

Prepared by: Benner & Piperato
2005 City Line Road, Suite 106
Bethlehem, PA 18017
(610) 867-3900

Return to: Penn Jersey Abstract, Inc.
2005 City Line Road, Suite 106
Bethlehem, PA 18017
(610) 867-3900

MAIL

KCA

COPY

DECLARATION OF CONDOMINIUM

OF

EPERNAY CONDOMINIUM

DECLARATION, made this 25th day of July, 2008, by **EPERNAY LIMITED PARTNERSHIP**, a Pennsylvania limited partnership, with an office located at 2005 City Line Road, Suite 106, Bethlehem, PA 18017, hereinafter called "Declaration", for itself, its successors and assigns as follows:

ARTICLE 1

SUBMISSION: NAME AND COUNTY LOCATION OF PROPERTY

1.0 Submission:

Pursuant to the provisions of the Pennsylvania Uniform Condominium Act, the Act of July 2, 1980, P.L. 286, No. 82, as in force on the date hereof and as it may be amended (the "Act"), the Declarant hereby submits to its provisions both the Land and the Building, as they are more fully described in the Condominium Plans, and as all of the foregoing terms are defined in Article 2, hereof. The said Land and Building are hereinafter sometimes collectively referred to as the "property and/or the Condominium Parcel."

1.01 Name:

The name by which the Property will be known is "Epernay Condominium."

1.02 County Location:

The condominium is located in the Township of Upper Saucon, Lehigh County, Pennsylvania.



ALL THAT CERTAIN tract of land, situate in Upper Saucon Township, Lehigh County, Pennsylvania, which is designated as Lot 1 on that certain subdivision plan entitled "Minor Subdivision of Bethlehem Steel Corporation Landis Mill Road Tract" dated May 14, 1986, and intended to be recorded in the Office for the Recording of Deeds in and for said Lehigh County, Pennsylvania, and which is bounded and described according to said plan as follows:

