

**DECLARATION OF CONDOMINIUM
OF
CANTERBURY CROFT

A CONDOMINIUM**

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DECLARATION OF CONDOMINIUM

THIS DECLARATION made this day of 1986, by the Gigliotti Corporation, a Pennsylvania corporation, for itself, its successors, grantees and assigns other than ultimate unit purchasers (herein called the "Declarant") being the owner of the real estate herein described.

Article I Submission of Property

SECTION 1.01 Submission to Condominium Ownership. Declarant hereby submits the lands hereinafter described in Section 2.01, the buildings and improvements to be constructed thereon, and all easements, rights and appurtenances belonging thereto (herein called the "Property"), to the provisions of the Pennsylvania Uniform Condominium Act, Act No. 1980-82, (68 Pa. Cons. Stat. §3101 et seq.) (herein called the "Act") which is hereby incorporated herein by reference.

Article II The Property

SECTION 2.01 The Property. The Property consists of all that certain real property with improvements erected thereon, located in Bucks County, Pennsylvania and more fully described in Exhibit "A" (the legal description) and Exhibit "B" (the "Plan") which are attached hereto, incorporated herein and made a part hereof, together with the easements, rights and appurtenances belonging thereto.

Article III The Condominium

SECTION 3.01 Name. The name by which the Property shall hereafter be identified is Canterbury Croft, a Condominium (the "Condominium").

Article IV Definitions

SECTION 4.01 Definitions. The following terms when used herein and in the By-Laws of the Condominium (hereinafter called the "By-Laws") are intended to be defined according to the meanings ascribed to them by this Section 4.01. Any term used herein or in the By-Laws which is not defined in this Section 4.01, but is defined in the Act, shall have the meaning ascribed to it by the Act.

(a) "Assessments" shall mean those levies, assessments or sums payable by the Owners in the Condominium from time to time upon notification by the Association, as provided herein; the obligation to pay these Assessments shall be a covenant running with the land. Each Assessment shall be separate for each Unit and payable by the Owner thereof.

(b) "Association" or "Condominium Association" shall mean an association of all Unit Owners, which shall be the organization by and through which the affairs of the Condominium are administered by its duly elected Executive Board.

(c) "Building" means any building erected or to be erected on that real property described in Exhibit "A" containing one or more Dwelling Units as well as other improvements comprising a part of a Building or intended to be used for residential purposes.

(d) "By-Laws" means those governing regulations which are adopted pursuant to the Act and this Declaration for the regulation and management of the Property, including any amendments thereof which may be adopted from time to time.

(e) "Common Elements" means all portions of the Condominium other than the Units which are shown and so designated on Exhibit "B," the Plan and shall include the driveways, sidewalks, roads and fences constructed on the Property by the Declarant.

(f) "Common Expenses" means all those expenses for which the Unit Owners are liable as provided herein, including, but not limited to:

(i) Expenses of administration, maintenance, repair and replacement of and improvements to the Common Elements;

(ii) Expenses or liabilities agreed upon as common by the Unit Owners;

(iii) Expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves; and

(iv) Expenses designated as common by provisions of the Act, this Declaration or the By-Laws.

(g) "Common Receipts" means and includes the funds collected from Unit Owners as Assessments and receipts designated as common by the provisions of the Act, this Declaration or the By-Laws.

(h) "Common Surplus" means and includes the excess of all Assessments over all Common Expenses.

(i) "Community Association" shall mean the Village Shires Community Association being the organization by and through which the affairs of Village Shires are administered.

(j) "Convertible Real Estate" shall have the meaning ascribed to it by the Act and, for purposes of the Condominium, shall consist of the real property more particularly described in

Exhibit "C" attached hereto, incorporated herein and made a part hereof.

(k) "Declaration" means the instrument and all amendments thereto by which the owners of the Property submit it to the provisions of the Act.

(l) "Dwelling Unit" means a structure designed, sold and occupied exclusively as a residence and located within a Building subject to this Declaration. For the purpose of this document, each separate Dwelling Unit shall be subject to all of the rights, privileges and duties as if each were separately owned, irrespective of whether this is so in fact or not.

(m) "Eligible holder, insurer or guarantor of a first mortgage" means any holder, insurer or guarantor of a first mortgage on one or more Units in the Condominium who shall have provided to the Condominium Association a statement of its name, address and the Unit(s) against which it holds, insures or guarantees a first mortgage lien.

(n) "Executive Board" means a board of natural individuals of the number stated herein and in the By-Laws, who shall manage the business, operation and affairs of the Condominium on behalf of the Unit Owners and in compliance with and subject to the provisions of the Act.

(o) "Limited Common Elements" means those Common Elements which are designated for the use of that Unit to which these Common Elements are assigned or appurtenant and which are limited and restricted to the sole and exclusive use of the Owner of the Unit. The Limited Common Elements shall include the driveways, balconies, decks, patios, porches and greenhouses contiguous or adjacent to the Dwelling Units.

(p) "Limited Common Element Expense" means any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element.

(q) "Owner" or "Unit Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Unit or Units which is or are part of the Condominium, but excluding those having an interest merely as security for the performance of an obligation.

(r) "Person" means a natural individual, corporation, partnership, association, trust or other legal entity or any combination thereof.

(s) "Plan" means a survey of the Property, and graphic diagram of the Buildings, Units and Common Elements. The Plan, and any amendments which may be made from time to time, is attached hereto as Exhibit "B", is incorporated herein as if

fully set forth, and has been prepared in accordance with Section 3210 of the Act.

(t) "Property" means the real estate, including those portions of the Buildings and all improvements thereon owned in fee simple and all easements, rights and appurtenances belonging thereto, which by this Declaration have been submitted to the provisions of the Act.

(u) "Recorded" means that an instrument has been duly entered of record in the Office of the Recorder of Deeds in and for Bucks County, Pennsylvania.

(v) "Unit" means a part of the Property designed or intended for any type of independent use, which has a direct exit to a public street or way, or to a Common Element or Common Elements leading to a public street or way, or to an easement or right-of-way leading to a public street or way, and includes the proportionate undivided interest in the Common Elements, which is assigned thereto in this Declaration or any amendments thereto. Where the context of the use of the term "Unit" connotes the physical Dwelling Unit in a Building, the meaning shall be that of Dwelling Unit.

(w) "Unit Designation" means the number, letter or combination thereof designating a Unit on the Plan.

Article V Plan

SECTION 5.01 Plan. The Plan attached hereto as Exhibit "B" shows fully and accurately the Property, the name of the Property, the location of the Buildings erected or to be erected thereon, the floor plans of the Buildings showing the location of the Units and Common Elements, the Unit Designation for each Unit shown thereon, locations of the Common Elements and any other information required by the Act.

Article VI Applicability

SECTION 6.01 Applicability. This Declaration shall be applicable to the Condominium. All present and future Owners and occupants, tenants, their guests, licensees, servants, agents, employees and any other person or persons that shall be permitted to use the Common Elements described in this Declaration for the Condominium, shall be subject to this Declaration, the By-Laws and to any rules and regulations issued by the Executive Board, from time to time, to govern the conduct of its members and the use and occupancy of the Property. Ownership, rental or occupancy of any of the Units in the Condominium shall be conclusively deemed to mean that the Owner, tenant or occupant has accepted, ratified and will comply with this Declaration, the By-Laws and any rules and regulations of the Association.

SECTION 6.02 Interpretation of Declaration and By-Laws.
In the event of a conflict of interpretation between the provisions set forth in the By-Laws and this Declaration, this Declaration shall govern except to the extent this Declaration is inconsistent with the Act. In the event that the Internal Revenue Code is hereafter amended or changed, both this Declaration and the By-Laws shall be interpreted in a manner which conforms to the provisions of the Internal Revenue Code with respect to non-profit entities, it being the intention to preserve the lawful status of the Association as a bona-fide non-profit entity.

Article VII Units

SECTION 7.01 Number of Units. The Condominium consists of those Units designated on Exhibit "D" and shown on the Plan.

SECTION 7.02 Description of Dwelling Units.

(a) Each Dwelling Unit is shown on the Plan and, except as provided in Section 7.03 below, no Dwelling Unit may be partitioned or subdivided or in any manner separated into tracts or parcels different from that shown on the Plan. Each Dwelling Unit shall consist of the following:

(i) The unfinished drywall separating the Dwelling Unit from the exterior of the Building, any adjoining Dwelling Unit and any adjoining Common Elements;

(ii) The surface of any fence constructed by the Declarant and joining the wall of the Building of which the Dwelling is a part;

(iii) The unfinished surface of the wood plank or concrete subflooring of the Dwelling Unit and the unfinished drywall of the ceilings of the Dwelling Unit;

(iv) The Dwelling Unit shall extend under and above the land within the perimeter of the Dwelling Unit at least as deep as the lowest level of that portion of the Dwelling Unit within the Building and at least as high as the highest level of that portion of the Dwelling Unit within the Building;

(v) The end Dwelling Units shall include the courtyard to the rear of the Dwelling Unit, including any concrete patio, deck or landscaping;

(vi) All window and sliding door glass and the inside face of all windows and glass door frames and assemblies;

(vii) The heating and air conditioning system and equipment including the compressor for the Dwelling Unit even if

located outside of the Unit boundaries;

(viii) The duct work and faces of the heating/air conditioning vents serving the Dwelling Unit; and

(ix) The exterior door(s) to the Dwelling Units, including garage doors, doorbell and hardware, door jambs and frames.

(b) A Unit shall not consist of foundations, structural parts and supports nor any pipes, ducts, wires, cables, conduits or other installations of and systems for all central services and utilities serving the Property; however, any pipes, ducts, wires, cables, conduits or other installations for services and utilities serving only the particular Dwelling Unit (whether or not located within the Dwelling Unit as described in this Section 7.02) shall be part of that Unit.

(c) Each Unit shall also include, to the extent any of the following are situated within the Dwelling Unit, any ovens, ranges, dishwashers, garbage disposals, washers, dryers, sinks, tubs, showers, cabinets, lavatories, water closets, exhaust fans, light fixtures, security alarm systems and equipment, floor coverings, and any other appliances situated within the Dwelling Unit and serving only the same.

SECTION 7.03 Subdivision or Conversion of Units

(a) A Unit owned by the Declarant, or by an assignee of the Declarant's special declarant right to subdivide or convert Units which had been owned by the Declarant, may be subdivided or converted into two or more Units, Common Elements, or a combination of Units and Common Elements.

(b) Upon application of the Declarant, or an assignee of the Declarant's special declarant right to subdivide or convert a Unit, the Condominium Association shall prepare, execute and record an amendment to this Declaration, including the Plan, so subdividing or converting the Unit.

(c) The amendment to the Declaration shall be executed by the Owner of the Unit to be subdivided and shall assign an identifying number to each Unit created and reallocate the Common Elements Interest, votes in the Condominium Association and Common Expenses liability formerly allocated to the subdivided Unit to the new Units in any reasonable manner prescribed by the Owner of the subdivided Unit.

