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DECLARATION OF CONDOMINIUM

OF

PINE VIEW, A TOWNHOME CONDOMINIUM

Pursuant to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pa. C.S. §3101 et seq.

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Dated: July 24, 2006

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DECLARATION OF CONDOMINIUM FOR PINE VIEW, A TOWNHOME CONDOMINIUM

ARTICLE I

SUBMISSION; DEFINED TERMS

- Section 1.1. <u>Declarant; Property; County; Name</u>. DJH Penn Valley Associates Limited Partnership, a Pennsylvania limited partnership (the "Declarant"), owner in fee simple of the Real Estate described in Exhibit A attached hereto, located in West Hanover Township, Dauphin County, Pennsylvania, hereby submits the Real Estate, including all easements, rights and appurtenances thereunto belonging and the Buildings and improvements erected or to be erected thereon (collectively, the "Property") to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pa. C.S. §3101 et seq., as amended (the "Act"), and hereby creates with respect to the Property a flexible condominium to be known as "Pine View, A Townhome Condominium" (the "Condominium").
- Section 1.2. <u>Easements and Licenses</u>. Included among the easements, rights and appurtenances referred to in Section 1.1 above are the following recorded easements, rights and licenses:
- 1.2.1. Right-of-way Agreement with PPL Electric Utilities Corporation and Verizon Pennsylvania Inc. in Record Book 5864, Page 108.
- 1.2.2. Right-of-way granted to Pennsylvania Power and Light Company in Miscellaneous Book V, Volume 10, Page 267, with plan recorded in Plan Book Z, Page 38.
- 1.2.3. Conditions set forth on all subdivision and land development plans for the Property, now or hereafter existing, as the same may be amended or modified from time to time in accordance with West Hanover Township and other applicable governmental requirements, including, but not limited to, the Final Subdivision/Land Development Plan for Pine View, Formerly Hemlock View, recorded in Plan Book Z, Volume 8, Page 81 (collectively, the "Subdivision/Land Development Plan").
- 1.2.4. Deed of Easement and Right-of-Way to Pennsylvania American Water in Record Book 5530, Page 655.
- 1.2.5. Dauphin County Cable TV Easement to Comcast of Southeast Pennsylvania LLC in Record Book 5903, Page 373.
- 1.2.6 Development Grant to Verizon Pennsylvania Inc. and PPL Electric Utilities Company, Inc. in Record Book 5961, Page 291.

1.2.7. Portions of Property lying within the bed of Jonestown Road (Township Route 601) subject to public and private rights therein.

Section 1.3. Defined Terms.

- 1.3.1. Capitalized terms not otherwise defined herein or in the Plats and Plans shall have the meanings specified or used in the Act.
- 1.3.2. The following terms when used herein shall have the meanings set forth below:
 - (a) "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.
 - (b) "Association" means the Unit Owners' Association of the Condominium, which shall be a Pennsylvania non-profit corporation known as "Pine View Townhome Condominium Association" and shall have all powers and duties designated by the Act.
 - (c) "Building(s)" means any or all of the building(s) now or hereafter included in the Property.
 - (d) "Bylaws" means the document having that 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.
 - (e) "Combined Unit" means the Unit that is created when two or more entire adjacent Units are combined pursuant to Section 3.2 hereof.
 - (f) "Common Elements" means those parts of the Property either described in the Act as being Common Elements or described herein or in the Plats and Plans as being Common Elements.
 - (g) "Condominium" means the Condominium described in Section 1.1 above.
 - (h) "Condominium Documents" include the Declaration, Plats and Plans, Bylaws and Rules and Regulations.
 - (i) "Convertible Real Estate" means the Real Estate described in Exhibit D attached hereto, so long as the Declarant's rights to create Units and/or Limited Common Elements therein continue to exist.
 - (j) "Declarant" means the Declarant described in Section 1.1 above and all successors to any Special Declarant Rights.

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- (k) "Declaration" means this document, as the same may be amended from time to time.
- (1) "Eligible Insurer" means an insurer or guarantor of a first Security Interest in a Unit which has notified the Association in writing of its name and address and that it has insured or guaranteed a first Security Interest in a Unit and the Unit number and address of the Unit which is encumbered by the Security Interest that it has insured or guaranteed. Such notice shall be deemed to include a request that the Eligible Insurer be given the notices and other rights described in Article XI.
- (m) "Eligible Mortgagee" means the holder of a first Security Interest in a Unit which has notified the Association, in writing, of its name and address, and that it holds a first Security Interest in a Unit, and the Unit number and address of the Unit on which it has a Security Interest. Such notice shall be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in Article XI.
 - (n) "Executive Board" means the Executive Board of the Association.
- (o) "First Settlement" means the date of the first closing whereby a Unit is conveyed to a Unit Owner other than Declarant.
- (p) "Limited Common Elements" means those parts of the Common Elements either described in the Act as being Limited Common Elements or described herein or in the Plats and Plans as being Limited Common Elements allocated for the exclusive use of one or more but fewer than all of the Units.
- (q) "Notice and Comment" means the right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon. The procedures for Notice and Comment are set forth in Section 18.1 of this Declaration.
- (r) "Notice and Hearing" means the right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to be heard thereon. The procedures for Notice and Hearing are set forth in Section 18.2 of this Declaration.
- (s) "Party Wall" means a wall located at the perimeter of a Unit, which is a common wall shared with an adjacent Unit.
- (t) "Percentage Interest" appurtenant to a Unit means the undivided interest in the Common Elements appurtenant to such Unit, as calculated pursuant to the formula set forth in Section 2.1 herein.

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- (u) "Perimeter Wall" shall mean any wall located at the perimeter of a Unit, which wall is adjacent to either the exterior of a Building or any Common Element or Limited Common Element.
- (v) "Plats and Plans" means the Plats and Plans attached hereto as Exhibit C and made a part hereof, as the same may be amended from time to time.
 - (w) "Property" means the Property described in Section 1.1 above.
- (x) "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 Property, either supplementing or elaborating upon the provisions in the Declaration or the Bylaws.
- (y) "Security Interest" means an interest in real property or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, land sales contract, and any other consensual lien or title retention contract intended as security for an obligation.
- (z) "Special Assessment" means a Unit's individual share of any assessment made by the Executive Board in addition to the Annual Assessment.
 - (aa) "Unit" means a Unit as described herein and in the Plats and Plans.
 - (bb) "Unit Owner" means the holder of legal title to a Unit.
- (cc) "Unit-Side Surface" means the surface of a ceiling, floor, Party Wall or Perimeter Wall that is adjacent to the interior space within a Unit.
- (dd) "Unit Title Lines" or sometimes "Unit Boundaries" means the boundaries of each Unit as shown on the Plats and Plans and as described herein.
- (ee) "Withdrawable Real Estate" means the Real Estate described in Exhibit D attached hereto, so long as the Declarant's rights to withdraw such Real Estate from the Condominium continue to exist.
- Section 1.4. <u>Provisions of the Act</u>. 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 Bylaws.

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ARTICLE II

ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND COMMON EXPENSE LIABILITIES; UNIT IDENTIFICATION AND BOUNDARIES

Section 2.1. Percentage Interests, Votes and Common Expense Liabilities.

- 2.1.1. Attached as Exhibit B hereto is a list of the first eight (8) Units located in two Buildings being created by Declarant which sets forth their Identifying Numbers and the Percentage Interest appurtenant to each Unit, determined on the basis that all Units shall be assigned a factor of 1.0. A Unit's Percentage Interest shall be calculated by converting a fraction to a decimal, the numerator of which fraction is one (1) and the denominator of which fraction is the total number of Units then currently existing within the Condominium.
- 2.1.2. The Percentage Interest shall automatically change upon conversion of Convertible Real Estate as set forth in Article XIX below, and the new Percentage Interest of each Unit existing after such conversion shall be determined in accordance with Section 2.1.1 above. Notwithstanding the foregoing, if the Declarant converts all or any portion of the Convertible Real Estate into Units, Declarant reserves the right to assign a factor ranging from between 0.8 and 1.2 to any Units created therein based reasonably upon the relative square footage of the Units and any other relevant characteristics of such additional Units such as the presence of amenities. The Declarant shall designate the factor to be assigned to Units in the Condominium in any Amendment to Declaration in which additional Units are created. The Declarant's judgment regarding the factor assigned to any such additional Units shall be final.
- 2.1.3. The Percentage Interest shall determine the Percentage Interest in the Common Elements, the number of votes in the Association and the share of Common Expense Liability appurtenant to each Unit. A Unit's Percentage Interest shall always be appurtenant to that Unit, and any separate conveyance, encumbrance, judicial sale or other transfer of such Percentage Interest, whether voluntary or involuntary, shall be void unless the Unit to which the Percentage Interest is allocated is also transferred.

Section 2.2. Unit Boundaries.

- 2.2.1. The Unit Title Lines or Unit Boundaries of each Unit are situated as shown on the Plats and Plans and each Unit lies within the following boundaries:
 - (a) Upper and Lower (Horizontal) Boundaries: The upper and lower boundaries of the Unit shall be the following boundaries extended to intersections with the Vertical Boundaries:
 - (1) Upper Boundary: The horizontal planes formed by the uppermost or outermost surface (the surface opposite the Unit-Side Surface) of the material (such as drywall, plaster board, etc.) forming the finished surface of the uppermost ceiling of the Unit.

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- (2) Lower Boundary: The horizontal plane of the top surface of the unfinished concrete floor slab or basement floor.
- (b) Vertical Boundaries: The vertical boundaries of the Unit shall be the Unit-Side Surface of doors and windows in Perimeter Walls and the vertical planes of the outermost surface (the surface opposite the Unit-Side Surface) of the material (such as drywall, plasterboard, etc.) forming the finished interior surface of the Perimeter Walls and Party Walls which enclose the Unit, extended to intersections with each other and with the Upper and Lower Boundaries.
- 2.2.2. Where walls, floors or ceilings comprise the boundaries of a Unit, all wall board, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof are a part of the Unit, and all lath, furring, framing, structural components and all other portions of such boundary walls, floors or ceilings are part of the Common Elements. Each Unit consists of all portions of the Building within the aforesaid Unit Title Lines, except: (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):
 - (a) The air space enclosed within such Unit Title Lines.
 - (b) All partitions which are wholly contained within such Unit Title Lines, including (but not limited to) all doors, door frames, hardware, windows, window frames, tracks and sills, electrical outlets and wiring, television cable facilities, telephone outlets and conduits, and other equipment and devices in such partitions serving only such Unit.
 - (c) All plumbing fixtures located within such Unit Title Lines and serving and affecting only such Unit, and their water and waste connections.
 - (d) All items of kitchen equipment located within such Unit Title Lines and serving only such Unit, and such equipment's water, waste and electrical connections.
 - (e) 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.
 - (f) 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 Unit Title Lines of such Unit.

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- (g) Outlets, wires, cables, conduits, circuits and related equipment transmitting electricity for lighting and power or transmitting electrical impulses and signals (including, but not limited to, impulses and signals for telephone and television transmission, except to the extent otherwise specifically provided herein) which serve only such Unit and which are located entirely within the Unit Title Lines of such Unit.
- (h) Surface-mounted and recessed cabinets (including, by way of illustration and not limitation, all associated lighting fixtures and accessories).
- (i) Refrigerators, ovens, ranges, dishwashers, garbage disposal units, water heaters, heating and air conditioning systems and components, fireplaces, if available, and all related fixtures and gas service equipment, washers and dryers, and any other appliances and the portions of their water, waste, electrical, gas and exhaust connections located within such Unit Title Lines and serving only such Unit.
 - (j) Floor coverings installed on the Unit-Side Surface of the floor.

ARTICLE III

RELOCATION OF BOUNDARIES AND SUBDIVIDING UNITS

- Section 3.1. <u>Subdividing Units</u>. No Unit may be subdivided, except a Combined Unit as provided in Section 3.3 hereof.
- Section 3.2. Relocating Boundaries Between Adjoining Units. Unit Owners desiring to relocate the boundaries between adjoining Units shall submit an application to the Association in accordance with Section 3214 of the Act, and the Association shall have the powers and duties with respect to such application as set forth therein. Upon such application, two or more entire adjacent Units may be combined into a larger Unit provided that both of the Units being combined 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 Unit shall consist of the Identifying Number of the Unit having the lowest numbered Identifying Number followed by a hyphen and the Identifying Number of the other individual Unit, arranged in numerical order. By way of illustration, if Units having Identifying Numbers of "B-1" and "B-2" were to be combined, the Identifying Number of the Combined Unit would be "B1-B2".
- Section 3.3. <u>Subdividing a Combined Unit</u>. A Unit Owner of a Combined Unit desiring to subdivide the Combined Unit in accordance with the Unit Title Lines of the original Units combined to create the Combined Unit shall submit an application to the Association in

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accordance with Section 3215 of the Act, and the Association shall have the powers and duties with respect to such application as set forth therein, provided that the Combined Unit shall remain under single ownership until after the time of effecting such subdivision. After such subdivision, the resulting individual Units shall carry the Identifying Numbers shown for such respective Units in the Plats and Plans prior to the creation of the Combined Unit. The respective Percentage Interests appertaining to such separate Units, and the number of votes in the Association shall be determined in accordance with Section 2.1 hereof.

