

DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS, EXCEPTIONS,
RESERVATIONS AND CONDITIONS

This Declaration is made as of April 30, 1974, by Masthope Rapids, Inc., and a Pennsylvania corporation, T /A Masthope Rapids (Declarant).

RECITALS

Declarant owns all of the real property known as “Masthope Rapids”, a subdivision situated in Lackawaxen Township, Pike County, Pennsylvania, according to the maps and plats recorded in the Office of the Recorder of Deeds of Pike County, Pennsylvania, which subdivision is hereinafter known referred to as “The Development”.

Declarant is about to sell and convey the lots and plots situated within the Development and desires to impose upon them mutual and beneficial restrictions, covenants, conditions, real and predial servitudes and charges under a general plan or scheme of improvement for the protection and benefit of all of the lots in the Development.

NOW, THEREFORE, Declarant declares that all of the lots located within the Development are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the following declarations, all of which are declared and agreed to be in the furtherance of a plan for development, improvement and sale of said lots and are established for the purpose of enhancing and protecting the value, desirability and attractiveness of the Development as a whole and each of said lots situated therein and for the protection and benefit of the Association. All of the provisions of this Declaration are intended to create “mutual, real or predial servitudes” upon each of said lots herein and to create reciprocal rights and duties between and among the respective owners of all said lots. All of such provisions shall, as to the owner if each such lot, his heirs, executors, administrators, distributors, successors or assigns operate as covenants running with the land for the benefit of each and all other lots in the Development and their respective owners.

1. SEVERABILITY

Every one of the Restrictions is hereby declared to be independent of, and severable from, the rest of the Restrictions and of and from every other one of the Restrictions and from every combination of Restrictions. Therefore, if any of the Restrictions shall be held to be invalid or to be unenforceable or to lack the quality of running with the land, that holding shall be without effect upon the validity, enforceability or running with the land quality of any other one of the Restrictions.

2. GENERAL APPLICATION – LOTS

- A. 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.
- B. Fences. All property lines shall be kept free and open, and no fences, hedges or walls shall be constructed except as permitted by the committee.
- C. Completion of Construction. Every improvement once begun shall be completed within six (6) months. No construction can be commenced unless and until the full amount of a purchase price of a lot with interest is paid and until the full amount of any assessments due are paid. Improvements not completed within six (6) months, improvements on which construction has been interrupted for ninety (90) days, and improvements partially or totally destroyed and not rebuilt within six (6) months shall be deemed a nuisance. Declarant may remove any such nuisance or repair complete the same, at the cost of the Owner.
- D. Sewage Disposal. For the Westcolang Park Sections (within the Masthope Rapids subdivision), on-site sewage disposal systems and well must conform to all applicable health and building codes. Installation of said systems shall be performed simultaneously with the construction of a residence.

For all remaining sections the initial collection of sewage will be by a managed holding tank system and by agreement with the Lackawaxen Township Authority. The Declarant has been designated to manage the system. The holding tank system will be operated until the installation of a central sewage disposal system. Prior to completion of the sewage treatment facilities and interceptor lines, which is scheduled for commencement of construction in 1974, and through the Management Holding Tank System, treatment and disposal of sewage will be to an interim plant located on the property of the Declarant and capable of meeting effluent quality standards for the discharges at locations which have been specified by the Pennsylvania Department of Environmental Resources. The holding tank system shall be the sole sewage disposal system for the Development until the installation of the Central Sewage Disposal System, at which time that system shall become 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 any lot shall be connected to the holding tank system and on its abandonment connected to the Central System through the sewer main now or hereafter installed. No outside toilet shall be constructed on any lot. No roof leaders, cellar drains, pumps, or footing drains may be connected to said System.

E. Maintenance of Lots. Each lot, whether occupied or unoccupied, and all improvements 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 Declarant may maintain, restore or repair, the cost of which shall be added to and become a part of the annual charge to which such lot is subject. Neither Declarant 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.

F. Water System. The central water system constructed or to be 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 water system or method of water supply. The Declarant reserves the right to allow the Central Water System to be owned by a private water company who shall make application to the Pennsylvania Public Utility Commission for a certificate of convenience to furnish water service to the owners of the Development. Water rates and connection charges will be determined after completion of the system, and subject to the approval of the Pennsylvania Public Utility Commission.

G. Sewage Charges. Each Owner shall pay to the entity which shall own and operate the sewage facilities:

1. Holding tanks: The initial charge for installation of a holding tank is \$400.00. A minimum monthly availability charge estimated at \$2.50 per month for each lot without a structure and \$10.00 a month for each lot with a constructed residence or at such other rates shall be established from time to time. The availability charge of \$2.50 per month will commence when water is available to the Lot, and the \$10.00 charge per month will commence when the holding tank is installed, and continue thereafter until the installation and operation of a Central Sewage System by the Authority is available to said Lot for use. There will be an estimated \$150.00 connection fee charged to each owner for the holding tank supplied to the owner at the time of the construction of the owner's residence.

2. Central Sewage System: When the Authority undertakes to construct the Central Sewage System, each owner will be assessed an initial fee and an availability fee as determined by the authority, in accordance with the law, necessary to pay for construction, engineering, legal and other related costs less any grants from governmental agencies which may be obtained by the authority in constructing the said Central System.

In the event that the Authority is unable to undertake the Central Sewage construction, the Declarant will proceed to construct a Central Sewage System and will determine and assess each property owner with the appropriate initial and availability fees as approved by the Pennsylvania Public Utility Commission.

H. Water Charges. Each Owner shall pay to the entity which shall own and operate the water works facility:

1. A monthly charge for each Lot upon which a structure has been erected at a rate as shall be established by the Owner of said water entity in accordance with the law of Pennsylvania.

2. An estimated connection fee in the amount of One Hundred Fifty Dollars (\$150.00) payable before the connection is made. This does not include service connection form the house to the street line.

3. A monthly availability charge for each Lot when water is available to said lot in the amount of \$5.00 will be charged in accordance with the laws of the Commonwealth of Pennsylvania.

I. Nuisance. No Lot shall be used in whole or in part of the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such Lot to appear in an unclean or untidy condition that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any Lot that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of the surrounding property.

J. Signs. Except as permitted by the Environment Control Committee, no person, except Declarant, shall erect or maintain upon any Lot of Improvement any sign or advertisement.

K. Animals. No animals shall be kept on any Lot except the household pets, but no more than three to a household. Household pets shall be kept reasonably confined so as to not become a nuisance.

L. Vehicle Parking. No vehicle shall be parked on any street in the development. No minibike, trailbike, snowmobile or other similar type vehicle may be within the development except pursuant to the rules and regulations established by the Committee.

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

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

O. Restriction of Construction of Model Homes. No building that is to be used as a model home or exhibit home shall be built without the prior written permission of the Committee.

P. Restrictions on Temporary Structures. No travel trailer or tent or other temporary structure shall be placed or erected on any Lot, nor shall any overnight camping be

permitted on any Lot. This shall not apply to Declarant's establishing clearance campground areas.

Q. Removal of Trees. No tree over three (3) inches in diameter may be cut down without the prior written consent of the Committee.

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

S. Docks, Piers, Etc. No pier, dock or other structure shall extend more than fifteen (15) feet into any lake. No pier, dock, or other structure shall be built without written permission of the Committee, which permission shall be a revocable license.

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T. Ditches and Swales. Each owner shall keep drainage ditches and swales located on his Lot free and unobstructed and in good repair and shall provide for the installation of such culverts upon his Lot as may be reasonably required by the Committee.

U. Resubdivision. No single building Lot shall be subdivided except that adjacent lot owners may divide the Lot between them provided no construction of any kind whatsoever is built upon any portion of the subdivided Lot.

V. Drilling and Mining. No drilling, refining, quarrying or mining operation of any kind shall be permitted on any Lot.

W. Boathouses. No boathouses shall be permitted. Boat docks, the highest projection of which shall not exceed the elevation of the land adjoining such docks, shall be permitted to be constructed adjoining any waterfront Lot with the approval of the Committee.

X. Native Growth. The native growth on any Lot shall not be permitted to be destroyed or removed except as approved in writing by the Committee. In the event such is removed, except as stated above, the Committee may require the replanting or replacement of same, the cost thereof to be borne by the Lot Owner.

Y. Radio and Television Antennas. No exposed or exterior radio or television antennas shall be erected, placed or maintained on any part of any lot, but this restriction may be waived by the Committee. Any waiver of the restrictions shall not constitute a waiver as to other Lots or lines or antennas.

A. Letter and Delivery Boxes. The Committee 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.

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

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

CC. Changes in Elevations. No substantial changes in the elevation of the land shall be made on any Lot without the approval of the Committee.

DD. Private Swimming Pools. No private swimming pools are allowed to be constructed on and lot of by the Owner of any lot of this subdivision except as approved by the Committee.

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EE. Taxes and Government Liabilities. Any contract of sale of any lot is made subject to taxes and other government 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.

FF. Prohibition Against Used Buildings. No used buildings shall be placed on any lot.

GG. Garbage and Trash Removal. In order to enhance the appearance and orderliness of the subdivision, 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 subdivision for the purpose of removing garbage, trash and other like refuse. The charge to be made for such refuse collection and removal 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.

3. GENERAL APPLICATION – COMMON AREAS

A. Ownership. All common areas are private property and shall remain private property. Declarant's execution and recording of the Plat shall not be construed as a dedication to the public of any of the common areas.

Declarant shall have the option to convey the common areas to an association after the Development Period, and Declarant shall have the right to convey all or any part of the common areas to an association at any time prior to said date. On the date of said conveyance, the common areas, or the part thereof conveyed, shall be subject to liens for taxes not then delinquent, such easements and rights-of-way as then appear of record and other such matters of record as Declarant mat at the time of such conveyance make by deed which shall be deemed delivered for all purposes upon Declarant's recording thereof in the Office of the Recorder of Deeds of Pike County, Pennsylvania. Upon conveyance of all the common areas to an association, all rights, powers and immunities of Declarant, as such, shall vest in the association.

B. Maintenance. So long as Declarant owns any common area, Declarant shall maintain and repair the common area and receive reimbursement for the cost thereof.

After conveyance to an association of any common area, the association shall maintain and repair that common area.

4. Land Use.

General. The development will be improved in sections.

Lots. 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, except those improvements on those lots and tracts that may be designated lots and tracts for construction of condominiums, garden apartments, village town houses, cluster village units, destination units, areas within which may be reserved for community purposes such as firehouses, post offices, etc. The following restrictions shall apply specifically to such lots, except as approved by the Environmental Control Committee.

I. Construction. All construction shall be approved by the Committee.

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II. Setbacks. 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

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

IV. “SINGLE FAMILY DWELLING” means that no structure shall be erected on any lot marked “SF” (Single Family Dwelling) other than one private “Single Family” dwelling house as defined in 1. Definition “O”. Such Single Family Dwelling house to be suitable for the use of and to be used for private dwelling purposes by one single family, only, and for no other purpose whatsoever; with one private one or two car garage attached or detached from the dwelling house and suitable only for the use of and to be used only by the occupants of such Single Family Dwelling House.

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5. PROVISIONS WITH RESPECT TO LAKES AND LOTS CONTIGUOUS THERETO.

A. Ownership of Lake Front 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.

B. 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 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.

- C. Right to Remove Accretions. Declarant shall have the right at anytime 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.
- D. Declarant's 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.
- E. Right to Change Level of Lake. Declarant 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.

6. THE ENVIRONMENTAL CONTROL COMMITTEE

A. General Powers of the Committee.

I. Power to Approve Plans. No improvements, structures, alterations or adjustments may be constructed on any lot without the prior written approval of the Committee. Such approval shall be granted only upon written application in the manner and form prescribed by the Committee, accompanied by two sets of site, landscaping and foundation plans and specifications for such improvement which plans and specifications are signed by a Pennsylvania licensed architect or engineer. The application shall show the location of all improvements existing upon said Lot, 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 Committee may require.

II. Power of Disapproval. The Committee may disapprove any application:

A. Which does not comply with this Declaration; or

B. Because of reasonable dissatisfaction with grading plans, location of the proposed improvement on a Lot, 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 Committee, reasonably exercised, the proposed improvement will be inharmonious with the Development, or with the improvements erected on other Lots.

III. Power to Grant Variances. The Committee may allow reasonable variances from the provisions of this Declaration if literal application thereof results in unnecessary hardship, if such variance is in conformity with the general intent of this Declaration, and if the granting of such variance will not be materially detrimental or injurious to the Owners of other Lots, provided that the Committee shall not permit any travel trailer or tent to be placed, parked, erected or stored on any Lot or permit any overnight camping on any Lot.

IV. Power to Charge Fees. The Committee may require a reasonable filing fee to accompany each submission of plans and specifications.

- B. Committee Membership. The Committee shall be composed of three (3) members appointed by the Declarant. In any event, the Committee shall at least include an architect and a licensed engineer.
- C. Duties of the Committee. The Committee shall act within thirty (30) days after all required information shall have been submitted. The Committee shall retain one copy of submitted material and return the other copy. All notices to applicants shall be in writing. Any disapproval shall specify the reason therefor. The approval of the Committee of plans and specifications shall not be a waiver by the Committee of its right to object to any of the features or elements contained in any subsequent plans or specifications submitted for approval. The Committee may inspect work being performed to assure compliance with this Declaration and the Committee's rules. Failure of the Committee to act upon an application within thirty (30) days shall constitute approval of this application. At any time prior to the completion of construction of an improvement, the Committee may require a certification of the contract, the Owner, or a licensed surveyor, that such proposed improvement does not violate any set back rules, ordinance or statute or encroach upon any easement or right-of-way of record. Such certification shall be delivered to the Committee within ten (10) days prior to the construction of such improvement.

The Committee shall adopt written rules governing its procedures.

- D. Liability of Committee. Neither the Committee, the Declarant, nor any person acting on behalf of any of them, shall be responsible in any way for any defects in the plans or specifications or other material submitted to the Committee, nor for any defects in any work done.
- E. Appeals. Any Owner shall have the right to appeal to the Declarant from any adverse decision of the Committee within thirty (30) days after the giving of notice of its disapproval, and the Declarant shall have authority to confirm, reverse or modify the decision of the Committee.

7. RESERVATIONS AND EASEMENTS.

- A. Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the real property subject to these restrictions, the following easements and/or rights-of-way

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1. 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.

- B. The Declarant excepts and reserves unto itself, its successors and assigns as follows:

1. The private roadways in the location and of the width as set forth on the recorded Plat in the Office of the Clerk of the County of Pike, Pennsylvania, 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.

2. All coal, oil, minerals, mining and dwelling rights.

3. The exclusive right to dedicate the roads, streets and avenues in the subdivision to public use without the joinder, release or consent of any purchaser, grantee or grantees and his, her or their heirs and assigns, and said purchaser, grantee or grantees and his, her or their heirs and assigns are required to release all damages or claims resulting therefrom.

4. The continuing and unqualified right to alter, modify, amend, subtract or add to any of the restrictions, covenants, reservations and conditions during the Development Period when in the opinion of the Developer it is necessary for the benefit and mutual protection of all property owners provided, however, that any such alterations shall not do anything to reduce the size of the community areas, as shown on the recorded plats. A copy of such changes shall be on file at the office of the Developer for inspection and such changes shall also be recorded by Developer, its successors or assigns.

- C. Declarant has dedicated, or will dedicate, to any municipal body, or to the appropriate utility company or companies, including cable TV, right-of-way and easement areas 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 Plats, together with accessory right to locate guy wires, braces or anchors.

- D. Declarant reserves for itself, its successors or assigns, an exclusive easement for the installation and maintenance of radio and television transmission cables within the right-of-way and easement areas reserved and defined in paragraph 7-B above.

- E. 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.
- F. The Lots in the Development shall be burdened by such additional easements as may be shown on the recorded Plat.
- G. Lake and Shoreline Maintenance. A fifteen (15) foot wide strip along the line of any Lot abutting a lake us reserved for lake and shoreline maintenance.
- H. Flooding Easement. A flowage and flooding easement is reserved on each lake front Lot equal to the lake front building set back line as provided in Section 7-F above.
- I. Streets. An easement and right-of-way in the Development for an under all streets and rights-of-way in the Development 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.
- J. 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 by the Declarant or its assigns through Lots.
- K. Use or Maintenance by Owners. No improvement or structure, planting or activity shall be permitted on said easement which may damage or interfere with the use of said easements for the purposes herein set forth.
- L. Liability for Use of Easements. No Owner shall have any claim against Declarant or its licenses 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.
- 8. ANNEXATION OF SUBSEQUENT UNITS OR PARCELS

- A. Property to be Annexed. Declarant may from time to time and in its sole discretion, annex to the Development any other real property which from time to time may be owned by the Declarant and which is adjacent to the Development. 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 the present development and upon the roadways, easements, community areas, recreational areas, and utilities of the entire development.
- B. 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 of this Declaration which shall:
- I. Amend the description of the Development to include the annexed areas;
 - II. Amend the definition of the term "Plat" to include such map or plat
 - III. Set forth any additional covenants, restrictions or easements specifically applicable to the annexed areas; and
 - IV. Contain such provisions as, in the opinion of counsel holding shall be without effect upon the validity, enforceability or running of any other provision of this Declaration.

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13. CAPTIONS

All captions in this Declaration are for convenience only and do not in any way limit or amplify the provisions hereof.