(d) If the Declarant, or assignee of the Declarant's special declarant right to subdivide or convert Units, converts all of any one Unit to Common Elements, the amendment to the Declaration shall reallocate among the other Units the Common Elements Interest, votes in the Condominium Association and Common Expenses liability formerly allocated to the converted

Unit on the same basis as provided in Sections 8.02, 10.02 and 14.03 of this Declaration, respectively. In addition, if the Declarant, or assignee of the Declarant's special declarant right to convert Units, converts any Unit into two or more Units, Common Elements or both, the Declarant, or assignee of the Declarant's special declarant right to subdivide or convert Units, shall record a new Plan or portion thereof showing the location and dimensions of any new Units and Common Elements thus created as well as the location and dimensions of any portion of that space not being converted.

**Article VIII The Common Elements and Limited Common
Elements and Provisions Applicable Thereto**

SECTION 8.01 Definition of Common Elements. The Common Elements are described in Section 4.01(e) hereof and are more particularly described in the Plan.

SECTION 8.02 Interest in Common Elements. The percentage undivided interest of each Unit in the Common Elements (the "Common Elements Interest") is set forth in Exhibit "E", which is attached hereto, incorporated herein and made a part hereof. The undivided Common Elements Interest of each Unit shall be equal to one (1) divided by the total number of Units subject to this Declaration for which a certificate of occupancy from the appropriate governmental body has been issued.

SECTION 8.03 Common Elements to Remain Undivided. The Common Elements Interest of a Unit shall be inseparable from each Unit, and any conveyance, lease, devise or other disposition or mortgage or other encumbrance of any Unit shall extend to and include the Common Elements Interest, whether or not expressly referred to in the instrument effecting the transfer. The Common Elements Interest and the fee title to the respective Unit conveyed therewith, shall not be separately conveyed, transferred, alienated or encumbered and each of the Common Elements Interest shall be deemed to be conveyed, transferred, alienated or encumbered with its respective Unit notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may refer only to the fee title to the Unit.

SECTION 8.04 Partition or Division of Common Elements. The Common Elements shall remain undivided and no action for partition or division of any part thereof shall be permitted, unless otherwise provided by law.

SECTION 8.05 Amendment of Interest in Common Elements.

The Common Elements Interest appurtenant to each Unit shall have a permanent character, shall be inseparable from each Unit and shall not be altered or changed except by the recording of an amendment to this Declaration, with revised Plan, duly executed by all of the Unit Owners and at least two-thirds (2/3) of the holders, insurers or guarantors of first mortgage liens on the Units.

SECTION 8.06 Maintenance and Repair of Common Elements.

The Condominium Association shall provide for the current, regular and periodic maintenance, repair and replacement of the Common Elements. The cost and expense of the foregoing shall be a Common Expense. The Executive Board shall include in the annual budget of the Condominium Association allocation of part of the Assessments to reasonable reserves to be accumulated for periodic maintenance, repair and replacement expenses. The Condominium Association shall also provide for the periodic painting (as determined by the Executive Board) of exterior front entrance doors. The cost and expense of periodic painting of exterior front entrance doors shall be a Limited Common Expense.

SECTION 8.07 Use of Common Elements.

Except as their use may otherwise be limited by this Declaration, the By-Laws or the Executive Board pursuant to its powers, each Unit Owner, tenant or occupant of a Unit, and the family members, guests, customers, clients, agents and employees of each Unit Owner, tenant or occupant, may use the Common Elements in common with all other Unit Owners, tenants or occupants of other Units, and their respective family members, guests, customers, clients, agents and employees, in accordance with the purposes for which they are intended without hindering or encroaching upon the lawful rights of the other Unit Owners.

SECTION 8.08 Liability for Common Expenses.

No Unit Owner may exempt himself from liability with respect to the payment of Assessments by waiver of the enjoyment of the right to use any of the Common Elements or by abandonment of his Unit or otherwise. The obligation to pay Assessments is absolute and unconditional and shall not be subject to setoffs or counterclaims.

SECTION 8.09 Alteration to Common Elements By Unit

Owner. No Unit Owner may make any improvements or alterations or do any work which would impair the structural integrity or mechanical systems of any Building, lessen the support of any portion of the Condominium, or jeopardize the soundness or safety of the Property. No Unit Owner shall impair any easement or hereditament therein without the unanimous consent of all of the Unit Owners affected thereby. No Unit Owner shall alter any of the Common Elements, change the appearance of the Common Elements, make any improvements or additions to the Common Elements, or change the exterior appearance of his Unit (including, but not limited to, the exterior surfaces of doors,

the Condominium without the prior written approval of the Association.

SECTION 8.10 Limited Common Elements.

(a) The Limited Common Elements are described in Section 4.01 (n) hereof and more particularly described and shown on the Plan.

(b) Each Unit Owner shall have full individual responsibility for the regular and ordinary maintenance of the Limited Common Elements assigned to, appurtenant to, accompanying or serving his Unit. This ordinary and regular maintenance shall include, but not be limited to, keeping the Limited Common Elements clean and free of debris and in a safe and proper operating condition. Repair and replacement of the Limited Common Elements shall be performed by the Condominium Association and the costs therefor charged as Limited Common Element Expenses to the Unit Owner to whose Unit the Limited Common Elements are appurtenant. The Condominium Association shall not be responsible for the security or insurance for items kept by Unit Owners in or on the Limited Common Elements. The failure by any Unit Owner to promptly and properly carry out his maintenance obligation in connection with the Limited Common Elements assigned to, appurtenant to, accompanying or serving his Unit shall entitle the Condominium Association, after notice to the Owner, to perform the maintenance, repair or replacement and levy Limited Common Element Expenses for the costs and expenses incurred by the Condominium Association. The Condominium Association shall have the right to assess Limited Common Element Expenses in equal shares against the Units to which the Limited Common Elements were assigned or appurtenant at the time the expense was incurred, provided the Condominium Association shall also have the right to assess individual Units for Limited Common Element Expenses associated with those Units. Limited Common Element Expenses associated with Limited Common Elements assigned to, shared by or appurtenant to more than one Unit shall be assessed equally to the Owners of those Units.

SECTION 8.11 Obsolescence. In the event that the Executive Board shall determine that any Common Elements or any other real or personal property of the Condominium Association is obsolete, the Executive Board may call for a vote of the Condominium Association membership to determine whether or not the property should be demolished and/or replaced. In the event that eighty (80%) percent of the Unit Owners and at least two-thirds (2/3) of the eligible holders, insurers or guarantors of first mortgage liens on the Units in the Condominium shall determine that the property should be demolished and/or replaced, the costs thereof shall be assessed against all of the Owners according to each Owner's respective Common Elements Interest.

Article IX Convertible Real Estate

SECTION 9.01 Reservation of Options

(a) The Convertible Real Estate shall consist of the real property described in Exhibit "D", which is attached hereto, incorporated herein and made a part hereof. The Declarant explicitly reserves the option, in accordance with the provisions of the Act, until the expiration of seven (7) years from the date of recordation of this Declaration, to create Units, Limited Common Elements, or both, within the Convertible Real Estate.

(b) These options may be exercised by the Declarant without the consent of any Owner or holder, insurer or guarantor of a first mortgage lien on any Unit. These options shall not terminate prior to their expiration except by amendment to this Declaration filed of record by the Declarant. The Declarant expressly reserves the right to create Units, Limited Common Elements, or both in the Convertible Real Estate at any time, at different times, in any order and without limitation; provided, however, that the number of Units created in the Condominium shall not exceed that stated in Section 7.01 above. The Declarant shall have the right to create Units, Limited Common Elements or both within the Convertible Real Estate at any time until the option herein reserved expires.

(c) Other than those set forth in this Section 9.01 and Section 9.02 below, there are no other limitations on the options to create Units, Limited Common Elements or both within the Convertible Real Estate.

SECTION 9.02 Assurances

(a) The Declarant makes no assurances with respect to the exact location or dimensions of any Buildings that the Declarant may build or Units or Limited Common Elements that the Declarant may create within the Convertible Real Estate, except that, barring amendments to the subdivision and land use approvals for the Property which may be sought and obtained by the Declarant, Buildings and Units, to the extent they are built or created, shall be located in the areas shown on the Plan and, except as otherwise stated below, all Units created shall be restricted to residential and incidental uses. The Declarant makes no assurances with regard to the time at which any Units or Limited Common Elements will be created in the Convertible Real Estate, if at all. The Declarant shall not be required to create Units or Limited Common Elements within the Convertible Real Estate.

(b) The Declarant makes no assurances as to the location, size, architectural style, quality of construction or principal materials employed in the construction of any Buildings to be erected within the Convertible Real Estate. The Declarant makes no assurances as to the nature, type, size or maximum

number of Limited Common Elements it may create within the Convertible Real Estate. All restrictions in this Declaration affecting use, occupancy and alienation of Units will apply to those Units which may be created within the Convertible Real Estate, except that differentiations may be made by the Declarant as to these Units to reflect and account for considerations that are particular to these Units. The Declarant reserves the right to designate and maintain models, sales offices and/or management offices in the Units created in the Convertible Real Estate. The Declarant makes no assurances that the proportion of Limited Common Elements to Units created in the Convertible Real Estate will be approximately equal to the proportion existing in the other parts of the Condominium. Any assurances made by the Declarant in this Section 9.02 shall not apply to the Convertible Real Estate to the extent Units or Limited Common Elements are not created in the Convertible Real Estate.

SECTION 9.03 Reallocation of Common Elements Interests, Common Expenses Percentages and Votes in the Association. Upon the creation of additional Units within the Convertible Real Estate by the exercise of the option reserved by the Declarant in Section 9.01 above, the Common Elements Interests and Common Expenses Percentages shall be reallocated among all of the existing and additional Units in the Condominium in accordance with Sections 8.02 and 14.03 of this Declaration, respectively. Votes in the Condominium Association associated with Units existing in the Condominium shall not be reallocated upon the creation of additional Units in the Convertible Real Estate; each Unit in the Condominium shall continue to have one vote in the Condominium Association.

Article X The Condominium Association

SECTION 10.01 The Condominium Association. The Condominium Association is the governing body for all of the Unit Owners and is responsible for the maintenance, repair, replacement, cleaning, sanitation, management, operation and administration of the Common Elements, and the making of any additions or improvements thereto which duties shall be undertaken as provided herein and in the By-Laws. Nothing herein contained shall be construed so as to preclude the Condominium Association from delegating any of these duties to a manager or agent or to any other person, firm or corporation, subject to the authority of the Condominium Association. In the event that the Condominium Association, having delegated these duties, decides to terminate professional management for the Condominium, this termination shall be subject to the provisions of Section 22.03(c) hereof. The Common Expenses incurred or to be incurred for the maintenance, repair, replacement, management, operation and use of the Common Elements and the making of any additions or improvements thereto and the charges for common energy and utility services including gas and electric usage by the Units (to the extent these are not separately metered to measure actual usage) shall be assessed by the Association against and collected

from the Unit Owners in accordance with Article XV hereof and the Act. Common Expenses benefitting fewer than all of the Units may be assessed exclusively against the Units benefitted. No Unit Owner may exempt himself from liability with respect to any Common Expenses or charges by waiver of the enjoyment of the right to use any of the Common Elements, or by the abandonment of his Unit or otherwise and no action for division or partition of any part of the Common Elements shall be permitted except as provided herein, in the By-Laws or in the Act.

SECTION 10.02 Membership in Condominium Association.

(a) All Unit Owners upon acceptance of a deed to a Unit shall become members of the Condominium Association. Except as otherwise provided, membership in the Condominium Association shall be limited to the Unit Owners of the Condominium and the Declarant.

