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DECLARATION OF CONDOMINIUM

NORTHGLEN COURT

This is the Declaration of Northglen Court, (hereinafter "Condominium") made on or as of October 22, 2002, pursuant to the provisions of the Uniform Condominium Act, 68 Pa. C.S.A. § 3101, et seq. (hereinafter the "Condominium Act").

RECITALS

A. **KENNETH C. BRENNAN and PATRICIA L. BRENNAN,** (hereinafter "Declarant") is the Developer of all of the real property located in Adams Township, Butler County, Pennsylvania, described in Exhibit "A" (hereinafter "the Property") and the improvements thereon and appurtenances thereto. It is anticipated that the Declarant will take fee simple title to the Property on or before the date of closing on the construction financing for the improvements on the Property to be known as Northglen Court.

B. The Declarant desires to create on the Property a site of individually owned units, and commonly owned areas, and to this end to submit this property to condominium ownership under the Condominium Act and does hereby submit the Property, including all easements, rights and appurtenances belonging thereto under the Buildings and improvements to be erected thereon under the provisions of the Pennsylvania Uniform Condominium Act, 68 Pa. C.S.A. Section 3101, et seq. (the "Condominium Act") and hereby creates with respect to the Property a condominium to be known as Northglen Court, a Condominium.

DEFINITIONS

The terms used in this document shall have these meanings, unless the context require otherwise:

1. "Articles" and "Articles of Incorporation" mean the articles filed with the Secretary of the Commonwealth of Pennsylvania incorporating NORTHGLEN COURT OWNERS ASSOCIATION, INC. (hereinafter "the Association") as a non-profit corporation under the provisions of the Pennsylvania Business Corporation Law as the same may be lawfully amended from time to time.

2. "Officers" and "Members" mean those persons who, as a group, serve as the Executive Board of the Association and are also one and the same as the Executive Board of the Condominium established for the Condominium under the Condominium Act.

3. "By-laws" mean the by-laws of the Association, as the same may be lawfully amended from time to time, created under and pursuant to the Condominium Act for the Condominium, and which also serve as the code of regulations of the Association under and pursuant to the provisions of the Pennsylvania Business Corporation Law. A true copy of the By-Laws is attached hereto and made a part hereof, as Exhibit "C".

4. "Common Areas" or "Common Elements" means all of the Condominium property, except that portion described in this Declaration as constituting a unit or units, and is that portion of the Condominium under the Condominium Act.

5. "Condominium" and "Northglen Court Owners Association, Inc." mean the Condominium property created under and pursuant to the Condominium Act.

6. "Condominium instruments" means this Declaration, the By-Laws, the Declaration Plan, and all other documents, contracts or instruments establishing ownership of or exerting control over the condominium property or unit.

7. "Condominium organizational documents" means the Articles, the By-Laws, the Drawings, and this Declaration, as the same may lawfully be amended from time to time.

8. "Condominium Property" means the tract of land hereinafter described as being submitted to the Condominium Act, all buildings, structures and improvements situated thereon, and all easements, rights and appurtenances belonging thereto.

9. "Declarant" means whoever is designated in the recitals of this Declaration as creating the Condominium, and Declarant's successors and assigns, provided the rights specifically reserved to Declarant under the Condominium organizational documents shall accrue only to such successors and assigns as are designated in writing by Declarant as successors and assigns of such rights.

10. "Declaration" means this instrument, by which the Condominium Property is hereby submitted to the Condominium Act, and any amendment hereto, from time to time.

11. "Drawings" means the survey and drawings for the Condominium, as the same may be lawfully amended from time to time, and are the Drawings required pursuant to the Condominium Act. A set thereof is attached hereto, but the same may be detached and filed separately herefrom by the appropriate public authorities.

12. "Eligible holder of a first mortgage lien" means the holder of a valid recorded first mortgage on a unit.

13. "Limited Common Areas" means those Common Areas serving exclusively one unit or more than one but less than all units, the enjoyment, benefit or use of which are reserved to the lawful occupants of that unit or units either in this Declaration, or by the Board, and is that portion of the Condominium property constituting "limited common areas and facilities"

The name by which the Condominium shall be known is "Northglen Court Owners Association, Inc.".

ARTICLE III
PURPOSES: RESTRICTIONS

Section 1. Purposes. This Declaration is being made to establish separate individual parcels from the Condominium property to which fee-simple interest may be conveyed; to establish a unit owner's association to administer the Condominium; to provide for the preservation of the values of units and the Common Areas; to provide for and promote the benefit, enjoyment and well being of unit owners and occupants; to administer and enforce the covenants, easements, charges and restrictions hereinafter set forth; and to raise funds through assessments to accomplish these purposes.

Section 2. Restriction. The Condominium and the Condominium property shall be benefitted by and subject to the following restrictions:

(A) Unit Uses. Except as otherwise specifically provided in this Declaration, no unit shall be used for any purpose other than that of a residence for individuals living together as a single housekeeping unit, and uses customarily incidental thereto, provided, however, that no unit may be used as a group home, commercial foster home, fraternity or sorority house, or any similar type of lodging, care or treatment facility. Notwithstanding the foregoing: (i) an occupant maintaining a personal or professional library, keeping personal business or professional records or accounts, conducting personal business (provided that such use does not involve customers, employees, licensees or invitees coming to the unit), making professional telephone calls or conducting correspondence, in or from a unit is engaging in a use expressly declared customarily incidental to residential use and is not in violation of these restrictions; (ii) it shall be permissible for the Declarant to maintain, during the period of its sale or rental of units, one or more Units as sales and rental models and offices, and for storage and maintenance purposes; and (iii) one or more Units may be maintained for the use of the Association in fulfilling its responsibilities.

(B) Common Area Uses. The Common Areas (except the Limited Common Areas) shall be used in common by Unit owners and occupants and their agents, servants, customers, invitees and licensees, in accordance with the purposes for which they are intended, reasonably suited and capable, and as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of Units. Unless expressly provided otherwise herein, no Common Areas shall be used for any purposes other than the health, safety, welfare, convenience, comfort, recreation or enjoyment of Unit owners and occupants.

(C) Limited Common Area Uses. Those portions of the Common Areas

described herein and shown on the Drawings as Limited Common Areas shall be used and possessed exclusively by the Unit owners and occupants of the Unit or Units served by the same, as specified in this Declaration.

(D) Visible Areas. Nothing shall be caused or permitted to be hung or displayed on the outside or inside of windows (except inoffensive drapes, curtains, or louvered blinds) or placed on the outside walls of a building or otherwise outside of a Unit, or any part thereof, and no sign, awning, canopy, shutter or television or citizens' band or other radio antenna or transmitter, or any other device or ornament, shall be affixed to or placed upon the exterior walls or roof or any part thereof, or in, on, or over a patio or balcony, unless authorized by the Executive Board.

(E) Offensive Activities. No noxious or offensive activity shall be carried on in any Unit, or upon the Common or Limited Common Areas, nor shall any be used in any way or for any purpose which may endanger the health of or unreasonably disturb any occupant.

(F) Vehicles. The Board may promulgate rules and regulations restricting or prohibiting the parking of automobiles, inoperable vehicles, trucks, boats and recreational vehicles on the Common Areas, or parts thereof, and may enforce such regulations or restrictions by levying enforcement charges, having such vehicles towed away, or taking such other actions as it, in its sole discretion, deems appropriate.

(G) Renting and Leasing. No Unit or part thereof, unless the same is owned by the Association, shall be rented or used for transient or hotel purposes, which is defined as: (i) rental for any period less than thirty (30) days; (ii) rental under which occupants are provided customary hotel services such as room service for food and beverages, maid service, the furnishing of laundry and linen, busboy service, and similar services; or (iii) rental to roomers or boarders, that is, rental to one or more persons of a portion of a Unit only. No lease may be of less than an entire Unit. Any lease agreement shall be in writing, shall provide that the lease shall be subject in all respects to the provisions hereof, and to the rules and regulations promulgated from time to time by the Board, and shall provide that the failure by the tenant to comply with the terms of the Condominium organizational documents and lawful rules and regulations shall be a default under the lease. Prior to the commencement of the term of a lease the Unit owner shall notify the Board, in writing, the name or names of the tenant or tenants and the time during which the lease term shall be in effect.

