts paid by the grantee or transferee therefor; provided, however, that if such grantor, grantee, transferor, or transferee shall request and receive a statement of Charges payable with respect to the Interest, such grantee or transferee, his successors, successors-in-title and assigns, shall not be liable for, nor shall the Interest conveyed be subject to a lien for, any unpaid Charges against such Interest in excess of the amount set forth in such statement.

7.17 Mortgagee Protection. Notwithstanding any other provision of this Section 7, the lien which may be created upon any Interest shall be subordinate to the lien of any Mortgagee of Record, as defined herein, upon such Interest. If such a Mortgagee of Record obtains title to an Interest as a result of a foreclosure, deed in lieu of foreclosure, public sale or otherwise, such Mortgagee of Record shall not be liable for any Charges due and owing on such Interest prior to the date such Mortgagee of Record obtained title thereto. Said Charges, unless collected from the prior owner, shall be deemed a Common Expense paid by the Association from fees collected. The Association shall remain entitled to recover any unpaid Charges from the Owner whose Interest was foreclosed upon.

7.18 Non-Payment of Assessments and Other Charges. In addition to all other remedies provided by law, the Association may enforce collection of all delinquent Assessments or other Charges, together with such other amounts as may be owing the Association, as provided in this Section 7.18. Any Assessment or other Charge, or portion thereof, not paid when due shall be deemed delinquent.

7.18.1 Interest and Late Charge. Any Assessment or other Charge not paid when due shall be deemed delinquent. Any Assessment or other Charge which is delinquent for fifteen (15) days or more shall bear interest from the date of delinquency until paid at the highest legal contract rate permitted by Pennsylvania, but not to exceed eighteen percent (18%) per annum. In addition, any Assessment or other Charge which is more than thirty (30) days delinquent will be charged a late fee of \$25.00.

7.18.2 Additional Remedies. If any delinquent Assessment or other Charge portion thereof is not paid within fifteen (15) days after written notice is given to the Owner to make such payment, the Board of Directors shall have the right to invoke any or all of the following remedies:

(a) The entire unpaid balance of the Assessment or Charge may be accelerated at the option of the Board of Directors and may be declared due and payable in full, and foreclosure

proceedings may be instituted to enforce the lien of the Association;

(b) The rights of the Owner to use the Common Areas and/or the Community Common Areas may be suspended;

(c) The Association may bring an action at law against the Owner personally obligated to pay the same; and

(d) The Association may foreclose its lien against such Owner's Interest, in which event interest and costs of collection shall be included in such lien, with such costs of collection to include court costs, the expenses of sale, any expenses required for the protection and preservation of the Interest and reasonable attorneys' fees actually incurred.

Any such notice shall be sent by certified mail, return receipt requested, to the Owner at such Owner's last known address as contained in the records of the Association and shall specify the amount of the Assessments or other Charges then due and payable, including any interest accrued thereon.

7.18.3 Collection. All payments on account shall be applied first to the aforesaid costs of collection, then to interest, and then to the Charge lien first due. All interest collected shall be credited to the common fund of the Association to be applied against the Common Expenses. Each Owner vests in the Board of Directors the right and power to bring all actions against him personally for the collection of such Charge as a debt and to foreclose the aforesaid lien in the manner set forth herein.

7.19 Books and Records. The Association shall operate and maintain books and records on a calendar year basis. An annual audited financial statement for the Association, prepared by independent certified public accountants, shall be available to all Owners, Mortgagees of Record and insurers by March 1st of each year.

Current copies of the Declaration, the Community Declaration, the Association Instruments, recorded Plats of property within the Development, all Rules and Regulations, as well as the Association books, records and financial statements shall be available, upon written request, for inspection by Owners, insurers and Mortgagees of Record during normal business hours.

8. RULES AND REGULATIONS.

The entity which has the responsibility for the operation and management of a particular Common Area shall have the right from time to time to promulgate Rules and Regulations governing the use of such Common Areas, which may include, but not be limited to, rules governing the conduct of Owners in the Common Areas. These Rules and Regulations will be binding on all Owners. All grantees and transferees of an Interest accepting a Warranty Deed, Membership Certificate or otherwise acquiring title to an Interest, agree to be bound by any such Rules and Regulations. All guests and invitees of Owners, including all Exchange Users, shall also be bound by the Rules and Regulations. Such entity shall also have the right to amend any existing Rules and Regulations, to enforce any such Rules and Regulations and to establish penalties for the violation of any such Rules and Regulations. The penalties for the violation of any Rules and Regulations may include the suspension of the right to use the Common Areas during the period of any continuing violation of the Rules and Regulations. A copy of the Rules and Regulations shall be posted in a conspicuous place within each Common Area and/or copies of same shall be furnished to Owners.

9. INSURANCE.

9.1 Common Areas. The entity which has the responsibility for the operation and management of a particular Common Area shall obtain and maintain at all times the types of insurance policies set forth in this Section containing the provisions, without limitation, and in the amounts set forth herein. The premiums for such insurance policies shall be a Common Expense of the Association. The entity which has the responsibility for the operation and management of a particular Common Area may, at its discretion, enter into an agreement with any institutional trustee to supervise the distribution of any insurance proceeds paid under policies of insurance maintained by the Association:

(a) A casualty insurance policy or policies affording fire, flood and lightning and extended coverage insurance for, and in an amount consonant with the full replacement value of all structures within the Common Areas.

(b) A comprehensive general liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and other liability insurance as it may deem desirable, insuring each Owner, the Association, its directors and officers, the Declarant, the Manager, if any, and their respective employees and agents, as their interests may appear, from liability resulting from an occurrence on or in connection with the Common Areas.

The Association and each Owner hereby waives and releases any and all claims which it or he may have against any Owner, including relatives of an Owner, the Association, its directors and officers, the Declarant, the Manager, if any, and their respective employees and agents, for damage to the Common Areas or to any personal property located in the Common Areas caused by fire or other casualty, to the extent that such damage is covered by fire or other forms of casualty insurance, and to the extent this release is allowed by policies for such insurance. To the extent possible, all policies secured by the Association Board under subsections (a) and (b) above shall contain waivers of the insurer's rights to subrogation against any Owner or Resident, relatives or invitees of an Owner, the Association, its directors and officers, the Declarant, the Manager, if any, and their respective employees and agents.

9.2 Association Insurance. The Association Board may, in its discretion, obtain any other insurance which it deems advisable including, without limitation:

(a) Insurance covering the directors and officers from liability for good faith actions beyond the scope of their respective authorities and covering the indemnity set forth in Section 6.11 hereof. Such insurance coverage shall include cross liability claims of one or more insured parties.

(b) Such worker's compensation and other insurance coverage as is required by law, upon each of the employees of the Association, if any.

(c) Fidelity bonds indemnifying the Association, the Association Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or of any other person handling funds of the Association shall be obtained by the Association in such amounts as the Association Board shall deem desirable.

(d) Such other insurance policies in the amounts of coverage as may be required by law or authorized by the Board of Directors from time to time.

(e) Notwithstanding anything herein to the contrary, the Association shall at all times maintain insurance from time to time required by the Federal National Mortgage Association ("FNMA") for PUD projects in such form and with such limits of liability as FNMA shall designate from time to time.

10. LIABILITY FOR DAMAGE.

10.1 Liability of Declarant and the Association. Neither the Declarant nor the Association, shall be liable for injury or damage to a person or property caused by the elements, by any Owner or by any other person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Areas or Community Common Areas or from any pipe, drain, conduit, appliance, equipment, the responsibility for the maintenance of which is that of the Declarant or the Association, nor shall the Declarant or the Association be liable to any Owner or Resident for loss or damage, by theft or otherwise, of any property which may be located within the Common Areas or the Community Common Areas. No diminution or abatement of Charges shall be claimed or allowed by reason of any alleged failure of the Declarant or the Association to take some action or perform some function required to be taken or performed under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Declarant or Association or from any action taken by such owner to comply with any law, ordinance, order or directive of any municipal or other governmental authority.

10.2 Owners' and Residents' Responsibility for Damage. Owners or Residents, members of their families and their guests assume all risk of loss or damage to person or property in using the Common Areas or Community Common Areas. All Owners and Residents agree to indemnify and hold the Declarant and the Association harmless from and against any claim for injury, loss, or damage by any guest or member of an Owner's or Resident's family.

Each Owner or Resident shall be liable for the uninsured cost and expense of any maintenance, repair, or replacement of any portion of the Common Areas or Community Common Areas or property of the Declarant or Association, necessitated by his negligent or intentional act or omission. The negligent or intentional act or omission of an Owner's or Resident's family members, guests, tenants, licensees, or invitees shall be deemed to be the act of the Owner or Resident, and such persons shall be held jointly and severally liable with such Owner or Resident.

The Association shall submit a bill to the responsible Owner or Resident for all amounts payable to the Declarant or the Association under this Section 10.2, which amounts shall be enforceable as a claim for money damages against such Owner or Resident.

Any loss, damage, or destruction caused by an Exchange User to any Common Area or any property of the Declarant or the Association, or any violation of the Association Instruments by the Exchange User, shall be remedied by the Association, and the cost thereof, to the extent not covered by insurance or recovered from the Exchange User, shall be a Common Expense and shall be shared by all Owners as a part of their Annual Assessment.

Any loss, damage, or destruction caused by an Exchange User to any Community Common Area or any property of the Declarant or a Community Association, or any violation of the Community Declaration or By-Laws of the Community Association by the Exchange User, shall be remedied by the Association, and the cost thereof, to the extent not covered by insurance or recovered from the Exchange User, shall be a Community Expense and shall be shared by all Owners

in the affected Community as a part of their Annual Assessment.

11. DECLARANT'S RESERVED RIGHTS.

11.1 General Rights and Powers. In addition to any rights or powers reserved to the Declarant under the provisions of this Declaration or the By-Laws, the Declarant shall have the rights and powers set forth in this Section. Anything in this Declaration or the By-Laws to the contrary notwithstanding, the provisions set forth in this Section shall govern. If not sooner terminated as provided in this Section, the provisions of this Section shall terminate and be of no further force and effect from and after such time as the Declarant is no longer vested with or controls title to any Interest in the Development.

11.2 Promotion of Project. In connection with or incidental to the construction, promotion, sale or rental of any portion of the Development or any improvements thereof:

(a) The Declarant shall have the right and power, within its sole discretion, to construct such temporary or permanent improvements, or to do such acts or other things in, on, or to the Common Areas, Community Common Areas or portions of the Development owned by Declarant as the Declarant may, from time to time, determine to be necessary or advisable, including, without limitation, the right to construct and maintain model dwelling units, sales offices, business offices, parking areas, advertising signs, lighting and banners, or other promotional facilities at such locations and in such forms as the Declarant may deem advisable and to store material and equipment used in connection with the foregoing on the Common Areas, Community Common Areas or portions of the Development owned by Declarant without the payment of any fee or charge whatsoever; and

(b) Declarant, its agents, prospective purchasers and tenants, shall have the right of ingress, egress and parking in and through, and the right to use and enjoy the Common Areas and all Community Common Areas, at any and all reasonable times without fee or charge.

11.3 Declarant Control of Association. Notwithstanding any provisions to the contrary contained in this Declaration, or the Association Documents, Declarant shall have the right to appoint or remove any director or officer of the Association until the first of the following occurs:

(a) the date as of which ninety percent (90%) of the Interests in the Development have been conveyed to Owners other than the Declarant; or

(b) the surrender by Declarant of the authority to appoint and remove directors and officers of the Association by notice in writing by Declarant to the Board of Directors to this effect; or

(c) a date certain to be established by Declarant at some later time by a recorded amendment to this Declaration, which amendment shall not require the approval of the Owners; however, in no event shall the date certain be later than the date when 90% of the Interests in the Development have been conveyed as described in (a) above.

The date on which the Declarant's rights under this Section shall terminate shall be referred to as the "Turnover Date." From and after the Turnover Date, the Board of Directors of the Association shall be constituted as provided in Section 6.9 and the By-Laws. As provided in Section 6.7, prior to the Turnover Date all of the voting rights at any meeting of the Association shall be vested exclusively in the Declarant and neither the Owners nor the Delegates shall have any voting rights.

11.4 Other Rights. The Declarant shall have the right and power to execute all documents and do all other acts and things affecting the Development which, in Declarant's opinion, are necessary or desirable in connection with the rights of Declarant under the Declaration.

11.5 Assignment by Declarant. The Declarant may, by an instrument in writing, transfer and assign any and all rights and duties hereunder to the Association or a Community Association and such association shall thereafter exercise such rights and duties through its Board of Directors or through such committee as it may elect to appoint.

All rights which are specified in this Declaration to be rights of the Declarant are mortgageable, pledgeable, assignable or transferable. Any successor to, or assignee of, all of the rights of the Declarant hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure, or otherwise) shall hold or be entitled to exercise the rights of Declarant hereunder as fully as if named as such party herein. No such successor assignee of the rights of Declarant hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights. The Declarant may, from time to time, convey a portion of the Development to a person who intends to develop and sell or resell Units ("Successor Developer"). The Declarant may specifically grant to a Successor Developer some or all of the rights and powers reserved to the Declarant in this Declaration with respect to the portion of the Development conveyed to the Successor Developer by so providing in the deed of conveyance, and such rights and powers shall terminate as provided in the deed, but no later than such time as the Successor Developer is no longer vested with or controls title to any part of such portion of the Development.

11.6 Protection of Declarant. Notwithstanding any provision of the Association Instruments to the contrary, for so long as Declarant continues to hold title to one (1) or more Interests, none of the following actions may be taken by the Board, the Association, or any Owner other than Declarant, without the prior written approval of Declarant:

(a) levying any Charge against Declarant for any capital improvements to the Development; and

(b) taking any action which would be detrimental to the sale by Declarant of Interests; provided, however, that an increase in the Annual Assessments without discriminating against Declarant shall not be deemed to be detrimental to the sale of Interests.

12. THE ARCHITECTURAL CONTROL COMMITTEE (ACC).

12.1 Standards of Construction. It is intended that all buildings and structures in the Development, including their design, location, materials, colors, and other aesthetic factors, shall blend and be compatible and harmonious with the Development's natural surroundings and environs. Therefore, no building or other improvements of any character shall be erected or placed thereon, nor the erection or placing thereof be commenced, nor changes be made in the design thereof, nor any addition be made thereto, nor exterior alteration be made thereon after original construction, nor any alteration whatsoever of the exterior building appearance be made (including walls, roof, walk, driveway, door, window, glass, patio, patio fence and any other exterior surface or any surface visible to the exterior), unless and until the approval of the construction plans and specifications or other improvements or alterations has been obtained from the Architectural Control Committee (the "ACC").

In addition, no building or structure shall be erected, placed or altered on any building lot within the Development until the plot plan showing the location of such building or structure has been approved in writing as to its conformity with the established building setback requirements and as to its conformity, harmony and compatibility with the general character of the Development.

In order to protect this standard for all existing and future Owners within the Development, the ACC's judgment with respect to the compatibility with the general character of the Development shall be conclusively binding upon all Owners. Declarant intends that the ACC shall not apply this standard unreasonably but, in matters of judgment, this standard is to be applied at the sole discretion of the ACC. Without limiting any of the foregoing, certain specific standards are set forth in this Declaration and are and will be set forth in the Community Declarations in order to establish, to the extent possible, certain basic standards for construction, landscaping and signs. The ACC shall promulgate, in writing, such further rules, standards and regulations as it deems necessary, subject to approval by the Board.

12.2 Application. Approval shall be granted only upon written application in the manner and form prescribed by the ACC. The application shall show the location of all improvements existing upon the property, the location of the improvement proposed to be constructed, the color and composition of all exterior materials to be used, any proposed landscaping, complete and particularized plans and specifications for foundations and any other information which the ACC may require.

12.3 Power to Charge Fees. The ACC may require a reasonable filing fee to accompany each application.

12.4 Power of Disapproval. The ACC may disapprove any application:

(a) Which does not comply with this Declaration or a Community Declaration; or

(b) Because of reasonable dissatisfaction with grading plans, location of the proposed improvement, finished ground elevation, color scheme, finish, design proportions, architecture, shape, height or style of the proposed improvement, the materials used therein, the kind of pitch or type of roof proposed to be placed thereon; or

(c) If, in the judgment of the ACC, reasonably exercised, the proposed improvement will be inharmonious with the Development, or with other improvements erected in the Development.

12.5 Power to Grant Variances. The ACC may allow reasonable variances from the provisions of this Declaration or a Community Declaration if literal application thereof results in unnecessary hardship, if such variance is in conformity with the general intent of this Declaration or a Community Declaration, and if the granting of such variance will not be materially detrimental or injurious to other Owners.

12.6 Membership. The ACC shall be composed of three (3) members appointed by Declarant. Vacancies shall be filled by Declarant, or if Declarant fails to do so within two (2) months, by the Board.

12.7 Duties. The ACC shall act within thirty (30) days after all required information has been submitted. The ACC shall retain one copy of submitted material and return the other copy. All notices to applicants shall be in writing. Any dis-

approval shall specify the reason therefor. The approval of the ACC of plans and specifications shall not be a waiver by the ACC of its right to object to any of the features or elements contained in any subsequent plans or specifications submitted for approval. The ACC may inspect work being performed to assure compliance with this Declaration or Community Declaration and the ACC's rules. Failure of the ACC to act upon an application within thirty (30) days shall constitute approval of an application. At any time prior to the completion of construction of an improvement, the ACC may require a certification of the contractor, the Owner, or a licensed surveyor, that such proposed improvement does not violate any set back rule, ordinance or statute or encroach upon any easement or right-of-way of record. Such certification shall be delivered to the ACC within ten (10) days prior to construction of such improvement.

12.8 Liability. Neither the ACC, the Declarant, the Association, nor any person acting on behalf of any of them, shall be responsible in any way for any defects in plans or specifications or other material submitted to the ACC, nor for any defects in any work done.

12.9 Appeals. Any Owner shall have the right to appeal to the Board from any adverse decision of the ACC within thirty (30) days after the giving of notice of disapproval, and the Board shall have authority to confirm, reverse or modify the decision of the ACC.

12.10 Community Control. Each Community Association Board of Directors shall have the right and power from time to time to adopt reasonable rules and regulations governing the architectural design and exterior finish of all structures or improvements from time to time located within its Community, subject at all times to the rules and regulations and decisions from time to time adopted by the ACC pursuant to Section 12.1.

In no event shall the exterior of any Unit, any garage structure, any structure which contains Units or any recreational facility located on a Community Common Area be changed in design, color, material, finish or otherwise unless such change is approved by the Community Association Board of Directors for the affected Community and by the Association Board (unless the Association overrides the Community Association Board or unless the plan is not disapproved by either the Community Association Board or the Association Board within 30 days after the receipt of a request for such approval). Requests for permission to make any such changes shall be made in writing and delivered in person or by certified mail to the appropriate Community Association Board and the Association Board (or its designated committee) at the registered office of the Association.

In the event of a conflict with any rules and regulations or other actions taken by a Community Association relating to or affecting matters under the Association's jurisdiction, then the decision of the Association shall govern. The Association Board may waive the requirement of approval of plans and specifications by the ACC pursuant to Section 12.1 and this Section 12.10, respectively, where a Community Association has adopted procedures for reviewing and approving such plans and specifications which are comparable to those followed by the ACC, and, with respect to any specific request for approval, such Community Association has issued its approval.

12.11 Remedies. If any Community Association or Owner shall fail to maintain or repair any building exterior for which it is responsible or shall change (or permit a change to be made in) the color, material, finish or any other aspect of any such building, without complying with the provisions of Sections 12.1 or 12.10 or the rules and regulations adopted thereunder then, in addition to any remedies which the Association

may have hereunder or by law and without waiving any of such remedies, the Association shall have the right to enter upon such structure and to repair, maintain or restore the exterior and any improvements thereto or do whatever it deems necessary or appropriate to remedy any such failure or to correct and restore any improper condition. The cost (as determined by the Association Board) of any such corrective work shall be charged to the Community Association or Owner which is responsible for the maintenance of such structure. If the Community Association or Owner fails to pay such cost to the Association within 30 days after demand, then the cost thereof shall be a Personal Charge hereunder payable directly to the Association by such Owners, or in the event of the Community Association, then by the Owners who are members of the Community Association in such proportions as shall be set forth in the Community Declaration which governs the Community Association. If such corrective work becomes necessary as a result of the actions of an Owner or Owners, then in lieu of the foregoing collection procedure, the Association may collect the cost thereof from such Owner or Owners as a Personal Charge hereunder in the proportions determined by the Association Board.

13. GENERAL USE RESTRICTIONS.

The following shall apply to all Units in the Development, unless such provisions are waived, in writing by the Architectural Control Committee.

13.1 Maintenance. Each Lot, whether occupied or unoccupied, and all improvements thereto shall at all times be maintained in good and clean condition; grass shall be mowed; rubbish and debris removed, and weeds controlled. If any Lot or any improvement thereon is not so maintained, the Association may maintain, restore or repair, the cost of which shall be a Personal Charge hereunder as more fully described in Section 3.7. Neither the Association nor any of its agents or employees or contractors shall be liable for any damage which may result from any maintenance, restoration or repair work performed hereunder.

13.2 Timing of Construction. The timing of construction within any Community shall be established in the Community Declaration for that Community.

13.3 Accessory Outbuildings. No garage or shed shall be built on any Lot before a dwelling or completed building is built on that Lot. No garage, shed, tent, temporary building, or partially completed building shall be used for human habitation.

13.4 Landscaping. No structures, hedge rows, screens or fences of any kind shall be allowed within any setback specified herein or in a recorded plat without the specific written permission of the ACC; provided, that no permission shall be required for the planting of grass, occasional ornamental shrubs, trees and plants within such setback area. The landscaping of Common Areas shall be furnished exclusively by the Association as a Common Expense.

13.5 Nuisances. No noxious or offensive activity shall be carried on in the Common Areas or any Community Common Area nor shall any activity be conducted within the Development, either willfully or negligently, which may be or become an annoyance or nuisance to other Owners. No Lot shall be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such property to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any property that will emit foul or obnoxious odors.

13.6 Signs. Except as permitted by the ACC, no person,

except Declarant, shall erect or maintain any sign or advertisement upon any Lot or Unit.

13.7 Animals. No animals shall be kept on any Lot or Unit except household pets (dogs and cats), but not more than three to a household. Household pets shall be kept reasonably confined so as not to become a nuisance.

13.8 Vehicles. Except as provided in the rules and regulations established by the ACC, no vehicle shall be parked on any street in the Development. No minibike, trailbike, snowmobile or other similar type vehicle shall be used within the Development except pursuant to the rules and regulations established by the ACC.

13.9 Garbage and Refuse Disposal. No Owner shall burn or permit the burning out-of-doors of garbage, trash, or other household refuse.

13.10 Concealment of Fuel Storage Tanks and Trash Receptacles. Every fuel storage tank on any Lot shall be either buried below ground or screened to the satisfaction of the ACC. Every receptacle for rubbish shall be underground or shall be so placed and kept as not to be visible from any street or lake within the Development.

13.11 Model Homes. No building that is to be used as a model home or exhibit house shall be built without the prior written permission of the ACC.

13.12 Removal of Trees. No tree over six (6) inches in diameter may be cut down without the prior written consent of the ACC.

13.13 Limited Access. There shall be no access to any Unit on the perimeter of the Development except from designated roads within the Development.

13.14 Docks, Piers and Boathouses. No pier, dock or other structure shall be built without written permission of the ACC, which permission shall be a revocable license. No boathouses shall be permitted. No pier, dock or other structure shall extend more than fifteen (15) feet into any lake. The highest projection of any dock or pier shall not exceed the elevation of the adjoining land.

13.15 Ditches and Swales. Each Owner shall keep any drainage ditches and swales located on his property free and unobstructed and in good repair and shall provide for the installation of such culverts upon his property as may be reasonably required by the ACC.

13.16 No Subdivision. No Unit shall be divided or split and no Units or any portions thereof combined, without the express written consent of the ACC.

13.17 Drilling and Mining. No drilling, refining, quarrying or mining operation of any kind shall be permitted on any property within the Development.

13.18 Commercial Use. Unless prohibited by a Community Declaration, commercial use shall be permitted within the Development, subject to approval by the ACC.

13.19 Radio and Television Antennas. No exposed or exterior radio, television or satellite antennas shall be erected, placed or maintained on any part of any Lot or Unit; however, this restriction may be waived by the ACC. Any waiver of these restrictions shall not constitute a waiver as to other Lots, Units or antennas.

13.20 Letter and Delivery Boxes. The ACC shall determine

the location, color, size, design, lettering, and all other particulars of all mail or paper delivery boxes, and standards and brackets and name signs for such boxes in order that the area be strictly uniform in appearance with respect thereto.

13.21 Clothes Lines. Clothes lines or drying yards shall be so located as not to be visible from the street serving any Lot or Unit or from the waterfront.

13.22 Garbage Receptacles. Garbage receptacles shall be in complete conformity with sanitary rules and regulations. No garbage incinerators shall be permitted.

13.23 Private Swimming Pools. No private swimming pools shall be constructed on any Lot except as approved by the ACC.

13.24 Taxes and Government Limitations. Any contract of sale of any property within the Development is made subject to taxes and other assessments if any, levied or assessed against the property in the year in which it is contracted and subject to all restrictions and limitations imposed by the governmental authority.

13.25 Garbage and Trash Removal. In order to enhance the appearance and orderliness of the Development, the Declarant hereby reserves for itself, its successors and assigns, the exclusive right to operate, or from time to time grant an exclusive license to a third party, to operate, a commercial scavenging service within the Development for the purpose of removing garbage, trash and other like refuse. The charge to be made for such refuse collection and removal service shall be at a reasonable rate commensurate with the rates charged by commercial scavengers serving other subdivisions of high standards in the area and shall be subject to change from time to time.

13.26 Multi-Family Structures. The exterior of all structures constructed on a multi-family Lot and all landscapable areas of such Lot shall be maintained and repaired by the Community Association for the Community in which such structure is located. If such Community Association shall fail to do such maintenance or repair, the Association may exercise its remedies under Section 3.7, Section 12.11 and any other remedies provided by law.

13.27 Common Areas and Community Common Areas.

13.27.1 No Dedication to Public Use. Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Areas or any Community Common Area to or for any public use or purpose whatsoever.

13.27.2 Obstructions. Except as permitted under Sections 3.4, 4.3 and 11.2 or in any Community Declaration, there shall be no obstruction of the Common Areas or any Community Common Area, and nothing shall be stored in the Common Areas or any Community Common Area without the prior written consent of the Association Board.

13.27.3 Pets. No animal of any kind shall be raised, bred or kept in the Common Areas or any Community Common Area. The Association Board may from time to time adopt rules and regulations governing the use of the Common Areas or any Community Common Area by pets, including, without limitation, rules and regulations which require an Owner to clean up after his pet. Any pet causing or creating a nuisance or unreasonable disturbance on the Common Areas or any Community Common Area shall be permanently removed from the Premises upon three (3) days written notice from the Association Board to the Owner of the Unit containing such pet and the decision of the Association Board shall be final. No dog, cat or other pet shall be allowed to be a nuisance

by sound or action of any nature whatsoever regardless of the place where said nuisance occurs.

13.27.4 Nuisances. No noxious or offensive activity shall be carried on in the Common Area or any Community Common Area.

13.27.5 Structural Impairment. Nothing shall be done in, on or to the Common Areas or any Community Common Area which would impair the structural integrity of any building or structure located thereon.

13.27.6 No Unsightly Uses. The Common Areas and each Community Common Area shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. All rubbish shall be deposited in such areas and such receptacles as shall be designated by the Association Board.

13.27.7 Traffic Control. No Owner or resident, their guests, invitees and domestic help shall operate a motor vehicle on those portions of the Common Areas designated to provide access to and from any Unit in a reckless, unreasonable or dangerous fashion and in any event shall not operate a motor vehicle at an excessive rate of speed. The Association shall have the right to take such steps as are reasonably necessary to prevent such reckless, unreasonable or dangerous behavior and shall have the right to adopt any rules and regulations (consistent with any provisions of Pennsylvania law governing the use of public roadways) regarding the use of such Common Areas designed to provide access to and from any Unit and by such rules and regulations to impose such fines and penalties as are necessary to enforce such rules and regulations, which fines and penalties shall be Personal Charges payable by Owner and shall become liens on such Owner's Unit pursuant to Section 7.14.

13.27.8 Vehicles. Except as provided in the rules and regulations established by the ACC, no vehicle shall be parked on any street in the Development. No minibike, trailbike, snowmobile or other similar type vehicle shall be used within the Development except pursuant to the rules and regulations established by the ACC.

13.27.9 Commercial Use. As provided in Section 4.3, unless otherwise prohibited by the Community Declaration covering a particular Common Area, the entity which holds title to a Common Area shall retain the right to operate or enter into agreements with third parties which permit such parties to operate commercial ventures, including, but not limited to, food concessions within such Common Areas.

14. LAND USE.

14.1 Single Family Dwellings. No improvement except a single family dwelling and such outbuildings as are usually accessory thereto shall be constructed, placed or permitted to remain on any Lot in the Development, except those improvements on those Lots and tracts that may be designated Lots and tracts for construction of multi-family dwellings, village town houses, cluster village units, timeshare units, and areas reserved for community purposes such as firehouses, post office, etc., and commercial, religious and educational areas on recorded Plats. The term "single family dwelling" shall not be deemed to preclude timesharing. Restrictions which apply specifically to each type of construction shall be set forth in the Community Declaration for each Community.

14.2 Lakes and Lots Contiguous Thereto.

14.2.1 Ownership of Lakefront Lots. The boundary

of any Lot which is shown on the Plat as contiguous to a lake shall be the shoreline of said lake as said shoreline would be if the water level in said lake was at its normal maximum water level of said lake.

14.2.2 Limitations on Water Rights. No Owner of a Lot which is shown on the Plat as contiguous to a lake shall have any right with respect to any stream that is a tributary of any such lake or with respect to such lake, the land thereunder, the water therein, or its or their elevation, use or condition, nor shall such Owner have any riparian rights or incidents appurtenant. No person shall acquire title to any land in the Development by accretion, reliction, submergence or changing water levels.

14.2.3 Right to Remove Accretions. The Association shall have the right at any time to dredge or otherwise remove any accretion or deposit from any lake front Lot in order that the shoreline of the lake to which such Lot is contiguous may be moved inland toward or to the boundary of said Lot.

14.2.4 Non-responsibility for Damages. Neither Declarant nor the Association shall be liable for damages caused by erosion, washing or other action of the water of any lake.

14.2.5 Right to Change Level of Lake. The Association shall have the right to temporarily raise and lower the water level of any lake in the Development in accordance with the rules and regulations of the Pennsylvania Department of Environmental Resources.

14.2.6 Elevation. Each dwelling on a waterfront Lot must have its first floor elevation at least at elevation one thousand sixty-six (1,066) feet.

14.3 Elevation. No substantial changes in the elevation of the land shall be made on any Lot without the approval of the ACC.

15. SEWAGE DISPOSAL AND WATER SYSTEMS.

15.1 Sewage Disposal. By Township Ordinance, the Development is in Sewage District Number One, administered by the Butler Township Authority.