(b) Every Unit Owner who shall be a member of the Condominium Association shall be entitled to all of the rights and shall be bound by all of the obligations accompanying membership, provided that any Unit Owner who is holding the interest in a Unit merely as a security for the performance of an obligation shall not be a member.

(c) Each Unit in the Condominium shall have one (1) vote associated with the Unit. When more than one person holds an interest in any Unit, they shall be one (1) member collectively, and the vote for that Unit shall be exercised as provided in Section 10.03 hereof and in the By-Laws; in no event shall more than one (1) vote be cast with respect to any Unit.

(d) Only those Unit Owners in good standing and entitled to vote shall be considered "Unit Owners" for purposes of obtaining a quorum, or determining the percentage of Unit Owners voting on a matter. A Unit Owner shall be deemed to be "in good standing" and "entitled to vote" at any annual meeting or at any special meeting of the Condominium Association if, and only if, he shall have fully paid all Assessments made or levied against him as an Owner and against his Unit by the Executive Board as hereinafter provided, together with all interest, costs, attorneys' fees, penalties and other expenses, if any, properly chargeable to the Owner and against his Unit, at least five (5) days prior to the date fixed for any annual or special meeting, subject to the provisions of Section 14.08 of this Declaration.

(e) In the event that an Owner shall lease or permit another to occupy his Unit in accordance with the provisions of this Declaration, the tenant or occupant shall be permitted to enjoy the facilities of the Condominium Association but shall not vote in the affairs of the Condominium Association, except as the Owner shall permit the tenant or occupant to exercise the proxy vote of the Owner.

(f) Every lawful transfer of title to a Unit shall include membership in the Condominium Association. Except as otherwise expressly provided, membership in the Condominium Association may not be assigned or transferred without the transfer of legal title to a Unit and any attempt to assign or transfer membership without transfer of title shall be void and of no effect.

(g) Membership in the Condominium Association shall automatically terminate when the Owner sells, transfers or otherwise conveys his Unit.

SECTION 10.03 Certificate of Voting. If a Unit is owned by one person, the Owner's right to vote shall be established by recording title to the Unit. If a Unit is owned by more than one person, the person entitled to cast a vote for the Unit shall be designated in a certificate signed by all of the record Owners of the Unit and filed with the Secretary of the Condominium Association. If a Unit is owned by a corporation, the officer or employee thereof, entitled to cast the vote of the Unit for the corporation shall be designated in a certificate for this purpose, signed by the president or vice-president, and attested to by the secretary or assistant secretary of the corporation, and filed with the Secretary of the Condominium Association. The person designated in this certificate who is entitled to cast the vote for the Unit shall be known as the "Voting Member". If the certificate for a Unit owned by more than one person or by a corporation is not on file with the Secretary of the Condominium Association, the vote of the Unit concerned shall not be considered in determining the requirement for a quorum or for any purpose requiring the approval of a person entitled to cast the vote for the Unit, except if the Unit is owned by a husband and wife. This certificate shall be valid until revoked in writing by any Owner of the Unit, or until superceded by a subsequent certificate, or until a change in the ownership of the Unit concerned occurs. If a Unit is owned by a husband and wife, the following three provisions are applicable to voting on behalf of the Unit:

(a) The Owners may, but they shall not be required to, designate a Voting Member.

(b) If they do not designate a Voting Member and both the husband and wife are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

(c) Where they do not designate a Voting Member and only one is present at a meeting, the person present may cast the vote for the Unit, without establishing the concurrence of the absent person, just as though he or she owned the Unit individually.

SECTION 10.04 Executive Board.

(a) Subject to the provisions of the Act, this Declaration and the By-Laws, the Executive Board shall have the power to act on behalf of the Condominium Association. The initial Executive Board shall consist of three (3) members. The members of the initial Executive Board shall be appointed, removed and replaced from time to time by the Declarant without the necessity of obtaining resignations. The Declarant-appointed members of the Executive Board shall be replaced with Unit Owners, other than the Declarant, in accordance with the provisions of Subsection 10.04(b).

(b) The transition from Declarant-appointed members of the Executive Board to Unit Owners other than the Declarant shall occur as follows:

(i) No later than ninety (90) days after twenty-five (25%) percent of the Units are conveyed to Owners other than the Declarant, the Owners other than the Declarant shall elect two (2) Unit Owners to be members of the Executive Board, at a special meeting called for the purpose of conducting this a vote, thereby creating a five (5) member Executive Board. These two (2) elected members of the Executive Board shall serve until the next annual meeting of the Condominium Association after this election. Successors to these two (2) elected members of the Executive Board shall be elected at each annual meeting held after the creation of these two (2) seats on the Executive Board by the Unit Owners other than the Declarant to serve annual terms.

(ii) Subject to paragraph (b)(iii) below, no later than ninety (90) days after the conveyance of seventy-five (75%) percent of the Units to Owners other than the Declarant, the Owners other than the Declarant shall elect two (2) Unit Owners who shall replace two (2) of the three (3) Declarant-appointed members of the Executive Board. The two (2) Unit Owners elected to the Executive Board at the election held pursuant to this Subsection (ii) shall serve until the next regular annual meeting of the Condominium Association at which time successors may be elected by the Unit Owners other than the Declarant. These two (2) Executive Board members shall serve for two (2) year terms. For purposes of this Section 10.04, regular annual meeting shall mean the date set forth in Section 6.02 of the By-laws.

(iii) The Declarant shall have the right to retain one (1) seat on the Executive Board until not later than the conveyance by the Declarant, in the ordinary course of the Declarant's business, of the last Unit it owns in the Condominium to an Owner other than the Declarant. Upon the termination of this remaining Declarant-appointed member's tenure on the Executive Board, a special meeting of the Association shall be called where there shall be an election held among the Unit Owners to elect a replacement. The elected replacement shall

SECTION 10.04 Executive Board.

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(b) The transition from Declarant-appointed members of the Executive Board to Unit Owners other than the Declarant shall occur as follows:

(i) No later than ninety (90) days after twenty-five (25%) percent of the Units are conveyed to Owners other than the Declarant, the Owners other than the Declarant shall elect two (2) Unit Owners to be members of the Executive Board, at a special meeting called for the purpose of conducting this a vote, thereby creating a five (5) member Executive Board. These two (2) elected members of the Executive Board shall serve until the next annual meeting of the Condominium Association after this election. Successors to these two (2) elected members of the Executive Board shall be elected at each annual meeting held after the creation of these two (2) seats on the Executive Board by the Unit Owners other than the Declarant to serve two (2) year terms.

(ii) Subject to paragraph (b)(iii) below, no later than ninety (90) days after the conveyance of seventy-five (75%) percent of the Units to Owners other than the Declarant, the Owners other than the Declarant shall elect two (2) Unit Owners who shall replace two (2) of the three (3) Declarant-appointed members of the Executive Board. The two (2) Unit Owners elected to the Executive Board at the election held pursuant to this Subsection (ii) shall serve until the next regular annual meeting of the Condominium Association after the next regular annual meeting at which the successor members of the Executive Board elected pursuant to Subparagraph (b)(i) above are elected, at which time successors may be elected by the Unit Owners other than the Declarant. These two (2) Executive Board members shall serve for two (2) year terms. For purposes of this Section 10.04, regular annual meeting shall mean the date set forth in Section 6.02 of the By-laws.

(iii) The Declarant shall have the right to retain one (1) seat on the Executive Board until not later than the conveyance by the Declarant, in the ordinary course of the Declarant's business, of the last Unit it owns in the Condominium to an Owner other than the Declarant. Upon the termination of this remaining Declarant-appointed member's tenure on the

serve only until the next regular annual meeting at which time a successor shall be elected. This successor shall serve for a term of one year.

(iv) All elected positions on the Executive Board shall be held by the nominees who receive the most votes provided a quorum of Unit Owners vote either in person or by proxy.

SECTION 10.05 Budgets and Capital Expenditures. By an affirmative vote of at least eighty (80%) percent of the Unit Owners in the Condominium, the Unit Owners may reject any budget or capital expenditure approved by the Executive Board within thirty (30) days after the approval.

Article XI Insurance

SECTION 11.01 Liability. The Executive Board shall obtain or cause to be obtained "broad-form" comprehensive public liability and property damage insurance covering liability for loss or damage to persons or property in those amounts, against those risks and in those insurance companies as the Executive Board shall from time to time determine, but in no event less than One Million (\$1,000,000) Dollars for bodily injury, including deaths of persons and property damage arising out of a single occurrence. This insurance shall include protection against water damage liability, liability for property of others, and those other risks as are customarily covered in similar condominiums. All liability insurance contracts shall contain severability of interest provisions and cross liability endorsements to cover liabilities of the Association or the Unit Owners as a group to a Unit Owner.

SECTION 11.02 Property. The Executive Board shall obtain or cause to be obtained blanket "all-risk" hazard insurance coverage covering damage to property, insuring all of the Common Elements, all personal property owned by the Condominium Association and the Units, including those fixtures, equipment or other property within the Units which were originally provided by the Declarant but exclusive of improvements and betterments installed in the Units by Unit Owners and exclusive of personal property owned by the Unit Owners, (the "Insurable Property"), in and for the interest of the Condominium Association or the Executive Board, all Unit Owners and the eligible holders, insurers and guarantors of first mortgage liens on the Units, as their interests may appear, in a company or companies acceptable to the standards set by the Executive Board in an amount equal to the maximum insurable replacement value, as determined annually by the Executive Board, with an "agreed amount endorsement" or its equivalent.

SECTION 11.03 General Insurance Provisions.

(a) All policies shall be purchased by the Condominium Association for the benefit of the Condominium Association, Executive Board, all Unit Owners, and the eligible holders, insurers and guarantors of first mortgage liens on the Units, as their interests may appear; however, the Association shall be the named insured and it shall not be necessary to name the Executive Board or the Unit Owners. Mortgagee endorsements may be issued upon request. The Condominium Association shall maintain the appropriate insurance coverage which is required under applicable law and under the guidelines and regulations promulgated by the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban Development (HUD) and the Veterans' Administration (VA) or their successors. The company or companies with whom the Executive Board shall place its insurance coverage, as provided in this Declaration, must be qualified and reputable companies, authorized to do business in the Commonwealth of Pennsylvania and rated as Excellent by A. M. Best Company, Inc. in its "Key Rating Guide: Property Casualty" or a comparable rating if Best shall no longer be in existence. Premiums for this coverage and other expenses related to insurance shall be paid by the Executive Board and charged as a Common Expense. All policies shall provide that they may not be cancelled or substantially modified, by any party, without at least thirty (30) days prior written notice to the Condominium Association and to each holder, insurer or guarantor of a first mortgage lien listed in the insurance policies. In addition, policies shall provide for the following: recognition of any Insurance Trust Agreement; a waiver of the right of subrogation against Unit Owners individually; the insurance is not prejudiced by any act or neglect of any individual Unit Owner which is not in the control of all Owners collectively; and the policy is primary in the event the Unit Owner has other insurance covering the same loss (all of which are generally provided by the insurer in the form of a "Special Condominium Endorsement" or its equivalent). Policies shall be deposited with the Executive Board. These policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Condominium Association and in the event of substantial damage to or destruction of a Unit, timely written notice of any damage or destruction shall be given to the eligible holder, insurer or guarantor of a first mortgage lien for that Unit. The duty of the Executive Board, or any Insurance Trustee, shall be to receive the proceeds paid by the insurance carrier and hold the same for the purposes elsewhere stated herein, and for the benefit of the Association, the Unit Owners and their respective holders, insurers or guarantors of first mortgage liens on their Units, as their interests may appear.