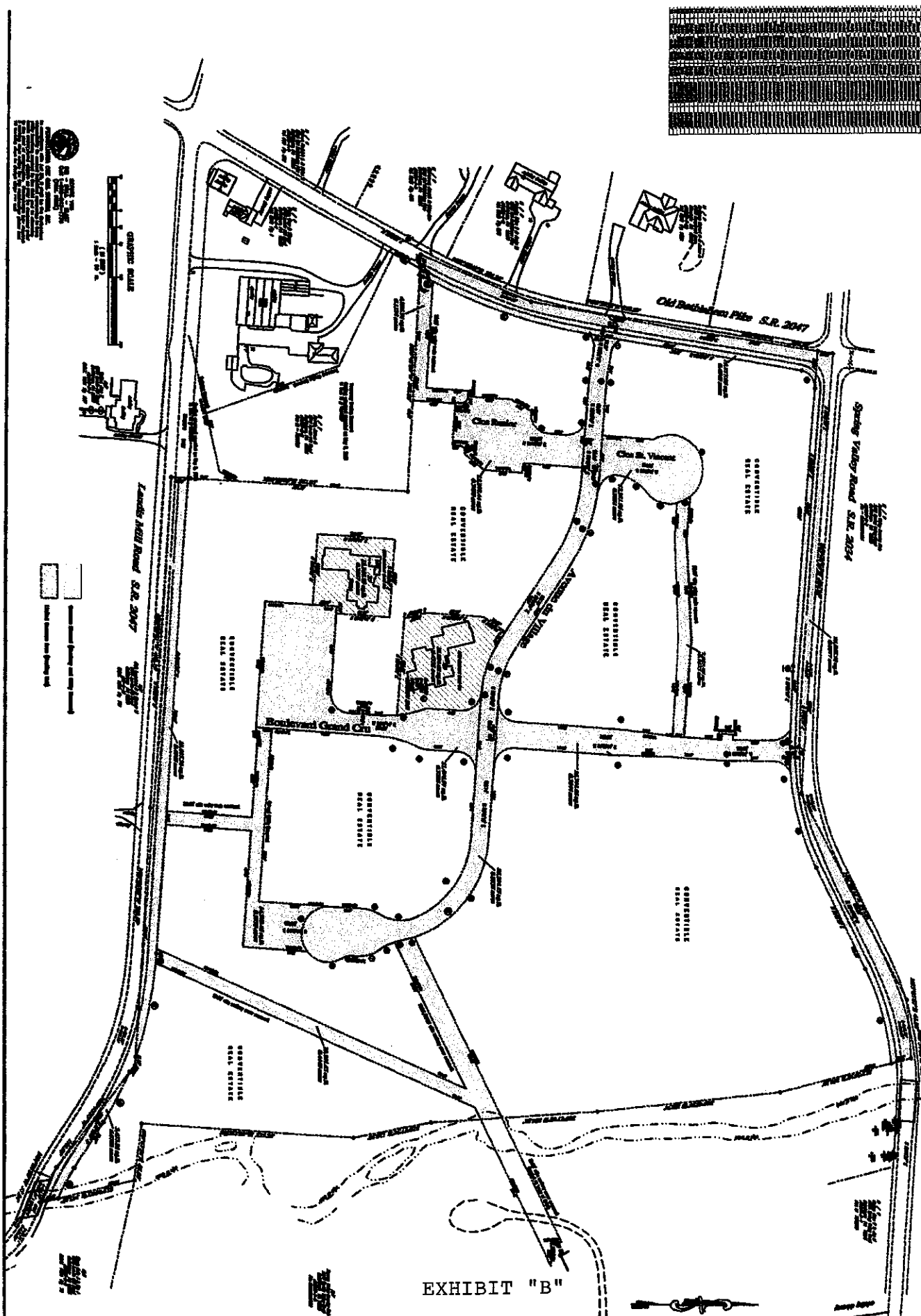
BEGINNING at the northwesterly corner of a tract of land that was conveyed by Bethlehem Land Corporation to Saucon Valley Country Club by Indenture dated March 12, 1962, and recorded in said Office in Deed Book Vol. 1009, at page 532; thence, along said last-mentioned tract of land, the following six (6) courses and distances: (1) South thirteen degrees fifty-five minutes thirty-eight seconds East (S. 13° 55' 38" E.) two hundred ten and ninety-two one-hundredths (210.92) feet, (2) South five degrees forty-eight minutes thirty-seven seconds East (S. 5° 48' 37" E.) two hundred eighty-eight and seventy-four one-hundredths (288.74) feet, (3) South three degrees seventeen minutes eight seconds East (S. 3° 17' 08" E.) two hundred fifty-four and twenty-one one-hundredths (254.21) feet, (4) South ten degrees seventeen minutes fifty-four seconds East (S. 10° 17' 54" E.) one hundred twenty and fifty-two one-hundredths (120.52) feet, (5) South three degrees fifty-seven minutes zero seconds West (S. 3° 57' 00" W.) three hundred twenty-five and thirty-six one-hundredths (325.36) feet, and (6) South eighty-two degrees thirty-three minutes thirty-two seconds East (S. 82° 33' 32" E.) eighty-five and no one-hundredths (85.00) feet to the center of Saucon Creek; thence, in and along said center of said Saucon Creek, South thirteen degrees twenty minutes twenty-five seconds East (S. 13° 20' 25" E.) one hundred forty-five and sixty-seven one-hundredths (145.67) feet to a point in Legislative Route No. 39078, also known as Landis Mill Road; thence, the following four (4) courses and distances: (1) North sixty-four degrees twenty-eight minutes fifty seconds West (N. 64° 28' 50" W.) fifty-seven and eighty-four one-hundredths (57.84) feet, (2) North fifty-two degrees fifteen minutes thirty-three seconds West (N. 52° 15' 33" W.) one hundred ninety-three and fifty one-hundredths (193.50) feet, (3) North eighty-six degrees six minutes zero seconds West (N. 86° 06' 00" W.) three hundred eighty-two eighty-seven one-hundredths (382.87) feet, and (4) North eighty-six degrees twenty minutes twenty-one seconds West (N. 86° 20' 21" W.) four hundred ninety-two and nineteen one-hundredths (492.19) feet thence, North three degrees thirty-nine minutes five seconds East (N. 03° 39' 05" E.) thirty and no one-hundredths (30.00) feet to a point on the easterly line of a tract of land now or formerly of the Grantor; thence, along said last-mentioned tract of land, the following two (2) courses and distances: (1) North three degrees thirty-nine minutes five seconds East (N. 3° 39' 05" E.) three hundred thirty-one and seven one-hundredths (331.07) feet, and (2) North eighty-six degrees forty-five minutes zero seconds West (N. 86° 45' 00" W.) three hundred twenty-six and thirty-two one-hundredths (326.32) feet; thence, North eighty-six degrees forty-five minutes zero seconds West (N. 86° 45' 00" W.) twenty-six and fifty-four one-hundredths (26.54) feet to a point in Township Road 835; thence, in and along said Township Road 835, the following three (3) courses and distances: (1) North twenty-two degrees fifty minutes forty-nine seconds East (N. 22° 50' 49" E.) one hundred eighty-one and twenty-five one-hundredths (181.25) feet, (2) North ten degrees twenty minutes fifty-two seconds East (N. 10° 20' 52" E.) two hundred thirty-eight and twenty-eight one-hundredths (238.28) feet, and (3) North eight degrees fifty-nine minutes thirty-three seconds East (N. 8° 59' 33" E.) two hundred thirty-eight and thirty-eight one-hundredths (238.38) feet to a railroad spike at the intersection of the centerline of Township Road 835 with the centerline of Legislative Route 39010; thence, the following four (4) courses and distances: (1) South eighty-