Section 3.4. Costs of Relocating Unit Boundaries or Subdividing Combined Units. All costs and expenses associated with relocating Unit Boundaries or subdividing a Combined Unit and, at the discretion of the Executive Board, the costs and expenses associated with preparing and recording any amendment to the Declaration and Plats and Plans required pursuant to Sections 3214 or 3215 of the Act, shall be the responsibility of the Unit Owner or Owners requesting the relocation of Unit Boundaries or the subdivision of a Combined Unit, as the case may be.

ARTICLE IV

LIMITED COMMON ELEMENTS; RESERVED COMMON ELEMENTS

- Section 4.1. <u>Description of Limited Common Elements</u>. Those portions of the Common Elements serving only the Unit or Units adjacent to such Common Element, are Limited Common Elements allocated only to the Unit or Units which they serve. Without limiting the generality of Section 1.3.2(p) hereof, the following portions of the Property are hereby designated as Limited Common Elements:
 - (a) Balconies, shutters, patios, porches, decks, stoops, service walks and driveways adjacent to Units; and
 - (b) Any space heating, water heating and air conditioning apparatus (including, by way of illustration, any air conditioner compressor, propane tanks, or other mechanical or service system or equipment, if any, located outside of a Unit and serving one Unit exclusively); and
 - (c) Privacy fences, if any, adjacent to Units; and
 - (d) Any other areas shown and identified as such on the Plats and Plans.
- Section 4.2. <u>Parking</u>. Unit Owners shall park their vehicles in their garages or driveways. Parking spaces (other than garages and driveways) are Common Elements available to all Unit Owners, visitors, guests and invitees on a first come-first served basis, subject to the rights of the Executive Board to promulgate Rules and Regulations regarding their use.

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- Section 4.3. <u>Designation of Reserved Common Elements</u>. Reserved Common Elements are those parts of the Common Elements which the Executive Board may designate from time to time for use by fewer than all of the Unit Owners or by only those persons paying fees or complying with other reasonable conditions for use as may be established by the Executive Board.
- Section 4.4. <u>Assignment of Limited Common Elements</u>. The Declarant (or the Association, upon transfer of control pursuant to Subsection 12.1.3 hereof) reserves the right to allocate any Common Elements shown on the Plats and Plans as Limited Common Elements serving one or more adjacent Units or serving the Units located within an adjacent Building.

ARTICLE V

ADDITIONS, ALTERATIONS AND IMPROVEMENTS

Section 5.1. Additions, Alterations and Improvements by Unit Owners.

5.1.1. A Unit Owner:

- (a) May make any improvements or alterations to the interior of his or her Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium;
- (b) May not change the appearance of the Common Elements, or the exterior appearance of a Unit or any other portion of the Condominium, without permission of the Executive Board;
- (c) Subject to Section 3.2 hereof, after acquiring an adjoining Unit, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium;
- (d) May not undertake the installation, reinstallation, removal, modification, reconstruction or repair of any Party Wall, any electrical, lighting, signal transmission and/or power circuit or system, 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, or any item of any portion of the plumbing system, any of which in any way serves or could affect any other Unit Owner, until after application has been made to and written approval has been received from the Executive Board and any Unit Owner(s) affected by such installation, reinstallation, removal, reconstruction or repair. 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, reinstallation,

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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.

5.1.2. Subject to Section 5.1.6, a Unit Owner may submit a written request to the Executive Board for approval to do anything that he or she is forbidden to do under Subsection 5.1.1(b) or (d). The Executive Board shall answer any written request for such approval, after Notice and Hearing, within sixty (60) days after the request thereof. Failure to do so within such time shall not constitute a consent by the Executive Board to the proposed action. The Executive Board shall review requests in accordance with the provisions of the Condominium Documents.

Following the completion of any alteration to a Common Element pursuant to the approval of the Executive Board (such as the installation of a door or window in a Perimeter Wall), the Executive Board may allocate a portion of the affected Common Element to the Unit Owner as a Limited Common Element. The Executive Board shall make such allocation by recording an appropriate amendment to this Declaration and to the Plats and Plans showing the area being allocated as a Limited Common Element. All expenses associated with the alteration itself and with preparation and recording of any required amendments shall be the responsibility of the Unit Owner making the alteration, in addition to any expenses incurred pursuant to Section 5.1.3. herein.

- 5.1.3. Any applications to any department or to any governmental authority for a permit to make any addition, alteration or improvement by a Unit Owner in or to any part of the Property shall be approved by the Executive Board and shall be the responsibility of and executed by such Unit Owner. Such execution will not, under any circumstances, create any liability on the part of the Association or any of its members other than the Unit Owner making such application to any contractor, subcontractor or materialman on account of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom. All costs incurred for such additions, alterations and improvements by a Unit Owner to any portion of the Property shall be the responsibility of such Unit Owner.
- 5.1.4. All additions, alterations and improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Executive Board, cause any increase in the premium of any insurance policies carried by the Association or by the owners of any Units other than those affected by such change.
- 5.1.5. If a Unit Owner makes additions, alterations or improvements to any part of the Project Facilities (as defined in Subsection 14.2.1 hereof) that would typically be insured by the Association as part of the property insurance maintained by the Association, such Unit Owner shall promptly notify the Association in writing of all such additions, alterations or improvements, and, at the discretion of the Executive Board, shall pay any additional insurance premiums which may be due as a result of the additions, alterations or improvements.
- 5.1.6. The provisions of this Section 5.1 shall not apply to the Declarant in the exercise of any Special Declarant Right.

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Section 5.2. <u>Additions, Alterations and Improvements by Executive Board</u>. Subject to the limitations of Section 10.6 and 10.7 of this Declaration, the Executive Board may make any additions, alterations or improvements to the Common Elements which, in its judgment, it deems necessary.

ARTICLE VI

MAINTENANCE, REPAIR AND REPLACEMENT RESPONSIBILITIES

- Section 6.1. <u>Maintenance Responsibilities</u>. Notwithstanding the ownership of the various portions of the Common Elements and the Units, the Units and Common Elements shall be maintained and repaired by each Unit Owner and by the Association in accordance with the provisions of Section 3307 of the Act, except as expressly set forth to the contrary in the Condominium Documents.
- Section 6.2. <u>Common Elements</u>. The Association shall maintain, repair and replace all of the Common Elements, except the portions of the Limited Common Elements which are required by this Declaration or the Bylaws to be maintained, repaired or replaced by the Unit Owners.
- Section 6.3. <u>Units and Limited Common Elements</u>. Each Unit Owner shall maintain, repair and replace, at his or her own expense, all portions of his or her Unit, and the Limited Common Elements appurtenant thereto, except the portions thereof to be maintained, repaired or replaced by the Association.
- Section 6.4. <u>Chart of Maintenance Responsibilities</u>. The respective responsibilities of the Association and the Unit Owners with respect to maintenance, repair and replacement are set forth in the Chart of Maintenance Responsibilities attached as Exhibit "A" to the Bylaws, as amended from time to time.
- Section 6.5. Repairs Resulting From Negligence. Each Unit Owner shall reimburse the Association and any Unit Owners whose Units were damaged for any damages to the Common Elements or to any other Unit caused intentionally, negligently or by his or her failure to properly maintain, repair or make replacements to his or her Unit or to Limited Common Elements which are the responsibility of such Unit Owner. The Association shall be responsible for damage to Units caused intentionally, negligently or by its failure to maintain, repair or make replacements to the Common Elements, except for any Limited Common Elements which are required by the Condominium Documents to be maintained, repaired or replaced by Unit Owners.
- Section 6.6. <u>Access</u>. Any person authorized by the Executive Board shall have the right of access to all portions of the Property upon such notice, if any, as shall be reasonable under the circumstances for the purpose of correcting any condition threatening a Unit or the Common Elements; for the purpose of performing installations, alterations, maintenance or repairs; for the purpose of reading, repairing, replacing utility meters and related pipes, valves,

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wires and equipment; for the purpose of performing pest control inspections and treatment; and for any other proper purpose, provided that all requests for entry are made in advance and that any such entry is at a time reasonably convenient to the affected Unit Owner. In case of an emergency, no such request or notice is required and such right of entry shall be immediate, whether or not the Unit Owner is present at the time.

Section 6.7. <u>Watering of Shrubs and Lawns</u>. Since the Association does not maintain, in its name, any external water spigots, Unit Owners may be required to permit the use of their outside water spigots for lawn, trees and/or shrub watering or other proper purposes by the Association maintenance personnel. Procedures will be promulgated as necessary by the Executive Board.

Section 6.8. <u>Failure to Maintain</u>. If the Association shall fail to maintain those portions of the Common Elements for which it is responsible, other than portions of Buildings that are Common Elements, in safe order and condition, including but not limited to any storm water drainage facilities, conservation easement areas and private roadways within the Condominium, West Hanover Township (the "Township") may serve written notice upon the Association, setting forth the details of any such deficiencies. The notice shall require that such deficiencies in maintenance be cured within thirty (30) calendar days and shall state the date and place of a hearing thereon which shall be held within fourteen (14) calendar days of the notice.

At such hearing, the Township may modify the terms of the original notice and may give an extension of time within which the deficiencies shall be cured. If the deficiencies, as finally described, shall not have been cured within said thirty (30) calendar day period, or any extension thereof, the Township, in order to preserve the taxable values of the Property and to prevent the Common Elements from becoming a public nuisance, may enter upon such Common Elements and maintain the same for a period of one (1) year. Said entry and maintenance by the Township shall not vest the public with any rights to use the Common Elements.

Prior to the expiration of the one (1) year period, the Township shall, upon its initiative or upon the request of the Association, call a public hearing with notice to the Association, at which hearing the Association shall show cause why such maintenance by the Township, at the election of the Township, should not continue for an additional year. If the Township shall determine that the Association shall resume the maintenance responsibilities for the Common Elements, then the Township shall cease its maintenance activities at the end of the initial year. If the Township shall determine that the Association shall not resume the maintenance of the Common Elements, then, at the Township's discretion, the Township may continue its maintenance activities during the next succeeding year, and, subject to a similar hearing, a determination for each year thereafter shall be made. The decision of the Township in each such case shall constitute a final administrative decision subject to judicial review.

This Section 6.8 may not be amended without the prior consent of the Township.

Section 6.9. Cost of Township's Maintenance Activities. If the Township shall assume maintenance activities for all or any portion of the Common Elements in accordance with Section 6.7 above, the Township shall have the right to impose a Municipal Lien (See, 53 P.S. §7106, as amended) against the Association and/or the Unit Owners for the costs incurred by the Township,

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together with any other amounts collectible by the Township under the Pennsylvania Municipal Lien Law, as amended from time to time.

This Section 6.9 may not be amended without the prior consent of the Township.

ARTICLE VII

EASEMENTS

- Section 7.1. <u>Additional Easements</u>. Each Unit Owner shall have an unrestricted right of ingress and egress to and from his or her Unit over, upon and through the Common Elements and any streets constructed within the Condominium unless or until they are dedicated to and accepted by West Hanover Township. In addition to such and in supplementation of the easements provided for by, and hereby created pursuant to, Sections 3216, 3217, 3218(1) and 3302(a)(9) of the Act, the following additional easements are hereby created:
- 7.1.1. Declarant's Use for Sales Purposes. Declarant shall have the right to maintain one or more sales offices, management offices and models throughout the Property and to maintain one or more directional, promotional and advertising signs on the Common Elements and on Units owned by Declarant pursuant to Section 3217 of the Act. Declarant reserves the right to place models, management offices and sales offices on any portion of the Common Elements or in a Unit in such a manner, or such size and number and in such locations as Declarant deems appropriate. Declarant may from time to time relocate models, management offices and sales offices to different locations within the Property notwithstanding that the Condominium Documents may otherwise preclude such use in those locations. Upon the relocation of a model, management office or sales office constituting a Common Element, Declarant may remove all personal property and fixtures therefrom. Any fixtures not so removed shall be deemed Common Elements, and any real or personal property not so removed shall be deemed the property of the Association.
- 7.1.2. <u>Utility Easements</u>. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant, appropriate utility and service companies and governmental agencies or authorities (including West Hanover Township and municipal and sewer authorities) for such utility and service lines, ducts and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this Section 7.1.2 shall include, without limitation, rights of Declarant, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 7.1.2, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

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- 7.1.3. <u>Declarant's Easement to Correct Drainage</u>. Declarant reserves an easement on, over and under those portions of the Common Elements not located within a Building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Section 7.1.3 expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Declarant shall restore the affected property as closely to its original condition as practicable.
- 7.1.4. Association's Easement to Inspect and Maintain Units and Limited Common Elements. The Units and the Limited Common Elements are hereby made subject to an easement 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, repair or replacement for which they are responsible, and to perform such items of maintenance, repair or replacement on behalf of a nonperforming Unit Owner as the Association shall elect to perform in its discretion; (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 or more Units or Limited Common Elements and/or the Units; and (iv) for any of the purposes set forth in Section 7.1.7 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 or her Unit resulting from the Association's exercise of any rights it may have pursuant to this Article.
- 7.1.5. <u>Easements in Favor of Units Benefited</u>. 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:
 - (a) 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; provided that such installation, repair, maintenance, use, removal and/or replacement does not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Building or adversely affect the use of any Unit by its Owner.
 - (b) 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, or adversely affect the use of any Unit by its Owner.

