

Tax Codes Nos.

***Amended and Restated Declaration
Of Covenants, Restrictions & Easements for Lake-In-The-Clouds***

***Barrett Township, Monroe County and Greene Township, Pike County, Pennsylvania
A Planned Community***

This is an Amended and Restated Declaration for a residential planned community known as Lake-In-The-Clouds, located in Canadensis, Barrett Township, Monroe County and Greene Township, Pike County, Pennsylvania (*"LITC"* or the *"Community"*) made the ___ day of _____, 2006, by ***Lake in the Clouds Property Owners Association***, a Pennsylvania nonprofit corporation with offices located at R.R. 1 Box 595C, Canadensis, PA 18325 (the *"Declarant"* or the *"Association"*)

Background

I. The Association owns all of the rights in, to and affecting the real property comprising the common area in Lake-In-The-Clouds subdivision (the **"Common Area"**). The Common Area is subject to non-exclusive rights of use vested in all owners of residential lots (inclusively the **"Owners"** of **"Lots"**) that are depicted on the recorded subdivision plans for Lake-In-the-Clouds. The Common Area is managed and maintained for the benefit of the Owners by the Association. The use of the Common Area by the Owners is subject to the standards found in the governing documents of the Association.

II. The Association is the successor-in-interest to all the Declarant rights for the Community.

III. The Common Area and Lots are at present subject to a schedule of fifteen (15) protective covenants and restrictions (the **"Deed Covenants"**) which by their own terms are intended to run with the land.

IV. The Community developed in stages, based on subdivision plans and Declarations as follows (All of said documents are hereinafter incorporated by reference as if set forth at length):

Declarations-Monroe County

1. A Declaration of Restrictive Covenants imposed by Empire Clay Products, Inc., the original Declarant, was filed with the Monroe County Recorder of Deeds on March 26, 1971 at Deed Book 398, Page 685. This document imposed a set of restrictive covenants on Section C, D1 and E1.

2. Capcount Property, Inc., transferred property to Charmart, Inc., by deed dated July 15, 1974 and filed with the Monroe County Recorder of Deeds Office at Deed Book Volume 626, Page 18.

3. On March 21, 1977 Charmart, Inc., as the successor developer, filed a

Declaration of Amendments to restrictive covenants with the Monroe County Recorder of Deeds Office at Deed Book 778, Page 309. This document imposed the restrictive covenants on all properties within the development.

4. On September 23, 1977, a Supplement to Declaration of Amendments to Restrictive Covenants for Lake in the Clouds Development was filed with the Monroe County Recorder of Deeds office, at Deed Book 819 Page 28. This supplement included the restrictions listed on Schedule A that were inadvertently omitted in the prior filing.

Plans-Monroe County

1. Map dated November, 1964, entitled 'Lot Layout of Lake in the Clouds, West Shore Section "C", prepare by Harry D. Schoenagel and recorded in Plat Book 12, page 135 on December 31, 1969;

2. Map dated June 4, 1971, entitled "Section G. Lake in the Clouds", prepared by Robert E. Felker and recorded in Plat Book Volume 16 at page 105, etc. on May 12, 1972;

3. Map dated February, 1970, entitled "Section D, Stage 1 Lake in the Clouds", prepared by Robert E. Felker and recorded in Plat Book Volume 13, page 29 on April 21, 1970;

4. Map dated August, 1979 entitled "Revision Plat, Lots 61, 69, 93, 101, 105 Section B" prepared by Robert E. Felker, Inc. and recorded in Plat Book Volume 43, page 107 on July 7, 1980;

5. Map dated 1984, entitled "Section "G" Annex Lake in the Clouds", prepared by John Ray Rogers and recorded in Plat Book Volume 58, page 8 on January 9, 1986.

Declarations- Pike County

1. On March 26, 1971, a Declaration of Restrictive Covenants imposed upon Empire Clay Products was filed with the Pike County Recorder of Deeds Office at Deed Book Volume 246, Page 587;

2. On July 15, 1974, a deed from CapCount Properties, Inc. to CharMart, Inc., was filed with the Pike County Recorder of Deeds office at Deed Book Volume 450, Page 59;

3. On March 25, 1977, a Declaration of Amendments to Restrictive Covenants for Lake-in-the-Clouds Development was filed with the Pike County Recorder of Deeds office at Deed Book Volume 580, Page 228;

4. On September 27, 1977, a Supplement to the Declaration of Amendments to Restrictive Covenants for Lake-in-the-Clouds development was filed with the Pike County Recorder of Deeds office at Deed Book 603, Page 267.