EXHIBIT "A"

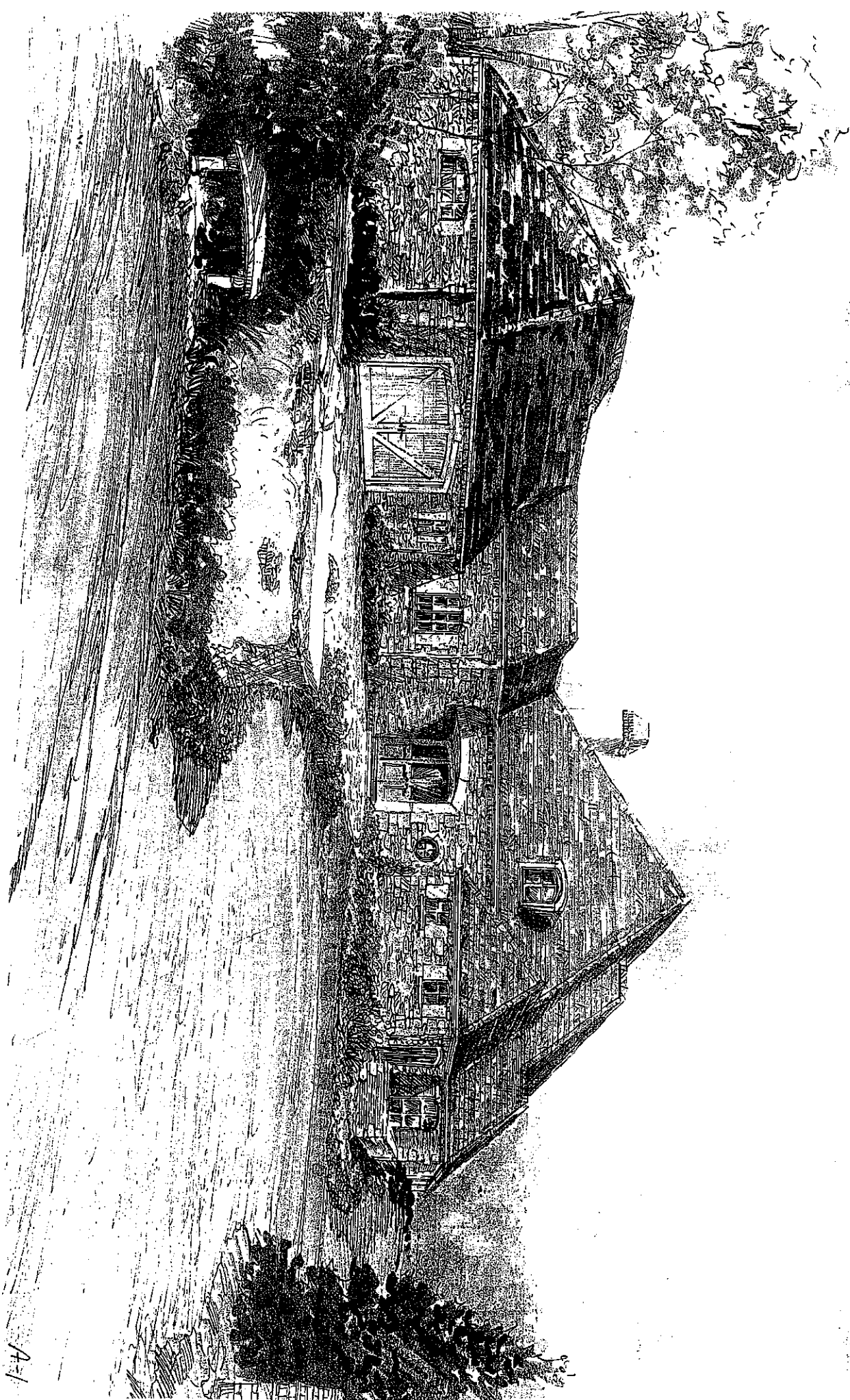
five degrees forty-six minutes sixteen seconds East (S. 85° 46' 16" E.) six hundred fifty-four and eighty-eight one-hundredths (654.88) feet, (2) North sixty-one degrees thirty-eight minutes fifteen seconds East (N. 61° 38' 15" E.) three hundred forty-seven and sixty-one one-hundredths (347.61) feet, (3) North eighty-five degrees five minutes seven seconds East (N. 85° 05' 07" E.) forty-one and ninety one-hundredths (41.90) feet, and (4) North eighty-five degrees fifty-four minutes two seconds East (N. 85° 54' 02" E.) forty-five and four one-hundredths (45.04) feet to the place of beginning; CONTAINING twenty-six and eighty-three one-hundredths (26.83) acres, more or less.