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- (c) For driving and removing nails, screws, bolts and the like into the Unit-Side Surface of walls, ceilings and floors which are part of the Common Elements; provided that such action does not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Building or adversely affect the use of any Unit by its Owner.
- (d) For the maintenance of the encroachment of any lighting devices, outlets, cabinets, exhaust fans, ventilation ducts, registers, grilles and similar fixtures which serve only one Unit but which encroach into any part of any Common Element or Limited Common Element on the date this Declaration is recorded
- 7.1.6. <u>Easement for Structural Support</u>. To the extent necessary, each Unit shall have an easement for structural support over 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.
- 7.1.7. Easement for Decorating, Cleaning and Maintaining Certain Surfaces. Wherever 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 Property, it is intended thereby, and it is hereby declared, that if and to the extent necessary the Owner of such Unit shall have an easement for the purpose of decorating such surfaces and affixing thereto and removing therefrom floor coverings, paint, wallpaper, other decorative material, pictures, mirrors, wall systems and decorative articles, and (with respect to all such portions of the Property) 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 doors and window sills. It is 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 portions of the Property to which said surfaces are attached, 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 Property.
- 7.1.8. Declarant's Easement to Facilitate Completion, Conversion and Expansion. Declarant reserves an easement on, over and under the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Special Declarant Rights, however arising, including, but not limited to, the development of Convertible and/or Withdrawable Real Estate for all purposes relating to the construction, development, leasing, and sale of improvements within the Condominium. This easement shall include without limitation, the right of vehicular and pedestrian ingress and egress, the right to park motor vehicles and to engage in construction and marketing activities of any nature whatsoever, including the movement and storage of building materials and equipment, the conduct of sales, leasing and management activities, the maintenance of models and offices and the erection and maintenance of directional and promotional signs. Declarant's easement hereunder shall remain

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in full force and effect on, over and under any portions of the Withdrawable Real Estate, even after said portion(s) have been withdrawn from the Condominium.

- 7.1.9. Declarant's Reservation of Right to Grant Easements. Declarant reserves the right to grant, sell and convey easements for the purpose of benefitting the Property and/or any tract of land adjacent to or near the Property. Without limiting the generality of the preceding sentence, the Declarant may subject the Property to storm water and detention pond easements to be used by or jointly with adjoining property owners.
- 7.1.10. Easement for Encroachments. To the extent that any Unit or portion of the Common Elements encroaches upon any other Unit or portion of the Common Elements because of the construction, reconstruction, repair, shifting, settlement or other movement of any portion of the improvements, a valid easement for the encroachment and its maintenance shall exist, provided that the physical boundaries of the Units after construction, reconstruction or repair will be in substantial accord to the descriptions thereof set forth in the Declaration. The easement shall extend for whatever period of time the encroachment continues to exist. This easement does not relieve a Unit Owner of liability in the case of willful misconduct nor the Declarant or its agents of liability for failure to comply with the Declaration Plats and Plans.
- 7.1.11. Conservation Easements; Open Space Easement. The Property is subject to Conservation Easements in the areas delineated as "Wetlands Protection Overlay District (Wetlands EPOD)", "Hillside Protection Overlay District" and "Stream Protection Overlay District" on the Subdivision/Land Development Plan described in Subsection 1.2.3 hereof as more particularly set forth thereon (collectively, the "Conservation Easement Areas"). The Property is also subject to an Open Space Easement in the area delineated as such on the Subdivision/Land Development Plan. The Conservation Easement Areas and Open Space Easement area shall be part of the Common Elements and shall be maintained by the Association in accordance with all applicable local, state and federal requirements and the Condominium Documents.
- 7.1.12. <u>Unit Owner's Use for Construction Purposes</u>. Upon obtaining the prior consent of the Executive Board, a Unit Owner shall have a nonexclusive access easement through the Common Elements as may be reasonably necessary for the purpose of construction, repair or renovation of such Unit Owner's Unit, subject, however to the requirements of this Declaration, including but not limited to, Articles III, V, VI and VIII, and provided that the exercise of such easement rights shall not adversely affect the use and enjoyment of the Common Elements by other Unit Owners or the Association. The Association shall have the rights and powers granted to an association by the provisions of Section 3218 of the Act, including the right to require financial security for the repair of damage caused to the Common Elements in the exercise of the easement rights granted hereunder. A Unit Owner who exercises the easement rights hereunder, whether directly or indirectly through an agent, servant, contractor or employee, shall have the obligation to promptly return any portion of the Common Elements damaged by the exercise of the easement under this section to the appearance, condition and function which existed prior to the exercise of the easement, or to reimburse the Association for all reasonable costs, fees and expenses incurred by the Association to return any portion of the

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Common Elements so damaged to the appearance, condition and function which existed prior to the exercise of the easement.

ARTICLE VIII

RESTRICTIONS

- Section 8.1. <u>Use and Occupancy of Units, Limited Common Elements and Common Elements</u>. All Unit Owners, including Declarant, shall have the same rights and duties that are appurtenant to each Unit. The occupancy and use of the Units, Limited Common Elements and Common Elements shall be subject to the following restrictions:
- 8.1.1. Permitted Use. 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. Notwithstanding the foregoing, Units may also be used for accessory uses which are customarily incidental to the foregoing use; provided that any such use conforms with the applicable zoning regulations of West Hanover Township, as the same may be amended from time to time, and further provided that the prior written approval of the Executive Board is obtained.
- 8.1.2. <u>No Unlawful Purpose</u>. No Unit Owner may permit his Unit to be used or occupied for any prohibited or unlawful purpose.

8.1.3. Satellite Dishes; Antennas.

- (a) Subject to subsections 8.1.3(b), (c) and (d) below, a Unit Owner may install and maintain on his or her Unit satellite dishes or other facilities for the receipt of radio or television broadcasts, subject to compliance with the following requirements:
- (i) The satellite dish or other facilities must be of the smallest size reasonably commercially obtainable that will provide reception of an acceptable quality signal;
- (ii) The satellite dish or other facilities may not be located in front of the plane created by the front of the Building of which the Unit is a part;
- (iii) If possible, the satellite dish or other facilities shall not be visible from the street in front of the Unit;
- (iv) Without limiting the preceding requirements, the location of such installations must be as unobtrusive as possible, provided reception is of adequate quality in such location;

- (v) Unit Owners may not install such facilities on or over the Common Elements or any other Unit not within the exclusive use or control of the Unit Owner;
- (vi) The Executive Board, in its sole discretion, may require a Unit Owner at the sole expense of the Unit Owner, to paint or screen any such installation, including requiring that wiring be concealed, provided that the painting or screening does not invalidate any manufacturer's warranty relating to such installation;
- (vii) A Unit Owner having a satellite dish or other such facilities shall be responsible for all related maintenance, repair and replacement obligations and costs associated therewith, including moving or removing the satellite dish or other facilities when necessary for the Association to perform required maintenance to any portion of the Condominium required to be maintained by the Association; provided however, that such Unit Owner shall obtain the prior consent of the Executive Board to perform any of such maintenance, repair or replacement obligations that in any way affect any portion of the Common Elements;
- (viii) Any such installation must be done and maintained in a safe manner and location so as not to pose a threat to the safety or welfare of any person, or damage to any property, real or personal;
- (ix) The Unit Owner of a Unit in, on, or appurtenant to which any such facilities have been installed in accordance with this Subsection 8.1.3, or otherwise, agrees to indemnify the Association and the Executive Board from any and all claims and liability for personal injury or property damage arising out of the installation, maintenance, existence or use of such facilities;
- (x) The Unit Owner must submit a plan showing the proposed location and size of the satellite dish or other facilities to the Executive Board at least thirty (30) days prior to the installation thereof for a determination by the Executive Board whether such installation complies with the requirements of this Subsection 8.1.3 (subject, however, to the Executive Board's discretion pursuant to Subsection 5.1.2 hereof); and
- (xi) All such installations shall be performed only by professional installers, in accordance with all applicable local, state and/or federal regulations and the manufacturer's specifications and instructions.
- (b) Notwithstanding subsection 8.1.3(a) above and in lieu thereof to the extent permitted by the FCC, the Executive Board shall have the right to install satellite dishes or other facilities on or within any Common Element portion of the Condominium as it deems appropriate, for the purpose of making the benefit of such facilities available to all Unit Owners in the Condominium.

Any such facilities installed to benefit all Unit Owners shall be a Common Element, and the costs and expenses of installation, maintenance and repair shall be a Common Expense, allocated in accordance with the provisions of Section 10.3 hereof.

- (c) This Section 8.1.3 shall apply in all respects to satellite dishes or other facilities installed by tenants or other non-owner occupants of a Unit.
- (d) In the event that any of the provisions of this Subsection 8.1.3 contradict any rules, rulings or determinations of the Federal Communications Commission or any other agency having jurisdiction (the "FCC") in effect, the then current rules, rulings, or determinations of the FCC shall prevail.
- 8.1.4. <u>Fences</u>. A Unit Owner shall not be permitted to construct a fence anywhere on the Property without the prior written approval of the Executive Board in accordance with Section 5.1.2 hereof.
- 8.1.5. <u>Animals</u>. No animals other than customary household pets shall be housed, maintained or otherwise permitted in any Unit, and no animals shall be housed or maintained on any Common Element (including any Limited Common Element). All pet owners shall immediately clean up, remove and discard in a proper receptacle all animal excrement produced by his pet and shall otherwise obey all pet Rules and Regulations promulgated by the Executive Board from time to time.
- 8.1.6. Swimming Pools; Hot Tubs. Swimming pools shall not be permitted on any part of the Property. Hot Tubs shall be permitted on the Limited Common Elements appurtenant to a Unit only with the prior written approval of the Executive Board in accordance with Subsection 5.1.2 hereof. Unit Owners shall be solely responsible for obtaining all necessary governmental permits and approvals for any such hot tub construction and installation.
- 8.1.7. <u>Rules and Regulations</u>. Reasonable Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property, may be promulgated from time to time by the Executive Board, subject to the right of the Association 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 Executive Board promptly after the adoption of such Rules and Regulations or any amendments thereto.

ARTICLE IX

LEASING

Section 9.1. <u>Leases</u>. A Unit Owner may lease or sublease his Unit (but not less than his entire Unit) at any time and from time to time provided that:

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- 9.1.1. A Unit may not be leased or rented for a term of less than one hundred eighty (180) days;
- 9.1.2. All leases and rental agreements shall be in writing and subject to the requirements of the Condominium Documents and the Association;
- 9.1.3. A Unit Owner shall deliver a copy of the Declaration, the Bylaws and Rules and Regulations to the Unit Owner's tenant at the time any lease or rental agreement is executed, and the tenant shall sign a receipt therefor. Copies of any amendments to the Declaration, the Bylaws and Rules and Regulations received by the Unit Owner during the term of the lease shall be forwarded to the tenant upon receipt if the said amendment(s) affect the tenant's occupancy of the Unit;
- 9.1.4. The rights of any lessee of a Unit shall be subject to, and each lessee shall be bound by the Condominium Documents, and a default thereunder shall constitute a default under the lease;
- 9.1.5. Notwithstanding that a lease may require the lessee to be responsible for the payment of the Common Expense assessments during the term of the lease, any such provision shall not relieve the Unit Owner of his obligation for payment of same in the event that the lessee fails to do so;
- 9.1.6. A Unit Owner shall provide the Executive Board with the name(s) of the tenants, the address of the leased Unit, the number of occupants of the Unit and a copy of the receipt referred to in Section 9.1.3 within ten (10) days after execution of the lease; and
- 9.1.7. A Unit Owner leasing his Unit shall provide his then current mailing address to the Executive Board, if at a location other than his Unit.
- Section 9.2. <u>Exceptions</u>. Notwithstanding the foregoing, the provisions of this Article shall not apply to Units leased or subleased by the Declarant, or by an Eligible Mortgagee which is either in possession or is a purchaser at judicial sale.