14. TERM OF AMENDMENT

The provisions of this Declaration are intended to create mutual real or predial servitudes upon each of the said Lots and as such affect and run with the land and shall exist and be binding upon all parties claiming an interest in the Development unless an instrument signed by two-thirds of the then record Owners of all Lots agreeing to change the provisions hereof in whole or in part which instrument shall be recorded in the Office of the Recorder of Deeds of Pike County, Pennsylvania. Notwithstanding anything herein to the contrary, this Declaration may be amended or supplemented only by the Declarant during the Development Period.

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IN WITNESS WHEREOF, Declarant has executed this Declaration as of this 30th day of April, 1974.

Masthope Rapids, Inc.

t/a MASTHOPE RAPIDS

By _____

President

Commonwealth of Pennsylvania)

County of Pike) ss.

On this 30th day of April, 1974, before me that undersigned officer, personally appeared Karl Hope, who acknowledged himself to be the President of Masthope Rapids, Inc., trading as MASTHOPE RAPIDS, a corporation and that he as such being President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, and desired the same might be recorded as such.

Notary Public

AMENDED

DECLARATION OF PROTECTIVE COVENENTS, RESTRICTIONS, EXCEPTIONS,
RESERVATIONS AND CONDITIONS

This Declaration is made as of July 31, 1974, by Masthope Rapids, Inc., A Pennsylvania corporation, T/A Masthope Rapids (Declarant).

RECITALS

Declarant owns all of the real property known as “Masthope Rapids”, a subdivision situated in Lackawaxen Township, Pike County, Pennsylvania, according to maps and plats recorded in the office of the Recorder of Deeds in Pike County, Pennsylvania, which subdivision is hereinafter referred to as “The Development”.

Declarant is about to sell and convey the lots and plots situated within the Development and desires to impose upon them mutual and beneficial restrictions, covenants, conditions, real and predial servitudes and charges under a general plan or scheme of improvement for the protection and benefit of all the lots in the Development.

NOW, THEREFORE, Declarant declares that all of the lots located within the Development are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the following declarations, all of which are declared and agreed to be in furtherance of a plan for development, improvement and sale of said lots and are established for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Development as a whole and each of said lots situated therein and for the protection and benefit of the association. All of the provisions of this Declaration are intended to create “mutual, real or predial servitudes” upon each of said lots herein and to create reciprocal rights and duties between and among the respective owners of all of said lots. All of such provisions shall, as to the owner of each such lot, his heirs, executors, administrators, distributees, successors or assigns operate as covenants running with the land for the benefit of each and all other lots in the Development and their respective owners.

1. SEVERABILITY

Every one of the Restrictions is hereby declared to be independent of, and severable from the rest of the Restrictions and of and from every other one of the Restrictions. Therefore, if any of the Restrictions shall be held to be invalid or to be unenforceable or to lack the quality of running with the land, that holding shall be without effect upon the validity, enforceability or running with the land quality of any other one of the Restrictions.

2. GENERAL APPLICATION – LOTS

A. Accessory Outbuildings. No garage or shed shall be built on any lot before a Dwelling of completed building is built on that lot. No garage, shed, tent, temporary building, or partially completed building shall be used for human habitation.

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B. Fences. All property lines shall be kept free and open, and no fences, hedges or walls shall be constructed except as permitted by the Committee.

C. Completion of Construction. Every improvement once begun shall be completed within twelve (12) months, improvements on which construction has been interrupted for ninety (90) days, and improvements partially or totally destroyed and not rebuilt within twelve (12) months shall be deemed a nuisance. Declarant may remove any such nuisance or repair or complete the same, at the cost of the Owner.

D. Sewage Disposal. For the Westcolang Park Sections, (within the Masthope Rapids Subdivision), on-site sewage disposal systems and wells must conform to all applicable health and building codes. Installation of said systems shall be performed simultaneously with the construction of a residence.

For all remaining sections, the initial collection of sewage will either be a managed holding system, or central sewage disposal system at the option of the Declarant and by agreement with the Lackawaxen Township authorities. The Declarant has been designated to manage the system. Prior to completion of the sewage treatment facilities and interceptor lines, which is scheduled for commencement of construction in 1974 or 1975, and through the Management Holding Tank System, treatment and disposal of sewage will be to an interim plant located on the property of the Declarant and capable of meeting effluent quality standards for the discharges at locations which have been specified by the Pennsylvania Department of Environmental Resources. No Owner shall install or sue any alternative system or method of sewage disposal. No outside toilet shall be constructed on any lot. No roof leaders, cellar drains, pumps, or footing drains may be connected to said System. The Declarant reserves the sole option to determine the entity to eventually own and operate the central sewage system.

E. Maintenance of Lots. Each lot, whether occupied or unoccupied, and all improvements 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 improvement thereon is not so maintained, Declarant may maintain, restore or repair, the cost of which shall be added to and become a part of the annual charge to which such lot is subject.

Neither Declarant 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.

F. Water System. The central water system constructed or to be constructed by the 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 allow the Central Water System to be owned by a private water company, or a non-profit development authority or corporation or to a property owners association which may make application, if applicable, to the Pennsylvania Public Utility Commission for a Certification of Public Convenience to furnish water service to the owners in the Development. The Declarant reserves the sole option to determine the entity to eventually own and operate the central water system.

If the central water system is eventually owned by a private water company, water rates and connection charges will be determined after completion of the system, and subject to the approval of the Pennsylvania Public Utility Commission.

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G. Sewage Charges. Each Owner shall pay to the entity which shall own and operate the sewage facilities:

1. Holding tanks: The approximate cost for the installation of a holding tank is \$400.00. A minimum monthly availability charge estimated at \$2.50 per month for each lot without a structure and \$10.00 for a month for each lot with a constructed residence, or at such other rates as shall be established from time to time. The availability charge if \$2.50 per month will commence when water is available to the Lot, and the \$10.00 charge per month will commence when the holding tank is installed, and continue thereafter until the installation and operation of a Central Sewage System by the Authority is available to said lot for use. There will be a connection fee of approximately \$150.00 at the time of construction of the Lot Owner's residence.

2. Central Sewage System: When an Authority undertakes to construct the Central Sewage System, each Owner will be assessed an initial fee and an availability fee as determined by the Authority, in accordance with the law, necessary to pay for the construction, engineering, legal and other related costs less any grants from governmental agencies which may be obtained by the Authority in constructing the said Central System.

In the event that the Authority is unable to undertake the Central Sewage construction, the Declarant will proceed to construct a Central Sewage System and will determine and assess each property owner with the appropriate initial and availability fees.

H. Water Charges. Each Owner shall pay to the entity which shall own and operate the water works facility:

1. A monthly charge for each Lot upon which a structure has been erected at a rate as shall be established by the Owner of said water entity in accordance with the laws of Pennsylvania.

2. An estimated connection fee in the amount of Two Hundred Fifty Dollars (\$250.00), payable before the connection is made. This does not include service connection from the house to the street line.

3. A monthly availability charge for each lot will be made as determined by the Developer and pursuant to the laws of the Commonwealth of Pennsylvania.

I. Nuisances. 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 Lot 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 Lot that will emit foul or obnoxious odors, or that will cause any noise that will disturb the peace, quiet, comfort or serenity of the occupants of surrounding property.

J. Signs. Except as permitted by the Environment Control Committee, no person, except Declarant, shall erect or maintain upon any Lot or Improvement any sign or advertisement.

K. Animals. No animals shall be kept on any Lot except the household pets, but no more than three to a household. Household pets shall be kept reasonably confined so as to not become a nuisance.

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L. Vehicle Parking. No minibike, trailbike, snowmobile or other similar type vehicle may be within the development except pursuant to the rules and regulations established by the Committee.

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

N. 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 Committee. Every receptacle for rubbish shall be underground or shall be placed so and kept as to not to be visible from any street or lake within the Development.

O. Restrictions on Temporary Structures. No travel trailer or tent or other temporary structure shall be placed or erected on any Lot, nor shall any overnight camping be permitted on any Lot. Shall not apply to Declarant's establishing clearance campground areas.

P. Removal of Trees. No tree over three (3) inches in diameter may be cut down without the prior written consent of the Committee.

Q. Ditches and Swales. Each owner shall keep drainage ditches and swales located on his Lot free and unobstructed and in good repair and shall provide for the installation of such culverts upon his Lot as may be reasonably required by the Committee.

R. Resubdivision. No single building Lot shall be subdivided except that adjacent lot owners may divide the Lot between them provided no construction of any kind whatsoever is built upon any portion of the subdivided Lot.

S. Drilling and Mining. No drilling, refining, quarrying or mining operation of any kind shall be permitted on any Lot.

T. Native Growth. The native growth on any Lot shall not be permitted to be destroyed or removed except as approved in writing by the Committee. In the event such is removed, except as stated above, the cost thereof to be borne by the Lot Owner.

U. Radio and Television Antennas. No exposed or exterior radio or television antennas shall be erected, placed or maintained on any part of any Lot, but this restriction may be waived by the Committee. Any waiver of these restrictions shall not constitute a waiver as to other lots or lines or antennas.

V. Letter and Delivery Boxes. The Committee 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 such respect thereto.

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

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

Y. Changes in Elevations. No substantial changes in the elevation of the land shall be made on any Lot without the approval of the Committee.

Z. Private Swimming Pools. No private swimming pools are allowed to be constructed on any lot by the Owner of any lot of this subdivision except as approved by the Committee.

AA. Taxes and Government Limitations. Any contract of sale of any lot 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.

BB. Prohibition Against Used Buildings. No used buildings shall be placed on any lot.

CC. Garbage and Trash Removal. In order to enhance the appearance and orderliness of the subdivision, 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 subdivision 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.

GENERAL APPLICATION – COMMON AREAS

A. Ownership. All common areas are private property and shall remain private property. Declarant’s execution and recording of the Play shall not be constructed as a dedication to the public of any of the common areas.

Declarant shall have the option to convey the common areas to an association after the Development period, and Declarant shall have the right to convey all or any part of the common areas to an association at any time prior to said date. On the date of said conveyance, the common areas, or the part thereof conveyed, shall be subject to the liens for taxes not the delinquent, such easements and rights-of-way as then appear of record and such other matters of record as Declarant may at the time of such conveyance make by deed which shall be deemed delivered for all purposes upon Declarant’s recording thereof in the Office of the Recorder of Deeds of Pike County, Pennsylvania. Upon conveyance of all the common areas to an association, all rights, powers, privileges, and immunities of Declarant, as such, shall vest in the association.

B. Maintenance. So long as Declarant owns any common area, Declarant shall maintain and repair the common area and receive reimbursement for the cost thereof. After conveyance to an association of any common area, the association shall maintain and repair that common area.

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4. Land Use.

General. The development will be improved in sections.

Lots. 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, except those those improvements on those lots of tracts that may be designated lots and tracts for construction of condominiums, garden apartments, village town houses, cluster village units, destination units, areas within which may be reserved for community purposes such as firehouses, post offices, etc. The following restrictions shall apply specifically to such lots, except as approved by the Environmental Control Committee.

1. Construction. All construction shall be approved by the Committee.

II. Setbacks. Except as shown on the plat, every dwelling shall be at least:

- (a) 50 feet from the nearest lake
- (b) 40 feet from the front lot line
- (c) 15 feet from each side lot line
- (d) 40 feet from the rear lot line

5. THE ENVIRONMENTAL CONTROL COMMITTEE

A. General Powers of the Committee.

1. Power to Approve Plans. No improvements, structures, alterations or adjustments may be constructed on any lot without the prior written approval of the committee. Such approval shall be granted only upon written application in the manner and form prescribed by the Committee, accompanied by two sets of site, landscaping and foundation plans and specifications for such improvement which plans and specifications are signed by a Pennsylvania licensed architect or engineer. The application shall show the location of all improvements existing upon said Lot, the location of the improvement proposed to be constructed, the color and composition of all exterior materials to be used, and proposed landscaping, complete and particularized plans and specifications for foundations and any other information which the Committee may require.

II. Power of Disapproval. The Committee may disapprove an application:

A. Which does not comply with this Declaration; or

B. Because of reasonable dissatisfaction with grading plans, location of the proposed improvement on a Lot, 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 pitch or type of roof proposed to be placed thereon; or

C. If, in the judgment of the Committee, reasonable exercised the proposed improvement will be inharmonious with the Development, or with the improvements erected on other Lots.

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III. Power to Grant Variances. The Committee may allow reasonable variances from the provisions of this Declaration if literal application thereof results in unnecessary hardship, if such variance is in conformity with the general intent of this Declaration, and if the granting of such variance will not be materially detrimental or injurious to the Owners of other Lots, provided that the Committee shall not permit any travel trailer or tent to be placed, parked, erected, or stored on any Lot or permit any overnight camping on any Lot.

IV. Power to Charge Fees. The Committee may require a reasonable filing fee to accompany each submission of plans and specifications.

B. Committee Membership. The Committee shall be composed of three (3) members appointed by the Declarant.

C. Duties of the Committee. The Committee shall act within thirty (30) days after all required information shall have been submitted. The Committee shall retain one copy of submitted material and return the other copy. All notices to applicants shall be in writing. Any disapproval shall specify the reason therefor. The approval of the Committee of plans and specifications shall not be a waiver by the Committee of its right to object to any of the features of elements contained in any subsequent plans or specifications submitted for approval. The Committee may inspect work being performed to assure compliance with this Declaration and the Committee's rules. At any time prior to the completion of the construction of an improvement, the Committee may require a certification of contract; the Owner, or a licensed surveyor, that such proposed improvement does not violate any set back rules, ordinance or statute or encroach upon any easement or right of way record. Such certification shall be delivered to the Committee within ten (10) days prior to construction of such improvement.

The Committee shall adopt written rules governing its procedures.

D. Liability of the Committee. Neither the Committee, the Declarant, 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 Committee, not for any defects in any work done.

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

6. RESERVATIONS AND EASEMENTS

A. Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the real property subject to these restrictions, the following easements and rights-of-way:

1. 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.

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B. The Declarant excepts and reserves unto itself, its successors and assigns as follows:

1. The private roadways in the location and of the width as set forth on the recorded Plat in the office of the Clerk of the County of Pike, Pennsylvania, 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.

2. The exclusive right to dedicate the road, streets, and avenues in the subdivision to public use without the joinder, release or consent of any purchaser, grantee or grantees and his, her or their heirs and assigns, and said purchaser, grantee or grantees and his, her or their heirs and assigns are required to release a;; damages or claims resulting therefrom.

3. The continuing and unqualified right to alter, modify, amend, subtract or add to any of the restrictions covenants, reservations, and conditions during the Development Period when in the opinion of the Developer it is necessary for the benefit and mutual protection of all property owners provided, however, that any such alterations shall not do anything to reduce the size of community areas, as shown on the recorded plats. A copy of such changes shall be on file at the office of the Developer for inspection and such changes shall also be recorded by the Developer, its successors or assigns.

C. Declarant has dedicated, or will dedicate, to any municipal body, or to the appropriate utility company or companies, including cable TV, right of way and easement areas 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 a long side and rear property lines and ten (10) feet in width along the front property line of all Lots as noted on Plats, together with accessory right to locate guy wires, braces or anchors.

D. Declarant reserves for itself, its successors or assigns, an exclusive easement for the installation and maintenance of radio and television transmission cables within the right-of-way and easement areas reserved and defined in paragraph 6-B above.

E. 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 my damage or interfere with the installation of 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 the 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 any encroachment on any other Lot in the Development. Improvements within such areas shall also be maintained by the respective Lot Owners except for those for which a public authority or utility company is responsible.

F. The Lots in the Development shall be burdened by such additional easements as may be shown on the recorded Plat.

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

H. Streets. An easement and right-of-way in the Development for an under all streets and rights-of-way in the Development 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.

I. 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.

J. Use or Maintenance by Owners. No improvement or structure, planting or activity shall be permitted on said easement which may damage or interfere with the use of said easements for the purposes herein set forth.

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

L. Mining Rights. Coal, oil, gas, minerals and mining rights are not reserved to the Declarant.

7. ANNEXATION OF SUBSEQUENT UNITS OR PARCELS.

A. Property to be Annexed. Declarant may from time to time and in its sole discretion, annex to the Development any other real property which from time to time may be owned by Declarant. 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 the present development and upon the roadways, easements, community areas, recreational areas, and utilities of the entire development.

B. 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 Declaration which shall:

- I. Amend the description of the Development to include the annexed areas;
- II. Amend the definition of the term "Plat" to include such map or Plat;
- III. Set forth any additional covenants, restrictions, or easements specifically applicable to the annexed areas; and
- IV. Contain such provisions as, in the opinion of counsel for Declarant, shall be necessary or appropriate to integrate the annexed area into the Development and to extend the provisions of this 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 the Development and subject to this

Declaration, as supplemented as fully and with the same force and effect as if the annexed area were part of the Development on the date of the recording of this Declaration.

8. THE ASSOCIATION

A future Home-Owners Association may be created as a non-profit corporation with the necessary By-Laws, by the Declarant.

9. REMEDIES.

A. Enforcement. Declarant and each person to whose benefit this Declaration insures, including an Association, may proceed at law or in equity to present the occurrence, continuation, or violation of any provision of this Declaration, and the Court in any such action may award the successful party reasonable expenses in prosecuting such action, including attorney's fees.

B. Cumulative Remedies. The remedies herein specified are cumulative, and the specification of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law or in equity. No delay or failure on the part of an aggrieved party in invoke an available remedy in respect of a violation of any provision of this Declaration shall be held to be a waiver by that part of any right available to him upon the recurrence or continuance of said violation or the occurrence of a different violation.