(H) Signs. No sign of any kind shall be displayed to the public view of the Condominium Property except: (a) on the Common Areas, signs regarding and regulating the use of the Common Areas, provided they are approved by the Board; (b) on the interior side of the window of a Unit, one professionally

prepared sign advertising the Unit for sale or rent; and (c) on the Common Areas and model Units, signs advertising the sale and/or rental of Units by the Declarant during the initial sale and rental period.

(I) Replacements. Any building erected to replace an existing building containing Units shall be of new construction, be of comparable size, design and construction to that replaced, and shall, contain a like number of Units of comparable size to the Units in the building replaced.

(J) Structural Integrity. Nothing shall be done in any Unit, or in, on or to the Common or Limited Common Areas, which may impair the structural integrity of any improvement.

(K) Construction in Easements. No structure, planting or other material shall be placed or permitted to remain within the easements for the installation and maintenance of utilities and drainage facilities which may damage or interfere with the installation and maintenance of utility lines or which may change the direction or the flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easement areas. The utility facilities within the easement areas shall be subject to the right of the Association to maintain the same, and its right to delegate that right to a public authority or utility.

(L) Animals. Except as hereinafter provided, no animals, livestock and poultry of any kind shall be raised, bred or kept in any Unit or on the Common Areas. Notwithstanding the foregoing, household domestic pets, not bred or maintained for commercial purposes, may be maintained in a Unit, provided that: (i) no animals shall be permitted in any portion of the Common Areas except on a leash (not longer than six feet in length) maintained by a responsible person; (ii) the permitting of animals shall be subject to such rules and regulations as the Board may from time to time promulgate, including, without limitation, the right to place limitations on the size, number and type of such pets, and the right to levy enforcement charges against persons who do not clean up after their pets; and (iii) the right of an occupant to maintain an animal in a Unit shall be subject to termination if the Board, in its full and complete discretion, determines that maintenance of the animal constitutes a nuisance or creates a detrimental effect on the Condominium or other Units or occupants.

(M) Conveyances. Each Unit shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof. The undivided interest of a Unit in the Common Areas shall be deemed to be conveyed or encumbered with the Unit even though that interest is not expressly mentioned or described in the deed, mortgage or other instrument of conveyance or encumbrance. The right of a Unit owner to sell, transfer or otherwise convey that owner's Unit is not subject to any right of first

refusal or similar restriction, and any Unit owner may transfer that owner's Unit free of any such limitation. To enable the Association to maintain accurate records of the name and addresses of Unit owners, each Unit owner agrees to notify the Association, in writing, within five days after an interest in that Unit owner's Unit has been transferred to another person. In addition, each Unit owner agrees to provide to a purchaser of that owner's Unit a copy of the Condominium organizational documents and all effective rules and regulations.

(N) Discrimination. No action shall at any time be taken by the Association or its Board which in any manner would discriminate against any Unit owner in favor of another.

(O) Architectural Control. No building, fence, wall, sign or other structure shall be commenced, erected or maintained upon the Condominium Property, or any part thereof, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing by the Board or its designated representative, as to lawfulness and appropriateness, and as to harmony or design, color and location in relation to surrounding structures and topography. In the event the Board, or its designated representative, fails to approve or disapprove such plans and specifications within sixty (60) days after they have been submitted to it, approval will not be required and these provisions will be deemed to have been fully complied with.

(P) Rules and Regulations. In addition to adopting and enforcing rules and regulations in the instances hereinbefore mentioned, the Board may, from time to time, adopt and enforce such further reasonable rules and regulations concerning use of the Condominium Property, or any part thereof, as it deems necessary or desirable to promote harmony, to serve the best interests of the Unit owners, as a whole, and to protect and preserve the nature of the Condominium. A copy of all rules and regulations shall be furnished by the Board to the owners of each Unit prior to the time when the same shall become effective.

(Q) Disputes Between Owners. In the event of any dispute between Unit owners as to the application of the foregoing restrictions or any rule or regulation promulgated pursuant thereto, the party aggrieved shall submit a complaint in writing to the Board specifying the dispute. The Board shall set a time, date and place for a hearing thereon within sixty (60) days thereafter, and give written notice to each party thereof no less than three days in advance. The Board shall thereupon hear such evidence on the dispute as the Board deems proper and render a written decision on the matter to each party within thirty (30) days thereafter. No action of any type may be instituted by either party to such a dispute unless the dispute has first been submitted to and determined by the Board, as aforesaid. The Board shall be empowered to levy a fine or assessment,

collectable as any other assessment, against any owner upon which an adverse decision has been rendered, as provided above.

(R) The Condominium is subject to the terms and conditions of the Declaration of Covenants, Conditions and Restrictions for Treesdale ("the Treesdale Declaration") of record in the Butler County Recorder of Deeds Office in Record Book 1980, page 251, as made applicable to the Condominium property by Supplemental Declaration recorded in the Butler County Recorder of Deeds Office in Record Book 2692, page 198. The Treesdale Declaration contains separate restrictions on the use of property in the Condominium, which are enforceable by the Treesdale Community Association, Inc. Declarant is not affiliated with either Trees Development Company, the developer of Treesdale, or Treesdale Community Association, Inc.

ARTICLE IV
IMPROVEMENT DESCRIPTIONS

Section 1. Residential Buildings. There are a total of 29 townhouses proposed in the Condominium. The townhouses are of a traditional style architecture and are of wood frame construction, on a concrete slab, with brick and vinyl or wood siding, and with asphalt shingle roofs. The principal materials of which all buildings are constructed are wood, glass, concrete, concrete block, brick, vinyl, asphalt shingle and drywall. The townhouse buildings are located as shown on the Drawings which are attached as Exhibit "B".

Section 2. Other. On the Condominium Property are driveways and parking areas, sidewalks, fencing, post lamps, entry, signage, and green and open areas. Contiguous to each townhouse dwelling unit is an outdoor courtyard and/or decks. There are no recreation facilities on the property hereby submitted to the condominium ownership, but as described later, recreation facilities are a part of common property owned by the Treesdale Community Association, Inc. ("TCA") of which each unit owner is required to be a member.

ARTICLE V
UNITS

Section 1. Unit Unidivided Interests. Each Unit is equal in undivided interest with every other Unit. The specific undivided interest of each Unit will exist and be changed by the number of Units constructed within the Condominium as is set forth on the attached Exhibit "D".

Section 2. Composition of Units. Each Unit consists of the space in the building

designated by that Unit's designation on the Drawings that is bounded by the undecorated interior surfaces of the perimeter walls, the unfinished surface of the floor, and the unfinished interior surface of the ceiling, all projected, if necessary by reason of structural divisions such as interior walls and partitions, to constitute a complete enclosure of space, and all improvements within that space.

(A) Without limiting the generality of the foregoing, or, as appropriate, in addition, each Unit shall include:

(1) the decorated surfaces, including paint, lacquer, varnish, wall covering, tile and other finishing material applied to floors, ceilings, and interior and perimeter walls, carpeting, if any, and also the floors and ceilings themselves, and the drywall, paneling and other finishing wall materials;

(2) all windows, screens and doors, including storm doors and windows, if any, and the frames, sashes and jambs, and the hardware therefor;

(3) all fixtures and appliances installed for the exclusive use of that Unit, commencing at the point of disconnection from the structural body of the building and from utility pipes, lines or systems serving the entire building or more than one Unit thereof, including, without limiting the generality hereof, built-in cabinets, dishwashers, garbage disposal units, refrigerators, stoves and hoods, television antennas and cables, furnaces, hot water heaters, heat pumps, air-conditioning units (even though located outside the bounds of a Unit), and components of the foregoing, if any;

(4) all plumbing, electric, heating, cooling and other utility or service lines, pipes, wires, ducts, conduits and apparatus, wherever located, which serve only that Unit;

(5) all control knobs, switches, thermostats and electrical outlets and connections affixed to or projecting from the walls, floors and ceilings which service either the Unit or the fixtures located therein;

(6) all interior walls that are not necessary for support of the structure, and all components thereof and all space encompassed thereby;

(7) the portion of the fireplace actually within the interior of a Unit and the vents and dampers therefor accessible from the Unit's interior; and

(8) the attic space or storage space above a Unit to which the Unit has direct and exclusive access; excluding therefrom, however, all of the following items, whether or not located within the bounds of that Unit:

(a) any supporting element of the building contained in interior walls;

(b) all plumbing, electric, heating, cooling and other utility or service lines, pipes, sump pumps and accessories thereto, wires, ducts and conduits which serve any other Unit; and

(c) fireplace stacks and chimneys, if any.

