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DECLARATION OF CONDOMINIUM

Delancey Court Condominium

THIS DECLARATION is made this 22nd day of August, 1984, by Allendale Properties, ("Declarant") a Pennsylvania limited partnership, as the owner in fee simple of the premises herein described.

WITNESSETH:

ARTICLE I

General Provisions

Section 1.1. Declaration of Condominium. Declarant, owner in fee simple of the property described in Exhibit A attached hereto located in the Township of Upper Allen, Cumberland County, Pennsylvania, ("Premises") hereby submits the premises to the provisions of the Pennsylvania Uniform Condominium Act, 68 PA. C.S. 3101 et. seq. ("Act") thereby creating a flexible condominium to be known as "Delancey Court Condominium" ("Condominium").

ARTICLE II

Definitions

Section 2.1. Terms Defined in the Act. Terms defined in Section 3103 of the Act and used herein and in the Public Offering Statement, By-Laws or the Plats and Plans shall have the meanings as specified in Section 3103 of the Act; or, if not defined in Section 3103, but are used in the Act, such terms shall be defined as used in the Act, unless otherwise defined herein. .

Section 2.2. Terms Specifically Defined in this Declaration of Condominium. In addition to the terms hereinabove defined, the following terms have the following specific meanings in this Declaration, the By-Laws, Public Offering Statement and Plats and Plans:

(a) "Alterations" means any combination of Units which is permitted by this Declaration and the Act which entail one or more of: (i) the construction of all or a portion of one or more intervening partitions, walls, floors or ceilings (each of which will then become part of the Cornman Elements) to form separate Units; (ii) the removal or alteration of all or a portion of one or more partitions, walls, floors or ceilings (each of which is part of the Cornman Elements) between Units in

order to form a larger Unit; or (iii) the creation, alteration or removal of one or more apertures in one or more intervening partitions, walls, floors or ceilings (each of which is part of the Common Elements) between Units.

(b) "Alternative Mortgage" shall mean any mortgage lien to a person or entity not listed in Sections 8.1(a)(1), (2) or (3) hereof.

(c) "Annual Assessment" means a Unit's individual share of the anticipated Common Expenses for each fiscal year as reflected in the budget adopted by the Executive Board for such year.

(d) "Building" means any or all of that certain two (2) story structure erected on the Premises and containing the Units.

(e) "By-Laws" means the document having the name and providing for the governance of the Association, pursuant to Section 3306 of the Act, as such document may be amended from time to time.

(f) "Condominium Documents" includes the Declaration, Plats and Plans, By-Laws and Rules and Regulations.

(g) "First Executive Board" means the Executive Board as initially constituted on the date this Declaration is recorded.

(h) "First Election Meeting" means that special meeting of the Association, held for the purpose of electing additional members to the First Executive Board, to be held not later than the earlier to occur of: (i) sixty (60) days after the conveyance of twenty-five (25%) percent of the Units to Unit Owners other than the Declarant; or (ii) five (5) years after the date of the first conveyance of a Unit to a person other than the Declarant.

(i) "Garage Rights" means the rights to use of the building located adjacent to the Units to be used exclusively by the Owners of the adjacent Units.

(j) "Limited Common Elements" means those parts of the Premises either described in the Act as being Limited Common Elements or described herein or in the Plats and Plans as being Limited Common Elements.

(k) "Mortgagee" means a lender of a type described in Section 8.1(a) hereof who holds a Permitted Mortgage.

(l) "Parking Rights" means that exclusive right owned by a Unit Owner to use a particular parking space.

(m) "Party-Wall" means a wall located at the perimeter of a Unit which is a common wall shared with an adjacent Unit.

(n) "Percentage Interest" appurtenant to a Unit means the undivided interest in the Common Elements appurtenant to such Unit, as set forth in Exhibit C attached and as calculated pursuant to the formula discussed in such Exhibit.

(o) "Perimeter Wall" shall mean any wall adjacent to either the exterior of the Building or any Common Elements or Limited Common Elements.

(p) "Permitted Mortgage" means any mortgage, and any obligations secured thereby, for which the forms thereof and the proposed Mortgagee thereof have been submitted to and approved by the Association as complying with the provisions of Section 8.2 hereof.

(q) "Plats and Plans" means the visual depiction of all structures, other improvements and land included in the Condominium, which document complies with the requirements of Section 3210 of the Act (including, without limitation, a depiction of the Units and certain of the Common Elements and the Limited Common Elements) attached hereto as Exhibit B, as such may be amended from time to time.

(r) "Rules and Regulations" means such rules and regulations as are promulgated by the Executive Board from time to time, with respect to various details of the use of all or any portion of the Premises, either supplementing or elaborating upon the provisions in the Declaration or the By-Laws.

(s) "Second Election Meeting" means that special meeting of the Association, held for the purpose of electing additional members to the Executive Board, replacing the members of the First Executive Board, and which is required to be held no later than the earlier to occur of: (i) one hundred eighty (180) days after the conveyance of seventy-five (75%) percent of the Units to Unit Owners other than the Declarant; or (ii) five (5) years after the date of the first conveyance of a Unit to a person other than the Declarant.

(t) "Special Assessment" means a Unit's individual share of any assessment made by the Executive Board in addition to the Annual Assessment.

(u) "Withdrawable Real Estate" means the real estate described in Exhibit D hereof.

(v) "Convertible Real Estate" means the real estate described as such in Exhibit E hereof.

Section 2.3. Provisions of the Act. The provisions of the Act shall apply to and govern the operation and governance of the Condominium, except to the extent that contrary provisions, not prohibited by the Act, are contained in one or more of this Declaration, the Plats and Plans or the By-Laws.

ARTICLE III

Unit Boundaries

Section 3.1. Plats and Plans. The Plats and Plans show the location and dimensions of the structures and improvements comprising the Premises, the location of the Units and certain Common Elements and Limited Common Elements therein. Said Plats and Plans are attached hereto in reduced form as Exhibit B and incorporated herein by reference.

Section 3.2. Unit Title Lines.

(a) The Unit shall include the living Unit, the enclosed deck serving the Unit, if any, and the garage. The title lines of each Unit are situated as shown on the Plats and Plans and are formed by the following planes:

(1) The Unit-Side surface of all doors and their sills and hardware, leading from such Unit to the exterior of the Building and the Unit-Side surface of the door frames in which such doors are set;

(2) The Unit-Side surface of the sash of windows which are set in the exterior walls of such Unit, including, by way of illustration and not limitation, greenhouses' or florida room enclosures, the exterior surfaces of the panes of such windows and glass and the Unit-Side surface of the frames and sills for such windows or enclosures;

(3) The Unit-Side surface of the wall board/plaster constituting the ceiling of the Unit, except that for those portions of the Unit which have a drop ceiling, the title lines shall run along the surface opposite the Unit-Side surface of the drop ceiling;

(4) The plane formed by the Unit-Side surface of the dry wall of all Perimeter Walls and Party Walls and the Unit-Side surface of the sash of windows or doors along the breezeways of the Units, if any, and the exterior of the screens or glass in such doors or windows or enclosures.

(5) The Unit-Side face of the concrete slab, brick or underlayment constituting the floor of such Unit and the entire brick facade or other facade of the fireplace, if any, serving such Unit;

(6) The Unit-Side surface of the furring, as extended, around columns and "stacks" containing pipes, ducts, wires, conduits, chutes, mechanical chases, structural elements and flues that are either Common Elements or Limited Common Elements and in the garage portion of Units.

(7) The vertical Unit boundary of the garage or breezeway shall be the horizontal surface of the lowest horizontal supports of the roof and the imaginary plane extending along the horizontal surface of said supports; and

(8) The Unit-Side surface of all grilles and registers covering exhaust fans or ventilation ducts.