10. GRANTEES' ACCEPTANCE SUBJECT TO DECLARATION.

Each grantee or purchaser of a Lot, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent Owner of such Lot, shall accept such deed or contract upon and subject to the jurisdiction, rights, powers, privileges and immunities of this Declarant, the Committee, and an Association and shall agree to pay the charges levied against his Lot by an Association. By such acceptance, such grantee or purchaser shall for himself, his heirs, personal representatives, successors and assigns, covenants consent and agree to and with the Declarant and the grantee or purchaser of each other Lot to keep, observe, comply with and perform the covenants, conditions and reserves in this Declaration.

11. CAPTIONS.

All captions in this Declaration are for convenience only and do not in any way limit or amplify the provisions thereof.

12. TERM OF AGREEMENT.

The provisions of this Declaration are intended to create mutual real or predial servitudes upon each of the said Lots and as such affect and run with the land and shall exist and be binding upon all parties claiming an interest in the Development unless an instrument signed by two-thirds of the then recorded Owners of all Lots agreeing to change

the provisions hereof in whole or in part which instrument shall be recorded in the Office of the Recorder of Deeds of Pike County, Pennsylvania. Notwithstanding anything herein to the contrary, this Declaration may be amended or supplemented by the Declarant during the Development period.

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EXHIBIT "B"

(1) All those certain lots, pieces, and parcels of land situate in the Township of Lackawaxen, County of Pike, and Commonwealth of Pennsylvania, being Lot nos. 35 through 46, inclusive, as shown and designated on a certain map entitled "Final Plan – Section 1, Falling Waters at Masthope, Inc., Owners and Developers" which map is recorded in the Office for the Recording of Deeds, etc., at Milford, Pennsylvania, in and for the County of Pike, in Plot Book Vol. 16, Page 18.

(2) All those certain lots, pieces, and parcels of land situate in the Township of Lackawaxen, County of Pike, and Commonwealth of Pennsylvania, containing 5.769 acres, more or less, owned by Masthope Rapids, Inc. and shown and designated on a certain map entitled "Final Plan – Section 1, Falling Waters at Masthope, Inc., Owners and Developers" which map is recorded in the Office for the Recording of Deeds, etc., at Milford, Pennsylvania, in and for the County of Pike, in Plot Book Vol. 16, Page 18, which said 5.769 acre parcel is contiguous with road designated "Falling Waters Boulevard" on the said plot plan, and said 5.769 acre parcel is also contiguous with the hereinabove described Lot 42 on said plot plan.

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IN WITNESS WHEREOF, Declarant has executed this Declaration as of the 31st day of July, 1974.

Masthope Rapids, Inc.

t/a MASTHOPE RAPIDS

By_____

Commonwealth of Pennsylvania)

County of Pike) ss.

On this 31st day of July, 1974, before me the undersigned officer, personally appeared Karl Hope, who acknowledged himself to be the President of Masthope Rapids Inc., trading as MASTHOPE RAPIDS, a corporation and that he as such being President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, and desired the same might be recorded as such.

Notary Public

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AMENDED

DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS, EXCEPTIONS,
RESERVATIONS AND CONDITIONS

This declaration is made as of November 18th, 1974, by Masthope Rapids, Inc., A Pennsylvania corporation, T/A Masthope Rapids (Declarant).

RECITALS

Declarant owns all of the real property known as “Masthope Rapids”, a subdivision situated in Lackawaxen Township, Pike County, Pennsylvania, according to maps and plats recorded in the Office of the Recorder of Deeds of Pike County, Pennsylvania, which subdivision is hereinafter referred to as “The Development”.

Declarant is about to sell and convey the lots and plots situated within the Development and desires to impose upon them mutual and beneficial restrictions, covenants, conditions, real and predial servitudes and charges under a general plan or scheme of improvement for the protection and benefit of all the lots in the Development.

NOW, THEREFORE, Declarant declares that all of the lots located within the Development are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied, and improved, subject to the following declarations, all of which are declared and agreed to be in furtherance of a plan for development improvement and sale of said lots and are established for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Development as a whole and each of said lots situated therein and for the protection and benefit of the Association. All of the provisions of this Declaration are intended to create “mutual, real or predial servitudes” upon each of said lots herein and to create reciprocal rights and duties between and among the respective owners of all of said lots. All of such provisions shall, as to the owner of each such lot. His heirs, executors, administrators, distributees, successors or assigns operate as covenants running with the land for the benefit of each and all other lots in the Development and their respective owners.

1. SEVERABILITY

Every one of the Restrictions is hereby declared to be independent of, and severable from the rest of the restrictions and from every combination of Restrictions. Therefore. If any of the Restrictions shall be held to be invalid or to be unenforceable or to the lack the quality of running with the land, that holding shall be without effect upon the validity, enforceability or running with the land quality of any other one of the Restrictions.

2. GENERAL APPLICATION – LOTS

A. 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.

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B. Fences. All property lines shall be kept free and open, and no fences, hedges or walls shall be constructed except as permitted by the Committee.

C. Completion of Construction. Every improvement once begun shall be completed within twelve (12) months, improvements on which construction has been interrupted for ninety (90) days and improvements partially or totally destroyed and not rebuilt within twelve (12) months shall be deemed a nuisance. Declarant may remove any such nuisance or repair or complete the same, at the cost of the Owner.

D. Sewage Disposal. For the Westcolang Park Sections, (within the Masthope Rapids Subdivision), on-site sewage disposal systems and wells must conform to all applicable health and building codes. Installation of said systems shall be performed simultaneously with the construction of a residence.

For all remaining sections, the initial collection of sewage will be either by a managed holding system, or central sewage disposal system at the option of the Declarant and by agreement with the Lackawaxen Township authorities. Prior to completion of the sewage treatment facilities, and interceptor lines, which is scheduled for the commencement of construction in 1974 or 1975, and through the Management Holding Tank System, treatment and disposal of sewage will be to an interim plant located on the property of the Declarant and capable of meeting effluent quality standards for the discharges at location which have been specified by the Pennsylvania Department of Environmental Resources. No Owner shall install or use an alternative system or method of sewage disposal. No outside toilet shall be constructed on any lot. No roof leaders, collar drains, pumps, or footing drains may be connected to said System. The Declarant reserves the sole option to determine the entity to eventually own and operate the central sewage system.

E. Maintenance of Lots. Each lot, whether occupied or unoccupied, and all improvements 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, Declarant may maintain, restore or repair, the cost of which shall be added to and become a part of the annual charge to which such lot is subject. Neither Declarant 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.

F. Water System. The central water system constructed or to be 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 allow the central water system to be owned by a private water company, or a non-profit development authority or corporation or to a property owners association which may make application, if applicable, to the Pennsylvania Public Utility Commission for a Certificate of Public Convenience to furnish water service to the owners in the Development. The Declarant

reserves the sole option to determine the entity to eventually own and operate the central water system.

If the central water system is eventually owned by a private water company, water rates and connection charges will be determined after completion of the system, and subject to the approval of the Pennsylvania Public Utility Commission.

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G. Sewage Charges. Each Owner shall pay to the entity which shall own and operate the sewage facilities”

1. Holding tanks: The approximate cost for the installation of a holding tank is \$400.00. A minimum monthly availability charge estimated at \$2.50 per month for each lot without a structure and \$10.00 a month fir each lot with a constructed residence, or at such other rates as shall be established from time to time. The availability charge of \$2.50 per month will commence when the holding tank is installed and continue thereafter until the installation and operation of a Central Sewage System by the Authority is available to said lot for use. There will be a connection fee of approximately \$150.00 at the time of construction of the Lot Owner’s residence.

2. Central Sewage System: When an Authority undertakes to construct the Central Sewage System, each owner will be assessed an initial fee and an availability fee as determined by the Authority, in accordance wit the law, necessary to pay for the construction, engineering, legal and other related costs less any grants form governmental agencies which may be obtained by the Authority in constructing the said Central System.

In the event that the Authority is unable to undertake the Central Sewage construction, the Declarant or its assigns will proceed to construct sewer availability and/or sewer service and the said charge shall be paid on the 1st day of each and every month hereafter. In no event, however, shall the monthly charge and lien for sewer availability and/or sewer service be less than ten (\$10.00) Dollars per month, or such additional sum as may be determined by the Seller, its successors or assigns. It is agreed between the parties that the charge for such sewer availability and/or sewer service charge, in addition to constituting a lien against each lot included in this agreement, shall constitute a debt which may be collected by suit in any court of competent jurisdiction, and upon conveyance of all or any part of the land described herein the successive owner or owners shall, from the time of acquiring title, be held to have covenanted and agreed to pay the seller, its successors or assigns, all charges past or future as provided for in this paragraph. This covenant shall survive the closing of title.

H. Water Charges. Each Owner shall pay to the entity which shall own and operate the water works facility as follows:

1. Each lot shall be subject to a lien and charge for water availability and/or water service and the said charge shall be paid on the 1st day of each and every month hereafter. In no event, however, shall the monthly charge and lien for water availability and/or water service be less than ten (\$10.00) Dollars per month, or such additional sum as may be determined by the Seller, its successors or assigns. It is agreed between the parties that the charge for such water availability and/or water service charge, in addition to constituting a lien against each lot included in this agreement, shall constitute a debt which may be collected by suit in any court of competent jurisdiction, and upon conveyance of all or any part of the land described herein the successive owner or owners shall, from the time of acquiring title, be held to have covenanted and agreed to pay the Seller, its successors or assigns, all charges past or future as provided for in this paragraph. This shall survive the closing of title.

2. An estimated connection fee in the amount of Two Hundred Fifty Dollars (\$250.00), payable before the connection is made. This does not include service connection from the house to the street line.

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I. Nuisances. No Lot shall be used in whole or in part of the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such Lot 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 lot that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding property.

J. Signs. Except as permitted by the Environment Control Committee, no person, except Declarant, shall erect or maintain upon any Lot or Improvement any sign or advertisement.

K. Animals. No animals shall be kept on any Lot except the household pets, but not more than three to a household. Household pets shall be kept reasonably confined so as to not become a nuisance.

L. Vehicle Parking. No minibike, trailbike, snowmobile or other similar type vehicle may be within the development except pursuant to the rules and regulations established by the Committee.

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

N. 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 Committee. Every receptacle for rubbish shall be underground or shall be so placed and kept as to not be visible from any street or lake within the Development.

O. Restrictions on Temporary Structures. No travel trailer or tent or other temporary structure shall be placed or erected on any Lot, nor shall any overnight camping be

permitted on any Lot. Shall not apply to Declarant's established clearance campground areas.

P. Removal of Trees. No tree over three (3) inches in diameter may be cut down without the prior written consent of the Committee.

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

R. Resubdivision. No single building Lot shall be subdivided except that adjacent lot owners may divide the lot between them provided no construction of any kind whatsoever is built upon any portion of the subdivided lot.

S. Drilling and Mining. No drilling, refining, quarrying or mining operation of any kind shall be permitted on any Lot.

T. Native Growth. The native growth on any Lot shall not be permitted to be destroyed or removed except approved in writing by the Committee. In the event such is removed, except as stated above, the Committee may require the replanting or replacement of same, the cost thereof to be borne by the Lot Owner.

U. Radio and Television Antennas. No exposed or exterior radio or television antennas shall be erected, placed or maintained on any part of the Lot, but this restriction may be waived by the Committee. Any waiver of these restrictions shall not constitute a waiver as to other Lots or lines or antennas.

V. Letter and Delivery Boxes. The Committee 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.

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

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

Z. Private Swimming Pools. No private swimming pools are allowed to be constructed on any lot by the owner of any lot of this subdivision except as approved by the Committee.

AA. Taxes and Government Limitations. Any contract of sale of any lot 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.

BB. Prohibition Against Used Buildings. No used buildings shall be placed on any lot.

CC. Garbage and Trash Removal. In order to enhance the appearance and orderliness of the subdivision, the Declarant hereby reserves the right 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 subdivision 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.

GENERAL APPLICATION – COMMON AREAS

A. Ownership. All common areas are private property and shall remain private property. Declarant's execution and recording of the Plat shall not be construed as a dedication to the public of any of the common areas.

Declarant shall have the option to convey the common areas to an association after the Development Period, and Declarant shall have the right to convey all of any part of the common areas to an association at any time prior to said date. On the date of said conveyance, the common areas, or the part thereof conveyed, shall be subject to liens for taxes not then delinquent, and such easements and rights-of-way as then appear of record and such other matters of record as Declarant may at the time of such conveyance make by deed which shall be deemed deliverable for all purposes upon Declarant's recording thereof in the Office of the Recorder of Deeds of Pike County, Pennsylvania. Upon conveyance of all the common areas to an association, all rights, powers, privileges and immunities of Declarant as such, shall vest in the association.

B. Maintenance. So long as Declarant owns any common areas, Declarant shall maintain and repair the common area and receive reimbursement for the cost thereof. After conveyance to an association of any common area, the association shall maintain and repair that common area.

4. Land Use.

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General. The development will be improved in sections.

Lots. 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, except those improvements in those lots and tracts that may be designated lots and tracts for construction of condominiums, garden apartments, village town houses, cluster village units, destination units, areas within which may be reserved for community purposes such as firehouse, post offices, etc. The following restrictions shall apply specifically to such lots except as approved by the Environmental Control Committee.

1. Construction. All construction shall be approved by the Committee.
- II. Setbacks. Except as shown on the plat, every dwelling shall be at least:
 - (a) 50 feet from the nearest lake
 - (b) 40 feet from the front lot line
 - (c) 15 feet from each side lot line
 - (d) 40 feet from the rear lot line

5. THE ENVIRONMENTAL CONTROL COMMITTEE.

A. General Powers of the Committee.

1. Power to Approve Plans. No improvements, structures, alterations or adjustments may be constructed in any lot without the prior written approval of the Committee. Such approval shall be granted only upon written application in the manner and form prescribed by the Committee, accompanied by two sets of site, landscaping and foundation plans and specifications for such improvement which plans and specifications are signed by a Pennsylvania licensed architect or engineer. The application shall show 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 Committee may require.

II. Power of Disapproval. The Committee may disapprove any application:

A. Which does not comply with this Declaration;

B. Because of reasonable dissatisfaction with grading plans, location of the proposed improvement on a Lot, 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 pitch of type of roof proposed to be placed thereon; or

C. If, in the judgment of the Committee, reasonable exercised, the proposed improvement will be inharmonious with the Development, or with the improvements on Lots.

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III. Power to Grant Variances. The Committee may allow reasonable variances from the provisions of this Declaration if literal application thereof results in unnecessary hardship, if such variance is in conformity with the general intent of this Declaration, and if the granting of such variance will not be materially detrimental or injurious to the Owners of other Lots, provided that the Committee shall not permit any travel trailer or tent to be placed, parked, erected, or stored on any Lot or permit any overnight camping on any Lot.

IV. Power to Charge Fees. The Committee may require a reasonable filing fee to accompany each submission of plans and specifications.

B. Committee Membership. The Committee shall be composed of three (3) members appointed by the Declarant.

C. Duties of the Committee. The Committee shall act within thirty (30) days after all required information shall have been submitted. The Committee shall retain one copy of submitted material and return the other copy. All notices to applicants shall be in writing. Any disapproval shall specify the reason thereof. The approval of the Committee of plans and specifications shall not be a waiver by the Committee of its right to object to any of the features or elements contained in any subsequent plans or specifications submitted for approval. The Committee may inspect work being performed to assure compliance with this Declaration and the Committee's rules. At any time prior to the completion of construction of an improvement, the Committee may require a certification of the contract, 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 within ten (10) days prior to construction of such improvement.

The Committee shall adopt written rules governing its procedures.

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

E. Appeals. Any owner shall have the right to appeal to the Declarant from any adverse decision of the Committee within thirty (30) days after the giving of notice of disapproval and the Declarant shall have authority to confirm reverse or modify the decision of the Committee.

6. RESERVATIONS AND EASEMENTS.

A. Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the real property subject to these restrictions, the following easements and/or rights of way.

1. 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.

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B. The Declarant excepts and reserves unto itself, its successors and assigns as follows:

1. The private roadways in the location and of the width as set forth on the recorded Plat in the Office of the Clerk of the County of Pike, Pennsylvania, 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.

2. The exclusive right to dedicate the roads, streets, and avenues in the subdivision to public use without the joinder, release or consent of any purchaser, grantee or grantees and his, her or their heirs and assigns, and said purchaser, grantee or grantees and his, her or their heirs and assigns are required to release all damages or claims resulting therefrom.

3. The continuing and unqualified right to alter, modify amend, subtract or add to any of the restrictions, covenants, reservations and conditions during the development period when in the opinion of the Developer it is necessary for the benefit and mutual protection of all property owners provided, however, that any such alterations shall not do anything to reduce the size of community areas, as shown on the recorded Plats. A copy of such changes shall be on file at the office of the Developer for inspection and such changes shall also be recorded by Developer, its successors or assigns.

C. Declarant has dedicated, or will dedicate, to any municipal body, or to the appropriate utility company or companies, including cable TV, right of way and easement areas 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 for ten (10) feet in width along the front property line of all Lots as noted on Plats, together with accessory right to locate guy wires, braces or anchors.

D. Declarant reserves for itself, its successors or assigns, an exclusive easement for the installation and maintenance of radio and television transmission cables within the right-of-way and easement areas reserved and defined in paragraph 6-B above.

E. 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 on the easements of 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 encroachment on any other lot in the Development. Improvements within such areas shall also be maintained by the respective Lot Owners except for those for which a public authority or utility company is responsible.