(B) Unit Types, Sizes, Locations and Components. Each Unit has its own gas, water and electric meter, and fireplace. The location and composition of each Unit is shown on the Drawings. Each Unit has direct access to a Common Area, which leads directly to a public thoroughfare.

ARTICLE VI
COMMON AND LIMITED COMMON AREAS

Section 1. Common Areas - Description. All of the Condominium Property, including all of the land and all improvements thereon and appurtenances thereto, except those portions labeled or described herein or on the Drawings as a part of a Unit, are Common Areas.

Section 2. Limited Common Areas - Description. Those portions of the Common Areas that are labeled or designated "LCA" or "Limited Common Areas" on the Drawings are Limited Common Areas. Each such Limited Common Area is reserved for the exclusive use of the owners and occupants of the Unit to which it is appurtenant.

Section 3. Undivided Interest. The undivided interest in the Common Areas of each Unit is shown on the attached Exhibit "C". The Common Areas shall be owned by the Unit owners as tenants in common and ownership thereof shall remain undivided. No Unit owner may waive or release any rights in the Common Areas. Further, the undivided interest in the Common Areas of a Unit shall not be separated from the Unit to which it appertains. If at a later time the Condominium is expanded, as hereinafter provided, the undivided interests of Units in the Common Areas shall be uniformly reallocated so that the undivided interest of each Unit added shall be the same as each other Unit, as set forth on Exhibit "D".

ARTICLE VII
UNIT OWNERS' ASSOCIATION

Section 1. Establishment of Association. The Unit Owners Association has been formed to be and to serve as the Unit owners' association of the Condominium. The Declarant is presently the sole member of the Association.

Section 2. Membership. Membership in the Unit Owners' Association shall be limited to the Unit owners, and every person or entity who is or becomes a record owner of a fee or undivided fee simple interest in a Unit is a Unit owner and shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest

merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit, and transfer of a Unit shall automatically transfer membership to the transferee. Each Member/Owner shall also by the membership herein become a member of Treesdale Community Association and such appurtenant membership does subject each Member/Owner to the Covenants, Conditions and Restrictions of same along with the requirement to pay the monthly common expense.

Section 3. Voting Rights. Each Unit owner shall be entitled to one vote for each Unit owned in fee simple.

Section 4. Executive Board. The Executive Board initially shall be those three persons named as the initial members pursuant to the provisions of the Articles, or such other person or persons as may from time to time be substituted by Declarant. When a total of 25 Units are sold, the Unit Owners shall elect an Executive Board constituted by three members. The election shall be held within sixty (60) days of the call by the Board. All members, including the Declarant should it still own Units, will be entitled to vote at said election. Annual meetings of the Unit Owners will take place on the first Monday in April each year thereafter.

The terms of the three members shall be staggered so that the terms of one-third of the members will expire and successors be elected at each annual meeting of the Association. Thereafter, at such annual meetings, successors to the two members whose terms then expire shall be elected to serve three-year terms. Notwithstanding the foregoing, the members, by the vote of members exercising not less than a majority of the voting power of members, may, from time to time, change the number and terms of members of the Executive Board.

Notwithstanding the foregoing, Declarant shall have the right at any time to waive its right to select one or more Members of the Executive Board or to vote in an election of members of the Executive Board.

Section 5. Authority. The Executive Board shall have all authority to manage, maintain, repair, replace, alter and improve the Common Areas and assess and collect funds for the payment thereof, and do all things, and exercise all rights provided by the Condominium organizational documents, or the Condominium Act, that are not specifically reserved to Unit owners.

Section 6. Delegation of Authority: Professional Management. The Executive Board may delegate all or any portion of its authority to discharge its responsibilities to a managing agent. This delegation of authority and responsibility to a managing agent may be evidenced by one or more management contracts which may provide for the payment of reasonable compensation to such managing agent as a common expense, provided, however, that any agreement for professional management shall be terminable by the Unit Owners Association for cause on thirty (30) days' written notice; shall be terminable by either party, without penalty, on ninety (90) days' written notice; shall not exceed one year unless renewed by agreement of

the parties for successive one-year periods; and shall be bona fide and commercially reasonable at the time entered into under the circumstances then prevailing. Subject to the foregoing, nothing contained herein shall preclude Declarant, or any other entity designated by Declarant, from being employed as managing agent.

ARTICLE VIII
MAINTENANCE AND REPAIR

Section 1. Association Responsibility. The Unit Owners Association, to the extent funds are available for the same, shall maintain and repair the Common Areas, including the Limited Common Areas, and including but not limited to utility facilities serving more than one Unit, utility lines in the Common Areas, lawns, shrubs, trees, walkways, drives, parking areas, fireplace stacks, liners and chimneys, and the structural portions and exterior portions of all buildings which are a part of the Common Areas and that do not constitute part of a Unit.

Section 2. Individual Responsibility. Each Unit owner shall repair and maintain the Unit or Units, and all components thereof, owned by that Unit owner, perform cleaning, housekeeping, and routine maintenance with respect to the Limited Common Areas appurtenant to that owner's Unit, and repair and maintain that owner's Units outdoor courtyard or deck and all improvements within it. Without limiting the generality of the foregoing, this repair and maintenance responsibility of a unit owner shall include repair, maintenance and replacement of all windows, screens and doors, including the frames, sashes and jambs, and the hardware therefor. In the event a Unit owner shall fail to make such repair or perform such maintenance, or in the event the need for maintenance or repair of any part of the Common Areas or Limited Common Areas is caused by the negligent or intentional act of a Unit owner or occupant, or is a result of the failure of any Unit owner or his, her or its predecessors in title to timely pursue to conclusion a claim under any warranty, express, implied, or imposed by law, the Association may perform the same, and if the cost of such repair or maintenance is not covered by insurance, the cost thereof shall constitute a special individual unit assessment, as hereinafter defined, on the Unit owned by such Unit owner. The determination that such maintenance or repair is necessary, or has been so caused, shall be made by the Board.

Section 3. Community Standards. All Unit Owners Association maintenance shall be done in accordance with the Community Standards established by the Treesdale Declaration.

ARTICLE IX
UTILITY SERVICES

Each Unit owner, as of the Closing Date, agrees to pay for utility services separately metered or separately charged by the utility company to that Unit, and to reimburse the Unit Owners Association for that owner's Unit's share of any utility cost that the Board reasonably determines is attributable to use by that owner's Unit. All other utility costs shall be common expenses and paid by the Association.

ARTICLE X
INSURANCE: LOSSES BONDS

Section 1. Fire and Extended Coverage Insurance. The Board shall have the authority to and shall obtain insurance for all buildings, structures, fixtures and equipment, and common personal property and supplies now or at any time hereafter constituting a part of the Common Areas, the Limited Common Areas, or common property of the Unit Owners Association, against loss or damage by fire, lightning, and such other perils as are ordinarily insured against by standard extended coverage endorsements, and all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, which such is available, issued in the locale of the Condominium Property, in amounts at all times sufficient to prevent the Unit owners from becoming co-insurers clause or provision and not less than eighty percent (80%) of the current replacement cost of such items (exclusive of land, foundations, footings, excavations, and other items normally excluded from coverage), as determined from time to time by the insurer. This insurance:

(A) shall provide for coverage of interior walls, windows and doors and the frames, sashes, jambs and hardware therefor, even though these improvements may be parts of Units;

(B) shall have an agreed amount and inflation guard endorsement, when that can be obtained, construction code endorsements, if there is a construction code provision that requires changes to undamaged portions of buildings even when only part of the Condominium Property is destroyed by an insured hazard;

(C) shall provide that no assessment may be made against a first mortgage lender, or its insurer or guarantor, and that any assessment under such policy made against others may not become a lien on a Unit and its appurtenant interests superior to a first mortgage;

(D) shall be written in the name of the Association for the use and benefit of the Unit owners, of its authorized representative, including any insurance trustee with whom the Association has entered into an insurance trust agreement, or any successor to such trustee, for the use and benefit of the individual Unit owners;

(E) shall contain or have attached the standard mortgagee clause commonly accepted by institutional first mortgage holders, insurers and guarantors, which (i) must provide that the carrier shall notify the named insured and each first mortgagee named in the mortgage clause at least ten days in advance of the effective date of any reduction in, cancellation of, or substantial change in the policy, and (ii) must be endorsed to provide that any loss shall be paid to the Association (or its insurance trustee), as a trustee for each Unit owner and each such Unit owner's mortgagee, and, unless otherwise prohibited by a nationally recognized institutional first mortgage holder, insurer, or guarantor, to the holders of first mortgages on Units;

(F) shall have a deductible amount no greater than the lessor of ten thousand dollars or one percent of the policy face amount;

(G) shall be paid for by the Association, as a common expense; and

(H) shall contain waiver of subrogation of rights by the carrier as to the Association, its officers and Trustees, and all Unit owners.