The central sewerage system constructed by Declarant, as said system may at any time be improved or otherwise altered, shall be the sole sewage disposal system for the Development. No Owner shall install or use any alternative system or method of sewage disposal. All plumbing fixtures, washers, toilets and similar equipment on or within any Unit shall be connected to the central sewerage system. No outside toilet shall be constructed on any lot. No roof leaders, cellar drains, pumps, or footing drains may be connected to the central sewerage system.

The central sewerage system utilizes a sewage treatment plant operated by the Butler Township Authority. Declarant reserves the right to own, maintain and operate the central sewerage system within the Development with charges to the Owners not to exceed a reasonable charge for like services in the surrounding area, but not to exceed further that charged by Butler Township for like services. Declarant reserves the right to convey that part of the central sewerage system within the Development to the Association, a local agency, or an independent entity at some time in the future.

Notwithstanding the above, each Owner shall pay any use charges to Butler Township. All other expenses incurred in the maintenance and operation of the central sewerage system shall be borne by and be the responsibility of the entity which

owns and operates the central sewerage system. The entity which owns and operates the central sewerage system retains the right to charge for all equipment necessary for the sewer hookup.

15.2 Sewage Disposal Charges. Each Owner shall pay the following charges to the entity which owns and operates the central sewerage system within the Development. These charges shall be separate and apart from the Association Assessment and the Community Assessment.

(a) Availability fee, if any, when sewage disposal is available to a Unit.

(b) Charge for grinder pumpers payable at the time hookup is requested.

(c) A reasonable charge for all equipment reasonably necessary for the sewer hookup.

(d) A connection fee at the time the Owner taps onto the collector line. This does not include the cost of extending the sewerage line from a Unit to the collector line.

(e) Special assessments, if any.

In addition, each Owner shall pay any use charges for sewerage service to Butler Township.

15.3 Central Water System. The central water system constructed by Declarant, as said system may at any time be improved or otherwise altered, shall be the sole water system for the Development. No Owner shall install or use any alternative system or method of water supply. The Declarant reserves the right to own the central water system and operate and maintain the same sufficient to meet the requirements of the entire Development, including future phases which are developed, and consistent with the regulations of the local governing authorities. The Declarant reserves the right to convey the central water system to the Association, a local agency, or a private water company at some time in the future, which entity shall make application to the Pennsylvania Public Utility Commission for a certificate of convenience to furnish water service to the Owners in the Development.

The entity which owns and operates the central water system retains the right to make reasonable use charges and connection charges comparable to charges for like services in the surrounding area; provided that charges for water usage will be the same as that approved by the Pennsylvania Public Utility Corporation.

15.4 Water Charges. Each Owner shall pay the following charges to the entity which owns and operates the central water system. The amount of these charges shall be established by the entity which owns and operates the central water system. Such charges shall be separate and apart from the Association Assessment and the Community Assessment.

(a) A monthly availability charge when water is available to the Unit.

(b) A connection fee payable at the time hook-up is requested. This does not include the cost of extending the water line from a Unit to the main water line.

(c) Use charges.

(d) Special assessments, if any.

16. SPORTS FACILITIES.

16.1 Ownership. Declarant intends to construct, operate and maintain certain privately owned recreational facilities within the Development, as described in Exhibit B attached hereto and incorporated herein by reference, (the "Sports Facilities"). Unless, in the sole and absolute discretion of the Declarant, the Sports Facilities or a portion thereof is dedicated to or conveyed to the Association, the Sports Facilities will not be a Common Area. The Sports Facilities shall be identified and designated by Declarant, who may add to or subtract from the Sports Facilities at any time without the consent of the Owners or the Association.

Any such addition or subtraction shall be accomplished by the recordation of an amendment to this Declaration pursuant to Section 21.4.

The Sports Facilities are private property owned by Declarant and shall remain private property. Declarant's execution and recording of a Plat on which Sports Facilities will be located shall not be construed as a dedication to the public of any portion of the Sports Facilities. The legal status of the relation between the Owners and the Declarant with regard to the Sports Facilities, shall be that the Declarant shall be deemed a licensor and the Owners shall be deemed licensees. The Sports Facilities shall be available to Owners, their families, guests, invitees and licensees, subject to payment of the Recreational Fee described herein, any individual use or user fees, the Rules and Regulations affecting the Sports Facilities and any further restrictions or limitations contained therein or herein.

Declarant may, in its sole discretion, convey the Sports Facilities to the Association. Declarant may convey any portion of the Sports Facilities one portion at a time, or convey all of the Sports Facilities at the same time. Declarant may convey one, some or all of the Sports Facilities. On the date of said conveyance, the Sports Facilities, or the part thereof conveyed, shall be free and clear of all liens and encumbrances, subject only to liens for taxes not then delinquent, such easements and rights-of-way as then appear of record and non-exclusive easements from and to the Sports Facilities as described herein. Such conveyance shall be deemed delivered for all purposes upon Declarant's recording thereof in the Office of the Recorder of Deeds of Luzerne County, Pennsylvania. The Association shall be obligated to accept the conveyance(s) by the Declarant to the Association of any and all Sports Facilities and shall have no right to refuse such conveyance. Upon conveyance of some or all of the Sports Facilities to the Association, such facilities shall be deemed Common Areas and all rights, powers, privileges and immunities of Declarant, as such, with respect to the Sports Facilities conveyed, shall vest in the Association.

As long as it holds title to the Sports Facilities, Declarant reserves the right to change the arrangement of any portion of the Sports Facilities and to construct additional facilities within the Sports Facilities. Subject to the rights of all Owners as set forth in Section 16.2, so long as it holds title to a Sports Facility, Declarant may sell, convey, mortgage, hypothecate or encumber, lease, rent, use, occupy and improve the Sports Facility in its sole discretion.

16.2 Right of Enjoyment. Each Owner, his family, guests, invitees, and licensees shall have a non-exclusive right and easement to use and enjoy the Sports Facilities. Such right and easement shall run with the land, be appurtenant to and pass with title to every Interest, subject to and governed by the provisions of this Declaration. Non-Owners may use and enjoy the Sports Facilities only to the extent permitted by

the entity which owns each Sports Facility and such entity may require that any such individual be a guest of an Owner who has the right to use such areas and/or pay a use fee set by the entity responsible for the management and operation of such Sports Facility.

16.3 Operation and Management. As long as the Declarant holds title to the Sports Facilities, Declarant shall operate and maintain such Sports Facilities. If title to a Sports Facility has been conveyed to the Association, the Association shall maintain and repair any Sports Facility which it owns pursuant to Section 4.2 hereof.

Nothing contained herein shall be deemed to preclude the entity which holds title to a Sports Facility from allowing members of the general public to use such Sports Facility to the extent it determines to allow for such use, and to charge such members of the general public such use fees or rental fees it may establish from time to time.

The entity which holds title to a Sports Facility shall have the sole and exclusive right and duty to manage and operate the Sports Facility which it owns, including, without limiting the generality of the foregoing, the right:

(a) to maintain, repair, replace or restore all of the improvements and landscaping within such Sports Facility;

(b) to promulgate, amend and rescind from time to time general policies and guidelines governing the use of such Sports Facility;

(c) to regulate the use of such Sports Facility and, if applicable, establish a use or user fee schedule for each such facility.

(d) to receive all notices, claims and demands relating to taxes and assessments affecting such Sports Facility; and

(e) to contract with others for the management, maintenance, operation, construction or restoration of such Sports Facility or any portion thereof.

16.4 Recreation Fee. For each Interest owned, an Owner shall be required to pay an annual Recreation Fee to the Declarant, separate and apart from any Assessment by the Association or a Community Association. The Declarant shall not be responsible for, or be obligated to pay any Recreation Fee pursuant to this Section. Payment of this fee will entitle an Owner, his family, guests, invitees, and licensees to use the Sport Facilities owned by the Declarant. The annual Recreation Fee is subject to increase by the Declarant; however such increase shall not exceed 10% per year, cumulatively, i.e., if the Recreation Fee does not increase for two years, it may not be increased more than 20% in the following year (10% each year, cumulatively). Payment of the Recreation Fee shall be secured by a lien on an Owner's Interest, as described in Section 16.6 below.

The Recreation Fee for each Owner shall vary according to the type of property and the status of improvement to that property and shall be based on the same ratios established in Section 7.4(a) herein.

Notwithstanding the above, those persons who originally purchased lots from Eastern Pennsylvania Marine Properties, Inc., as listed in Exhibit C hereto, and who still own said lot or lots, shall not be required to pay a Recreation Fee, other than reasonable user fees, as long as they pay the \$10.00 per lot per month Association Assessment pursuant to Section 7.4(c) for road maintenance, security, recreational facilities and

maintenance. This right of limited assessment is nontransferable.

16.5 Liability for Recreation Fee. No Owner may exempt himself, his successors or assigns, from his obligation to pay any the Recreation Fee by his waiver of the use and enjoyment of any of the Sports Facilities or by the abandonment of his Interest.

16.6 Creation of Personal Liability and Priority of Lien. Each Owner, by acceptance of a deed or other conveyance or transfer of an Interest (whether it is so expressed in any such deed or other conveyance or transfer), covenants and agrees to pay the annual Recreation Fee to the Declarant, together with any interest thereon, as shall be fixed or assessed by the Declarant in accordance with the terms and provisions of this Declaration. The annual Recreation Fee and any late fees, interest and costs of collection, including reasonable attorneys' fees shall also be a personal obligation of the Owner against whom they are assessed. The obligation to pay the annual Recreation Fee late fees, interest, and costs of collection thereof, including reasonable attorneys' fees, is secured by a lien or lien right in favor of the Declarant, which, as to each and every Interest, relates back to the date of recordation of this Declaration in the Office for Recording of Deeds, Luzerne County, Pennsylvania. Such lien shall be superior in all respects to all rights of homestead which may arise in favor of any Owner.

Any lien arising under this Section shall continue in full force and effect until fully paid or otherwise discharged. The lien against an Interest for an unpaid Recreation Fee may be foreclosed or enforced in the same manner as is authorized by the laws of the Commonwealth of Pennsylvania for the foreclosure of mortgages on real property or the enforcement of security interests. The Declarant shall have the right to bid on the Interest at any foreclosure sale or public sale of the Interest and may acquire, hold, lease, mortgage, and convey the Interest acquired at such sale.

16.7 Effect of Transfer of Interest. The sale or transfer of any Interest shall not affect the lien set forth in Section 16.6 above, and any grantee or transferee shall be jointly and severally liable for the portion of any Recreation Fee assessed against such Interest as may be due and payable at the time of conveyance or transfer, but without prejudice to the rights of the grantee or transferee to recover from the grantor or transferor the amounts paid by the grantee or transferee therefor; provided, however, that if such grantor, grantee, transferor, or transferee shall request and receive a statement of Recreation Fees payable with respect to the Interest, such grantee or transferee, his successors, successors-in-title and assigns, shall not be liable for, nor shall the Interest conveyed be subject to a lien for, any unpaid Recreation Fee against such Interest in excess of the amount set forth in such statement.

16.8 Mortgagee Protection. Notwithstanding any other provision of this Section 16, the lien which may be created upon any Interest shall be subordinate to the lien of any Mortgagee of Record, as defined herein, upon such Interest. If such a Mortgagee of Record obtains title to an Interest as a result of a foreclosure, deed in lieu of foreclosure, public sale or otherwise, such Mortgagee of Record shall not be liable for any Recreation Fee due and owing on such Interest prior to the date such Mortgagee of Record obtained title thereto. The Declarant shall remain entitled to recover any unpaid Recreation Fees from the Owner whose Interest was foreclosed upon.

16.9 Non-Payment of Recreation Fee. In addition to all other remedies provided by law, the Declarant may enforce collection of all delinquent Recreation Fees, as provided in this Section. 16.9. Any Recreation Fee, or portion thereof, not paid when

due shall be deemed delinquent.

16.9.1. Interest and Late Charge. Any Recreation Fee not paid when due shall be deemed delinquent. Any Recreation Fee which is delinquent for fifteen (15) days or more shall bear interest from the date of delinquency until paid at the highest legal contract rate permitted by Pennsylvania, but not to exceed eighteen percent (18%) per annum. In addition, any Recreation Fee which is more than thirty (30) days delinquent will be charged a late fee of \$25.00.

16.9.2. Additional Remedies. If any delinquent Recreation Fee or portion thereof is not paid within fifteen (15) days after written notice is given to the Owner to make such payment, the Declarant shall have the right to invoke any or all of the following remedies:

(a) The entire unpaid balance of the Recreation Fee may be accelerated at the option of the Declarant and may be declared due and payable in full, and foreclosure proceedings may be instituted to enforce the lien of the Declarant;

(b) The rights of the Owner to use the Sport Facilities may be suspended;

(c) The Declarant may bring an action at law against the Owner personally obligated to pay the same; and

(d) The Declarant may foreclose its lien against such Owner's Interest, in which event interest and costs of collection shall be included in such lien, with such costs of collection to include court costs, the expenses of sale, any expenses required for the protection and preservation of the Interest and reasonable attorneys' fees actually incurred.

Any such notice shall be sent by certified mail, return receipt requested, to the Owner at such Owner's last known address as contained in the records of the Association and shall specify the amount of the Recreation Fee then due and payable, including any interest accrued thereon.

16.9.3. Collection. All payments on account shall be applied first to the aforesaid costs of collection, then to interest, and then to the Recreation Fee lien first due. All interest collected shall be credited to the Declarant. Each Owner vests in the Declarant the right and power to bring all actions against him personally for the collection of such Recreation Fee as a debt and to foreclose the aforesaid lien in the manner set forth herein.

16.10. Rules and Regulations. The Declarant shall have the right from time to time to promulgate Rules and Regulation governing the use of the Sports Facilities it owns, which may include, but not be limited to, rules governing the conduct of Owners in the Sports Facilities. These Rules and Regulations will be binding on all Owners. All grantees and transferees of an Interest accepting a Warranty Deed, Membership Certificate or otherwise acquiring title to an Interest, agree to be bound by any such Rules and Regulations. All guests and invitees of Owners, including all Exchange Users, shall also be bound by such Rules and Regulations. The Declarant shall also have the right to amend any existing Rules and Regulations regarding the Sports Facilities it owns, to enforce any such Rules and Regulations and to establish penalties for the violation of any such Rules and Regulations. The penalties for the violation of any Rules and Regulations may include the suspension of the right to use the Sports Facilities during the period of any continuing violation of such Rules and Regulations. A copy of the Rules and Regulations shall be posted in a conspicuous place within each Sports Facility and/or copies of same shall

be furnished to Owners.

16.11 Determination to Repair, Reconstruct or Rebuild. As long as it holds title to a particular Sports Facility, responsibility for the maintenance, repair, replacement, restoration, improvement, operation, and administration of such facility shall be vested solely in the Declarant. As long as the Declarant holds title to a particular Sports Facility, the determination whether to repair, reconstruct or rebuild such facility following any damage or destruction to any portion of such facility shall be the determination of the Declarant alone and the Declarant shall be under no obligation to repair, reconstruct or rebuild any such facility or portion thereof.

If title to a particular Sports Facility has been conveyed to the Association, the facility shall be deemed a Common Area as defined herein and the determination whether to repair, reconstruct or rebuild such facility following any damage or destruction to any portion of such facility shall be the determination of the Association, subject to Section 4.4 herein.

17. REMEDIES.

17.1 Enforcement of Association Instruments. The violation of any provision of the Association Instruments by an Owner or a Resident, members of his family, his guests, licensees, or invitees shall be grounds for an action to recover sums due and/or damages, for injunctive relief, or both, and the reimbursement of all costs and attorneys' fees incurred in connection therewith, as well as late fees and interest on any delinquent amounts, which action shall be maintainable by the Board or the Manager, in the name of the Association, by Declarant, or, in a proper case, by an aggrieved Owner. All such amounts, along with any other costs incurred by the Association to obtain the services of an attorney to enforce any provision of the Association Instruments, shall promptly be reimbursed by the Owner or Resident who committed or who is responsible for such violation or who caused the Association to take such action, to the Association, upon demand therefor. Unless otherwise prohibited by law, the violation of any provision of the Association Instruments shall give the Association, the Board, the Manager, and Declarant (to extent of its rights hereunder) the right, in addition to any other rights set forth in Section 7.18 hereof and in the Association Instruments:

(a) to engage the services of an attorney to initiate such action as is deemed necessary by the Board, the Manager, or Declarant, to enforce such provision, including the initiation of a suit for damages and/or to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach;

(b) to impose a reasonable monetary penalty upon such Owner in an amount to be determined by the Board of Directors; and

(c) to the extent permitted by law, to suspend some or all of such Owner's rights and privileges, including but not limited to any right to vote and the right to use (or allow others to use) any Common Areas during the period of any continuing violation of the provisions of the Association Instruments.

17.2 Remedies are Cumulative. All of the remedies granted by the Association Instruments are cumulative, and the exercise of one right or remedy shall not impair the right to exercise any other remedy. The Association, the Board, the Manager, and Declarant shall not be limited to the remedies set forth in this Declaration, and may invoke any other or additional remedies provided for or allowed by law or in equity.

17.3 Preservation of Remedies. The failure of the Association, the Board, the Manager, or Declarant to enforce any provision

of the Association Instruments shall not be construed as a waiver of any such provision or right. Rather, such provision shall continue and remain in full force and effect.

18. ARBITRATION.

In the event of a dispute between the Declarant and any Owner, or between Owners, regarding any provision contained in the Association Instruments, the Declarant or an Owner may request in writing that the other party provide sufficient information and documentation to resolve such dispute.

If no resolution can be reached, the party wishing to pursue such dispute must arrange for arbitration with the American Arbitration Association prior to the instigation of any legal action against the other party. Said arbitration and all expenses thereof, except the personal expenses, including attorneys' fees, of the opposing party, shall be paid by the individual initiating the arbitration. In no event shall the funds of the Association or any Community Association be used to pay for such expenses. In the case of arbitration between the Declarant and an Owner, the arbitration committee shall consist of three arbiters, one of whom shall be selected by the Declarant, one of whom shall be selected by the Owner and one of whom shall be mutually acceptable. In the case of a dispute between Owners, only one arbiter, who shall be mutually agreeable to both parties, shall be required. The decision of the arbiters shall be non-binding. By acceptance of this Declaration, each Owner waives all rights to utilize any other forum by which, absent this provision, legal proceedings could be instituted prior to arbitration.

19. MORTGAGEES OF RECORD.

19.1 Alienation of Common Areas or Community Common Areas. Except as permitted under Sections 4 and 5 hereof, after a Common Area or a Community Common Area has been conveyed to the Association or a Community Association, no part thereof may thereafter be abandoned, partitioned, subdivided, sold, alienated, mortgaged, released, transferred, hypothecated or otherwise encumbered without the approval of the Owners of seventy-five percent (75%) of the Interests in the Development and such Owners' respective Mortgagees of Records, if any.

19.2 Notice to Mortgagees of Record. Upon the specific, written request of a Mortgagee of Record to the Association Board, the Mortgagee shall receive some or all of the following:

- (a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Association to the Owner of the Unit covered by such Mortgagee's mortgage or security interest;
- (b) Any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Owners;
- (c) Copies of notices of meetings of the Owners;
- (d) Notice of the decision of the Owners to release any part or all of the Development from the provisions of this Declaration;
- (e) Notice of the decision of the Owners to make any material amendment to this Declaration, the By-Laws, or the Articles of Incorporation of the Association;
- (f) Notice of the decision of the Association to terminate professional management and assume self-management of the Common Areas and Community Common Areas;

(g) Notice of any substantial damage to any part of the Common Areas or a Community Common Area;

(h) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Common Areas or a Community Common Area;

(i) Notice of any default by the Owner of the Unit which is subject to the Mortgagee's mortgage or security interest under this Declaration, the By-Laws or the Rules and Regulations of the Association, which default is not cured within 30 days of the date of the default;

(j) The right to examine the books and records of the Association at any reasonable times;

(k) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(l) Notice of any proposed action which would require the consent of a specific percentage of the Mortgagees of Record.

The request of a Mortgagee of Record shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Association. Failure of the Association to provide any of the foregoing to a Mortgagee of Record who has made a proper request therefor shall not affect the validity of any action which is related to any of the foregoing. The Association may require a reasonable fee be paid by any Mortgagee of Record for the information or actions requested hereunder.

20. THIRD PARTY LIENS.

Any liens against an Owner's Interest shall be limited to the interest of such Owner in his Interest only, and shall not entitle any lienholder to assert any claim against the Interest of any other Owner, the Common Areas, the Community Common Areas or any property of the Association.

21. TERM AND AMENDMENT.

21.1 Term. The provisions of this Declaration shall become effective when recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania. This Declaration shall affect and run with the land and shall exist and be binding upon all parties claiming an Interest in the Development for forty (40) years from date of recording, after which time the same shall be extended for successive periods of ten (10) years each if an instrument signed by the Board of Directors certifying that such extension has been approved by an affirmative vote of two-thirds (2/3) of the then record Owners of the total Interests in the Development and has been recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania, agreeing to extend this Declaration, in whole or in part, whereupon this Declaration and the other Association Instruments shall continue to apply to such Interests for an additional period of ten (10) years. This same procedure shall be followed prior to the termination of said ten (10) year period and each succeeding ten (10) year period.

21.2 Termination. This Declaration shall continue to be effective for a period of forty (40) years from the date of the recording of this Declaration and for each successive ten (10) year period that this Declaration is extended as provided in Section 21.1 or until such time as termination is authorized at a duly convened meeting of the Association by (i) an affirmative vote of all Owners owning no less than seventy-five percent

(75%) of the Interests in the Development; and (ii) upon the consent of Mortgagees of Record holding mortgages on Interests representing an aggregate ownership interest of seventy-five percent (75%) of the Development property submitted to this Declaration; and (iii) by the prior written approval of the Association; and (iv) the Declarant for as long as it owns one (1) or more Interest in the Development.

In the event the Owners vote to terminate the plan implemented by this Declaration, the Board of Directors shall file an amendment in the Office for Recording of Deeds, Luzerne County, Pennsylvania, terminating this Declaration and certifying that such termination has been approved by all parties designated in the paragraph above.

The provisions of this Section 21 shall not be subject to amendment without prior written consent of the Declarant for as long as it owns one (1) or more Interest in the Development.

21.3 Amendment by Owners. Subject to the rights of the Declarant under Section 21.4, this Declaration may be amended at any time after December 31, 1985, by the affirmative vote of the then record Owners of two-thirds (2/3) of the total Interests in the Development as long as such amendment does not operate to annul any material part hereof.

Each such amendment of this Declaration shall be evidenced by an instrument in writing, signed and acknowledged by the Declarant, until such time as a Association is operational, and thereafter, by any two (2) officers of the Association, setting forth in full the text of such amendment, the appropriate recording data for this Declaration, and certifying that such amendment has been approved by the affirmative vote of the then record Owners of two-thirds (2/3) of the total Interests in the Development. Said amendment shall become effective upon the recording of said instrument in the Office for Recording of Deeds, Luzerne County, Pennsylvania.

Notwithstanding the above, any amendment to Sections 2, 11, 21.2 or any provision which materially affects the rights and privileges of Declarant shall not become effective unless and until approved, in writing, by Declarant. Further, the Owners shall have no power to enact an amendment to this Declaration which materially affects the rights or security interests of any Mortgagee of Record, without first obtaining the written consent of such affected Mortgagee of Record.

Notwithstanding the above, a Community Declaration shall be amended only as provided in each respective Community Declaration.

21.4 Amendment by Declarant. Declarant reserves the right to amend this Declaration, without the approval of any other Owners or the Association or Mortgagees of Record, for whatever reason, at any time prior to December 31, 1985.

Anything herein to the contrary notwithstanding, Declarant reserves the right and power to record an amendment to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Units, (iii) to correct clerical or typographical errors in the Declaration or any exhibit thereto,

(iv) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations, (v) to amend the Declaration so as to establish a date certain as to Declarant's termination of control of the Association as provided in Section 11.3, or (vi) to restate or compile all previous amendments into a single document.

As provided in Sections 4.1, 5.1 and 16.1, as long as it is deemed the Owner of any Common Area, Community Common Area or Sports Facility, Declarant reserves the right to change the arrangement of such Common Area, Community Common Area or Sports Facility, to construct additional Common Areas, Community Common Areas and Sports Facilities, to remove any Common Areas, Community Common Areas or Sports Facilities from the scope of this Declaration. Declarant has the right to unilaterally effectuate any such amendments to this Declaration as may be necessary or required in Declarant's sole discretion, to effectuate such actions, provided that such amendment shall not increase the proportion of Common Expenses borne by Owners, decrease an Owner's voting rights or decrease the size of an Owner's Interest.

In addition, pursuant to Section 7.4, prior to the Turnover Date, the Declarant reserves the right and power to record an amendment to this Declaration to establish additional categories of properties and ratios for the allocation of the Association Assessment for such additional categories.

In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to such amendments on behalf of each Owner. Each deed, Membership Certificate, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and record such amendments. The right and power to make such amendments hereunder shall terminate at such time as the Declarant is no longer vested with or controls title to any Interest in the Development.

Any such amendments to this Declaration shall become effective upon the recording in the Office for Recording of Deeds, Luzerne County, Pennsylvania, of an instrument executed by Declarant, setting forth the text of such amendment in full, together with the appropriate recording data for this Declaration. Such amendment need only be executed and acknowledged by Declarant, and need not be consented to by any Owners, Community Association, the Association, any Mortgagees of Record, lienholders or any other parties.

Notwithstanding the above, a Community Declaration shall be amended only as provided in each respective Community Declaration.

22. MISCELLANEOUS.

22.1 Captions. Section captions in this Declaration and the Association Instruments and in any exhibits annexed thereto are for convenience only and do not in any way limit or amplify the terms or provisions hereof.

22.2 Plural, Gender. As the individual application of the provisions of this Declaration requires: the singular forms of words shall be deemed to include the plural; the plural forms shall be deemed to include the singular; and the terms referring to one gender shall be deemed to refer to the other gender as well.

22.3 Successors and Assigns. As used in the provisions of this Declaration, the reference to "Declarant" is deemed also to include the successors or assigns of BEECH MOUNTAIN LAKES CORPORATION.

22.4 Interpretation. The provisions of the Association Instruments shall be liberally construed to effectuate the purpose of ensuring that the Development shall at all times be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization by each Owner as a vacation resort.

22.5 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in nowise affect any other provisions, which shall remain in full force and effect.

22.6 Waiver. No restriction, condition, obligation, or provision contained in the Association Instruments shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

22.7 Binding Effect. The provisions of the Association Instruments shall be binding upon all parties having or acquiring any Interest or any right, title, or interest therein, and shall be for the benefit of each Owner, his heirs, successors, and assigns. Each Owner (including Declarant) shall be fully discharged and relieved of liability on the covenants contained therein, in his capacity as Owner, insofar as such covenants relate to each Interest, upon ceasing to own such Interest and upon paying all sums and performing all obligations thereunder, up to the time his ownership interest terminates, as provided herein.

22.8 Notices. Any notice required to be sent to any Owner or Community Association under the provisions of this Declaration shall be deemed to have been properly sent when (i) mailed, postage prepaid, to the Owner's last known address or to the Community Association's Secretary as same appears on the records of the Association provided to the Declarant at the time of such mailing or (ii) when delivered personally to the Owner or Secretary of the Community Association.

22.9 Choice of Law. This Declaration shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

22.10 Perpetuities and Other Invalidity. If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rules against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of the President of the United States at the time of recording of this Declaration.

22.11 Title Holding Land Trust. In the event title to any Unit is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all Charges and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Unit and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Unit.

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY SUBJECT TO DECLARATION

Unit I as recorded in Map Book 32, Page 1 (a-f), Office for Recording of Deeds, Luzerne County, Pennsylvania.

Quail Hollow Village Association as recorded in Map Book 32, Page 31, Office for Recording of Deeds, Luzerne County, Pennsylvania.

Snowberry Village Association as recorded in Map Book 32, Page 10-A, Office for Recording of Deeds, Luzerne County, Pennsylvania.

COMMON AREAS

All property on the recorded Plats listed above which is designated as Common Areas or designated as property which will be privately owned by the Beech Mountain Property Owner's Association (formerly the Lake of the Four Seasons Property Owners Association) or the Snowberry Village Owners Association.

All roads, bodies of water and open spaces shown on the face of the above listed Plats.

EXHIBIT B

LEGAL DESCRIPTION OF SPORTS FACILITIES

BEECH MOUNTAIN LAKES

A parcel of land located in Butler Township, Luzerne County, State of Pennsylvania, better described as follows:

Commencing at the NE corner of lot 2, block 14, unit 1, Lake of The Four Seasons, a previously filed subdivision in Luzerne County, thence N 60° 55' 36" E for a distance of 694.34 feet TO THE POINT OF BEGINNING, thence N 09° 16' 09" E for a distance of 660.00 feet, thence N 80° 43' 51" W for a distance of 510.00 feet, thence S 09° 16' 09" W for a distance of 660.00 feet, thence S 80° 43' 51" E for a distance of 510.00 feet TO THE POINT OF BEGINNING said parcel contains 7.7 acres.

LESS AND EXCEPT all of said parcel situated within the lake.

EXHIBIT C

CHARTER MEMBERS

The following persons purchased Lots from Eastern Pennsylvania Marine Properties, Inc. and continue to own the Lots purchased.

<u>BLOCK/LOT</u>	<u>OWNER</u>	<u>BLOCK/LOT</u>	<u>OWNER</u>
1/6	LONGO, PAT	1/93	APEL, ROBERT S. & ANN
1/11	ESPOSITO, NOAH & ADELE	1/95	McDANIELS, JOSEPH V. & MARY H.
1/19	FURMAN, FRANK & REBECCA	1/96	POMBO, MICHAEL & ROSEMARIE
1/21	CASSETTA, ANTHONY J. & MARY	1/97	CERVINI, ARCANGELO & SANTA
1/27	PEREZ, ROMAN & SONIA	1/102	ELSWICK, LARRY J. TURNER, MARCIA TURNER, JOYCE E.
1/33	PETRULLO, PATRICK J. WILSON, RANDALL K.	1/105	STAPLES, BARRINGTON & VALERIE
1/34	BRUNER, GRETA	1/106	BAKER, LEROY & CLOVER
1/36	BECKHAM ARLEN LEE & PATSY	1/112	MAHONEY, EDWARD J. & KAREN M.
1/40	FLORES, RUDY H. & MARIA EDELMA	1/113	HERMAN, SAMUEL & KAREN
1/41	JONES, IRVING J. & MARJORIE E.	1/115	SANTOS, ALFONSO & MARIA
1/43	FEENEY, MICHAEL J. & MARGARET		
1/44	CHESHIRE, GEORGE THEODORE		
1/45	CORCORAN, JAMES & ELAINE		
1/47	KOCH, PAUL G. & MABEL J.		
1/48	THOMAS, JOHN & KARIN		
1/50	RHODE, DORIS		
1/51	SASNOWSKI, DAVID & FRANCINE		
1/53	FORDE, JOHN W. & LOYOLA C.		
1/60	SOROKO, GERALD HUDACK, JOSEPH M.		
1/75	HEINEL, KARL R. & RUTH C.		

