

# CAVERLY, SHEA, PHILLIPS & RODGERS, LLC

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**CHARLES A. SHEA II**  
(1947-2014)

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(1957-2019)

**TO:** THE BEECH MOUNTAIN LAKES BOARD OF DIRECTORS  
**FROM:** JOHN P. RODGERS, ESQUIRE  
**SUBJECT:** DECLARATION OF COVENANTS EXPIRATION  
**DATE:** 2/19/2025

Paragraph 21.1 of the Declaration of Covenants which were recorded on May 1, 1985, provides for the Covenants to expire in forty (40) years as follows:

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

In addition to the Covenants, the Community Declaration for Unit 1 Beech Mountain Lakes also expires in forty (40) years pursuant to Paragraph 9.1 which provides as follows:

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

Paragraph 9.2 of the Community Declaration for Unit 1 Beech Mountain Lakes provides for termination of the Covenants unless they are renewed for an additional ten (10) years as follows:

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

Pursuant to Paragraph 1.32 of the Declaration of Covenants, an interest is defined as follows:

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

In the event that two-thirds (2/3) of the Record Owners of the total Interest do not vote to extend the Covenants and Community Declarations for an additional period of ten (10) years, the Covenants and Community Declarations will expire on May 1, 2025. Upon expiration of the Covenants the Association will no longer be able to collect dues. In addition, the following potential issue may arise:

- A. Roads – While the Association will still own the roads as a result of its inability to collect dues there would be no monies available to maintain the roads. Under common law the Association would have to request contributions from the owners who would maintain an easement over the roads for their share of maintaining the roads. This would be very difficult and expensive. While the Association could also request that Butler Township accept the roads, it is very unlikely that Butler Township would agree due to the fact that the roads do not meet PennDot specifications.
- B. Building Restrictions- The Lot Building Restrictions set forth in Paragraph 4 of the Community Declaration of Unit 1 would also no longer be in effect; therefore, the Butler Township Zoning Ordinance would apply. The Butler Township Zoning Map classifies Beech Mountain Lakes as Suburban Residential. The following uses are permitted in Suburban Residential: Single Family Homes, Two Family Dwelling Units, Home Based Businesses and outdoor stands.
- C. Amenities – Due to the fact that the Association would be unable to collect dues it would be forced to charge a membership or usage fee. It would be very difficult to generate the monies needed to maintain the amenities. In addition, it would be virtually impossible to receive a grant to fix the dam.
- D. Security- Due to its inability to collect dues the Association would be unable to provide security. This would force the Community to rely on the Butler Township Police Department.

- E. **Property Values-** If the Covenants and Community Declarations are not renewed, property value would be likely impaired. Lenders might not be willing to provide financing due to the uncertainty. There would also be issues with title insurance.

In closing, there is a strong probability that in the event that the covenants are not renewed the Homeowners Association would have to be dissolved subject to the Dissolution Provisions of the Pennsylvania Non-Profit Law due to the fact that it would have no source of funding. This would result in the property of the Association being divided among the property owners proportionately.