Section 2. Liability Insurance. The Association shall obtain and maintain, at Association cost and as a common expense, a comprehensive policy of general liability insurance covering all of the Common Areas, and public ways and any other areas under the Association's supervision, insuring the Association, the members and the Unit owners and occupants, with such limits as the Board may determine, but no less than the greater of (a) the amounts generally required by institutional first mortgage holders, insurers, and guarantors for projects similar in construction, location and use, and (b) one million dollars, for bodily injury, including death of persons, and property damage, arising out of a single occurrence. This insurance shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit owner because of negligent acts of the Association, the Board, or other Unit owners, and shall include, without limitation, coverage for legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas, and legal liability arising out of lawsuits related to employment contracts in which this Association is a party. Each such policy must provide that it may not be cancelled or substantially modified, by any party, without at least ten days' prior written notice to the Association and to each holder of a first mortgage named in the mortgage clause.

Section 3. Fidelity Bond. The Board shall obtain and maintain at the Association's cost and as a common expense, a fidelity bond providing coverage for the Association against dishonest acts on the part of directors, managers, trustees, employees, agents or volunteers responsible for or handling funds belonging to or administered by the Association. The fidelity bond must name the Association as the named obligee or insured and shall be written in an amount sufficient to provide protection, which is in no event less than the greater of (a) an amount equal to the Association's reserve funds plus three months' assessments on all Units, and (b) the maximum amount that will be in the custody of the Association or its managing agent at any time while the bond is in force. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. The bond or policy shall provide that it shall not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten days' prior written notice to the Association, and any insurance trustee, and any servicer on behalf of any holders, guarantor or insurer of any mortgage on a Unit who requires such rights.

Any management agent that handles funds of the Association shall maintain a fidelity bond providing coverage no less than that required of the Association, which bond names the Association as an additional obligee.

Section 4. Hazard Insurance Carrier. Each policy of hazard insurance obtained pursuant hereto shall be obtained from an insurance company authorized to write such insurance in the Commonwealth of Pennsylvania which has a current rating of B/VI, or better, or, if Class V, has a general policy holders rating of at least A, as determined by the ten latest edition of Best's Insurance Reports, or its successor guide, or, if the insurer does not satisfy these rating requirements, that insurer is reinsured by a company that has a B/VI or better rating.

Section 5. Other Association Insurance. In addition, the Board may purchase and maintain contractual liability insurance, members and officers liability insurance, and such other insurance as the Board may determine.

Section 6. Insurance Representative; Power of Attorney. There may be named, under any policy obtained by the Association, as an insured on behalf of the Association, its authorized representative, including any trustee with whom the Association may enter into any insurance trust agreement, or any successor to such trustee, who shall have exclusive authority to negotiate losses under any such policy. Each Unit owner, by acceptance of a deed to a Unit, irrevocably appoints the Association or such designated representative, or such successor, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or such designated representative, or such successor, shall receive, hold or otherwise properly dispose of any proceeds of insurance, in trust, for Unit owners and their first mortgage holders, as their interests may appear. This power is for the benefit of each and every Unit owner, and their respective first mortgage holders, and the Association, and the Condominium, runs with the land, and is coupled with an interest.

Section 7. Unit Owner's Insurance. Any Unit owner or occupant may carry such insurance in addition to that provided by the Association pursuant hereto as that Unit owner or occupant may determine, subject to the provisions hereof, and provided that no Unit owner or occupant may at any time purchase individual policies of insurance against loss by fire or other casualty covered by the insurance carried pursuant hereto by the Association. In the event any Unit owner or occupant violates this provision, any diminution in insurance proceeds resulting from the existence of such other insurance shall be chargeable to the Unit owner who acquired or whose occupant acquired such other insurance, who shall be liable to the Association to the extent of any diminution and/or loss of proceeds. Without limiting the foregoing, a Unit owner or occupant may obtain insurance against liability for events occurring within a Unit, losses with respect to personal property and furnishings, and losses to improvements owned by the Unit owner or occupant, provided that if the Association obtains insurance for permanent improvements and built-in fixtures and equipment, then the insurance obtained by the Unit owner with respect to improvements within the Unit shall be limited to the type and nature of coverage commonly referred to as "tenants improvements and betterments". All such insurance separately carried shall contain waiver of subrogation rights by the carrier as to the Association, its officers and members, and all other Unit owners and occupants.

Section 8. Sufficient Insurance. In the event the improvements forming a part of the Common Areas or any portion thereof shall suffer damage or destruction from any cause or peril insured against and the proceeds of any policy or policies insuring against such loss or damage and payable by reason thereof shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken by the Association and the insurance proceeds shall be used in payment therefor; provided, however that in the event that within sixty (60) days after such damage or destruction 80% of the Unit owners and eligible holders of first mortgages, shall elect to terminate the Condominium, then such repair, restoration or reconstruction shall not be undertaken.

Section 9. Insufficient Insurance. In the event the improvements forming a part of the Common Areas or any portion thereof shall suffer damage or destruction from any cause of peril which is not insured against, or, if insured against, the insurance proceeds from which shall be sufficient to pay the cost of repair, restoration or reconstruction, then, unless the Unit owners and eligible holders of first mortgages, if they are entitled to do so pursuant to the provisions of this Declaration shall elect within sixty (60) days after such damage or destruction not to make such repair, restoration or reconstruction, the Association shall make repairs, restoration or reconstruction of the Common Areas so damaged or destroyed at the expense (to the extent not covered by insurance) of all Unit owners in proportion to their respective undivided interests in the Common Areas. Should any Unit owner refuse or fail after reasonable notice to pay that Unit owner's proceeds, the amount so advanced by the Association shall be assessed against the Unit of such Unit owner and that assessment shall have the same force and effect as an assessment, and, if not paid, may be enforced in the same manner as herein provided for the nonpayment of assessments.

ARTICLE XI
DAMAGE: RESTORATION: REHABILITATION AND RENEWAL

Section 1. Restoration of Substantial Damage or Destruction. In the event of substantial damage to or destruction of all Units in a residential building, or the taking of one or more Units in any condemnation or eminent domain proceedings, the Association shall promptly restore or replace the same, unless an election is made not to do so, as hereinafter provided.

Section 2. Election Not to Restore. The Association may, with the consent of Unit owners entitled to exercise no less than eighty percent (80%) of the voting power of Unit owners, and the consent of eligible holders of first mortgage liens hereinafter provided, determine not to repair or restore such damage or destruction, or reconstruct such Unit or Units. In such an event, all of the Condominium Property shall be sold as upon partition. In the event of such an election not to repair or restore substantial damage or destruction or reconstruct such Unit or Units, the net proceeds of insurance paid by reason of such damage or destruction, or the net amount of any award or proceeds of settlement arising from such proceedings, shall be added to the proceeds received from the sale as upon partition, and the total amount distributed among the owners of the Units, and the holders of their respective first mortgage liens, (as their interests may appear), in the proportions of their undivided interests in the Common Areas.

Section 3. Rehabilitation and Renewal. The Association, with the consent of Unit owners entitled to exercise not less than seventy-five (75%) of the voting power of Unit owners, and the consent of eligible holders of first mortgage liens hereinafter provided, may determine that the Condominium is obsolete in whole or in part and elect to have the same renewed and rehabilitated. The Board shall thereupon proceed with such renewal and rehabilitation and the cost thereof shall be a common expense.

ARTICLE XII
CONDEMNATION

Section 1. Standing. Except has hereinafter provided, the Association, or its designated representative, or authorized successor, as trustee, shall represent the Unit owners in any condemnation or eminent domain proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of all or any part of the Condominium Property, and shall have the sole and exclusive right to settle losses with the condemning authority and to receive the award or proceeds of settlement, for the use and benefit of the Unit owners and their mortgagees as their interests may appear. Notwithstanding the foregoing, in the event that a Unit owner may lawfully separately pursue and realize upon a claim for incidental and consequential losses or damage to that Unit owner resulting from a taking under the power of eminent domain, such as for relocation and moving expenses, loss of favorable mortgage terms, and other such individual incidental or consequential losses, that Unit owner may, at his, her or its election separately pursue such claim, provided, that the pursuing of the same, or the realization of an award thereof, neither jeopardizes, in any way, an action by the Association to recoup the losses incurred by it, any other Unit owner, or the direct loss with respect to the Unit itself, or with regard to the useability thereof, nor diminishes any award for any such loss.