ARTICLE X

ASSESSMENT AND COLLECTION OF COMMON EXPENSES, INCLUDING LIMITED COMMON EXPENSES; OTHER ASSESSMENTS; CAPITAL IMPROVEMENT FEE

- Section 10.1. <u>Definition of Common Expenses</u>. Common Expenses shall include:
- 10.1.1. Expenses of administration, maintenance, and repair or replacement of the Common Elements; and

- 10.1.2. Expenses declared to be Common Expenses by the Condominium Documents or the Act; and
- 10.1.3. Expenses agreed upon as Common Expenses by the Association; and
- 10.1.4. Such reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held by the Association.
- Section 10.2. <u>Apportionment of Common Expenses</u>. Except as provided in Section 10.3, all Common Expenses shall be assessed against all Units in accordance with their Percentage Interest as determined in accordance with Section 2.1 hereof.

Section 10.3. Special Allocations of Expenses.

- 10.3.1. Any Common Expense associated with the maintenance, repair or replacement of Limited Common Elements shall be assessed in equal shares against the Units to which the Limited Common Elements were assigned at the time the expenses were incurred.
- 10.3.2. Any Common Expense benefitting fewer than all of the Units shall be assessed exclusively against the Units benefited.
- 10.3.3. Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against the Unit which benefits from such service.
- 10.3.4. Any increase in insurance premium attributable to a particular Unit by virtue of activities in or construction of the Unit, including but not limited to any fireplace, if available, installed within a Unit, shall be assessed against that Unit.
- 10.3.5. Assessments to pay a judgment against the Association may be made only against the Units in the Condominium at the time the judgment was rendered, in proportion to their Common Expense liabilities, except as provided in Section 3319(c) of the Act.
- 10.3.6. If any Common Expense is caused by the negligence or misconduct of a Unit Owner, the Association may, after Notice and Hearing, assess that expense exclusively against his or her Unit.
- 10.3.7. Fees, including attorneys' fees, late charges, fines and interest charged against a Unit Owner pursuant to the Condominium Documents and the Act, are enforceable as Common Expense assessments.

Section 10.4. Initial Conveyance Assessment. Commencing with the First Settlement, upon the transfer of title from the Declarant (or a successor to Special Declarant Rights) to the initial purchaser of each Unit, the Association shall be permitted to collect from each such initial purchaser an assessment equal to two (2) months' estimated Common Expense liability for such Unit, which monies shall be used by the Association for any proper Association purposes, including for general operating funds. Any amount paid hereunder shall not be considered as advance payments of regular Common Expense assessments. No Unit Owner is entitled to a refund of these monies by the Association upon the subsequent conveyance of his Unit or otherwise.

Section 10.5. Lien.

- 10.5.1. The Association has a statutory lien on a Unit for any assessment levied against that Unit and for late fees or fines imposed against its Unit Owner from the time the assessment, late charge or fine becomes delinquent. Fees, including attorneys' fees, late charges, fines and interest charged pursuant to the Act and the Condominium Documents are enforceable as assessments under this Section. If an assessment is payable in installments, and one or more installment is not paid when due, the entire outstanding balance of the assessment becomes effective as a lien from the due date of the delinquent installment.
- 10.5.2. Any lien for delinquent Common Expense assessments or other charges that the Association has on a Unit will be subordinate to a first mortgage on the Unit, if the mortgage was recorded before the due date of the assessment or the due date of the unpaid installment, if the assessment is payable in installments, or to a judgment obtained for obligations secured by any such mortgage.
- 10.5.3. Recording of this Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment under this Section is required.
- 10.5.4. A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three (3) years after the assessments become payable; provided, that if an Owner of a Unit subject to a lien under this Section files a petition for relief under the United States Bankruptcy Code, the period of time for instituting proceedings to enforce the Association's lien shall be tolled until thirty days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.
- 10.5.5. This Section does not prohibit actions to recover sums for which Section 10.5.1. creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.
- 10.5.6. A judgment or decree in any action brought under this Section shall include costs and reasonable attorney's fees for the prevailing party.
- 10.5.7. The Association's lien may be foreclosed in like manner as a mortgage on real property.

- 10.5.8. If a holder of a first or second Security Interest in a Unit forecloses that Security Interest, the purchaser at the foreclosure sale is not liable for any unpaid assessments against that Unit which became due before the sale, other than no more than six (6) months of assessments which are prior to that Security Interest, in accordance with the provisions of the Act. Any unpaid assessments not satisfied from the proceeds of sale shall become Common Expenses collectible from all the Unit Owners, including the purchaser.
- 10.5.9. Notwithstanding any restrictive endorsements, designation or instructions placed on or accompanying payment, any payments received by the Association in the discharge of a Unit Owner's obligation may, at the Association's discretion, be applied first, to any interest accrued by the Association, then to any late fee, then to any costs and reasonable attorney fees incurred by the Association in collection or enforcement, and then to the delinquent assessment.
- 10.5.10. Any fees, including attorneys' fees, late charges, fines and interest which may be levied by the Executive Board pursuant to Sections 3302(a)(10), (11) and (12) of the Act, shall be subordinate to the lien of a Security Interest on a Unit.
- Section 10.6. <u>Budget Adoption</u>. Immediately after adoption of any proposed budget or approval of any capital expenditure for the Condominium by the Executive Board, the Executive Board shall provide a copy or summary of the budget and notice of any capital expenditure approved by the Executive Board to all the Unit Owners. Unless a majority of all Unit Owners vote to reject the budget or any capital expenditure approved by the Executive Board, within thirty (30) days after the approval by the Executive Board, the budget or capital expenditure is ratified. In the event the proposed budget is rejected, the periodic budget last ratified by the Unit Owners shall be continued until such time as a subsequent budget is adopted by the Executive Board, and such subsequent budget is not rejected in accordance with this Section and Section 3303(b) of the Act.
- Section 10.7. <u>Adoption of Non-Budgeted Common Expense Assessments</u>. If the Executive Board votes to levy a Common Expense assessment not included in the current budget, other than one enumerated in Section 10.3 of this Declaration, the Executive Board shall immediately submit a copy or summary of such Common Expenses to the Unit Owners and such Common Expenses shall be subject to rejection in the same manner as a budget under Section 10.5. Notwithstanding the foregoing, the Unit Owners shall not have the power to reject the imposition of Common Expense assessments due to the actual cost of a budgeted item being in excess of the amount originally budgeted.
- Section 10.8. <u>Certificate of Payment of Common Expense Assessments</u>. On written request, the Association shall furnish to a Unit Owner a statement in recordable form setting forth the amount of unpaid assessments currently levied against the Unit as required by Section 3315(g) of the Act and any credits of surplus in favor of his or her Unit pursuant to Section 3313 of the Act. The statement shall be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Executive Board and every Unit Owner.
- Section 10.9. <u>Monthly Payment of Common Expenses</u>. All Common Expenses assessed under Sections 10.2 and 10.3 shall be due and payable in monthly installments in

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advance on the first day of each calendar month, unless the Executive Board provides otherwise in the case of assessments under Section 10.3. Special Assessments shall be due and payable in one or more installments, at such intervals deemed advisable by the Executive Board.

Section 10.10. <u>Acceleration of Common Expense Assessments</u>. In the event of default for a period of ten (10) days by any Unit Owner in the payment of any Common Expense assessment levied against his or her Unit, the Executive Board shall have the right, after Notice and Hearing, to declare all unpaid assessments for the pertinent fiscal year to be immediately due and payable.

Section 10.11. <u>Commencement of Common Expense Assessments</u>. In general, Common Expense assessments shall begin as of the date of the conveyance of the first Unit to a Unit Owner other than the Declarant. The Common Expense assessment for an individual Unit shall commence as of the date of settlement on that Unit between Declarant and the Unit Owner.

Section 10.12. <u>Personal Liability of Unit Owners</u>. The Owner of a Unit at the time a Common Expense assessment or portion thereof is due and payable is personally liable for the assessment. Personal liability for the assessment shall not pass to a successor in title to the Unit unless he or she agrees to assume the obligation.

Section 10.13. <u>No Waiver of Liability for Common Expenses</u>. No Unit Owner may exempt himself or herself from liability for payment of the Common Expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the assessments are made.

Section 10.14. <u>Surplus Funds</u>. Any amounts accumulated from Assessments for Common Expenses or Assessments for Limited Common Expenses and income related thereto, in excess of the amounts required for actual Common Expenses, Limited Common Expenses and reserves for future Common Expenses or Limited Common Expenses, as the case may be, shall be credited to a Unit, as applicable, in accordance with Section 3313 of the Act and shall be applied to subsequent monthly assessments against that Unit until exhausted.

Section 10.15. <u>Association Records</u>. During the period of Declarant control, the Association shall keep detailed financial records, including, without limitation, a record of expenses paid by the Declarant until the commencement of Common Expense assessments by the Association under section 3314(a) of the Act, the commencement date of Common Expense assessments by the Association, and, for the period commencing on such date, a record for each Unit in the Condominium (including those owned by Declarant) of its Common Expense assessments and the payments thereof. The Association shall keep financial records sufficiently detailed to enable the Association to comply with Section 10.8 of the Declaration and Section 3407 of the Act. All financial and other records shall be made reasonably available for examination by any Unit Owner and his or her authorized agents.

Section 10.16. <u>Capital Improvement Fee.</u> Upon the resale of a Unit, the Association may impose a Capital Improvement Fee, but no other fees, in accordance with Section 3302(a)(12) of the Act. Such fees are not refundable upon any sale, conveyance or any other

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transfer of the title to a Unit. Capital Improvement Fees allocated by the Association must be maintained in a separate capital account and may be expended only for new capital improvements or replacement of existing Common Elements and/or improvements on the Common Elements and may not be expended for operation, maintenance or other purposes. No fee shall be imposed on any gratuitous transfer of a Unit between any of the following family members: spouses, parent and child, siblings, grandparent and grandchild, nor on any transfer of a Unit by foreclosure sale or deed in lieu of foreclosure to a secured lending institution as defined by the Housing Finance Agency Law. Until the period of Declarant control of the Association terminates in accordance with Article XII hereof and the Act, the Capital Improvement Fee shall equal no less than two (2) months' of the then-current Common Expense liability for such Unit.

ARTICLE XI

MORTGAGEE PROTECTIONS

- Section 11.1. <u>Introduction</u>. This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Security Interests. This Article is supplemental to, and not in substitution for, any other provisions of the Condominium Documents, but in the case of conflict, this Article shall control.
- Section 11.2. <u>Percentage of Eligible Mortgagees</u>. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of Eligible Mortgagees holding Security Interests in Units which in the aggregate have allocated to them such specified percentage of votes in the Association as compared to the total allocated to all Units then subject to Security Interests held by Eligible Mortgagees.
- Section 11.3. <u>Notice of Actions</u>. The Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of:
- 11.3.1. Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit in which there is a first Security Interest held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable;
- 11.3.2. Any delinquency in the payment of Common Expense assessments owed by a Unit Owner whose Unit is subject to a first Security Interest held, insured, or guaranteed, by such Eligible Mortgagee or Eligible Insurer, as applicable, which remains uncured for a period of sixty (60) days;
- 11.3.3. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond required by the provisions of the Condominium Documents to be maintained by the Association; and

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11.3.4. Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 11.4 of this Declaration.

Section 11.4. <u>Consent and Notice Required.</u>

- by this Declaration or the Act, no amendment of any material provision of the Condominium Documents by the Association or Unit Owners described in this Subsection 11.4.1 may be effective without notice to all Eligible Mortgagees and Eligible Insurers, as required by Section 11.3 above, and the vote of the specified percentage of Unit Owners required in this Declaration or the Act, and until approved by at least fifty-one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). The foregoing approval requirements shall not apply to amendments effected pursuant to Articles XIX or XX, or Section 16.8 of this Declaration. The following would be considered material:
 - (a) Termination of the legal status of the Condominium after occurrence of substantial destruction or condemnation or for other reasons; and
 - (b) An amendment to any provision that expressly benefits mortgage holders, insurers or guarantors, if such amendment is of a material adverse nature to such mortgage holders, insurers or guarantors.
- 11.4.2. Actions. Notwithstanding any lower requirement permitted by this Declaration or the Act, the Association may not take any action to terminate the legal status of the Condominium after the occurrence of substantial destruction or condemnation, or for other reasons, without notice to all Eligible Mortgagees, and Eligible Insurers as required by Section 11.3 above, the vote of the specified percentage of Unit Owners required in this Declaration or the Act, and approval of at least fifty-one percent (51%) of the Eligible Mortgagees.
- 11.4.3. <u>Implied Approval</u>. The failure of an Eligible Mortgagee or Insurer to respond within sixty (60) days to any written request of the Association delivered by certified or registered mail, return receipt requested in accordance with Section 3221 of the Act, for approval of an addition or amendment to the Condominium Documents or of an action under Section 11.4.2 above wherever Eligible Mortgagee or Insurer approval is required, shall constitute an implied approval of such addition, amendment or action.
- Section 11.5. <u>Special Declarant Rights</u>. No Special Declarant Rights may be voluntarily abandoned or terminated by the Declarant unless all persons holding Security Interests in such Special Declarant Rights consent to the abandonment or termination.
- Section 11.6. <u>Inspection of Books</u>. The Association must maintain current copies of the Declaration (and amendments thereto), Articles of Incorporation, Bylaws, Rules and Regulations, books and records and financial statements. The Association shall permit any Unit Owner, Eligible Mortgagee or Eligible Insurer or other first mortgagee of Units, to inspect the books and records of the Association during normal business hours, upon no less than seven (7) business days' prior request to the Executive Board.