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<u>BLOCK/LOT</u>	<u>OWNER</u>
2/5	MONTELEONE, ERNEST J. & JOAN C.
2/6	WESTERMANN, KARL H. & FRANZISKA
2/13	BAUER, FREDERICK G. & DIANE L.
2/77	BROWN, ROBERT WILSON, CYNTHIA
2/85	IMHOFF, ALFRED G. & YOLANDA
2/87	BLAKEMANN, OLIVER & AUDREY
2/94	MALAVE, ANGEL M. & MACDALENA
2/100	CASHA, CIRO JERRY & CATHERINE M.
2/107	CUTAIA, DOMINICK & ANN MARIE
2/108	HORMANN, ERWIN E. & HILDEGARD
2/120	MASZEROSKI, FRANK E. & JANINA A.
2/126	LIAW, MICHAEL & JUDITH C.

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BLOCK/LOTOWNER

3/9	MIORELLI, LOUIS J. & MARY ELIZABETH
3/10	MULHOLLAND, EDWARD J. & ELIZABETH C.
3/13	BUCKLEY, THOMAS F., III, & MADELINE C.
3/67	HUSSEY, SEAN
3/68	HERBERT, LESLIE & MARIA
3/69	TESTA, FRANK & MARY
3/70	TAVORIMINA, VINCENT & ELAINE
3/74	LIOTTA, SAM & ANTOINETTE
3/77	KOESER, FREDERICK E. & ODETTE V.

BLOCK/LOTOWNER

4/17	MEDEROS, MARIO R. & RUTH
4/20	PENNINI, SALVATORE T. & JOAN M.
4/21	BAJROMOSKI, IJIAS & BARIA
4/26	OTTAVIANI, MARIE K.
4/29	PETKO, JOSEPH S. & FRANCES N.
4/30	ORLANDO, JAMES & CYNTHIA
4/36	SPAULDING, DANIEL W. WILLIAMS, DONNA L.
4/37	BURNS, CRAWFORD E. & HEATHER E.
4/44	DECKER, CHARLES A. & FEDELA
4/45	BOWMAN, MILES A., JR. & NINA D.
4/54	ROMAN, PAUL J. & CAROLE A.
4/71	SUNSHINE, HERBERT I. & HELEN A.
4/98	SABO, JOSEPH J. & MARGARET M.

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<u>BLOCK/LOT</u>	<u>OWNER</u>	<u>BLOCK/LOT</u>	<u>OWNER</u>
6/3	BUTLER, WILLIA J. & LENORA H.	6/36	MILAZZO, ANTHONY & JULETTE
6/4	BANKS, LEUERN TORRENCE	6/37	STROCHANSKY, THOMAS & PATRICIA
6/6	HANSEN, HENRY A. & MILDRED E.	6/38	PENNIX, ROBERT & BLONDIE
6/7	HOWARD, WILSON J. & ANOLA M.	6/39	BOWER, PAMELA
6/8	LEE, PARK J. & ANNE	6/40	RICHARDSON, LEROY A. & RUTHEL
6/9	BROCK, RAYMOND E. & ALICE M.	6/42	KIRSCHBAUM, JOHN & HELEN
6/10	PHILPOTTS-KERR, BARTHOLOMEW A. & JOYCE V.	6/43	GRILLO, ANTHONY M. & JUDITH J.
6/11	MINI, JAMES G. & ELLEN J.	6/44	LEVINE, HAROLD L. & JO-ANN
6/12	ANDROVIC, MARIAN & MARIA	6/45	LEONARDO, RONALD J. & ROBERTA ANN
6/13	MURPHY, JOHN R. & AMELIA L.	6/47	TOCHER, JOSEPH M. & ELAINE
6/14	NOECHER, FREDERICK F. & GEORGIA M.	6/50	FARRELL, DANIEL B. & MARY C.
6/16	BOXILL, THEODORE ANDERSON, SALLIE	6/52	RENDINA, JOHN JR. & ANNA
6/17	BESSON, LEILA M. ALLEYNE, CARY	6/53	PACK, DARRELL & ROSEANN
6/19	FONTANA, GAETANO & MARY	6/54	PALAZZO, RICHARD J. & CAROL ANN
6/21	BARRY, EDWARD P. & RUTH M.	6/56	GRISHKA, JOHN P. & JEANNE I.
6/23	DiMICHELE, LUCY	6/57	DeTORO, NICHOLAS & GERALDINE
6/25	RUST, FRANCIS J. & TWILA M.	6/58	PUGLIESE, CARL F. & JUNE C.
6/27	WATSON, ROY & LEATHA B.	6/ 59	MOHAMMED, SOODEEN V. & AGNES
6/28	MARTIN, DENNIS J. & PATRICIA J.	6/ 60	SHUSTER, EDWARD C. & JACQUELINE F.
6/29	PERALTA, FAUSTO & CARMEN	6/65	GRILL, COLONEL ALAN J. & CLAIRE J.
6/31	MILIMAN, LEONARD & LORRAINE	6/66	DiDONATO, STEFANO & NANCY
6/32	ZITO, ROBERT A. & JUNE		
6/33	CARABALLO, BERNARD		

BLOCK/LOT

OWNER

6/74	THOMAS, JOHN & KARIN
6/78	BETTICA, FRED J.
6/79	LEYSATH, EDWARD T.
6/80	ZETTLE, DANNY L. & CORRA
6/85	PERILLO, ANTHONY & BEATRICE
6/87	ERNST, HENRY A.
6/89	VERRASTRO, DOMINICK
6/83	VARGAS, ALFONSO

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BLOCK/LOTOWNER

7/1	ALLEN, PAUL & GRETCHEN
7/6	GALEMMO, MATTHEW MONTELEONE, ERNEST J.
7/14	DEXTER, HELEN
7/15	MICKEL, CHARLES B. & SANDRA L.
7/16	MAJOR, WILLIAM R.
7/29	BALDINI, WILSON & ELVIRA
7/49	CRABB, FRANCES L.
7/52	PATALANO, ROCCO J. & CLAIRE
7/58	KEANE, MARY L.
7/59	BRADY, MICHAEL
7/65	DEBENA, BERNARD J. & RUTH G.
7/75	TOMPKINS, ELMER E. & JANET

2158-1095

<u>BLOCK/LOT</u>	<u>OWNER</u>
8/1	DASTO, HERBERT C. & THERESA
8/2	BREDBENNER, IRENE
8/32	ALAMGIR, K.M. & ROKEYA K.
8/33	SCHWARTZ, PETER
8/34	LOMBARDI, ALFREDO & ISABELLE
8/35	EVANGELISTA, LUIGI & ROSA
8/54	BLOCH, JEFFREY D. & JUNE P.
8/55	VERNA, JOHN & SOLANGE
8/56	CLIFFORD, KATHRYNE CLIFFORD, KAREN LOUISE
8/57	DUNN, DWIGHT W. & NORMA E.
8/60	MATSKO, EDWARD G. & CHERYAL
8/61	THOMPSON, ROBERT W. & PATRICIA V.
8/62	BACON, EMANUEL & LILLIAN
8/64	SURAK, JAMES P. & FRANCES
8/65	LAKE SUCCESS LAND CORP. CHEMICAL BANK
8/68	KOCH, WAYNE G.
8/78	SYLVESTER, CHARLES & EVELYN
8/88	SANTINI, ADELE
8/89	ZACK, NICHOLAS J., JR.
8/90	SCHOTT, JOHN FRANCIS

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<u>BLOCK/LOT</u>	<u>OWNER</u>
9/2	SMITH, MARY J.
9/3	KLOPPER, ULRIKE TRUDE
9/6	ZIGMOND, VINCENT G. & DOROTHY
9/7	SAFKO, RICHARD ANTHONY & EUGENIA SHAFER
9/9	SASSO, JOSEPH C.
9/35	McAULEY, JOHN C.
9/51	SAYBEL, PETER JOHN
9/52	HILL, ROBERT E. & DOLORES
9/61	FRYE, CLELIA VIECO, CONSUELO

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BLOCK/LOT

OWNER

10/1

SCHULTZ, FRED BERNARD & MARIAN E.

10/6

BONNA, THOMAS S.

LOOK UP 10/18

BLOCK/LOTOWNER

11/8	HUCK, GEORGE R. & CAROL ANN
11/12	KLEPP, MAX & HELGA
11/19	MASTER, JOHN J., JR. & DIANNE M.
11/73	PELLINI, JAMES & YONA
11/74	MONTELEONE, COSMO V. & MARY LOU
11/77	GOLDEN, G. LYNN
11/78	KROTZER, STEPHEN L.
11/79	LAUDAGE, RUTH
11/80	PINK, DOUGLAS LEE & PATRICIA ANN
11/81	CHIN, HERMAN & NGON MEE CHIN
11/82	BERMAN, HARRY

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<u>BLOCK/LOT</u>	<u>OWNER</u>	<u>BLOCK/LOT</u>	<u>OWNER</u>
		12/28	SUPER, JOSEPH J.
		12/29	PINERO, MERCEDES
12/3	MCVEY, JOHN J., JR. & FRANCES	12/31	LOSURDO, VITO & MARY
12/4	ROSENBLUM, RONALD & BARBARA	12/33	BUCKALEW PERRY C. & VERDA B.
12/8	ZUGAREK, MARTIN J. & MARGARET ANN	12/34	MANIK, GEORGE J. & IRENE C.
12/9	MUSTO, JOSEPH J. & FORTUNATO	12/53	MEYERS, HELEN PATRICK, HELEN PATRICK, RITA MAE
12/12	HILLMAN, LEE V. & LETTIE	12/55	GROSS, CARL G. & DOLORES L.
12/13	HEFTERICK HARRY B. & ELEANOR	12/56	NEISWENDER, RUSSELL L BETTY L.
12/14	BARTENS, WILLIAM & CAROL	12/57	CREEDON, JUDITH McCOO, SUSAN J. FORESMUN, LINDA R.
12/15	LOPER, GERALD T. & GUENAE M.	12/58	SWEZY, JAMES & NANCY
12/16	THOMAS, ROBERT & ELSIE	12/59	DINOTA, LUIGI & FLORI
12/17	DINOTA, VINCENZO & ELVIRA	12/60	KLEBERT, KURT J. & IRENE R.
12/18	WADSWORTH, WILLIAM H.	12/63	PUPSHIS, ANTHONY & FRANCES
12/19	SOSNOWSKI, DAVID & FRANCINE	12/64	RICE, CHARLES J. & MARIE J.
12/20	BROWNMILLER, SHERYL L.	12/65	O'DONOHUE, MARIE
12/21	JOHNSON, DOROTHY	12/69	HAWKINS, WILEY & ALBERTHA
12/23	VILLANOVA, PAUL J. & CATHERINE R.	12/70	BROWN, DESMOND & MARJORIE
12/24	GUADALUPE, PEDRO G. & GLORIA G.	12/79	KANEKO, ISAO & HISAKO
12/25	SCHLEGEL, THOMAS A. & LOUISE I.	12/85	WEINER, IRWIN & ROSE
12/26	PETCH, STEPHEN R. & ROSELIND	12/86	FITELSON, PHILIP
12/27	DEMPSEY, FRANCES W. & SANDRA F.	12/87	STEINER, JAMES R. & B
		12/89	COSSIPOS, NICHOLAS P. ANDRIANA

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<u>BLOCK/LOT</u>	<u>OWNER</u>	<u>BLOCK/LOT</u>	<u>OWNER</u>
13/1	MANFREDI, JOSEPH M. MANFREDI, FRANK	13/39	BARTNICK, ANDREW J.
13/2	MANFREDI, JOSEPH M. MANFREDI, FRANK	13/42	WENTZEL, CHARLES E. JEAN B.
13/5	YUN, JOHN D. & SOO C.		
13/6	GILGENAST, RALPH A. & ELAINE		
13/7	MECCA, ANTHONY MECCA, LEONARD P.		
13/8	ALBUQUEQUE, FERNANDO & ESTHER		
13/9	CICALESE, JOSEPH & MILDRED M.		
13/10	MOFFA, KENNETH & BRENDA		
13/11	KLEIN, ALBERT R., JR.		
13/13	BARTNICK, HENRY & OLGA		
13/15	GOJKA, SEVER & JELENA SKITEJ, DJORDJ, a/k/a GEORGE SKINTEJ & AURELJA		
13/16	PICCININNO, PETER A. & LORRAINE		
13/23	AVILA, FRANCISCO & SUSAN		
13/25	SABO BUILDING CONTRACTORS, INC.		
13/26	OTTAVIANI, RICHARD W.		
13/32	CABALLERO, ISRAEL & JUANITA		
13/33	STREMME, WILLIAM O. & DOLORES H.		
13/35	VILLANO, CHARLES I. & MARY E.		
13/38	CLEMENTE, NICHOLAS A. & ANN M.		

<u>BLOCK/LOT</u>	<u>OWNER</u>	<u>BLOCK/LOT</u>	<u>OWNER</u>
14/1	SWAINE, WILLIAM T. SWAINE, TALMADGE E.	14/67	SUSHKO, REGINA
		14/68	VALDES, JOAQUIN & ANGELES
14/3	KAUL, BALKRISHENA & PRABBA	14/69	RUSSELL, GEORGE L., & MARION ANN
14/8	GREENBRIAR HOMES INC.		
14/22	SARRA, GEORGE J. & ELIZABETH		
14/29	BERGELSON, WILLIAM & JEANETTE L.		
14/29A	CHEN, HORNG-YIH & YU JEN		
14/35	LANE, FRED L., JR. & DOROTHY P.		
14/45	BRANDT, WALTER J. & LETA J.		
14/47	DUBOSE, JUANITA Z.		
14/51	SAWYER, WILLIAM E., JR.		
14/53	TROMER, LARRY S.		
14/56	WATT, SIDNEY		
14/58	SUSHKO, REGINA		
14/62	GENGLER, THOMAS E., SR. & ELEANOR M.		
14/64	LEUSCHNER, JOHN A. & WINIFRED		
14/65	HERBERT, LESLIE & MARIA		
14/66	KAUL, BALKRISHENA & PRABHA		

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23. GRANTEE'S AND PURCHASER'S ACCEPTANCE.

Each grantee or purchaser of any Interest shall, by acceptance of a Warranty Deed conveying title thereto or a Membership Certificate, whether from Declarant or from any subsequent Owner of such Interest, accept such deed or certificate subject to each and all of the provisions of this Declaration and to the jurisdiction, rights, powers, privileges and immunities of Declarant. By such acceptance such grantee or purchaser shall for himself, his heirs, devisees, personal representatives, grantees, successors and assigns, lessees and/or lessors, covenant, consent and agree to and with Declarant and the grantee or purchaser of each Interest to keep, observe, comply with and perform the covenants, conditions and restrictions contained in this Declaration.

Witnesses

James Marsh
Carl Salitro

BEECH MOUNTAIN LAKES CORPORATION

BY: Barry R. Miller
Title: Vice President

COMMONWEALTH OF PENNSYLVANIA:

COUNTY OF LUZERNE:

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, Barry R. Miller, who upon oath, acknowledged himself to be Vice President of BEECH MOUNTAIN LAKES CORPORATION, a corporation, the within-named person with whom I am personally acquainted, and who acknowledged that he executed the within and foregoing instrument for the purposes therein contained, he being authorized so to do as Vice President of said Corporation.

Witness my hand and official seal of office on this the 1st day of May, 1985.

Frank B. Castellino
Notary Public

My commission expires: December 3rd, 1985.

Vertical stamp and handwritten notes on the right side of the page.

53

ENTERED FOR RECORD
 at 1:27 PM
 Nov - 1 1985
 129.00
 Recorder

RECORDED
FREE AND TAX PAID

NOV 1 1985

Maid To:

Board Mt John, Corp

P.O. Box 160

Princeton, PA

18222

Recorded in the office for Recording of Deeds,
 &c. in and for Luzerne County, Pennsylvania,
 in Book 2108 Page 157
 Witness my hand and seal of office, this 1st
 day of Nov A.D. 19 85
Frank P. Castle Recorder

BOOK 2108 PAGE 1104

COMMUNITY DECLARATION
OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS
FOR UNIT I,
BEECH MOUNTAIN LAKES

Recorded in the office for Recording of Deeds,
&c. in and for Luzerne County, Pennsylvania,
in *Reed*
Book *154* Page *126*
Witness my hand and seal of office, this *10th*
day of *MAY* A.D. 19 *85*
Frank C. Castellino Recorder

COMMUNITY DECLARATION
 OF
 PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS
 FOR UNIT I,
 BEECH MOUNTAIN LAKES

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COMMUNITY DECLARATION OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS
FOR UNIT I,
BEECH MOUNTAIN LAKES

THIS COMMUNITY DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS FOR UNIT I, BEECH MOUNTAIN LAKES ("Community Declaration"), made as of this 10th day of MAY, 1985, by BEECH MOUNTAIN LAKES CORPORATION, a Pennsylvania corporation, for itself and its successors and assigns ("Declarant").

WHEREAS, Declarant is the owner of the real property now known as "Beech Mountain Lakes" formerly known as "Lake of the Four Seasons," a subdivision situated in the Townships of Butler, Foster and Dennison in Luzerne County, Pennsylvania, which real property is hereinafter referred to as the "Development"; and

WHEREAS, Unit I of the Development, is shown in maps and plats recorded in Map Book 32, Page 1 (a-f) ("Unit I"), all of which have been recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania; and

WHEREAS, in regard to the Development, the Developer has heretofore filed the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes, ("Declaration"), which Declaration is recorded in Book 2158, Page 1028 in the Office for Recording of Deeds, Luzerne County, Pennsylvania; and

WHEREAS, the Declarant now wishes to supplement the Declaration, as hereinafter set forth, with additional covenants and restrictions pertaining solely to the area platted as Unit I (excluding that part of Unit I designated as Quail Hollow Village Association as shown on a plat recorded in Map Book 32, Page 31 in the Office for Recording of Deeds, Luzerne County, Pennsylvania) ("Unit I").

NOW, THEREFORE, the property which is the subject of Unit I is and shall be held, transferred, sold, conveyed and occupied subject to the provisions of the Declaration, this Community Declaration and the provisions hereinafter set forth, which are for the purpose of protecting the value and desirability of the portion of the Development lying within Unit I, which shall run with the said property, which shall be binding on all parties having any right, title or interest in and to the said property or any part thereof, their heirs, successors and assigns, and which shall inure to the benefit of each Owner thereof.

1. DEFINITIONS

The definitions contained in the Declaration are incorporated herein and shall apply and have the same meaning in this Community Declaration as if set forth fully herein, unless the context otherwise clearly requires. In addition, the following terms used in this Community Declaration shall have the following meanings, unless the context clearly indicates otherwise:

1.1 "DELEGATE(S)" means the persons selected to represent Unit I pursuant to Section 6 hereof.

1.2 "FAMILY" means one or more persons, each related to the other by blood, marriage, or legal adoption or a group of not more than three (3) persons not so related, together with his or her domestic servants maintaining a common household.

1.3 "LOT" means any numbered and lettered lot or tract on the Plat except utility lots and other designated and/or excluded lots, tracts or areas as filed and recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania, in Map Book 32, at Page 1 (a-f), excluding that property designated as Quail Hollow Village Association as shown on a Plat recorded in Map Book 31, Page 31, and any revision thereof.

1.4 "MULTI-FAMILY DWELLING" means a detached or semi-detached building where three or more Families or dwelling Units are entirely separated by vertical walls or horizontal floors unpierced except for access to the outside or to a common cellar and used or designated as a residence of three or more Families, and shall where the same applies include village townhouses, destination units, cluster units and condominiums.

1.5 "PLAT" means the maps of Unit I recorded in the Office of the Recorder of Deeds, Luzerne County, Pennsylvania in Map Book 32, Page 1 (a-f), excluding that property designated as Quail Hollow Village Association as shown on a Plat recorded in Map Book 32, Page 31, and such revisions thereof as made from time to time, as filed in such office by Declarant.

1.6 "RECREATIONAL VEHICLE LOT" means a lot upon which no structure, temporary or permanent, shall be placed or permitted to remain.

1.7 "SINGLE FAMILY DWELLING" means a residential dwelling for one Family. Single Family Dwellings shall include but are not limited to destination units, cluster units and condominiums.

1.8 "UNIT I" means that real property described on the maps recorded in the Office of the Recorder of Deeds, Luzerne County, Pennsylvania in Map Book 32, Page 1 (a-f), excluding that property designated as Quail Hollow Village Association as shown on a Plat recorded in map Book 32, Page 31, and such revisions thereof as made from time to time, as filed in such office by Declarant.

2. RELATION OF COMMUNITY DECLARATION TO DECLARATION

This Community Declaration supplements the terms, provisions and restrictions contained in the Declaration and, together with the Declaration, shall govern the method of ownership and use of all of the property in Unit I. This Community Declaration and the Declaration shall be considered, for the purpose of interpretation and implementation regarding the method of ownership, use of and assessments relating to all of the property in Unit I, to be a single document. Whenever the provisions, requirements, standards, limitations or use restrictions contained in this Community Declaration are in excess of, or are more detailed or more stringent than those contained in the Declaration, the provisions, requirements, standards, limitations or use restrictions set forth herein, shall be deemed to be in addition to those contained in the Declaration and every Owner in Unit I including the Declarant, shall be governed by this Community Declaration, together with the Declaration. However, in all respects, should the provisions be in direct and irreconcilable conflict with the Declaration, the Declaration shall prevail.

3. STANDARDS OF CONSTRUCTION

The standards of construction set forth in the Declaration are incorporated herein and shall apply to all Units in Unit I as if fully set forth herein, including, but not limited to, the procedures for approval of plans for all buildings and structures, including their improvement of any character, by the Architectural Control Committee ("ACC").

4. LOT BUILDING RESTRICTIONS

4.1 Set Backs. Except as shown on the Plat, every dwelling shall be at least:

- (a) 50 feet from the nearest lake.
- (b) 35 feet from the front lot line.
- (c) 10 feet from each side lot line.
- (d) 40 feet from the rear lot line.

4.2 Elevation. Each dwelling on a waterfront Lot must have its first floor elevation at least at elevation one thousand sixty-six (1,066) feet.

4.3 Single Family Dwellings. No structure shall be erected on any Lot marked "SF" (Single Family Dwelling) other than one private Single Family Dwelling as defined herein. Such Single Family Dwelling shall be suitable for the use of and shall be a walled and roofed structure, used for private dwelling purposes by one Family only and for no other purpose whatsoever, with one private one or two car garage attached or detached from the dwelling and suitable only for the use of and to be used only by the occupants of such Single Family Dwelling.

4.4 Multi-Family Dwellings. No structure shall be erected on any tract marked "MF" (Multi-Family Dwelling) other than Multi-Family Dwellings as defined herein. Such Multi-Family Dwellings shall not be higher than three (3) stories and shall be suitable for the use of and shall be used for private dwelling purposes and for no other purpose whatsoever, together with an attached or detached garage allowing not more than two car spaces for each Family. Each Family, must live independently of each other and do their own cooking therein.

4.5 Lots Contiguous to Lakes. All restrictions contained in the Declaration regarding Lots which are contiguous to lakes are incorporated herein and shall apply to all Lots in Unit I as if fully set forth herein.

4.6 Minimum Square Feet. The total interior walled and roofed area of the main dwelling on a Lot shall not be less than 800 square feet, exclusive of garage, covered walks, open porches and detached structures.

5. RESERVATIONS AND EASEMENTS

All easements set forth in the Declaration are incorporated herein and fully apply to all Lots in Unit I. In addition, the following easements and reservations apply to the Lots in Unit I.

5.1 Drainage Easements. Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the real property subject to these restrictions, an easement for the use and maintenance of drainage courses of all kinds designated on the Plat as "Drainage Easements." These easements are twenty (20) feet in width unless otherwise specified on the recorded Plat and are centered above the existing drainage channels.

5.2 Easements Reserved to Declarant. The Declarant excepts and reserves unto itself, its successors and assigns as follows:

(a) The private roadways in the location and of the width as set forth on the recorded Plat and the right to alter and amend the course and/or grade of said private roadways except that portion thereof which abuts any Lot which has already been sold.

(b) All coal, oil, gas, mineral, mining and drilling

rights.

(c) The exclusive right to dedicate the roads, streets and avenues in Unit I to public use without the joinder, release or consent of any Owner, grantee or transferee and his, her or their heirs and assigns, and said Owner, grantee or transferee and his, her or their heirs and assigns are required to release all damages or claims resulting therefrom.

(d) Right-of-way and easement areas which Declarant has dedicated, or will dedicate, to any municipal body, or to the appropriate utility company or companies, including cable TV, for the installation and maintenance of public utilities, for control of drainage along lot lines and for control over strips of land ten (10) feet in width along side and rear property lines and ten (10) feet in width along the front property line of all Lots as noted on the Plat together with accessory right to locate guy wires, braces or anchors.

(e) An exclusive easement for the installation and maintenance of radio and television transmission cables within the right-of-way and easement areas reserved herein.

5.3 Owners' Responsibility. On each Lot, the right-of-way and easement areas reserved by Declarant or dedicated to public utility purposes shall be maintained continuously by the Lot Owner but no structures, plantings or other materials shall be placed or permitted to remain or other activities undertaken which may damage or interfere with the installation or maintenance of utilities, which may change the direction of flow of drainage channels in the easements, which may obstruct or retard the flow of water through drainage channels in the easements, or which damage or interfere with established slope ratios or create erosion or sliding problems; provided, however, that where the existing location of a drainage channel would hinder the orderly development of a Lot the drainage channel may be relocated on such Lot provided the newly formed drainage swale is properly stabilized and provided such relocation does not cause an encroachment on any other Lot in the Development. Improvements within such areas shall also be maintained by the respective Lot Owners except for those which a public authority or utility company is responsible.

5.4 Additional Easements. The Lots shall be burdened by such additional easements as may be shown on the recorded plat.

5.5 Lake and Shoreline Maintenance. A fifteen (15) foot wide strip along the line of any Lot abutting a lake is reserved for lake and shoreline maintenance.

5.6 Flooding Easement. A flowage and flooding easement is reserved on each lake front Lot equal to the lake front building set back line.

5.7 Streets. An easement and right-of-way for and under all streets and rights-of-way for the purpose of installing, maintaining and operating utilities thereon or thereunder; for the purpose of drainage control; for access to any Lot; and for purposes of maintenance of said streets.

5.8 Sewer, Water, Power and Telephone Easements. An easement is reserved through each Lot to such width as needed in the Declarant's sole discretion for sewer, water pipe, power and telephone lines, as constructed or hereinafter constructed by the Declarant or its assigns through Lots.

5.9 Trade and Business. No trade, solicitation, business, service or profession of any kind or nature whatsoever shall at any time be conducted within Unit I nor shall any building

erected thereon be used for such purposes. Notwithstanding the above, Declarant and successors thereof may operate a real estate sales office or offices within Unit I and may likewise operate any business out of such office or offices which are compatible with said sales operation. This provision shall not preclude an Owner from maintaining a personal professional library, keeping personal business records or accounts, or handling personal business or professional telephone calls or correspondence from his Unit.

5.10 Liability for Use of Easements. No Owner shall have any claim against Declarant or its licensees arising out of the exercise or non-exercise of any easement reserved hereunder or on the Plat except in case of willful or wanton misconduct.

6. DELEGATES

6.1 Initial Delegates. Three (3) Delegates shall be chosen to represent Unit I in all matters concerning the Development and the Beech Mountain Property Owners Association. The initial Delegates shall be appointed by the Declarant. One initial Delegate shall serve for a one year term, one shall serve for a two year term and one shall serve for a three year term. Thereafter, all Delegates shall be elected by the Owners in Unit I and shall serve according to the provisions of this Community Declaration.

6.2 Qualification. Except for the initial Delegates, each Delegate shall be both an Owner and Resident of his Unit within Unit I; provided that, in no event shall an Owner and his or her spouse serve as Delegates from Unit I concurrently. If a Delegate ceases to be either an Owner or a Resident of his Unit within Unit I, he shall be deemed to have resigned as a Delegate.

6.3 Election. With the exception of the initial Delegates, the Delegates shall be elected annually by the Owners of record at a meeting called for such purposes or by written ballot. Elections shall be held annually, within sixty (60) days of the anniversary date of recordation of this Community Declaration.

The election, whether at a meeting or by written ballot, shall be conducted by the Declarant, until the Association is reactivated, and thereafter, by the Board of Directors of the Association.

The Delegates shall be elected from a slate of nominees chosen by the Delegates for the current year; provided, however, that write-in votes shall be accepted.

Each Owner of record shall be entitled to one vote, in person or by proxy, for each Interest in Unit I owned at the time of the meeting. All proxies shall be in writing but need not be acknowledged or witnessed and shall be filed with the Association at or previous to the time of the meeting. The person named as proxy need not himself be an Owner. All voting shall be viva voce, except that any qualified voter may demand a ballot vote, in which case the voting shall be by ballot, and each ballot shall state the name of the Owner voting and, in addition, the name of the proxy, if such ballot is cast by a proxy. All elections shall be determined by a plurality vote and an affirmative vote of a majority represented at any such meeting shall be necessary for the transaction of any election and shall constitute the act of the Owners in Unit I.

At any election of Delegates where more candidates are nominated than there are positions to be filled, the election shall be conducted by two inspectors of election to be appointed by the Board. No Delegate or candidate for Delegate shall be

eligible to appointment as inspector. The inspectors appointed to act at any meeting to elect Delegates shall supervise the election with strict impartiality, and according to the best of their ability. If there are not two inspectors present, ready and willing to act, the required number of temporary inspectors to make up such number shall be appointed by the chairman of the meeting.

6.4 Term. Except for the initial Delegates appointed by the Declarant, each Delegate shall serve for a term of two (2) years or until the election of his successor, whichever occurs later, or until his death, incapacity, resignation, or removal. Any Delegate appointed by Declarant shall serve until such time as Declarant appoints a replacement Delegate or until his successor has been qualified and duly elected by the members of the Association, pursuant to the provisions hereof. No Delegate shall serve for more than four (4) consecutive years.

6.5 Removal. At any meeting duly called for such purpose, any one or more of the Delegates, other than those Delegates appointed by Declarant, may be removed, with or without cause, by the affirmative vote of Owners in Unit I casting a majority of the total votes, and a successor shall be elected as provided in Section 6.3 herein within thirty (30) days of such meeting for the remainder of the term to fill the vacancy thus created. Said special meeting to recall a Delegate may be called by ten percent (10%) of the Owners in Unit I giving notice of the meeting and the notice shall state the purpose of the meeting. Any Delegate whose removal has been proposed by the Owners in Unit I shall be given prompt written notice of his proposed removal and shall be provided with a reasonable opportunity to attend and be heard at the meeting at which his removal is voted upon.

6.6 Disqualification and Resignation. Any Delegate may resign at any time by sending written notice of his resignation to the Association. Such resignation shall take effect upon receipt thereof by the Association. Except for those Delegates appointed by Declarant, any Delegate who ceases to be an Owner and Resident of his Unit within Unit I shall automatically be deemed to have resigned. Any Delegate who is more than thirty (30) days delinquent in the payment of any assessment or other amount owed to the Association shall be deemed to have resigned effective upon the receipt of notification of such delinquency from the Association.