F. The Lots in the Development shall be burdened by such additional easements as may be shown in the recorded Plat.

G. 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.

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H. Streets. An easement and right-of-way in the Development for an under all streets and rights-of-way in the Development 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.

I. 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 by the Declarant or its assigns through Lots.

J. Use or Maintenance by Owners. No improvement or structure, planting or activity shall be permitted on said easement which may herein damage or interfere with the use of said easements for the purpose herein set forth.

K. 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.

L. Mining Rights. Coal, oil, gas minerals and mining rights are not reserved to the Declarant.

7. ANNEXATION OF SUBSEQUENT UNITS OR PARCELS.

A. Property to be Annexed. Declarant may from time to time and in its sole discretion, annex to the Development any other real property which from time to time may be owned by Declarant. 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 the present development and upon the road ways, easements, community areas, and utilities of the entire development.

B. 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 declaration which shall:

- I. Amend the description of the Development to include the annexed areas;
- II. Amend the definition of the term "Plat" to include such map or Plat
- III. Set forth any additional covenants, restrictions or easements specifically applicable to the annexed areas; and
- IV. Contain such provisions as, in the opinion of counsel for Declarant, shall be necessary or appropriate to integrate the annexed area into the Development and to extend the provisions of this 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 the Development and subject to this Declaration, as supplemented as fully and with the same force and effect as if the annexed area were part of the Development on the date of the recording of this Declaration.

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8. THE ASSOCIATION.

A future Home Owners Association may be created as a non-profit corporation with the necessary By-Law, by the Declarant.

9. REMEDIES.

A. Enforcement. Declarant and each person to whose benefit this Declaration insures, including an Association, may proceed at law or in equity to prevent the occurrence, continuation or violation of any provision of this Declaration, and the Court in any such action may award the successful party reasonable expenses in prosecuting such action, including attorney's fees.

B. Cumulative Remedies. The remedies herein specified are cumulative, and the specification of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law or in equity. No delay or failure on the part of an aggrieved party to invoke an available remedy in respect of a violation of any provision of this Declaration shall be held to be a waiver by that party of any right available to him upon the recurrence or continuation of said violation or the occurrence of a different violation.

10. GRANTEES' ACCEPTANCE SUBJECT TO DECLARATION

Each grantee or purchaser of a Lot, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof whether from Declarant or a subsequent Owner of such Lot, shall accept such deed or contract upon and subject to the jurisdiction, rights, powers, privileges and immunities of Declarant, the Committee, and an Association and shall agree to pay the charges levied against his Lot by an Association. By such acceptance such grantee or purchaser shall for himself, his heirs, personal representatives, successors and assigns, covenants consent and agree to and with Declarant and the grantee or purchaser of each other Lot to keep, observe, comply with and perform the covenants, conditions and reservations in this Declaration.

11. CAPTIONS

All captions in this Declaration are for convenience only and do not in any way limit or amplify the provisions hereof.

12. TERM OF AMENDMENT

The provisions of this Declaration are intended to create mutual real or predial servitudes upon each of the said Lots and as such affect and run with the land and shall

exist and be binding upon all parties claiming an interest in the Development unless an instrument signed by two-thirds of the then record Owners of all Lots agreeing to change the provisions thereof in whole or in part which instrument shall be recorded on the Office of the Recorder of Deeds of Pike County, Pennsylvania. Notwithstanding anything herein to the contrary, this Declaration may be amended or supplemented only by the Declarant during the Development Period.

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IN WITNESS WHEREOF, Declarant has executed this Declaration as of the 18th day of November, 1973.

Masthope Rapids, Inc.
t/a MASTHOPE RAPIDS
By _____

Commonwealth of Pennsylvania)
County of Pike) ss.

On this 18th day of November, 1973, before me the undersigned officer, personally appeared Karl Hope, who acknowledged himself to be the President of Masthope Rapids Inc., trading as MASTHOPE RAPIDS, a corporation and that he as such being President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, and desired the same might be recorded as such.

Notary Public

DECLARATION OF PROTECTIVE COVENANTS, EASEMENTS, RESTRICTIONS,
EXCEPTIONS, RESERVATIONS AND CONDITIONS PERTAINING TO LAND OF
FALLING WATER AT MASTHOPE, INC.

THIS DECLARATION OF PROTECTIVE COVENANTS, EASEMENTS,
RESTRICTIONS, EXCEPTIONS, RESERVATIONS AND CONDITIONS
PERTAINING TO LAND OF FALLING WATERS AT MASTHOPE, INC. (hereinafter
referred to as the “Declaration”), is and shall be applicable to all land in the
“Development” hereinafter mentioned. This Declaration is made by Falling Waters at
Masthope, Inc. (hereinafter referred to as the “Declarant”).

WITNESSETH:

WHEREAS, Declarant is the assignee of certain rights of Masthope Rapids, Inc. under a recorded Assignment dated the 16th of January, 1978, and intended to be recorded in the office for the Recording of Deeds, etc., at Milford, Pennsylvania; and

WHEREAS, pursuant to the term sand conditions of said Assignment, Declarant is the assignee of the rights of Masthope Rapids, Inc. to annex other real property to the real estate development situate in Lackawaxen Township, Pike County, Pennsylvania, known as Masthope Rapids, Inc; and

WHEREAS, Declarant desires to annex to the Masthope Rapids development the premises more particularly and at large described on Exhibit “A” attached hereto and made a part hereof; and

WHEREAS, Declarant is the assignee of the unqualified right to alter, modify, amend, subtract to to add to certain Declarations of Protective Covenants, Restrictions, Exceptions, Reservations and Conditions made by Masthope Rapids, Inc which Declarations are as follows: (1) Declaration dated the 30th of April, 1974, recorded in the aforesaid Recorder’s Office in Deed book Vol. 452, Page 266; (2) Declaration dated the 31st of July, 1974, and recorded in the aforesaid Recorder’s Office in Deed Book Vol. 45 Page 279; and (3) Declaration dated the 18th of November, 1974, and recorded in the aforesaid Recorder’s Office in deed Book Vol. 480 Page 214; and

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WHEREAS, the following covenants, easements, restrictions, exceptions, reservations and conditions are intended to integrate the real estate development known as Falling Waters at Masthope Rapids, Inc. as well as the real estate development known as

Falling Waters at Masthope both situate in Lackawaxen Township, Pike County, Pennsylvania; and

WHEREAS, Declarant deems it necessary and appropriate to add additional covenants, restrictions and easements specifically applicable to the annexed area more particularly ad at large described on Exhibit “A” attached hereto and made a part hereof and incorporated by reference herein; and

WHEREAS, the Declarant owns the real property situate in Lackawaxen township, Pike County, Pennsylvania, more particularly and at large described on Exhibit “A” attached hereto and made a part hereof, and desires to maintain its natural beauty, to assure high quality standards for the development of the real property that are compatible with its development as a recreational-residential real estate development, and to promote the recreational interests and health, safety, and social welfare of each lot owner; and

WHEREAS, in order to accomplish said objectives, Declarant desires to subject the real property (more particularly and at large described on Exhibit “A” attached hereto and made a part hereof) to this Declaration, each and all of which are for the benefit of the real property and each lot owner thereof.

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NOW, THEREFORE, Declarant hereby declares that the real property more particularly and at large described on Exhibit “A” attached hereto and made a part hereof and incorporated by reference herein as fully as though set forth at length, is and shall beheld, improved, transferred, sold, leased, conveyed, hypothecated, encumbered, rented, used, and occupied subject to the terms and conditions of this Declaration which is declared and agreed to be in furtherance of a uniform plan for the development of the real property. This Declaration is declared and agreed and intended to enhance and protect the

value, desirability and attractiveness of each of said lots situate in the real estate development known as Falling Waters at Masthope. This Declaration shall create and is intended to create mutual equitable servitude upon each of the lots and to create reciprocal rights and duties between and among the respective owners of all of said lots, and their grantees, heirs, devisees, successors and assigns. All of the provisions of this Declaration shall be deemed to run with the land and to be a burden and benefit to all lot owners, their grantees, heirs, devisees, successors and assigns.

I. DEFINITIONS

For the purposes hereof the following definitions or meanings shall apply to the words and phrases through this document unless a different or contrary meaning is clearly specified:

1. “Declarant” is Falling Waters at Masthope, Inc., also designated “Grantor” herein, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with an office and place of business situate at Court House Square, Stroudsburg, Monroe County, Pennsylvania, 18360. In the event Declarant sells, transfers, assigns, and conveys the entire premises, or the remaining unsold parts thereof, more particularly and at large described on Exhibit “A” attached hereto and made a part hereof and incorporated by reference herein to an individual or entity, subject to the limitations on amendment hereinafter set forth, shall be deemed to be the Declarant and shall have all rights and remedies in full of Declarant as set forth herein just as if said individual or entity had made this Declaration, provided that the deed of conveyance or later recorded

instrument conveys the rights of Declarant herein to such assignee or transferee to whom said premises are conveyed.

2. “Development” is the large land areas situate in Lackawaxen Township Pike County, Pennsylvania, comprising the Masthope Rapids real estate development and the premises more particularly and at large described on Exhibit “A” attached hereto and made a part hereof, and incorporated by reference herein, the premises more particularly and at large described on Exhibit “A” have heretofore been acquired by Declarant.

3. “Official Map” shall be a map, maps, or plan or plans drafted by Declarant designating a “Section” and “Lot” or other land areas within such “Section” and entered of record in the office for the Recording of Deeds, etc., at Milford, Pennsylvania, in and for the County of Pike. The definition of the term “Plat” set forth in the aforesaid three Declarations of Masthope Rapids, Inc., recorded as aforesaid, is hereby amended to include the official map recorded by the Declarant in the aforesaid Recorder’s Office subdividing the premises more particularly and at large described on Exhibit “A,” which recorded official maps are recorded in Plot Book Vol. 16, Pages 18 through 34, inclusive, Vol.627 Pg 53 seventeen (17) maps of the seventeen (17) sections of the Development known as Falling Waters at Masthope.

4. “Lot” shall mean an area of land which is part of said Development and which is specifically designated and numbered on an “Official Map” by Arabic numeral or numeral in a section of the Development as marked and designated on the “Official Map.”

5. “Section” shall mean a part of the Development appearing on an “Official Map.” A “Section” shall be composed of “Lots” and/or other land divisions.

6. “Covenant” or the plural “Covenants” shall mean one (1) or more as obviously and reasonably applicable of the covenants contained herein as well as one (1) or more of the rights, privileges, benefits, easements, conditions, reservations, terms and provisions contained herein.

7. “Grantor” shall mean Falling Waters at Masthope, Inc., its successors and assigns. All of the covenants contained herein applicable to “Grantor” shall extend to its successors and assigns.

8. “Grantee” shall mean the person or persons other than the Declarant (individual, corporate, or other legal entity) named as Grantee in an Agreement of Sale, Deed, or other instrument conveying any part of said Development or any part of it and, as well, the heirs, executors, administrators, successors and assigns of such named Grantee. The singular of “Grantee” shall include the plural, and masculine nouns and pronouns of other parts of speech shall include the feminine and the neuter. When obvious, “Owner” is

ed Vol.627 Pg 54 ntee.”

9. “Utility” shall mean the “Lackawaxen Water and Sewer Company,” a corporation organized and existing under the laws of the Commonwealth of Pennsylvania for the purposes fully set forth in its By-Laws, here briefly summarized, ...the By-laws however to always prevail over this summary ... of operating, maintaining, and improving the central water system, and central sewer system serving the lots in the Development.

10. “Recreational Facilities” shall mean recreational amenities owned by Masthope Rapids, Inc., a Pennsylvania corporation with an office and principal place of business situate at Court House Square, Stroudsburg, Monroe County, Pennsylvania, 18360, presently used in conjunction with the real estate development known as Masthope

Rapids, Lackawaxen Township. Pike County, Pennsylvania, and is intended to be used by Grantees hereunder together in common with lot purchasers from Masthope Rapids, Inc., and the general public. The Recreational Facilities may be used subject to the terms and conditions of this Declaration, the rules and regulations of Masthope Rapids, Inc. and the payment of all dues, charges, commissions and fees imposed by Masthope Rapids, Inc. upon lot owners and the general public for use of said amenities. Masthope Rapids, Inc. shall own said Recreational Facilities and amenities. All future Recreational Facilities that may be constructed by Masthope Rapids, Inc. or which may be acquired by Masthope Rapids, Inc shall be included within this definition.

11. "Private Road" shall mean a private road or street located or to be located in any part or portion or section of the Development which has been mapped or plotted for the Development which has been mapped or plotted for Development as residential or recreational or for any other usage and any extension of such road or street through another part of the Development necessary to be transversed for ingress, egress and regress to and from public highways. The definition of "private road" also includes bridges, if any.

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II. GRANTEE'S RIGHT TO USE PRIVATE ROADS

1. Declarant hereby covenants and agrees that Grantee shall have ingress, egress, and regress at all times on the private roads as defined hereinabove in common with Declarant, Utility, and all other lot owners of part of the development. And in addition Grantee will be entitled to all subsequent easements to Recreational Facilities acquired by Declarant, and as set forth in a certain Reciprocal Amenity Agreement by and between Masthope Rapids, Inc. and Pappy VI Land Development Corporation, which Reciprocal Amenity Agreement is intended to be recorded in the aforesaid Recorder's Office.

2. Declarant may at any time or times and from time to time change or alter the location of any road or any part of any road so long as such alteration or change does not result in the taking or any part of Grantee's land or materially alter or reduce Grantee's road frontage and access to the road or roads abutting Grantee's land at the time of conveyance to Grantee, or materially increase the distance from Grantee's land to any public highway.

3. Notwithstanding any other term or condition to the contrary herein contained, no clause or provision of this Declaration shall be interpreted, construed, or deemed as dedicating any such private road to public use and all such private roads shall remain private unless expressly granted and conveyed by good and proper Deed to the Public.

4. Declarant expressly reserves the right to cause any such private road to be dedicated to public use and hence to become a public highway when accepted by the public. Declarant also expressly reserves the right to grant and convey all its right title and interest in and to said private roads to the Property Owners Association hereinafter mentioned or to any other corporation or legal entity or person.

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5. Grantee shall never have title to any part of a private road whether or not Grantee's land abuts any such private road.

III. CENTRAL WATER SYSTEM

Declarant, its successors or assigns, shall construct or cause to be constructed, a central water system serving the lots in the Development. Said central water system shall be the sole water system serving the lots in the Development. No lot owner shall install or

use any alternative water system or method of water supply. The Declarant reserves the right to allow the central water system to be owned by Utility which may make application if applicable to the Pennsylvania Public Utility Commission for a Certificate of Public Convenience to furnish water service to the lot owners in the Development. Water rates and connection charges shall be determined after completion of the system and subject to the approval of the Pennsylvania Public Utility Commission.

IV. CENTRAL SEWAGE SYSTEM

Declarant, its successors or assigns, shall construct or cause to be constructed, a central sewage system serving the lots in the Development. Said central sewage system shall be the sole sewage system serving the lots in the Development. No lot owner shall install or use any alternative sewage system or method of sewage disposal. The Declarant reserves the right to allow the central sewage system to be owner by Utility v Vol.627 Pg 57 make application to the Pennsylvania Utility Commission for Certificate of Public Convenience to furnish sewerage disposal service to lot owners in the Development. Sewage rates and connection charges shall be determined after completion of the system and subject to the approval of the Pennsylvania Public Utility Commission.

V. PROTECTIVE COVENANTS AND PERMITTED USES OF LOTS

1. Accessory Outbuildings.

No garage or shed shall be built on any lot before a dwelling or completed building is constructed on that lot. No garage, shed, tent, temporary building, or partially completed building shall be used for human habitation. No outside toilet building, outhouse, privy or chemical toilet shall be erected or installed or permitted to remain on the premises. No trailer, tent, barn, outbuilding, shack or other temporary building shall be erected or permitted to remain on the premises or used for dwelling purposes and no Vol.627 Pg 58 basement or garage shall at any time be used as a residence either temporarily or

permanently and no house shall be occupied prior to completion except with the prior consent of the Declarant, its successors or assigns.

2. Fences.

All property lines shall be kept free and open and no fences, hedges or walls shall be constructed except as permitted but the “Environmental Control Committee,” hereinafter referred to as “Committee.”

3. Completion of Construction.

Exterior construction of any building, backfilling and grading must be completed within twelve (12) consecutive months from the commencement of construction. Improvements on which construction has been interrupted for ninety (90) consecutive days and improvements partially or totally destroyed and not rebuilt or refurbished within twelve (12) months of said partial or total destruction shall be deemed and declared to be a nuisance hereunder. Declarant, its successors or assigns, may remove any such nuisance or repair or complete the same at the cost and expense of the lot owner. The costs and expenses incurred by Declarant in removing or repairing said nuisance shall be a charge upon and assessed against the lot. If any such charge or assessment is not paid within fifteen (15) days of notice to the lot owner, then such assessment and charge shall be delinquent and shall together with interest and cost of collection become a continuing lien upon the lot and shall bind said lot in the hands of the then owner, his heirs, executors, administrators, successors and assigns. If the charge and assessment is not paid within said fifteen (15) day period. Declarant may bring an action of law against the owner personally obligated to pay the same or foreclose the lien against said lot and in the event a judgment is obtained, such judgment shall include interest on the charge and assessment as above provided and a reasonable attorneys fee of

ten (10%) per cent together with the costs of the action. Neither Declarant nor any of its agents, servants, or employees or contractors shall be liable in any manner whatsoever for any damage which may result from any such removal, demolition, or construction performed hereunder.