Section 2. Use of Proceeds. The award or proceeds of settlement in any actual or threatened condemnation or eminent domain proceedings, after reduction by the costs, if any, incurred in obtaining the same, shall be applied first to the cost of restoring or replacing all damaged or taken improvements on the remaining Condominium Property in accordance with the Drawings, or in accordance with any new plans and specifications therefor approved by Unit owners exercising no less than seventy-five percent (75%) of the voting power of Unit owners, and the consent of eligible holders of first mortgage liens hereinafter provided.

Section 3. Insufficient Proceeds. If the award or proceeds are insufficient for such purpose, the excess cost shall be paid by the Association and, to the extent funds of the Association are insufficient therefor, in the judgment of the Board, such excess cost shall be a common expense and assessed among the Units in the same manner as special assessments for capital improvements are assessed. Except as hereinafter provided, the balance of any such awarded or proceeds of settlement, if there is an excess, shall be allocated and disbursed to the Unit owners, and their first mortgagees, as their interest may appear, in proportion to their relative undivided interests of the Units in the Common Areas.

Section 4. Non-Restorable Unit. Notwithstanding the foregoing, in the event that as a result of any such taking, and consequent restoration to a condition comparable to that which

existed prior to the taking, or could not be replaced, prior to the allocation and disbursement of any sum of any other Unit owner or his, her or its mortgagee, there shall be allocated and disbursed from such award or proceeds, to each Unit owner whose Unit cannot be so restored or replaced, and his, her or its respective first mortgage, as their interest may appear, such amount as is equal to the then fair market value of the Unit that cannot be so restored or replaced. Thereupon, such Unit or Units, and the owners thereof, shall be immediately and automatically divested of any interest in the Condominium, the Condominium property, and the Association, including, without limiting the generality of the foregoing, divestment of an undivided interest, vote, membership in the Association, and liability for common expense. All such rights and interest shall be reallocated among all other Units and Unit owners in the same relative proportions as those rights and interests were prior to such taking. To illustrate, upon a Unit being divested from the Condominium, (a) the voting right of that Unit will be equally allocated among all other Units, since each Unit prior thereto had an equal vote, and (b) the undivided interest of that Unit will be reallocated among all other Units in the proportions of their relative undivided interests prior to such taking.

Section 5. Power of Attorney. Each Unit owner, by acceptance of a deed to a Unit, appoints the Association, or its designated representative, or authorized successor, as his, her or its attorney-in-fact to represent that Unit owners, settle losses, receive and utilize the award or proceeds of settlement, and do all things necessary or desirable for such attorney-in-fact to exercise the rights and fulfill the responsibilities of the Association set forth in this Article with respect to condemnation or eminent domain proceedings. This power is for the benefit of each and every Unit owner, each holder of a first mortgage on a Unit, the Association, and the real estate to which it is applicable, runs with land, is coupled with an interest, and is irrevocable.

ARTICLE XIII
GRANTS AND RESERVATIONS OF RIGHTS AND EASEMENTS

Section 1. Easements of Enjoyment; Limitations. Every Unit owner shall have a right and easement of enjoyment in, over and upon the Common Areas and an unrestricted right of access to and from his, her or its Unit, which rights and easements shall be appurtenant to and shall pass with the title to a Unit, subject to the right of the Board to make reasonable rules and regulations concerning the use and management of the Common Areas, provided that no such rule or regulation shall limit or prohibit the right of ingress and egress to a Unit, or any part thereof, or to that Unit's parking facilities. Any Unit owner may delegate that Unit owner's right of enjoyment to the Common Areas and to ingress and egress to the occupants of that owner's Unit.

Section 2. Right of Entry for Repair, Maintenance and Restoration. The Association shall have a right of entry and access to, over, upon and through all of the Condominium Property, including each Unit, to enable the Association to perform its obligations, rights and duties pursuant hereto with regard to maintenance, repair, restoration and/or servicing of any items, things or areas of or in the Condominium Property. In the event of any emergency, the Association's right to enter a Unit and its appurtenant Limited Common Areas may be exercised without notice; otherwise, the Association shall give the owners or occupants of a Unit no less

than twenty-four hours advance notice prior to entering a Unit or its appurtenant Limited Common Areas.

Section 3. Easements for Encroachments. Each Unit and the Common Areas shall be subject to easements for encroachments on any other Unit and upon the Common Areas created or arising by reason of overhangs; or by reason of deviations in construction, reconstruction, or repair; or by reason of shifting, settlement, or movement of the structures; or by reason of errors in the Drawings. Valid easements for these encroachments and for the maintenance of same, so long as the encroaching structures remain, shall and do exist.

Section 4. Easement for Support. Every portion of a building or utility line or any improvement on any portion of the Condominium Property contributing to the support of another building, utility line or improvement on another portion of the Condominium property shall be burdened with an easement of support for the benefit of all other such buildings, utility lines, improvements and other portions of the Condominium Property.

Section 5. Easements for Utilities. Easements to the Association shall exist upon, over and under all of the Condominium Property for ingress to and egress from, and the installation, replacing, repairing and maintaining of, all utilities, including, but not limited to water, sewer, gas, telephone, electricity, security systems, master television antennas and cable television. By these easements it shall be expressly permissible for the Association to grant to the providing companies permission to construct and maintain the necessary poles and equipment, wires, circuits, and conduits on, above, across and under the Condominium Property, so long as such poles, equipment, wires, circuits and conduits do not unreasonably interfere with the use and enjoyment of the Condominium Property. Should any company furnishing a service request a specific easement by separate recordable document, the Board shall have the right to grant such easement without conflicting with the terms hereof.

Section 6. Easement for Services. Non-exclusive easements are hereby granted to all police, firemen, ambulance operators, mailmen, deliverymen, garbage and trash removal personnel, and all similar persons, and to the local governmental authorities and the Association, but not to the public in general, to enter upon the Common Areas in the performance of their duties.

Section 7. Easements Reserved to Declarant. Non-exclusive easements are hereby reserved to Declarant, its successors and assigns, over and upon the Common Areas (a) for a one year period of time from the date of the closing by Declarant of the first sale of a Unit to a bona fide purchaser, for access for and for the purpose of completing improvements for which provision is made in this Declaration, provided that such right of access shall be to the extent but only to the extent that access thereto is not otherwise reasonably available, (b) for the periods provided for warranties hereunder, or by law, for purposes of making repairs required pursuant to those warranties or pursuant to contracts of sale made with Unit purchasers, and (c) for the initial sales and rental period, but for no longer than the earlier of (i) two years from the time of the closing of the first sale of a Unit to a bona fide purchaser, and (ii) the time when Declarant has closed the sale of seventy-five percent (75%) of the Units in the Condominium

to bona fide purchasers, to maintain one or more Units for sales and management offices and for storage and maintenance, and model Units, parking areas for sale and rental purposes, and advertising signs.

In addition, a non-exclusive perpetual easement is hereby reserved to Declarant, its successor and assigns, for their benefit and the benefit of future owners and occupants of the area into which the Condominium may be expanded ("the Additional Property"), hereinafter described, for pedestrian and vehicular access over the streets and walkways that may from time to time be a part of the Condominium Property, for ingress to and egress from the additional property, and each part thereof, and a public street, and to extend the same onto the Additional Property. Additionally, Declarant, for itself and its successors and assigns, reserves the right (a) to extend and tie into main line utility lines in the Common Areas, as permitted by public authority and the utility company involved, to extend such lines into the Additional Property to service the same, until such time as control of the Condominium Property is assumed by the Associations, and (b) to maintain on Additional Property added to the Condominium, during the period of its sale of Units in that portion added, but for no longer than the earlier of (i) a two year period of time from the time of the closing of the first sale of a Unit in that portion to a bona fide purchaser, and (ii) the time when Declarant has closed the sale of seventy-five percent (75%) of the Units in that portion added to bona fide purchasers, one or more Units in that portion added as sales models and offices, and for storage and maintenance purposes.