(b) The types and amounts of insurance coverage described in this Article XII are the minimum amounts for 1986 based upon current requirements of the Act and the standards established by FNMA and FHLMC. The Executive Board shall review,

at least annually, all insurance coverage carried pursuant to this Declaration to evaluate this coverage with respect to its compliance with this Declaration and with respect to the then current requirements of the Act and (to the extent the Condominium is or will be subject to FNMA or FHLMC approval) standards set by FNMA, FHLMC, HUD and VA, as well as with respect to what is reasonably appropriate coverage for condominiums comparable to the Property. In the event the Executive Board determines after its review and evaluation that the insurance coverage required hereunder is not consistent with the requirements of the Act, the standards set by FNMA, FHLMC, HUD or VA or other reasonably appropriate coverage when compared to coverage for condominiums comparable to the Property, the Executive Board shall have the power to deviate from the specific provisions of this Article XII only to the extent of providing consistent and reasonably appropriate coverage; provided the Executive Board shall provide the Owners and the eligible holders, insurers or guarantors of first mortgage liens on the Units at least twenty (20) days prior written notice of any deviation.

SECTION 11.04 Distribution of Proceeds. Proceeds of insurance policies received by the Condominium Association, the Executive Board or an Insurance Trustee shall be distributed to or for the benefit of the Unit Owners and expended or disbursed after first paying or making provisions for the payment of the expenses of the Executive Board in relation thereto in the following manner:

(a) Repair and Restoration. Subject to Subsection (b) below, the damage for which the proceeds were received is to be repaired and restored. The proceeds shall be paid to defray the cost thereof, as elsewhere provided herein. Any proceeds remaining after defraying these costs shall be distributed to the Unit Owners. All remittances to Unit Owners shall be payable jointly to them and the holders, insurers or guarantors of first mortgage liens on their Units. This is a covenant for the benefit of any holder, insurer or guarantor of a first mortgage lien on a Unit and may be enforced by the eligible holder, insurer or guarantor.

(b) Failure to Repair and Replace. If it is determined in the manner elsewhere provided herein that the damage for which the proceeds were received shall not be repaired and restored, the proceeds shall be disbursed to the Unit Owners; remittance to Units Owners shall be payable jointly to them and the holders, insurers or guarantors of first mortgage liens on their Units. This is a covenant for the benefit of any holder, insurer or guarantor of a first mortgage lien on a Unit and may be enforced by the holder, insurer or guarantor. In the event of the loss or damage to any personal property belonging to the Association, which the Executive Board determines not to replace, the proceeds shall be disbursed to the Unit Owners as surplus, in the manner elsewhere stated herein.

SECTION 11.05 Damage or Destruction, Repair or Replacement. Whenever a loss or damage occurs to any portion of the Condominium, it shall be obligatory upon the Executive Board on behalf of the Association and the Unit Owners to repair and restore the damage caused by the loss unless the Condominium is terminated, repair or replacement would be illegal under any state or local health or safety statute or ordinance, or eighty (80%) percent of the Unit Owners vote not to rebuild. Any decision not to rebuild must be approved by every Owner of a Unit or assigned Limited Common Element which will not be rebuilt and all eligible holders, insurers or guarantors of first mortgage liens thereon. In the event of this loss or damage, the following shall apply:

(a) The Executive Board shall promptly obtain reliable and detailed estimates of the cost of repairing and restoring and shall have the right and obligation to negotiate and contract for the repair and restoration of the damaged property.

(b) If the net proceeds of the insurance are insufficient to pay for the estimated cost of repair and restoration (or for the actual cost thereof if the work has actually been done), the Executive Board shall promptly, upon determination of the deficiency, levy a special Assessment against all Unit Owners in proportion to each Unit Owner's share in the Common Elements for that portion of the deficiency as is attributable to the cost of repair and restoration of the Common Elements. The special Assessment funds shall be added by the Executive Board to the insurance proceeds available for this repair and restoration.

(c) In the event the insurance proceeds are sufficient to pay for the cost of restoration and repair, or in the event the insurance proceeds are insufficient, but additional funds are raised by special Assessment so that sufficient funds are available to fully pay for the restoration and repair, then no holder, insurer or guarantor of a first mortgage lien on any Unit shall have the right to require the application of insurance proceeds to the payment of its loan.

SECTION 11.06 Damage or Destruction; No Repair or Replacement.

(a) If an entire Building or section of the Condominium is damaged or destroyed and is not repaired or replaced, the following shall apply:

(i) 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 as determined by the Executive Board;

(ii) The insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners and the eligible holders, insurers or guarantors of first mortgage liens on those Units as their interests appear and the Owners and the eligible holders, insurers or guarantors of first mortgage liens on the Units to which those Limited Common Elements were assigned or allocated; and

(iii) The remainder of the proceeds shall be distributed to the Unit Owners in proportion to their respective Common Elements Interest.

(b) If the Unit Owners and the holders, insurers or guarantors of first mortgage liens on their Units vote not to rebuild any Unit, that Unit's entire Common Elements Interest, vote in the Condominium Association and Common Expense liability shall be reallocated as if the Unit had been condemned as provided in the Act (Section 3107(a)) and the Association shall prepare, execute and record an amendment to this Declaration and the Plan reflecting the reallocations.

SECTION 11.07 Condominium Association's Power to Compromise Claim. The Executive Board is hereby irrevocably appointed agent for each Unit Owner and each eligible holder, insurer or guarantor of a first mortgage lien on his Unit for the purpose of compromising and settling claims arising under insurance policies purchased by the Condominium Association and to execute and deliver releases therefore upon the payment of claims.

SECTION 11.08 Other Insurance. The Executive Board shall also obtain the following insurance, coverages and endorsements which may be applicable to the Condominium, all premiums for which are to be charged as Common Expenses:

(a) Workmen's compensation policy to meet the requirements of law.

(b) Directors' and officers' liability and any other insurance which the Executive Board deems necessary to satisfy the indemnification obligations of the Condominium Association as provided in Article XIX of this Declaration.

(c) Other insurance which the Executive Board shall determine from time to time to be necessary or desirable.

(d) If available, and where applicable, the Executive Board shall endeavor to obtain policies which provide that the insurer waives its right of subrogation as to any claims against Unit Owners, the Condominium Association, the Executive Board and their respective servants, agents and guests.

SECTION 11.09 Limitation of Liability. Notwithstanding the duty of the Executive Board to maintain and repair parts of the Property, the Executive Board shall not be liable for injury or damage caused by the failure of the Executive Board to maintain or repair the same, except to the extent of the proceeds of insurance carried by the Executive Board and collected and received therefor.

SECTION 11.10 Use and Insurance Premiums. No Unit shall be used, occupied or kept in a manner which will in any way increase the insurance premiums payable by the Condominium Association, without the prior written permission of the Executive Board; this permission shall be conditioned upon the Owner of the Unit being required to bear the full amount of any increase. To the extent that the use or occupancy of a Unit or the Common Elements (whether with or without the permission of the Association) increases any insurance premium payable by the Association, the Condominium Association shall have the right to charge the amount of the increase to the Owner of the Unit to which the increase is attributable. No Unit or any part of the Common Elements shall be used, occupied or kept in any manner which would violate any law, statute, ordinance or regulation of any governmental body or which would lead to the cancellation of any insurance policy or policies on the Property.

Article XII Easements

SECTION 12.01 Utilities, Pipes and Conduits. Each Unit Owner shall have an easement in common with all other Unit Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements serving that Unit and located in any of the other Units. Each Unit shall be subject to an easement in favor of all other Unit Owners to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving the other Units and located in this Unit. The Executive Board shall have the right to grant to third parties additional utility easements which shall be deemed reasonable by the Executive Board in connection with supplying utility services to the Units and/or the Common Elements.

SECTION 12.02 Structural Support. Each Unit shall have an easement to the extent necessary for structural support over every other Unit and over the Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit.

SECTION 12.03 Ingress, Egress and Regress. Each Unit Owner shall have an easement, subject to any rules and regulations established by the Executive Board, in common with all other Unit Owners to use the walkways, entrances, exits, cartways and other Common Elements as a means of ingress, egress and regress to and from the Property and their Units and the adjoining public streets.

SECTION 12.04 Condominium Association and Executive Board Access. The Condominium Association and its Executive Board, officers, agents and employees, shall have the irrevocable right and easement to have access to each Unit for the following purposes: the inspection, maintenance, repair or replacement of any of the Common Elements and Limited Common Elements therein or accessible therefrom or the making of any addition or improvements thereto; to make repairs to any Unit, the Common Elements or the Limited Common Elements if these repairs are reasonably necessary for public safety or to prevent damage to any other Unit or Units, the Common Elements or the Limited Common Elements; and to abate any violation of any rules or regulations of the Condominium Association or any law or order of any governmental authorities having jurisdiction thereof. The Condominium Association and its Executive Board shall have the right to grant permits, licenses and easements over and through the Common Elements for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Condominium.

SECTION 12.05 Declarant's Easement for Marketing and/or Leasing. The Declarant reserves the right with respect to its marketing and/or Leasing of Units to use the Common Elements and Limited Common Elements for the ingress and egress of itself, its officers, employees, agents, contractors and subcontractors and for prospective purchasers and/or prospective tenants of Units, including the right of prospective purchasers and/or tenants to park in parking spaces. The Declarant shall also have the right until the conveyance of the last Unit it owns to erect signs on the Property in connection with its marketing and/or leasing of Units. Any damage to the Common Elements or Limited Common Elements resulting from this easement shall be repaired by the Declarant within a reasonable time after the completion of its sale of the Units or the termination of the use of the Common Elements or Limited Common Elements, whichever shall first occur. The Declarant agrees to indemnify and to hold the Condominium Association harmless from all liabilities resulting from the use of the Common Elements or Limited Common Elements in conjunction with its marketing and/or leasing of Units. The Declarant shall have the right to designate and maintain model Units in connection with its marketing and/or leasing program in one or more Units in the Condominium. The Declarant shall have the right to relocate model Units, the sales office and the rental office and locate and maintain additional model Units and offices in the Condominium. The rights reserved for the Declarant by this Section 12.05 shall remain in effect for as long as the Declarant shall own a Unit in the Condominium. This section shall not be amended without the prior written consent of the Declarant.

SECTION 12.06 Declarant's Easement for Construction. The Declarant reserves the right and privilege without let or hindrance with respect to the construction of the Units and

Common Elements of the Condominium, to go upon any and all of the Property for purposes of construction, reconstruction, maintenance, repair, renovation, replacement or correction of the Units or Common Elements. The Declarant agrees to indemnify and hold the Condominium Association harmless from liabilities resulting from the exercise of this easement. This easement shall be appurtenant and shall pass with title to every Unit. The rights hereby reserved for the Declarant shall last as long as Declarant owns a Unit in the Condominium. This section shall not be amended without the prior written consent of the Declarant.