6.7 Vacancies. If the office of any Delegate becomes vacant by reason of his death, incapacity, resignation, removal from office, or otherwise, the remaining Delegates shall choose a successor or successors to fill such vacancy until such time as the Owners in Unit I can elect a new Delegate. The election held for the purpose of filling such vacancy may be held at any meeting called for such purpose or by written ballot as provided in Section 6.3 herein.

7. ANNEXATION OF SUBSEQUENT UNITS OR PARCELS

7.1 Property to be Annexed. Declarant may from time to time and in its sole discretion, annex to Unit I any other real property which from time to time may be owned by Declarant and which is adjacent to the Plat. The Declarant reserves the right as a result of the said annexation to increase the mutual real or predial servitudes upon each of the Lots in Unit I and upon the roadways, easements, community areas, recreational areas, and utilities of Unit I.

7.2 Manner of Annexation. Declarant shall effect such annexation by filing or recording a map or Plat of the annexed area and by signing and recording a supplement to this Community

Declaration pursuant to Section 9 hereof which shall:

(a) Amend the description of Unit I to include the annexed areas;

(b) Amend the definition of the term "Plat" to include such map or Plat;

(c) Set forth any additional covenants, restrictions or easements specifically applicable to the annexed areas; and

(d) Contain such provisions as, in the opinion of counsel for Declarant, shall be necessary or appropriate to integrate the annexed area into Unit I and to extend the provisions of this Community Declaration to the annexed area.

Upon the filing or recording of such map or Plat and the recording of such supplement, the annexed area shall be part of Unit I and subject to this Community Declaration, as supplemented as fully and with the same force and effect as if the annexed area were part of Unit I on the date of the recording of this Community Declaration.

8. REMEDIES

8.1 Enforcement of Community Declaration. The violation of any provision of this Community Declaration by an Owner or a Resident, members of his family, his guests, licensees, or invitees shall be grounds for an action to recover sums due and/or damages, for injunctive relief, or both, and the reimbursement of all costs and attorneys' fees incurred in connection therewith, as well as late fees and interest on any delinquent amounts, which action shall be maintainable by the Association Board or the Manager, in the name of the Association, by Declarant, or, in a proper case, by an aggrieved Owner in Unit I. All such amounts, along with any other costs incurred by the Association to obtain the services of an attorney to enforce any provision of this Community Declaration, shall promptly be reimbursed by the Owner or Resident who committed or who is responsible for such violation or who caused the Association to take such action, to the Association, upon demand therefor. Unless otherwise prohibited by law, the violation of any provision of this Community Declaration shall give the Association, the Board, the Manager, and Declarant (to extent of its rights hereunder) the right:

(a) To engage the services of an attorney to initiate such action as is deemed necessary by the Board, the Manager, or Declarant, to enforce such provision, including the initiation of a suit for damages and/or to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach;

(b) To impose a reasonable monetary penalty upon such Owner in an amount to be determined by the Board of Directors; and

(c) To the extent permitted by law, to suspend some or all of such Owner's rights and privileges, including but not limited to any right to vote and the right to use (or allow others to use) any Common Areas during the period of any continuing violation of the provisions of this Community Declaration.

8.2 Cumulative Remedies. All of the remedies granted by this Community Declaration are cumulative, and the exercise of one right or remedy shall not impair the right to exercise any other remedy. The Association, the Board, the Manager, and Declarant shall not be limited to the remedies set forth in this Community Declaration, and may invoke any other or additional remedies provided for or allowed by law or in equity.

8.3 Preservation of Remedies. The failure of the Association, the Board, the Manager, or Declarant to enforce any provision of this Community Declaration shall not be construed as a waiver of any such provision or right. Rather, such provision shall continue and remain in full force and effect.

9. TERM AND AMENDMENT

9.1 Term. The provisions of this Community Declaration are intended as a supplement to the Declaration and shall become effective when recorded in the Office for Recording of Deeds, Luzerne County, Pennsylvania. This Community Declaration shall affect and run with the land and shall exist and be binding upon all parties claiming an Interest in Unit I for forty (40) years from date of recording the Declaration, after which time the same shall be extended for successive periods of ten (10) years in the same manner and at the same time as an extension of the Declaration as provided in the Declaration.

9.2 Termination. The agreements, covenants and conditions set forth in this Community Declaration shall constitute an easement and servitude in and upon the lands to which the same pertain, and they shall run with the land and shall inure to the benefit of and be enforceable by the Declarant, and the Association. This Community Declaration shall remain in full force and effect so long as the Declaration remains in effect. Should the Declaration terminate, this Community Declaration shall thereupon terminate.

This Community Declaration shall continue to be effective for a period of forty (40) years from the date of the recording of the Declaration and for each successive ten (10) year period that the Declaration is extended as provided in Section 9.1 or until such time as termination is authorized at a duly convened meeting by (i) an affirmative vote of all Owners owning no less than seventy-five percent (75%) of the Interests in Unit I; and (ii) upon the consent of Mortgagees of Record holding mortgages on Interests representing an aggregate ownership interest of seventy-five percent (75%) of Unit I property submitted to this Community Declaration; and (iii) by the prior written approval of the Association; and (iv) the Declarant for as long as it owns one (1) or more Interest in the Development.

In the event the Owners in Unit I vote to terminate the plan implemented by this Community Declaration, the Board of Directors shall file an amendment in the Office for Recording of Deeds, Luzerne County, Pennsylvania, terminating this Community Declaration and certifying that such termination has been approved by all parties designated in the paragraph above.

The provisions of this Section 9 shall not be subject to amendment without prior written consent of the Declarant for as long as it owns one (1) or more Interest in the Development.

9.3 Amendment by Owners. Subject to the rights of the Declarant under the Declaration, this Community Declaration may be amended at any time after December 31, 1985, by the affirmative vote of the then record Owners of two-thirds (2/3) of the total Interests in Unit I as long as such amendment does not operate to annul any material part hereof. Provided, however, no amendment to this Community Declaration shall be effective until and unless it is approved by a written resolution of the Board of Directors of the Association, if the Association is operational; and, further, provided so long as the Declarant is the Owner of any Unit in the Development, the Declarant's written consent must be obtained to any such amendment.

Each such amendment of this Community Declaration

shall be evidenced by an instrument in writing, signed and acknowledged by Declarant until such time as an Association is operational, and thereafter by any two (2) officers of the Association, setting forth in full the text of such amendment, the appropriate recording data for this Community Declaration, and certifying that such amendment has been approved by the affirmative vote of the then record Owners of two-thirds (2/3) of the total Interests in Unit I. Said amendment shall become effective upon the recording of said instrument in the Office for Recording of Deeds, Luzerne County, Pennsylvania.

Notwithstanding the above, the Owners in Unit I shall have no power to enact an amendment to this Community Declaration which materially affects the rights or security interests of any Mortgagee of Record, without first obtaining the written consent of such affected Mortgagee of Record.

9.4 Amendment by Declarant. Declarant reserves the right to amend this Community Declaration, without the approval of any other Owners or the Association or Mortgagees of Record, for whatever reason, at any time prior to December 31, 1985.

Anything herein to the contrary notwithstanding, Declarant reserves the right and power to record an amendment to this Community Declaration at any time and from time to time which amends this Community Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Units, (iii) to correct clerical or typographical errors in the Community Declaration or any exhibit thereto, (iv) to bring the Community Declaration into compliance with applicable laws, ordinances or governmental regulations, or (v) to restate or compile all previous amendments into a single document.

In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to such amendments on behalf of each Owner. Each deed, Membership Certificate, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and record such amendments. The right and power to make such amendments hereunder shall terminate at such time as the Declarant is no longer vested with or controls title to any Interest in the Development.

Any such amendments to this Community Declaration shall become effective upon the recording in the Office for Recording of Deeds, Luzerne County, Pennsylvania, of an instrument executed by Declarant, setting forth the text of such amendment in full, together with the appropriate recording data for this Community Declaration. Such amendment need only be executed and acknowledged by Declarant, and need not be consented to by any Owners, Community Association, the Association, any Mortgagees of Record, lienholders or any other parties.

10. MISCELLANEOUS

10.1 Captions. Section captions in this Community Declaration and in any exhibits annexed thereto are for convenience only and do not in any way limit or amplify the terms or provisions hereof.

10.2 Plural, Gender. As the individual application of the provisions of this Community Declaration requires: the singular forms of words shall be deemed to include the plural; the plural forms shall be deemed to include the singular; and the terms referring to one gender shall be deemed to refer to the other gender as well.

10.3 Successors and Assigns. As used in the provisions of this Community Declaration, the reference to "Declarant" is deemed also to include the successors or assigns of BEECH MOUNTAIN LAKES CORPORATION.

10.4 Interpretation. The provisions of this Community Declaration shall be liberally construed to effectuate the purpose of ensuring that the Development shall at all times be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization by each Owner as a vacation resort.

10.5 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in nowise affect any other provisions, which shall remain in full force and effect.

10.6 Waiver. No restriction, condition, obligation, or provision contained in this Community Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

10.7 Binding Effect. The provisions of this Community Declaration shall be binding upon all parties having or acquiring any interest or any right, title, or interest therein, and shall be for the benefit of each Owner, his heirs, successors, and assigns. Each Owner (including Declarant) shall be fully discharged and relieved of liability on the covenants contained therein, in his capacity as Owner, insofar as such covenants relate to each Interest, upon ceasing to own such Interest and upon paying all sums and performing all obligations thereunder, up to the time his ownership interest terminates, as provided herein.

10.8 Notices. Any notice required to be sent to any Owner under the provisions of this Community Declaration shall be deemed to have been properly sent when (i) mailed, postage prepaid, to the Owner's last known address as same appears on the records of the Association at the time of such mailing or (ii) when delivered personally to the Owner or the Association.

10.9 Choice of Law. This Community Declaration shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

10.10 Perpetuities and Other Invalidity. If any of the options, privileges, covenants or rights created by this Community Declaration would otherwise be unlawful or void for violation of (a) the rules against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of the President of the United States at the time of recording of this Community Declaration.

10.11 Title Holding Land Trust. In the event title to any Unit is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all Charges and for the performance of all agreements, covenants and undertakings chargeable or created under this Community Declaration against such Unit. No claim shall be made against any such title holding trustee

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY SUBJECT TO COMMUNITY DECLARATION
FOR UNIT I

Unit I as recorded in Map Book 32, Page 1 (a-f), Office for Recording of Deeds, Luzerne County, Pennsylvania, excluding that part of Unit I designated as Quail Hollow Village Association as shown on a Plat recorded in Map Book 32, Page 31, Office for Recording of Deeds, Luzerne County, Pennsylvania.

personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Unit and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Unit.

11. GRANTEE'S AND PURCHASER'S ACCEPTANCE

Each grantee or purchaser of any Interest in Unit I shall, by acceptance of a Warranty Deed conveying title thereto or a Membership Certificate, whether from Declarant or from any subsequent Owner of such Interest, accept such deed or certificate subject to each and all of the provisions of this Community Declaration and to the jurisdiction, rights, powers, privileges and immunities of Declarant. By such acceptance such grantee or purchaser shall for himself, his heirs, devisees, personal representatives, grantees, successors and assigns, lessees and/or lessors, covenant, consent and agree to and with Declarant and the grantee or purchaser of each Interest in Unit I to keep, observe, comply with and perform the covenants, conditions and restrictions contained in this Community Declaration.

Witnesses:
James [Signature]
Carl [Signature]

BEECH MOUNTAIN LAKES CORPORATION
BY: Barry R. Miller
Title: Vice President

COMMONWEALTH OF PENNSYLVANIA:

COUNTY OF LUZERNE:

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, Luzerne county, Pa. who upon oath, acknowledged himself to be Barry R. Miller of BEECH MOUNTAIN LAKES CORPORATION, a corporation, the within-named person with whom I am personally acquainted, and who acknowledged that he executed the within and foregoing instrument for the purposes therein contained, he being authorized so to do as Vice President of said Corporation.

Witness my hand and official seal of office on this the 10th day of May, 19 85.

Genevieve [Signature]
Notary Public
NOTARY PUBLIC

My commission expires: 1988
~~My Commission Expires November 29, 1988~~
Pittston, Luzerne County, Pa.

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James and Cybil F. Williams
RECEIVER

FIRST AMENDMENT TO
DECLARATION OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS
FOR
BEECH MOUNTAIN LAKES

THIS FIRST AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS FOR BEECH MOUNTAIN LAKES ("First Amendment to the Declaration") made as of this 17th day of MAY, 1985, by BEECH MOUNTAIN LAKES CORPORATION, a Pennsylvania corporation, for itself and its successors and assigns ("Declarant").

WHEREAS, Declarant is the owner of the real property now known as "Beech Mountain Lakes" formerly known as "Lake of the Four Seasons," a subdivision situated in the Townships of Butler, Foster and Dennison in Luzerne County, Pennsylvania, which real property is hereinafter referred to as the "Development"; and

WHEREAS, the Declarant has heretofore filed the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes, ("Declaration"), which Declaration was recorded on May 1, 1985, in Book 2158, Pages 1028-1103 in the Office for Recording of Deeds, Luzerne County, Pennsylvania; and

WHEREAS, Section 21.4 of the Declaration provides that the Declarant, may amend the Declaration, for whatever reason, at any time prior to December 31, 1985;

NOW THEREFORE the Declaration is amended only as set forth in this First Amendment to the Declaration. Those Sections or subparagraphs thereof contained herein shall supplant and replace the Sections or subparagraphs thereof which bear the same Section or subparagraph number or designation. All other terms of the Declaration not changed by this First Amendment to the Declaration are reaffirmed. It is the intent of the Declarant that the terms of this First Amendment to the Declaration shall be effective as of, and relate back to, the date of recordation of the Declaration in the Office for Recording of Deeds, Luzerne County, Pennsylvania.

Section 16

Section 16.4 Recreation Fee. For each Interest owned, an Owner shall be required to pay an annual Recreation Fee to the Declarant, separate and apart from any Assessment by the Association or a Community Association. The Recreation Fee for all Owners shall be equal. The Declarant shall not be responsible for, or be obligated to pay any Recreation Fee pursuant to this Section. Payment of this fee will entitle an Owner, his family, guests, invitees, and licensees to use the Sport Facilities owned by the Declarant.

The annual Recreation Fee is subject to increase by the Declarant; however such increase shall not exceed 10% per year, cumulatively, i.e., if the Recreation Fee does not increase for two years, it may not be increased more than 20% in the following year (10% each year, cumulatively). Payment of the Recreation Fee shall be secured by a lien on an Owner's Interest, as described in Section 16.6 below.

Notwithstanding the above, those persons who originally purchased lots from Eastern Pennsylvania Marine Properties, Inc., as listed in Exhibit C hereto, and who still own said

lot or lots, shall not be required to pay a Recreation Fee, other than reasonable user fees, as long as they pay the \$10.00 per lot per month Association Assessment pursuant to Section 7.4(c) for road maintenance, security, recreational facilities and maintenance. This right of limited assessment is nontransferable.

Witnesses

James Marsh
Carl Salitis

BEECH MOUNTAIN LAKES CORPORATION

BY: Barry R. Miller
Title: Vice President

COMMONWEALTH OF PENNSYLVANIA:
COUNTY OF LUZERNE:

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, Penna. who upon oath, acknowledged himself to be Barry R. Miller, Vice Presid. of BEECH MOUNTAIN LAKES CORPORATION, a corporation, the within-named person with whom I am personally acquainted, and who acknowledged that he executed the within and foregoing instrument for the purposes therein contained, he being authorized so to do as Vice President of said Corporation.

Witness my hand and official seal of office on this the 17th day of May, 19 85.

Maria H. Openhill
Notary Public

My commission expires: Notary Public
Hazleton, Luzerne County, Pa
My Commission Expires June 13, 1987

SECOND AMENDMENT TO
DECLARATION OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS
FOR
BEECH MOUNTAIN LAKES

THIS SECOND AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS FOR BEECH MOUNTAIN LAKES ("Second Amendment to the Declaration") made as of this 23rd day of OCTOBER, 1985, by BEECH MOUNTAIN LAKE CORPORATION, a Pennsylvania corporation, for itself and its successors and assigns ("Declarant").

WHEREAS, Declarant is the owner of the real property now known as "Beech Mountain Lakes" formerly known as "Lak of the Four Seasons," a subdivision situated in the Township of Butler, Foster and Dennison in Luzerne County, Pennsylvania which real property is hereinafter referred to as the "Development" and

WHEREAS, the Declarant has heretofore filed the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes, ("Declaration"), which Declaration was recorded on May 1, 1985, in Book 2158, Pages 1028-1103 in the Office for Recording of Deeds, Luzerne County, Pennsylvania and

WHEREAS, Section 21.4 of the Declaration provide that the Declarant, may amend the Declaration, for whatever reason, at any time prior to December 31, 1985;

NOW THEREFORE the Declaration is amended only as set forth in this Second Amendment to the Declaration. Those Section or subparagraphs thereof contained herein shall supplant and replace the Sections or subparagraphs thereof which bear the same Section or subparagraph number or designation. All other terms of the Declaration not changed by this Second Amendment to the Declaration are reaffirmed. It is the intent of the Declarant that the terms of this Second Amendment to the Declaration shall be effective as of, and relate back to, the date of recording of the Declaration in the Office for Recording of Deeds, Luzerne County, Pennsylvania.

SECTION 3

3.10 Mineral Rights. All coal, oil, gas, mineral, mining and drilling rights are reserved to parties other than the Declarant. Under the Act of Assembly of the Commonwealth of Pennsylvania of 1957, P.L. 984 #1 and its amendments, notice that the title to coal underlying a piece of land and that the right of support are not included must be given to all purchasers. This notice appears in some prior deeds in the chain of title to the lands included in the Development. Therefore, the required notice will be placed in bold type, as required on the face of all deeds to lands in the Development as follows:

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND

ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN THE LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT.

SECTION 4

4.1 Ownership of Common Areas. Declarant intends to construct, operate and maintain certain facilities within the Development from time to time (the "Common Areas"). The Common Areas shall be identified and designated by Declarant, who may add to the Common Areas at any time without the consent of the Association. All Common Areas are private property owned by Declarant and shall remain private property. Declarant's execution and recording of a Plat shall not be construed as a dedication to the public of any of the Common Areas. In the event Declarant wishes to change the arrangement of any Common Areas, Declarant shall obtain the approval of fifty percent (50%) of all Owners, other than the Declarant, and one hundred percent (100%) of all Owners, other than the Declarant, whose property shares a common boundary with the property to be specifically changed, prior to instituting any such change. For example, if Declarant proposes to relocate an entire golf course, all Owners whose property shares a common boundary with the golf course must grant their approval for the change. However, if the Declarant proposes to change the location of one hole on the golf course, only the approval of those Owners whose property shares a common boundary with the hole to be changed would be necessary.

The legal status of the relation between the Owners and the Declarant, or whatever entity owns the Common Areas, with regard to the Common Areas, shall be that the owner of a Common Area shall be deemed a licensor and the Owners shall be deemed licensees. The Common Areas shall be available to Owners, their families, guests, invitees and licensees, subject to payment of the Charges described herein, any individual use or user fees, the Rules and Regulations affecting each Common Area and any further restrictions or limitations contained therein or herein.

Declarant may, in its sole discretion, convey the Common Areas to the Association. Declarant may convey each Common Area one at a time, or convey all Common Areas at the same time. Declarant may convey one, some or all Common Areas. On the date of said conveyance, the Common Areas, or the part thereof conveyed, shall be free and clear of all liens and encumbrances, subject only to liens for taxes not then delinquent, such easements and rights-of-way as then appear of record and perpetual non-exclusive easements from and to the Common Areas as described herein. Such conveyance shall be made without monetary or other charge to the Association. Such conveyance shall be deemed delivered for all purposes upon Declarant's recording thereof in the Office of the Recorder of Deeds of Luzerne County, Pennsylvania. The Association shall be obligated to accept the conveyance(s) by the Declarant to the Association of any and all Common Areas and shall have no right to refuse such conveyance. Upon conveyance of some or all of the Common Areas to the Association, all rights, powers, privileges and immunities of Declarant, as such, with respect to the Common Area conveyed, shall vest in the Association.

Declarant further reserves the exclusive right to dedicate any roads, streets and avenues in the Development to public use without the joinder, release or consent of any Owner, grantee or transferee and such Owner, grantee or transferee hereby releases all damages and claims resulting therefore.

As provided in Section 21.4, as long as the Declarant holds title to a Common Area, Declarant reserves the right to change the arrangement of any such Common Area and to construct additional facilities within any such Common Area. Subject to the rights of all Owners as set forth in Sections 3.1 and 3.2, so long as it holds title to a Common Area, Declarant may sell, convey, mortgage, hypothecate or encumber, lease, rent, use, occupy and improve such Common Area in its sole discretion. Any encumbrance of a Common Area will contain a non-disturbance clause protecting the ownership rights of all Owners.

SECTION 5

5.1 Ownership of Community Common Areas. Declarant intends to construct, operate and maintain certain facilities within the Communities from time to time (the "Community Common Areas"). The Community Common Areas shall be identified and designated on a recorded Plat of the Community. The Community Common Areas shall be available only to Owners of the Community in which they are located, their families, guests, invitees and licensees, subject to payment of the Charges described herein, any individual use or user fees, the Rules and Regulations affecting each Community Common Area and any further restrictions or limitations contained therein or herein.

Declarant may, in its sole discretion, convey the Community Common Areas to the Association or to the Community Association for the Community in which they are located. Declarant may convey each Community Common Area one at a time or convey all Community Common Areas at the same time. Declarant may convey one, some or all Community Common Areas. On the date of said conveyance, the Community Common Areas, or the part thereof conveyed, shall be free and clear of all liens and encumbrances, subject only to liens for taxes not then delinquent, such easements and rights-of-way as then appear of record and perpetual non-exclusive easements from and to the Community Common Areas, which shall be deemed delivered for all purposes upon Declarant's recording thereof in the Office of the Recorder of Deeds of Luzerne County, Pennsylvania. The Association or the Community Association, as the case may be, shall be obligated to accept any such conveyance and shall have no right to refuse such conveyance. Upon conveyance of some or all of the Community Common Areas to the Association or a Community Association, all rights, powers, privileges and immunities of Declarant, as such, with respect to the Community Common Area conveyed, shall vest in the Association or applicable Community Association. Subject to the provisions and limitations of the relevant Community Declaration, so long as it holds title to a Community Common Area, Declarant may sell, convey, mortgage, hypothecate or encumber, lease, rent, use, occupy and improve such Community Common Area in its sole discretion. Any encumbrance of a Community Common Area will contain a non-disturbance clause protecting the ownership rights of all Owners.

SECTION 7

7.4 Allocation of Association Assessment. The Association Assessment shall be allocated as follows:

(a) The Association Assessment for each Owner shall vary according to the type of property and the status of improvement to that property and shall be based on the following ratios:

Residential Dwelling Unit	-	1.0
Residential Unimproved Lot	-	.2
Timesharing Unit Week	-	.2
Campground Interest	-	.2

Commercial Unimproved Lot - 2.0 per acre
Commercial Improved Lot - 2.0 per acre

Revisions to the above listed categories and ratios or additional categories and the ratio for such categories may be unilaterally established by the Declarant at any time prior to the Turnover Date by recording an amendment to this Declaration pursuant to Section 21.4 hereof. After the Turnover Date, the Association may only revise the above listed categories and ratios or establish additional categories and ratios by recording an amendment pursuant to the provisions of Section 21.3 hereof.

(b) The formula used to calculate the Association Assessment is as follows:

Association Assessment per Residential Dwelling Unit =

(Total Estimated Common Expenses for ensuing year)
- (\$120 X # Charter Members)

(1.00 X # Sold Residential Dwelling Units) + (.2 X # Sold Residential Unimproved Lots) + (.2 X # Sold Timesharing Unit Weeks) + (.2 X # Sold Campground Interests) + (2.0 X # Sold Commercial Unimproved Acres) + (2.0 X # Sold Commercial Improved Acres).

Notwithstanding the above, the Declarant, in its absolute discretion, but with no obligation whatsoever, may reduce the amount of the Association Assessment by subsidizing the assessment. However, all such reduced assessments shall remain in the same ratio as set forth above and no one category shall be reduced proportionately more than another.

(c) Notwithstanding the above, those persons listed on Exhibit B hereto, which is incorporated herein by reference, who originally purchased lots from Eastern Pennsylvania Marine Properties, Inc., and who still own said lot or lots ("Charter Members"), will pay \$10.00 per lot per month as the Association Assessment for road maintenance, security, recreational facilities and maintenance. No additional Association Assessment will be made to such owners for construction and maintenance of additional amenities other than reasonable user fees. This right of limited assessment is nontransferable.

(d) Notwithstanding anything to the contrary herein, the Association Assessment shall not increase more than 10% per year, cumulatively, from the date of recordation of this Declaration, i.e., if the Association Assessment does not increase for two years, it may not be increased more than 20% in the following year (10% each year, cumulatively).

7.8 Special Assessments. The Association Board may levy a Special Assessment as provided in this Section:

(a) to pay (or build up reserves to pay) expenses other than Common Expenses or Community Common Area Expenses incurred (or to be incurred) by the Association from time to time for a specific purpose, including, without limitation, to make alterations, additions or improvements to the Common Areas, any Community Common Area or any other property owned or maintained by the Association; or

(b) to repair damage caused by extraordinary causes other than normal wear and tear which are not covered by insurance, including, without limitation, such causes as flooding, tornadoes, hurricanes and strong winds.

A Special Assessment for expenditures for the benefit of the Owners in a particular Community or their Community Common Area shall be levied only against such Community Owners, based

on their respective Interests in the Community property. Any other Special Assessment shall be levied against all of the Owners, based on their respective Interests in the Development.

The Association Board shall serve notice of a Special Assessment on all Owners who shall be subject to payment thereof by a statement in reasonable detail, and the Special Assessments shall be payable in such manner and on such terms as shall be fixed by the Association Board upon the approval of fifty percent (50%) of the Owners, other than the Declarant, affected by such Special Assessment. Any assessments collected pursuant to this Section shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

SECTION 21

21.4 Amendment by Declarant. Declarant reserves the right to amend this Declaration, without the approval of any other Owners or the Association or Mortgagees of Record, for whatever reason, at any time prior to December 31, 1985.

Anything herein to the contrary notwithstanding, Declarant reserves the right and power to record an amendment to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce , of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Units, (iii) to correct clerical or typographical errors in the Declaration or any exhibit thereto, (iv) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations, (v) to amend the Declaration so as to establish a date certain as to Declarant's termination of control of the Association as provided in Section 11.3, or (vi) to restate or compile all previous amendments into a single document.

As provided in Sections 4.1 and 16.1, as long as it is deemed the Owner of any Common Area, Community Common Area or Sports Facility, Declarant reserves the right to add to any existing Common Area, Community Common Area or Sports Facility or construct additional Common Areas, Community Common Areas or Sports Facilities.

Further, Declarant may change the arrangement of any Common Area or Community Common Area provided that the necessary consent of the Owners has been obtained consistent with Section 4.1.

Declarant has the right to unilaterally effectuate any such amendments to this Declaration as may be necessary or required in Declarant's sole discretion, to effectuate such actions, provided that such amendment shall not increase the proportion of Common Expenses borne by Owners, decrease an Owner's voting rights or decrease the size of an Owner's Interest.

In addition, pursuant to Section 7.4, prior to the Turnover Date, the Declarant reserves the right and power to record an amendment to this Declaration to establish additional categories of properties and ratios for the allocation of the Association Assessment for such additional categories.

In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant

to make or consent to such amendments on behalf of each Owner. Each deed, Membership Certificate, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and record such amendments. The right and power to make such amendments hereunder shall terminate at such time as the Declarant is no longer vested with or controls title to any interest in the Development.

Any such amendments to this Declaration shall become effective upon the recording in the Office for Recording of Deeds, Luzerne County, Pennsylvania, of an instrument executed by Declarant, setting forth the text of such amendment in full, together with the appropriate recording data for this Declaration. Such amendment need only be executed and acknowledged by Declarant, and need not be consented to by any Owners, Community Association, the Association, any Mortgagees of Record, lienholders or any other parties.

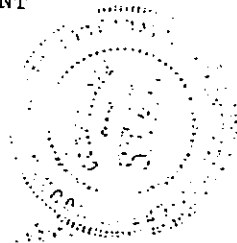
Notwithstanding the above, a Community Declaration shall be amended only as provided in each respective Community Declaration.

Witnesses

BEECH MOUNTAIN LAKES CORPORATION

Frank C. [Signature]

BY: [Signature]
Title: VICE-PRESIDENT



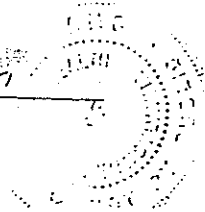
COMMONWEALTH OF PENNSYLVANIA:

COUNTY OF LUZERNE:

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, Barry R. Miller, who upon oath, acknowledged himself to be Vice-President of BEECH MOUNTAIN LAKES CORPORATION, a corporation, the within-named person with whom I am personally acquainted, and who acknowledged that he executed the within and foregoing instrument for the purposes therein contained, he being authorized so to do as Vice-President of said Corporation.

Witness my hand and official seal of office on this the 23rd day of October, 19 85.

[Signature]
Notary Public



My commission expires: 6/12/89

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*For Fourth Amendment to Declaration of Covenants
 Dated October 30, 1987
 Recorded November 13, 1987
 See Book 2251 Page 727*

THIRD AMENDMENT TO
 DECLARATION OF
 PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS
 FOR
 BEECH MOUNTAIN LAKES

THIS THIRD AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS FOR BEECH MOUNTAIN LAKES ("Third Amendment to the Declaration") made as of this 30th day of December, 1985, by BEECH MOUNTAIN LAKES CORPORATION, a Pennsylvania corporation, for itself and its successors and assigns ("Declarant").

WHEREAS, Declarant is the owner of the real property now known as "Beech Mountain Lakes" formerly known as "Lake of the Four Seasons," a subdivision situated in the Townships of Butler, Foster and Dennison in Luzerne County, Pennsylvania, which real property is hereinafter referred to as the "Development", and;

WHEREAS, the Declarant has heretofore filed the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes, ("Declaration"), which Declaration was recorded on May 1, 1985, in Book 2158, Pages 1028-1103 in the Office for Recording of Deeds, Luzerne County, Pennsylvania; and;

WHEREAS, Section 7.4 of the Declaration provides that the Declarant, may amend the Declaration, for whatever reason, at any time prior to December 31, 1985;

NOW THEREFORE the Declaration is amended only as set forth in this Third Amendment to the Declaration. Those Sections or subparagraphs thereof contained herein shall supplant and replace the Sections or subparagraphs thereof which bear the same Section or subparagraph number or designation. All other terms of the Declaration not changed by this Third Amendment to the Declaration shall be effective as of, and relate back to, the date of recordation of the Declaration in the Office for Recording of Deeds, Luzerne County, Pennsylvania.