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- Section 11.7. <u>Enforcement</u>. The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors, and may be enforced by any of them by any available means, at law, or in equity.
- Section 11.8. <u>Appointment of Trustee</u>. In the event of damage or destruction to the Property or condemnation of all or a portion of the Condominium, any Eligible Mortgagee may require that proceeds arising out of such damage or destruction be payable to a Trustee established pursuant to Section 15.5 of this Declaration. Such Trustee may be required to be a corporate trustee licensed by the Commonwealth of Pennsylvania. Proceeds will thereafter be distributed pursuant to Article XV or pursuant to a condemnation award. Unless otherwise required, the members of the Executive Board, acting by majority vote through the president, may act as Trustee.

ARTICLE XII

DECLARANT CONTROL OF THE ASSOCIATION AND SPECIAL DECLARANT RIGHTS

Section 12.1. Control of the Association.

- 12.1.1. Until the one hundred eightieth (180th) day after conveyance of seventy-five percent (75%) of the Units which may be constructed on the Property to Unit Owners other than Declarant, Declarant shall have the right to appoint and remove any and all officers and members of the Executive Board, except that Declarant may not unilaterally remove any members of the Executive Board elected by Unit Owners other than Declarant.
- 12.1.2. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units which may be constructed on the Property to Unit Owners other than Declarant, one (1) of the three (3) members of the Executive Board shall be elected by Unit Owners other than Declarant.
- 12.1.3. Not later than the earlier of (i) seven (7) years after the date of the recording of this Declaration, or (ii) one hundred eighty (180) days after seventy-five percent (75%) of the Units which may be constructed upon the Property have been conveyed to Unit Owners other than Declarant, all members of the Executive Board shall resign, and the Unit Owners (including Declarant to the extent of Units owned by Declarant) shall elect a new three (3) member Executive Board.
- 12.1.4. Within sixty (60) days after the termination of the period of Declarant control of the Association, Declarant shall deliver to the Association all property of the Unit Owners and of the Association, together with all applicable items designated in Section 3320 of the Act.

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- 12.1.5. Following the transfer of control of the Executive Board by the Declarant to the Unit Owners pursuant to Section 12.1.3 above, the Unit Owners shall have the right to increase or decrease from time to time the number of members comprising the Executive Board.
- Section 12.2. Special Declarant Rights. Notwithstanding the transfer by Declarant to Unit Owners of control of the Association pursuant to Section 12.1 hereof, the Declarant reserves unto itself all Special Declarant Rights as defined in Section 3103 of the Act. These Special Declarant Rights include, inter alia, the right to transfer any or all of Declarant's Special Declarant Rights to one or more successors, provided that the transfer(s) shall be effected in accordance with the provisions of this Declaration and Section 3304 of the Act. Any successor to any Special Declarant Right shall have the liabilities and obligations set forth in Section 3304(e) of the Act.

ARTICLE XIII

LIMITATION OF LIABILITY

- Section 13.1. <u>Limited Liability of the Executive Board Members of the Association</u>. To the fullest extent permitted by Pennsylvania law, as now in effect and as modified from time to time, an Executive Board Member of the Association shall not be personally liable for monetary damages for any action taken or any failure to take any action.
- Section 13.2. <u>Indemnification of Executive Board Members and Officers of the Association.</u>
- 13.2.1. Third Party Actions. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that the person is or was an Executive Board member or officer of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by the person in connection with such threatened, pending or completed action, suit or proceeding.
- 13.2.2. <u>Derivative Actions</u>. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was an Executive Board member or officer of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by the person in connection with such threatened, pending or completed action or suit by or in the right of the Association.
- 13.2.3. <u>Procedure for Effecting Indemnification</u>. Indemnification under Subsections 13.2.1 and 13.2.2 shall be automatic and shall not require any determination that indemnification is proper, except that no indemnification shall be made in any case where the act

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or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

- 13.2.4. Expenses Advanced. The Association shall advance expenses incurred by an Executive Board member or officer of the Association who is entitled to be indemnified pursuant to the provisions of this Section 13.2 in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that such person is not entitled to be indemnified by the Association.
- of, and to the extent and for such persons as determined by the Executive Board of the Association, (i) indemnify any person who neither is nor was an Executive Board member or officer of the Association but who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (and whether brought by or in the right of the Association), by reason of the fact that the person is or was a representative of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by the person in connection with such threatened, pending or completed action, suit or proceeding and (ii) pay such expenses in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that such person is not entitled to be indemnified by the Association.
- Section 13.3. <u>Indemnification Insurance</u>. The Executive Board may obtain insurance to satisfy the indemnification obligations set forth in Section 13.2 above, if and to the extent available at a reasonable cost.

ARTICLE XIV

INSURANCE

Section 14.1. Coverage. Commencing no later than the date of the First Settlement and to the extent reasonably available, the Executive Board shall obtain and maintain insurance coverage as set forth in Sections 14.2 and 14.3 of this Article and in accordance with the provisions of Section 3312 of the Act. Any property or comprehensive general liability insurance carried by the Association may contain a deductible provision. If such insurance is not reasonably available, and the Executive Board determines that any insurance described herein will not be maintained, the Executive Board shall cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Unit Owners and Eligible Mortgagees at their respective last known addresses.

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Section 14.2. <u>Property Insurance</u>.

14.2.1. Project Facilities. Property insurance covering:

- (a) The Project Facilities (which term means all Buildings on the Property, including the Units and all fixtures, equipment and any improvements and betterments whether part of a Unit or a Common Element or Limited Common Element, and such personal property of Unit Owners as is normally insured under building coverage), but excluding land, excavations, portions of foundations below the undersurfaces of the lowest basement floors, underground pilings, piers, pipes, flues and drains and other items normally excluded from property policies; and
 - (b) All personal property owned by the Association.
- 14.2.2. <u>Amounts</u>. The Project Facilities shall be insured for an amount equal to one hundred percent (100%) of their replacement cost at the time the insurance is purchased and at each renewal date. Personal property owned by the Association shall be insured for an amount equal to its actual cash value.
 - (a) The maximum deductible amount on the policy for the Project Facilities shall be no greater than \$2,500. Funds to cover these deductible amounts shall be considered a Common Expense, levied in accordance with Sections 3312(i) and 3314(c) of the Act.
 - (b) The Executive Board is authorized to obtain appraisals periodically for the purpose of establishing said replacement cost of the Project Facilities and the actual cash value of the personal property. The cost of such appraisals shall be a Common Expense.
- 14.2.3. <u>Risks Insured Against</u>. The insurance shall afford protection against "all risks" of direct physical loss commonly insured against.
- 14.2.4. Other Provisions. Insurance policies required by this Section shall provide that:
 - (a) The insurer waives its right to subrogation under the policy against any Unit Owner or member of his or her household;
 - (b) No act or omission by any Unit Owner, unless acting within the scope of his or her authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;
 - (c) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance;
 - (d) Loss shall be adjusted with the Association;

- (e) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and, in the absence of such designation, to the Association, in either case to be held in trust for each Unit Owner and such Unit Owner's mortgagee;
- (f) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known address; and
- (g) The name of the insured shall be substantially as follows: "Pine View Townhome Condominium Association" for the use and benefit of the individual unit owners.
- Section 14.3. <u>Liability Insurance</u>. Liability insurance, including medical payments insurance, in an amount determined by the Executive Board but in no event less than \$1,000,000, covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements.
- 14.3.1. <u>Other Provisions</u>. Insurance policies carried pursuant to this Section shall provide that:
 - (a) Each Unit Owner is an insured person under the policy with respect to liability arising out of his or her interest in the Common Elements or membership in the Association;
 - (b) The insurer waives its rights to subrogation under the policy against any Unit Owner or member of his or her household;
 - (c) No act or omission by any Unit Owner, unless acting within the scope of his or her authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;
 - (d) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance; and
 - (e) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.
- Section 14.4. <u>Fidelity Bonds</u>. The Association shall maintain a blanket fidelity bond or similar insurance product for anyone who either handles or is responsible for funds held or

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administered by the Association, whether or not they receive compensation for their services. The bond shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association or the manager at any time while the bond is in force, and in no event less than the sum of three months' assessments plus reserve funds. The bond shall include a provision that calls for thirty (30) days written notice to the Association, to each holder of a Security Interest in a Unit and to each servicer that services a FNMA-owned or FHLMC-owned mortgage on a Unit before the bond can be canceled or substantially modified for any reason; except that if cancellation is for nonpayment of premiums, only ten (10) days' notice shall be required.

- Section 14.5. <u>Unit Owner Policies</u>. An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for his or her own benefit. A Unit Owner may insure his Unit for all losses to his Unit, including all losses not covered by the insurance maintained by the Association due to a deductible provision or otherwise.
- Section 14.6. <u>Worker's Compensation Insurance</u>. The Executive Board shall obtain and maintain worker's compensation insurance to meet the requirements of the laws of the Commonwealth of Pennsylvania.
- Section 14.7. <u>Directors' and Officers' Liability Insurance</u>. The Executive Board shall obtain and maintain directors' and officers' liability insurance, if reasonably available, covering all of the Executive Board members and officers of the Association in such limits as the Executive Board may, from time to time, determine to be advisable.
- Section 14.8. Other Insurance. The Association may carry other insurance in such reasonable amounts and with such reasonable deductibles as the Executive Board considers appropriate to protect the Association or the Unit Owners.
- Section 14.9. <u>Premiums and Deductibles</u>. Insurance premiums and deductibles for insurance carried by the Association shall be Common Expenses, levied in accordance with Sections 3312 and 3314 of the Act. Any increase in any Association insurance premium attributable to a particular Unit by virtue of the use of the Unit, activities in, or construction of the Unit shall be assessed against that Unit.

ARTICLE XV

DAMAGE TO OR DESTRUCTION OF PROPERTY

Section 15.1. <u>Duty to Restore</u>. Any portion of the Property for which insurance is required under Section 3312 of the Act or for which insurance carried by the Association is in effect, whichever is more extensive, shall be repaired or replaced promptly by the Association unless:

15.1.1. The Condominium is terminated;

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- 15.1.2. Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or
- 15.1.3. Eighty percent (80%) of the Unit Owners, including every owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.
- Section 15.2. <u>Cost</u>. Except for the costs of repair or replacement which are not covered due to deductibles, the cost of repair or replacement in excess of insurance proceeds and reserves which have not been identified by the Executive Board to fund costs of capital expenditures for the current fiscal year of the Association shall be a Common Expense. If any insurance policy maintained by the Association contains a deductible, then that portion of any loss or claim which is not covered by insurance due to the application of a deductible, as well as any claim or loss for which the Association is self-insured, shall be levied by the Executive Board in accordance with Section 3314(c) of the Act.
- Section 15.3. <u>Plans</u>. The Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Executive Board, a majority of Unit Owners and fifty-one percent (51%) of Eligible Mortgagees.
 - Section 15.4. Replacement of Less Than Entire Property.
- 15.4.1. The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium.
 - 15.4.2. Except to the extent that other persons will be distributees,
 - (a) The insurance proceeds attributable to Units and Limited Common Elements that are not rebuilt shall be distributed to the owners of those Units and the owners of the Units to which those Limited Common Elements were allocated, or to lien holders, as their interests may appear; and
 - (b) The remainder of the proceeds shall be distributed to all the Unit Owners or lien holders, as their interests may appear, in proportion to the Common Expense liabilities of all the Units.
- 15.4.3. If the Unit Owners vote not to rebuild any Unit, that Unit's Percentage Interest is automatically reallocated on the same basis as if the Unit has been condemned under Section 3107 of the Act, and the Association shall promptly prepare, execute and record an amendment to this Declaration reflecting the reallocations.
- Section 15.5. <u>Insurance Proceeds</u>. The insurance trustee, or if there is no insurance trustee, then the Association, shall hold any insurance proceeds in trust for the Association, Unit Owners and lien holders as their interests may appear. Subject to the provisions of Subsection 15.1.1 through Subsection 15.1.3, the proceeds shall be disbursed first for the repair or

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restoration of the damaged Property, and the Association, Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored, or the Condominium is terminated.