Plans-Pike County

1. Map dated June 1965, revised Section B June 1967, entitled "North Shore

Sections A & B Lot Layout of Lake-in-the-Clouds, Inc., prepared by Harry F. Schoenagel and recorded in Plat Book Volume 5, page 26 on June 15, 1967;

2. Map dated May, 1968, entitled "West Shore Section C, Lot Layout of Lake in the Clouds, Inc." prepared by Harry F. Schoenagel and recorded in Plat Book Volume 6, page 158;

3. Map dated May, 1968, entitled "Lot Layout of Lake in the Clouds, West Shore Section C", prepared by Harry F. Schoenagel and recorded in Plat Book Volume 7, page 206 on February 25, 1970;

4. Map dated February, 1970, entitled "Section D-Stage 1, Lake in the Clouds, prepared by Robert E. Felker, and recorded in Plat Book Volume 7, page 239 on April 22, 1970;

5. Map dated November 3, 1970, entitled "Section E - Stage 1, Lake in the Clouds, prepared by Robert E. Felker, and recorded in Plat Book Volume 8, page 113.

V. On October 8, 1969, the Association was formed by the filing of Articles of Incorporation.

VI. In order to provide for continuity of development and operation of Lake-In-the-Clouds after the termination date, the Association intends to continue to operate the Community and establish an amended declaration of protective covenants, restrictions and easements for that purpose as set forth below in this document (the "**Declaration**"). The intent of the Association is to declare this Declaration, as later amended from time to time, to be binding in perpetuity on all Lots and Common Area in the Community, unless terminated by action of the Owners in accordance with the Pennsylvania Uniform Planned Community Act.

VII. The Owners of Lots in Lake-in-the-Clouds, for themselves and their respective heirs, successors and assigns, intend to bind all Lots and Common Area in the Community legally under the terms of this Declaration based on written consents of the Owners holding title to at least two-thirds of the Lots in the Community, thereby amending the Deed Covenants (as permitted under Sections 5102(d) and 5219 of the Pennsylvania Uniform Planned Community Act) effective upon the date of filing.

VIII. The Association intends by this Declaration to continue to impose upon Lake-in-the-Clouds mutually beneficial restrictions under an uninterrupted general plan of development for the benefit of all Owners of real property within Lake-in-the-Clouds.

IX. The Association desires to provide flexible and reasonable procedures for the continuing development and operation of Lake-in-the-Clouds and to confirm the method for administration, maintenance, preservation, use and enjoyment of property in Lake-in-the-Clouds.

Declaration

The Association declares that, beginning one (1) year from the date of filing of this instrument, (1) all of the Common Area in Lake-in-the-Clouds and (2) all Lots in Lake-in-the-Clouds are made subject to the easements, restrictions, covenants and conditions stated in this Declaration.

This Declaration is intended to protect the value and desirability of the Lots and Common Area, and shall benefit all Owners and the Association. This Declaration shall run with the land, meaning it is attached legally to the Lots and Common Area, even with changes of ownership; it shall also bind all parties having any right, title, or interest in the Lots and Common Area, and their respective heirs, successors, successors-in-title, and assigns. This Declaration is binding on Lake-in-the-Clouds, a planned community within the meaning of the *Pennsylvania Uniform Planned Community Act*, 68 Pa.C.S.A. Section 5101, *etc.*

Lake-in-the-Clouds Deed Restrictions – First Amended and Restated Schedule “A”

Under these restrictions, the following words shall have the following meanings:

Seller-means the vendor, seller, grantor or transferor named in annexed document, and includes the successors and assigns of the Seller.

Purchaser-means the purchaser, buyer, grantee or transferee named in the annexed document, and includes the heirs, executors, administrators, successors and assigns of the purchaser.

Community-Lake in the Clouds, a planned community located in Barrett Township, Monroe County and Greene Township, Pike County.

Lot-means the premises referred to in the annexed document, and if used for the erection of more than one private house, shall, where the context so requires, mean that portion of the premises upon which the erection of one private dwelling is permitted by these restrictions.

Association-means Lake in the Clouds Property Owners Association, a Pennsylvania non-profit Corporation, its successors and assigns

1. These restrictions shall run with the land and shall be in force and effect in perpetuity unless otherwise amended by the written approval of the owners of 2/3 of the Lots within the community, said amendments to become effective upon recording.
2. No building shall be erected on the lot other than one private detached dwelling house, such dwelling house to be suitable for the use of, and to be used by a single family only, with one private garage attached or detached from the dwelling house and suitable only for the use of the occupants of such dwelling house.
3. Before commencing construction or any improvements on the Lot, and before commencing any alterations or additions thereto, the Purchaser shall obtain the Association's approval in writing

of the plans, and location of such improvements and the sewage system, and the construction or installation of any such improvements shall be carried out in strict conformity with such approved plans. Such improvements shall also be in strict compliance with any local or state ordinances. A building permit fee of \$100 shall be paid to the Association by the Purchaser at the time of approval of plans for any dwelling to be erected on the lot and the Association agrees that such approval shall not be unreasonably withheld; provided, however, that no dwelling shall contain less than 1100 sq. ft. of livable space as is necessary to obtain a certificate of occupancy, nor be more than 2 1/2 stories in height. The approval of plans and location and the building permit fee of \$100 will then be applicable to construction by Seller in any and all Lots owned by seller at the time construction on the lot commences.