UNDER AND SUBJECT TO all easements and restrictions of record.

TAX PARCEL NO. 642541214801.



| | | | | | | | | |
|----------------|--|--|-------------------------------------|--|--------------|-------|--|--|
| 1 of 1 | CONDOMINIUM PLAN FOR: | LOCATED IN: | LEHIGH ENGINEERING ASSOCIATES, INC. | <table border="1"> <tr> <td>APPROVED BY:</td> <td>DATE:</td> </tr> <tr> <td> </td> <td> </td> </tr> </table> | APPROVED BY: | DATE: | | |
| | APPROVED BY: | DATE: | | | | | | |
| | | | | | | | | |
| Epernay | TOWNSHIP OF UPPER MERION COUNTY OF LEHIGH COMMONWEALTH OF PENNSYLVANIA | <table border="1"> <tr> <td>APPROVED BY:</td> <td>DATE:</td> </tr> <tr> <td> </td> <td> </td> </tr> </table> | APPROVED BY: | DATE: | | | | |
| APPROVED BY: | DATE: | | | | | | | |
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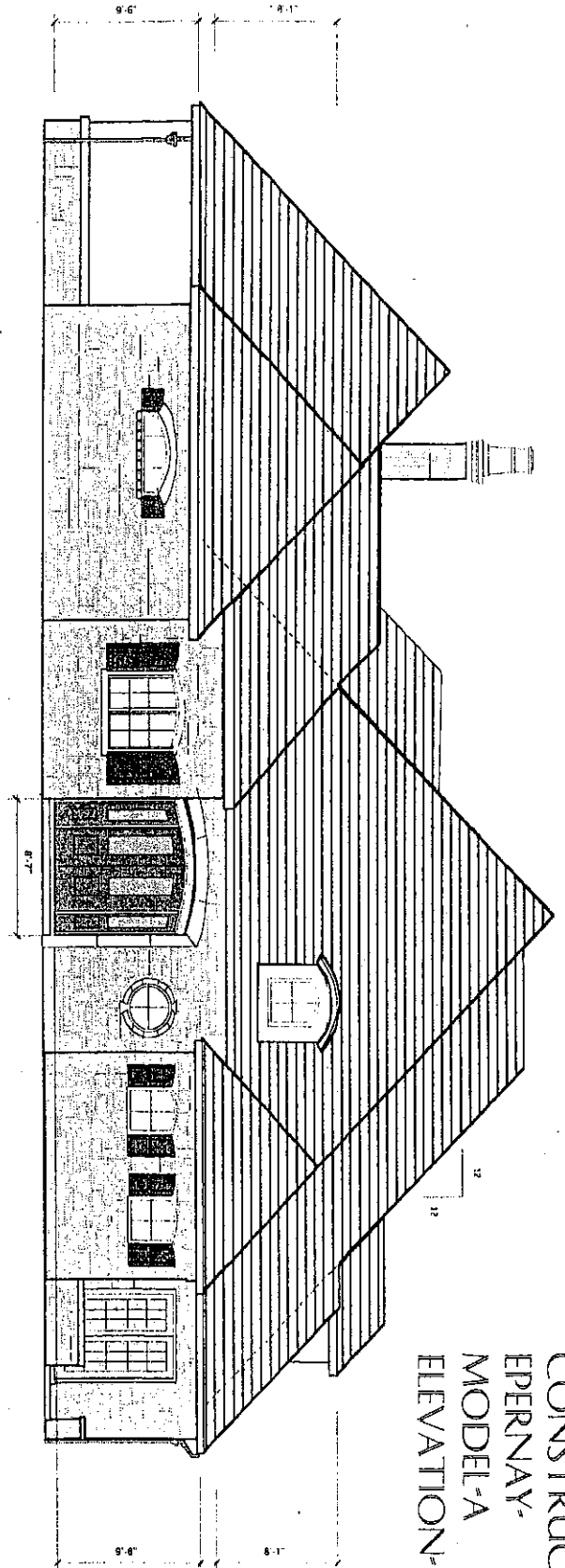