- Section 15.6. <u>Certificates by the Executive Board</u>. A trustee, if any, may rely on the following certifications in writing made by the Executive Board:
- 15.6.1. Whether or not damaged or destroyed Property is to be repaired or restored;
- 15.6.2. The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.
- Section 15.7. <u>Certificates by Attorneys</u>. If payments are to be made to Unit Owners or mortgagees, the Executive Board, and the trustee, if any, shall obtain and may rely on an attorney's certificate of title or a title insurance certificate based on a search of the land records of the county in which the Property is located from the date of the recording of the original Declaration stating the names of the Unit Owners and the mortgagees.

ARTICLE XVI

AMENDMENTS TO DECLARATION

- Section 16.1. <u>Amendment Generally</u>. Except in cases of amendments that may be executed by the Declarant in the exercise of its Special Declarant Rights, including those rights described in Articles XIX or XX of this Declaration, or by the Association pursuant to Section 16.8 below, or as otherwise permitted by the Act or other provisions of this Declaration, and except as limited by Section 16.4 and Article XI of this Declaration, or by certain provisions of the Act, this Declaration, including the Plats and Plans, may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.
- Section 16.2. <u>Limitation of Challenges</u>. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one year after the amendment is recorded.
- Section 16.3. <u>Recordation of Amendments</u>. Every amendment to this Declaration shall be recorded in the county in which the Property is located and shall be effective only on recording. An amendment shall be indexed in the name of the Condominium in both the grantor and grantee index.
- Section 16.4. When Unanimous Consent Required. Except to the extent expressly permitted or required by other provisions of the Act and this Declaration, no amendment may create or increase Special Declarant Rights, increase the number of Units, change the boundaries

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of any Unit, the Percentage Interest of any Unit, or the uses to which any Unit is restricted, in the absence of unanimous consent of the Unit Owners.

- Section 16.5. Execution of Amendments. Amendments to this Declaration required by the Act to be recorded by the Association, which have been adopted in accordance with this Declaration and the Act, shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.
- Section 16.6. <u>Special Declarant Rights</u>. Provisions in this Declaration creating Special Declarant Rights may not be amended without the consent of the Declarant.
- Section 16.7. <u>Consent of Holders of Security Interests</u>. Amendments are subject to the consent requirements of Article XI.
- Corrective Amendments. If any amendment is necessary in the judgment Section 16.8. of the Executive Board to cure any ambiguity or to correct or supplement any provision of this Declaration, including the Plats and Plans, that is defective, missing or inconsistent with any other provisions contained therein or with the Act, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or other agency or entity with national or regional standards for mortgage loans with respect to condominium projects, or to comply with any statute, regulation, code or ordinance which may now or hereafter be made applicable to the Condominium or Association, or to make a reasonable accommodation or permit a reasonable modification in favor of handicapped, as may be defined by prevailing Federal or state laws or regulations applicable to the Association, Unit Owners, residents, tenants or employees, 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 Property, 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 Section.

ARTICLE XVII

AMENDMENTS TO BYLAWS

Section 17.1. <u>Amendments to Bylaws</u>. Except for amendments of a material nature which must be effected in accordance with Section 11.4.1 above, the Bylaws may be amended only by vote of two-thirds (2/3) of the members of the Executive Board, following Notice and Comment to all Unit Owners, at any meeting duly called for such purpose. Corrective amendments to the Bylaws may be effected in the same manner as amendments to the Declaration described in Section 16.8 above.

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ARTICLE XVIII

RIGHTS TO NOTICE AND COMMENT; NOTICE AND HEARING

Section 18.1. Right to Notice and Comment. Before the Executive Board amends the Bylaws or the Rules and Regulations, whenever the Condominium Documents require that an action be taken after "Notice and Comment", and at any other time the Executive Board determines, the Unit Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action shall be given to each Unit Owner in writing and shall be delivered personally or by mail to all Unit Owners at such address as appears in the records of the Association, or published in a newsletter or similar publication which is routinely circulated to all Unit Owners. The notice shall be given not less than five (5) days before the proposed action is to be taken. The right to Notice and Comment does not entitle a Unit Owner to be heard at a formally constituted meeting.

Section 18.2. Right to Notice and Hearing. Whenever the Condominium Documents require that an action be taken after "Notice and Hearing", the following procedure shall be observed: The party proposing to take the action (e.g., the Executive Board, a committee, an officer, the manager, etc.) shall give written notice of the proposed action to all Unit Owners or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

Section 18.3. <u>Appeals</u>. Any Person having a right to Notice and Hearing shall have the right to appeal to the Executive Board from a decision of persons other than the Executive Board by filing a written notice of appeal with the Executive Board within ten (10) days after being notified of the decision. The Executive Board shall conduct a hearing within thirty (30) days, giving the same notice and observing the same procedures as were required for the original meeting.

ARTICLE XIX

CONVERTIBLE REAL ESTATE

Section 19.1. <u>Reservation</u>. 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 or any combination thereof from time to time in compliance with Section 3211 of the Act, without the consent of any Unit Owner or holder or insurer of any Security Interest in any Unit. This option to convert may be terminated prior to such anniversary only upon the filing of an amendment to this Declaration by

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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(s) described as such on Exhibit D hereto. There are no other limitations on this option to convert Convertible Real Estate.

Assurances. If the Convertible Real Estate is converted, the Building(s) Section 19.2. on the Convertible Real Estate will be located approximately as shown on Exhibit C attached hereto and on the Subdivision/Land Development Plan described in Subsection 1.2.3 hereof. At such time as all of the Convertible Real Estate is completely converted, the maximum number of Units in the Condominium as an aggregate will be no more than fifty-seven (57) Units. All Units that may be created within the Convertible Real Estate are restricted to residential use to the same extent as all other Units. Any Buildings to be constructed within the Convertible Real Estate and Units therein shall be compatible (but not necessarily the same) in quality of construction, 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 and Limited Common Elements shall apply to Units and Limited Common Elements created within 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 appurtenant to each Unit created within the Convertible Real Estate and the other existing Units shall be computed as required by Section 2.1 above.

ARTICLE XX

WITHDRAWABLE REAL ESTATE

Reservation to Withdraw. Declarant hereby explicitly reserves an option, Section 20.1. until the seventh (7th) anniversary of the recording of this Declaration, to withdraw all or any portion of the Withdrawable Real Estate in compliance with Section 3212 of the Act, without the consent of any Unit Owner or holder or insurer of any Security Interest in any Unit. This option to withdraw 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 and without any requirement that any other real estate be converted, added or withdrawn; provided, however, that the Withdrawable Real Estate shall not exceed the area(s) described as such on Exhibit D hereto. There are no other limitations on this option to withdraw Withdrawable Real Estate. The Percentage Interest, relative voting strength in the Association and share of Common Expense liability of each Unit in the Condominium as of the date this Declaration or any amendments thereto are recorded will be unaffected by the withdrawal of all or any part of the Withdrawable Real Estate. In the event that Declarant shall withdraw all or any portion of the Withdrawable Real Estate, the assurances, if any, contained in this Declaration shall not apply to the Withdrawable Real Estate withdrawn from the Condominium.

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- Section 20.2. <u>Easements Regarding Withdrawable Real Estate</u>. If and when Withdrawable Real Estate is withdrawn from the Property in accordance with the provisions of this Declaration, the following reciprocal easements shall be created and granted in favor of and against the Condominium Unit Owners and the Association, on the one hand, and the owners and occupants of the portion of the Withdrawable Real Estate withdrawn from the Property, on the other hand:
 - (a) A non-exclusive easement and right-of-way over, on, and upon any roads and streets created within the Property for ingress and egress to and from any public streets serving the Property;
 - (b) The right of access for the placement and maintenance of underground utility facilities to serve any owner of any portion of the Property, including, <u>inter alia</u>, electrical, gas, telephone, sewer and waterlines provided that the exercise of said rights does not materially interfere with the existing utility facilities;
 - (c) The right to use and gain access to existing utility facilities located on the Property, including the waterlines, sanitary sewer and storm sewer facilities, and to tie into said facilities, together with the right to install and maintain new utility facilities, provided that the exercise of such rights does not materially interfere with the existing utility facilities;
 - (d) The right to enter upon the Property at reasonable times for the purpose of laying, constructing, inspecting, maintaining, repairing or removing said utility facilities.

Prior to withdrawing Withdrawable Real Estate, Declarant shall execute and record a Declaration of Reciprocal Easements creating the rights above, subject <u>inter alia</u>, to the following conditions:

- (a) The party exercising such easement rights for the installation of utility facilities shall be solely responsible for all expenses of whatever nature with regard to the initial construction and installation of said utility facilities;
- (b) Any party exercising the easement right to install utility facilities over, under or through the Property shall observe all applicable laws pertaining thereto. All work shall be done during reasonable times, following reasonable notice to any party who will be affected by the work, and shall be done in a manner which shall not unreasonably interfere with the use of the Property by the owners and occupants thereof;
- (c) The party exercising such easement right, at its sole cost, shall promptly restore the Property to its original condition;

- (d) The expense of operating, maintaining and repairing any area or facility subject to a reciprocal easement shall be equitably apportioned among the owners using said areas or easements, considering all pertinent use factors;
- (e) The party exercising any easement right shall indemnify and hold harmless all other owners within the Property from all loss, damage, claims or expenses, including reasonable attorneys' fees, resulting from its negligent or improper exercise of the easements and other rights granted herein.

ARTICLE XXI

POWERS OF THE ASSOCIATION

- Section 21.1. <u>Powers of the Association</u>. Subject to the provisions of this Declaration, the Association shall have all of the powers designated in Section 3302 of the Act, including the right to assign its right to future income, including the right to receive the payments made on account of the assessments for Common Expenses, provided however, that reserve funds held for future major repairs and replacements of the Common Elements may not be assigned or pledged.
- Section 21.2. <u>Merger or Consolidation</u>. On the earlier of the seventh (7th) anniversary of the recording of this Declaration or the date upon which Declarant owns no Units within the Condominium, the Association shall have the right to merge with one or more condominiums, provided that any such merger or consolidation shall be effected in accordance with Section 3223 of the Act.
- Section 21.3. <u>Conveyance or Encumbrance of the Common Elements</u>. Provided that Unit Owners entitled to cast at least eighty percent (80%) of the votes in the Association, including eighty percent (80%) of the votes allocated to Units not owned by Declarant, agree, portions of the Common Elements may be conveyed or subjected to a Security Interest by the Association. Any conveyance or encumbrance of the Common Elements by the Association shall be effected in strict accordance with Section 3318 of the Act.
- Section 21.4. <u>Judgments Against the Association</u>. Any creditor of the Association pursuant to a Security Interest obtained under Section 21.3 above shall exercise its rights against the Common Elements before its judgment lien on any Unit may be enforced. Otherwise, as a general rule, any judgment for money against the Association, upon perfection as a lien on real property, shall not be a lien on the Common Elements, but shall constitute a lien against all of the Units in the Condominium at the time the judgment was entered. No other property of a Unit Owner is subject to the claims of creditors of the Association. Any Unit Owner may have his or her Unit released from the lien of the judgment upon payment of that portion of the lien attributable to his Unit in accordance with Section 3319(c) of the Act. After payment, the Association may not assess or have a lien against that Unit Owner's Unit for any portion of the Common Expense incurred in connection with that lien. A judgment indexed against the Association must be indexed against the Condominium and the Association, and when so indexed, shall constitute notice of the lien against the Units.

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ARTICLE XXII

TERMINATION OF THE CONDOMINIUM

Section 22.1. <u>Procedure for Termination</u>. Except in the case of a taking of all of the Units in the Condominium by eminent domain, the Condominium may be terminated by agreement of Unit Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated and by agreement of Eligible Mortgagees which represent at least fifty-one percent (51%) of the Unit estates subject to Mortgages held by those Eligible Mortgagees, provided that such termination shall be effected in full compliance with the provisions set forth in Section 3220 of the Act.

ARTICLE XXIII

INTERPRETATION

Section 23.1. <u>Interpretation</u>. 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 are intended solely for the convenience of readers of this Declaration.

ARTICLE XXIV

SEVERABILITY

Section 24.1. <u>Severability</u>. 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 thereof unless such deletion shall destroy the uniform plan for development and operation of the condominium project which this Declaration is intended to create.

ARTICLE XXV

TOWNSHIP AS BENEFICIARY

Section 25.1 <u>Township as Beneficiary</u>. Township is intended to be a third party beneficiary to the Condominium Documents for the sole purpose of permitting Township to enforce its rights pursuant to the Subdivision/Land Development Plans and the Condominium Documents as they pertain to the maintenance of the Common Elements (the "Maintenance

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Provisions"). The Maintenance Provisions may not be amended or modified to limit Township's rights in this regard without the prior written consent of Township.

ARTICLE XXVI

EFFECTIVE DATE

Section 26.1. <u>Effective Date</u>. This Declaration shall become effective when it and the Plats and Plans have been recorded.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Declarant, intending to be legally bound hereby has duly executed this Declaration, as of this 24^{h_1} day of July, 2006.