4. Maintenance of Lots.

Each lot whether improved or unimproved, and all improvements erected upon each lot shall at all times be maintained in a neat and clean condition; grass and lawns shall be properly cared for and mowed; rubbish and debris removed; and weeds controlled. All improvements shall be maintained in a neat and clean condition, all structures properly painted and maintained. If any lot or any improvement thereon is not so maintained, Declarant may maintain, restore or repair such lot and/or improvement, the cost of which shall be added to and become part of the annual charge to which such lot is subject by this Declaration. Neither Declarant nor any of its agents, servants, or employees or contractors shall be liable in any manner whatsoever for any damage which may result from any such maintenance, restoration or repair work performed hereunder.

5. Subdivision.

No lot shall be subdivided, except that adjacent lot owners may divide the lot between them provided no construction of any kind whatsoever is built upon any portion of the subdivided lot. Any such subdivision of a lot shall not reduce the annual assessments, charges, commissions and fees due Masthope Rapids, Inc. imposed upon said lots nor shall said resubdivision reduce the charges imposed and payable to Utility for the central water system and central sewer system, and the road system. Except

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as expressly provided otherwise herein, the owners of the resubdivided lot, shall be assessed a pro rata share of all such assessments, charges, commissions and fees.

6. Nuisances.

No lot or any improvement erected thereon in accordance herewith shall be used in whole or in part for the storage of rubbish or any character whatsoever, nor for the storage of any property or thing which will cause or may cause such lot to appear in any unclean or untidy condition or that will be obnoxious to the eye or ear; no shall any substance, thing or material be kept upon any lot of in any improvement erected thereon that will emit or discharge any foul or obnoxious odors, or that will cause any unreasonable noise that will or may disturb the peace, quiet, comfort, or serenity of the occupants of contiguous property.

7. Signs.

Unless permitted in writing by the Committee. No signs shall be erected or maintained upon any lot of improvement of any type whatsoever, however, nevertheless, Declarant shall be permitted to erect such sign s as it deems necessary.

8. Animals.

No animals, livestock or poultry shall be raised, bred or kept on any lot or in any improvement, except dogs, cats or other household pets may be kept, provided that such household pets are not kept, bred, or maintained for any commercial purpose and provided that all such household pets shall be restrained and kept reasonably confined while outside any structure so as not to become a nuisance.

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9. Vehicles, Trailers, and Water Craft.

No camper, trailer, water craft or unlicensed or inoperable motor vehicle may be kept or parked on any lot except in an enclosed garage or any attractively screened enclosure of landscaping which complies with the screening requirements set forth in Section V, Restrictive Covenant No. 12 hereinafter set forth, so that any such property will not be visible as therein provided. Motor vehicles as used herein shall include, but shall not be limited to, automobiles, trucks, snowmobiles, motorcycles, trail bikes, and off road motorized equipment. No motor vehicles shall be parked on the improved road surface and shoulder of any private road in the Development, whether or not said vehicle is in functional order. The Declarant shall have an unrestricted right to remove said vehicles and other such equipment parked or kept in violation of this covenant. The Declarant may delegate this duty to the Committee. The Grantee(s), their heirs and assigns, shall reimburse Declarant, its successors and assigns, for any and all expenses incurred by the Declarant, its successors and assigns, in the removal of vehicles parked in violation of this covenant. The Grantee(s), their heirs and assigns, hereby release, remise, discharge and hold harmless Declarant, its successors and assigns, and any agent, servant or employee of the Declarant from any and all liability for or arising from any such removal of vehicles. However, nevertheless, minibikes, trail bikes, snowmobiles and other similar type vehicles may be permitted, subject to these restrictions, within the Development if licensed by the Declarant, or if such duty has been delegated to the Committee, but the Committee, or otherwise expressly authorized by the rules and regulations established by the Declarant or the Committee.

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3. Traffic Safety and Security.

Grantee, and the heirs and assigns of Grantee, will be liable to pay a special assessment to Declarant, or the Committee if Declarant delegates this duty and right to the Committee, for the violation of traffic, safety and security rules and regulations in private roads and all other property in the Development, which rules and regulations will include by way of illustration only and not in limitation to the following: Failure to observe stop signs and other traffic direction signs, reckless driving, failure to observe rules and regulations at marked pedestrian, snowmobile, bicycle, riding house, etc. crossings, and all other rules and regulations pertaining to the safety, security, convenience, health and welfare of the entire community, which assessments shall bear a reasonable relationship to the budgeted cost of the Declarant or the Committee for security and the policing of any such rules and regulations and which assessments may be set forth on a schedule of fairly apportioned assessments for specified violations which shall be published and/or posted in the manner as provided for other rules and regulations by the Committee. The Grantee, who is the then owner of the lot, shall be liable for and responsible to pay all such assessments for violations and infractions of such rules and regulations by the following persons:

- (a) The spouse, children, and any other persons constituting the household of an owner/Grantee, and
- (b) Lessee, children, and any other person constituting the household of Lessee; and
- (c) bona fide guests of an owner, Grantee, and Lessee from owner/Grantee.

Any such assessments will not constitute a lien except upon reduction to judgment as allowed and provided by law.

11. Garbage and Refuse Disposal.

No lot owner shall burn or permit the burning out of doors of garbage, trash, or other household refuse. No lot owner shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other wastes shall be kept in sanitary containers. The Declarant, its successors or assigns, expressly reserves the right to approve or disapprove the location of sanitary containers for the disposal of trash, rubbish and other wastes on the premises.

12. Concealment of Fuel Storage Tanks, Trash Receptacles, and other Property

All fuel storage tanks on a lot of any type used for the storage of oils, fluids of gasses shall be either buried below ground or screened to the satisfaction of the Committee. All property required to be screened in Restrictive Covenant Article V. Section 9, hereinabove set forth and every receptacle for rubbish shall be underground or shall be so placed and kept as not to be visible from any public highway, private road, other residence, improved activity area, recreational facility, recreational amenity, or lake which may be part of the Recreational Facilities.

13. Restriction on Temporary Structures.

No overnight camping shall be permitted on any lot nor shall any travel trailer, mobile home or recreational vehicle of any kind whatsoever or any tent or other temporary structure be placed or erected on any lot. This covenant expressly does not apply to campground areas that may be established, owned and operated by the

Declarant with the prior approval of Township, which campground areas shall not be for resale to Grantees. Furthermore, at no time shall any equipment, appliances, merchandise, construction materials and other materials and goods of any nature whatsoever, other than those normally incident to private residential use, be stored outside of an enclosed building or screening so as to present an unsightly appearance and detract from the beauty of the community in any respect whatsoever as determined by the Committee.

14. Removal of Trees.

No tree over three (3") inches in diameter measure one (1) foot from the ground may be cut down without the prior written consent of the Committee.

15. Ditches and Swales.

Each lot owner shall keep drainage ditches and swales located on his lot free and clear of obstructions and in good repair and shall provide for the installation of such culverts upon his lot as may be reasonably required by the Committee for proper drainage.

16. Drilling and Mining.

No drilling, refining, quarrying or mining operation of any kind or nature shall be permitted on any lot.

17. Native Growth.

The native vegetation and plant life on any lot shall not be permitted to be destroyed or removed unless first approved in writing by the Committee. In the event such vegetation and plant life is removed without the prior written consent of the Committee, the Committee may require the replanting or replacement of the same at

the sole cost and expense of the lot owner. Such cost and expense may be added to the annual assessment imposed upon the lot owner as hereinafter provided.

18. Letter and Delivery Boxes.

The Committee shall determine the location, color, size, design, lettering, and all other particulars of all mail or newspaper delivery boxes, and standards and brackets and name signs for such boxes in order that the Development be strictly uniform in appearance with respect thereto, so long as such standards are in compliance with the regulations of the United States Postal Service.

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19. Clothes Lines.

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

20. Garbage Receptacles.

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

21. Changes in Elevation and Grading.

No substantial changes in the elevation of the land shall be made on any lot without the prior written consent of the Committee.

22. Private Swimming Pools.

No private swimming pools shall be constructed on any lot by any lot owner unless the prior written consent of the Committee is first had and obtained.

23. Open Fires.

No open fires shall be started without the prior written consent of the Committee.

24. Taxes and Government Limitations.

The sale of each lot is made under and subject to taxes and other assessments, if any, levied or assessed against the property in the year in which the lot is sold and such lot is subject to all restrictions and limitations imposed by all government authorities, including all zoning ordinances, subdivision ordinances, and other laws, statues, or regulations. For purposes of this section, “sale” is defined as the execution and delivery of an agreement of sale for said lot. “Year of Sale” is defined as the year in which the agreement of sale was executed by the purchaser.

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25. Prohibition Against Used Buildings.

No used or previously owned buildings shall be placed or erected or reconstructed on any lot.

26. Garbage and Trash Removal.

To enhance the appearance and orderliness of the subdivision, the Declarant hereby reserves for itself, its successors and assigns, the exclusive right to operate or from time to time to grant an exclusive license o a third party to operate a commercial scavenging services within the subdivision for the purpose of garbage removal, trash removal, and the removal of like refuse. The charge to each owner for such refuse collection and removal shall be a reasonable rate commensurate with the rates charged by similar commercial scavengers servicing other residential subdivisions of high standards in the area and shall be subject to change form time to time as costs increase.

27. Approval of House Plans, Elevation and Design.

No building, structure, or improvement or alterations or adjustments to the same may be constructed or commenced on any lot without the prior written approval of the Committee first and had obtained in writing as to the location, elevation, plan and design as hereinafter provided. The Committee may refuse to approve said plan based purely on aesthetic grounds.

28. Setbacks.

Except as shown on the official map for the section in which the particular lot is located, every dwelling shall be at least (a) fifty (50) feet from the nearest lake; (b) forty (40) feet from the front lot lines; (c) fifteen (15) feet from each side lot line; and (d) forty (40) feet from the rear lot line.

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29. Lake and Shore Line Maintenance.

A fifteen (15) foot wide strip of land along the line of any lot abutting a lake measured from the normal water line of the lake is reserved for lake and shoreline maintenance.

30. Mining Rights.

Coal, oil, gas, minerals and mining rights are not reserved to the Declarant.

31. Drainage Easements.

Declarant reserves unto itself, its successors and assigns for the purposes incident to its development of the said drainage courses of all kinds designated on the official maps as "Drainage Easements." These drainage easements are twenty (20) feet in width unless otherwise specified on the recorded official map and are centered above the existing drainage channels.

32. Easements on Official Maps.

Lots in the Development shall be burdened and encumbered by such additional easements as may be shown on the recorded official maps.

33. The Environmental Control Committee (“Committee”).

(a) General Powers of the Committee –

(i) Power to approve construction plans.

No improvements, structures, buildings, excavations, landscaping, alterations, or adjustments may be constructed on any lot without the prior written consent of the Environmental Control Committee, hereinafter referred to as the “Committee.” Such approval of the Committee shall be granted only upon written application in the manner and form prescribed by the Committee. All such applications shall be accompanied by two (2) sets of site, landscaping, foundation, and construction plans and specifications for all such improvements. Such plans and specifications shall be in such form as comply with the then existing rules and regulations of the Committee. The application shall show the location of all improvements existing upon the lot, the location of the improvement proposed to be constructed, the color and composition of all exterior materials to be used and employed in said construction, all proposed landscaping, complete and particularized plans and specifications for such construction, and any other information which the Committee may require. The Committee shall charge a permit fee for the approval of such plans, which permit fee shall be Five Hundred (\$500.00) Dollars. The Committee may increase or decrease said permit fee as the Committee deems fit in its sole discretion.

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(b) Power of Disapproval.

The Committee may disapprove any application:

(i) which does not comply with this Declaration;

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

(iii) which, in the sole and exclusive judgment of the Committee, which judgment must be reasonably exercised, the proposed improvement may be inharmonious with the Development, or with the improvements and homes erected on other lots within the Development as a whole.

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(c) Power to Grant Variances -

The Committee may allow reasonable variances from the provisions of this Declaration concerning types of construction, improvements, and alterations as hereinabove set forth, if literal application of the said provisions of this Declaration results in unreasonably and unnecessary hardship, so long as such variance request is in conformity with the general intent of this Declaration and if the grant of such variance will not be materially detrimental or injurious to owners of other lots within the Development, provided, however, that notwithstanding any other term or condition of this Declaration to the contrary, the Committee shall not permit under any circumstances any travel trailer, mobile home, recreational vehicle, or ten to be placed, parked, erected, or stored on any lot, nor shall the Committee under circumstances permit any overnight

camping on any lot. This covenant expressly does not apply to Declarant's established campground areas.

(d) Committee Membership –

The Committee shall be composed of three (3) individuals appointed by Masthope Rapids, Inc., its successors or assigns, which individuals shall be natural persons at least twenty-one (21) years of age, who need not be residents of the Commonwealth of Pennsylvania. The members of the Committee shall serve at the pleasure of Masthope Rapids, Inc. In the case of any vacancies, Masthope Rapids, Inc. shall appoint a new member within thirty (30) days of the date of such vacancy.

(e) Duties of the Committee –

The Committee shall receive all applications received to be submitted by this Declaration and shall act upon such applications within thirty (30) days after all required information shall have been submitted and received. The Committee shall retain one (1) copy of the submitted application material and return the second copy to the applicant together with notice of approval or disapproval. All notices to applicants shall be in writing and any disapproval shall specify the reasons therefore. The approval of the Committee of such applications shall not be a waiver by the Committee of its right to object to any of the features or elements contained in any subsequent plans, specifications or applications submitted for approval by said applicant. The Committee may inspect work being performed during all reasonable business hours to assure compliance with this Declaration and the Committee's rules and regulations. At any time prior to the completion of construction the Committee may require a certification

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of the contractor, the owner, or a licensed surveyor, at the lot owner's expense, that such improvement does not violate any setback rule, ordinance or statute or encroach upon any easement or right-of-way of record. Such certification shall be delivered to the Committee within ten (10) days of the Committee's request therefor. The Committee shall adopt written rules and regulations available to all applicants upon request. The Committee may amend or modify its rules and regulations at any time as it in its sole discretion deems fit, or in compliance with instructions of Declarant, its successors or assigns.

(f) Liability of Committee –

Neither the Committee, the Declarant, Masthope Rapids, Inc., nor any person acting on behalf of any of them shall be responsible in any manner whatsoever for any defects of any kind or type whatsoever in the plans, specifications, or other documents submitted by the applicant to the Committee for approval, nor shall the Committee, the Declarant, Masthope Rapids, Inc., nor any person acting on behalf of any of them be responsible in any manner whatsoever for any defects of any type or kind whatsoever in materials submitted to the Committee or for defects in any work done or performed hereunder. The Committee's obligation hereunder is solely to check the aesthetic quality of the construction and/or improvement and to ascertain compliance with this Declaration so as to insure that the Development is harmonious.

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(g) Appeals –

Any owner shall have the right to appeal to Masthope Rapids, Inc. from any adverse decision of the Committee within thirty (30) days after receipt of notice of disapproval of said application, and Masthope Rapids, Inc. shall have authority to confirm, reverse or modify the decision of the Committee or remand the

application to the Committee with instructions. Masthope Rapids, Inc. shall promptly render a decision upon such appeal. In the event Masthope Rapids, Inc. has not taken action upon such appeal within thirty (30) days of receipt of such appeal, the appeal shall for all purposes be deemed to be denied. Masthope Rapids, Inc. shall not be required to specify its reasons for such inaction.

VI. RESERVATIONS AND EASEMENTS

Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the real property to this Declaration, the following easements and/or rights of way:

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1. Easements of all kinds designated on the official maps of the Development as “drainage easements.” These easements are twenty (20) feet in width unless otherwise specified on the recorded plat or official map and are centered above the existing drainage channels.

2. The Declarant excepts and reserves unto itself, its successors and assigns, the following rights, privileges, or easements:

(a) The private roadways in the location and of the width as set forth on the recorded official maps as such maps are recorded in the Office for the Recording of Deeds, etc., at Milford, Pennsylvania, in and for the County of Pike. The Declarant expressly excepts and reserves unto itself the right to alter and amend the courses and/or grade of said private roadways except as to a road course which abuts any lot which has already been conveyed by Declarant, its successors or assigns.

(b) The exclusive right to dedicate the roads, streets and avenues in the subdivision to public use without the joinder, release or consent or any

purchaser, grantee or his or her of their heirs, executors, administrators, successors or assigns. Said purchaser or grantee and his or her or their heirs, executors, administrators, successors or assigns shall execute any and all documents reasonably necessary to release all damages or claims resulting from such dedication to public use.

(c) The continuing and unqualified right to alter, modify, amend subtract or add to any of the terms, conditions, reservations, restrictions, covenants, and conditions set forth in this Declaration during the “development period,” when in the sole and exclusive opinion of Declarant it is necessary for the benefit and mutual protection of all property owners. “Development Period” for purposes of this Declaration shall be defined as that period of time necessary to sell and convey all lots in the Development to grantees.

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(d) Declarant expressly excepts and reserves unto itself the right to dedicate to any municipal body or to appropriate public utility companies, including cable television, rights of way and easement areas for the installation and maintenance of public utilities along lot lines and 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 official maps, together with accessory rights and easements to locate guide wires, braces, anchors and to trim such brush, trees and tree limbs as are necessary. The rights reserved unto Declarant in this subsection shall apply to the right to grant right of way and easement areas for the installation, construction and maintenance of radio and television transmission cables serving the Development within the rights of way set forth in this subsection.