Section 7

7.4 Allocation of Association Assessment. The Association Assessment shall be allocated as follows:

(a) The Association Assessment for each Owner shall vary according to the type of property and the status of improvement to that property and shall be based on the following ratios:

Residential Dwelling Unit	-	2.0
Residential Unimproved Lot	-	1.0
Timesharing Unit Week	-	.5
Campground Interest	-	1.0
Commercial Unimproved Lot	-	2.0 per \$35,000 of assessed property value. (As assessed by Hazleton Area School District. Assessed value equals 35% of market value)
Commercial Improved Lot	-	4.0 per \$35,000 of assessed property value. (As assessed by hazleton Area School District. Assessed value equals 35% of market value)

Revisions to the above listed categories and ratios or additional categories and the ratio for such categories may be unilaterally established by the Declarant at any time prior to the Turnover Date by recording an amendment to this Declaration pursuant to Section 21.4 hereof. After the Turnover Date, the Association may only revise the above listed categories and ratios or establish additional categories and ratios by recording an amendment to this Declaration pursuant to Section 21.3 hereof.

(b) The formula used to calculate the Association Assessment is as follows:

Association Assessment per Residential Unimproved Lot =
the following fraction:

[Numerator] (Total Estimated Common Expenses for ensuing year) - (\$120 x A)

[Denominator] (2.00 x B) + (1.0 x C) + (.5 x D) + (1.0 x E) + (2.0 x F) + (4.0 x G).

- A = The number of Charter Members (defined in subparagraph 7.4(c) below)
- B = [Total number of Residential Dwelling Units minus (The number of Residential Dwelling Units constructed on Charter Member lots now owned by Charter Members + The number of Residential Dwelling Units constructed on Exhibit D Members (defined in subparagraph 7.4(d) below) lots now owned by Exhibit D Members)]
- C = [Total number of Residential Unimproved Lots minus the number of Residential Unimproved Lots now owned by Charter Members]
- D = The number of Sold Timeshare Weeks
- E = The number of Sold Campground Interests
- F = The number of Commercial Unimproved Lots
- G = The number of Commercial Improved Lots
- x = "multiplied by"

Notwithstanding the above, the Declarant, in its absolute discretion, but with no obligation whatsoever, may reduce the amount of the Association Assessment by subsidizing the assessment. However, all such reduced assessments shall remain in the same ratio as set forth above and no one category shall be reduced proportionately more than another.

(c) Notwithstanding the above, those persons listed on Exhibit C hereto, which is incorporated herein by reference, who originally purchased lots from Eastern Pennsylvania Marine Properties, Inc., and who still own said lot or lots ("Charter members"), will pay \$10.00 per lot per month as the Association Assessment for road maintenance, security, recreational facilities and maintenance. No additional Association Assessment will be made to such owners for construction and maintenance of additional amenities other than reasonable user fees. This right of limited assessment is nontransferable.

(d) Notwithstanding the above, those persons listed on Exhibit D hereto, which is incorporated herein by reference, who purchased lots from Beech Mountain Lakes Corporation, between the months of March and December, 1965 and who still own said lot or lots ("Exhibit D Members") will always pay the assessment levied against unimproved lots as specified above, even if the lot has a residential dwelling unit thereon. This right of limited assessment is nontransferable.

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(e) Notwithstanding anything to the contrary herein, the Association Assessment shall not increase more than 10% per year, cumulatively, from the date of recordation of this Declaration, i.e., if the Association Assessment does not increase for two years, it may not be increased more than 20% in the following year (10% each year, cumulatively).

Section 21

21.4 Amendment by Declarant. Declarant reserves the right to amend this Declaration, without the approval of any other Owners or the Association or Mortgagees of Record, for whatever reason, at any time prior to December 31, 1987.

Anything herein to the contrary notwithstanding, Declarant reserves the right and power to record an amendment to this Declaration at any time from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Units, (iii) to correct clerical or typographical errors in the Declaration or any exhibit thereto, (iv) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations, (v) to amend the Declaration so as to establish a date certain as to Declarant's termination of control of the Association as provided in Section 11.3, and (vi) to restate or compile all previous amendments into a single document.

As provided in Sections 4.1 and 126.1, as long as it is deemed the Owner of any Common Area, Community Common Area or Sports Facility, Declarant reserves the right to add to any existing Common Area, Community Common Area or Sports Facility or construct additional Common Areas, Community Common Areas or Sports Facilities.

Further, Declarant may change the arrangement of any Common Area or Community Common Area provided that the necessary consent of the Owners has been obtained consistent with Section 4.1.

Declarant has the right to unilaterally effectuate any such amendments to this Declaration as may be necessary or required in Declarant's sole discretion, to effectuate such actions, provided that such amendment shall not increase the proportion of Common Expenses borne by Owners, decrease an Owner's voting rights or decrease the size of an Owner's Interest.

In addition, pursuant to Section 7.4, prior to the Turnover Date, the Declarant reserves the right and power to record an amendment to this Declaration to establish additional categories of properties and ratios for the allocation of the Association Assessment for such additional categories.

In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to such amendments on behalf of each Owner. Each deed, Membership certificate, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and record such amendments. The right and power to make such amendments hereunder shall terminate at such time as the declarant is no longer vested with or controls

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title to any interest in the Development.

Any such amendments to this Declaration shall become effective upon the recording in the Office for Recording of Deeds, Luzerne County, Pennsylvania, of an instrument executed by Declarant, setting forth the text of such amendment in full, together with the appropriate recording data for this Declaration. Such amendment need only be executed and acknowledged by Declarant, and need not be consented to by any Owners, Community Association, the Association, any Mortgagees of Record, lienholders or any other parties.

Notwithstanding the above, a Community Declaration shall be amended only as provided in each respective Community Declaration.

Witnesses

BEECH MOUNTAIN LAKES CORPORATION

[Signature]
[Signature]

By: [Signature]
Title: Vice-President

COMMONWEALTH OF PENNSYLVANIA:

COUNTY OF LUZERNE:

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, Barry R. Miller, who upon oath, acknowledged himself to be Vice-President of BEECH MOUNTAIN LAKES CORPORATION, a corporation, the within-named person with whom I am personally acquainted, and who acknowledged that he executed the within and foregoing instrument for the purposes therein contained, he being authorized so to do the purposes therein contained, he being authorized so to do as Vice-President of said corporation.

Witness my hand and official seal of office on this the 20th day of December, 1985.

[Signature]
Notary Public

My commission expires: _____

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Exhibit D

Exhibit D Purchasers as defined in Section 7.4(d) of the Third Amendment to the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes

The following persons purchased lots from Beech Mountain Lakes Corporation between March 1985 and December 1985.

<u>Lot/Section</u>	<u>Owner</u>	<u>Lot/Section</u>	<u>Owner</u>
75/4	Anderson, Dolores T.	11/9	Collins, Brian R. & Debra Lynn
43/7	Ansbach, Paul M. & Jean M.	101/1	Donaldson, Louis & Joann
28/5	Avellino, Ronald T.	100/1	De Michielli, Roberto & Kimberly A. Kern
13/8	Baylor, John P. & Phyllis J.	3/2	Damon, James R. Jr. & Christine
27/13	Bavaria, Ernest A. & Vincenza	78/12	Dortch, John M. & Patricia K.
66/7	Barrett, Joseph J. & Sondra G.	92/12	Dorgan, Patrick
110/1	Barnett, Donald R. & Catherine H.	56/1	Dixon Ruth M.
1/9	Balliet, Maria E. & Ellis F. Cooley, Jr.	10/9	Dillman, Nelson Albert
72/8	Bordlemay, Paul A. & Fern L.	66/13	Dietrich, Timothy Sr. & Robin Ann
53/7	Bennett, William J. & Marjorie F.	68/13	Estus, Thomas A. & Shirley E.
53/8	Beltz, Paul E. & Joyce E.	86/8	Eosso, Rachel R.
4/2	Beideman, Ira W. & Mary H.	88/2	Erdman, William L. & Rhoda M.
5/9	Beahr, Thomas M. & Marion A.	5/1	Engle, Herbert R. & Patricia K.
94/1	Birtell, Leonard M. & Florence M.	12/1	Fisher, Lloyd W. & Susan K. Ham
63/6	Birt, Richard B. & Evelyn E.	62/13	Fisher, Frederick K. & Nancy
88/12	Boyer, Lawrence E. & Irene J.	41/9	Fidler, Charles M. & Linda
74/6	Boyles, Gene E. & Marilyn D.	17/8	Fellin, Edward R. & Michele T.
80/12	Bradley, Connie L. & Gregory F. Famularo	29/1	Furman, Terry L. & Cindy L.
42/9	Brandreth, Richard H. & Roberta Meyborg	9/1	Fronk, Dale E. & Jean M.
7/12	Brennan, Michael W. & Joan	15/8	Gantz, Ronald J. & Donna M.
115/2	Brucker, Henry J. Jr. & Mary C.	14/8	Gantz, Ronald J. & Donna M.
56/13	Buchman, Harry M. & Rosann M.	7/11	Garner, Glenn C. & Christina M.
23-24/14	Casey, Terry W. & Alfonso Rossi	67/13	Gasper, Robert P. & Rosemary P.
32/1	Catani, Joseph & Janet M.	75/3	Gehris, Darrel K. & Doris V.
110/2	Clark, Stephen James & Susan Elaine	83/1	George, Albert J. & Anita M. Van Dyke
104/1	Chung, Myung Jin & In Ae	31/5	Golubov, Alexander & Elena
81/8	Chulock, Alex & Dorothy L. Constance	30/1	Graber, Alford C. & Antoinette M.
23/1	Cheil, William J. & Louisa J. Fritz	84/12	Gray, Irene C.
42/7	Cheatham, Charles M. & Jeannie D.	24/5	Grisham, Kriss K.
91/2	Crispell, Robert J.	54/1	Grohoski, Jane L. & Frank W.
		107/1	Guiry, Michael J. & Maureen F.
		10/1	Harley, Jeanty & Teresa M.

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<u>Lot/Section</u>	<u>Owner</u>	<u>Lot/Section</u>	<u>Owner</u>
1/9	Cooley, Ellis F. & Maria E. Balliet	82/2	Hartzel, Harry E. & Esther G.
16/1	Helwig, Mark E. & Priscilla J.	20/1	Marcheski, Thomas H. & Ann M. Bonacci
3/1	Hineline, Thomas E. & Elaine E.	89/3	Marino, Thomas P. & Maureen P.
20/9	Hoffmaster, Brent K. & Ruth A.	34/9	Martiadis, Dimitrios & Barbara
89/2	Hoffer, Russell L. & Barbara A.	24/8	Martin, Nathaniel & Joanne P.
55/4	Holzman, Joan M.	26/1	Martin, Thomas R. & Mary Jean
55/9	Houseknecht, Alan Paul & Jane Louise	87/4	Martine, Mark A.
69/13	Horensky, Robert A. & Maybert J.	2/11	Marzolino, Mark C. & Joanne
15/1	Huggler, Charles D. & Elizabeth	82/8	Matuszak, Marion S.
36/9	Hunter, Robert J. & Beverly A.	111/2	Maurer, Earl G. & Louise E.
13/1	Irwin, Fred H. & I. S. Jaconski, Robert S. & Carol A.	29/13	Mayka, Thomas J. & Lillian M.
22/9	Jaconski, Robert S. & Carol A.	61/13	McCoy, Norman R. & Candida
44/9	Jamison, George C. & Mary Lee	9/1	McPall, Ray & Harlene E.
79/8	Jensen, William C. & Diane	47/13	McCloy, Robert S. & Virginia L. W.
46/9	Johnson, Charles W. & Carolyn E.	101/1	McCracken, Theribert & Barbara
2/2	Johnson, John S. & Bonnie L.	84/4	McKinzie, Randy
11/7	Justice, James E. Sr. & Ruth A.	3/11	Metz, William D.
71/12	Kane, William J. & Margaret M.	73/4	Morrow, Richard C.
92/2	Katz, Jamie P. & Linda S. Goldberg	8/8	Michalik, Joseph Jr. & Darlene
98/1	Keer, Andrew Martin & Wendy Jean	116/1	Kinnich, Edwin W. & Barbara A.
28/1	Kehley, Cary A. & Mary Lou	8/9	Morrow, Mildred A.
64/6	Kennedy, James W. & Pauline C.	63/7	Mohr, Harry G. & Linda A.
67/6	Kershner, George C. & Brenda L.	43/9	Moore, Gregory
69/6	Ketcho, Ann	43/4	Mordan, John T. & Nancy L.
65/13	King, Curtis W. & Linda M.	57/9	Murray, John B. & Lydia
57/7	Kotch, John W. & Bonnie A.	10/14	Myslowski, Edward J. & Helen
61/6	Kline, Ronald & Anica	32/5	Naumov, Paul & Luba
66/4	Kokinda, Harlene T.	108/1	Oldroyd, Albert
83/8	Kravitz, John B.	82/4	Oldzienjewski, T. R. & Mildred E.
9/1	Kreitz, Todd A. & Cynthia L.	75/6	Onisick, John C.
68/6	Lamoreaux, K. E. & Stephanie Rush	59/13	Pape, Carl T. & Carmella A.
85/6	Lashway, Lloyd W. & Darda B.	14/9	Perlman, Daniel M. & Georgene A.
92/1	Lawhon II, Zim E. & Maryann Smith	48/14	Price, Arthur L. & Laurie A.
28/13	Kao-Hsing, Lu & Kei Teresa Hsu	29/8	Paresa, George N. Jr. & Nancy
46/13	Luchi, Louis H. & Edith	40/4	Parker, Rand R. & Gerry C.
55/13	Lutz, Robert J. & Cheryl A.	30/8	Peck, Alois C. Jr. & Mary Frances
		4/1	Peduto, Edward P. & Anna Rose
		29/5	Perry, Ronald V.
		52/14	Petko, Joseph S. &

<u>Lot/Section</u>	<u>Owner</u>	<u>Lot/Section</u>	<u>Owner</u>
38/1	Mack, Elwood G. & Kay E.	45/9	Petrtsch, Fred H. & April E.
64/13	Manning, Henry P. III	1/6	Tertaccino, Luke J.
8/1	Pettit, Carrie C.	96/2	Thomas, Elizabeth A.
106/2	Platn, Mary Jane	80/8	Thompson, Harold J. & Florence E.
22/14	Price, Thomas A.	70/13	Tighe, James J. & Louise A.
12/8	Purnell, Richard N.	25/1	Turko, John J. & Mary Ann.
60/7	Reifsteck, Dr. Carole S.	16/14	Ulicny, Leo T. & Jean
47/7	Rickert, Erwin H.	94/1	Van Dyke, Anita M. & Albert J. George
44/9	Rink, Myrtle A. & Vernon F.	15/11	Wanser, Ronald H. & Diane J.
55/7	Robinson, Peter E. & Lucille L.	20/14	Wardingo, Walter & Josephine I.
23-24/14	Rossi, Alfonso & Terry W. Casey	50/8	Warrick, David P. & Doris R.
74/8	Roy, Daniel A. & Marilyn A.	1/11	Warunek, William V. & Audrey T.
68/6	Rush, Stephanie & K.E. Lamoreaux	55/1	Waschek, John F. & Kathleen Ann D.
12/7	Rydzewski, Arline J.	77/8	Wasilko, Frank & Roxann Y.
24/1	Saracino, Claude J. & Lillian M. Nichols	72/4	Weaver, Paul L., Jr. & Betty M.
26/9	Sarnecki, Conrad J. & Geraldine A.	99/1	Webb, Terry M.
26/7	Satterwhite, Edward P. & June B.	58/1	Welsh, David B.
22/8	Schuh, Claire L.	27/8	Wertz, Matthew
5/1	Screyer, Ralph C. & Marie D.	111/1	Arlington & Rose Marie Ruser
14/1	Seabra, Morris C. & Adale K.	76/6	Wesner, Robert L. & Marlene B.
76/4	Seller, Matthew J. & Violet M.		Westcott,
80/4	Sharretts, Eleanor C.		Weybrecht, Lawrence A. & Nancy M.
26/14	Shiffer, William J. & Altheda M.		Weybrecht, Lawrence A. & Nancy M.
Richard J. 77/4	Shaffer, William M. & Yolanda A.	13/8	Williams, Kathleen E. & Thomas J. & Barbara
59/1	Sienkiewicz, Mary	51/13	Wheeler, Harold W. & Martha
103/1	Simon, Frank H. & Virginia E. Simon-Schutter	54/7	Whitehead, Edward E. & Diane M.
2/1	Sirko, Michael A. & Jean M.	25/7	Whitmer, James R. & Christine T.
30/5	Skelton, Dennis A. & Christine M.	91/12	Wiggins, Robert D. & Patsy P.
37/1	Slahor, Rudolph & Helen D.	74/4	Wise, Ronald W. & Carol
7/1	Smink, Oliver Lee & Helen B. Keefer	84/2	Woodhead, North A. Jr. & Muriel E.
58/9	Snayberger, Clarence L., Jr. & Dorothy I.	58/13	Wright, William A.
60/9, 53/9	Snyder, Carl L. & Mary Ellen	16/8	Yakshe, John R. & Veronica A.
51/7	Stalker, Harold K. & Ann B.	48/7	Yale III, Dominic
83/4	Steinman, Harry E. & Theresa A.	60/13	Thomas & Pamela
46/7	Stewart, Clinton E. & Virginia A.	56/9	Beishline
21/13	Stoudt, Gladys L.	71/8	Yeager, Charles E. & Donna M.
30/13	Subido, Lorenzo & Clarita C.	45/	Yeagley, Clarence R.
70/4	Sunshine, Herbert I. &		Yerger, Robert C. & Esterlene

<u>Lot/Section</u>	<u>Owner</u>	<u>Lot/Section</u>	<u>Owner</u>
		1/1	Young, John A. & Cynthia L.
41/7	Taraboletti, Edward & Susan L.	75/8, 84/8	Ziegler, Donald
61/7	Tarnowski, Edward A.	25/8	Zimmerman, Matthew B.
42/14	Zuccarini, Antonia L.	24/9	Shobe, Ernest L. & Virginia E. Harding
75/11	Wood, Mark W.	50/4	Shumski, Valerie H.
19/14	Yanochko, Andrew & Loretta H.	59/9	Snyder, Mary Ellen & Carl L.
47/9	Wetzel, Rodney W. & Mary Ellen T.	60/9	Snyder, Carl L. & Mary Ellen
47/13	White, William H. & Jean H.	26/5	Ropp, George E. & Carolyn A.
7/8	White, William V. & Kathleen M.	13/10	Royston, James Douglas
91/4	Whitlock, Jeffrey P.	18/5	Salter, Wayne F. & Leona R.
103/2	Wilhour, William J.	7/10	Sakenoff, Ronald D. & Donna R. Austin
55/4	Winter, Laura P.	49/14	Scheicher, Stephen H.
4/11	Witmer, Stewart A. & Barbara E.	72/3	Schmoyer, Woodrow G. & Phyllis M.
10/10	Wojnar, Fran J.	37/11	Schucker, Robert L. & Patricia A.
51/4	Walker, Rex E. Sr. & Doris L.	68/4	Scoons, Jacqueline D. & Steven P. Ortiz
73/8	Wark, Larry A. & Dorothy M.	31/8	Rauch, Earl D. Sr. & Florence A.
39/5	Wasielewski, Norman J. & Helen & Susan Witmer	29/9	Reedy, Ralph E. & Susan, J.
87/3	Weber, Dean K. & Elizabeth M.	31/8	Reigel, Johnny E. & Cindy L.
77/10	Heltmer, R. Donald & Marilyn J.	79/4	Ringheiser, Paul P. & Grace M.
59/14	Wenger, Norman E.	7/12	Robinson, Elwood & Louise A.
11/14	Wenger, Norman E.		Rodriguez, Rodolfo E. & Alicia G.
1/8	Wesner, John R. & Nancy		Roman, Carlos M.
75/5	Teetsell, William & Elaine	99/2	Roney, C. Michael
12/14	Thomas, John P. & Karen E.	46/6	Popp, Penelope J.
9/11	Tonelis, Edward J. & Betty J.	97/2	Powers, Franklin W. & Helen H.
13/9	Troutman, Hyal C. & Betty E. George	26/8	Prettyman, William O. & Julia A.
69/4	Urenovich, Donald B. & Paulette	22/5	Price, Marilyn E.
11/8	Urstadt, Rose Ann	129/1	Pyle, Robert W. & Marlene K.
106/2	Vetrulli, Michael J.	8/5	Raikkonen, Nestor J.
6/8	Wahly, Julian V. & Janet D.	5/14	Raker, Edward K.
53/9	Snyder, Carl L. & Mary Ellen	15/5	Rauch, Earl D. Jr.
42/8	Spencer, Michael R. & Judith P.	33/11	Petrakis, Stanley W.
7/2	Spring, Floyd J. & Sharon L.	54/12	Piccola, James Jr. & Andrea S.
26/6	Staples, Clair H. & Phyllis R.	27/9	Piccola, Lawrence L. & Barbara A.
63/13	Stehr, Chester I. & Ruby J.	49/2	Piccola, Robert J. & Ruthanne
36/11	Stevens, Paul T. & Helen M.	46/4	Pieczynski, Paul B. & Tom A.
23/5	Stuber, Paul E. & Linda K.	80/3	Pierce, Donald L. & Grace C.
40/5	Swartz, Carl A. & L. Faye	59/8	Pocono Resort Properties
60/4	Sensenig, Kenneth E. & Sandra L.	36/8	Poole, Walter L. Jr.
3/8	Thafer, Lamar H. & Tina L.	34/14	O'Brien, Curtis J. & Mary Ann
61/4	Staffer, Scott, Jr. & Iva L.	27/14	Oman, Gene E. & Joan E.
56/1	Shelley, Permit E.	58/5	Osborne, Robert
		72/5	
		39/1	
		15/14, 63/14,	

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<u>Lot/Section</u>	<u>Owner</u>	<u>Lot/Section</u>	<u>Owner</u>
39/6	Palmer, Allan C. & Doris F.	4/14	Jones, Leonard B. Beverly A.
41/4	Paul, Roney L. Sr. & Evelyn L. & Ricky L. Henb & Wanda J.	60/7 17/14	Juneau, Janet L. Kelly, Timothy P. Mary A.
86/4	Peacock, David H. & Arlene M. Krupa	38/4	Kissinger, Leroy Carol J.
11/10	Peake, Mark D. & Miriam D.	95/2	Kleeman, Gail Frederick
2/6 66/12 14/10	Perilla, Ralph L. Miller, Joseph C. Montgomery, Matthew A. & Lisa R.	67/12 78/3	Kline, James B. & Eleanor B. Kuhns Brothers Lu Company, Inc.
88/3	Horse, Ronald H. & Shirley Ann	123/1	Knapp, Susanne T. Ronald G.
76/10	Hoss, Arthur H. & Frank J. Geroski	36/14	Honorowski, Komua Caroline M.
37/6	Hucha, John J. & Pamela K.	32/9, 33/9	Horst, Sara H. & August Schruppf
26/9	Munnelly, Kevin A. & Maryanne Kerner	48/2	Hovenstine, David & Kelly M.
30/6	Musser, Charles M. & Margaret E.	78/2	Hummelbaugh, Rich H. Jr. & Marsha E.
12/9	Newswanger, Samuel Z. & Sara B.	119/2	Hunt, Edward J. & Jeanne
41/8	MacNeil, Richard L. & Gwen A.	39/9	Jackmon, Thomas A. & Helen R. & Basil
38/11	Magdasy, Thomas W. & Marjorie F.	38/9	Jackmon, Thomas A. & Helen R. & Basil
19/4	Maiores Marys K. & Annette J. Hill	50/13	Harman, Joseph C. & Deborah I.
125/2	Majusiak, Thomas M. & Patricia	33/5	Heffernan, James J. Elizabeth
114/1 20/1	Marcheski, Thomas W. Marcheski, Thomas W. & Ann M. Bonacci	40/14 89/3	Behmeyer, Tommy L. Janice G.
4/5	Martin, David R. & Dar Ice A.	30/9 35/4	Beiser, Daniel E. Deborah
41/5 11/12	McGreevy, Liam Leauber, Marvin C. & Carolyn E.	49/9	Hetger, Willie Mae Binkle, Robert J. Leanne
70/8	Lehner, George F. & Edith A.	50/9	Hoff, Lawrence A. Barbara J.
63/4	Lewis, David E. & Dawn H.	92/2	Hoff, Lawrence A. Barbara J.
40/8	Long, Joseph F. & Sandra A.	48/4	Fulkersin, Jesse L. Catherine R.
26/11 29/11 30/11 19/9	Lucia, George Lucia, George Lucia, George J. MacCarella, Louis A. & Lillian H.	21/9 61/14	Furman, Edward P. Barbara B. & Frank & Valerie L. Gekas, Paul & Euginia
43/14 18/8 31/9	Kosack, Robert S. Kost, Joseph & Helen Landis, Robert & Nancy M.	9/14 8/10	Gengler, Thomas E. Eleanor M. Gensel, Samuel Actl & Arlene Helene
49/4 47/4 112/2	Langjahr, William Laputka, John J. Laude, Gerard, Sr. & Ella Mae	86/6 72/12	Gonzalez, Pedro A. Hilda I. Goodwin, William Edward & Matilda R.
5/1	Leakey, Greg S. & Robin D.	37/9 71/3	Haberle, Samuel & Patricia A. Evansky, Patricia & Evans, Mark H. & Marlon B.
61/30	Leauber, Leslie L. & Johanna J. Morrill		

2180 630

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<u>Lot/Section</u>	<u>Owner</u>	<u>Lot/Section</u>	<u>Owner</u>
63/3	Fedorowich, Peter J. & Constance H.	48/9	Berger, Ira and Sons, Inc.
19/7	Feller, Ronald & Irwin A. Zamore	23/12	Best, Joseph Rodney & Carolyn C.
25/19	Fellin, Frank S.	69/8	Bickel, Carl J. & Jennie L.
84/6	Ferko, Patricia J.	67/8	Bickel, Jennie L.
36/12	Fitzgerald, Lynn H. & Betty H.	109/2	Bielski, Walter H. & Rosemary E.
9/7	Frey, Robert E. & Echel H.	5/6	Blackner, John H. & Jean A.
72/11	Dorrin, George E. & Joyce E. & Denis E.	57/5	Bonacuse, Peter J. & Eleanor E.
21/14	Dougherty, Edward J.	18/9	Bonsall, Donald A. & Shirley J.
9/10	Dougherty, James F.	90/3	Achey, Eric & Judith & Nancy
65/3	Dreher, Stephen T. & Beverly E.	76/3	Abelousky, Conrad J. & Debra J.
45/7	Ehmer, James C. & Cheryl L.	35/11	Antoine, Ray & Donna M.
25/5	Enoch, Joan E. & Stephen R. Taber	26/8	Arnold, Roy A. & Mary E.
3/11	Essex, Theodore H. & Helen C.	49/10	Baker, Beverly A. & Harris E.
10/11	Etheridge, Michael E. & Pamela E.	43/8	Bearden, Drake P. & Cindy F.
5/11	Dennin, Joseph A. Sr. & Catherine C.	40/9	Beneenek, Leo R. & Mary L.
16/11	DeSendi, Frank E. & Mary E.	17/5	Bennett, Raymond & Joanne
23/9	Diamtonio, Anthony & Debbie	21/8	Derr, Jose F. & Sherri L.
6/12	Dolinak, Patrick J. Jr. & Cynthia A.	4/9	Craig, Salvadore V.
19/8	Domin, Lawrence J. & Lorraine R.	81/12	Gadola, Joseph A. & Barbara J.
20/8	Domin, Lawrence J. & Lorraine R.	59/4	Daye, Robert & Kerrick, Sharon
31/14	Dorrin, George E. & Joyce E.	71/7	Whitt, Jr. Paul E. & Doris M.
30/14	Dorrin, George E. & Joyce E.	38/8	Bartenope, Sharon & Bredbenner, Richard
105/2	Conroy, Cynthia A.	93/12	Bennecoff, James & Pauline
64/3	Boyer, Eugene I. & Coran, Paul L. &	27/7	Brobst, Joseph H. & Erlida D.
10/7	Brooks, Mildred E.	37/5	Kline, Clinton & Gloria H.
13/53	Brown, Robert D.	4/9	Daywalt, Timothy & Donna M.
65/4	Cesarlo, Gloria	6/11	Wood, Barry
13/49	Christman, Warren J. & Minnie	20/7	Senchak, Rick G., Jr. & Ostronsky, T. R.
16/5	Conner, Tammy K.	46/13	Steffy, Lee L. & Judith R.
48/10	Lucille J.	93/12	Bieber, Ralph W. II & Cheryl A.
79/3	Cortese, Nicholas J. & Helen	61/4	Mitchell, Betty G. & Cathy E. & Larry V.
102/2	Coughlin, David J. & Joyce	26/5	Higgins, Thomas J.
39/12	Cross, Roger E. & June R.	88/4, 27/4	Fisher, Richard A. & Kathleen A.
16/9	Darrow, Enrico J. & Kathy J.	82/12	Moyer, C. H. Jr.
91/3	Dasilva, Avelino F.	36/13	D'Amato, Peter D.
21/8	Derr, Jose F.	74/8	Price, Marilyn L.
52/13	Busco, Nicholas J.	42/9	Chesla, Joseph T.
1/12	Bower, David P. & Betty		
42/5	Heintz, Frederick		

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LOT/SECTION

OWNER

50/14	Schleicher, Steven M.
2/10	Lidbinski, David S.
93/10	Zaou, Jack Walter
117/1	Sheetz, Robert L.
85/4	Miller, Joseph C.
3/10	Rohal, Michael J.
96/4	Vernon, John
4/10	Rohal, Michael J.
70/6	Park, Sterling J.
98/10	Krouse, Irwin O.
44/13	D'Amato, Peter D.
43/13	D'Amato, Peter D.
35/5	Posey, Larry D.
28/7	Bingaman, Bruce K.
104/2	Carabello, William
67/3	Klinger, Matthew E.
70/6	Middlesworth, Robert
118/1	Steiner, Richard
46/13	Girton, Richard

2180 632

ENTERED
at 11:05A
DEC 30 1985
2556
Frank C. ...
RECORDER

Attn: Barry Gubler
Beach Mountain Lakes Corp
P.O. Box 160
Drexel Pa 18220-0160

Office for Recording of Deeds
Berks County, Pennsylvania
No. 2556 Page 62
Witness my hand and seal of office this 30th
day of December 1985.
Frank C. ... Recorder

2180-633

FOURTH AMENDMENT TO
DECLARATION OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS
FOR
BEECH MOUNTAIN LAKES

THIS FOURTH AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS RESERVATIONS AND CONDITIONS FOR BEECH MOUNTAIN LAKES ("Fourth Amendment to the Declaration") made as of this 30 day of October, 1987, by BEECH MOUNTAIN LAKES CORPORATION, a Pennsylvania corporation, for itself and its successors and assigns ("Declarant").

WHEREAS, Declarant is the owner of the real property now known as "Beech Mountain Lakes" (formerly known as "Lake of the Four Seasons"), a subdivision situated in the Townships of Butler, Foster and Dennison in Luzerne County, Pennsylvania, which real property is hereinafter referred to as the "Development", and;

WHEREAS, the Declarant has heretofore filed the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes ("Declaration"), which Declaration was recorded on May 1, 1985, in Book 2158, Pages 1028-1103 in the Office for Recording of Deeds, Luzerne County, Pennsylvania; and amendments thereto on May 17, 1985, in Book 2159, Pages 502-504 in the Office for Recording of Deeds, Luzerne County, Pennsylvania; on October 23, 1985, in Book 2174, Pages 428-434 in the Office for Recording of Deeds, Luzerne County, Pennsylvania; and on December 30, 1985, in Book 2180, Pages 622-633 in the Office for Recording of Deeds, Luzerne County, Pennsylvania.