(b) Each Unit consists of all portions of the Building within the aforesaid title lines, except the air space displaced by: (i) structural members and bearing columns within or passing through such Unit which are deemed to be Common Elements; and (ii) other Common Elements within such Unit, including, without limitation, chutes, flues, ducts, wires, conduits and pipe runs which serve more than one Unit. With respect to such chutes, flues, ducts, wires, conduits and pipe runs, the provisions of Section 3202(2) of the Act shall apply. There is included within a Unit (by way of illustration and not limitation):

(1) The air space enclosed within such title lines.

(2) All partitions which are wholly contained within such title lines, including, but not limited to, all doors, door frames, hardware, electrical outlets and wiring, telephone outlets and conduits, and other equipment and devices in such partitions serving only such Unit.

(3) All plumbing fixtures located within such title lines and serving only such Unit, and its water and waste connections.

(4) All items of kitchen equipment located within such title lines and serving only such Unit, and such equipment's water, waste and electrical connections.

(5) Exhaust fans and the grilles, registers, ventilation ducts and related fixtures which serve only such Unit, whether or not any of the foregoing is located in any portion of the Common Elements.

(6) Lighting devices (including, by way of illustration and not limitation, lamps and bulbs which are surface-mounted on, recessed in or suspended from ceilings, walls and partitions within or on the perimeter of such Unit) serving only such Unit, whether or not such lighting devices are themselves located entirely within the title lines of such Unit, by way of illustration and not limitation, exterior lights at the entranceway to the living Unit or the garage and the pole lights, if any serving such Unit.

(7) Outlets, wires, cables, conduits, circuits and related equipment transmitting electricity for lighting and power or transmitting impulses and signals (including, but not limited to, impulses and signals for telephone, telegraph and television transmission, except to the extent otherwise specifically provided herein) which serve only such Unit and which are located entirely within the title lines of such Unit.

(8) Surface-mounted and recessed medicine cabinets (including, by way of illustration and not limitation, all associated lighting fixtures and accessories).

(9) Refrigerators, ranges, dishwashers, clothes washers and dryers, garbage disposal units and other appliances (if provided) and the portions of their water, waste, electrical and exhaust connections located within such title lines and serving only such Unit.

(10) Floor coverings installed on the Unit-Side surfaces of the structural concrete or wooden floor.

(c) Those portions of any lighting devices, outlets, medicine cabinets, exhaust fans, ventilation ducts, registers, grilles and similar fixtures which serve only such Unit and which lie partially within and partially outside the title lines of a Unit shall be deemed to be a part of such Unit.

ARTICLE IV

Description and Allocation of Limited Common Elements

Section 4.1. Description of Limited Common Elements. Limited Common Elements shall mean those portions of the Building defined as such pursuant to Sections 3202(2} and (4) of the Act, or as identified and designated as Limited Common Elements in the Plats and Plans, Section 4.2 hereof, or both. Those portions of the Limited Common Elements serving only the Unit above, below or adjacent to such Limited Common Element, as the case may be, are Limited Common Elements allocated only to the Unit which they serve. Those Limited Common Elements (if any) shown and identified as such on the Plats and Plans shall be allocated to the Unit indicated.

Section 4.2. Specified Limited Common Elements. The following portions of the Building are hereby designated as Limited Common Elements:

(a) Doors and sliding glass doors leading from Units to unenclosed porches or to areas which are Common Elements;

(b) Window and door sills, frames and hardware, which are not part of the Unit, but which are adjacent to and serve only such Unit;

(c) The railings surrounding any porches or decks adjacent to a Unit and the concrete slab or wooden deck constituting the floor of any porch, deck, entranceway or stairway adjacent to a Unit;

(d) The fireplace hearth, if any, including by way of illustration and not limitation, the fire brick, all chimney materials, flues and mechanical or structural supports of said fireplace and chimney systems; however, expressly excluding, from said Limited Common Elements, the brick or stone facade of the fireplace;

(e) The rear yard areas between the rear door to the Unit and the garage serving the Unit. However, unlike all other Limited Common Elements, this area shall be maintained by the Unit Owner; and

(f) Exterior staircases and concrete, wooden or brick landings serving such staircases which serve individual Units.

ARTICLE V

Identification of Common Elements; Allocation of Common Element Interests; Common Expenses and Responsibility for Maintenance and Repair: Voting Rights

Section 5.1. Allocation of Common Element Interest and Common Expense Liability. Attached as Exhibit C hereto is a list of all Units, their identifying numbers and the Percentage Interest appurtenant to each Unit. The Common Expense Liability of each Unit shall be assessed in accordance with each Unit's Percentage Interest. Any surplus funds to be credited to Unit Owners to reduce their future Common Expense Liability shall also be allocated in accordance with each Unit's Percentage Interest.

Section 5.2. Allocation of Unit Owner's Voting Rights. The number of votes in the Association to which each Unit Owner is entitled shall be one vote in the Association.

Section 5.3. Reserve Fund. The Association shall establish an adequate reserve fund for maintenance, repair and replacement of those Common Elements which are anticipated to require replacement, repair or maintenance on a periodic basis. The reserve fund shall be funded by monthly payments as a part of Common Expenses.

Section 5.4. Working Capital Fund. Upon the initial transfer of title from the Declarant to the Purchaser of each Unit, the Association shall collect from such Purchasers an amount equal to a minimum of three (3) months' estimated Common Expense Liability, which monies shall be deposited into a Working Capital Fund under control of the Association. No Unit Owner is entitled to a refund or credit of these monies by the Association upon the subsequent conveyance of his Unit or otherwise.

ARTICLE VI

Restrictions on Use; Leases of Units

Section 6.1. Residential Uses. The following restrictions shall apply to the use of the Condominium, in addition to any restrictions that may be set forth in the Rules and Regulations referred to in Section 6.1(1) hereof:

(a) The Units in the Condominium (with the exception of any Units during the time period when they are being used by the Declarant as a sample, model or sales office) are restricted to residential use and may not be used for any other purposes by the Unit Owner or any future Unit Owner. Notwithstanding the foregoing, Units may also be used for accessory uses which are customarily incidental to the foregoing use, including a professional office or rooms for home occupations; provided that any such use conforms with the applicable zoning regulations of the Township of Upper Allen,

as the same may be amended from time to time. No Unit Owner shall permit his Unit to be used or occupied for any prohibited or unlawful purposes.

(b) No Unit Owner may obstruct the Common Elements in any way. No Unit Owner may store any thing in or on the Common Elements without the prior written consent of the Executive Board.

(c) The Common Elements (other than the Limited Common Elements and such other portions of the Premises as to which the Executive Board may from time to time limit or control access by the Unit Owners or other occupants of Units, or both), shall be used only for the benefit or enjoyment of the Unit Owners and the occupants of all Units. No Unit Owner may carry on any practice, or permit any practice to be carried on, which unreasonably interferes with the quiet enjoyment of the occupants of any other Unit. The Premises are to be maintained in a clean and sanitary condition, and no Unit Owner may place any garbage, trash or rubbish anywhere on the Premises, other than in his own Unit, and in or on such parts of the Common Elements as may be designated for such purposes by the Executive Board.

(d) No Unit shall be used, occupied or kept in a manner which in any way increases the fire insurance premiums for the Premises without the prior written permission of the Executive Board, which permission may be conditioned upon the Unit Owner of such Unit being required to bear the full cost of such increase. No Unit or any part of the Common Elements shall be used, occupied or kept in a manner which violates any law, statute, ordinance, regulation of any governmental body or which leads to the cancellation of any hazard insurance policy or policies on the Premises.

(e) Except for a single small, non-illuminated sign on the door to his Unit beneath the Unit designation, no Unit Owner (other than the Declarant in connection with its marketing and sale of the Units) may erect any sign on or in his Unit or any Limited Common Element and visible from outside his Unit or from the Common Elements, without, in each instance, having obtained the prior written permission of the Executive Board. This provision is not intended to prevent the Executive Board from maintaining on the Common Elements a register of Unit occupants, or owners, or both.