SECTION 12.07 Encroachments. If any portion of the Common Elements or Limited Common Elements hereafter encroaches upon any Unit, or if any Unit hereafter encroaches upon any other Unit or upon any portion of the Common Elements or Limited Common Elements, as a result of settling or shifting of any Building or Buildings in which they are located, other than as a result of the purposeful or negligent act or omission of the Owner of the encroaching Unit or of the Condominium Association in the case of encroachments by the Common Elements or Limited Common Elements, a valid easement appurtenant to the encroaching Units, Common Elements or Limited Common Elements for the encroachment and for the maintenance of the same shall exist for so long as the encroachment shall exist. In the event that any Building or Buildings shall be partially destroyed as a result of fire or other casualty or as a result of a taking by the power of or in the nature of eminent domain or by an action or deed in lieu of condemnation, and then is rebuilt, encroachments of a portion or portions of the Common Elements or Limited Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements or Limited Common Elements, due to this rebuilding, shall be permitted, and valid easements appurtenant to the encroaching Units, Common Elements or Limited Common Elements for the encroachments and the maintenance thereof shall exist so long as that Building as rebuilt shall stand.

SECTION 12.08 Continuing Easements. The foregoing easements in Sections 12.01, 12.02, 12.03, 12.04, 12.05, 12.06 and 12.07 shall run with the land and inure to the benefit of and be binding upon the Condominium Association, each Unit Owner, each holder, insurer or guarantor of a first mortgage lien on the Units, each lessee, each occupant or any other person having any interest in any Unit, the Common Elements or the Limited Common Elements at the time of reference.

SECTION 12.09 Recorded Easements and Licenses. Attached to and made a part of this Declaration as Exhibit "F" is a list of the recording data for recorded easements and licenses appurtenant to or included in the Condominium or to which any portion of the Condominium is or may become subject.

Article XIII Assessment of Taxes

SECTION 13.01 Assessment of Taxes. Each Unit and its proportionate undivided interest in the Common Elements as determined by this Declaration and any amendments hereto shall be assessed and taxed as a separate parcel of real estate entirely independent of the Building or Property of which the Unit is a part, and each Unit Owner is charged with the payment of all taxes, municipal claims and liens assessed, liened or filed against his Unit. In the event these taxes for any year are not separately taxed to each Unit but are taxed on the Property as a whole, each Unit Owner shall pay a proportionate share thereof in accordance with his Unit's respective Common Elements Interest. The Executive Board shall determine the amount due and notify each Unit Owner of the proportionate share thereof due for each Unit.

Article XIV Assessment Obligations of Members

SECTION 14.01 Members' Assessment Obligation. Each Unit Owner, by acceptance of the deed for a Unit, whether or not it shall be so expressed in the deed or other conveyance, shall be deemed to covenant and agree to pay to the Condominium Association all Common Expenses Assessments including, but not limited to the following: (a) regular Assessments to be made due and payable on a monthly basis based upon the budget of the Association; (b) special Assessments to be fixed, established and collected from time to time as hereinafter provided; (c) delinquency Assessments ("Delinquency Assessments") as established, from time to time, by the Executive Board against any Unit Owner whose Assessments are delinquent for a period exceeding fifteen (15) days after the due date; (d) fines, penalties and other charges imposed by the Executive Board for violations of this Declaration, the By-Laws or any applicable rules or regulations of the Condominium; and (e) any other charges or Assessments for what, from time to time, may be determined by the Condominium Association to be Common Expenses. In addition to the foregoing, the term "Assessments" shall include an assessment levied on the Units by the Community Association under the authority of the Declaration of Covenants, Conditions and Restrictions for Village Shires and the By-Laws of the Village Shires Community Association. The Declarant shall not be liable for any Assessments for any Units until the Association makes its first Assessment. The Condominium Association shall make its first Assessment upon the conveyance by the Declarant of a Unit to an Owner other than the Declarant at which time each Unit within the Condominium shall be charged. The regular and special Assessments, together with interest thereon, fines, Delinquency Assessments and the costs of collection thereof, as hereinafter provided, and pursuant to the Act, shall be a charge on the land and shall be a continuing lien upon the Unit against which each Assessment is made from the time the Assessment, fines, Delinquency Assessments or the costs of collection become due. Each Assessment, together with interest

thereon, fines, Delinquency Assessments and the costs of collection thereof as hereinafter provided and pursuant to the Act, shall also be the personal obligation of the Owner of the Unit charged at the time when the Assessment first became due. The Condominium Association shall have the right to assess charges against any one or more Units to provide services which are exclusively for those Units, including, but not limited to, the improvement and maintenance of Limited Common Elements used principally by or benefitting the Owners of those Units.

SECTION 14.02 Owners' Negligence. Each Owner shall be obligated to reimburse the Condominium Association for any expenses incurred by it in repairing or replacing any part or parts of the Common Elements or Limited Common Elements damaged by his act, omission or negligence or by the act, omission or negligence of his tenants, agents, guests or licensees promptly upon receipt of the Association's statement therefor. This reimbursement shall be considered an unpaid Assessment collectable in any manner provided herein in the case of unpaid and past due Assessments.

SECTION 14.03 Common Expense Percentage. Each Unit in the Condominium shall be assigned a figure or percentage which shall represent the Unit's proportionate share of the Common Expenses of the Condominium Association (the "Common Expense Percentage"). The Common Expense Percentage, as allocated to each Unit in the Condominium on Exhibit "E" attached hereto and incorporated herein, is established based upon the same formula as is described in Section 8.02 hereof.

SECTION 14.04 Amount of Common Expense Assessment. Each Owner is legally obligated to contribute to the Common Expenses of the Condominium Association providing for the administration and maintenance, replacement and repair of and improvements to the Common Elements and Limited Common Elements of the Condominium, the administration and maintenance of the Condominium Association and all of its real and personal property, in the amounts determined by multiplying the Common Expense Percentage of the Unit by the total Common Expenses for the Condominium computed on a monthly basis based upon the budget prepared by the Executive Board. Limited Common Elements Expenses shall be assessed in accordance with Section 8.09 of this Declaration. No Owner may exempt himself from contributing toward these expenses by waiver of the use or enjoyment of the Common Elements or Limited Common Elements or by abandonment of the Unit owned by him or by setoff or counterclaim.

SECTION 14.05 Surplus Funds. Any Common Surplus of the Condominium Association remaining after payment of or provision for Common Expenses and any prepayment of reserves may be used by the Condominium Association and, to the extent not used, credited to the Unit Owners to reduce their future Assessments.

SECTION 14.06 Time of Payment. Except as otherwise provided in this Declaration, payment by the Owner of his share of the expenses aforesaid shall be made at the discretion of the Executive Board; provided that all regular and special Assessments shall be declared by the Executive Board and made due and payable on a monthly basis. The failure of the Executive Board to formally declare any monthly Assessment shall result in the regular monthly Assessment for the immediately preceeding month being the regular monthly Assessment applicable to and due and payable for the next month. In the event Assessments are not paid as required, the Executive Board may assess fines, Delinquency Assessments and the costs of collection (including attorneys' fees) and shall charge interest on any unpaid Assessment at the rate of fifteen (15%) percent per annum.

SECTION 14.07 Lien of Maintenance Charge. All Assessments and charges chargeable to any Unit including all fines, fees, charges, late charges, interest and costs of collection thereof, shall constitute a lien against the Unit in favor of the Condominium Association provided that all fines, fees, charges, late charges, interest and costs of collection thereof shall be subordinate to the lien of any first mortgage on the Unit. This lien shall be effective from and after the time the Assessment or charge becomes due. Upon full payment of all sums secured by the lien and a preparation fee, the party making payment shall be entitled to a recordable satisfaction of lien to be recorded at his sole expense. The lien of the Condominium Association shall have the priority accorded Condominium Association liens by Section 3315 of the Act.

SECTION 14.08 Effect of Non-Payment of Assessment. Any Assessment or installment thereof not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of interest set forth in Section 14.06 hereof. The Condominium Association shall have the right to accelerate payment of all remaining proposed monthly payments of any Assessments for the remainder of the fiscal year including the amount of any special Assessments. The Condominium Association may bring an action at law or in equity against the Unit Owner personally obligated to pay the same, or foreclose the lien described in Section 14.07 against the Unit or both, or it may seek and obtain any other remedy provided at law or in equity. In addition to the other remedies available to the Condominium Association in the event of non-payment of Assessments, the Condominium Association shall have the right to revoke the rights of the Owner in the Condominium Association, including the right to vote, provided the Condominium Association shall provide written notice of this revocation and an opportunity for the defaulting Unit Owner to be heard before the Executive Board or a committee appointed for this purpose. The decision of the Executive Board or the committee shall be final.

SECTION 14.09 Method of Enforcing Collection of Assessments. Any Assessment charged against a Unit, may be

enforced by a lawsuit brought by the Executive Board on behalf of the Condominium Association or the Owners in an action at law or equity. Any judgment against a Unit and its Owner shall be enforceable in the same manner as is otherwise provided by law. Reasonable attorneys' fees and court costs incurred by the Executive Board incident to the collection of any Assessments or the enforcement of any lien, together with all sums advanced and paid by the Executive Board for taxes and payments on account of superior liens which may be required to be advanced by the Executive Board in order to protect its lien, shall be payable by the Owner and secured by the lien.

SECTION 14.10 Unpaid Assessments at the Time of Execution Sale Against a Unit. In the event that title to a Unit is transferred by sheriff's sale pursuant to execution upon any lien against the Unit the Executive Board may give notice in writing to the sheriff of any unpaid Assessments which are a charge against the Unit but have not been reduced to a lien. The sheriff shall pay the Assessments of which he has notice out of the proceeds of the sale which remain in his hands for distribution after payment of all other claims which he is required by law to pay (including any claims of the Condominium Association given priority by the Act), but prior to any distribution of the balance to the former Owner against whom the execution issued. The purchaser at sheriff's sale and the Unit involved shall not be liable for unpaid Assessments which became due prior to the sheriff's sale of the Unit. Any unpaid Assessments which cannot be promptly collected from the former Owner may be reassessed by the Executive Board as a Common Expense to be collected from all the Owners, including the purchaser or acquirer of title at the sheriff's sale, his successors and assigns. To protect its right to collect unpaid Assessments which are a charge against a Unit, the Executive Board may, on behalf of the members, purchase the Unit at sheriff's sale; provided this action is authorized by the affirmative vote of a majority of the Executive Board. If it does so purchase the Unit, the Executive Board shall thereafter have the power to sell, convey, mortgage or lease the Unit to any person whatsoever.

SECTION 14.11 Voluntary Sale of a Unit. Upon the voluntary sale or conveyance of a Unit or any other transfer whether by operation of law or otherwise, except a transfer described in Sections 14.10 or 14.12 of this Declaration, and a transfer by deed in lieu of foreclosure to a holder, insurer or guarantor of a first mortgage lien on the Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments for Common Expenses which are charges against the Unit as of the date of the sale, conveyance or transfer. This joint and several liability shall be without prejudice to the right of the grantee to recover from the grantor in the amount of any unpaid Assessments which the grantee may pay and, until any Assessments are paid, they shall continue to be a charge against the Unit which may be enforced in the manner set forth in Section

15.09 above; provided, however, that any person who shall have entered into a written agreement to purchase a Unit shall be entitled to obtain a written statement from the Treasurer setting forth the amount of unpaid Assessments charged against the Unit and its Owner. If this statement does not reveal the full amount of the unpaid Assessments as of the date it is rendered, neither the purchaser nor the Unit after transfer thereof shall be liable for the payment of the amount in excess of the unpaid Assessments shown on the statement.