3. All utilities granted a Certificate of Public Convenience or regulated by the Pennsylvania Public Utility Commission, including, but not limited to, electric service utilities, sewerage utilities, water utilities, cable television companies, and other such similar utilities, shall have necessary rights-of-way and easement areas for the installation and maintenance of such public utilities, in addition to the foregoing, over lands marked as “Other Lands of Falling Waters as Masthope, Inc.” on the official map of Vol.627 Pg 74 recorded as aforesaid in the Recorder’s Office at Pike County, Pennsylvania. The granting of such easements to said public utility companies shall only be made upon the prior written approval of the Declarant which approval shall not be unreasonably withheld.

4. Each lot owner shall continuously maintain the right of way and easement areas reserved by Declarant or dedicated or conveyed to public utility companies as set forth in Article VI, Paragraph 2, subgraph (d), but no structures, plantings, landscape, excavation, alteration, or other materials shall be placed or permitted to remain, nor shall activities be undertaken which may damage or interfere with the installation or maintenance of such right of ways or easements. Nor shall the lot owner erect any structure, do any excavation, landscaping or plantings or deposit or permit to remain any materials of any kind whatsoever which may change the direction or flow of drainage channels in the drainage easements set forth on the official maps, which may obstruct or retard the flow of water through said drainage channels, or which may damage or interfere with established slope ratios or create erosion or soil sliding conditions. Provided, nevertheless, that were the existing location of a drainage channel would hinder

the orderly development of a lot, the lot owner may relocate said drainage channel on such lot provided:

(a) The prior written consent of the Committee is first had and obtained;

(b) The newly formed drainage swale or channel is properly established; and

(c) The relocated drainage channel does not cause any

Vol.627 Pg 75 materially adversely affect any other lot in the Development.

Notwithstanding any terms or conditions to the contrary herein contained, the lot owner shall not be responsible for the maintenance of the public service facility/utility installed by the aforesaid public utility companies if said companies are responsible for such maintenance.

5. Streets.

The Declarant expressly reserves and excepts unto itself, its successors and assigns, an easement or right of way under all streets, roads, and rights of way in the Development for the purpose of the installation, maintenance, construction, and operation of utilities thereon or thereunder, for the purpose of drainage control or access to any lot, and for purposes of installation of said streets, roads, central water system, central sewage system, and other such purposes.

6. Sewer, Water, Power and Telephone Easements.

In order to properly install, construct, maintain and operate the central water system, central sewage system, electric distribution facilities, and telephone facilities to a home constructed upon each lot, a necessary easement shall be

granted by said owner for such purpose that the entity maintaining, constructing, operating or installing such service, which easement shall include the right of ingress, egress and regress upon said lot owner's premises for such purposes

7. Liability for Use of Easements.

No lot owner shall have any claim or cause of action whatsoever at law or in equity against Declarant or its successors or assigns or licensees arising out of the exercise of any easement reserved hereunder or on the official maps, except in the case of willful or wanton misconduct.

VII. ADDITIONAL PROPERTY

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The Declarant, its successors or assigns, expressly reserves unto itself the sole and exclusive right to bring within the scheme of this Declaration, from time to time and in its discretion, with municipal approvals, if required, additional properties, including property of others that is either abutting and contiguous with the property more particularly and at large described on Exhibit "A" attached hereto and made a part hereof, or additions thereto or so situated that the additional property will be consistent with the uniform scheme for development set forth in this Declaration. Any such additions as made pursuant to the authority herein set forth shall be made by supplementary declaration as prescribed hereinafter.

1. Supplementary Declaration.

A supplementary declaration shall contain the following:

- (a) A reference to this Declaration.
- (b) Identification of the Declarant of the supplementary

declaration.

(c) An expression of intent to submit certain real property to the uniform scheme of this Declaration.

(d) A statement that the real property that is the subject of the supplementary declaration constitutes additional property as set forth herein.

(e) Said complimentary declaration shall fully and completely comply with all of the covenants, conditions, restrictions, easements, and other provisions of this Declaration so as to form one uniform scheme for the development of the premises more particularly and at large described on Exhibit "A" and the premises subject to the supplementary declaration as if said additional property had been subject to this original Declaration.

(f) A supplementary declaration may contain such additions to or modifications of the covenants, conditions, restrictions, easements and provisions of this Declaration as may be necessary to reflect the different character, if any, of the real property that is subject to the supplementary declaration.

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A supplementary declaration shall become effective upon being duly recorded in the Office for the Recording of Deeds, etc., at Milford, Pennsylvania, in and for the County of Pike if in full conformity with provisions relating to the supplementary declarations herein set forth.

2. Declarant expressly reserves the right to increase the mutual real or equitable servitudes upon each of the lots set forth on the official maps and Exhibit "A" attached hereto and made a part hereof being the present Development, and upon the roadways, easements, community areas, recreational areas and utilities of the Development.

VIII. RECREATIONAL FACILITIES

1. All Recreational Facilities and Amenities for the Development shall be owned by Masthope Rapids, Inc., whether or not said Recreational Facilities and amenities are physically situate in and upon the premises more particularly and at large described on Exhibit "A" forming the Development, or are situate on premises owned by Masthope Rapids, Inc. The Masthope Rapids Ski Area, owned by Masthope Rapids, Inc., shall be opened to the general public, in addition to being available for use by lot owners and lot purchasers from Masthope Rapids, development and the Falling Waters at Masthope development. The use of all amenities and Recreational facilities shall be subject to the payment of all dues, charges, commissions and fees imposed by Masthope Rapids, Inc. and shall be subject to the rules and regulations of Masthope Rapids, Inc.

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Grantees shall have the right to use the said amenities and Recreational Facilities together with such guests and in common with the general public as may be permitted from time to time by the rules and regulations of Masthope Rapids, Inc. Masthope Rapids, Inc., may, in its sole discretion, build and erect additional Recreational Facilities and amenities as it shall determine from time to time. There is no express or implied promise or representation that Masthope Rapids, Inc., will construct any further amenities or Recreational Facilities.

Pappy VI Land Development Corporation may, in its sole and exclusive discretion, erect a boat dock and boat service facility in Westcolang Lake, contiguous with the Falling Waters development. There is no express or implied promise or representation by Pappy VI Land Development Corporation that such boat dock and boat service facility will be constructed.

2. No other individual or entity may erect, construct, or install any amenities or recreational facilities of any kind or nature whatsoever without the prior written approval of Masthope Rapids, Inc. first had and obtained. In the event Masthope Rapids, Inc. grants approval to such individual or entity to construct amenities or recreational facilities, the individual or entity shall at the conclusion of the construction of said recreational facilities and/or amenities convey said premises to Masthope Rapids, Inc. without cost or charge of any kind or nature.

3. Masthope Rapids, Inc. shall have the sold and exclusive right, privilege, and liberty to establish maintain and modify all rates, charges, commissions, and fees for the sue of the amenities and recreational facilities owned by it.

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4. Masthope Rapids, Inc. shall have the right to exclude grantees not in good standing in the payment of said fees, charges and commissions and Masthope Rapids, Inc. shall have the sole and excusive right to establish all necessary and appropriate rules and regulations governing the use of said amenities and recreational facilities, which rules and regulations, and charges shall be uniformly applied to lot purchasers from Masthope Rapids, Inc as well as lot purchasers from Declarant, its successors or assigns.

5. Each grantee shall pay to Masthope Rapids, Inc.. its successors or assigns, such assessments as may be imposed by Masthope Rapids, Inc., for the operational expenses of the recreational facilities and amenities, for the creation, maintenance, repair, refurbishing, and development of said recreational facilities and amenities that currently exist or which shall from time to time be erected and constructed by Masthope Rapids, Inc. or as provided in this Article. The assessment may include a reasonable profit to Masthope Rapids, Inc., its successors or assigns, for its services. The assessment together with such

interest thereon and cost of collection thereof as hereinafter provided shall be a charge upon grantee's lot and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment together with such interest thereon and cost of collection thereof as hereinafter provided shall also be the personal obligation of the grantee who was the owner of such property at the time when the assessment fell due. Masthope Rapids, Inc., its successors or assigns, and Declarant insofar as Declarant holds remaining unsold lots and lots which Declarant acquires from defaulting lot purchasers in its inventory to the extent of such lots, shall never be levied or assessed nor shall they, individually or jointly be liable for any such charges, dues, fees, or assessments. Provided, further, that a bona fide financial institution which owns a lot (excluding a financial institution that owns a home and other improvements erected upon a lot) acquired by foreclosure or deed in lieu of foreclosure shall have a one (1) year exemption from the payment of all such dues, charges, and fees, commencing from the date of foreclosure or acquisition.

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6. All fees and other assessments specified or otherwise provided for by Masthope Rapids, Inc. together with interest thereon and costs of collection thereof as herein provided shall be a charge upon the land and lot of the grantee and a continuing lien upon said lot upon which is made or levied and shall take precedence over all unrecorded liens or liens recorded subsequent to the due date of such fee or other assessment.

7. Masthope Rapids, Inc. expressly excepts and reserves unto itself, its successors and assigns, the right, privilege and liberty to see and convey the recreational facilities and amenities owned by it of which it shall own from time to time to a property owners association or other legal entity. No promise, representation, certification, or

declaration is made by Masthope Rapids, Inc. that it will convey such amenities and recreational facilities to a property owners association. Accordingly, Masthope Rapids, Inc. shall be under no duty, obligation, express or implied, to sell, transfer, or convey any or all of its rights, title, and interest in and to said recreational facilities and amenities.

IX. COMMERCIAL AREA

The lots more particularly and at large described on Exhibit "B" attached hereto and made a part hereof and incorporated by reference herein are expressly reserved for commercial use. The Declarant, its successors or assigns, may, as it in its sole and exclusive discretion deems fit, use such lots for commercial purposes or sell and convey such lots for residential use.

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X. PROPERTY OWNERS ASSOCIATION

1. A future Property Owners Association may be created as a non-profit corporation under the laws of the Commonwealth of Pennsylvania with necessary by-laws and Rules and Regulations only by Masthope Rapids, Inc., its successors and assigns.
2. Grantee covenants and agrees to accept membership in said Property Owners Association, if formed and organized, and to hold such membership so long as said grantee shall own the lot of other land area and to relinquish such membership when said lot owner shall no longer own said lot. Grantee further expressly agrees to be bound by the By-Laws of the Association and the rules and regulations of the Association.
3. Each grantee member of the Association shall pay to the Association reasonable assessments for the operational expenses of the Association, for the creation, acquisition and maintenance of common property and to provide funds for carrying out the

purposes of the association. The annual assessment together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge upon grantee's lot and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as herein provided shall also be the personal obligation of the grantee who was the owner of such property at the time when the assessment fell due. Although Declarant may be a member of said association in accordance with its By-laws and rules and regulations, Declarant shall never be levied or assessed with or liable for any such charges, dues, fees, or annual assessments.

4. All fees and other assessments specified or otherwise provided for by the Association together with interest thereon and costs of collection thereof as herein provided shall be a charge upon the land and lot of the grantee and a continuing lien upon said lot upon which it is made or levied and shall take precedence over all unrecorded liens or liens recorded subsequent to the due date of such fee or other assessment.

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XI. REMEDIES

1. Enforcement.

Declarant and each person to whose benefit this Declaration inures, including without limitation, Masthope Rapids, Inc. Lackawaxen Water and Sewer Company, and the future Property Owners Association (if any), may proceed at law or in equity to prevent the occurrence continuation, or violation of any provision of this Declaration.

2. Cumulative Remedies.

The remedies herein specified are cumulative, and the specification of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law or in equity. No delay or failure on the part of an aggrieved party's resort to invoke an available remedy in respect to a violation of any provision of this declaration shall be held to be a waiver by this party of any right available to him upon the recurrence or continuation of said violation or the occurrence or continuation of a different violation.

XII. GRANTEE'S ACCEPTANCE OF LOT SUBJECT TO
THIS DECLARATION

Each grantee or purchaser of a lot by acceptance of a deed conveying title thereto or the execution of a contract or agreement of sale for the purchase thereof, whether from Declarant or a subsequent owner or entity of such lot, shall accept such deed or contract or agreement of sale expressly under and to the jurisdiction, rights, powers, privileges and immunities of this Declaration, The Declarant, The Committee, Masthope Rapids, Inc., and the Property Owner's Association (if any), and by such acceptance shall agree to pay all charges and assessments provided in this Declaration levied and assessed against his lot. By such acceptance, such grantee or purchaser shall for himself, his heirs, personal representatives, executors, successors and assigns, covenant, consent and agree to and with Declarant and the grantee or purchaser of each other lot to keep, observe, comply with and perform all the covenants, conditions and restrictions set forth in this Declaration or in any supplemental or amended declaration.

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XIII. CAPTIONS

All captions set forth in this Declaration are for convenience only and do not in any way limit or amplify the provisions hereof.

XIV. SEVERABILITY

Any provisions of this Declaration which may prove unenforceable under any law shall not affect the validity of any other provision thereof.

XV. FEES AND CHARGES FOR THE CENTRAL
SEWERAGE SYSTEM AND CENTRAL WATER
SYSTEM

1. In consideration for general improvements, including central sewer and water facilities, to be provided by the Declarant, its successors or assigns, within the Falling Waters at Masthope Development, each Grantee shall pay to Declarant, its successors or assigns an amount of Ten (10) Dollars monthly, beginning with the month immediately following the date when sewage collection facilities have been constructed which are available for use in connection with said lot, and an amount of Ten (10)

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 monthly, beginning with the month immediately following the date when water distribution facilities have been constructed which are available for use in connection with said lot and such amounts shall be payable monthly thereafter on the first day of each month; Provided, however, that the foregoing charges shall not be imposed as long as the Grantee shall be a customer of the Public Utility Sewage and Water Company, owning and operating the sewage and water facilities and so long as the Grantee shall pay the rates on file with the Pennsylvania Public Utility Commission with Respect to water and sewer charges rendered by said Public Utility Commission. Said monthly charges shall constitute liens against the lot as heretofore stated and in the event the Grantee shall fail to pay said

monthly charge within sixty (60) days following the due date, the Grantee herewith for himself, his heirs, and assigns, hereby authorizes and empowers any attorney of any court of record to appear for an confess judgment against the Grantee, his heirs, and assigns for the due amount, said judgment not to be entered until ten (10) days written notice of said default has been given to the Grantee, his heirs and assigns, by United States certified mail. The Grantee, for himself, his heirs and assigns, agrees that the entry of judgment by the Declarant, its successors and assigns, against the Grantee shall not exhaust this authority by the Declarant, its successors and assigns, in the event of Grantee's further default (s) and Declarant, its successors or assigns, shall have the right to successive entries of judgment, as required.

2. When construction of the central sewage system commences, each owner will be assessed an initial fee and an availability fee as determined by the D¹ in accordance with the law, necessary to pay for the construction, engineering, legal and other related costs less any grants from governmental agencies which may be obtained in constructing the said central system.

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In the event that the Utility is unable to undertake the central sewage construction, the Declarant or its assigns will proceed to construct as central sewage system and each lot shall be subject to a lien and charge for sewer availability and/or sewer services and the said charge shall be paid on the first day of each and every month hereafter. In no event, however, shall the monthly charge and lien for sewer availability and/or sewer service charge in addition to constituting a lien against each lot included within this Declaration, shall constitute a debt which may be collect by suit in any Court of competent jurisdiction , and upon the conveyance of all or any part of the land described

herein the successive owner or owners shall, from the time of acquiring title, be held to have covenanted and agreed to pay the Declarant its successors or assigns, all charges past or future as provided for in this paragraph. This covenant shall survive the closing of title.

3. Each lot shall be subject to a lien and charge for water availability and/or water service and the said charge shall be paid on the first day of each and every month hereafter. In no event, however, shall the monthly charge and lien for water availability and/or water service be less than Ten (10.00) Dollars per month, or such additional sum as may be determined by the Seller, its successors or assigns. It is agreed between the Grantee and Declarant that the charge for such water availability and/or w

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service charge, in addition to constituting a lien against each lot included within this Declaration, shall constitute a debt which may be collected by suit in any Court of competent jurisdiction, and upon the conveyance of all or any part of the land described herein the successive owner or owners shall, from the time of acquiring title, be held to have covenanted and agreed to pay the Declarant, its successors or assigns, all charges past or future as provided for in the paragraph. This covenant shall survive the closing of title.

XVI. ROAD SYSTEM

1. Each lot owner shall pay to Masthope Rapids, Inc. (Masthope), its successors or assigns which shall maintain and operate the central road system serving said lot the following fees and charges. Masthope has undertaken to construct and maintain the central road system. Each lot owner will be assessed such fees and charges as may be made in accordance with the law necessary to pay for the construction, engineering, legal and other related costs and all operational and maintenance costs of said systems.

2. All charges for the construction, operation and maintenance of the central road system, imposed by Masthope its successors or assigns, shall constitute a lien against each lot subject to this Declaration. Upon the conveyance of a lot subject to said lien the successive owner or owners shall from the time of acquiring title be held to have covenanted and agreed to pay Masthope all such charges, fees and assessments.

3. Each grantee shall pay to Masthope such charges, expenses, fees, connection charges, and commissions as may be made in accordance with law for the construction, maintenance, and operation of the central road system. Such charges, fees, commissions, connection charges (hereinafter collectively referred to as "Assessments") together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge upon grantee's lot and shall be a continuing lien upon the property against which such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as hereinafter provided shall also be the personal obligation of the grantee who was the owner of such property at the time when the assessment fell due. Declarant and Masthope Rapids, Inc. shall never be levied or assessed or be liable for such assessments for the central road service.