(f) Notwithstanding the fact that a portion of the wall separating such Units is a Common Element, upon compliance with the requirements of Section 6.1(h) hereof, two (2) or more entire adjacent Units may be combined into a larger Unit without the necessity of obtaining any approval of the Association, (pursuant to Section 3213(a) of the Act) except any approvals that may be required by the provisions of Section 6.1(h) hereof; provided that both of the combined Units are under common ownership at the time of effecting such combination. Upon the completion of such combination, the Percentage Interest in the Common Elements appertaining to such combined Unit shall be the sum of the respective Percentage Interests in the Common Elements appertaining to each of the Units that have been combined. The Identifying Number of the combined Units shall consist of the number of the Unit having the lowest numbered Identifying Number. The combined Units shall have one (1) vote in the affairs of the Association.

(g) No Unit may be divided or subdivided by any Unit Owner, including the Declarant, into smaller Units, nor may any portion thereof less than the entire Unit be sold or otherwise transferred, unless the holders of all Permitted Mortgages give their prior written consent thereto. The Declarant does not retain the right to subdivide Units owned by it or to convert Units owned by it pursuant to the provisions of Section 3215(c) of the Act. With respect to the separation of two (2) or more adjacent Units which have been combined into a larger Unit, pursuant to Section 6.1(f) hereof, after such separation, the air space on either side of the wall or walls providing such separation shall, ipso facto, carry the separate Identifying Numbers shown for such respective areas in the Plats and Plans as initially recorded. The respective Percentage Interests appertaining to such separate Units, and hence, the number of votes of the respective Unit Owners, shall be as stated in Exhibit "C" to this Declaration as initially recorded. Any separation of Units carried out, pursuant to this Section 6.1(g), is also required to meet the requirements of Section 6.1(h) hereof.

(h) Any Unit Owner who wishes to perform any Alteration to his Unit or Units shall:

(1) Refrain from making any Alteration that will: (i) impair the structural integrity of the Building or any mechanical or electrical system therein; (ii) adversely affect either the fire retardant or sound absorbent quality of the Building; (iii) lessen the support of any portion of the Building; or (iv) violate any applicable law, ordinance or governmental rule, regulation or order;

(2) Obtain the approval of the Executive Board (which approval shall not be unreasonably withheld or delayed) for any Alteration to the Building prior to the commencement of any such Alteration;

(3) Expeditiously complete all Alterations: (i) in accordance with the plans and specifications therefor which have been approved by the Executive Board prior to the commencement of such Alterations; and (ii) without incurring any mechanics' or materialmen's liens;

(4) Pay the full cost of performing all such Alterations; and

(5) Pay all costs and expenses incurred in connection with the preparation, review, execution and recording of any amendment to the Declaration (including the Plats and Plans) needed in order to reflect the condition of the Building after completion of such Alterations, which amendment shall be recorded by the Executive Board, if such amendment conforms to the requirements of the Act, and if such amendment is approved in writing by all Owner(s) of all Units, the appearances of which on such amendment differ from their respective appearances on the Plats and Plans prior to such amendment, and such amendment shall not require any additional authority or approval, notwithstanding anything contained elsewhere in this Declaration to the contrary.

(i) Nothing shall be done or shall be permitted to be done which would jeopardize the soundness or safety of the Building or impair any easement or hereditament therein without the consent of all Unit Owners and all holders of Permitted Mortgages.

(j) Installation, removal, reconstruction or repair of any electrical lighting, signal transmission and/or power circuit or electric outlet box or terminal device included in such outlet box, or any item of heating or air conditioning equipment, or any ventilation or exhaust duct, or related equipment, any of which is located within an interior partition of a Unit or within the ceiling above a Unit, may be undertaken by the Unit Owner of such Unit only after application has been made to and written approval has been received from the Executive Board. Such approval shall be granted only if the work performed shall be of similar or superior quality to that

then prevailing in the Building and shall be performed by qualified personnel. The cost of such installation, removal, reconstruction or repair, whether undertaken by a Unit Owner, or by the Association, (under procedures to be established by the Executive Board) shall be borne by the Unit Owner of the Unit benefited thereby.

(k) Domestic animal life (including by way of illustration and not limitation, dogs and cats not exceeding seventy-five (75) pounds in weight, hamsters, birds, reptiles, amphibians and fish) may be kept by a Unit Owner as a household pet in his Unit, provided that such permitted species: (i) are not kept for any commercial purposes; (ii) are kept in strict accordance with any Rules and Regulations relating to household pets from time to time adopted or approved by the Executive Board; (iii) do not, in the sole judgment of the Executive Board, constitute a nuisance to others; and (iv) not more than one (1) dog or cat is kept in or around said Unit.

(l) Reasonable Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Premises may be promulgated from time to time by the Executive Board, subject to the right of a majority of Unit Owners to change such Rules and Regulations. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to all Unit Owners by the Association promptly after the adoption of such Rules and Regulations and any amendments thereto.

(m) The Owner of a Unit shall be responsible for maintaining such Unit in good order and repair, at the expense of such Owner, including (but not limited to) cleaning and replacing glass and/or screens in any window, breezeway or door serving such Unit.

(n) The Owner of a Unit shall be responsible for the cleanliness of any Limited Common Elements serving such Unit at the expense of such Unit Owner and full maintenance of the rear yard area designated as a Limited Common Element. Unlike other Limited Common Elements, the care and maintenance of the rear yard area shall be performed by the Unit Owner or his designated agent or employee.

(o) Unit Owners may not install window air conditioners, exhaust fans or any other item which protrudes through any window serving the Unit without the prior written approval of the Executive Board.

Section 6.2. Lease of Units. A Unit Owner may lease or sublease his Unit at any time and from time to time provided that:

(a) no Unit may be leased or subleased for an initial term of less than one hundred eighty (180) days or without a written lease or sublease, or both;

(b) a copy of such lease or sublease (other than leases or subleases entered into by the Declarant) shall be furnished to the Executive Board within ten (10) days after execution thereof; and

(c) the rights of any lessee or sublessee of any Unit (under a lease or sublease whose current term or current renewal or extension thereof commences on or after the date of recordation of this Declaration) shall be subject to, and each such lessee or sublessee shall be bound by, the covenants, conditions and restrictions contained in this Declaration; provided, however, that the foregoing shall not impose any direct liability on any lessee or sublessee of a Unit to pay any Annual or Special Assessments on behalf of the Owner of that Unit.

Notwithstanding the foregoing, the provisions of Section 6.2(a) shall not apply to Units leased or subleased by the Declarant.

Section 6.3. Parking. Limited parking spaces for vehicles are available to residents of the Condominium and their guests and invitees other than parking within the garage assigned to each Unit. However, in no event shall entry to the garages be blocked or obstructed by residents or their guests or invitees. No parking spaces have been assigned, nor will the sole right of use to a parking space be granted to any Unit Owner. Parking facilities are provided only on a first-come, first-serve basis. Each unit contains either a two-car garage or a one-car garage as set forth on the Declaration Plans. The garages, as parts of the respective units, are solely for the use of the Unit Owners as designated in the Declaration Plans.

ARTICLE VII

Easements; Rights Reserved to the Declarant

Section 7.1. Easements. In addition to the easements specifically granted by the Act, the Condominium shall be subject to the following easements and restrictions:

(a) An easement to the Declarant to maintain the sales offices, management offices and models as provided in Section 7.3 hereof and to maintain one or more advertising signs on the Common Elements while the Declarant is selling Units in the Condominium, pursuant to Section 3217 of the Act.

(b) An easement in favor of the Township of Upper Allen and the appropriate utility companies for such services as are desirable or necessary to adequately serve the Premises and all appurtenances thereto; including (by way of illustration and not limitation) the right to install, lay, maintain, repair, relocate and replace manholes, water mains and pipes, steam lines, gas mains and pipes, sewer and drain lines and connectors, telephone and other communication wires, cables and equipment, electrical wires and conduits, and associated equipment, over, under, through, in, along and on the Premises (including, without limitation, one or more Units therein) all as shown on the Plats and Plans.