SECTION 14.12 Mortgage Foreclosure. If a holder, insurer or guarantor of a first mortgage lien of record or other purchaser of a Unit acquires title to the Unit as a result of foreclosure of the first mortgage lien, or by deed in lieu of foreclosure, the acquirer of title, his successors and assigns shall not be liable for the share of Common Expenses or other charges by the Condominium Association pertaining to the Unit or chargeable to the former Unit Owner which accrue prior to acquisition of title as a result of the foreclosure. The unpaid share of the charges shall be deemed to be Common Expenses collectible from all of the remaining Owners including the acquirer, his successors and assigns.

Article XV Transfer of Units

SECTION 15.01 Transfer of Units. Any Unit Owner may, at any time, transfer all of his ownership in the Unit (which must include his undivided interest in the Common Elements) to any other person, and it shall not be necessary to secure the prior consent of the Condominium Association, the Executive Board or any other Unit Owner. However, all Unit Owners shall comply with the appropriate provisions of the Act, including Section 3407, which apply to the sale or transfer of a Unit.

Article XVI Leasing of Units; Use Restrictions

SECTION 16.01 Leasing of Units.

(a) Declarant reserves the right to lease any and all of the Units owned by Declarant.

(b) No Unit Owner shall be permitted to lease his Unit unless the Unit Owner has complied with the relevant provisions of this Declaration, the By-Laws and any applicable rules and regulations. All leases must be in writing and for a term of not less than one (1) year. The lease form must be approved by the Condominium Association, which approval shall not be unreasonably withheld. All leases shall provide that the tenant shall be subject in all respects to the provisions of this Declaration, the By-Laws and any rules and regulations of the Condominium Association promulgated from time to time by the Executive Board.

The leasing of a Unit shall not affect the liability of the Unit Owner with respect to his obligations under this Declaration, the By-Laws and any rules and regulations of the Condominium Association. The provisions of this paragraph shall not apply to the holder, insurer or guarantor of a first mortgage lien on a Unit who acquires title thereto.

(c) In the event the Unit Owner shall fail to pay any charge or Assessment levied by the Executive Board against a leased Unit, and this failure to pay continues for thirty (30) days, the Executive Board shall notify the tenant of the Unit in writing of the amount(s) due and, within fifteen (15) days after the date of the notice, the tenant shall pay to the Executive Board the amount(s) of any unpaid charges or Assessments, subject, however, to paragraph (d) of this Section 16.01. The amounts of these unpaid charges or Assessments paid to the Executive Board by the tenant after the nonpayment by the Unit Owner shall be credited against and shall offset the next monthly rental installment due to the Unit Owner following the payment by the tenant of these charges or Assessments to the Executive Board.

(d) In no event shall the tenant be responsible to the Executive Board for any amount of unpaid charges or Assessments during any one month in excess of one monthly rental installment.

(e) The inclusion of paragraphs (c) and (d) of this Section 16.01 in a lease or addendum to a lease for the rental of a Unit shall be a condition precedent to the approval of the lease by the Executive Board.

SECTION 16.02 Use Restrictions. Each Dwelling Unit shall be subject to the following restrictions:

(a) The Unit shall be used for residential purposes only; provided (subject to Subparagraph (k) below) that home occupations may be carried on in the Units if the use is incidental to the Unit's primary residential use, shall have no employees, clients or customers at the Unit, and shall be approved by the municipal authorities having jurisdiction over the use.

(b) The Unit shall be occupied by not more persons (including children) than the maximum permitted by law for these Dwelling Units.

(c) Except as otherwise provided in Section 7.03 of this Declaration, the Unit shall not be partitioned or subdivided.

(d) No Unit shall be used so as to create a nuisance or an unreasonable interference with the peaceful possession and occupation or proper use of any other Unit or the Common Elements.

(e) Nothing shall be built, caused to be built or done in or to any Dwelling Unit which will alter or cause any alteration to the Common Elements of the Condominium without the prior written approval of the Condominium Association.

(f) Each Unit shall be maintained by its Owner and occupant in a safe, clean and sanitary manner and condition, in good order and repair, and in accordance with all applicable restrictions, conditions, ordinances, codes and any rules or regulations which may be applicable hereunder or under law.

(g) No Owner or occupant of any Unit shall carry on, or permit to be carried on, any practice which unreasonably interferes with the quiet enjoyment and proper use of another Unit or the Common Elements by the Owner or occupant of any other Unit, or which creates or results in a hazard or nuisance on the Property.

(h) Except for (i) a single non-illuminated unit number sign at the entrance to a Dwelling Unit, (ii) signs permitted pursuant to the next sentence and (iii) the right reserved for Declarant in Section 12.05, no sign may be created on or in a Dwelling Unit or any Limited Common Element assigned or appurtenant thereto, which is visible from outside the Dwelling Unit, or in the Common Elements, without the prior written approval of the Executive Board. No signs of any kind shall be located or placed by any Owner or occupant on the Common Elements (except on certain Limited Common Elements with the prior written approval of the Executive Board). In no event shall any Unit Owner or occupant display any real estate "for sale" or "for rent" sign of any kind on or in any Unit or elsewhere on the Property except in a location designated by the Executive Board for this purpose.

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

(j) No Unit Owner shall perform or permit to be performed any work on any portion of his Unit, including, but not limited to, any equipment situated in or on any Common Elements including heating/air conditioning equipment located on the exterior of a Building, which work may require access to, over or through Common Elements or which work may involve potential risk of damage to the Common Elements or other Units, without the prior written consent of the Executive Board or its duly authorized agent. This work may only be performed by a person or entity who shall have delivered to the Executive Board prior to the commencement of any work, in a form satisfactory to the Executive Board, the following documents: releases of the Executive Board and the Condominium Association, and their agents, servants and employees from all claims that this person

or entity or their respective agents, servants or employees may assert in connection with the work to be performed; indemnification for the Condominium Association and Executive Board and their agents, servants and employees holding each and all of them harmless from and against any claims asserted for loss or damage to person or property, including, but not limited to, the Common Elements or other Units; certificates or other acceptable evidence of insurance, including liability and workmen's compensation coverage, in amounts and companies reasonably acceptable to the Executive Board; and all other information and protections which the Executive Board may reasonably require.

(k) In accordance with the present zoning of the Property, the only permitted use of a Dwelling Unit is as a residence. No commercial, industrial, recreational or professional activity not permitted by the present zoning, other applicable laws and ordinances hereunder and any rules or regulations of the Association shall be carried on in any Unit at any time. If, in the future, zoning regulations change so as to expand the scope of activities permitted to be conducted within the Units, application may be made by a Unit Owner to the Executive Board for approval to commence the newly permitted use of his Unit. Each application shall be considered by the Executive Board on an individual basis. Once the Executive Board has given its approval to a particular use of a Unit, it may not revoke the approval so long as the nature and scope of the approved use remains unchanged. No Unit Owner shall permit his Unit to be used or occupied for any prohibited purpose.

(l) No animals of any kind except domesticated dogs and domesticated house cats may be kept in any Unit and then only if kept as a household pet. No pet shall be permitted to run loose or uncontrolled in or on the Common Elements. Pet owners shall immediately clean up any waste left by pets on the Common Elements or any other part of the Property. The tying of pets to any Common Elements is prohibited.

(m) No Owner or occupant of any Unit shall use or maintain any portion of the Property as a dumping ground for rubbish, trash, new or used lumber or wood, metal scrap, garbage or other waste. These materials may be kept in the Unit or in those portions of the Common Elements designated for this purpose by the Executive Board; provided these materials shall be kept in sanitary containers and in a clean and sanitary condition. These containers shall be placed for collection only in those designated areas and only on the day these refuse materials are to be collected. Empty containers shall be removed promptly after collection.

(n) No Owner or occupant shall leave any non-operating vehicle or vehicle not currently registered and licensed and having a valid and unexpired state motor vehicle inspection to be

operated on or about the property of either the Owner or the Community Association.

(o) Driveways, streets and other exterior parking areas on the Property shall be used by Dwelling Unit Owners and occupants for four wheel passenger vehicles only. No recreational vehicles, vans (other than non-commercial passenger vans), mobile homes, trailers, boats, trucks or commercial (whether or not registered as a commercial vehicle with the State Department of Transportation) vehicles shall be permitted to be parked on the Property, except on a day-to-day temporary basis in connection with repairs, maintenance or construction work. Vans, recreational vehicles, trailers, trucks or commercial vehicles may be permitted to be parked entirely within garages or by rule or regulation of the Executive Board.

(p) No motor vehicle, including, but not limited to, mini-bikes, snowmobiles and motorcycles, may be driven on the Property (other than on streets and driveways) by any Owner, occupant or guest.

Article XVII Compliance and Default

SECTION 17.01 Compliance and Default.

(a) Each Unit Owner shall be governed by and shall comply strictly with the terms, covenants, conditions and restrictions of this Declaration, the By-Laws and any rules and regulations adopted pursuant thereto, and the same as they may be amended from time to time.

(b) The Executive Board shall have the power to adopt, amend and enforce compliance with any reasonable rules and regulations relative to the operation, use and occupancy of the Units and the Common Elements consistent with the provisions of this Declaration and the Act, including, but not limited to, the enforcement procedures and penalties for violations of the Declaration, the By-Laws or any rule or regulation which the Executive Board shall deem appropriate. Any rules and regulations shall be adopted or amended, from time to time, by means of appropriate resolutions duly approved by the Executive Board in accordance with the By-Laws. A copy of these rules and regulations and copies of any amendments thereto shall be delivered or mailed to each Owner and occupant of a Unit promptly after the adoption thereof and shall become binding upon all Owners, their successors in title and assigns, and occupants.

(c) Failure of the Unit Owner to comply therewith shall entitle the Condominium Association or Unit Owners to the remedies provided in this Declaration and the Act, and also to the following remedies, none of which shall be exclusive of any other remedies:

(i) Suits: Failure to comply with the terms of this Declaration, the By-Laws and any rules and regulations adopted pursuant thereto, and the same as they may be amended from time to time, shall entitle the Condominium Association or any aggrieved Unit Owner to sue for the recovery of damages or for injunctive relief, or both. This remedy shall not be exclusive of other remedies provided by law.

(ii) Costs and Attorneys' Fees: In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of this Declaration, the By-Laws or any rules and regulations adopted pursuant thereto, and the same as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees; provided, however, that no attorneys' fees may be recovered against the Condominium Association or its Executive Board in any action unless the court shall first expressly find that the Executive Board acted in bad faith.

(iii) No Waiver of Rights: The failure of the Declarant, the Executive Board or any Unit Owner to enforce any covenant, restriction or other provision of the Act, this Declaration, the By-Laws or any rules and regulations adopted pursuant thereto shall not constitute a waiver of the right to do so thereafter.