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4. All assessments specified or otherwise provided for herein together with interest thereon and costs of collection thereof as herein provided shall be a charge upon the land and lot of the grantee and a continuing lien upon said lot upon which it is made or levied and shall take precedence over all unrecorded liens or lien recorded subsequent to the due date of such fee or other assessment.

XVII. ENFORCEMENT OF ASSESSMENT
LIENS AND SUBORDINATION OF SAID
LIENS

1. For purposes of this section “Assessments” shall be defined as including, without limitation:

(a) Assessments due Masthope Rapids, Inc. herein above provided;

(b) Assessments due a future Property Owners Association as may be created herein as above provided;

2. If an assessment is not paid to the Obligee imposing the assessment (Masthope Rapids, Inc; and/or a future Property Owner’s Association created by Masthope Rapids, Inc.) on the date when due, it shall be regarded as delinquent and together such interest thereon and costs of collection thereof as herein provided, thereupon shall

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a continuing lien upon the lot or land area which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives, successors and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for a statutory period and shall not pass to his successors in title unless expressly assumed by them. If an assessment is not paid within thirty (30) days after the due date as established by the respective Obligees (Masthope Rapids, Inc.; and/or the future Property Owners Association that may be created by Masthope Rapids, Inc.), the assessment shall bear interest from the date that the lawful rate of interest then in affect and the respective Obligee of such assessment may bring an action at law against the owner personally obligated to pat the same or foreclose the lien against the lot, and there shall be

added to the amount of such assessment the cost(s) of preparing and filing the Complaint or other documents in such action, reasonable attorney's fees, and filing costs.

3. The lien of the assessments above enumerated shall be subordinated and are hereby subordinated to the lien of any purchase money instrument granted to or made in favor of Declarant and Declarant's assignees of such purchase money instrument to secure the unpaid balance of the purchase price of a lot sold by Declarant, which purchase money instrument now or may hereafter be placed upon the lots subject to such assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to foreclosure, or deed, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not release such property from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

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Furthermore, the lien of any such assessments shall be subordinated and are hereby subordinated to the lien of any Mortgage or Mortgages now or hereafter placed upon the lots subject to such assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to foreclosure. Such sale or transfer shall not release such property from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

XVIII. PROCEEDS FROM SALE OF EASEMENTS AND
RIGHTS OF WAY

In the event Declarant, its successors or assigns, sells or conveys any of all of the utility easements, all compensation, damages and other proceeds from such sales and conveyance shall accrue to Declarant solely and absolutely.

XIX. NOTICES

Any notice required to be sent to the owner of a lot under a provision of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as owner of such lot on the records of Declarant, the Committee, Lackawaxen Water and Sewer Company, or the Association at the time of such mailing.

XX. INTERPRETATION

The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and operation of the Development.

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XXI. GENDER AND NUMBER

The use of the masculine gender herein shall be deemed to include the female gender and the use of the singular shall be deemed to include the plural, whenever and wherever the context so requires.

XXIII. RULES AND REGULATION

The Declarant, the Association, Lackawaxen Water and Sewer Company, and the Committee are hereby authorized to adopt from time to time rules and regulations for the elaboration and administration of the provisions of this Declaration, including, without limitation, regulations, as to household pets, and reasonable provisions for the enforcement thereof, which rules and regulations shall be posted conspicuously at the

office of Declarant, the Association, the Committee, and such other place of public gathering within the Development as shall be reasonably calculated to give lot owners notice thereof.

XXIII. LAW TO GOVERN

This Declaration shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

XXIV. AMENDMENT

Notwithstanding any other terms or conditions of this Declaration to the contrary, there shall be no amendment of this Declaration whatsoever without the prior consent of Masthope Rapids, Inc. and Lackawaxen Water and Sewer Company being first had and obtained. No amendment of this Declaration shall be effective in any manner whatsoever unless the joinder or written consent of Lackawaxen Water and Sewer Company and Masthope Rapids, Inc. has been first had and obtained, such instrument evidencing the written consent of Masthope Rapids, Inc. and Lackawaxen Water and Sewer Company to be entered into with the same formality as this original Declaration and such consent shall be recorded in the Office for the Recording of Deeds aforesaid.

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XXV. HEADINGS

Any heading or caption preceding the text of the several paragraphs and sub-paragraphs hereof are inserted solely for convenience of reference and shall not constitute a part of this Declaration, nor shall they affect its meaning, construction, or effect, in any manner whatsoever.

XXVI. SALE OF PREMISES

In the event Declarant sells, transfers, assigns, and conveys the entire or remaining unsold part of the premises more particularly and at large described on Exhibit "A" attached hereto and made a part hereof and incorporated by reference herein as though fully set forth at length to an individual or entity, that individual or entity, subject to the limitations and prohibitions set forth in Article XXIV, shall have all rights and remedies in full of Declarant as set forth herein just as if said individual or entity had made this declaration. The deed of later instrument conveying all of the remaining unsold parts of the premises shall convey the rights of Declarant hereunder, as limited hereby, whether expressly set forth or not.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first above written.

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On this the 23rd day of May, 1978, before me a Notary Public in and for said County and State, the undersigned officer, personally appeared Karl Hope, who acknowledged himself to be the President of Falling Waters at Masthope, Inc., a corporation, and that he as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

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

EXHIBIT "A"

ALL THAT CERTAIN tract, place, or parcel of land situats in the Township of Lackawaxen, County of Pike, and State of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at the corner of a stone row, the southeasterly corner of lands conveyed by John H. Gordon et al to William J. Abrams et ux, by Deed dated March 1, 1911, and recorded in Deed Book Vol. 65, Page 155; thence by lands now or formerly of William J. Abrams, North 5 degrees 28 minutes 57 seconds East 796.24 feet to a point; thence by lands of Masthope Rapids, Inc., the following seven (7) courses and distances: (1) South 74 degrees 25 minutes 32 seconds East 347.66 feet to a point on the northwesterly line of Falling Waters Boulevard; (2) along the northwesterly line of Falling Waters Boulevard, North 35 degrees 44 minutes 06 seconds East 152.62 feet to a point of curvature of a tangent curve; (3) along the westerly line of Falling Waters Boulevard, along a curve to the left having a radius of 460.00 feet, for an arc length of 341.33 feet (chord bearing and distance being North 14 degrees 28 minutes 40 seconds East 333.55 feet) to a point of compound curvature; (4) along the southwesterly line of Falling Waters Boulevard, along a curve to the left having a radius of 30.00 feet, for an arc length of 38.3 feet (chord bearing and distance being North 43 degrees 21 minutes 18 seconds West 35.75 feet) to a point of reverse curvature; (5) along the southwesterly line of Falling Waters Boulevard, along a curve to the right, having a radius of 300.00 feet, for an arc length of 161.83 feet (chord bearing and distance being North 64 degrees 28 minutes 38 seconds West 159.88 feet) to a point of compound curvature; (6) along the southwesterly line of Falling Waters Boulevard, along a curve to the right, having a radius of 175.00 feet, for an arc length of 192.86 feet (chord bearing and distance being North 17 degrees 27 minutes 06 seconds West 183.25 feet) to a point of reverse curvature; and (7) along the southwesterly line of Falling Waters Boulevard, along a curve to the left, having a radius of 30.00 feet, for an arc length of 45.52 feet (chord bearing and distance being North 29 degrees 20 minutes 56 seconds West 41.28 feet) to a point of tangency; thence along the southwesterly side of Township Road No. 439, by lands of Masthope Rapids, Inc., the following eleven (11) courses and distances: (1) South 72 degrees 49 minutes 04 seconds East 236.00 feet to a point of curvature of a tangent curve; (2) along a curve to the left, having a radius of 1540.00 feet, for an arc length of 341.68 feet (chord bearing and distance being South 79 degrees 10 minutes 26 seconds East 340.98 feet) to a point of tangency; (3) South 85 degrees 31 minutes 48 seconds East 383.94 feet to a point of curvature of a tangent curve; (4) along a curve to the right, having a radius of 1560.00 feet, for an arc length of 312.23 feet (chord bearing and distance being South 79 degrees 47

minutes 46 seconds East 311.71 feet) to a point of compound curvature; (5) along a curve to the right, having a radius of 1759.93 feet for an arc length of 478.02 feet (chord bearing and distance being South 66 degrees 16 minutes 52 seconds East 476.55 feet) to a point of tangency; (6) South 58 degrees 30 minutes 00 seconds East 134.35 feet to a point of curvature of a tangent curve; (7) along a curve to the right, having a radius of 407.00 feet, for an arc length of 237.35 feet (chord bearing and distance being South 41 degrees 47 minutes 36 seconds East 234.00 feet) to a point of tangency; (8) South 25 degrees 02 minutes 12 seconds East 125.14 feet to a point; (9) South 22 degrees 13 minutes 56 seconds East 260.38 feet to a point; (10) South 23 degrees 12 minutes 30 seconds East 148.23 feet to a point; and (11) South 24 degrees 23 minutes 50 seconds East 149.08 feet to a point; thence by lands of Section 4, Westcolang Lake Country Club, the following five (5) courses and distances: (1) South 85 degrees 59 minutes 38 seconds West 203.44 feet to a point; (2) North 80 degrees 00 minutes 22 seconds West 100.00 feet to a point; (3) South 19 degrees 59 minutes 38 seconds West 400.00 feet to a point; (4) North 85 degrees 59 minutes 38 seconds East 303.00 feet to a point; and (5) South 70 degrees 00 minutes 22 seconds East 973.00 feet to a point; thence by lands of Masthope Rapids, Inc., the following twenty six (26) courses and distances: (1) South 12 degrees 10 minutes 43 seconds West 514.78 feet to a point; (2) South 42 degrees 54 minutes 35 seconds 334.46 feet to a point on the northeasterly line of Eagle Rock Road; (3) along the northeasterly line of Eagle Rock Road, along a curve to the left, having a radius of 340.00 feet for an arc length of 194.89 feet (chord bearing and distance being South 37 degrees 00 minutes 51 seconds East 192.24 feet) to a point of tangency (4) along the northeasterly line of Eagle Rock Road South 53 degrees 26 minutes 08 seconds East 55.13 feet to a point; (5) leaving the northeasterly line of Eagle Rock Road, North 36 degrees 33 minutes 52 seconds East 199.92 feet to a point; (6) North 9 degrees 31 minutes 30 seconds West 75.59 feet to a point; (7) North 10 degrees 11 minutes 30 seconds East 142.107 feet to a point; (8) North 29 degrees 54 minutes 30 seconds East 147.07 feet to a point; (9) North 49 degrees 37 minutes 30 seconds East 142.07 feet to a point; (11) North 89 degrees 03 minutes 30 seconds East 142.07 feet to a point; (12) South 71 degrees 13 minutes 30 seconds East 142.07 feet to a point; (13) South 51 degrees 30 minutes 30 seconds East 142.07 to a point; (14) South 31 degrees 47 minutes 30 seconds East 142.07 feet to a point; (15) 31 degrees 47 minutes 30 seconds East 142.07 feet to a point; (15) South 12 degrees 04 minutes 30 seconds East 142.07 feet to a point; (16) South 7 degrees 23 minutes 39 seconds West 201.44 feet to a point; (17) South 28 degrees 23 minutes 39 seconds West 142.07 feet to a point; (18) South 52 degrees 44 minutes 41 seconds East 178.40 feet to a point; (19) South 41 degrees 18 minutes 53 seconds East 209.03 feet to a point; (20) South 17 degrees 32 minutes 17 seconds West 464.60 feet to a point; (21) South 18 degrees 13 minutes 14 seconds East 271.23 feet to a point; (22) North 55 degrees 00 minutes 29 seconds East 226.06 feet to a point; (23) North 84 degrees 27 minutes 23 seconds East 341.60 feet to a point; (24) South 28 degrees 21 minutes 54 seconds East 242.06 feet to a point; (25) South 20 degrees 25 minutes 20 seconds West 300.91 feet to a point; and (26) South 51 degrees 19 minutes 19 seconds East 1058.88 feet to a point; thence by lands of Donald Holbert, South 27 degrees 41 minutes 09 seconds West 1130.00 feet to a witnessed oak; thence by lands of River View Acres, North 82 degrees 24 minutes 25 seconds West (at 300.00 feet passing a found iron pipe and at 980.00 feet passing a found iron pipe) 1980.00 feet to an "X" on a stone; thence by the same, South 75 degrees 50 minutes 52 seconds West 888.95

feet to a found stone corner; thence by the same, South 11 degrees 01 minutes 45 seconds West 680.00 feet to a point; thence by other lands of Falling Waters at Masthope, Inc., the following six (6) courses and distances; (1) South 85 degrees 21 minutes 00 seconds West 1275.00 feet to a point; (2) North 42 degrees 50 minutes 00 seconds West 570.00 feet to a point; (3) North 15 degrees 10 minutes 00 seconds West 970.00 feet to a point; (5) South 23 degrees 50 minutes 00 seconds West 1465.00 feet to a point; and (6) South 66 degrees 12 minutes 44 seconds West 3692.69 feet to a found stone corner; thence by lands of Maplewood Estates North 00 degrees 45 minutes 15 seconds East 1590.20 feet to a found stone corner; thence by lands now or formerly of George Rowlands, North 00 degrees 56 minutes 53 seconds East 1086.67 feet to a found stone corner; thence by the same, South 75 degrees 21 minutes 21 seconds West 904.40 feet to a found pipe; thence by lands of American Central Corporation, Fawn Lake Forest, the following thirteen (13) courses and distances: (1) North 19 degrees 12 minutes 15 seconds West (at 1303.50 feet passing a found pipe) 1398.5 to a point on the water's edge of Westcolang Lake; (2) along the waters edge of said Westcolang Lake, in a southeasterly direction 50 feet more or less to a point, from which a found pipe bears South 9 degrees 17 minutes 41 seconds West distant 60 feet; (3) North 9 degrees 17 minutes 41 seconds East 480.00 feet to a point on the waters edge of said Westcolang Lake; (4) along the waters edge of said Westcolang Lake, in a northeasterly direction 640 feet more or less to a point; (5) in said Westcolang Lake, North 59 degrees 42 minutes 19 seconds West 206.00 feet more or less to a point; (6) in said Westcolang Lake, North 5 degrees 23 minutes 06 seconds East 170.00 feet more or less to a point on the waters edge of said Westcolang Lake; (7) along the waters edge of said Westcolang Lake, in a northwesterly direction, 100 feet more or less to a point; (8) along the waters edge of said Westcolang Lake, in a northernly direction 600 feet more or less to a point; (9) along the waters edge of said Westcolang Lake, in a northeasterly direction, 145 feet more of less to a point; (10) in said Westcolang Lake, North 5 degrees 23 minutes 06 seconds East 854.06 feet more or less to a point; (11) in said Westcolang Lake, North 46 degrees 37 minutes 55 seconds East 579.50 feet more or less to a point on the waters edge of said Westcolang Lake; (12) along the waters edge of said Westcolang Lake in a northeasterly direction, 1200 feet more or less to a point; and (13) along the waters edge of said Westcolang Lake, in a southeasterly direction 550.00 feet more or less to a point; thence by lands of Masthope Rapids, Inc., South 26 degrees 24 minutes 31 seconds West 15.01 feet to a point; thence by the same South 44 degrees 01 minutes 03 seconds West 190.00 feet to a point on the northeasterly line of Falling Waters Boulevard; thence along the northeasterly line of Falling Waters Boulevard, by lands of Masthope Rapids, Inc., the following five (5) courses and distances: (1) along a curve to the right, having a radius of 310.00 feet, for an arc length of 37.00 feet (chord bearing and distance being south 42 degrees 33 minutes 48 seconds East 36.95 feet) to a point of tangency; (2) South 39 degrees 08 minutes 39 seconds East 147.71 feet to a point of curvature of a tangent curve; (3) along a curve to the left of having a radius of 225.00 feet, for an arc length of 127.72 feet (chord bearing and distance being South 55 degrees 24 minutes 19 seconds East 126.01 feet) to a point; (4) South 78 degrees 08 minutes 45 seconds East 132.93 feet to a point; (5) along a curve to the right, having a radius of 772.00 feet, for an arc length of 433.53 feet (chord bearing and distance being South 55 degrees 34 minutes 44 seconds East 427.86) feet to a point; thence by lands of Masthope Rapids, Inc., North 50 degrees 30 minutes 32 seconds East 228.21 feet to a point; thence by lands of Dr. Lloyd C. Orben, South 50 degrees 02

minutes 11 seconds East 482.38 feet to a point; thence by the same North 53 degrees 22 minutes 10 seconds East 135.33 feet to a point; thence along a stone wall, by lands now or formerly of William J. Abrams, the following eight (8) courses and distances: (1) South 23 degrees 30 minutes 08 seconds East 345.13 feet to a point; (2) South 28 degrees 30 minutes 08 seconds East 345.13 feet to a point; (2) South 28 degrees 59 minutes 58 seconds East 52.80 feet to a point; (3) South 40 degrees 21 minutes 18 seconds East 66.00 feet to a point; (4) South 57 degrees 12 minutes 47 seconds East 165.00 feet to a point; (5) North 55 degrees 52 minutes 39 seconds East 245.80 feet to a corner of a stone wall; (6) South 59 degrees 13 minutes 07 seven seconds East 1099.00 feet to a corner of a stone wall; (7) South 78 degrees 55 minutes 37 seconds East 990.00 feet to a point; and (8) South 75 degrees 49 minutes 36 seconds East 181.59 feet to the place of BEGINNING. CONTAINING 1178 acres, more or less.