(c) The Common Elements (other than the Limited Common Elements) shall be and hereby are made subject to an easement in favor of the Unit Owners and their invitees, employees, tenants and servants, the Association and the agents and employees of the Association for access, egress and ingress over, through and across each portion thereof, pursuant to such requirements and subject to such charges as the Executive Board may from time to time determine it to be necessary or desirable to limit or control access by Unit Owners or the occupants of Units, or both (including, by way of illustration and not limitation, machinery and equipment rooms, any management agent's office and any portions of the Premises occupied by agents or employees of the Association as a residence).

(d) The Common Elements (including, but not limited to the Limited Common Elements) shall be and hereby are made subject to an easement in favor of the Association and the agents, employees and independent contractors thereof for the purpose of the inspection, upkeep, maintenance, repair and replacement of the Common Elements (including, but not limited to, the Limited Common Elements).

(e) The Common Elements (including, but not limited to, the Limited Common Elements) shall be and are hereby made subject to the following easements in favor of the Units benefited:

(1) For the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of or exclusively serve a single Unit and which pass across or through a portion of the Common Elements.

(2) For the installation, repair, maintenance, use, removal and/or replacement of overhead lighting fixtures, electrical receptacles and the like which are located in a portion of the ceiling, wall or floor adjacent to a Unit which is a part of the Common Elements; provided that the installation, repair, maintenance, use, removal or replacement of such fixtures, receptacles, and the like does not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Building.

(3) For driving and removing nails, screws, bolts and the like which does not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Building.

(4) For the maintenance or the "encroachment of any lighting devices, outlets, medicine cabinets, exhaust fans, ventilation ducts, registers, grilles and similar fixtures which serve only one (1) Unit but which encroach into any part of any Common Element or Limited Common Element on the date this Declaration is recorded.

(g) To the extent necessary, each Unit shall have an easement for structural support to every other Unit in the Building, the Common Elements and the Limited Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit in the Building, the Common Elements and the Limited Common Elements.

(h) The Units and the Limited Common Elements are hereby made subject to the following easements:

(1) In favor of the Association and its agents, employees and independent contractors: (i) for inspection of the Units and Limited Common Elements in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible; (ii) for inspection, maintenance, repair and replacement of the Common Elements or the Limited Common Elements situated in or accessible from such Units or Limited Common Elements, or both; (iii) for correction of emergency conditions in one (1) or more Units or Limited Common Elements, or both, or casualties to the Common Elements, the Limited Common Elements and/or the Units; and (iv) for any of the

purposes set forth in Section 7.1(j) or Section 7.1(k) hereof, it being understood and agreed that the Association and its agents, employees and independent contractors shall take reasonable steps to minimize any interference with a Unit Owner's use of his Unit resulting from the Association's exercise of any rights it may have, pursuant to this Section 7.I(h) (2) hereof, or both; and

(2) In favor of the Unit Owner benefited thereby and the Association and its agents, employees and independent contractors for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical, telephone, telegraph or other communications systems and all other utility lines and conduits which are part of the Common Elements and which pass across or through a portion of one (1) or more Units.

(i) The exclusive easements for use of porches or decks by the Owners and occupants (and their invitees, employees, tenants and servants) of the Unit adjacent to such Limited Common Elements shall be limited to lawful uses normally associated with porches serving residential apartments. The Executive Board shall have the right to promulgate Rules and Regulations regarding the use of the porches that are consistent with the provisions of the immediately preceding sentence; and in any event, no decoration or other surface finish or covering of any portion of any Limited Common Element may be performed without the prior written consent of the Executive Board~

(j) The exclusive easement for the use of the rear yard by the Owners and occupants (and their invitees, employees, tenants and servants) of the Unit adjacent to such Limited Common Elements. In any event, the area must be maintained by each Unit Owner and used for flower gardens, grass, recreational area and other uses permitted with the prior written consent of the Executive Boar?_

(k) Whenever, in this Declaration and the Plats and Plans, a title line of a Unit is described as being the upper surface of the concrete floor, it is intended thereby, and it is hereby declared, that the Owner of such Unit shall have an easement for the purpose of affixing and removing carpeting, parquet flooring and other floor coverings; and otherwise decorating, cleaning and maintaining such surface, all at the cost and expense of the Owner of such Unit; it being understood and agreed that the Association, acting by its Executive Board on behalf of all Unit Owners, shall, at all times while this

Declaration is in effect, retain the right and duty to maintain, repair and/or replace the structural concrete floors of which said surfaces are a part, notwithstanding the fact that such maintenance, cleaning, repair or replacement may temporarily adversely affect the Unit Owner's aforesaid easement and right to use the Unit-Side surface of such structural concrete floor.

(1) Whenever, in this Declaration and the Plats and Plans, a title line of a Unit is described as being the Unit-Side surface of a designated portion of the Premises, it is intended thereby, and it is hereby declared, that the Owner of such Unit shall have an easement for the purpose of decorating such surfaces and affixing thereto and removing therefrom paint, wallpaper, other decorative material, pictures, mirrors, wall systems and decorative articles, and (with respect to all such portions of the Premises) cleaning and maintaining such surfaces, all at the cost and expense of the Owner of such Unit. Thus, by way of illustration and not limitation, the Owner of a Unit has an easement to paint the Unit-Side surface of door and window sills. It is understood and agreed that the Association, acting by its Executive Board, to maintain, repair and/or replace the portions of the Premises of which said surfaces are a part, notwithstanding the fact that such maintenance, cleaning, repair or replacement may temporarily adversely affect the Unit Owner's aforesaid easement and right to use the Unit-Side surface of such portion of the Premises.

(m) All easements, rights and restrictions described and mentioned in this Declaration are easements appurtenant, running with the land and the Premises, including (by way of illustration but not limitation) the Units and the Common Elements, and (except as may be expressly otherwise provided in the instrument creating the same) shall continue in full force and effect until the termination of this Declaration, as it may be amended from time to time.

(n) Until the completion of painting, repair and installation of other items of personal property which the Declarant has agreed to install in certain Units pursuant to Agreements of Sale with certain Purchasers of Units, the Declarant shall have an easement through the portions of the Common Elements, the Limited Common Elements and the Units necessary to complete such work.

Section 7.2. Declarant Control of the Association. The Declarant may, at its option, control the Association throughout the period of Declarant Control permitted by the provisions of Sections 3303(c), (d) and (e) of the Act, and

during such period the Declarant or persons designated by the Declarant may appoint and remove the officers and members of the Executive Board, except as otherwise provided in one or more of such Section or Sections 2.2(h) and 2.2(s) hereof.

Section 7.3. Declarant's Offices and Models.

Pursuant to Section 3217 of the Act, the Declarant may maintain such advertising signs, sales offices, management offices and models in the Condominium as the Declarant, which, in its sole discretion, deems necessary in connection with its sale of the Units in the Condominium. The Declarant reserves the right to relocate sales offices and models to any other Units in the Building at any time and from time to time. The Declarant's right to maintain the foregoing will terminate upon conveyance of title to the last Unit owned by the Declarant to a third party. The rights granted to the Declarant, pursuant to this Section 7.3, may not be altered or amended by the Association.

ARTICLE VIII

Rights of Mortgagees

Section B.1. Restrictions on Encumbrances and Liens.