Section 8. Power of Attorney. Each Unit owner, by acceptance of a deed to a Unit, appoints the President of the Association, his her or its attorney-in-fact, to execute, deliver, acknowledge and record, for and in the name of such Unit owner, such deeds of easement and other instruments as may be necessary or desirable, in the sole discretion of the Board, or its authorized representative, to further establish or effectuate the foregoing easements. This power is for the benefit of each and every Unit owner, the Association, and the real estate to which it is applicable, and said power runs with the land, is coupled with an interest, and is irrevocable.

Section 9. General. The easements and grants provided herein shall in no way affect any other recorded grant or easement.

ARTICLE XIV
ASSESSMENTS AND ASSESSMENT LIENS

Section 1. Types of Assessments. The Declarant for each Unit within the Condominium hereby covenants and agrees, and each Unit owner by acceptance of a deed to a Unit (whether or not it shall be so expressed in such deed) is deemed to covenant and agree, to pay to the Association: (1) annual operating assessments, (2) special assessments for capital improvements, (3) special individual Unit assessments, and (4) annual Unit type assessments, all of such assessments to be established and collected as hereinafter provided.

Section 2. Purposes of Assessments. The assessment levied by the Association shall

be used exclusively to promote the health, safety and welfare of the Unit owners and occupants and the best interests of the Condominium Property.

Section 3. Elements - Apportionment: Due Dates.

(A) Annual Operating Assessments.

(1) Prior to the time any Unit owner other than Declarant is to be charged assessments by the Association, and prior to the beginning of each fiscal year of the Association after the period for which the first assessments are levied, the Board shall estimate, and prorate among all Units on the basis of the undivided interest of each unit in the Common Areas, common expenses of the Association consisting of the following:

(a) the estimated next fiscal year's cost of the maintenance, repair and other services to be provided by the Association;

(b) the estimated next fiscal year's costs for insurance and bond premiums to be provided and paid for by the Association;

(c) the estimated next fiscal year's costs for utility services not separately metered or charged to Unit owners;

(d) the estimated amount required to be collected to maintain a general operating reserve to assure availability of funds for normal operations of the Association, in an amount deemed adequate by the Board, but in no event less than an amount equal to two month's currently estimated assessments on all Units;

(e) the estimated next fiscal year's costs for the operation, management and administration of the Association, including, but not limited to, fees for property management, fees for legal and accounting services, costs of mailing, postage, supplies and materials for operating the Association, and the salaries, wages, payroll charges and other costs to perform these services, and any other costs constituting common expenses not otherwise herein specifically excluded.

(2) The Board shall thereupon allocate to each Unit that Unit's share of all of these items, prorated in accordance with each respective Unit's undivided interest in the Common Areas, and thereby establish the annual operating assessment for each separate Unit. For administrative convenience, any such assessment may be rounded so that monthly installments will be in whole dollars.

(3) Unless the Board determines otherwise, which it may do in its sole discretion, the annual operating assessment shall be payable in advance, in equal monthly installments, provided that nothing contained herein shall prohibit any Unit owner from prepaying assessments in annual, semiannual or quarterly increments. The due dates of any such installments shall be established by the Board, and, unless otherwise provided, the

Association shall collect on or before the first day of each month from those who own the Unit an equal monthly prorata share of the annual operating assessment for that Unit.

(4) If the amounts so collected are, at any time, insufficient to meet all obligations for which those funds are to be used, the deficiency shall be assessed by the Board among the Units on the same basis as heretofore set forth, provided, that if common expenses are incurred by the Association prior to the time the Association commences to levy assessments against the Units, Declarant shall pay the same (subject to its right, if any, to reimbursement from Unit purchasers contained in individual contracts for the sale of a Unit or Units).

(5) If assessments collected during the fiscal year are in excess of the funds necessary to meet the anticipated expenses for which the same have been collected, the excess shall be retained as reserves, and shall in no event be deemed profits nor available, except on dissolution of the Association, for distribution to Unit owners.

(B) Special Assessments for Capital Improvements.

(1) In addition to the annual operating assessments, the Board may levy, in any fiscal year, special assessments to construct, reconstruct or replace capital improvements on the Common Areas to the extent that reserves therefor are insufficient, provided that new capital improvements not replacing existing improvements shall not be constructed nor funds assessed therefor, if the cost thereof in any fiscal year would exceed an amount equal to five percent (5%) of that fiscal year's budget, without the prior consent of Unit owners exercising no less than seventy-five percent (75%) of the voting power of Unit owners and the consent of eligible holders of first mortgages hereinafter provided.

(2) Any such assessment shall be prorated among all Units in proportion to their respective undivided interest in the Common Areas, and shall become due and payable on such date or dates as the Board determines following written notice to the Unit owners.

(C) Special Individual Unit Assessments.

The Board may levy an assessment against an individual Unit, or Units, to reimburse the Association for those costs incurred in connection with that Unit or Units properly chargeable by the terms hereof to a particular Unit (such as, but not limited to, the cost of making repairs which are the responsibility of a Unit owner, and a Unit owner's enforcement and arbitration charges). Any such assessment shall become due and payable on such date as the Board determines, and gives written notice to the Unit owners subject thereto. Additionally, during the first years of the Condominium's existence, and until such time as real estate taxes and assessments are split into separate tax bills for each Unit, the Association shall have the right to pay the real estate taxes and assessments attributable to the Condominium Property in the event the same have not been paid, when due, and assess each Unit owner for his, her or its share of such real estate taxes and assessments as a special individual Unit assessment. The

share of those taxes and assessments attributable to a Unit shall be computed by multiplying the total taxes and assessments for all of the Condominium Property by the undivided interest in Common Areas attributable to that Unit. The calculation by the Association of the Units' shares of taxes and assessments shall be binding upon all Unit owners.

Any fine or assessment levied by the Board, after appropriate hearing, for violation of rules and regulations shall also be an individual unit assessment.

(D) Annual Unit Type Assessments

(1) In addition to the annual operating assessments, the Board shall levy, prior to the beginning of each fiscal year of the Association after the period for which the first assessments are levied, the annual Unit Type Assessments. Such assessment shall include the following common expenses:

(a) Maintenance, repair and replacement of the non-public roads, driveways and access roads on the Condominium Property;

(b) An amount deemed adequate by the Board to maintain a reserve for the cost of unexpected repairs and replacements of capital improvements and for the repair and replacement of major improvements for which cash reserves over a period of time in excess of one year ought to be maintained; and

(c) Any other expenses that are solely for the benefit of the Condominium Property.

(2) Each Annual Unit Type Assessment shall be individually calculated and shall be segregated and only used for the purpose provided for in the assessment. The Board is not required to establish individual accounts for each Annual Unit Type Assessment but all Annual Unit Type Assessments may be deposited into a single account.

Section 4. Effective Date of Assessment. Any assessment created pursuant hereto shall be effective, provided it is created as provided herein, if written notice of the amount thereof is sent by the Board to the Unit owner subject thereto at least ten (10) days prior to the due date thereof, or the due date of the first installment thereof, if to be paid in installments. Written notice mailed or delivered to a Unit owner's Unit shall constitute notice to that Unit owner, unless the Unit owner has delivered written notice to the Board of a different address for such notices, in which event the mailing of the same to that last designated address shall constitute notice to that Unit owner.

Section 5. Effect of Nonpayment of Assessment; Remedies of the Association.

(A) If any assessment or any installment of any assessment is not paid within ten (10) days after the same has become due, the Board, at its option, without demand or notice, may (1) declare the entire unpaid balance of the assessment immediately due and payable, (ii)

charge interest on the entire unpaid balance (or on an overdue installment, alone, if it hasn't exercised its option to declare the entire unpaid balance due and payable), at the highest rate of interest then permitted by law, or at such lower rate as the Board may from time to time determine, and (iii) charge a reasonable, uniform, late fee, as determined from time to time by the Board.

(B) Each owner of any unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges, (ii) special assessments, such assessments to be established and collected as hereinafter provided; and (iii) specific assessments against any particular Unit which are established pursuant to the terms of this Declaration or the Bylaws. All such assessments, together with charges, interest, costs and reasonable attorney's fees actually incurred, in the maximum amount permitted by the Condominium Act, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each assessment is made. Such amounts shall also be the personal obligation of the Unit owner at the time when the assessment fell due. Each Unit owner shall be liable for his or her portion of each assessment coming due while he or she is the owner of a Unit, and his or her grantee shall be jointly and severally liable for a portion thereof as may be due and payable at the time of any conveyance. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors; unless otherwise provided, the annual assessments shall be paid in equal monthly installments due on the first day of each calendar month.