Being the same premises which Falling Waters at Masthope, Inc. by its deed of even date herewith and intended to be recorded in the Office for the Recording of Deeds et c., at Milford, Pennsylvania, in and for the County of Pike, granted and conveyed unto Pappy VI Land Development Corporation, Mortgagor hereof, in fee.

Expected and Reserved Commercial Areas (PAGE 96)

MISSING 96-217

AGREEMENT AMENDING MORTGAGES

THIS AGREEMENT made this 11th day of March, 1982, between NORTHEASTERN BANK OF PENNSYLVANIA, a corporation organized under the laws of Pennsylvania, having an office at 60 Washington Street, East Stroudsburg, Monroe County, Pennsylvania, (hereinafter referred to as "MORGAGEE"), and FALLING WATERS AT MASTHOPE, INC., a Pennsylvania corporation, having offices at 18 North Seventh Street, Stroudsburg, Monroe County, Pennsylvania, (sometimes hereinafter referred to as "MORTGAGOR").

WITNESSTH:

WHEREAS, FALLING WATERS AT MASTHOPE, INC., executed and delivered to MORGAGEE two (2) Mortgages on lands located in Lackawaxen Township, Pike County, Pennsylvania, said Mortgages being respectively recorded in the Office or the Recorder of Deeds of Pike County, Pennsylvania on July 23, 1980 in Mortgage Book 302 at page 251 and on September 1, 1981 in Mortgage Book at page 151; and

WHEREAS, as the time of executing and delivering the aforementioned two (2) Mortgages, the MORTGAGEE agreed to certain amendments of the several Mortgages as are hereinafter set forth; and

WHEREAS, MORTGAGOR and MORTGAGEE under the aforementioned Mortgages now desire to execute a formal, written amendment of said mortgages,

NOW, THEREFORE, in consideration of said Mortgages, one (\$1.00) Dollar and other good and valuable consideration receipt whereof so hereby acknowledged, the MORGAGOR and MORGAGEE do hereby agree that both of the two (2) Mortgages hereinbefore identified shall be and are hereby amended to include the following additional provisions:

“The premises hereby conveyed to the MORTGAGEE are conveyed TOGETHER WITH all of the rights of the MORTGAGOR as Declarant with respect to the land and improvements thereon constituting the development know as FALLING WATERS AT MASTHOPE under all of the documents regulating and controlling said development which are recorded in the Office of the Controller of Deeds of Pike County, Pennsylvania in Deed Book 627 at page 49 et. Seq., as the same has been amended to the date of this agreement (“DECLARATION”), and all of the rights granted to or reserved by the MORTGAGOR under that certain “RECIPROCAL AMENITY AGREEMENT” dated May 23, 1978, made by MORTGAGOR and others and recorded in said Recorder’s Office in Deed Book 627 at page 112, as modified and recorded in Deed Book 640 at page 59, et seq. (“RECIPROCAL AMENITY AGREEMENT”) BUT SUBJECT, HOWEVER, to the provisions of DECLARATION and RECIPROCAL AMENITY AGREEMENT and SUBJECT FURTHER to the rights hereinafter referred to as “MEMBERSHIP RIGHTS”) of each person under the terms of the written MEMBERSHIP AGREEMENT m

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between said person and the MORTGAGOR, FALLING WATERS AT MASTHOPE INC., trading and doing business as COUNTRY SQUIRE LAKESHORE CLUB, whether said MEMBERSHIP AGREEMENT was executed and delivered prior to or subsequent to the date of this Mortgage, including, inter alia, the right of each person to a time-share

interval with respect to a residential building located on the above described premises, and the right to the benefits of all easements necessary to the enjoyment of the MEMBERSHIP RIGHTS and subject further to the rights of said members of the COUNTRY SQUIRE LAKEWHORE CLB, and purchasers of lots in the developments known as MASTHOPE RAPIDS, INC. and FALLING WTARES AT MASTHOPE, INC. to use and enjoy in common with others all recreational facilities located in the above described premises in accordance with and subject to the provisions of said MEMBERSHIP AGREEMENT, DECLARATION, RECIPRCAL AMENITIES AGREEMENT, and all other documents of public record governing the above described premises.

MORTGAGEE does hereby covenant with MORTGAGOR that in the event MORTGAGEE forecloses this Mortgage or otherwise takes possessions of the mortgaged premises, it will not interfere with the enjoyment by any member of the COUNTRY SQUIRE LAKESHORE CLUB of his MEMBERSHIP RIGHTS provided that such member has paid all applicable fees and charges which may be due and that he is not otherwise in default under the terms of his MEMBERSHIP AGREEMENT, except, however, that this covenant shall not be construed to impose upon MORTGAGEE any obligation to do any affirmative act or procure or furnish any service for the benefit of such member. This covenant is made by MORTGAGEE for the benefit of all such members of the COUNTRY SQUIRE LAKESHORE CLUB in good standing and each, such member shall have all of the rights of a third party beneficiary to enforce the provisions hereof.”

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IN WITNESS WHEREOF, and intending to be legally bound hereby, MORGAGOR and MORGAGEE have caused this Agreement of Amendment to be executed in their

behalf by their respective, duly authorized, undersigned officers the day and year first written above.

NORTHEASTERN BANK OF PENNSYLVANIA,

MORTGAGEE

Signed by: Dennis Dunn, Vice President

FALLING WATERS AT MASTHOPE, INC.,

MORTGAGOR

Signed by: Hilda Hope, President

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Notary Page

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Missing

AGREEMENT AMENDING MORTGAGES

THIS AGREEMENT made this 11th day of March, 1982, between UNITED PENN BANK, a banking corporation organized under the laws of Pennsylvania, having officers at 8 West Market Street, Wilkes-Barre, Luzerne County, Pennsylvania, (hereinafter referred to as "MORTGAGEE") and FALLING WATERS AT MASTHOPE INC., a Pennsylvania corporation having offices at 18 North Street, Stroudsburg, Monroe County, Pennsylvania, (sometimes hereinafter referred to as "MORTGAGOR")

WITNESSTH:

WHEREAS, FALLING WATERS AT MASTHOPE, INC. executed and delivered to MORTGAGEE three (3) separate Mortgages each covering lands located in Lackawaxen Township, Pike County, Pennsylvania, said Mortgages being dated and recorded in the Office of the Recorder of Deeds of Pike County, Pennsylvania as follows:

DATE OF MORTGAGE	DATE OF RECORDING	RECORDING REFERENCE
July 1, 1981	July 2, 1981	Mortgage Book 329, pg 143
August 7, 1981	August 10, 1981	Mortgage Book 332, pg 211
February 2, 1982	February 2, 1982	Mortgage Book 334, pg 177

WHEREAS, at the time of executing and delivering the aforementioned three (3) Mortgages, the MORTGAGEE agreed to certain amendments of the several Mortgages as are hereinafter set forth; and

WHEREAS, MORTGAGOR and MORTGAGEE under the aforementioned Mortgages now desire to execute a formal, written amendment of all said mortgages,

NOW, THEREFORE, in consideration of said Mortgages, One (\$1.00) dollar and other good and valuable consideration receipt whereof is hereby acknowledged, the MORTGAGOR and MORTGAGEE do hereby agree that all three (3) Mortgages hereinbefore identified shall be and are hereby amended to include the following additional provisions:

“The premises hereby conveyed to the MORTGAGEE re conveyed SUBJECT TO the rights (hereinafter referred to as “MEMBERSHIP RIGHTS”) of each person under the terms of the written membership agreement (“MEMBERSHIP AGREEMENT”) made between said person and the MORTGAGOR, FALLING WATERS AT MASTHOPE RAPIDS, INC., trading and doing business as COUNTRY SQUIRE LAKESHORE CLUB, whether said MEMBERSHIP AGREEMENT was executed and delivered prior or subsequent to the date of this mortgage, including the right of each such person to a time-share interval with respect to a residential building located on the above described premises and the right to the benefits of all easements necessary to the enjoyment of the MEMBERSHIP RIGHTS. MORTGAGEE does hereby covenant with MORTGAGOR that in the event MORTGAGEE forecloses this Mortgage or otherwise takes possession of the Mortgaged Premises, it will not interfere with the enjoyment of any member of the COUNTRY SQUIRE LAKESHORE CLUB of his MEMBERSHIP RIGHTS provided that such member has paid all applicable fees and charges which may be due and is not otherwise in default under the terms of his MEMBERSHIP AGREEMENT, except, however, that this covenant shall not be construed to impose upon MORTGAGEE any obligation to do any affirmative act or procure or furnish any service for the benefit of such member. This covenant is made by Mortgagee

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for the benefit of all members of the COUNTRY SQUIRE LAKESHORE CLUB in good standing and each such member shall have all of the rights of a third party beneficiary to enforce the provisions hereof.”

IN WITNESS WHEREOF, and intending to be legally bound hereby,
MORTGAGOR and MORTGAGEE have caused this Agreement of Amendment to be executed in their behalf by their respective, duly authorized, undersigned, officers the day and year first written above.

UNITED PENN BANK, MORTGAGEE

Signed by: Burton Henry, Vice President

FALLING WATERS AT MASTHOPE, INC., MORTGAGOR

Signed by: Hilda Hope, President

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Notary Page

DECLARATION OF AMENDMENT
OF RESTRICTIVE COVENANTS

Made this ____ day of _____, 2005 by the Masthope Mountain Community Property Owners Council;

WHEREAS Restrictive Covenants for Masthope Rapids, Inc., were filed of record in the Office of the Recorder of Deeds of Pike County, Pennsylvania at Deed Book Volume 452 Page 266 and thereafter amended at DB 452 page 279 and at DB 480 page 214; and,

WHEREAS Restrictive Covenants for Falling Waters at Masthope, Inc. were filed of record in the Office of the Recorder of Deeds of Pike County, Pennsylvania at Deed Book Volume 627 Page 49 and thereafter amended at DB 346 page 218 and at DB 347 page 224; and,

WHEREAS the Masthope Mountain Community Property Owners Council is the successor in interest as to the right to amend the covenants to Masthope Rapids, Inc. and Falling Waters at Masthope, Inc.; and,

WHEREAS the membership of the Masthope Mountain Community Property Owners Council by a 2/3 majority vote did enact an amendment to the restrictive covenants as hereinafter provided;

NOW, THEREFORE, the Masthope Mountain Community Property Owners Council by vote of its membership constituting more than a 2/3 majority at a regularly scheduled meeting does hereby enact or declare the following:

DECLARATION OF AMENDMENT OF RESTRICTIVE COVENANTS

Made this 14 day of March, 2009 by the Masthope Mountain Community Property Owners Council;

WHEREAS Restrictive Covenants for Masthope Rapids, Inc. were filed of record in the Office of the Recorder of Deeds of Pike County, Pennsylvania at Deed Book Volume 452 Page 266 and thereafter amended at DB 452 page 279 and at DB 480 page 214; and,

WHEREAS Restrictive Covenants for Falling Waters at Masthope, Inc. were filed of record in the Office of the Recorder of Deeds of Pike County, Pennsylvania at Deed Book Volume 627 Page 49 and thereafter amended at DB 346 page 218 and at DB 347 page 224; and,

WHEREAS the Masthope Mountain Community Property Owners Council is the successor in interest as to the right to amend the covenants to Masthope Rapids, Inc. and Falling Waters at Masthope, Inc; and Lackawaxen Township

WHEREAS the membership of the Masthope Mountain Community Property Owners Council by a 2/3 majority vote did enact an amendment to the restrictive covenants as hereinafter provided;

NOW, THEREFORE, the Masthope Mountain Community Property Owners Council by vote of its membership constituting more than a 2/3 majority at a regularly scheduled meeting does hereby enact or declare the following:

1. All numbered lots within the real property covered by these covenants except those lots or parcels specifically excluded now or in the future shall be used

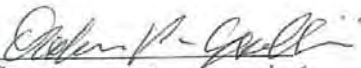
for single family residential purposes only except for no-impact home businesses as defined as follows:

- a. A no-impact home-based business is a business or commercial activity administered or conducted as an accessory use which is clearly secondary to the use as a residential dwelling and which involves no customer, client or patient traffic, whether vehicular or pedestrian, pickup, delivery or removal functions to or from the premises, in excess of those normally associated with residential use. The business or commercial activity must satisfy the following requirements:
 - (1) The business activity shall be compatible with the residential use of the property and surrounding residential uses.
 - (2) The business shall employ no employees other than family members residing in the dwelling
 - (3) There shall be no display or sale of retail goods and no stockpiling or inventory of a substantial nature.
 - (4) There shall be no outside appearance of a business use, including, but not limited to, parking, signs or lights.
 - (5) The business activity may not use any equipment or process which creates noise, vibration, glare, fumes, odors or electrical or electronic interference, including

- (6) The business activity may not generate any solid waste or sewage discharge, in volume or type, which is not normally associated with residential use in the neighborhood.
- (7) The business activity shall be conducted only within the dwelling and may not occupy more than 25% of the habitable floor area.
- (8) There shall be no storage or garaging of commercial vehicles. (except for dual purpose vehicles such as pickup trucks)
- (9) The business may not involve any illegal activity.

Certified to be a True and Correct Copy of the Adopted Motion adopted 3/14/09, 2009.

Masthope Mountain Community
Property Owners Council


~~Secretary~~ PRESIDENT

200900002503
Filed for Record in
PIKE COUNTY, PA
SHARON SCHROEDER
03-19-2009 At 01:31 pm.
DECLARATION 18.50
DR Book 2302 Page 2114 - 2117

STATE OF PA
COUNTY OF Pike

On this, the 14 day of March, 2009, before me, the undersigned officer, personally appeared Adam P. Gallini President of the Masthope Mountain Community Property Owners Council known to me or (satisfactorily proven) to be the person(s) whose name is (are) subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

I hereunto set my hand and official seal.

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Janet A. Marsh, Notary Public
Lackawaxen Twp., Pike County
My Commission Expires Apr. 9, 2010
Member, Pennsylvania Association of Notaries

Janet A. Marsh
Notary Public



CERTIFICATE OF RESIDENCE

I do hereby certify that the precise residence and complete post office address of the within named Grantee is

[Signature]
Attorney for Grantee

PREPARED BY: Klemeyer Farley & Bernathy, LLC
402 Broad Street
Milford, Pennsylvania 18337

I hereby CERTIFY that this document is recorded in the Recorder's Office of Pike County, Pennsylvania.



Sharon Schroeder
Sharon Schroeder,
Recorder of Deeds

**DECLARATION OF AMENDMENT
OF RESTRICTIVE COVENANTS**

Made this _____ day of _____, 2005 by the Masthope Mountain Community Property Owners Council;

WHEREAS Restrictive Covenants for Masthope Rapids, Inc. were filed of record in the Office of the Recorder of Deeds of Pike County, Pennsylvania at Deed Book Volume 452 Page 266 and thereafter amended at DB 452 page 279 and at DB 480 page 214; and,

WHEREAS Restrictive Covenants for Falling Waters at Masthope, Inc. were filed of record in the Office of the Recorder of Deeds of Pike County, Pennsylvania at Deed Book Volume 627 Page 49 and thereafter amended at DB 346 page 218 and at DB 347 page 224; and,

WHEREAS the Masthope Mountain Community Property Owners Council is the successor in interest as to the right to amend the covenants to Masthope Rapids, Inc. and Falling Waters at Masthope, Inc.; and,

WHEREAS the membership of the Masthope Mountain Community Property Owners Council by a 2/3 majority vote did enact an amendment to the restrictive covenants as hereinafter provided;

NOW, THEREFORE, the Masthope Mountain Community Property Owners Council by vote of its membership constituting more than a 2/3 majority at a regularly scheduled meeting does hereby enact or declare the following:

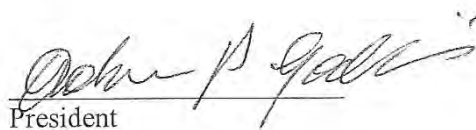
Whereas, the stipulation as to minimum dwelling size in the community is a covenants issue, and whereas, the requirement to change or add to covenants provisions requires a 2/3's majority;

Therefore, be it resolved that the Masthope POC Committee of the Whole approves the following addition to the Restrictive Covenants for the Masthope Rapids and Falling Waters sides of the community:

“The minimum size of any dwelling to be erected on a lot in the development of Masthope shall be at least 1,800 square feet of living space, excluding basement, garage, porches, decks, patios and breezeways. For purposes of this provision a finished basement is not living space.”

Certified to be a True and Correct Copy of the Adopted Motion adopted _____,
2005.

Masthope Mountain Community
Property Owners Council



President

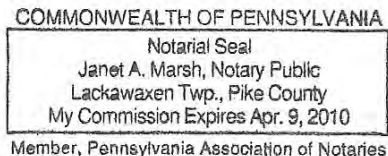
STATE OF Pennsylvania

COUNTY OF Pike

On this, the 12 day of Sept., 2006, before me, the undersigned officer, personally appeared Adam P. Gallini

known to me or (satisfactorily proven) to be the person(s) whose name is (are) subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

I hereunto set my hand and official seal.



Janet A Marsh
Notary Public

CERTIFICATE OF RESIDENCE

I do hereby certify that the precise residence and complete post office address of the within named Grantee is

Attorney for Grantee

PREPARED BY: Beecher, Rose and Klemeyer
402 Broad Street
Milford, Pennsylvania 18337