(a) A Unit Owner may not voluntarily encumber or subject his Unit to any lien other than the lien of:

(1) A first mortgage to a bank, trust company, bank and trust company, savings bank, savings and loan association, mortgage service company, insurance company, pension fund, real estate investment trust or similar lending institution; or

(2) A mortgage lien which is junior to a mortgage on, the type described in clause (1) immediately preceding, provided that the Executive Board has granted its written approval of such encumbrance; or

(3) A purchase money mortgage to the Unit Owner from whom such mortgagor received its interest to the Unit so encumbered; or

(4) An Alternative Mortgage, provided, however, that, notwithstanding anything contained in this Declaration pertaining to Mortgagees or Permitted Mortgagees to the contrary: (i) the consent or approval of the holder of an Alternative Mortgage shall not be required for any actions to be taken by the Executive Board or the Association hereunder; and

(ii) the provisions of Sections 8.4 and 8.6 hereof shall not apply with respect to Alternative Mortgages; and wherever this Declaration or the Act requires the vote or approval of any Mortgagee or Permitted Mortgagee, Units encumbered only by one (1) or more Alternative Mortgages shall be treated as if they were unencumbered by any Mortgage. Notwithstanding the foregoing, a Unit Owner who desires to encumber his Unit with the lien of an Alternative Mortgage shall comply with the requirements of Section 8.2 hereof.

(b) In any of the above-noted instances, such mortgage and the obligation secured thereby shall provide generally that the Mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act, the Declaration, the Plats and Plans and any Rules and Regulations; and, specifically, but without limitation, that the obligation secured by such Mortgage shall be prepayable, without premium or penalty, upon the happening of a termination of the condominium form of ownership of the Premises, and that the Mortgagee shall have no right to:

(1) Participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Premises; or

(2) Receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise, except in the event and to the extent either of a distribution of such proceed to Unit Owners, pursuant to 3312(g) of the Act, or of insurance proceeds in excess of the cost of repair or restoration being received by the Owner of the Unit encumbered by such Mortgage; or

(3) Accelerate the mortgage debt or to be entitled to exercise any other remedies by virtue of waste or alleged waste or other conditions occurring anywhere in the Premises other than within the Unit encumbered by such mortgage.

Section 8.2. Permitted Mortgages. No Unit Owner or prospective purchaser of a Unit shall deliver any mortgage or any obligation to be secured thereby, unless he has first notified the Executive Board of the name and address of the proposed Mortgagee, and unless the forms thereof and the proposed Mortgagee have been then or theretofore submitted to and approved by the Executive Board as complying with the provisions of Section 8.1 hereof, which approval shall be

promptly given or denied and shall not be unreasonably withheld. When a Permitted Mortgage is delivered to the Mortgagee, the Unit Owner shall simultaneously provide an executed or conformed copy thereof to the Association. The Secretary shall maintain a register of Permitted Mortgages, showing the name and address of the holder thereof and the amount secured thereby.

Section 8.3. Notice of Unit Owner Default. The Executive Board shall:

(a) Give prompt notice to a Unit Mortgagee of any default in the Unit Mortgagor's obligations under the Condominium Documents which are not cured within thirty (30) days after the occurrence of such default;

(b) Promptly after the Association has received written notice of any pending acquisition of any portion of the Premises by means of eminent domain, give to all Mortgagees written notice of any such proceedings; and

(c) Agree in writing to notify the appropriate Mortgagee whenever: (i) damage to a Unit covered by the mortgage held by such Mortgagee exceeds One Thousand (\$1,000.00) Dollars; and (ii) damage to Common Elements, Limited Common Elements or related facilities exceed Ten Thousand (\$10,000.00) Dollars.

Section 8.4. Liability for Use and Charges. Any Mortgagee who obtains title to a Unit, pursuant to the remedies provided in a Permitted Mortgage for foreclosure of such mortgage, shall not be liable for such Unit Owner's unpaid assessments or charges which accrue prior to the acquisition of title to such Unit by the Mortgagee, except to the extent otherwise provided for in the Act and except to the extent that such Mortgagee is liable as a Unit Owner for the payment of such unpaid assessment or charge that is assessed against the Mortgagee as a result of all Unit Owners being reassessed for the aggregate amount of such deficiency.

Section 8.5. Condemnation Rights. No provision of this Declaration shall give a Unit Owner or any other party priority over any rights of the Mortgagee of a Unit pursuant to its Mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for loss to or a taking of one (1) or more Units and/or Common Elements.

Section 8.6. Approval of Mortgagees. The prior written approval of all holders of Permitted Mortgages must be obtained for the following:

(a) The abandonment of the Condominium status of the Premises, except for abandonment permitted by the Act in case of substantial loss to the Units and Common Elements;

(b) The partition or subdivision of any Unit or of the Common Elements; and

(c) A change in the schedule of Percentage Interest set forth in Exhibit "C" allocated to each Unit other than any amendment made pursuant to Section 12.3 hereof, or pursuant to charges in allocation due to expansion or contraction of the size of the Condominium, as more specifically set forth in Article XV and XVI hereof.

Section 8.7. Books and Records. Any Mortgagee shall have the right (exercisable by written notice to the Executive Board) to examine the books and records of the Association and to require that they be provided with a copy of each annual report of the Association and other financial data of the Association reasonably requested by such Mortgagee.

ARTICLE IX

Insurance

Section 9.1. Types and Amounts. The Association shall obtain the following types and amounts of insurance:

(a) Hazard insurance, with an endorsement for extended coverage, or such other fire and casualty insurance as the Executive Board may determine provides equal or greater protection for the Unit Owners and their Mortgagees, if any, in each case complying with the applicable requirements of Section 9.2 hereof. Such hazard insurance shall, if, and to the extent reasonably available, provide coverage of at least all portions of the Premises outside of the Units and any Common Elements located within any Unit. Such hazard insurance shall insure against all risks of direct physical loss commonly insured against. If such hazard insurance no longer becomes available in the future, the Association shall obtain such comparable insurance as is then available. The amount of any such hazard insurance obtained pursuant to this paragraph, shall be equal to eighty (80%) percent of the insurable replacement value of the insured property, without deduction for depreciation, (i.e. 80% of current "replacement costs" exclusive of land, foundations, excavation and other items normally excluded from coverage, but including all Building service equipment and the like and any fixtures or equipment within the Condominium Unit which is financed using the proceeds of a Permitted Mortgage), with an "agreed-amount endorsement" or its equivalent, if available, or an "inflation guard endorsement," if available. Such hazard insurance shall afford protection against at least the following:

(1) Loss or damage caused by fire and other hazards covered by the standard extended coverage endorsement, and caused by sprinkler leakage, vandalism, malicious mischief, wind, storm and water, and shall pay the costs of debris removal and demolition in the event either or both is necessary following such loss or damage;

(2) Such other risks as the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation may require by reason of their holding of one (1) or more Permitted Mortgages; and

(3) Such other risks as are customarily covered in similar projects.

Such hazard insurance policy may, at the option of the Association, contain a "deductible" provision in an amount to be determined by the Executive Board, but not to exceed Five Thousand (\$5,000.00) Dollars. The proceeds of such policy shall be payable to the Association. Such hazard insurance policy shall include a separate "loss payable endorsement" in favor of the holders of Permitted Mortgages, if any, modified to make the loss payable provisions in favor of such holders of Permitted Mortgages subject and subordinate to the loss payable provisions in favor of the Association. The money paid to the Association shall be disbursed by the Executive Board, as provided in Section 3312 of the Act.

If the Executive Board fails, within sixty (60) days after the date of an insured loss, to initiate a claim for damages recoverable under the policy or policies obtained pursuant to this subparagraph, the holder of any Permitted Mortgage may initiate such a claim on behalf of the Association. At least once every two (2) years, but more frequently if, in the Executive Board's judgment, the Condominium is rapidly appreciating unusually in value, the Executive Board shall cause an appraisal of the Condominium to be made for the purpose of determining the current full insurable replacement value of the insured property, without deduction for depreciation, and the Association shall change the amount of such insurance required to be carried pursuant to the provisions of the first Subparagraph of this Section 9.1(a).