SECTION 17.02 Appeal and Hearing Procedure; Actions by Owners. No Owner or occupant shall have the right to object, challenge, commence any suit at law or in equity or take any other action under any act, power or authority now in force or hereafter to be enacted except after following the procedures established by the Executive Board by rule or regulation consistent with the provisions of this Section. The Executive Board, or a committee appointed by the Executive Board, shall hear appeals of alleged violations of this Declaration (other than violations with respect to Assessment obligations), the By-laws or any rules and regulations of the Condominium Association from Owners or occupants. The Executive Board or the committee designated by the Executive Board shall hold a hearing on any appeal within thirty (30) days after the receipt by the Executive Board of a formal notice of appeal from an Owner or occupant. A decision shall be issued in writing by the Executive Board within ten (10) days after the conclusion of the hearing. The Executive Board shall have the right to establish various rules and procedures governing the operation and administration of the appeal and hearing process and the enforcement of this Declaration, the By-laws and any rules and regulations made pursuant thereto. Unless the internal remedies provided by this Section 17.02 and any rules and regulations promulgated by the Executive Board shall be expressly waived by the Condominium Association or the Condominium Association fails or refuses to act, no action at law or in equity shall be commenced by any Owner or occupant until this internal remedy is pursued to exhaustion. Any action by an Owner or occupant against any other

Owner or occupant arising out of any term, covenant or condition contained in this Declaration, the By-laws or any rules and regulations made pursuant thereto shall be subject to the same procedures. In hearings before the Executive Board or the committee designated by the Executive Board, all parties shall be entitled to be represented by counsel.

Article XVIII Indemnification of Officers, Executive Board Members and Committee Members

SECTION 18.01 Indemnification of Officers, Executive Board Members and Committee Members. The Condominium Association shall indemnify every Executive Board member, officer and committee member, his heirs, executors and administrators, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been an Executive Board member, officer or a committee member of the Condominium Association, except as to matters in the action, suit or proceeding as to which he shall be finally adjudged to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided except in connection with matters covered by the settlement as to which the Condominium Association is advised by independent counsel that the person to be indemnified has been guilty of gross negligence or willful misconduct in the performance of his duty as an Executive Board member, officer or committee member in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which the Executive Board member, officer or committee member may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Condominium Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Condominium Association as Common Expenses; provided, however, that nothing contained in this Section 18.01 shall be deemed to obligate the Condominium Association to indemnify any member, who is or has been an Executive Board member, officer or committee member with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Condominium Association.

Article XIX Amendments

SECTION 19.01 Generally. Subject to the other provisions of this Declaration and the Act relative to amendment of this Declaration, this Declaration may be amended in the following manner:

(a) Before Any Conveyances: Prior to the transfer of any Unit by the Declarant to a Unit Owner, the Declarant may amend this Declaration in any legal fashion which the Declarant may deem appropriate. After the first transfer of title, the terms of the following subsections shall apply; provided,

however, that any other provisions of this Declaration setting forth other conditions of amendment shall take precedence.

(b) Notice: Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the Executive Board in which a proposed amendment is considered. This notice shall be served upon all Unit Owners in the manner hereinafter provided for service of notices.

(c) Resolution: An amendment may be proposed by either the Executive Board or by Unit Owners holding an aggregate Common Elements Interest of not less than twenty (20%) percent of the total Common Elements Interest in the Condominium. No resolution of the Executive Board adopting a proposed amendment shall be effective unless it has been adopted by the affirmative vote of at least sixty-seven (67%) percent of the Unit Owners.

(d) Agreement: In the alternative, an amendment may be made by an agreement signed and acknowledged by at least sixty-seven (67%) percent of the Unit Owners in the manner required for the execution of a deed, and this amendment shall be effective when recorded.

(e) Proviso: Provided, however, that, except as otherwise permitted by the Act and provided in this Declaration, no amendment may increase the number of Units or change the boundaries of any Unit, the Common Elements Interest, Common Expense liability or voting strength in the Condominium Association allocated to a Unit, or the uses to which any Unit is restricted without the unanimous consent of all of the Unit Owners and at least two-thirds (2/3) of the eligible holders, insurers or guarantors of first mortgage liens on Units. No amendment of this Declaration shall make any change which would in any way affect any of the rights, privileges, powers and options of the Declarant, its successors or assigns other than ultimate Dwelling Unit Owners, unless the Declarant or its successors or assigns shall join in the execution of the amendment.

(f) Execution and Recording: A copy of each amendment shall be attached to or included with a certificate, certifying that the amendment was duly adopted. This certificate shall be executed and acknowledged by the Executive Board with all of the formalities of a deed. The amendment shall be effective when the certificate and a copy of the amendment are recorded.

Article XX Termination

SECTION 20.01 Statute. The Condominium may be terminated as provided by Section 3220 of the Act.

SECTION 20.02 Destruction. In the event it is determined in the manner provided by the Act and the By-Laws that any Building or Buildings shall not be reconstructed after

casualty, the Condominium will be thereby terminated as to that Building or Buildings and the Common Elements Interest, votes in the Condominium Association and Common Expense liability of any Unit or Units not rebuilt shall be reallocated as provided in the Act. The determination not to reconstruct after casualty shall be evidenced by a certificate of the Executive Board executed by the President and Secretary or Treasurer certifying as to the facts effecting the termination. This certificate shall become effective upon being recorded.

SECTION 20.03 By Unanimous Agreement. The Condominium may be terminated at any time by the unanimous agreement, in writing, in the form of a deed of revocation, executed by all of the Unit Owners and by all of the holders, insurers or guarantors of all first mortgage, judgment or other liens affecting the Units. This deed of revocation shall become effective upon being recorded.

SECTION 20.04 General Provisions. Upon termination of the Condominium, each Unit Owner shall thereby become a tenant-in-common of the Property as provided in Section 3220 of the Act, and the holder, insurer or guarantor of a first mortgage lien or other lienor of a former Unit Owner shall have a mortgage and lien solely and exclusively upon the respective interest of the tenant-in-common in the Property after the termination.

Article XXI Notice

SECTION 21.01 Notice. All notices required to be served upon Unit Owners pursuant to the Act, this Declaration or the By-Laws shall be sufficient if delivered to the Unit or mailed to the Unit Owner at the Unit mailing address by regular mail. The effective date of a notice shall be the date of delivery to the Unit in the case of actual delivery and a date five (5) days after deposit in the mail in the case of notice sent by mail.

Article XXII Rights of Holders, Insurers or Guarantors of First Mortgage Liens

SECTION 22.01 Eligibility. A holder, insurer or guarantor of a first mortgage lien on a Unit shall be required to provide to the Condominium Association a statement of its name, address and the Unit against which it holds, insures or guarantees a first mortgage lien in order to be an eligible holder, insurer or guarantor as these terms are used in this Declaration and thereby entitled to the rights set forth in this Article XXII and elsewhere in this Declaration.

SECTION 22.02 Notices to Eligible Holders, Insurers or Guarantors of First Mortgage Liens. Upon written request to the Condominium Association, identifying the name and address of the eligible holder, insurer or guarantor and the designation of the particular Unit against which it holds, insures or guarantees a

first mortgage lien, the eligible holder, insurer or guarantor shall be entitled to timely notice of the following:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which it holds, insures or guarantees a first mortgage lien;

(b) Any delinquency in the payment of Assessments or charges owed by the Owner of a Unit subject to a first mortgage held, insured or guaranteed by the eligible holder, insurer or guarantor, or any other default in the performance by the Owner of the Unit against which the mortgage lien applies of any obligation under this Declaration, the By-Laws or any rules and regulations of the Condominium Association when the delinquency or other default continues for a period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(d) Any proposed action which would require the consent of a specified percentage of eligible holders, insurers or guarantors of first mortgage liens as specified in Sections 22.03 and 22.04 below.

SECTION 22.03 Approval of Eligible Holders, Insurers or Guarantors of First Mortgage Liens.

(a) Any restoration or repair of the Condominium, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Plan and the original plans and specifications unless other action is approved, in writing, by at least fifty-one (51%) percent of all eligible holders, insurers and guarantors.

(b) Any election to terminate the legal status of the Condominium after substantial destruction or a substantial taking in condemnation of the Property shall require the prior written approval of at least fifty-one (51%) percent of all eligible holders, insurers or guarantors. Any other abandonment or termination of the Condominium by act or omission shall require the prior written approval of at least sixty-seven (67%) percent of all eligible holders, insurers or guarantors.

(c) Any decision to establish self-management by the Condominium Association shall require the prior consent of at least sixty-seven (67%) percent of the Unit Owners and the prior written approval of at least fifty-one (51%) percent of the eligible holders, insurers or guarantors.

(d) Any abandonment, partition, subdivision, encumbrance, sale or transfer of any of the Common Elements (except for granting easements for utilities or other public purposes consistent with the intended use of the Common Elements)

by act or omission shall require the prior written approval of at least sixty-seven (67%) percent of the eligible holders, insurers or guarantors.

SECTION 22.04 Document Amendments.

(a) Other than amendments to the Declaration of Condominium or the By-Laws (the "Condominium Documents") or termination of the Condominium made as a result of destruction, damage or condemnation, the consent of at least eighty (80%) percent of the Unit Owners and the prior written approval of at least sixty-seven (67%) percent of the eligible holders, insurers or guarantors shall be required to terminate the Condominium.

(b) The consent of at least sixty-seven (67%) percent of the Unit Owners and the prior written approval of at least fifty-one (51%) percent of the eligible holders, insurers or guarantors shall be required to add or amend any material provisions of this Declaration or the By-Laws which establish, provide for, govern or regulate any of the following:

- (i) Voting;
- (ii) Assessments, assessment liens or subordination of these liens;
- (iii) Reserves for maintenance, repair and replacement of the Common Elements (or Units if applicable);
- (iv) Insurance or fidelity bonds;
- (v) Rights to use of the Common Elements;
- (vi) Responsibility for maintenance and repair of the Common Elements of the Condominium;
- (vii) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;
- (viii) Boundaries of any Unit;
- (ix) The interests in the Common Elements or Limited Common Elements;
- (x) Convertibility of Units into Common Elements or of Common Elements into Units;
- (xi) Leasing of Units;
- (xii) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his Unit; and

(xiii) Any provisions which are for the express benefit of eligible holders, insurers or guarantors of first mortgage liens on Units.

(c) An addition or amendment to the Condominium Documents shall not be considered material if it is for the purpose of correcting technical errors. An eligible holder, insurer or guarantor who receives a written request to approve additions or amendments and who does not deliver to the requesting party, in writing, a negative response within thirty (30) days shall be deemed to have approved the request.

Article XXIII General Provisions

SECTION 23.01 Severability. If any provisions of this Declaration are determined to be invalid, that determination shall not affect the validity or effect of the remaining provisions hereof or the By-Laws or any rules and regulations, all of which shall continue in effect as if the invalid provisions had not been included herein.

SECTION 23.02 Headings. The headings herein are for reference purposes only and shall not affect the meaning or interpretation of this Declaration.

SECTION 23.03 Effective Date. This Declaration shall become effective when it has been duly entered of record.

SECTION 23.04 Binding. This Declaration shall inure to the benefit of and shall be binding upon the Declarant's successors or assigns.

SECTION 23.05 Construction. Number and gender, as used in this Declaration, shall extend to and include both singular and plural and all genders as the context and construction require.

IN WITNESS WHEREOF, the Declarant, has set its hand and seal the day and year first written above.

Gigliotti Corporation,
a Pennsylvania corporation

Attest: _____

By: _____ (SEAL)
Chris Gigliotti, Jr.