(C) The Association, as authorized by the Board, may file a lien or liens to secure payment of delinquent assessments, interest, late fees, and costs, including reasonable attorney fees, being an action at law against the owner or owners personally obligated to pay the same, and an action to foreclose a lien, or any one or more of these. If any foreclosure action, the owner or owners affected shall be required to pay a reasonable rental for that Unit during the pendency of such action, and the Association as plaintiff in any such foreclosure action shall be entitled to become a purchaser at the foreclosure sale. In any such foreclosure action, interest and costs of such action (including reasonable attorneys' fees) shall be added to the amount of any such assessment, to the extent permitted by law.

(D) No owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use of the Common Areas, or any part thereof, or by abandonment of his, her or its Unit.

Section 6. Subordination of the Lien to First Mortgages. The lien of the assessments and charges provided for herein shall be subject and subordinate to the lien of any duly executed first mortgage of a Unit recorded prior to the date on which such lien of the Association arises, and any holder of any such first mortgage which comes into possession of a Unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed or assignment in lieu of foreclosure, and any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid installments of assessments and charges against the mortgaged Unit which became due and payable prior to the time such holder or purchaser took title to that Unit except tot eh extent that such assessments remain valid pursuant to the

Condominium Act.

Section 7. Certificate Regarding Assessments. The Board shall, upon demand, for a reasonable charge, furnish a certificate signed by the President or other designated representative of the Association, setting forth whether the assessments on a specified Unit have been paid. This certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. Such certificate shall be in the form and content required under the Condominium Act.

ARTICLE XV
CONDOMINIUM INSTRUMENT REQUIREMENTS

Section 1. General. The Condominium Act requires that certain information be provided in the Condominium instruments. Much of this is provided elsewhere in the Condominium organizational documents and in other documents, but in order that all such information be provided in the Condominium instruments. Much of this is provided elsewhere in the Condominium organizational documents and in other documents, but in order that all such information be provided in this Declaration, various items of that information are set forth in the following sections of this article.

Section 2. Deposits. Any deposit or down payment made in connection with sale of a Unit by Declarant or its agent will be held in trust or escrow until delivered at the time of the closing of the sale or returned to or otherwise created to the buyer, or forfeited to the Declarant. Deposits held in trust or escrow pursuant to sales by the Declarant or its agent shall not be subject to attachment by creditors of Declarant or the Buyer.

Section 3. Association Control. Except in its capacity as a Unit owner of unsold Units, the Declarant or its agent will not retain a property interest in any of the Commons Areas after control of the Association is assumed by the Association, except as expressly provided herein. The owners of Units that have been sold by the Declarant or its agent will assume control of the Association and the Common Areas, as elsewhere provided herein, in compliance with the requirements of the Condominium Act. Neither the Association nor the Unit owners will be subject to any management contract or agreement executed prior to the assumption of control of the Association by Unit owners other than Declarant for more than one year subsequent to the assumption of control unless such a contract or agreement is renewed by a vote of the Unit owners pursuant to the provisions of the By-Laws.

Section 4. Limited Warranties. Following are the limited warranties (and limitations thereon) which the Declarant gives to the Buyers of a Unit from it, which are not binding upon the Declarant nor enforceable by the Buyers unless and until the sale of the Unit to the Buyers is closed:

(A) Units. Except as provided in subparagraph C below, the Declarant warrants to provide and pay for the full cost of labor and materials for any repair or replacement of structural, mechanical, and other elements pertaining to the Unit, occasioned or necessitated

by a defect in material or workmanship, that arise within a period of two years from the Closing Date. A copy of the Limited Warranty is attached hereto and marked as Exhibit "D".

(B) Common Areas and Facilities. The Declarant warrants to provide and pay for the full cost of labor and materials for any repair or replacement of the roof and structural components, and mechanical, electrical, plumbing, and common service elements serving the Condominium as a whole, occasioned or necessitated by defects in material or workmanship, that arise within a period of two years from the date the deed is filed for record following the first sale of a Unit in the Condominium to a purchaser in good faith for value.

(C) Appliances. In the case of ranges, refrigerators, disposals, and other appliances, if any, installed and furnished by the Declarant as part of the Unit, the Declarant assigns to the Buyer all express and implied warranties of the manufacturer, and the Declarant's warranty with respect to such items is limited to the Declarant's warranty that the same have been properly installed.

(D) Extended Warranties. The Declarant assigns to the Buyer any warranties made to the Declarant that exceed the time periods for warranties that the Declarant has given to the Buyers by this limited warranty.

(E) Limitations.

(1) No responsibility is assumed for damage from any cause, whatsoever, other than to repair or replace, at the Declarant's cost, items containing defects covered by Declarant's warranty.

(2) No responsibility is assumed for consequential or incidental damage except to the extent, if any, not permitted to be excluded or limited by law.

(3) Implied warranties, if any, are limited to one year from the date on which the Unit is deeded to the Buyers, except to the extent, if any, that limitation is not lawful.

(4) These written warranties are the only express warranties the Declarant gives to the Buyers unless additional warranties are included in a written contract between the Declarant and the Buyers.

(5) Any request for service must be sent in writing to the Declarant at such address as the Declarant may designate, from time to time, in writing to the Buyers. The Declarant or the Declarant's designated representative will commence performance of the Declarant's obligations under this warranty within thirty (30) days after receipt of the Buyers' request for service, and complete the same as soon as reasonably possible. All repairs and adjustments will be made Monday through Friday, 8:00 a.m. to 5:00 p.m.

(F) Other Rights. This written limited warranty gives the Buyer specific legal rights and the Buyer may also have other legal rights under law.

(G) Common Areas Expansions. With respect to the repair or replacement of roof and structural components, and mechanical, electrical, plumbing and common service elements in areas added to the Condominium, the two year warranty shall commence on the date the deed or other evidence of ownership is filed for record following the sale of the first Unit in that area added to a purchaser in good faith for value.

Section 5. Declarant's Obligations. Declarant will assume the rights and obligations of a Unit owner in its capacity as owner of Units not yet sold, including, without limitation, the obligation to pay common expenses attaching to such Units, from a date no later than that upon which common expenses are first charged with respect to any other Unit.

ARTICLE XVI
NOTICES TO AND VOTING RIGHTS OF MORTGAGEES

Section 1. Notices. Any holder, insurer, or guarantor of a first mortgage, upon written request to the Association (which request states the name and address of such holder, insurer, or guarantor and the Unit designation), shall be entitled to timely written notice by the Association of:

(A) any proposed addition to, change in, or amendment of the Condominium organizational documents of a material nature, including any addition to, change in or amendment of any provision establishing, providing for, governing, or regulating: (i) voting rights; (ii) assessments, assessment liens, or subordination of such liens; (iii) reserves for maintenance, repair, and replacement of Common Areas; (iv) responsibility for maintenance and repairs; (v) reallocation of interests in the Common Areas (including the Limited Common Areas), or rights to their use; (vi) boundaries of any Unit; (vii) convertibility of Units into Common Areas or vice versa; (viii) expansion or contraction of the condominium or the addition, annexation or withdrawal of property to or from the Condominium; (ix) insurance or fidelity bonds; (x) leasing of Units; (xi) imposition of any restrictions on a Unit owner's Unit; (xii) professional management; (xiii) restoration or repair of the Condominium Property; (xiv) termination of the legal status of the Condominium after substantial destruction or condemnation occurs; or (xv) to any information expressly affecting the interests of mortgage holders, insurers, or guarantors. No addition to, change in, or amendment of the Condominium organizational documents shall be considered material if it is for the purpose of correcting technical errors, or for clarification only.

(B) any proposed decision or action that: (i) terminates professional management and establishes self management; (ii) causes restoration or repair of the Condominium Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium organizational documents; (iii) substantial damage or destruction not be restored; (iv) the Condominium Property be renewed or rehabilitated; (v) significant new capital improvements not replacing existing improvements be constructed; or

(vi) would, without addition to, change in, or amendment of the Condominium organizational documents, make any change with respect to the items described in subparagraph (A) of Section 1 of this Article.

(C) (i) any condemnation or casualty loss that affects either a material portion of the Condominium Property or the Unit securing its mortgage; (ii) any default under the Condominium organizational documents which gives rise to a cause of action against a Unit owner whose Unit is subject to its mortgage, when the default remains uncured for a period of sixty (60) days and there is a default in the payment of assessments or charges owed by the owner of any Unit on which it holds the mortgage; (iv) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and (v) times and places of Unit owners' meetings.