(b) Comprehensive Liability Insurance policies, complying with the requirements of Section 9.2 hereof, insuring the Unit Owners, in their capacity as Unit Owners, and Association members and any managing agent retained by the Association, against any liability to the public or to other Unit Owners, their tenants or invitees, relating in any way to

the ownership and/or use of the Common Elements and any part thereof. Such insurance policy shall contain a "severability of interest endorsement" or equivalent coverage which precludes the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or another Unit Owner. Limits of liability shall be at least One Million (\$1,000,000.00) Dollars covering all claims for personal injury and/or property damage arising out of a single occurrence. Such insurance shall include protection -against water damage liability, liability for nonowned and hired automobiles, liability for property of others, and if applicable: elevator liability, garagekeeper's liability, host liquor liability and such other risks as are customarily covered in similar projects. The scope and amount of coverage of all liability insurance policies shall be reviewed at least once each year by the Executive Board and may be changed in its discretion, provided that such policies shall continue to comply with the requirements of this Section and Section 9.2 hereof.

(c) A fidelity bond or insurance coverage against dishonest acts on the part of such persons (including, by way of illustration and not limitation, Association members, officers, directors, trustees, agents, employees and volunteers) responsible for handling funds belonging to or administered by the Association. Such fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half (1 1/2) times the Association's estimated Annual Operating Expenses, including reserves. Notwithstanding the foregoing, in the event that the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation reduces the required amount of the fidelity bond or insurance which the Association must maintain to less than the amount set forth in the preceding sentence, the Association may decrease the amount of the fidelity bond or insurance to the minimum amount required by such entities. In connection with such coverage, an appropriate endorsement to such policy or bond in order to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. Such fidelity or insurance shall also:

(1) Name the Association as an obligee;

(2) Contain waivers of any defenses based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar terminology; and

(3) Provide that the same may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to all Permitted Mortgagees.

(d) Such workman's compensation insurance as applicable laws may require.

(e) Insurance to satisfy the indemnification obligation of the Association and all Unit Owners set out in Section 10.2 hereof, if and to the extent available.

(f) The Executive Board shall have the power to require all Unit Owners to carry such types of insurance on their Units as the Executive Board may reasonably require, including without limitation, insurance on all portions of the Unit. All insurance carried by Unit Owners shall comply with the provisions of Sections 9.2(c) and 9.2(d) hereof and shall be carried with insurance companies satisfying the requirements of Section 9.2(a) hereof.

Section 9.2. Required Provisions. Insurance obtained by the Association shall be in accordance with the following provisions:

(a) All policies shall be written with a company licensed to do business in the Commonwealth of Pennsylvania and, for the Hazard Insurance Policy described in Section 9.1(a) hereof, such company must hold a rating of Class VI or better by Best's Insurance Reports (or a rating of Class V, provided it has a general policy holder's rating of at least "An), or by an equivalent rating bureau should Best's Insurance Reports cease to be issued.

(b) Exclusive authority to adjust losses under policies hereafter in force on the Premises shall be vested in the Executive Board or its authorized representatives. Prior to the adjustment of any such loss, the Executive Board shall decide whether, if the Association uses a public adjuster in connection therewith, the proceeds of any applicable insurance policy on the Premises are likely to be sufficiently increased through the efforts of such adjuster to warrant the additional expense of retaining such an adjuster. If such decision shall be in favor of using a public adjuster, the Executive Board shall cause the Association to retain a public adjuster, licensed as such by the Commonwealth of Pennsylvania, which adjuster shall, at the Executive Board's option, either act solely in the capacity of advisor to the Association with respect to such adjustment, or also act as the Association's authorized representative with respect thereto.

(c) Each Unit Owner may obtain additional insurance at his own expense; provided, however, that: (i) such policies shall not be invalidated by the waivers of subrogation contained in this Declaration; and (ii) no Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association may realize under any insurance policy which the Association may have in force on the Premises at any particular time.

(d) Any Unit Owner who obtains individual insurance policies covering any portion of the Premises, other than: (i) personal property belonging to such Owner; or (ii) the individual Unit of such Owner, shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days after purchase of such insurance.

(e) With respect to the insurance policies issued, the Association shall endeavor to cause such policies to provide that:

(1) The enforceability of such policies is not affected by any waiver of subrogation as to any and all claims against the Association, any managing agent, the Unit Owners and their respective tenants, employees, agents, customers and guests, such subrogation being hereby waived;

(2) Such policies cannot be cancelled, invalidated or suspended by means of the conduct of anyone or more Unit Owners, all defenses based upon co-insurance or acts of the insured being waived by the insurer, and in no event, can cancellation, material modification, invalidation or suspension for any reason be effected without at least twenty (20) days' prior written notice to each Unit Owner and all holders of Permitted Mortgages whose names and addresses are on file with the insurer;

(3) Such policies cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Association or any managing agent employed by the Association without a prior demand in writing that the Association or such managing agent, as the case may be, cure the defect and without providing a reasonable period of time thereafter in which to cure same; and

(4) Any "no other insurance" clause in such policies shall not prohibit Unit Owners from obtaining insurance on their individual Unit provided such insurance policy conforms with the requirements of this Article 9.

(f) The insurance reviews which the Executive Board is required to conduct by the provisions of the last paragraph of Section 9.I(a) hereof shall include an appraisal of the improvements in the Premises by a real estate appraiser acceptable to the insurance carrier or carriers writing the Association's hazard insurance policy or policies.

(g) The name of the insured under each policy required, pursuant to this Article IX, shall be stated in form and substance similar to the following:

Delancey Court Condominium Owners Association,
for the use and benefit of the individual Owners, or
their authorized representatives, of the Condominium
Units contained in Delancey Court Condominium.

(h) Each insurance policy required to be carried by the Association, pursuant to this Article IX, shall be endorsed to provide that any proceeds shall be payable to the Association of Owners of Delancey Court Condominium for the use and benefit of Mortgagees, as their interest may appear, or shall otherwise be endorsed to fully protect all Mortgagees' interests.

(i) Coverage may not be prejudiced by: (1) any act or negligence of one (1) or more Owners of Units when such act or neglect is not within the control of the Association; or (2) any failure of the Association to comply with any warranty or condition regarding any portion of the Premises over which the Association has no control.

(j) All policies of property insurance shall provide that, despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such options shall not be exercisable: (i) without the prior written approval of the Executive Board (or any Insurance Trustee); or (ii) when in conflict with the provisions of any Insurance Trust Agreement to which the Association may be a party or with any requirement of law.

(k) Insurance coverage obtained and maintained, pursuant to the requirements of this Article IX, may not be brought to contribution with insurance purchased by Unit Owners or their Mortgagees.

(l) Insurance coverage obtained and maintained, pursuant to the requirements of this Article IX, shall not provide that contributions may be required from the holders of Permitted Mortgages or that assessments may be made against the holders of Permitted Mortgages or may become a lien on the Premises superior to the lien of any Permitted Mortgages.

ARTICLE X

Limitation of Liability

Section 10.1. Limited Liability of the Executive Board. The Executive Board and its members, in their capacity as members, officers and employees:

(a) Shall not be liable for the failure of any service to be obtained by the Executive Board and paid for by the Association, or for injury or damage to persons or property caused by the elements or by another Unit Owner or Person on the Premises, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from the outside or from any part of the Building, or from any of its pipes, drains, conduits, appliances or equipment, or from any other place, unless, in each such instance, such injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Executive Board.

(b) Shall not be liable to the Unit Owners as a result of the performance of the Executive Board members' duties for any mistake of judgment, negligence or otherwise, except for the Executive Board members' duties;

(d) Shall not be liable to a Unit Owner or such Unit Owner's tenants, employees, agents, customers or guests for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants, employees, agents, customers or guests in a Unit, or in or on the Common Elements or Limited Common Elements, except for the Executive Board members' own willful misconduct or gross negligence;

(e) Shall not have any personal liability in tort to a Unit Owner or any other person or entity, direct or imputed by virtue of acts performed by or for them, except for the Executive Board members' own willful misconduct or gross negligence in the performance of their duties; and

(f) Shall have no personal liability arising out of the use, misuse or condition of the Building, or which might in any other way be assessed against or imputed to the Executive Board members, as a result of or by virtue of their performance of their duties, except for the Executive Board members' own willful misconduct or gross negligence.