COMMONWEALTH OF PENNSYLVANIA :

SS

COUNTY OF :

BE IT REMEMBERED, that on this day of
1986 before me the subscriber, personally appeared Chris Gigliotti,
Jr., President of the Gigliotti Corporation, who I am satisfied is
the person who signed, sealed and delivered the aforementioned
Declaration of Condominium on behalf of the corporation, and that the
within instrument is the voluntary act and deed of such President.

Notary

My Commission expires:

EXHIBIT "A"

DESCRIPTION OF THE PROPERTY

EXHIBIT "B"

PLANS OF CONDOMINIUM

The plats and plans of Canterbury Croft, a condominium, which will be attached as Exhibit "B" to the Declaration of Condominium upon recording will be available for inspection during normal business hours at the sales office of the Declarant.

EXHIBIT "C"

DESCRIPTION OF CONVERTIBLE REAL ESTATE

EXHIBIT "D"

UNITS IN CONDOMINIUM

(The Units to be included initially in the Condominium will be listed on this Exhibit "D" before the Declaration is recorded. This list will be subject to change as additional Units are created by the Declarant in the Convertible Real Estate.)

EXHIBIT "E"

COMMON ELEMENT AND

COMMON EXPENSE PERCENTAGES

The Common Elements Interest appurtenant to each Unit is a percentage (rounded off to the nearest hundredth) created by multiplying by one hundred the quotient resulting from dividing one by the total number of Units in the Condominium.

EXHIBIT "F"

EASEMENTS AND ENCUMBRANCES

DECLARATION OF CONDOMINIUM
OF
CANTERBURY CROFT, A CONDOMINIUM

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EXHIBIT "F" - RECORDED EASEMENTS AND ENCUMBRANCES		

**SEVENTEENTH AMENDMENT
TO DECLARATION OF CONDOMINIUM
OF
CANTERBURY CROFT, A CONDOMINIUM**

THIS SEVENTEENTH AMENDMENT is made as of this _____ day of _____, 1988 by the Canterbury Croft Condominium Association (the "Association"), an unincorporated association, consisting of all Unit Owners at Canterbury Croft, a condominium, Northampton Township, Bucks County, Pennsylvania (the "Condominium").

WITNESS:

WHEREAS, Gigliotti Corporation, a Pennsylvania corporation ("Declarant") caused a Declaration of Condominium of Canterbury Croft, a condominium, dated November 13, 1986 to be recorded in the Office of the Recorder of Deeds in and for Bucks County, Pennsylvania in Deed Book 2715, page 674, as amended by a First Amendment dated January 14, 1987, recorded in Deed Book 2734, page 900, a Second Amendment dated February 5, 1987, recorded in Deed Book 2737, page 335, a Third Amendment dated March 26, 1987, recorded in Deed Book 2746, page 745, a Fourth Amendment dated March 26, 1987, recorded in Deed Book 2756, page 1041, a Fifth Amendment dated May 26, 1987, recorded in Deed Book 2762, page 687, a Sixth Amendment dated May 26, 1987, recorded in Deed Book 2769, page 667, a Seventh Amendment dated May 26, 1987, recorded in Deed Book 2778, page 1000, an Eighth Amendment dated May 26, 1987, recorded in Deed Book 2787, page 1171, a Ninth Amendment dated May 26, 1987, recorded in Deed Book 2788, page 412, a Tenth Amendment dated May 26, 1987, recorded in Deed Book 2794, page 319, an Eleventh Amendment dated May 26, 1987, recorded in Deed Book 2800, page 99, a Twelfth Amendment dated January 20, 1988, recorded in Deed Book 2803, page 577, a Thirteenth Amendment dated January 20, 1988, recorded in Deed Book 2807, page 386, a Fourteenth Amendment dated January 20, 1988, recorded in Deed Book 2811, page 404, a Fifteenth Amendment dated January 20, 1988, recorded in Deed Book 2815, page 1188, and a Sixteen Amendment dated January 20, 1988, recorded in Deed Book 2823, page 181 (collectively, the "Declaration"); and

WHEREAS, the Executive Board of the Association, having received affirmative responses from the owners of sixty seven percent (67%) of the units in the Condominium regarding the installation of decks and patios adjacent to Units, has proposed an amendment to the Declaration to permit, subject to certain limitations, Unit Owners to install decks and patios on the Common Elements appurtenant to their Units; and

WHEREAS, Article XIX, Section 19.01 of the Declaration provides that the Declaration may be amended by a resolution proposed by the Executive Board and adopted by Unit Owners

entitled to cast sixty-seven percent (67%) of the votes of the Association; and

WHEREAS, sixty-seven (67%) of the votes of the Association were cast in favor of the Executive Board resolution containing the amendments set forth herein on _____, 1988.

NOW, THEREFORE, the Association by its Executive Board acting in accordance with the Declaration and the By-Laws of the Association, for and on behalf of the Unit Owners, and intending to be legally bound, hereby certify that the Declaration is amended as hereinafter set forth:

1. Section 8.09 is hereby deleted and the following inserted in its place:

SECTION 8.09 Alteration to Common Elements By Unit Owner and Application Procedure.

(a) Alterations. No Unit Owner may make any improvements or alterations or do any work which would impair the structural integrity or mechanical systems of any Building, lessen the support of any portion of the Condominium, or jeopardize the soundness or safety of the Property. No Unit Owner shall impair any easement or hereditament therein without the unanimous consent of all the Unit Owners affected thereby. No Unit Owner shall alter any of the Common Elements, change the appearance of the Common Elements, make any improvements or additions to the Common Elements, or change the exterior appearance of his Unit (including, but not limited to, the exterior surfaces of doors, plantings around patios and landscaping) or any other portion of the Condominium without the prior written approval of the Association, subject however to the rights described below in subparagraph (b) with respect to the installation or erection of decks or patios.

(b) Decks or Patios. Notwithstanding the terms of paragraph (a) above, a Unit Owner may install or erect a deck or patio ("Improvement") upon the Common Elements appurtenant to the first floor Units of the Condominium only upon the prior consent of the Executive Board. As a condition precedent to such consent, the Unit Owner shall follow the procedures and satisfy the requirements set forth below as well as any applicable rules and regulations as may be adopted by the Board of Directors.

(i) Application Procedure. The Unit Owner must submit an application to the Executive Board by certified mail, return receipt requested containing the information set forth below:

(A) a physical description of the Improvement requested to be erected or installed upon the Common Elements appurtenant to the Unit including the nature, kind, shape, height, materials, finish and color as well as the proposed location of the Improvement;

(B) a full copy of all plans and specifications of the Improvement and any work necessary to erect or install the Improvement;

(C) if a contractor, architect or engineer, materialman, supplier, or any other person ("Installer") has been or will be engaged in connection with the erection or installation of the Improvement, the name of the Installer, a copy of the Installer's insurance certificate of liability, and a waiver of liens in form acceptable to the Executive Board executed by the Installer; and

(D) evidence acceptable to the Executive Board that Unit Owner has obtained all necessary governmental permits and approvals for such Improvement.

(ii) Review Procedures.

(A) The Executive Board shall have the right to impose conditions on any approval granted, to review the plans to determine whether they are harmonious and compatible with the Condominium, to establish design criteria and standards for the installation or erection of the Improvement to the Common Elements of the Condominium, and to grant waivers from design criteria and standards according to procedures and subject to the conditions established by the Executive Board.

(B) The Executive Board shall have the right to request additional information, plans and materials concerning the proposed Improvement.

(C) In the event the Executive Board fails to approve, with or without conditions, or deny the application within forty-five (45) days from the date all plans, documents and other information required by the above sub-paragraph (b) or otherwise by the Executive Board are required to be submitted as set forth above, approval will be deemed to have been denied.

(D) The Executive Board shall have the power (but no obligation) to assist the Unit Owner-applicant in obtaining the approval of Northampton Township for the commencement of any work or erection or installation of the Improvement.

(E) All costs and expenses incurred by the Association to fulfill the obligations set forth in this application procedure shall be charged to the Unit Owner-applicant as an Assessment.

(iii) Obligations and Liabilities.

(A) The Owners of all Units with Improvements or who have obtained the consent of the Executive Board to erect or install Improvements shall be fully responsible for the installation, erection, repair and maintenance of the Improvements upon the land appurtenant to such Owners' Units and for all costs associated therewith. The failure of such Owners to promptly carry out their maintenance and repair obligations hereunder shall entitle the Association, after notice to such Owners, to perform such maintenance and repairs and levy the costs and expenses incurred by the Association against them as Limited Common Element expenses. All such Owners shall be responsible for the maintenance, trimming and weeding of any planted beds, bushes or trees surrounding the Improvements and any necessary maintenance of the portions of the Building extensions to which the Improvements are attached.

(B) Any alterations to any Improvements must be approved by the Board prior to the making of any such alterations.

(C) The Owners of all Units with Improvements shall obtain comprehensive general liability insurance for their respective Improvements under an "HO6" or similar insurance policy. In order to obtain such insurance policies, such Owners shall present a copy of this Amendment to the Declaration to the insurance company or insurance agent in order to establish such Owner's obligations and liabilities hereunder. In addition to obtaining such insurance, all such Owners hereby agree to defend, indemnify and hold harmless the Association from any demands, claims or suits arising out of the use, construction, erection or maintenance of the Improvements.

(D) The Owners of all Units with Improvements or who have obtained the consent of the Executive Board to erect or install

Improvements, shall require any architect, engineer, or other worker erecting, installing, maintaining or repairing the Improvements to execute a waiver of mechanics liens prior to the commencement of any work on the Improvements.

(E) The obligations and liabilities as set forth herein shall be perpetual and at all times shall be deemed to be and shall be construed as covenants which run with the land. All covenants contained herein shall be construed to burden the Owners of all Units with Improvements and their heirs, successors and assigns as the owners of such Units. All covenants contained herein shall also be construed to inure to the benefit of the Association on behalf of the Unit Owners and their respective heirs, successors and assigns as owners of any units within the Condominium and shall be enforceable by the Executive Board of the Association.

2. All other terms, conditions, easements, covenants and exhibits to the Declaration not expressly amended hereby shall remain in full force and effect as if fully set forth herein.

IN WITNESS WHEREOF, the President and Secretary of the Association have set their hands and seal of the Association to this Amendment and certify that this Amendment has been duly adopted in accordance with the Declaration and By-Laws on the day and year first above written.

ATTEST:

CANTERBURY CROFT CONDOMINIUM
ASSOCIATION,
an unincorporated association

By: Clayton A. Bunt
Secretary

By: James E. Johnson
President

STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

:
:

On this, the 22nd day of SEPT.,
1988, before me, a Notary Public in and for the Commonwealth of
Pennsylvania, the undersigned officer, personally appeared
James E. Schaffer, who acknowledged himself to
be the President of CANTERBURY CROFT CONDOMINIUM ASSOCIATION, an
unincorporated association, and that he as such President, being
authorized to do so, executed the foregoing instrument for the
purposes therein contained by signing the name of the association
by himself as President.

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

My Commission Expires:


Notary Public

NEWTOWN TOWNSHIP, DOUGLASS COUNTY
MY COMMISSION EXPIRES FEB. 6, 1989
Member Pennsylvania Association of Notaries