ATTEST: WITNESS

DECLARANT:

DJH PENN VALLEY ASSOCIATES LIMITED

PARTNERSHIP, a Pennsylvania limited

partnership

By: DJH Penn Valley Associates, Inc., a Pennsylvania corporation, its general partner

Name:

Connie M. Alvara

Title:

Name: Douglas E. Halbert Title: (Vice) President INSTRUMENT #: 20060029720 PAGE 49 OF 60

COMMONWEALTH OF PENNSYLVANIA

SS:

COUNTY OF DAUPHIN

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

Lisa R. Barker Notary Public

(SEAL)

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal Lisa R. Barker, Notary Public City of Harrisburg, Dauphin County My Commission Expires Nov. 5, 2008

My commission expires:

EXHIBIT "A"

LEGAL DESCRIPTION OF THE REAL ESTATE

ALL THAT CERTAIN lot, piece or parcel of land situate in West Hanover Township, County of Dauphin and Commonwealth of Pennsylvania, identified as Lot 1 on that certain "Final Subdivision/Land Development Plan for Pine View, formerly Hemlock View" prepared by Mellott Engineering, Inc., Harrisburg, Pennsylvania, dated September 4, 2003, last revised May 11, 2004, and recorded in the Office of the Recorder of Deeds of Dauphin County, Pennsylvania in Plan Book Z, Volume 8, Page 81, more particularly bounded and described as follows, to wit:

BEGINNING at a point on the centerline of Jonestown Road (T -601), at a point about one-half mile from Manada Hill, said point being the Western line of lands now or formerly of Wayne W. and Faye E. Weller; thence along said lands now or formerly of Weller, South 38 degrees 15 minutes 59 seconds East, for a total distance of 140.01 feet, to a point; thence North 52 degrees 24 minutes 08 seconds East, for a distance of 142.04 feet, to a point; thence South 37 degrees 35 minutes 52 seconds East, for a distance of 54.23 feet, to a point; thence North 54 degrees 58 minutes 19 seconds East, for a distance of 77.45 feet, to a point in line of lands now or formerly of Eugene G. and Nannette C. Buhrman; thence along said lands now or formerly of Buhrman, South 35 degrees 01 minute 41 seconds East, for a distance of 465.57 feet, to a point along same; thence North 57 degrees 25 minutes 56 seconds East, for a distance of 254.04 feet, to a point in line of lands now or formerly of West Hanover Township; thence along said lands now or formerly of West Hanover Township, South 38 degrees 18 minutes 12 seconds East, for a distance of 259.06 feet, to a point along same; thence South 51 degrees 54 minutes 09 seconds West, for a distance of 445.38 feet, to a point along same; thence South 42 degrees 10 minutes 02 seconds West, for a distance of 92.13 feet to a point along same; thence North 53 degrees 44 minutes 13 seconds West, for a distance of 1,002.61 feet, to a point on the centerline of Jonestown Road (T-601); thence along said centerline of Jones town Road (T-601), North 52 degrees 11 minutes 51 seconds East, for a distance of 358.30 feet to a point and the place of BEGINNING.

CONTAINING 10.17 acres of land, more or less.

BEING the same premises which The McNaughton Company, a Pennsylvania corporation, by its deed dated November 11, 2005 and recorded in the Office of the Recorder of Deeds in and for Dauphin County, Pennsylvania in Deed Book 6277, Page 589 granted and conveyed unto DJH Penn Valley Associates Limited Partnership, a Pennsylvania limited partnership, Declarant herein.

EXHIBIT "B"

PERCENTAGE INTEREST IN COMMON ELEMENTS, SHARE OF COMMON EXPENSES AND VOTES, APPURTENANT TO UNITS

Unit Identifying Number	Percentage Interest %	Number of Votes	
	Building D		
D-1	12.5	1	
D-2	12.5	1	
D-3	12.5	1	
D-4	12.5	1	
	Building E		
E-1	12.5	1	
E-2	12.5	1	
E-3	12.5	1	
E-4	12.5	1	
TOTAL (8 Units)	100.00	8	

EXHIBIT "C"

PLATS AND PLANS

The Plats and Plans for Pine View, A Townhome Condominium, consisting of five (5) pages dated May 5, 2006 and July 19, 2006, respectively, are being filed in the Office of the Recorder of Deeds in and for Dauphin County, Pennsylvania concurrently with the filing of this Declaration, and said Plats and Plans are hereby incorporated herein and made an integral part hereof by this reference thereto.

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EXHIBIT "D"

LEGAL DESCRIPTION OF THE CONVERTIBLE/WITHDRAWABLE REAL ESTATE

ALL THAT CERTAIN parcel or tract of land situate in West Hanover Township, Dauphin County, Pennsylvania more particularly bounded and described on Exhibit "A" to this Declaration, excepting thereout and therefrom Phase 1, as more particularly bounded and described on the Plats and Plans attached to this Declaration as Exhibit "C".

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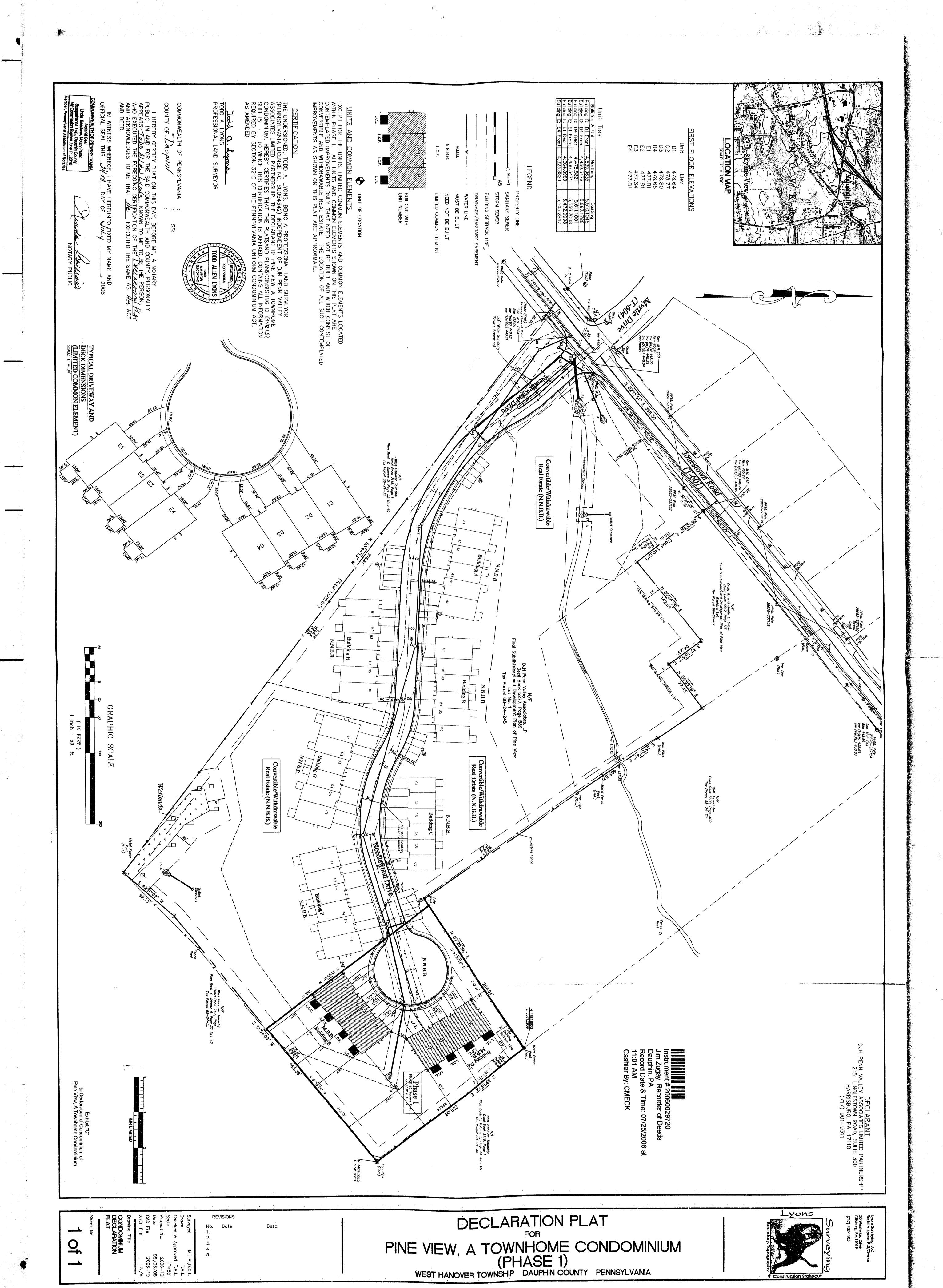
INSTRUMENT #: 20060029720 PAGE 54 OF 60

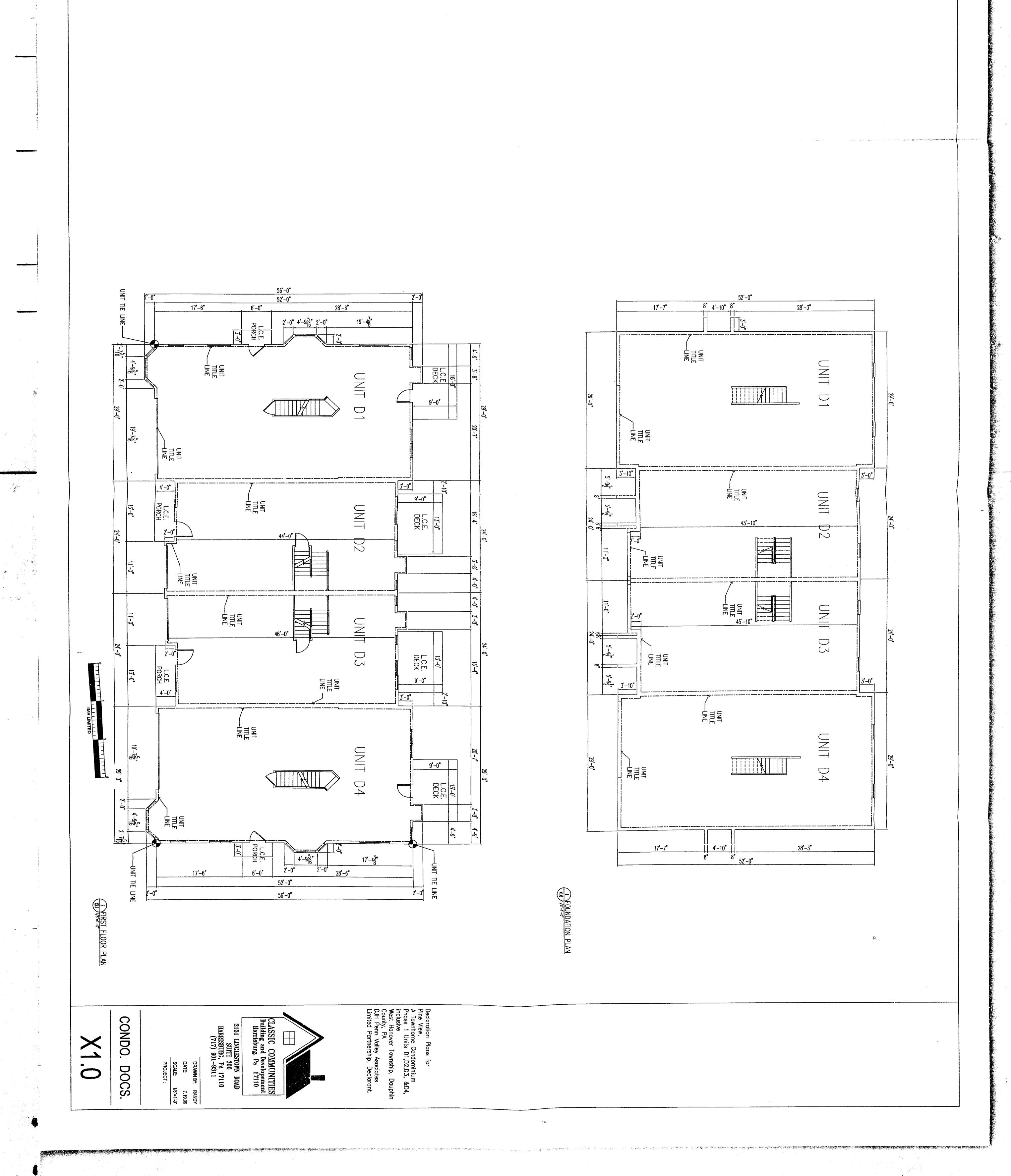
After recordation of this document, please return to:

Robert M. Cherry, Esq. McNees Wallace & Nurick LLC P. O. Box 1166 Harrisburg, PA 17108