Section 10.2. Indemnification. Each member of the Executive Board, in his capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees reasonably incurred by or imposed upon him in connection with any proceedings in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he is an Executive Board member, officer or both, at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided, that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association. The indemnification by the Unit Owners set forth in this Section 10.2 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or office may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

Section 10.3. Joint and Several Liability of Unit Owners and Lessees. Each Unit Owner shall be jointly and severally liable with any lessees or sublessees of the Unit owned by such Unit Owner for all liabilities arising out of the Ownership, occupancy, use, misuse or condition of such Unit or any portion of the Common Elements or Limited Common Elements.

Section 10.4. Defense of Claims. Complaints brought against the Association, the Executive Board or the officers, employees or agents thereof, in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice thereof to the Unit Owners and the holder of any Permitted Mortgages, and such complaints shall be defended by the Association. The Unit Owners and the holders of Permitted Mortgages shall have no right to participate other than through the Association in such defense. Complaints of a nature specified in Section 10.3 hereof against one (1) or more, but less than all Unit Owners or Units, shall be defended by such Unit Owners who are defendants themselves, and such Unit Owners shall promptly give written notice of the institution of any such, suit to the Association and to the holders of any Permitted Mortgages encumbering such Units.

Section 10.5. Storage~ Disclaimer of Bailee Liability. Any storage spaces provided outside the Unit shall constitute a portion of the Common Elements and the right to use such spaces may be assigned to Unit Owners by the Executive Board. The Executive Board, the Association, any Unit Owner and the Declarant shall not be considered a bailee, however, of any personal property stored on the Common Elements (including the Limited Common Elements) whether or not there was exclusive possession for the security of such personal property or for any loss or damage thereto, and whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

ARTICLE XI

Units Subject to Condominium Documents; Eminent Domain

Section 11.1. Applicability of Condominium Documents. Each present and future Owner, lessee, occupant and Mortgagee of a Unit shall be subject to and shall comply with the provisions of the Act, this Declaration, the Plats and Plans, the By-Laws and the Rules and Regulations and with the covenants, conditions and restrictions as set forth in this Declaration, the Plats and Plans, the By-Laws, the Rules and Regulations and the deed to such Unit; provided that nothing contained herein shall impose upon any lessee or Mortgagee of a Unit any obligation which the Act or one (1) or more of such documents, or both, make applicable only to Unit Owners (including, without limitation, the obligation to pay assessments for Common Expenses). The acceptance of a deed or mortgage to any Unit, or the entering into of a lease, or the entering into occupancy of any Unit, shall constitute an agreement that the provisions of the Act, this Declaration, the Plats and Plans, the By-Laws, the Rules and Regulations and the covenants, conditions and restrictions set forth in the deed to such Unit are accepted and ratified by such grantee, Mortgagee or lessee. All of such provisions shall be covenants running with the land and shall bind any persons having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

Section 11.2. Eminent Domain. Whenever all or part of the Common Elements shall be taken, injured or destroyed by eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto; but, in any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein.

ARTICLE XII

Executive Board of the Association

Section 12.1. Powers of Executive Board. The Executive Board of the Association shall possess all of the duties and powers granted to the Executive Board by the Act. The Executive Board shall consist of five (5) members who shall be elected at the Annual Meetings of Association members as provided in the By-Laws, except that there shall be only three (3) members of the First Executive Board, which members and any successors thereto shall be appointed by the Declarant until their successors are elected at the Second Election Meeting of the Association. The members of the First Executive Board shall be Max D. Marbain, George J. Adams and Pete A. Paturzo, Jr. At the First Election Meeting of the Association, an additional two (2) Executive Board members shall be elected. Each Executive Board member shall hold office pursuant to the provisions relating thereto in the By-Laws.

Section 12.2. Disputes. In the event of any dispute or disagreement between any Unit Owners relating to the Premises, or any questions of interpretation or application of the provisions of this Declaration, the Plats and Plans, the By-Laws or the Rules and Regulations, the determination thereof by the Executive Board shall be final and binding on each and all such Unit Owners. The Executive Board shall have the authority to seek a declaratory judgment or other appropriate judicial relief or order to assist it in carrying out its responsibilities under this Section 12.2. All costs of obtaining such a judgment shall be borne by the disputants; or, in the absence of disputants, by the Association as a Common Expense.

Section 12.3. Amendments to the Condominium Documents. The Condominium Documents shall be amended in accordance with the Act and the Condominium Documents. Notwithstanding any other provisions of this Declaration to the contrary, if any amendment is necessary, in the judgment of the Executive Board, to cure any ambiguity or to correct or to supplement any provisions of the Condominium Documents that are defective, missing or inconsistent with any other provisions hereof, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to condominium projects, then, at any time and from time to time, the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Premises, upon receipt by the Executive Board of an opinion from independent

legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence. Additionally, amendments to add or withdraw real estate or to convert lands to the condominium form of ownership shall be permitted as set forth in Articles XV, XVI and XVII hereof. Each amendment of the type described in this Section 12.3 shall be effective upon the recording of an appropriate instrument, setting forth the amendment and its due adoption, which instrument has been executed and acknowledged by one (1) or more officers of the Executive Board.

Section 12.4. Abating and Enjoining Violations by Unit Owners. The violation of any Rules and Regulations adopted by the Executive Board, the breach of any provision contained in the By-Laws or the breach of any provision of this Declaration or the Condominium Act by any Unit Owner or any tenant of such Unit Owner shall give the Executive Board the right, in addition to any other rights to which it may be entitled, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE XIII

Management

The Association may employ a professional, experienced managing agent who shall oversee the daily operation of the Condominium, in accordance with the provisions of the Act, the Declaration, the By-Laws and the Rules and Regulations.

ARTICLE XIV

Assessments; Liability of Unit Owners

Section 14.1 Special Assessments. If the cash requirement estimated at the beginning of any fiscal year shall prove to be insufficient to cover the actual Common Expenses for such fiscal year, for any reason (including, by way of illustration and not limitation, any Unit Owner's non-payment of his assessment), the Executive Board shall have the power, at any time and from time to time, as it deems necessary and proper to levy one (1) or more Special Assessments against each Unit Owner.

Section 14.2. Payment of Assessments. Each Owner shall pay all assessments levied by the Association. Such assessments shall be due and payable on a monthly basis as designated by the Executive Board.

Section 14.3. Use of Assessments. All monies collected hereunder shall be used for the purposes designated herein.

Section 14.4. Failure to Fix New Assessments. If the Executive Board shall fail to fix new assessments for Common Expenses, for the subsequent fiscal year, before the expiration of any fiscal year, the Unit Owners shall continue to pay the same sums they were paying for such assessments during the fiscal year just ended, and such sum shall be deemed to be the new assessments for the succeeding fiscal year. If the Executive Board shall change the assessment at a later date, such new assessment shall be treated as if it were a Special Assessment under Section 14.1 hereof.

Section 14.5. No Exemption by Waiver. No Unit Owner may exempt himself from liability with respect to the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by the abandonment of his Unit or otherwise.

Section 14.6. Personal Liability of Unit Owners. All sums assessed by the Association as an Annual or Special Assessment, together with interest thereon at the then maximum legal rate from the thirtieth (30th) day following adoption of the resolution fixing such assessment or from such due date or dates (in the case of assessments payable in installments) as may be provided in such resolution, shall constitute the personal liability of the Owner of the Unit so assessed and also shall, until fully paid, constitute a lien against such Unit pursuant to Section 3315 of the Act. The Association may take action for failure to pay any assessments or other charges pursuant to Section 3315 of the Act, and may assess a late charge for failure to pay any assessments or other charge on the date on which it is due. The delinquent Owner shall be obligated to pay (i) all expenses of the Executive Board, including reasonable attorneys' fees, incurred in the collection of the delinquent assessment by legal proceedings or otherwise; and (ii) any amounts paid by the Executive Board for taxes or on account of superior liens or otherwise to protect its lien, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such.