WHEREAS, Section 21.4 of the Declaration provides that the Declarant, may amend the Declaration, for whatever reason, at any time prior to December 31, 1985;

NOW THEREFORE the Declaration is amended only as set forth in this Fourth Amendment to the Declaration. Those Sections or subparagraphs thereof contained herein shall supplant and replace the Sections or subparagraphs thereof which bear the same Section or subparagraph number. All other terms of the Declaration not changed by this Fourth Amendment to the Declaration shall be effective as of, and relate back to, the date of recordation of the Declaration in the Office for Recording of Deeds, Luzerne County, Pennsylvania, as amended.

Section 21

21.4 Amendment by Declarant. Declarant reserves the right to amend this Declaration, without the approval of any other Owners or the Association or Mortgagees of Record, for whatever reason, at any time prior to December 31, 1989.

Anything herein to the contrary notwithstanding, Declarant reserves the right and power to record an amendment to this Declaration at any time from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Units, (iii) to correct clerical or typographical errors in the Declaration or any exhibit thereto, (iv) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations, (v) to amend the Declaration so as to establish a

date certain as to Declarant's termination of control of the Association as provided in Section 11.3, or (vi) to restate or compile all previous amendments into a single document.

As provided in Sections 4.1 and 126.1, as long as it is deemed the Owner of any Common Area, Community Common Area or Sports Facility, Declarant reserves the right to add to any existing Common Area, Community Common Area or Sports Facility or construct additional Common Areas, Community Common Areas or Sports Facilities.

Further, Declarant may change the arrangement of any Common Area or Community Common Area provided that the necessary consent of the Owners has been obtained consistent with Section 4.1.

Declarant has the right to unilaterally effectuate any such amendments to this Declaration as may be necessary or required in Declarant's sole discretion, to effectuate such actions, provided that such amendment shall not increase the proportion of Common Expenses borne by Owners, decrease an Owner's voting rights or decrease the size of an Owner's Interest.

In addition, pursuant to Section 7.4, prior to the Turnover Date, the Declarant reserves the right and power to record an amendment to this Declaration to establish additional categories of properties and ratios for the allocation of the Association Assessment for such additional categories.

In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to such amendments on behalf of each Owner. Each deed, Membership certificate, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and record such amendments. The right and power to make such amendments hereunder shall terminate at such time as the Declarant is no longer vested with or controls title to any Interest in the Development.

Any such amendments to this Declaration shall become effective upon the recording in the Office for Recording of Deeds, Luzerne County, Pennsylvania, of an instrument executed by Declarant, setting forth the text of such amendment in full, together with the appropriate recording data for this Declaration. Such amendment need only be executed and acknowledged by Declarant, and need not be consented to by any Owners, Community Association, the Association, any Mortgagees of Record, lienholders or any other parties.

Notwithstanding the above, a Community Declaration shall be amended only as provided in each respective Community Declaration.

Witnesses

[Signature]
[Signature]

BEECH MOUNTAIN LAKES CORPORATION

By:

Title:

[Signature]

COMMONWEALTH OF PENNSYLVANIA:

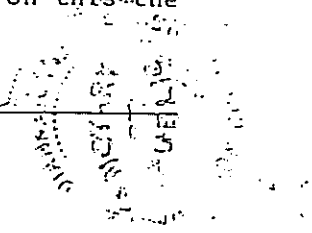
COUNTY OF LUZERNE:

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, KENNETH E. HENDRYCY, who upon oath, acknowledged himself to be VICE PRESIDENT of BEECH MOUNTAIN LAKES CORPORATION, a corporation, the within-named person with whom I am personally acquainted, and who acknowledged that he executed the within and foregoing instrument for the purposes therein contained, he being authorized so to do for the purposes therein contained, he being authorized so to do as VICE PRESIDENT of said corporation.

Witness my hand and official seal of office on this the 30th day of October, 1987.

James Lane
Notary Public

My commission expires: 3/22/88

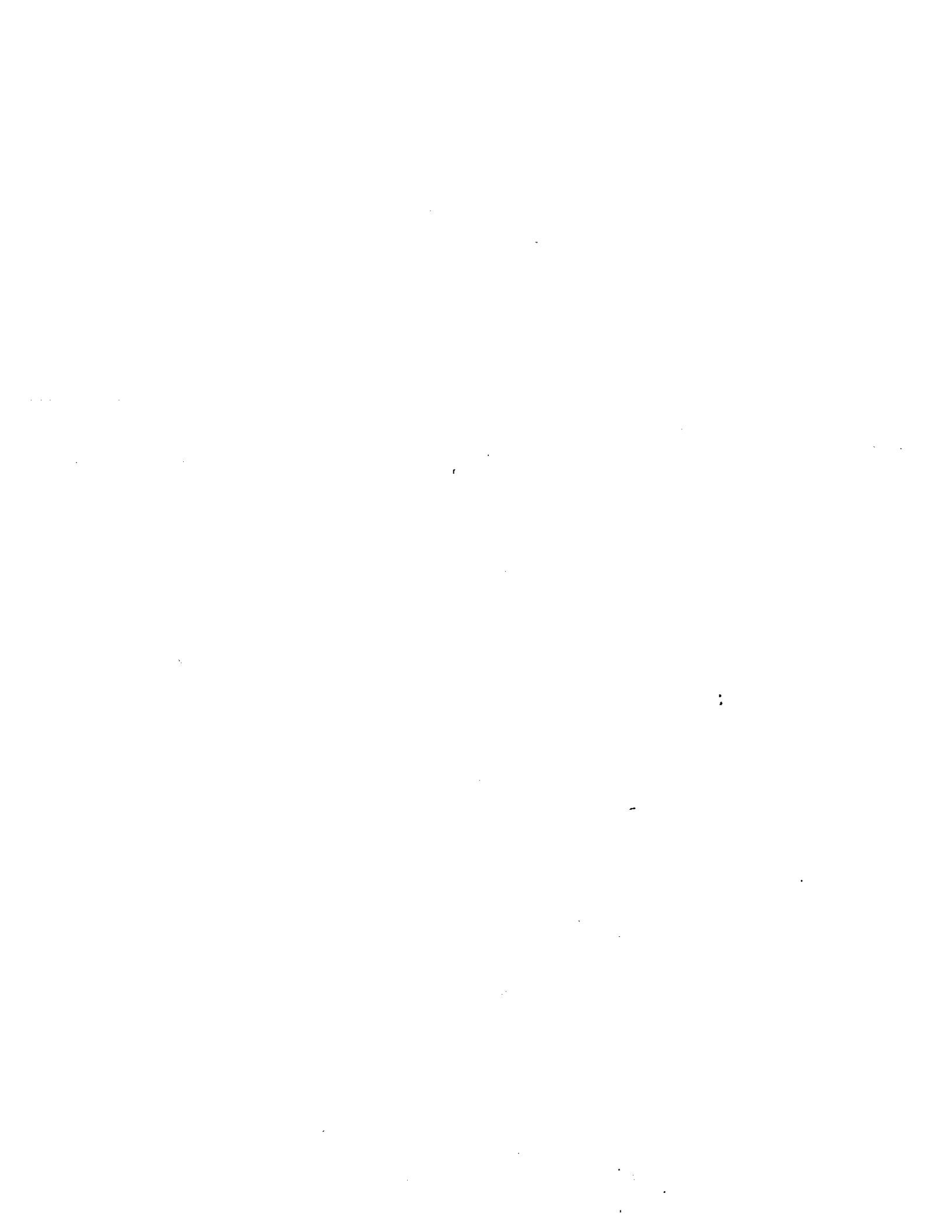


1987

RECORDED
13 PM
OCT 31 1987

PA. GA. ...
Notary Public

BOOK 2251 PAGES 729



FIFTH AMENDMENT TO
DECLARATION OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS
FOR
BEECH MOUNTAIN LAKES

THIS FIFTH AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS,
EXCEPTIONS, RESERVATIONS AND CONDITIONS FOR BEECH MOUNTAIN LAKES
("Fifth Amendment to the Declaration") made as of this 20 day of
September, 1989, by BEECH MOUNTAIN LAKES CORPORATION, a Pennsylvania
corporation, for itself and its successors and assigns ("Declarant").

WHEREAS, Declarant is the owner of the real property now known as
"Beech Mountain Lakes" (formerly known as "Lake of the Four Seasons"),
a subdivision situated in the Townships of Butler, Foster and Dennison
in Luzerne County, Pennsylvania, which real property is hereinafter
referred to as the "Development", and;

WHEREAS, the Declarant has heretofore filed the Declaration of
Protective Covenants, Exceptions, Reservations and Conditions for Beech
Mountain Lakes ("Declaration"), which Declaration was recorded on May
1, 1985, in Book 2158, Pages 1028-1103 in the Office of Recorder of
Deeds, Luzerne County, Pennsylvania; and amendments thereto of May 17,
1985, in Book 2159, Pages 502-504 in the Office of Recorder of Deeds,
Luzerne County, Pennsylvania; on October 23, 1985, in Book 2174, Pages
428-434 in the Office of Recorder of Deeds, Luzerne County,

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Pennsylvania; on December 30, 1985, in Book 2180, Pages 622-633 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and on November 13, 1987, in Book 2251, Pages 727-729 in the Office of the Recorder of Deeds, Luzerne County, Pennsylvania.

WHEREAS, Section 21.4 of the Declaration provides that the Declarant, may amend the Declaration, for whatever reason, at any time prior to December 31, 1989.

NOW, THEREFORE, the Declaration is amended only as set forth in this 5th Amendment to the Declaration. Those Sections or subparagraphs thereof contained herein shall supplant and replace the Sections or subparagraphs thereof which bear the same Section or subparagraph number. All other terms of the Declaration not changed by this 5th Amendment to the Declaration shall be effective as of, and relate back to, the date of recordation of the Declaration in the Office of Recorder of Deeds, Luzerne County, Pennsylvania.

Section 21

21.4 Amendment by Declarant.

Declarant reserves the right to amend this Declaration, without the approval of any other Owners or the Association or Mortgagees of Record, for whatever reason, at any time prior to December 31, 1992.

Anything herein to the contrary notwithstanding, Declarant reserves the right and power to record an amendment to this Declaration at any time from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Units, (iii) to correct clerical or typographical errors in the Declaration or any exhibit thereto, (iv) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations, (v) to amend the Declaration so as to establish a date certain as to Declarant's termination of control of the Association as provided in Section 11.3, or (vi) to restate or compile all previous amendments to a single document.

As provided in Sections 4.1 and 126.1, as long as it is deemed the Owner of any Common Area, Community Common Area or Sports Facility, Declarant reserves the right to add to any existing Common Area, Community Common Area or Sports Facility or construct additional Common Area, Community Common Areas or Sports Facilities.



Further, Declarant may change the arrangement of any Common Area or Community Common Area provided that the necessary consent of the Owners has been obtained consistent with Section 4.1.

Declarant has the right to unilaterally effectuate any such amendments to this Declaration as may be necessary or required in Declarant's sole discretion, to effectuate such actions, provided that such amendment shall not increase the proportion of Common Expenses borne by the Owners, decrease an Owner's voting rights or decrease the size of an Owner's Interest.

In addition, pursuant to Section 7.4, prior to the Turnover Date, the Declarant reserves the right and power to record an amendment to this Declaration to establish additional categories of properties and ratios for the allocation of the Association Assessment for such additional categories.

In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to such amendments on behalf of each Owner. Each deed, Membership certificate, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Declarant to make, execute and record such amendments. The right and power to make such amendments hereunder shall terminate at such time as the Declarant is no longer vested with or controls title to any Interest in the Development.

Any such amendments to this Declaration shall become effective upon the recording in the Office of Recorder of Deeds, Luzerne County, Pennsylvania, of an instrument executed by Declarant, setting forth the text of such amendment in full, together with the appropriate recording date for this Declaration. Such amendment need only be executed and acknowledged by Declarant, and need not be consented to by and Owners, Community Association, the Association, any Mortgagees of Record, lienholders or any other parties.

Notwithstanding the above, a Community Declaration shall be amended only as provided in each respective Community Declaration.

BEECH MOUNTAIN LAKES CORPORATION

ATTEST

[Signature] Notary BY: *[Signature]*

6/27/00055:001
890912/1/rf

COMMONWEALTH OF : MISSISSIPPI

:

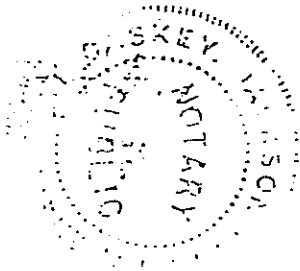
COUNTY OF : JACKSON

: SS.

:

On this, the 22ND day of SEPTEMBER, 1989, before me, the undersigned officer, personally appeared, KENNETH E. HENDRYCY, who acknowledged himself to be the VICE PRESIDENT of BEECH MOUNTAIN LAKE CORPORATION, a corporation existing under the laws of Pennsylvania and that he as such officer, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

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



J. H. Skey
NOTARY PUBLIC

My Commission Expires: 12-1-91

- 6 -

BOOK 2325 PAGE 99



SIXTH AMENDMENT TO
DECLARATION OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS
FOR
BEECH MOUNTAIN LAKES

THIS SIXTH AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS FOR BEECH MOUNTAIN LAKES ("Sixth Amendment to the Declaration") made as of this 25 day of November, 1992, by BEECH MOUNTAIN LAKES CORPORATION, a Pennsylvania corporation, for itself and its successors and assigns ("Declarant").

WHEREAS, Declarant is the owner of the real property now known as "Beech Mountain Lakes" ("Formerly known as Lake of the Four Seasons"), a subdivision situated in the Townships of Butler, Foster and Dennison in Luzerne County, Pennsylvania, which real property is hereinafter referred to as the "Development", and;

WHEREAS, the Declarant has heretofore filed the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes ("Declaration"), which Declaration was recorded on May 1, 1985, in Book 2158, Pages 1028-1103 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and amendments thereto of May 17, 1985, in Book 2159, Pages 502-504 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on October 23, 1985, in Book 2174, Pages 428-434 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on

December 30, 1985, in Book 2180, Pages 622-633 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on November 13, 1987, in Book 2251, Pages 727-729 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and on September 27, 1989 in Book 2325, at Page 94 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania.

WHEREAS, Section 21.4 of the last amended Declaration provides that the Declarant, may amend the Declaration, for whatever reason, at any time prior to December 31, 1992.

NOW, THEREFORE, the Declaration is amended only as set forth in this 6th Amendment to the Declaration. Those Sections or subparagraphs thereof contained herein shall supplant and replace the Sections or subparagraphs thereof which bear the same Section or subparagraph number. All other terms of the Declaration not changed by this 6th Amendment to the Declaration shall be effective as of, and relate back to, the date of recordation of the Declaration in the Office of Recorder of Deeds, Luzerne County, Pennsylvania.

Section 21

21.4 Amendment by Declarant.

Declarant reserves the right to amend this Declaration, without the approval of any other Owners of the Association or Mortgages of Record, for whatever reason, at any time prior to December 31, 1993.

Any such amendments to this Declaration shall become effective upon the recording in the Office of Recorder of Deed, Luzerne County, Pennsylvania, of an instrument executed by Declarant, setting forth the text of such amendment in full, together with the appropriate recording date for this Declaration. Such amendment need only be executed and acknowledged by Declarant, and need not be consented to by any Owners, Community Association, the Association, any Mortgagees of Record, lienholders or any other parties.

Notwithstanding the above, a Community Declaration shall be amended only as provided in each respective Community Declaration.

ATTEST:

BEECH MOUNTAIN LAKES CORPORATION

John Caskey, Atty Sec'y

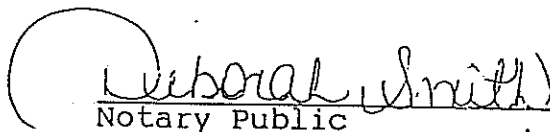
BY:

W. H. V. P.

COMMONWEALTH OF MISSISSIPPI)
) SS.
COUNTY OF JACKSON)

On this, the 25 day of November, 1992, before me, the undersigned officer, personally appeared, Kenneth E. Hendrycy, who acknowledged himself to be the Vice President of BEECH MOUNTAIN LAKES CORPORATION, a corporation existing under the laws of Pennsylvania and that he as such officer, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

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


Notary Public

My Commission Expires: 1-22-95

SEVENTH AMENDMENT TO
DECLARATION OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND
CONDITIONS FOR
BEECH MOUNTAIN LAKES

THIS SEVENTH AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS FOR BEECH MOUNTAIN LAKES ("Seventh Amendment to the Declaration") made as of this 15 day of JUNE, 1993, by BEECH MOUNTAIN LAKES CORPORATION, a Pennsylvania Corporation, for itself and its successors and assigns ("Declarant").

WHEREAS, Declarant is the owner of the real property now known as "Beech Mountain Lakes" ("Formerly known as Lake of the Four Seasons"); a subdivision situated in the Townships of Butler, Foster and Dennison in Luzerne County, Pennsylvania, which real property is hereinafter referred to as the "Development", and;

WHEREAS, the Declarant has heretofore filed the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes ("Declaration"), which Declaration was recorded on May 1, 1985, in Book 2158, Pages 1028-1103 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and amendments thereto of May 17, 1985, in Book 2159, Pages 502-504 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on October 23, 1985, in Book 2174, Pages 428-434 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on December 30, 1985, in Book 2180, Pages 622-633 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on November 13, 1987, in Book 2251, Pages 727-729 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and on September 27, 1989 in Book 2325, at Page 94 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania and as further amended.

WHEREAS, Section 21.4 of the last Amended Declaration provided that the Declarant ; may amend the Declaration; for whatever reason, at any time prior to December 31, 1993.

NOW, THEREFORE, the Declaration is amended on only as set forth in this 7th Amendment to the Declaration. Those Selections of subparagraphs thereof contained herein shall supplant and replace the Sections or subparagraphs thereof which bear the same Section or subparagraph number. All other terms of the Declaration not changed by this 7th Amendment to the Declaration

shall be effective as of, and relate back to, the date of recordation of the Declaration in the Office of Recorder of Deeds, Luzerne County, Pennsylvania.

SECTION 21

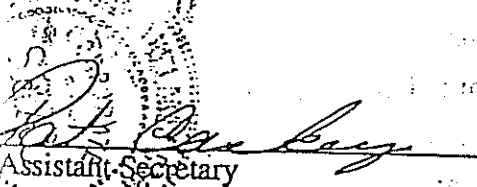
21.4 Amendment by Declarant

Declarant reserves the right to amend this Declaration, without the approval of any other Owners of the Association or Mortgages of Record, for whatever reason, at any time prior to December 31, 1994.

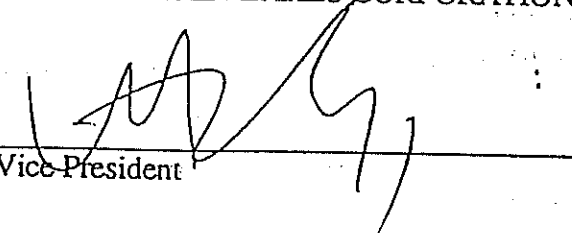
Any such amendments to this Declaration shall become effective upon the recording in the Office of Recorder of Deeds, Luzerne County, Pennsylvania, of an instrument executed by Declarant, setting forth the text of such amendment in full, together with the appropriate recording date for this Declaration. Such amendment need only be executed and acknowledged by Declarant, and need not be consented to by any Owners, Community Association, the Association, any Mortgagees of Record, Lienholders or any other parties.

Notwithstanding the above, a Community Declaration shall be amended only as provided in each respective Community Declaration.

ATTEST


Assistant Secretary

BEECH MOUNTAIN LAKES CORPORATION

BY: 
Vice President

STATE OF MISSISSIPPI)
) SS.
COUNTY OF JACKSON)

On this, the 15 day of June, 1993, before me, the undersigned officer, personally appeared, Kenneth E. Hendrycy, who acknowledged himself to be the Vice President of BEECH MOUNTAIN LAKES CORPORATION, a corporation existing under the laws of Pennsylvania and that he as such officer, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

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

Deborah Whitt
Notary Public

My Commission Expires: 1-22-95

Box 84

3006

JUN 24 1993

SEARCHED FOR RECORDS
9-457A

1993 JUN 24 AM 9:45
XX
X

RECORDED
& TAX PAID

Recorded in the office for Recording of Deeds,
& c. in and for Luzerne County, Pennsylvania,
in Deco
Book No. 8460 Page 316
Witness my hand and seal of office this 15 day of June
Frank C. [Signature]
Recorder

**EIGHTH AMENDMENT TO
DECLARATION OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND
CONDITIONS FOR
BEECH MOUNTAIN LAKES**

THIS EIGHTH AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS FOR BEECH MOUNTAIN LAKES ("Eighth Amendment to the Declaration") made as of this 1st day of November, 1994, by BEECH MOUNTAIN LAKES CORPORATION, a Pennsylvania Corporation, for itself and its successors and assigns ("Declarant").

WHEREAS, Declarant is the owner of the real property now known as "Beech Mountain Lakes" ("Formerly known as Lake of the Four Seasons"), a subdivision situated in the Townships of Butler, Foster and Dennison in Luzerne County, Pennsylvania, which real property is hereinafter referred to as the "Development", and;

WHEREAS, the Declarant has heretofore filed the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes ("Declaration"), which Declaration was recorded on May 1, 1985, in Book 2158, Pages 1028-1103, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and amendments thereto of May 17, 1985, in Book 2159, Pages 502-504, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on October 23, 1985, in Book 2174, Pages 428-434 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on December 30, 1985, in Book 2180, Pages 622-633, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on November 13, 1987, in Book 2251, Pages 727-729, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and on September 27, 1989 in Book 2325, at Page 94, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania and as further amended.

WHEREAS, Section 21.4 of the last Amended Declaration provided that the Declarant, may amend the Declaration, for whatever reason, at any time prior to December 31, 1994.

NOW, THEREFORE, the Declaration is amended on only as set forth in this 8th Amendment to the Declaration. Those Selections of subparagraphs thereof contained herein shall supplant and replace the Sections or subparagraphs thereof which bear the same Section or subparagraph number. All other terms of the Declaration not changed by this 8th Amendment to the Declaration

shall be effective as of, and relate back to, the date of recordation of the Declaration in the Office of Recorder of Deeds, Luzerne County, Pennsylvania.

SECTION 21

21.4 Amendment by Declarant.

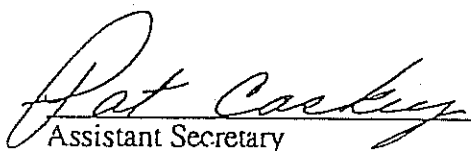
Declarant reserves the right to amend this Declaration, without the approval of any other Owners of the Association or Mortgages of Record, for whatever reason, at any time prior to December 31, 1995.

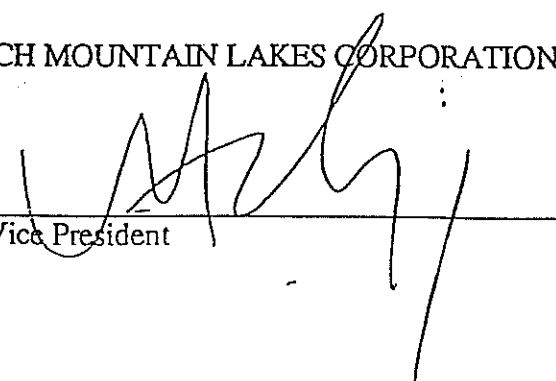
Any such amendments to this Declaration shall become effective upon the recording in the Office of Recorder of Deeds, Luzerne County, Pennsylvania, of an instrument executed by Declarant, setting forth the text of such amendment in full, together with the appropriate recording date for this Declaration. Such amendment need only be executed and acknowledged by Declarant, and need not be consented to by any Owners, Community Association, the Association, any Mortgagees of Record, Lienholders or any other parties.

Notwithstanding the above, a Community Declaration shall be amended only as provided in each respective Community Declaration.

ATTEST:

BEECH MOUNTAIN LAKES CORPORATION


Assistant Secretary

BY: 
Vice President

STATE OF MISSISSIPPI)
) SS.
COUNTY OF JACKSON)

On this, the 7th day of November, 1994, before me, the undersigned officer, personally appeared, Kenneth E. Hendrycy, who acknowledged himself to be the Vice President of BEECH MOUNTAIN LAKES CORPORATION, a corporation existing under the laws of Pennsylvania and that he as such officer, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

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

Deborah Smith
Notary Public

My Commission Expires: 1-22-95

CERTIFIED PROPERTY IDENTIFICATION NUMBER

MAPAL PIN: Map _____ Lot _____
SERIALIZED PIN: Q8511 Lot 71
TRANSFER DIVISION _____

12-5-94 [Signature]
Mapping Clerk

Recorded in the office for Recording of Deeds,
& c. in and for Luzerne County, Pennsylvania,
in ... Book ...

Book No. 2512 Page 935

Witness my hand and seal of office, this 6
day of Dec A.D. 1994

Frank C. Castellino Recorder

RECORDERS OFFICE
BERNE COUNTY, PA

INSTRUMENT NUMBER
5055204

RECORDED ON

Dec 06, 1994
1:58:21 PM

FRIT TAX \$ 0.50

BERNE COUNTY RECORDING
\$ 13.00

TOTAL \$13.50

Office 2512-937 130



NINTH AMENDMENT TO DECLARATION OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND
CONDITIONS FOR BEECH MOUNTAIN LAKES

THIS NINTH AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS FOR BEECH MOUNTIAN LAKES ("Ninth Amendment to the Declaration") made as of this 15th day of July, 1995, by BEECH MOUNTAIN LAKES CORPORATION, a Pennsylvania Corporation, for itself and its successors and assigns ("Declarant").

WHEREAS, Declarant is the owner of the real property now known as "Beech Mountain Lakes" ("Formerly known as Lake of the Four Seasons"), a subdivision situated in the Townships of Butler, Foster and Dennison in Luzerne County, Pennsylvania, which real property is hereinafter referred to as the "Development", and;

WHEREAS, the Declarant has heretofore filed the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes ("Declaration"), which Declaration was recorded on May 1, 1985, in Book 2158, Pages 1028-1103, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and amendments thereto of May 17, 1985, in Book 2159, Pages 502-504, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on October 23, 1985, in Book 2174, Pages 428-434 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on December 30, 1985, in Book 2180, Pages 622-633, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on November 13, 1987, in Book 2251, Pages 727-729, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and on September 27, 1989 in Book 2325, at Page 94, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania and as further amended.

WHEREAS, Section 21.4 of the last Amended Declaration provided that the Declarant, may amend the Declaration, for whatever reason, at any time prior to December 31, 1995.

NOW, THEREFORE, the Declaration is amended on only as set forth in this Ninth Amendment to the Declaration. Those Selections or subparagraphs thereof contained herein shall supplant and replace the Sections or subparagraphs thereof which bear the same Section or subparagraph number. All other terms of the Declaration not changed by this Ninth Amendment to the Declaration shall be effective as of, and relate back to, the date of recordation of the Declaration in the Office of Recorder of Deeds, Luzerne County, Pennsylvania.

SECTION 21

21.4 Amendment by Declarant.

Declarant reserves the right to amend this Declaration, without the approval of any other Owners of the Association or Mortgagees of Record, for whatever reason, at any time prior to December 31, 1996.

Any such amendments to this Declaration shall become effective upon the recording in the Office of Recorder of Deeds, Luzerne County, Pennsylvania, of an instrument executed by Declarant, setting forth the text of such amendment in full, together with the appropriate recording date for this Declaration. Such amendment need only be executed and acknowledged by Declarant, and need not be consented to by any Owners, Community Association, the Association, any Mortgagees of Record, Lienholders or any other parties.

Notwithstanding the above, a Community Declaration shall be amended only as provided in each respective Community Declaration.

ATTEST:

BEECH MOUNTAIN LAKES CORPORATION

Jammy A. DeGrande
Assistant Secretary

BY:

[Signature]
Vice President

TEXAS)
STATE OF MISSISSIPPI)
DALLAS) SS.
COUNTY OF JACKSON)

On this, the 14 day of July, 1995, before me, the undersigned officer, personally appeared, Kenneth E. Hendrycy, who acknowledged himself to be the Vice President of Beech Mountain Lakes Corporation, a corporation existing under the laws of Pennsylvania and that he as such officer, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

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

Sherry L. Haspin
Notary Public

My Commission Expires: 9-30-98

2534 1171

**TENTH AMENDMENT TO DECLARATION OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND
CONDITIONS FOR BEECH MOUNTAIN LAKES**

THIS TENTH AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS FOR BEECH MOUNTIAN LAKES ("Tenth Amendment to the Declaration") made as of this 21st day of July, 1996, by BEECH MOUNTAIN LAKES CORPORATION, a Pennsylvania Corporation, for itself and its successors and assigns ("Declarant").

WHEREAS, Declarant is the owner of the real property now known as "Beech Mountain Lakes" ("Formerly known as Lake of the Four Seasons"), a subdivision situated in the Townships of Butler, Foster and Dennison in Luzerne County, Pennsylvania, which real property is hereinafter referred to as the "Development"; and,

WHEREAS, the Declarant has heretofore filed the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes ("Declaration"), which Declaration was recorded on May 1, 1985, in Book 2158, Pages 1028-1103, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and amendments thereto of May 17, 1985, in Book 2159, Pages 502-504, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on October 23, 1985, in Book 2174, Pages 428-434 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on December 30, 1985, in Book 2180, Pages 622-633, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on November 13, 1987, in Book 2251, Pages 727-729, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and on September 27, 1989 in Book 2325, at Page 94, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania and as further amended; and,

WHEREAS, Section 21.4 of the last Amended Declaration provided that the Declarant, may amend the Declaration, for whatever reason, at any time prior to December 31, 1996.

NOW, THEREFORE, the Declaration is amended on only as set forth in this Tenth Amendment to the Declaration. Those Selections or subparagraphs thereof contained herein shall supplant and replace the Sections or subparagraphs thereof which bear the same Section or subparagraph number. All other terms of the Declaration not changed by this Tenth Amendment to the Declaration shall be effective as of, and relate back to, the date of recordation of the Declaration in the Office of Recorder of Deeds, Luzerne County, Pennsylvania.

SECTION 21

21.4. Amendment by Declarant.

Declarant reserves the right to amend this Declaration, without the approval of any other Owners of the Association or Mortgagees of Record, for whatever reason, at any time prior to December 31, 1997.

Any such amendments to this Declaration shall become effective upon the recording in the Office of Recorder of Deeds, Luzerne County, Pennsylvania, of an instrument executed by Declarant, setting forth the text of such amendment in full, together with the appropriate recording date for this Declaration. Such amendment need only be executed and acknowledged by Declarant, and need not be consented to by any Owners, Community Association, the Association, any Mortgagees of Record, Lienholders or any other parties.

Notwithstanding the above, a Community Declaration shall be amended only as provided in each respective Community Declaration.