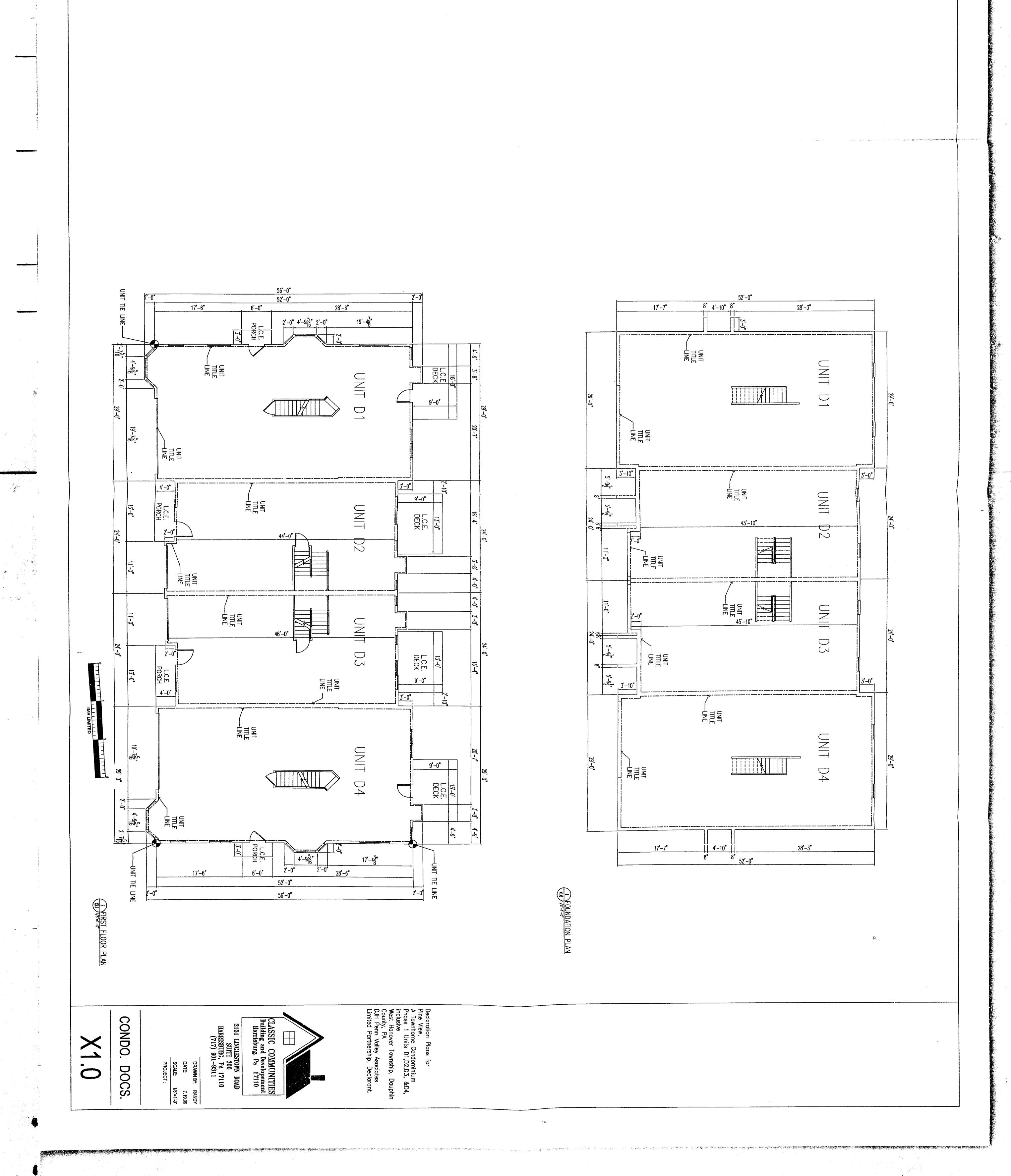
COMMONWEALTH OF PENNSYLVANIA	:		
COUNTY OF DAUPHIN	: :	SS:	
RECORDED in the Office of the Recorde	r of De	eds in and for said	d County, as
Instrument No			
WITNESS my hand and official seal this	c	lay of	, 2006
	Rea	corder of Deeds	71-4

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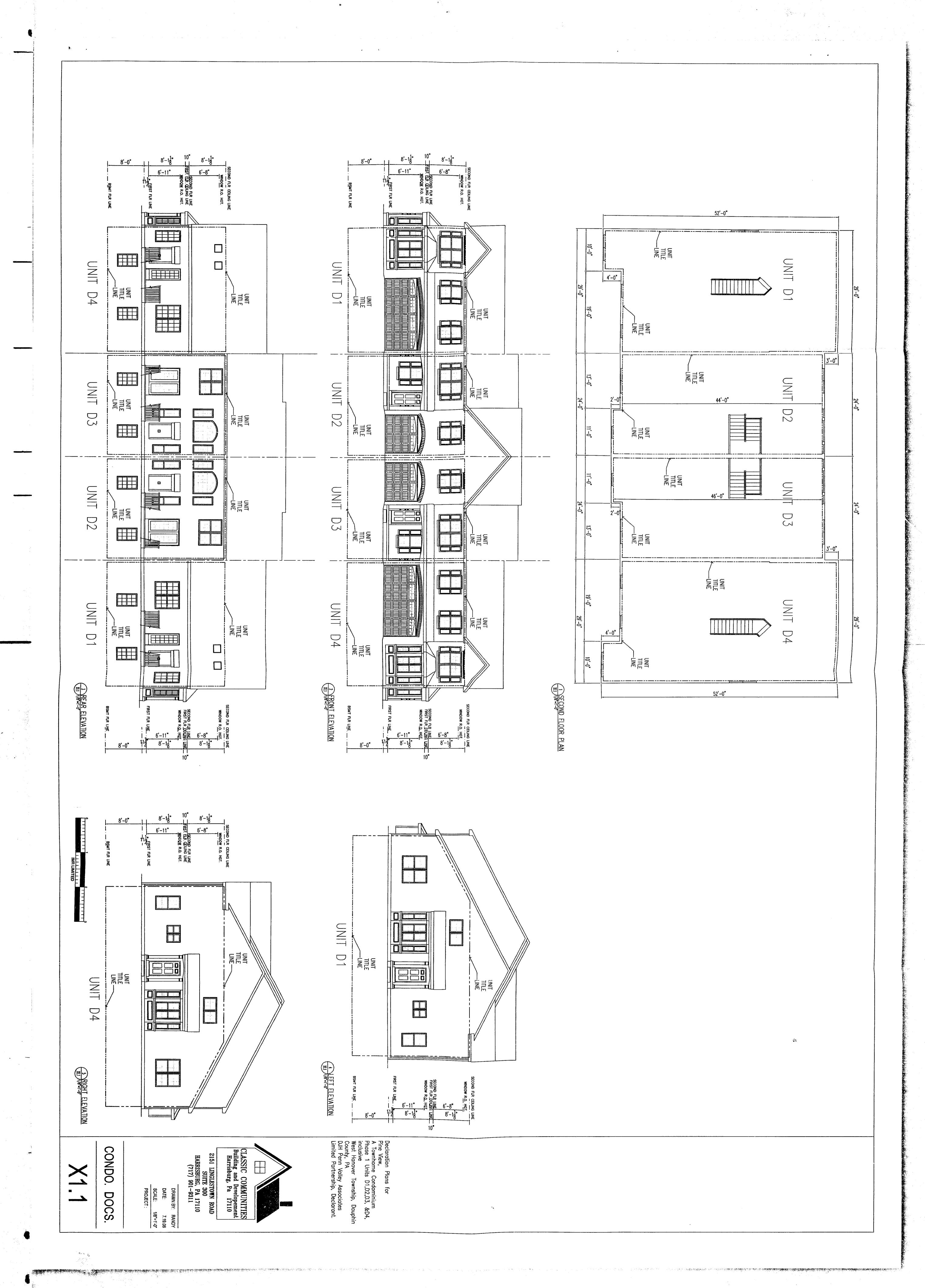


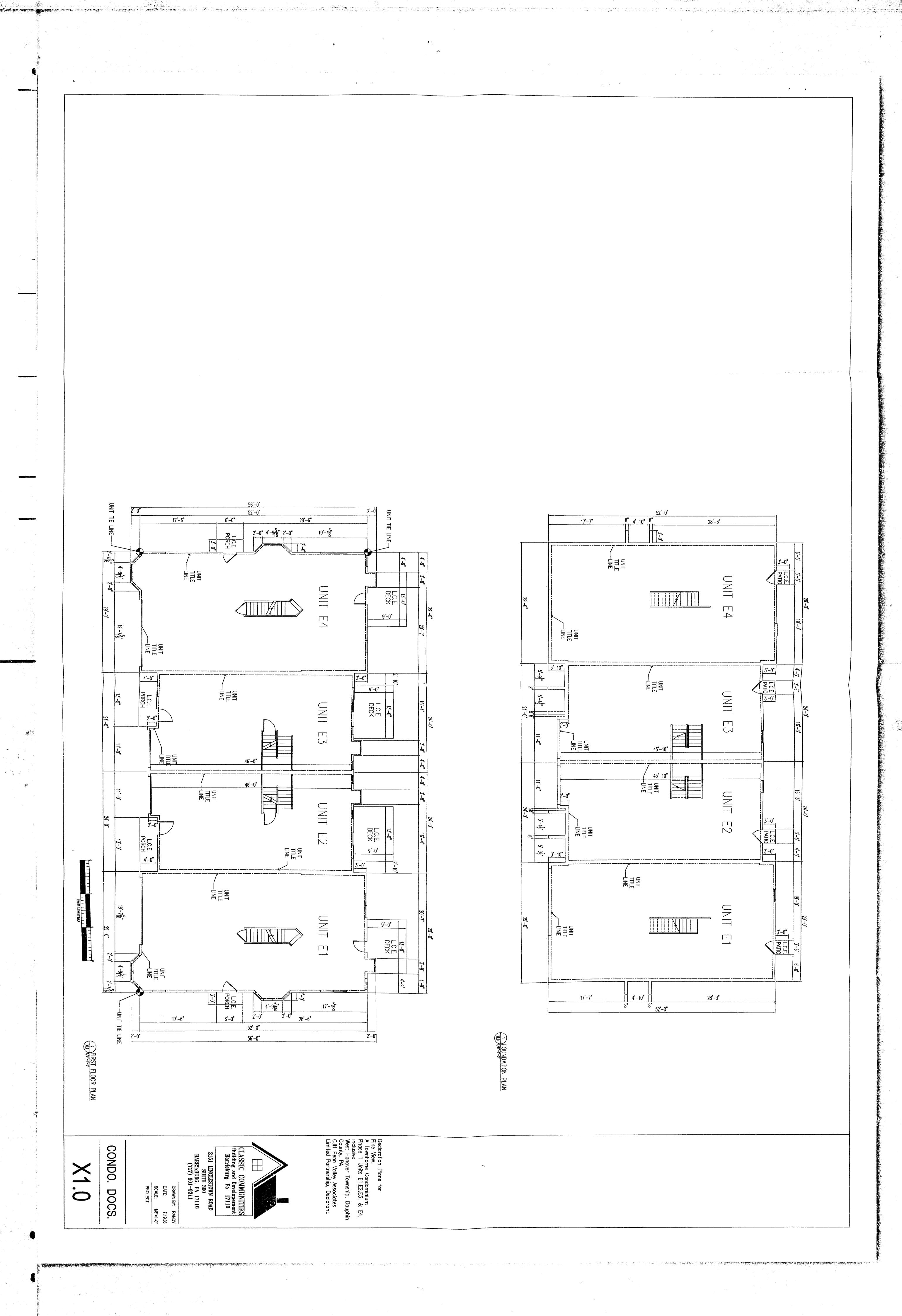


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James M. Zugay, Esq. Recorder of Deeds (717) 780-6560

> Candace E. Meck First Deputy



Location: Dauphin County Courthouse

Room 102 Front & Market Streets Harrisburg, PA 17101

Recorder of Deeds

Harrisburg, Pennsylvania

CERTIFIED END PAGE

INSTRUMENT #: 20060029720

RECORD DATE: 7/25/2006 11:01:58 AM

RECORDED BY: CMECK

DOC TYPE: DECL

AGENT: MCNEES, WALLACE & NURICK LLC

DIRECT NAME: PINE VIEW

INDIRECT NAME:

RECORDING FEES - State: \$0.50 RECORDING FEES - County: \$13.00

ACT 8 OF 1998: \$5.00

ADDITIONAL NAME FEE: \$110.00

I Certify This Document To Be Recorded In Dauphin County, Pennsylvania.



James M. Zugay, Recorder of Deeds

THIS IS A CERTIFICATION PAGE

PLEASE DO NOT DETAC

THIS PAGE IS NOW PART OF THIS LEGAL DOCUMENT