Section 14.6.1. Confession of Judgment. IN ORDER TO EXPEDITE THE EXECUTIVE BOARD'S COLLECTION OF ANY DELINQUENT ASSESSMENT, EACH UNIT OWNER (BY ACCEPTANCE OF THE DEED TO HIS UNIT) SHALL BE DEEMED TO HAVE APPOINTED ANY ONE OR MORE EXECUTIVE BOARD MEMBERS THE ATTORNEY-IN-FACT FOR SUCH UNIT OWNER TO CONFESS JUDGMENT AGAINST SUCH UNIT OWNER IN ANY COURT

OF COMPETENT JURISDICTION IN PENNSYLVANIA, FOR ANY SUCH UNPAID ASSESSMENT(S), WHICH APPOINTMENT (BEING FOR SECURITY) SHALL BE IRREVOCABLE; AND FOR SO DOING A COPY OF THIS ARTICLE AND SAID DEED, BOTH VERIFIED BY AFFIDAVIT, SHALL BE IRREVOCABLE; AND FOR SO DOING, A COPY OF THIS ARTICLE AND SAID DEED, BOTH VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT. THE AUTHORITY GRANTED HEREIN TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY EXERCISE THEREOF BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES UNTIL THE DECLARATION SHALL BE TERMINATED.

Section 14.7. Unpaid Assessments Upon Execution Sale Against a Unit. Any unpaid assessments which cannot be promptly collected from the former Unit Owner may be reassessed by the Executive Board as a Common Expense to be collected from all of the Unit Owners, including (by way of illustration and not limitation) the Purchaser who acquired title at the sheriff's sale, his successors and assigns, and any holder of a Permitted Mortgage who comes into possession of a Unit by deed in lieu of foreclosure or assigned in lieu of foreclosure.

Section 14.8. Liability of Purchaser of Unit for Unpaid Assessments. Notwithstanding the provisions of Section 14.6 of the Act, upon the voluntary sale, conveyance or any other voluntary transfer of a Unit or any interests therein, the grantee thereof shall be jointly and severally liable with the grantor thereof for all unpaid assessments for Common Expenses which are a charge against the Unit as of the date of consummation of the sale, conveyance or transfer; but, such joint and several liability shall be without prejudice to such grantee's right to recover from such grantor the amount of any such unpaid assessments which such grantee may have paid, and until any such assessments are paid, they shall continue to be a lien against the Unit which may be enforced in the manner set forth in Section 3315 of the Act.

Section 14.9. Subordination of Certain Charges. Any fees, charges, late charges, fines and interest that may be levied by the Association, pursuant to Sections 3302(a) (10), (11) and (12) of the Act, shall be subordinate to any first lien Permitted Mortgage.

ARTICLE XV

Option to Contract the Condominium

Section 15.1 Reservation. Declarant hereby explicitly reserves an option until the seventh (7th) anniversary of the recording of this Declaration to contract the Condominium from time to time in compliance with Section 3212 of the Act without the consent of any Unit Owner or Mortgagee. The option to contract may be terminated prior to such anniversary only upon the filing of an amendment to this

Declaration by the Declarant. Declarant expressly reserves the right to withdraw any or all portions of the Withdrawable Real Estate at any time, at different times, in any order, without limitation, except as set forth in Section 3212 of the Act, and without any requirement that any other real estate be withdrawn, added or converted; provided, however, that the Withdrawable Real Estate shall not exceed the area described on Exhibit D hereto. There are no other limitations or assurances on the option to withdraw the Withdrawable Real Estate from the Condominium.

ARTICLE XVI

Convertible Real Estate

Section 16.1. Reservation. Declarant hereby explicitly reserves an option until the seventh (7th) anniversary of the recording of this Declaration to convert all or any portion of the Convertible Real Estate to Units, Limited Common Elements, Common Elements or any combination thereof from time to time in compliance with Section 3211 of the Act without the consent of any Unit Owner or Mortgagee. The option to convert may be terminated prior to such 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 on Exhibit E hereto. There are no other limitations on the option to convert Convertible Real Estate.

Section 16.02. Assurances. If the Convertible Real Estate is converted, the buildings on the Convertible Real Estate will be located approximately as shown on the Plats attached hereto; however, no assurance is given as to the exact location or dimensions of the Buildings or Units. At such time as the Convertible Real Estate is completely converted, the maximum number of Units on the Convertible Real Estate as an aggregate will be no more than forty-three (43) Units. The maximum percentage of the aggregate land and floor area of all Units that may be created within the Convertible Real Estate that may be occupied by Units not restricted exclusively to residential use, if such Convertible Real Estate is converted, is zero (0%) percent, not including home occupations permitted by local ordinances. Any Buildings to be renovated or constructed within the Convertible Real Estate and Units therein will be compatible in quality, materials and style with the Buildings on other portions of the Property. Declarant may construct or convert certain additional structures containing recreational facilities and other and other amenities serving

the Condominium. Declarant expressly reserves the right to create Limited Common Elements within the Convertible Real Estate and to designate Common Elements therein which may be subsequently assigned as Limited Common Elements. The type of such elements may be attics, roofs, patios, garages, terraces, balconies, electrical and mechanical rooms and systems, including heating and cooling apparatus, parking, commercial and recreational facilities and all other elements which can appropriately be designated as Common Elements or Limited Common Elements. The size of such elements shall not be limited to the size of the existing improvements now located on the Property. All restrictions in this Declaration affecting use, occupancy and alienation of Units will apply to Units created in the Convertible Real Estate. The reallocation of Percentage Interests in the Convertible Real Estate and the Property shall be computed as required herein. No other assurances are made as to the type of Improvements and Limited Common Elements which may be constructed; nor are assurances given as to the proportion of future Limited Common Elements to Convertible Real Estate will remain as they exist on the date of this Declaration. As to the Convertible Real Estate, no other assurances are made in any regard.

ARTICLE XVII

Interpretation

The provisions of this Declaration shall be liberally construed in order to effectuate Declarant's desire to create a uniform plan for development and operation of a condominium project. The headings preceding the various paragraphs of this Declaration and the table of contents, if included, are intended solely for the convenience of readers of this Declaration.

ARTICLE XVIII

Severability

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion hereof unless such deletion shall destroy the uniform plan for development and operation of the Condominium project which this Declaration is intended to create.

ARTICLE XIX

Effective Date

This Declaration shall become effective when it and the Plats and Plans have been recorded.

IN WITNESS WHEREOF, Declarant, INTENDING TO BE LEGALLY BOUND, hereby has duly executed this Declaration, the day and year first above written.

WITNESS:

ALLENDALE PROPERTIES, a Pennsylvania limited partnership

1st Pat Cassel

By: Max D. Marbain

Max D. Marbain

1st Pat Cassel

By: George JJ Adams

George JJ Adams

1st Pat Cassel

By: Pete A. Paturzo, Jr.

Pete A. Paturzo, Jr.

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF

SS. :

On this, the 22nd day of August, 1984, before me, a Notary Public, duly authorized in the County and State aforesaid to take, acknowledgments, person ally appeared Max D. Marbain, George J. Adams and Pete A. Paturzo, Jr., partners of Allendale Properties, a Pennsylvania limited partnership existing under the laws of Pennsylvania, to me known to be the individuals and partners of said partnership described and the individuals who executed the foregoing instrument, and that they severally acknowledged the execution thereof to be their free act and deed as such partner thereunto, duly authorized, and that the said instrument is the act and deed of said partnership.

WITNESS my hand and official seal in the above County and State.

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Notary Public

My Commission Expires:

(SEAL)