4. The finished grade of the Lot after construction shall be such as to conform with the drainage plan prepared by the Association and all drainage swales and ditches required by the aforesaid drainage plan shall be kept free and clear of debris or other material and any landscaping carried out by the purchaser shall not interfere with or alter in any way the drainage plan.

5. No building erected on the Lot shall be used for the purpose of any profession, trade, employment, manufacture or business of any description; nor as a school, hospital or other charitable institution; nor as a funeral home or crematorium; nor anything in the nature thereof; nor as a hotel, apartment house duplex, rooming house or place of public resort; nor for any sport or game other than such games as are customarily played in connection with the occupation of private residence; nor for any purpose other than that of a private residence for the use of one family only and garage and/or heliport for the use of the occupants thereof; nor shall the Lot without a building be so used. Provided that nothing therein contained shall be deemed to prevent one duly qualified medical practitioner from practicing in any such private dwelling house where he resides. This shall not be construed to permit any such practitioner or any other person to use such private Dwelling house as a sanitarium, hospital, nursing, home, or anything in the nature thereof. Nor shall anything be done on the Lot or in any building thereon which may be an annoyance or a nuisance to the occupiers of neighboring lands. Lots must comply with local and/or State ordinances. No sign shall be displayed on the land/or any improvements thereon offering the same or other property for sale, lease or otherwise without the prior consent the Association. No Unit may be rented for periods of less than three (3) months and all such rentals shall be registered with the Association and be subject to a rental fee to be determined by the Association Board of Directors.

6. No trailer, tent, barn, outbuilding, shack or other temporary building shall be erected on the Lot and no basement or garage shall at any time either temporarily or permanently, be used as a residence unless approved in writing by the Association.

7. A sewage disposal system shall be installed from a standard design in a location approved by the Association and such system shall comply with the requirements of all local and state sanitary codes. The effluent from such disposal system shall not be permitted into any storm water sewer, open ditch, stream, pond, or lake but shall be disposed of in such manner as may be approved by Association. And further, no sewage disposal system or seepage pit, draining field, etc., shall be located within 60 feet of the high water mark of any lake, pond or stream.

8. No outhouse, privy, or chemical toilet shall be erected or installed on a Lot.
9. Any individual well or water system installed on the Lot shall be of a standard and design and in a location approved by the Association and such system shall comply with the requirements of all local and state codes appertaining thereto. No well shall be installed within 100 feet of any part of sewage disposal system.
10. The Purchaser agrees to join the Association, the only qualification or election to membership being ownership or prospective of a Lot or Lots of acreage within the development, and to maintain such membership, and pay (i) such annual fees or dues as the Association may by its by-laws prescribe, (ii) such assessments as the Association may charge for the repair and maintenance of the roads and, (iii) such assessments as the Association may be charged for control, maintenance and administration of beach and other recreational facilities. Purchaser hereby agrees to require as a condition precedent to the sale of Lots that any purchaser will join the Association.
11. The purchaser shall cut dead and/or fallen trees or branches on the Lot and cause the removal of same when it constitutes a fire hazard. The Purchaser will maintain the Lot in neat condition.
12. No building shall be erected closer to the side line of the Lot than the greater of (i) 15' or (ii) 10% of the Lot width measured at a point of 35' from the front line of the Lot; nor shall any building be erected closer than 50' from the front Lot line, provided that in the case of a corner Lot, no building shall be closer than 15' to the street abutting the long side of such Lot; nor shall any building be erected closer than 25' from the rear Lot line. No Building shall be erected at a point on a site which has an elevation less than 4' higher than the elevation of the spillway on the lake on which the Lot is located.
13. Easements for the installation and maintenance of utilities and for drainage purposes for the benefit of lots in the development are accepted over any lots, which easements are to be contained within 10 ft of all lot lines.
14. No animals shall be stabled or pastured, nor shall domestic animals be bred and raised for commercial purposes on the Lot.
15. There is reserved for the Association for itself, its successors, assigns, and nominees the right to install, erect, construct, maintain, repair and place, wires on poles, guides and supports attached thereto, conduits for electricity, telephone lines, TV aerial service wires, water pipes and lines, sewer and lines, and gas pipes or lines in, on or over the Lot within said easement area and the adjacent roadways and rights of way. The Association agrees to situate such lines as to not unreasonably interfere with the use of the Lot by Purchaser.
16. Enforcement of Community Documents.