ATTEST:

BEECH MOUNTAIN LAKES CORPORATION

[Signature]
Assistant Secretary

BY: [Signature]
Vice President

STATE OF TEXAS)
) SS.
COUNTY OF DALLAS)

On this, the 21 day of July, 1996, before me, the undersigned officer, personally appeared, Kenneth E. Hendrycy, who acknowledged himself to be the Vice President of Beech Mountain Lakes Corporation, a corporation existing under the laws of Pennsylvania and that he as such officer, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

BOOK 2574 PAGE 284

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

QBS9 VAR. VAR

[Signature]
Notary Public

My Commission Expires: 9-27-98

4/5/96 [Signature]

**ELEVENTH AMENDMENT TO DECLARATION OF
PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND
CONDITIONS FOR BEECH MOUNTAIN LAKES**

THIS ELEVENTH AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS FOR BEECH MOUNTAIN LAKES ("Eleventh Amendment to the Declaration") made as of this 21st day of July, 1997, by BEECH MOUNTAIN LAKES CORPORATION, a Pennsylvania Corporation, for itself and its successors and assigns ("Declarant").

WHEREAS, Declarant is the owner of the real property now known as "Beech Mountain Lakes" ("Formerly known as Lake of the Four Seasons"), a subdivision situated in the Townships of Butler, Foster and Dennison in Luzerne County, Pennsylvania, which real property is hereinafter referred to as the "Development"; and,

WHEREAS, the Declarant has heretofore filed the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes ("Declaration"), which Declaration was recorded on May-1, 1985, in Book 2158, Pages 1028-1103, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and amendments thereto of May 17, 1985, in Book 2159, Pages 502-504, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on October 23, 1985, in Book 2174, Pages 428-434 in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on December 30, 1985, in Book 2180, Pages 622-633, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; on November 13, 1987, in Book 2251, Pages 727-729, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania; and on September 27, 1989 in Book 2325, at Page 94, in the Office of Recorder of Deeds, Luzerne County, Pennsylvania and as further amended; and,

WHEREAS, Section 21.4 of the last Amended Declaration provided that the Declarant, may amend the Declaration, for whatever reason, at any time prior to December 31, 1997.

NOW, THEREFORE, the Declaration is amended only as set forth in this Eleventh Amendment to the Declaration. Those Selections or subparagraphs thereof contained herein shall supplant and replace the Sections or subparagraphs thereof which bear the same Section or subparagraph number. All other terms of the Declaration not changed by this Eleventh Amendment to the Declaration shall be effective as of, and relate back to, the date of recordation of the Declaration in the Office of Recorder of Deeds, Luzerne County, Pennsylvania

SECTION 21

21.4. Amendment by Declarant.

Declarant reserves the right to amend this Declaration, without the approval of any other Owners or Mortgagees of Record, for whatever reason, at any time prior to December 31, 1998.

Any such amendments to this Declaration shall become effective upon the recording in the Office of Recorder of Deeds, Luzerne County, Pennsylvania, of an instrument executed by Declarant, setting forth the text of such amendment in full, together with the appropriate recording date for this Declaration. Such amendment need only be executed and acknowledged by Declarant, and need not be consented to by any Owners, Community Association, the Association, any Mortgagees of Record, Lienholders or any other parties.

Notwithstanding the above, a Community Declaration shall be amended only as provided in each respective Community Declaration.

ATTEST:

BEECH MOUNTAIN LAKES CORPORATION

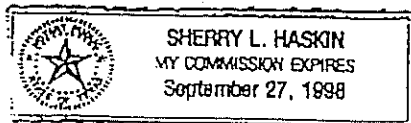
Assistant Secretary

BY: [Signature]
Vice President

STATE OF TEXAS)
) SS.
COUNTY OF DALLAS)

On this, the 30th day of June, 1997, before me, the undersigned officer, personally appeared, Kenneth E. Hendrycy, who acknowledged himself to be the Vice President of Beech Mountain Lakes Corporation, a corporation existing under the laws of Pennsylvania and that he as such officer, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

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



[Signature]
Notary Public

136

My Commission Expires: 9-27-98

TWELFTH AMENDMENT
AND
FIRST SUPPLEMENTAL DECLARATION
TO
DECLARATION
OF
PROTECTIVE COVENANTS, EXCEPTIONS,
RESERVATIONS AND CONDITIONS
FOR
BEECH MOUNTAIN LAKES

January 7, 1998

12-19-97

BOOK 2624 PAGE 1023

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TWELFTH AMENDMENT AND FIRST
SUPPLEMENTAL DECLARATION

THIS TWELFTH AMENDMENT AND FIRST SUPPLEMENTAL DECLARATION, made as of this 5th day of January, 1998 (referred to separately in this document as the "Twelfth Amendment and First Supplemental Declaration" and which term sometimes is referred to in this document by use of such words as "hereto", "hereby", "herein", "hereof", and "hereunder" or other descriptive words or phrases having similar import), to the DECLARATION OF PROTECTIVE COVENANTS, EXCEPTIONS, RESERVATIONS AND CONDITIONS FOR BEECH MOUNTAIN LAKES (the "Original Declaration"), made by Beech Mountain Lakes Corporation, a Pennsylvania corporation (the "Declarant").

RECITALS

WHEREAS, Declarant is the owner of certain real property located in Butler Township, Luzerne County, Pennsylvania, more particularly described in Exhibit "A" attached to and made a part of the Original Declaration, which real property is now known as "Beech Mountain Lakes" (formerly known as "Lake of the Four Seasons"), and is referenced in the Original Declaration as the "Development"; and

WHEREAS, Declarant heretofore made and filed the Original Declaration, recorded in May 1, 1985, in Book 2158, pages 1028-1103, in the Office for the Recording of Deeds, Luzerne County, Pennsylvania; and

WHEREAS, Section 21.4 of the Original Declaration provides, inter alia, that the Declarant reserves the right to amend the Declaration at any time prior to December 31, 1985; and

WHEREAS, Declarant heretofore made various amendments to the Declaration, which amendments are recorded in the Office for the Recording of Deeds, Luzerne County, Pennsylvania and whereby, inter alia, the time within which Declarant reserves the right to amend the Declaration was extended to December 31, 1998; and

WHEREAS, the Declaration in Sections 2.1.2 and 2.2 provides, inter alia, that Declarant may make additional property subject to the Declaration and a part of the Development by the filing of record of one or more supplemental declarations with respect to the Added Property; and

WHEREAS, the Declaration, in Section 11.3, provides, inter alia, that the Declarant may, by amendment to the Declaration, provide for transfer and assignment of certain rights and properties, including the Common Areas, and may provide for the transfer of Declarant's control of the Association, referred to in the Original Declaration as the "Turnover Date", at any time prior to the date when ninety percent (90%) of all Interests in the Development have been conveyed to Owners, other than the Declarant; and

WHEREAS, as of the date hereof, ninety percent (90%) of Interests in the Development have not been conveyed to Owners, other than Declarant; and

WHEREAS, the Declarant desires to make this Twelfth Amendment and First Supplement to the Declaration for the purposes of, inter alia, amending certain provisions of the Declaration, supplementing the Declaration for purposes of adding

certain properties to the Development, amending the Declaration to provide for the Turnover Date and to set forth certain arrangements and conditions applicable to transfer of certain rights, obligations and properties, including the Common Areas and Sports Facilities, to the Association in connection with such turnover.

NOW THEREFORE, Declarant declares that the Declaration is hereby amended and supplemented as follows:

1. DEFINITIONS

The terms used herein shall have the meanings specified in the Original Declaration (unless amended hereby) and, where applicable, as specified in the preamble and recitals hereof and herein.

The following terms shall have the following meanings, unless the context clearly otherwise requires (and to the extent that any of the following terms are defined in the Original Declaration, such definitions are hereby amended):

1.1 "Common Areas" means those portions of the Development, which are specifically designated as Common Areas in Exhibit "A" to the Declaration, as Exhibit "A" may be amended or supplemented from time to time, including the Common Areas to be established pursuant to the Unit II Community Declaration, as provided in this Twelfth Amendment and First Supplemental Declaration, any real property which may be designated as a Common Area on any Plat, and any other land deeded to and accepted by the Association for use as Common Areas, together with all improvements located above and below the ground and rights appurtenant thereto. The Common Areas shall generally include the roadways, bodies of water, open space, drives,

parking areas, walkways and green areas, but shall not include any Community Common Areas, Units or the Sports Facilities. Upon transfer of the Sports Facilities to the Association pursuant to the Turnover Agreement, the Sports Facilities shall become Common Areas. The Declarant may make any Common Area subject to the Declaration pursuant to Section 4 hereof.

1.2 "Declarant" means Beech Mountain Lakes Corporation, a Pennsylvania corporation, or any assigns or successors in title, who come to stand in the same relation to the Development as Declarant, including any party or parties that acquire(s) ownership of all Declarant's then remaining Interests in the Development, excluding however the Association, unless any such conveyance expressly and specifically includes all of the Declarant's rights hereunder.

1.3 "Declaration" means the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes, as recorded on May 1, 1985 in Book 2158, pages 1028-1103, inclusive, in the Office for the Recording of Deeds, Luzerne County, as amended and supplemented from time to time.

1.4 "Turnover Agreement" means the agreement, dated as of January 7, 1998, between the Declarant, as transferor and the Association, as transferee, in the form attached to this Twelfth Amendment and First Supplemental Declaration, as Exhibit "D", whereby the Declarant agrees to transfer certain Common Areas, Sports Facilities, and other rights and properties to the Association on the Turnover Date pursuant to certain terms and conditions as set forth therein.

1.5 "Turnover Date", the date on which the rights of Declarant to designate the members of the Association Board are terminated as provided in Section 11.3 of the

Declaration and the date of transfer of certain rights and properties by the Declarant to the Association subject to the Turnover Agreement and the provisions hereof.

1.6 "Unit II" means the real property described on Exhibit "A" (as supplemented by this Twelfth Amendment and First Supplemental Declaration), attached hereto and made a part hereof, and added to the Development as provided in Section 3.1 of this Twelfth Amendment and First Supplemental Declaration.

1.7 "Unit II Community Declaration" means the Community Declaration, as amended or supplemented, to be made and recorded by Declarant as provided in Section 3.2 of this Twelfth Amendment and First Supplemental Declaration for the purposes, inter alia, of setting forth certain matters relating to the development plan for all or a portion of Unit II of the Development.

2. AMENDMENTS TO DECLARATION.

2.1 Amendment to Section 2.1.2 of the Declaration. Section 2.1.2 shall be amended by adding the following paragraph to the end thereof:

Notwithstanding anything contained herein to the contrary, with respect to Unit II of the Development, Declarant reserves the exclusive right to make and to record the Unit II Community Declaration and any amendments or supplements thereof for the purpose of setting forth details of the development plan, including delineation of Interests, Units and Common Areas, and/or reserves the exclusive right to remove all or a portion of such Added Property from the provisions hereof, at any time within fifteen (15) years following the Turnover Date, all as provided in Section 3.2 of this Twelfth Amendment and First Supplemental Declaration.

2.2 Amendment to Section 2.2.1(d) of the Declaration. Section 2.2.1(d) of the Declaration shall be amended to provide as follows:

(d) Each Owner of an Interest in Added Property shall be responsible for the payment of the Association Assessment and Community Assessment applicable to his Unit, but shall not be responsible for the payment of any Special Assessment which was levied prior to the time that the Added Property became subject to assessment under this Declaration; except that the Declarant shall not be responsible for payment of any Association Assessment or Special Assessment for any Unit or Interest owned within Unit II, until such time as the Declarant conveys any Common Areas within Unit II, or any phase thereof, to the Association as provided in Section 3.2 of this Twelfth Amendment and First Supplemental Declaration.

2.3 Amendment to Section 6.1 of the Declaration. Section 6.1 of the Declaration is amended to provide as follows:

6.1 Association of all Owners. The Beech Mountain Lakes Association, is or will be the association of all Owners of Interests in the Beech Mountain Lake Development (previously designated as Lake of the Four Seasons development). The Lake of the Four Seasons Property Owners

Association was incorporated by the prior developer as a Pennsylvania Nonprofit Corporation but was never operational. Declarant, in its sole discretion, may reactivate or reorganize the Association under the name of Beech Mountain Lakes Association, Inc. at some time in the future, but not later than the Turnover Date, by, inter alia, filing Articles of Incorporation to form the Association as a Pennsylvania Non-Profit corporation and by promulgating By-Laws for the Association. Only the Declarant shall be authorized to reactivate or to form the Association. All references to "Association" in this Declaration shall mean the Beech Mountain Lakes Association, Inc.

UNTIL SUCH TIME AS THE ASSOCIATION IS REACTIVATED,
ALL RIGHTS AND OBLIGATIONS OF THE ASSOCIATION SHALL
BE ASSUMED AND CARRIED OUT BY THE DECLARANT.

2.4. Amendment to Section 6.6 of the Declaration. Section 6.6 of the Declaration shall be amended to provide as follows:

6.6 Delegates. Subject to rights retained by the Declarant in Section 11.3 herein, voting rights of the members of the Association shall be vested exclusively in delegates ("Delegates"). Each community shall be represented by three (3) Delegates. The initial Delegates shall be appointed by the Declarant at the time of organization of the Association, except for the Initial Delegates representing Unit II, which shall be appointed or elected as provided in Section 3.2 of the Twelfth Amendment and First Supplemental Declaration. Thereafter, the Delegates shall be designated officers of a Community Association, appointed by the Board of Directors for each Community Association. If no Community Association has been formed, the Delegates shall be elected by the Owners in each such Community. The procedures for election or designation of Delegates and the removal thereof shall be as set forth in the Community Declaration, or if not set forth therein, then as provided in the Association Instruments. With the exception of the initial Delegates, each Delegate shall be an Owner of his Unit within the Community he represents; provided, however, that in no event shall an Owner or any Co-Owner of any Interest serve as Delegates from the same Community concurrently. If a Delegate ceases to be an Owner of his Unit within the Community he represents, he shall be deemed to have resigned as a Delegate.

2.5. Amendment to Section 6.9 of the Declaration. Section 6.9 of the Declaration shall be amended to provide as follows:

6.9 Association Board. Subject to the rights retained by the Declarant under Section 11.3, the Association Board shall consist of six (6) members, each of whom shall be a Delegate, or as otherwise provided in the Association Instruments. As provided in Section 11.3, until the Turnover Date, the Declarant shall have the right to appoint or remove any director or directors of the Association. After the Turnover Date, the members of the Board of Directors shall be the Delegates, except that the Declarant shall have the right to appoint a director to fill any vacancy occurring with respect to the initial Board of Directors, as provided in the Association Instruments. Upon appointment of the initial Delegates representing the Unit II Community, the Association Board shall be expanded to nine (9) members and the Unit II Delegates shall become members thereof.

UNTIL SUCH TIME AS THE ASSOCIATION HAS BEEN REACTIVATED, ALL RIGHTS AND OBLIGATIONS OF THE BOARD OF DIRECTORS SHALL BE ASSUMED AND CARRIED OUT BY THE DECLARANT.

2.6 Amendment to Section 7.2 of the Declaration. Section 7.2 of the

Declaration shall be amended to provide as follows:

7.2 Annual Assessment. Each Owner (except the Declarant) shall be required to pay an Annual Assessment for each Interest owned. Inasmuch as the Declarant has borne the cost of construction of the Common Areas and Community Common Areas, and because the Declarant will not use the Common Areas and Community Common Areas to the same extent that other lot owners will use such facilities, the Declarant shall not be responsible for, or be obligated to pay any Annual Assessments pursuant to this Section. After two (2) years following the Turnover Date, or earlier at Declarant's sole discretion, the Declarant shall pay the same Assessment for each Interest owned as any other Owner in the Development, except that Declarant shall not be required to pay an Annual Assessment for any Interest owned within Unit II of the Development until two (2) years following the date that all or any part of the Common Areas within Unit II of the Development are conveyed to the Association as provided in Section 3.2 of the Twelfth Amendment and First Supplemental Declaration. The rights of Declarant as set forth herein, together with Declarant's other rights under the Declaration, as amended, shall be assignable to any successor Declarant as to the whole of the Development, or any part thereof.

The amount of each Owner's Annual Assessment shall be determined as follows:

(a) Association Assessment: The Declarant, until the Association is re-activated, and thereafter, the Association, shall levy a fee upon each Owner to fund the Common Expenses of the Association. This fee shall be referred to as the "Association Assessment." With respect to any Interest represented by a Timesharing Unit Week, the Association Assessment may be levied on a per Unit basis by billing the applicable Community Association a fee for each Unit committed under the applicable Community Declaration to a timesharing arrangement. In such case, the Community Association shall be responsible for payment of the Association Assessment on a per Unit basis and for billing and collecting the pro rata share thereof from Owners of such Interests in such Unit.

(b) Community Assessment: The Community Assessment shall fund the Community Expenses of each Community. A Community Assessment shall be levied against each Owner in each Community. The Community Assessment may be levied by the applicable Community Association, the Declarant or the Association, as provided in the Community Declaration. Unless otherwise provided in the Community Declaration, the Community Assessment may be collected by the Association as a part of the Annual Assessment, at the discretion of the Association.

2.7 Amendment to Section 7.4 of the Declaration. Section 7.4 of the

Declaration shall be amended to provide as follows:

7.4 Allocation of Association Assessment. The Association Assessment shall be allocated as follows:

(a) The Association Assessment for each Owner shall vary according to the type of property and shall be based on the following ratios:

Residential Lot	1.0
Residential Dwelling Unit	1.0
Timesharing Unit (Townhome)	4.0 (not to exceed)

Revisions to the above listed categories and ratios or additional categories and the ratio for such categories may be unilaterally established by the Declarant at any time prior to the Turnover Date by recording an amendment to this Declaration pursuant to Section 21.4. After the Turnover Date, the Association may only revise the above listed categories and ratios or establish additional categories and ratios by recording an amendment pursuant to the provisions of Section 21.3 of the Declaration.

(b) The formula used to calculate the Association Assessment is as follows:

Association Assessment per Residential Lot or Dwelling Unit =

$$\frac{\text{Total Estimated Common Expenses for ensuing year less } (\$120.00 \times \# \text{ Charter Members})}{(1.00 \times \# \text{ Residential Lots}) + (1.00 \times \# \text{ Residential Dwelling Units}) + (4.0 \times \# \text{ Timesharing Units - Townhomes})}$$

Notwithstanding the above, the Declarant, in its absolute discretion, but with no obligation whatsoever, may reduce the amount of the Association Assessment by subsidizing the assessment. However, all such reduced assessments shall remain in the same ratio as set forth above and no one category shall be reduced proportionately more than another.

(c) Notwithstanding the above, those persons listed on Exhibit "C" to the Original Declaration, which is incorporated herein by reference, who originally purchased lots from Eastern Pennsylvania Marine Properties, Inc., where there has been no change in ownership or title with respect to said lot or lots ("Charter Members"), will pay \$10.00 per lot per month as the Association Assessment for road maintenance, security, recreational facilities and maintenance. No additional Association Assessment will be made to such owners for construction and maintenance of additional amenities other than reasonable user fees. This right of limited assessment is nontransferable.

(d) Notwithstanding anything to the contrary herein, the Board, within its absolute discretion, may impose a special annual charge or fee for purposes of recovering any portion of the Common Expenses applicable to the costs and expenses of operation and maintenance of recreational facilities within the Development, which special charge or fee may be billed and collected in such manner as shall be deemed appropriate by the Board.

(e) Notwithstanding anything to the contrary herein, the Association Assessment shall not increase more than 10% per year, cumulatively, from the date of recordation of this Declaration, i.e., if the Association Assessment does not increase for two years, it may not be increased more than 20% in the following year (10% each year, cumulatively).

3. ADDED PROPERTY: UNIT II.

3.1 Unit II Added to Development. The Declarant hereby annexes to the Existing Property and submits to this Declaration the real property situated in Luzerne County, Pennsylvania, as more particularly described on Exhibit "A" (as supplemented hereby), attached hereto and made a part hereof, referred to herein as "Unit II", which real property is and shall be held, transferred, sold, conveyed and occupied subject to the Declaration as Added Property. The Declarant intends to develop Unit II at its sole discretion based upon its continuing development plan, subject to the provisions hereof, and as more particularly described in the Unit II Community Declaration.

3.2 Unit II Community Declaration. The real property which is the subject hereof, known as "Unit II" constitutes Added Property which hereby becomes a part of the Development subject to this Declaration. The Added Property, known and described as Unit II shall be a new Community within the Development pursuant to the provisions of the Declaration. The Declarant shall proceed with development of the Unit II Community as follows:

(a) At any time within fifteen (15) years from the date of the recording of this Twelfth Amendment and First Supplemental Declaration, Declarant may file and record a Unit II Community Declaration, including any amendments or supplements thereto, in accordance with Section 2.4 of the Declaration, and/or may file and record a release and withdrawal of Added Property as a supplemental declaration (the "Release") whereby all or any part of Unit II may be released and withdrawn from the provisions of the Declaration. Upon the recording of any such Release, all or such part of Unit II described therein shall

no longer be subject to the provisions of this Declaration, shall be free and clear of all liens, easements, servitudes or obligations of any kind related to the Declaration of like force or effect, as if such Added Property were never subjected to the Declaration; Provided, however, that the recording of any such Release shall occur only where Declarant is the Owner of all of such real property to be released.

(b) The Unit II Community Declaration shall set forth the details of the development plan with respect to Unit II, shall define the Interests to be conveyed and shall define the Common Areas and Sports Facilities, if any, to be developed in connection with the Unit II Community. The Common Areas, Sports Facilities, if any, and other Improvements to Unit II shall be consistent with the Improvements to the existing Development.

(c) Declarant may develop the Unit II Community in phases with each phase represented by a Plat or Plats identifying the Units and Interests to be conveyed, Common Areas and other Improvements, all of which shall be consistent with and subject to the Declaration.

(d) Declarant may also file and record the Unit II Community Declaration in supplements with each supplement setting forth provisions applicable to a particular phase or phases of the Unit II Community. The Unit II Community Declaration, or any supplements thereto may provide for different types of Interests with different phases of Unit II.

(e) The Declarant may establish a Community Association for Unit II by setting forth provisions therefor within the Unit II Community Declaration; if no

Unit II Community Association is formed by Declarant, then the three (3) Delegates representing the Unit II Community shall be elected in the manner provided in the Association Instruments, except that the initial Delegates representing the Unit II Community shall be appointed by the Declarant, shall serve for a term of one (1) year and thereafter their successors shall be appointed or elected as provided in the Unit II Community Declaration, or as provided in the Association Instruments. In the event Declarant fails to appoint initial Delegates to represent the Unit II Community within ten (10) years following the transfer of any Interest within Unit II to any Owner, other than the Declarant, then, in that event, the initial Delegates shall be appointed or elected as provided in the Unit II Community Declaration or pursuant to the Association Instruments.

(f) At any time following completion of construction of all proposed Improvements to Common Areas within Unit II, or any phase thereof, the Declarant shall convey such Common Areas to the Association and the Association shall accept conveyance of such Common Areas and shall thereafter be responsible for operation and maintenance of such Common Areas as provided in the Declaration. For purposes hereof, the term "completion of construction" shall mean substantial completion of construction in accordance with any plans and specifications, consistent with any permits or approvals and approval or acceptance of such Improvements by any applicable regulatory authority. Prior to such conveyance, the Declarant shall be responsible for operation and maintenance of such Common Areas. Inasmuch as the Declarant

will bear the cost of construction of the Unit II Common Areas and will bear the cost of operation and maintenance of the Unit II Common Areas until conveyance thereof to the Association as provided herein, the Declarant shall not be responsible for, or be obligated to pay any Annual Assessments for any Interest owned within Unit II, or any phase thereof until two (2) years following conveyance of such Common Areas to the Association. Upon expiration of said two (2) year period following conveyance to the Association of Common Areas within Unit II or any phase thereof, as provided herein, the Declarant shall pay the same Assessment for each Interest owned within Unit II or within any such phase thereof as any other Owner in the Development.

(g) Any Community Common Areas planned with respect to Unit II shall be owned, operated, maintained and transferred to any Unit II Community Association as provided in the Unit II Community Declaration.

3.3 The Architectural Control Committee; Unit II. As provided in the Turnover Agreement, the Declarant shall have the authority and shall exercise the functions of the Architectural Control Committee (ACC), upon the recording of the Unit II Community Declaration and continuing until such time as the Declarant shall convey all improvements to Common Areas within Unit II, or any phase thereof, to the Association, whereupon all buildings and structures within Unit II or any such phase thereof shall be subject to the provisions and regulations applicable to the ACC. In any event, within ten (10) years following the transfer of any Interest within Unit II to any Owner, other than the Declarant, then, in that event, the provisions and requirements of the ACC shall be applicable to all property within Unit II

4. TURNOVER.

4.1 Activation of the Association. Pursuant to provisions of the Declaration, the Declarant has organized the Association by the filing of Articles of Incorporation, appointment of the initial Delegates, appointment of the initial Board of Directors and by the adoption of By-Laws by the Declarant, as incorporator.

4.2 Turnover Agreement. The Declarant and the Association have entered into the Turnover Agreement, pursuant to which the Common Areas, Sports Facilities and certain other properties and rights are to be transferred and conveyed to the Association as more fully provided therein. The Turnover Agreement in the form executed on behalf of the Declarant and the Association is attached to this Twelfth Amendment and First Supplemental Declaration and made a part hereof marked Exhibit "D".

4.3 Turnover Date. As provided in the Turnover Agreement, Declarant hereby states that the Turnover Date is January 7, 1998.

5. Miscellaneous.

5.1 All terms, conditions, covenants and agreements of the Original Declaration, except to the extent that the same are amended and supplemented hereby, are ratified and confirmed and are declared to be and shall be and remain in full force and effect and shall apply in all respects to this Twelfth Amendment and First Supplemental Declaration and to the Development, all as shall be applicable and appropriate, as if the same were repeated in full herein; Provided, however, that provisions of the Original Declaration always shall be construed so as to give proper

effect and meaning to provisions of this Twelfth Amendment and First Supplemental Declaration.

5.2 Use of article numbers and section numbers herein is for convenience only and such numbers bear no direct relationship to articles or sections in the Original Declaration which bear identical numbers.

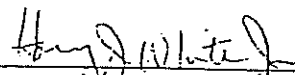
5.3 As provided in the Original Declaration, this Twelfth Amendment and First Supplemental Declaration, being a supplement to the Original Declaration, shall be construed as an integral part thereof.

5.4 This Twelfth Amendment and First Supplemental Declaration may be executed and delivered in any number of counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

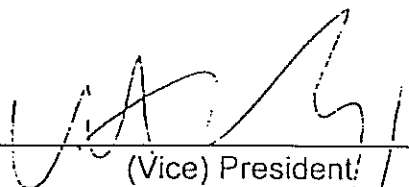
IN WITNESS WHEREOF, Beech Mountain Lakes Corporation, as Declarant, has caused this Twelfth Amendment and First Supplemental Declaration to be executed in its name and on its behalf by its President, or Vice-President and its corporate seal to be affixed hereunto, duly attested by its Secretary or Assistant Secretary and hereby declares this document to be its act and deed, all as of the day and year first above written.

ATTEST:

BEECH MOUNTAIN LAKES CORPORATION



(Assistant) Secretary
(SEAL)

By: 

(Vice) President

ACKNOWLEDGEMENT

TEXAS

STATE OF PENNSYLVANIA

:

:

SS

COUNTY OF *Dallas*

:

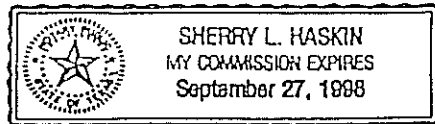
On this 5 day of January, 1998, before me, a Notary Public in and for the State of Pennsylvania, the undersigned officer, personally appeared Kenneth E. Hendrycy, Esquire, who acknowledged himself to be the Vice President of Beech Mountain Lakes Corporation and that he, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing his name as Vice President.

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

Sherry L. Haskin
Notary Public

My Commission Expires:

(SEAL)



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EXHIBIT "A"

(as Supplemented by the Twelfth Amendment and
First Supplemental Declaration)

UNIT II (ADDED PROPERTY)

(insert description of Added Property)

COMMON AREAS (UNIT II)

All property as shown on the recorded Plats to be referenced in the Unit II
Community Declaration and designated as Common Areas to be conveyed to the
Association as provided herein.