Section 2. Voting Rights. No action with respect to which holders, insurers, or guarantors are entitled to notice, as provided in subparagraphs 9(A) or (B) of Section 1 of this Article, may be taken without the consent of eligible holders of first mortgage liens on Units to which at least fifty-one percent (51%) of the votes subject to mortgages held by eligible holders of first mortgage liens appertain, provided, further, that no action to terminate the Condominium or that would have that effect shall be taken without the consent of eligible holders of first mortgage liens on Units to which at least seventy-five percent (75%) of the votes subject to mortgages held by eligible holders of first mortgage liens appertain.

ARTICLE XVII
AMENDMENTS

Section 1. Power to Amend. Except as otherwise specifically provided herein, additions to, changes in, or amendment of this Declaration (or other Condominium organization documents) shall, in addition to the consents required of eligible holders of first mortgage liens, if any, as hereinbefore provided, require the consent of Unit owners exercising not less than sixty seven percent (67%) of the voting power of Unit owners. Notwithstanding the foregoing:

(A) the consent of all Unit owners shall be required for any amendment effecting a change in:

(1) the boundaries of any Unit;

(2) the undivided interest in the Common Areas appertaining to a Unit or the liability for common expenses appertaining thereto;

(3) the number of votes in the Association appertaining to any Unit; or

(4) the fundamental purposes to which any Unit or the Common Areas are restricted;

(B) the consent of Unit owners exercising not less than eighty percent (80%) of the voting power of Unit owners shall be required to terminate the Condominium; and

(C) in any event, Declarant reserves the right and power, and each Unit owner by acceptance of a deed to a Unit is deemed to and does give and grant to Declarant a power of attorney, which right and power is coupled with an interest and runs with the title to a Unit and is irrevocable (except by Declarant), for a period of three (3) years from the date of the filing of the Declaration, to amend the Condominium organizational documents, to the extent necessary to conform to the requirements then governing the making of a mortgage loan or the purchase, guaranty, or insurance of mortgages by an institutional lender or an institutional guarantor or insurer of a mortgage on a Unit, provided that the appropriate percentage (as described elsewhere herein) of eligible holders of first mortgage liens is obtained, or to correct typographical errors or obvious factual errors or omissions the correction of which would not impair the interest of any Unit owner, mortgagee, insurer or guarantor, provided, further, that if there is a Unit Owner other than the Declarant, the Declaration shall not be amended to increase the scope or the period of control of the Declarant. An eligible holder of a first mortgage on a Unit who receives a written request to approve changes, addition or amendments that are not material, and who does not deliver or post to the requesting party a negative response within thirty (30) days, shall be deemed to have approved such request.

Section 2. Method to Amend. An amendment to this Declaration (or the Drawings or the By-Laws), adopted with the consents of Unit owners and eligible holders of first mortgages hereinbefore required, shall be executed with the same formalities as to execution as this Declaration by two officers of the Association and shall contain their certification that such amendment was duly adopted in accordance with the foregoing provisions. Any amendment adopted by the Declarant or a duly empowered successor Declarant pursuant to the authority granted it pursuant to the Declaration shall be duly executed by it with the same formalities as to execution as this Declaration and shall contain the certification of such Signor or signors that such amendment is made pursuant to authority vested in Declarant or any duly empowered successor Declarant by the Declaration. Any amendment duly adopted and executed in accordance with the foregoing provisions shall be effective upon the filing of same with the Recorder of the county in which the Condominium Property is located.

ARTICLE XVIII
CONVERTIBLE REAL ESTATE

Section 8.01. Reservation. Declarant hereby explicitly reserves an option, until the seventh anniversary of the recording of this Declaration, to convert all or any portion of the convertible Real Estate to units, limited common elements or any combination thereof from time to time in compliance with Section 3211 of the Act, without the consent to any unit owner or holder of a mortgage on any unit. This option to convert may be terminated prior to the anniversary only upon the filing of an amendment to this Declaration by the Declarant. Declarant expressly reserves the right to convert any or all portions of the convertible Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other real estate be converted, added or withdrawn; provided, however,

that the convertible Real Estate shall not exceed the area described as such on Exhibit "A" hereto. There are no other limitations on this option to convert convertible Real Estate.

Section 8.02. Assurances. If the convertible Real Estate is converted, the buildings on the convertible Real Estate will be located approximately as shown on the plats and plans. At such time as the convertible Real Estate is completely converted, the maximum number of units in the convertible Real Estate as an aggregate will be no more than five units per acre. All units will be restricted exclusively to residential use. Any buildings to be constructed within the convertible Real Estate and units therein shall be compatible in quality, size, materials and architectural style with the buildings and units on other portions of the property. All restrictions in this Declaration affecting use, occupancy and alienation of units shall apply to units created with the convertible Real Estate. No assurances are made as to any other improvements and limited common elements to be made or created in the convertible Real Estate, nor the proportion of limited common elements to units therein. The reallocation of percentage interests in the convertible Real Estate and the property shall be computed in accordance with Article VI, Section 3, as set forth on Exhibit "D".

ARTICLE XIX
GENERAL PROVISIONS

Section 1. Covenants Running With the Land. The covenants, conditions, restrictions, easements, reservations, liens and charges created hereunder or hereby shall run with and bind upon and inure to the benefit of all parties having any right, title or interest in or to all or any part of the Condominium Property, and the Association, and their respective heirs, executors, administrators, successors and assigns.

Section 2. Actions. In addition to any other remedies provided in this Declaration, Declarant, (only with the Association, and each Unit owner) shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens and charges set forth herein or in the Association's rules and regulations. Failure by Declarant, the Association or b an Unit owner to proceed with such enforcement shall in no event be deemed a waiver of the right to enforce at a later date the original violation or a subsequent violation, nor shall the doctrine of lashes nor any statute of limitations bar the enforcement of any such restriction, condition, covenant, reservation, easement, lien, or charge. Further, the Association and each Unit owner shall have rights of action against each other for failure to comply with the provisions of the Condominium organizational documents, rules and regulations, and applicable law, and with respect to decisions made pursuant to authority granted thereunder, and the Association shall have the right to assess reasonable charges against the Unit owner who fails to comply with the same, including the right to assess charges for the costs of enforcement and arbitration. Notwithstanding the foregoing, in the event of any dispute between the Association and any Unit owner or occupant, other than with regard to assessments, that cannot be settled by an agreement between them, the matter shall first be submitted to arbitration in accordance with and pursuant to the rules of the American Arbitration Association.

Section 3. Severability. Invalidation of any one or more of these covenants, conditions, restrictions or easements by judgment or court order shall in no way affect any other provisions, which provisions remain in full force and effect. In the event any language of this Declaration conflicts with mandatory provisions of the Condominium Act, the Condominium Act's requirements shall prevail and the conflicting language shall be deemed to be invalid and void, provided that such invalidity shall in no way affect any other provisions of this Declaration, which provisions shall remain in full force and effect.

Section 4. Gender and Grammar. The singular wherever used herein shall be construed to men the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations, partnerships, men or women, shall in all cases be assumed as though in such case fully expressed.

Section 5. Captions. The captions of the various provisions of this Declaration are not part of the context hereof, but are merely labels to assist in locating the various provisions hereof.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be duly executed on its behalf this 22ND day of October, 2010.

WITNESS:

Kristin S. Hyden

Kristin S. Hyden

Kenneth C. Brennan

Kenneth C. Brennan

Patricia L. Brennan

Patricia L. Brennan

ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

On this 22nd day of October, 2002, before me, a Notary Public, the undersigned officer, personally appeared Kenneth C. Brennan and Patricia L. Brennan, known to me (or satisfactorily proven), who executed the foregoing instrument for the purposes therein contained.

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

Susan M Brennan
Notary Public

My Commission Expires:

NOTARIAL SEAL
SUSAN M. BRENNAN, Notary Public
Lancaster TWP., Butler Co., PA
My Commission Expires July 18, 2003

EXHIBIT A

SEE THE DECLARATION PLAN AS RECORDED IN THE RECORDER'S OFFICE OF BUTLER COUNTY, PENNSYLVANIA.

EXHIBIT B

SEE THE BY-LAWS AS RECORDED IN THE RECORDER'S OFFICE OF BUTLER COUNTY, PENNSYLVANIA.

EXHIBIT C

UNIT DESIGNATIONS
SCHEDULE OF UNDIVIDED INTERESTS

1. PER UNIT UNDIVIDED INTERESTS FOR EACH UNIT.

3.448%