- a. Upon discovery of a violation of any of the LITC community documents (Covenants, Bylaws, Rules and Regulations), the Board of Directors shall notify the violating member, via certified and regular mail, of the following information:
 1. The facts relating to the violation(s)
 2. The relevant section(s) of the community documents establishing the violation(s).
 3. A proposed deadline to remedy the violation(s).
 4. An explanation of the proposed penalty(s).
 5. The member's right to a hearing before the Board of Directors to present any defenses concerning the Notice of Violation.
 6. During any period that a member is in violation of the community documents, such member shall be designated as a member not in good standing and shall not be eligible to use any of the Association Amenities.
- b. Upon receipt of a Notice of Violation, the violator has the ability to appeal the violation to the Board of Directors. Such appeal must be submitted in writing and be received no later than five (5) days from the date of receipt of the Notice of Violation.
- c. Upon receipt of the request for hearing, the Board of Directors shall schedule a hearing to be held within thirty (30) days of the request. The hearing shall be held at a reasonably agreeable time and location, and the alleged violator shall have the opportunity to have counsel present for the hearing.
- d. The ruling of the Board of Directors shall be final. The Board of Directors must issue a written ruling within five (5) days of the hearing. Such ruling shall explain the nature of the violation and the penalty imposed. The penalties permitted for any violation are left to the discretion of the Board as the situation may dictate; however, no fine shall be less than \$25.00, nor exceed \$500.00 per occurrence.
- e. Repeated violations, upon notice, shall constitute a continuing violation and shall be subsequently subject to additional fines not to be less than \$25.00, nor exceed \$500.00 per occurrence.
- f. The penalty shall be imposed after the hearing or, if the violator does not request a hearing, the day after the compliance period (as referred to in the Notice of Violation) ends.
- g. Any fines imposed per this rule shall constitute an automatically perfected statutory lien on the member's property. The Association reserves the right to pursue legal remedies in lieu of the procedures listed here, to enforce its community documents. Any enforcement costs, i.e., attorney's fees, filings fees, etc., incurred during the course of an enforcement proceeding under this rule, or in an assessment collection matter, shall be added to the automatic lien granted per Section 5315 of the Pennsylvania Uniform Planned Community Act. 68 Pa. C.S. § 5315.

END OF THE AMENDED AND RESTATED DECLARATION OF COVENANTS

IN WITNESS OF WHICH the Association has caused this Declaration to be executed by its officers this ____ day of _____, 2006.

Attest

***Lake-in-the-Clouds Property
Owners Association***

Secretary
[Corporate Seal]

President

***Certification of President of Lake-In-The Clouds Property Owners Association
Required under UPCA Section 5219(e)***

Being duly sworn according to law, I, _____, hereby certify that (1) I am the President of Lake-In-the-Clouds Property Owners Association; (2) this Declaration was approved, based on proper notice to the members, as an amendment of the Deed Covenants for Lake-in-the-Clouds by the written consents of Owners of more than two-thirds of the Lots in the Community, which approval also constitutes more than 67% of the total vote of the Association; and (3) the Owners have therefore authorized the preparation, execution, recording and certification of this amendment as such on the real property records of Monroe County and Pike County, Pennsylvania, as required in Sections 5102(d) and 5219(e) of the Pennsylvania Uniform Planned Community Act.

President, Lake-in-the-Clouds Property
Owners Association

Sworn to and subscribed before me,
this _____ day of _____, 2006

Notary Public

[SEAL]

NOTARY'S ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF : SS

On this ____ day of _____, 2006, before me, a Notary Public in and for the Commonwealth of Pennsylvania, the undersigned officer, personally appeared _____, who acknowledged herself to be the President of the Board of Directors of Lake-in-the-Clouds Property Owners Association; and that she, as that officer, being authorized to do so, executed the foregoing Declaration for the purposes contained in the Declaration by signing it by herself, as President, intending that it be recorded on public record.

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

Notary Public

[SEAL]

Certification of the Monroe County Recorder of Deeds
Under UPCA Section 5219(c)

This Amended and Restated Declaration for Lake-in-the-Clouds was recorded on _____, 2006 in Monroe County Record Book Volume _____ at page _____, etc., and has been indexed in both the Grantor index and Grantee index in the name of the planned community, Lake-In-the-Clouds, as required by Section 5219(c) of the Pennsylvania Uniform Planned Community Act.

Recorder of Deeds, Monroe County, Pennsylvania

[SEAL]

Certification of the Pike County Recorder of Deeds
Under UPCA Section 5219(c)

This Amended and Restated Declaration for Lake-in-the-Clouds was recorded on _____, 2006 in Pike County Record Book Volume _____ at page _____, etc., and has been indexed in both the Grantor index and Grantee index in the name of the planned community, Lake-in-the-Clouds, as required by Section 5219(c) of the Pennsylvania Uniform Planned Community Act.

Recorder of Deeds, Pike County, Pennsylvania

[SEAL]