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Ex A

ALL that certain piece, parcel or tract of land situate in the Townships of Butler, Dennison and Foster, County of Luzerne and Commonwealth of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at a point located on the easterly right-of-way of State Route 509;

THENCE along lands now or formerly of New Land Development, Inc., the following four (4) courses and distances;

- (1) THENCE South seventy-five degrees, fifteen minutes, fifteen seconds East (S 75° 15' 15" E) four hundred ninety-nine and ninety-seven one hundredths (499.97') feet to a

point;

- (2) THENCE North seventy-one degrees, fifty-eight minutes, thirty-three seconds East (N 71° 58' 33" E) one thousand eight hundred twenty-nine and sixty-four one-hundredths (1829.64') feet to a point;
- (3) THENCE North four degrees, forty-four minutes, fifty-three seconds East (N 04° 44' 53" W) one thousand seven hundred sixty-two and fifty-five one-hundredths (1762.55') feet to a point;
- (4) THENCE North sixty-seven degrees, eighteen minutes, fifteen seconds West (N 67° 18' 15" W) one thousand eight hundred forty-five and sixty-seven one-hundredths (1845.67') feet to a point along Legislative Route 40012;

THENCE along said Legislative Route 40012 the following five (5) courses and distances:

- (1) North seventy-six degrees, ten minutes, forty seconds East (N 76° 10' 40" E) two hundred (200.00') feet to a point;
- (2) North fifty-three degrees, two minutes, thirty-four seconds East (N 53° 02' 34" E) one hundred seventy-six and sixty-four one-hundredths (176.64') feet to a point;
- (3) North twenty-nine degrees, thirty minutes, twenty-five seconds East (N 29° 30' 25" E) one hundred twenty-four and seventy-three one-hundredths (124.73') feet to a point;
- (4) North twenty-two degrees, twenty-six minutes, eighteen seconds East (N 22° 26' 18" E) two hundred eighty-one and thirty-seven one-hundredths (281.37') feet to a point;
- (5) North eleven degrees, thirty-four minutes, fifty-two seconds East (N 11° 34' 52" E) one thousand sixty-three and ninety-nine one-hundredths (1063.99') feet to a point;

THENCE along lands now or formerly of Sumner and lands now or formerly of Soltis, South eighty degrees, seven minutes, twenty-two seconds East (S 80° 07' 22" E) one thousand eight hundred and thirty-one one-hundredths (1800.31') feet to a point;

THENCE along lands now or formerly of Soltis, South nine degrees, fifty-one minutes, thirty-three seconds West (S 09° 51' 33" W) eight hundred seventy-four and fifty-three one-hundredths (874.53') feet to a point;

THENCE along lands now or formerly of Soltis, now or formerly of Wenner, and now or

formerly of Klingerman, North forty-four degrees, twenty-four minutes, forty-two seconds East (N 44° 24' 42" E) six thousand two hundred sixty-six and seventy-two one-hundredths (6266.72') feet to a point on the southerly right-of-way line of Interstate 80;

THENCE along said southerly right-of-way the following ten (10) courses and distances;

- (1) South eighty-two degrees, twenty-nine minutes, twelve seconds East (S 82° 29' 12" E) three hundred ten and eighty-seven one-hundredths (310.87') feet to a point;
- (2) North seven degrees, thirty minutes, forty-eight seconds East (N 07° 30' 48" E) thirty (30.00') feet to a point;
- (3) South eighty-two degrees, twenty-nine minutes, twelve seconds East (S 82° 29' 12" E) three hundred fifty-three and five one-hundredths (353.05') feet to a point;
- (4) South eighty degrees, six minutes, forty-three seconds East (S 80° 06' 43" E) one thousand eight hundred eighty-six and forty-two one-hundredths (1886.42') feet to a point;
- (5) South seventy-seven degrees, forty-four minutes, fifteen seconds East (S 77° 44' 15" E) six hundred forty-five and six one-hundredths (645.06') feet to a point;
- (6) South twelve degrees, fifteen minutes, forty-five seconds West (S 12° 15' 45" W) forty (40.00') feet to a point;
- (7) South seventy-seven degrees, forty-four minutes, fifteen seconds East (S 77° 44' 15" E) one thousand eight hundred six (1806.00') feet to a point;
- (8) North twelve degrees, fifteen minutes, forty-five seconds East (N 12° 15' 45" E) forty (40.00') feet to a point;
- (9) South seventy-seven degrees, forty-four minutes, fifteen seconds East (S 77° 44' 15" E) four thousand twenty-seven and sixty one-hundredths (4027.60') feet to a point;
- (10) South seventy-eight degrees, fifty-nine minutes, thirty-seven seconds East (S 78° 59' 37" E) five hundred eleven and forty-eight one-hundredths (511.48') feet to a point;

THENCE along lands now or formerly of Kenzakoskie, South twenty degrees, forty-six minutes, forty-five seconds East (S 20° 46' 45" E) two thousand nine hundred twenty-one and nineteen one-hundredths (2921.19') feet to a point;

THENCE continuing along lands now or formerly of Kenzakoskie, North sixty-nine degrees,

fourteen minutes, fifty-five seconds East (N 69° 14' 55" E) four thousand two hundred twenty-five and eighty-five one-hundredths (4225.85') feet to a point;

THENCE along the Pennsylvania State Game Lands, South nine degrees, eighteen minutes, twenty-two seconds West (S 09° 18' 22" W) one thousand six hundred nineteen and sixty-eight one-hundredths (1619.68') feet to a point;

THENCE along lands now or formerly of Coal Heat Company, South sixty-nine degrees, seventeen minutes, forty seconds West (S 69° 17' 40" W) two thousand four hundred fifteen and twelve one-hundredths (2415.12') feet to a point;

THENCE North seventy-nine degrees, forty-four minutes, twenty seconds West (N 79° 44' 20" W) one thousand one hundred sixty-five and seventy one-hundredths (1165.70') feet to a point;

THENCE South sixty-nine degrees sixteen minutes, forty-one seconds West (S 69° 16' 41" W) one thousand six hundred forty and fourteen one-hundredths (1640.14') feet to a point;

THENCE South nine degrees, sixteen minutes, sixteen seconds West (S 09° 16' 16" W) one thousand ninety-four and one one-hundredths (1094.01') feet to a point;

THENCE South eighty degrees, forty-three minutes, thirty-six seconds East (S 80° 43' 36" E) Seven hundred thirty-three and four one-hundredths (733.04) feet to a point;

THENCE South nine degrees, twenty-five minutes, fifty-nine seconds West (S 09° 25' 59" W) one thousand one hundred twenty-nine and sixty-one one-hundredths (1129.61') feet to point;

THENCE along lands now or formerly of Freeland Water Company, North eighty degrees, forty-three minutes, forty-four seconds West (N 80° 43' 44" W) one thousand six hundred seventy-nine and twenty-one one-hundredths (1679.21') feet to a point;

THENCE South nine degrees, fourteen minutes, fifty seconds West (S 09° 14' 50" W) ninety-nine and ninety-eight one-hundredths (99.98') feet to a point;

THENCE North eighty degrees, forty-four minutes, thirty seconds West (N 80° 44' 30" W) three thousand eight hundred ninety-four and eleven one-hundredths (3894.11') feet to a point;

THENCE South nine degrees, fourteen minutes, thirty-four seconds West (S 09° 14' 34" W) three thousand seven hundred fifty-five one-hundredths (3007.55') feet to a point;

THENCE North eighty-four degrees, twenty-six minutes two seconds West (N 84° 26' 02" W) one thousand four hundred eighty-four and thirty-four one-hundredths (1484.34') feet to a point;

THENCE North nine degrees, fifteen minutes, one second East (N 09° 15' 01" E) one hundred fifty-nine (159.00') feet to a point;

THENCE North eighty degrees, forty-five minutes, twenty-two seconds West (N 80° 45' 22" W) one hundred fifty-five and twelve one-hundredths (155.12') feet to a point;

THENCE North nine degrees, fifteen minutes, one second East (N 09° 15' 01" E) one hundred forty and ninety-five one-hundredths (140.95') feet to a point;

THENCE North eighty degrees, forty-five minutes, twenty-three seconds West (N 80° 45' 23" W) eight hundred nine and seventy-nine one-hundredths (809.79') feet to a point;

THENCE South eighty-one degrees, four minutes, three seconds West (S 81° 04' 03" W) one thousand twenty-nine and forty one-hundredths (1029.40') feet to a point;

THENCE South seventy-six degrees, thirty-seven minutes, fifty-one seconds West (S 76° 37' 51" W) two thousand four hundred seventy-two and eighty-three one-hundredths (2472.83') feet to a point;

THENCE North eighty-nine degrees, fifty-five minutes, seventeen seconds West (N 89° 55' 17" W) two thousand four hundred sixty-four and thirty-four one-hundredths (2464.34) feet to a point;

THENCE along lands now or formerly of Greco, North nine degrees, thirty-six minutes, fifty seconds East (N 09° 36' 50" E) two thousand eight hundred eighty-six and three one-hundredths (2886.03') feet to a point;

THENCE South seventy-two degrees, one minute, one second West (S 72° 01' 01" W) three thousand one hundred eighty and sixty-eight one-hundredths (3180.68') feet to a point;

THENCE North forty-four degrees, fifty-eight minutes, eleven seconds West (N 44° 58' 11" W) six hundred eight and twenty-four one-hundredths (608.24') feet to a point on the easterly right-of-way of State Route 309;

THENCE continuing along said right-of-way North forty-four degrees, fifty-eight minutes, eight seconds East (N 44° 58' 08" E) one hundred twenty-five and ten one-hundredths (125.10') feet to a point;

THENCE continuing along said right-of-way North thirty-five degrees, zero minutes, fifty-eight seconds East (N 35° 00' 58" E) four hundred forty-nine and sixty one-hundredths (449.60') feet to a point, the PLACE OF BEGINNING.

CONTAINING 2,852.56 acres, more or less.

LESS AND EXCEPTING therefrom the following pieces, parcels and tracts of land:

a. Parcels 1X, 2X, 3X, 4X, 5X, 6X, 7X, 8X, 9X, 10X, 11X and 12X consisting of 47.10 acres, more or less, more particularly outlined on the Subdivision of Lands of Beech Mountain Lakes recorded April 9, 1997 and October 15, 1997 in the Office of the Recorder of Deeds in and for Luzerne County in Map Book No. 102, Pages 41-48, and Map Book 107, Page 59-66;

b. Unit 1 of the Lake of Four Seasons Subdivision n/k/a Beech Mountain Lakes consisting of 654.03 acres, more or less, recorded in the Office of the Recorder of Deeds in and for Luzerne County in Map Book 32, Pages 1A-1F (the "Map") excepting the roads and open spaces previously conveyed to Beech Mountain Lakes Association, Inc.;

c. Lots 1, 2, 3, 4, 5 and 6 consisting of 178.45 acres more or less more particularly outlined on the Subdivision of Lands of Beech Mountain Lakes recorded April 9, 1997 and October 15, 1997 in the office of the Recorder of Deeds in and for Luzerne County in Map Book 102, Pages 41-48, and Map Book 107, Pages 59-66;

d. ALL THAT CERTAIN piece, parcel or tract of land situate in Butler Township, Luzerne County, Pennsylvania, being bounded and describes as follows, to wit:

BEGINNING at an iron pin on the souther right-of-way line of Four Seasons Drive, said iron pin being the northeast corner of the parcel herein described and also being the northwest corner of Lot #50, Block 8, Unit 1 of Beech Mountain Lakes Resort;

THENCE S 19-00-00 E for a distance of 150.00 feet;

THENCE S 22-30-37 E for a distance of 41.76 feet;

THENCE S 69-04-21 W for a distance of 167.80 feet;

THENCE N 18-37-53 E for a distance of 59.12 feet;

THENCE N 19-0-00 W for a distance of 36.51 feet;

THENCE N 71-00-00 E for a distance of 100.00 feet;

THENCE N 19-00-00 W for a distance of 114.00 feet;

THENCE N 71-00-00 E for a distance of 29.06 feet to the Point of BEGINNING. Said parcel contains 0.33 acres, more or less and is more particularly identified as Beech Mountain Well Site #1.

e. ALL THAT CERTAIN piece, parcel or tract of land situate in Butler Township, Luzerne County, Pennsylvania, being bounded and describes as follows, to wit:

BEGINNING at an iron rod on the northerly right-of-way line of White Cap Lane, said point being the southeast corner of the parcel herein described and also being the southwest corner of Lot #31, Block 14, Unit 1 of Beech Mountain Lakes Resort;

THENCE N 79-47-00 W for a distance of 34.04 feet;

THENCE N 10-13-00 E for a distance of 163.21 feet;

THENCE S 55-42-25 E for a distance of 37.28 feet;

THENCE S 10-13-00 W for a distance of 148.00 feet to the Point of BEGINNING. Said parcel contains 0.12 acres, more or less and is more particularly identified as Beech Mountain well Site #2.

f. ALL THAT CERTAIN piece, parcel or tract of land situate in Butler Township, Luzerne County, Pennsylvania, being bounded and describes as follows, to wit:

BEGINNING at an iron rod, said point being the northeast corner of Lot #22, Block 10, Unit 1 of Beech Mountain Lakes Resort;

THENCE N 05-59-45 E for a distance of 27.79 feet;

THENCE S 57-12-38 E for a distance of 167.14;

THENCE S 32-47-20 W for a distance of 145.02 feet;

THENCE N 57-12-38 W for a distance of 109.86 feet;

THENCE N 31-09-29 E for a distance of 33.50 feet;

THENCE N 05-59-45 E for a distance of 97.16 feet to the POINT OF BEGINNING. Said parcel contains 0.44 acres, more or less and is more particularly identified as Beech Mountain Reservoir Site.

g. ALL THAT CERTAIN piece, parcel or tract of land situate in Butler Township, Luzerne County, Pennsylvania, bounded and described as follows, to wit:

BEGINNING at a point, said point being located North 07 degrees 40 minutes 12 seconds West 1,273.37 feet from an iron rod property corner marking the northeast corner of Lot 15, Block 7 also being common to the northwest corner of Lot 14, Block;

THENCE through lands of Beech Mountain the following four courses and distances:

1. THENCE North 08 degrees 07 minutes 12 seconds West 20.00 feet to a point;
2. THENCE South 81 degrees 52 minutes 48 seconds West 20.00 feet to a point;
3. THENCE South 08 degrees 07 minutes 12 seconds East 20.00 feet to a point;
4. THENCE North 81 degrees 52 minutes 48 seconds East 20.00 feet to a point, the PLACE OF BEGINNING.

Containing .01 acres, more or less and more particularly described as Artesian Well Site.

h. ALL that certain piece, parcel or tract of land located in the Township of Butler, County of Luzerne, Commonwealth of Pennsylvania, bounded and described as follows:

BEGINNING at a point on the southerly right-of-way line of Tommy's Court, said point being further described as the common front corner of Lots 70 and 71, Block 1, in said development as shown on the Subdivision Plan;

THENCE along said right-of-way by a corner to the right having a radius of 302.03 feet, an arc length of 3.73 feet, and a chord bearing a distance of North 76 degrees 32 minutes 23 seconds West 3.73 feet to the true point of beginning;

THENCE through Lot No. 70 the following two (2) courses and distances:

1. THENCE South 33 degrees 47 minutes 51 seconds West 36.34 feet to a point;
2. THENCE by a curve to the right having a radius of 163.71 feet, an arc length of 123.10 feet, and a chord bearing and distance of South 55 degrees 20 minutes 18 seconds West 120.22 feet to point;

THENCE continuing through Lot 70, Lot 69, and other lands of Beech Mountain Lakes South 76 degrees 52 minutes 44 seconds West, 103.11 feet to a point in line of land of Michael A. Greco;

THENCE along said Greco land North 44 degrees 58 minutes 10 seconds West 58.86 feet to a point;

THENCE through lands of Beech Mountain Lakes and Lot 69 North 76 degrees 52 minutes 44 seconds East 134.17 feet to a point;

THENCE continuing through Lot 69 and Lot 70 by a curve to the left having a radius of 113.71 feet, an arc length of 85.50 feet, and a chord bearing and distance of North 55 degrees 20 minutes 18 seconds East 83.50 feet to a point;

THENCE continuing through Lot 70 North 33 degrees 47 minutes 51 seconds East 22.88 feet to a point on the southerly right-of-way line of Tommy's Court;

THENCE along said right-of-way line by a curve to the left having a radius of 302.03 feet, an arc length of 51.84 feet, and a chord bearing and distance of South 71 degrees 16 minutes 08 seconds East, 51.78 feet to the true point of BEGINNING.

CONTAINING 12,589 square feet of land, more or less.

BEING the same premises previously conveyed to Beech Mountain Lakes Association, Inc.

i. *ALL* that certain piece, parcel or tract of land located in the Township of Butler, County of Luzerne and Commonwealth of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at a point on the southeasterly right-of-way line of Edge Rock

Drive, said point being further described as the common front corner of Lots 121 and 122, Block 1, in said development as shown on the Subdivision Plan;

THENCE along said right-of-way line by a curve to the left having a radius of 5,154.86 feet, an arc length of 12.51 feet, and chord bearing and distance of South 67 degrees 46 minutes 32 seconds West 12.51 feet to the true point of beginning.

THENCE through Lot 121 and other lands of Beech Mountain Lakes South 22 degrees 01 minutes 02 seconds East 200.65 feet to a point;

THENCE continuing through lands of Beech Mountain Lakes by a curve to the right having a radius of 120.00 feet, an arc length of 121.48 feet, and a chord bearing and distance of South 6 degrees 58 minutes 58 seconds West 116.35 feet to a point;

THENCE still through said lands South 35 degrees 58 minutes 58 seconds West 155.41 feet to a point in line of land of Greco;

THENCE along said Greco land South 72 degrees 01 minutes 01 seconds West 85.00 feet to a pint;

THENCE through land of Beech Mountain Lakes North 35 degrees 58 minutes 58 seconds East 224.14 feet to a point;

THENCE continuing through said land by a curve to the left having a radius of 70.00 feet, an arc length of 70.86 feet, and a chord bearing and distance of North 06 degrees 58 minutes 58 seconds East 67.87 feet to a point;

THENCE still through land of Beech Mountain Lakes and Lot 121 North 22 degrees 01 minutes 02 seconds West 200.17 feet to a point on the southeasterly right-of-way line of Edge Rock Drive;

THENCE along said right-of-way line by a curve to the right having a radius of 5,154.86 feet, an arc length of 50.00 feet, and a chord bearing and distance of North 67 degrees 25 minutes 41 seconds East 50.00 feet to the true point of beginning.

CONTAINING 24,320 square feet of land, more or less.

BEING the same premises previously conveyed to Beech Mountain Lakes Association, Inc.

THE PROPERTY conveyed herein is also being Lot No. 7 on the Subdivision of Lands of Beech Mountain Lakes recorded April 9, 1997 and October 15, 1997 in the Office of the Recorder

of Deeds in and for Luzerne County in Map Book No. 102, Pages 41-48, and Map Book 107, Page 59-66;

TOGETHER with a non-exclusive easement on the roads more particularly depicted in the Map for the purpose of ingress, egress and regress through the Beech Mountain Lakes Development.

The Property Identification Number is part of P9 BC L3A, P9 BA L1A, and P9 BB L4.

CERTIFIED PROPERTY IDENTIFICATION NUMBER

MUNICIPALITY Fraser, Butler, Derrison Twp

CERTIFIED PIN: Map P9 Block A Lot 1A
P9 B 4

TRANSFER _____ DIVISION _____

Date 1/8/88 Mil Valant
Mapping Clerk

EXHIBIT "D"

TURNOVER AGREEMENT

EXHIBIT "D"

168
BOOK 2624 PAGE 1054

E x D

TURNOVER AGREEMENT

THIS AGREEMENT, made as of this 7th day of January, 1998, by and between BEECH MOUNTAIN LAKES CORPORATION, a Pennsylvania business corporation (herein the "Declarant"), and BEECH MOUNTAIN LAKES ASSOCIATION, INC., a Pennsylvania nonprofit corporation (herein the "Association").

WITNESSETH

WHEREAS, Declarant is the owner of certain real property located in Butler and Dennison Townships, Luzerne County, Pennsylvania, which real property is more particularly described in Exhibit "A", as supplemented, attached to and made a part of the Declaration of Protective Covenants, Exceptions, Reservations and Conditions for Beech Mountain Lakes, as amended and supplemented and as recorded in the Office for the Recording of Deeds, Luzerne County, Pennsylvania (the "Declaration"), which real property is referred to herein and in the Declaration as the "Development"; and

WHEREAS, the Association has been incorporated and organized by the Declarant as provided in, and for the purposes set forth in the Declaration; and

WHEREAS, the Declaration, in Section 11.3, provides, inter alia, that the Declarant may, by amendment to the Declaration, provide for the transfer and assignment of certain rights and properties, including the Common Areas and may provide for the transfer of Declarant's control of the Association, referred to in the

Declaration as the "Turnover Date," at any time prior to the date when ninety percent (90%) of all Interests in the Development have been conveyed to Owners, other than the Declarant; and

WHEREAS, as of the date hereof, ninety percent (90%) of all Interests in the Development have not been conveyed to Owners, other than Declarant; and

WHEREAS, Declarant has made and recorded a Twelfth Amendment and First Supplemental Declaration to the Declaration, dated as of even date herewith (the "Twelfth Amendment and First Supplemental Declaration"), for the purposes of, inter alia, amending the Declaration to provide for the Turnover Date and to provide for the transfer of certain rights, obligations and properties to the Association in connection with such turnover; and

WHEREAS, the Turnover Date as established by the Declarant in the Twelfth Amendment and First Supplemental Declaration, is the date hereof, January 7, 1998; and

WHEREAS, the parties hereto desire to enter into this Turnover Agreement in order to set forth certain terms and conditions relating to the transfer and conveyance by the Declarant to the Association of certain properties, rights, obligations and responsibilities under the Declaration (sometimes referred to herein as the "Turnover").

NOW, THEREFORE, in consideration of the mutual covenants hereinafter expressed, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

(1) Definitions. The terms used herein shall have the meanings specified in the Declaration, which are incorporated herein by reference, and, where applicable, as specified in the preamble and recitals hereof.

(2.1) Property to be Transferred. Pursuant to the Declaration and subject to the terms and conditions hereof, the Declarant shall transfer and convey to the Association and the Association shall accept the transfer and conveyance of the following assets (herein referred to collectively as the "Assets"):

- (a) Those certain tracts of real estate within the Development designated as Common Areas and Sports Facilities, together with any and all Improvements thereon, as more particularly described in the deed or deeds delivered at Closing and incorporated herein by reference (herein the "Real Property Assets"); and
- (b) All fixtures, materials, supplies, inventory, equipment, motor vehicles, and such other tangible personal property, as more particularly described in the bill of sale delivered at the Closing and incorporated herein by reference (the "Tangible Personal Property Assets"); and
- (c) All accounts receivable, contract rights and such other intangible assets held by the Declarant in connection with its performance of the functions of the Association pursuant to the terms of the Declaration, including the right to impose and collect Assessments, Charges, Recreation Fees or any other fee or charge

pursuant to the Declaration, as more particularly described in the closing documents to be delivered at the Closing and incorporated herein by reference (the "Intangible Personal Property Assets").

(2.2) NACO Resort Club. The Assets to be transferred and conveyed hereby shall include the Campground Facilities constructed and existing within the Development. The Campground Facilities, Common Areas and Sports Facilities conveyed hereby shall be subject to all the rights and privileges relating to use thereof by NACO Resort Club members, or certificate holders.

(2.3) Office Lease. At Closing the Association and the Declarant shall enter into a written agreement of lease, in form satisfactory to counsel for Declarant, providing for lease of sufficient office space (one office) to accommodate two persons (working for Declarant, or its assigns) within the Clubhouse included within the Assets conveyed hereby, for a term of two years at an annual gross lease rental of One (\$1.00) Dollar per year.

(2.4) Excluded Assets. It is understood and agreed that the laundry facility and guard house, together with the parking areas adjacent to the guard house are not included within the Assets to be conveyed pursuant hereto, but will be conveyed by the Declarant to the Quail Hollow Village Association; Provided, however, the Declarant will cause Quail Hollow Village Association to lease back to the Association the front portion of the guard house, currently used for security purposes for a term of 99 years, so long as the Association uses the same for such purposes.

(3) Closing. The Closing shall take place on the Turnover Date at the offices of Rosenn, Jenkins & Greenwald, 15 South Franklin Street, Wilkes-Barre, Pennsylvania 18711, at 10:00 a.m., or at such other time and place as the parties hereto shall agree upon in writing. Time is of the essence of this Agreement.

(4) Title Documents; Delivery at Closing.

At Closing, Declarant shall transfer title to the Assets to the Association, as follows:

- (a) With respect to the Real Property Assets, Declarant shall convey title by execution and delivery to the Association, at Closing, a quitclaim deed, free and clear of any liens or encumbrances, subject however to the Declaration, any other easements, covenants and restrictions of record (including without intending to limit the generality of the foregoing, non-exclusive easements permitting all Quail Hollow Village property owners and all other property owners within the Development, their guests and invitees to use of the roads and other Common Areas conveyed hereby, subject to applicable rules and regulations pursuant to the Declaration and other Association instruments), zoning ordinances, taxes and assessments, general and special, which are a lien but are not due and payable, and such other exceptions as shall not

materially interfere with use and operation of such property as set forth in the Declaration;

- (b) With respect to the Tangible Personal Property Assets, Declarant shall transfer the same by execution and delivery to the Association at Closing bill(s) of sale and such other applicable title documents reasonably necessary to accomplish transfer of title thereto; and
- (c) With respect to the Intangible Personal Property Assets, Declarant shall transfer and assign title thereto by execution and delivery to the Association at Closing, assignment(s) or such other documents of transfer reasonably necessary to accomplish such transfer.
- (d) Notwithstanding any other provision hereof, the Declarant, at its sole discretion, may elect to transfer and convey that portion of the Real Property Assets constituting the lake and impoundment at sometime subsequent to the Closing, upon completion of assignment of any and all related permits, including NDIID Pa. 568 and the Department of Environmental Protection Permit 40-225. Declarant also, at its sole discretion, may elect to transfer and convey the lake and/or impoundment referenced above, at the Closing, subject to certain conditions related to assignment of the permits

referenced above. The date, time and place of the transfer and conveyance of the lake and/or impoundment (if not at the Closing) shall be as determined by the Declarant within its sole discretion and shall be referred to herein as the "Secondary Closing." The Association covenants and agrees to take any and all action, as may be requested by Declarant, to assist and to cause the transfer and conveyance of the lake and/or impoundment and assignment of the permits referenced above.

(5) No Representations or Warranties. The Assets are being transferred hereby "as is", without any representations or warranties, including warranties of title, merchantability, or fitness for a particular purpose, express or implied. The Association represents to Declarant that the Assets have been inspected by it and that it has been assured by means independently of Declarant or any agent of Declarant, of the truth of all facts material to this Agreement, and that the foregoing Assets, as described in this Turnover Agreement, are and have been accepted by the Association as a result of such inspection, or investigation and not by or through any representations made by Declarant, or by an agent of Declarant. The Association hereby expressly waives any and all claims for damages or for rescission or cancellation of this Agreement because of any representations made by Declarant or by any agent of Declarant, other than such express representations as may be contained in this Agreement. The Association

further agrees that Declarant, and any and all agents of Declarant, shall not be liable for or on account of any inducements, promises, representations, or agreements not contained in this Agreement; it being understood and agreed by the parties hereto that no agent or employee of Declarant is or has been authorized by Declarant to make any such representations with respect to the Assets, and that if any such representations have been made, they are wholly unauthorized and not binding on Declarant.

(6) Transfer of Duties and Responsibilities; Release of Declarant's Rights to Control Association.

(a) On the Turnover Date, the Association agrees to assume any and all duties and responsibilities of the Association under the Declaration, including those duties, responsibilities and functions heretofore performed by Declarant on behalf of the Association as provided in the Declaration. The Association also agrees to assume, on the Turnover Date, all liabilities incurred by Declarant on behalf of the Association in connection with its performance of the functions of the Association pursuant to the terms and provisions of the Declaration. Declarant hereby acknowledges its release and relinquishment, as of the Turnover Date, of its rights to control the Association as provided in the Declaration.

(b) On the Turnover Date, the Declarant shall, as a part of the assignment of Intangible Personal Property Assets, as provided in section 2.1(c) hereof transfer and assign to the Association any and all rights and duties held by

the Declarant under the Declaration and the Association covenants and agrees to exercise such rights and duties as provided in Section 11.5 of the Declaration; Excepting however, such rights and duties specifically reserved onto the Declarant and intended to survive the Turnover Date, as provided herein and in the Declaration, as amended and supplemented and the Association Instruments. Such transfer and assignment shall include the Declarant's rights to appoint the members of the Architectural Control Committee (ACC), as provided in Section 12.6 of the Declaration, subject however to the provisions of the Twelfth Amendment and First Supplemental Declaration, whereby the powers, functions and duties of the ACC are reserved to the Declarant with respect to Unit II under certain conditions and time limitations. Nothing herein contained shall be construed to limit or otherwise adversely affect the provisions of Section 11.6 of the Declaration applicable to protection of the Declarant, which provisions shall remain in full force and effect, following the Turnover Date.

(c) The Association hereby acknowledges and states that it has reviewed the financial books and records of Declarant applicable to its performance of the functions of the Association pursuant to the Declaration. At the Turnover Date, Declarant shall deliver to the Association all records, files, maps, engineering reports, accounting statements and any other records or documents in its possession relating to management of the Assets, or relating to Declarant's performance of the functions of the Association pursuant to the Declaration.

(7) Release of Declarant. The Association hereby acknowledges that Declarant has performed all obligations, covenants and other undertakings required by it under the Declaration and any related obligations applicable to the Development and the Association, for itself, its successors and assigns, does hereby remise, release and forever discharge Declarant, each and every officer, director, agent, administrator, and employee thereof, or any of them and their heirs, representatives, executors, administrators, successors and assigns and any and all persons, firms, corporations, associations or partnerships, known and unknown, whether or not herein named or referred to, of and from all and all manner of actions, and causes of actions, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, claims and demands whatsoever, in law or equity, whether known or unknown or foreseen or unforeseen, arising out of or in any way connected with the Development and/or Declaration and all documents, obligations, or undertakings related thereto, including, but not limited to, claims for breach of contract, any tort or statutory claim, under any federal, state or municipal statute, ordinance or regulation, or other governmental requirement.

(8) Pennsylvania Realty Transfer Tax and Settlement Costs. Payment of realty transfer taxes, if any, shall be payable by the Association. Each party shall pay its own attorneys fees. There shall be no prorations at Closing.

(9) Destruction of Property. If, prior to the Closing Date, all or any part of the Assets is destroyed by fire or the elements or by any cause beyond either

party's control, neither party shall have any right to cancel this Turnover Agreement, and Declarant shall assign to the Association all of its rights to receive insurance proceeds, if any, in respect thereof, together with all of its right to negotiate a settlement with any insurance carriers; it being understood that the Association shall assume the risk of any such destruction pursuant to the foregoing.

(10) Eminent Domain. If, prior to the Closing Date, all or any part of the Assets is taken by eminent domain, neither party may cancel this Turnover Agreement, which shall remain in full force and effect, and Declarant shall assign, transfer, and set over to the Association all of its right, title and interest in and to any awards that may be made for such taking.

(11) Possession and Tender. Possession of the Assets is to be delivered by the title documents referred in Section (4) hereof, and by physical possession on the Closing Date or Secondary Closing Date as is applicable. Formal tender of an executed deed is hereby waived.

(12) Twelfth Amendment and First Supplemental Declaration. The Association hereby acknowledges receipt of a true and correct copy of the Twelfth Amendment and First Supplemental Declaration, as recorded, and hereby acknowledges and confirms that it accepts and consents to the terms and provisions thereof.

(13) Benefit. This Turnover Agreement shall be binding upon, and inure to the benefit of, the legal representatives, successors, and assigns of the parties.

The Association shall not assign this Agreement without the prior written consent of Declarant.

(14) Notices. All notices, requests, demands, and other communications hereunder shall be in writing, and shall be deemed to have been duly given if delivered or mailed first class, postage prepaid, to the parties at the following addresses:

If, to Declarant, to:

Kenneth E. Hendrycy, Esquire
2711 LBJ Freeway - Suite 200
Dallas, Texas 75234

If, to the Association, to:

Beech Mountain Lakes Association, Inc.
Edge Rock Drive
Drums, PA 18222
Attention: Manager

(15) Construction. This Agreement has been executed in the Commonwealth of Pennsylvania and shall be construed in accordance with the laws of such state.

(16) Ambiguity. In the event of any ambiguity or alleged ambiguity contained herein, said ambiguity shall not be construed in favor of or against either party on the basis of which party drafted the Agreement.

(17) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this
Turnover Agreement to be duly executed as of the date set forth above.

BEECH MOUNTAIN LAKES CORPORATION

By: [Signature]
(Vice) President

BEECH MOUNTAIN LAKES
ASSOCIATION, INC.

ATTEST:

[Signature]
Secretary

By: [Signature]
President

(SEAL)

Execution and delivery of the Turnover Agreement is hereby authorized and approved on behalf of the Association by the undersigned being all of the duly appointed Delegates pursuant to the Declaration.

WITNESSES:

Christine R. Stempel
Christine R. Stempel
Christine R. Stempel
Christine R. Stempel
Christine R. Stempel
Christine R. Stempel

DELEGATES:

R. Ball
Ryan Hoover
Sam Jones
H. Hoover
Patricia Hooper
John Justofino

Filed in the office for Recording
in and for Luzerne County, Pennsylv

Deed

Book No. 216.24 Page. 1023

Witness my hand and seal of office, this

of January A

1998
C. Castellino

8
98

RECORDER OF DEEDS
LUZERNE COUNTY
PENNSYLVANIA
INSTRUMENT NUMBER
5188255
RECORDED ON
Jan 08, 1998
3:49:57 PM

LUZERNE COUNTY \$76.00
RECORDING FEE
LCA WRIT TAX \$0.50
TOTAL \$76.50

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