A-1



SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-A
ELEVATION-1

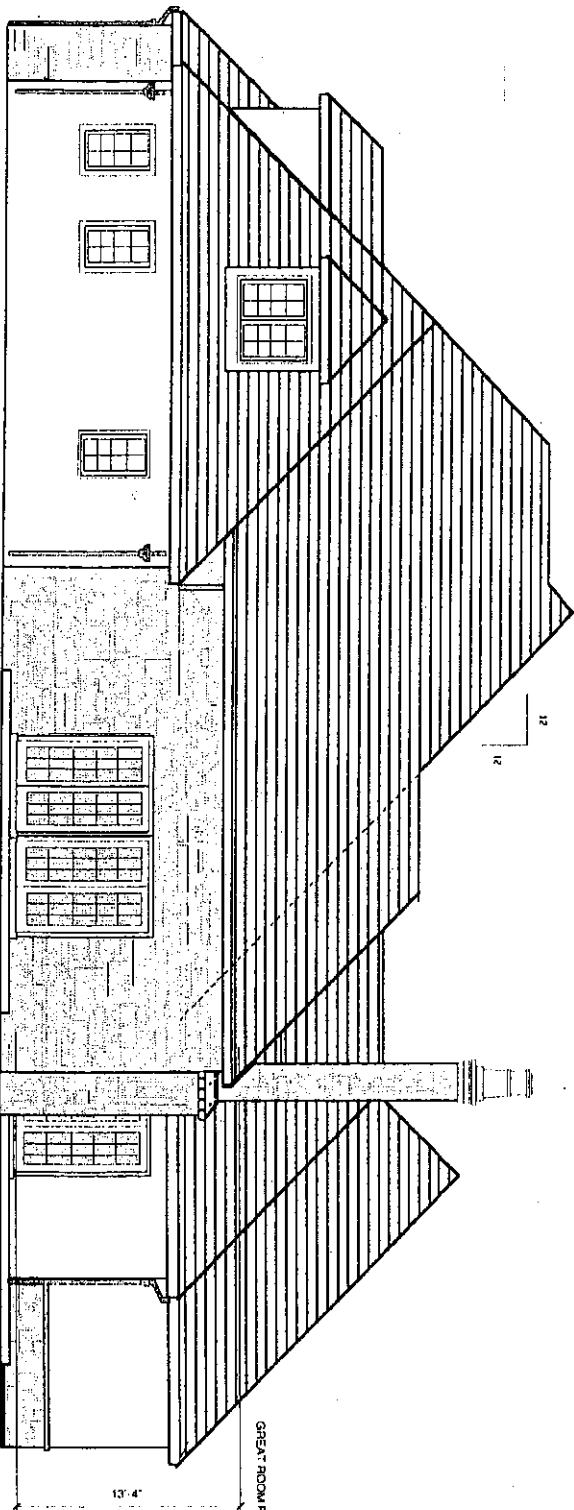
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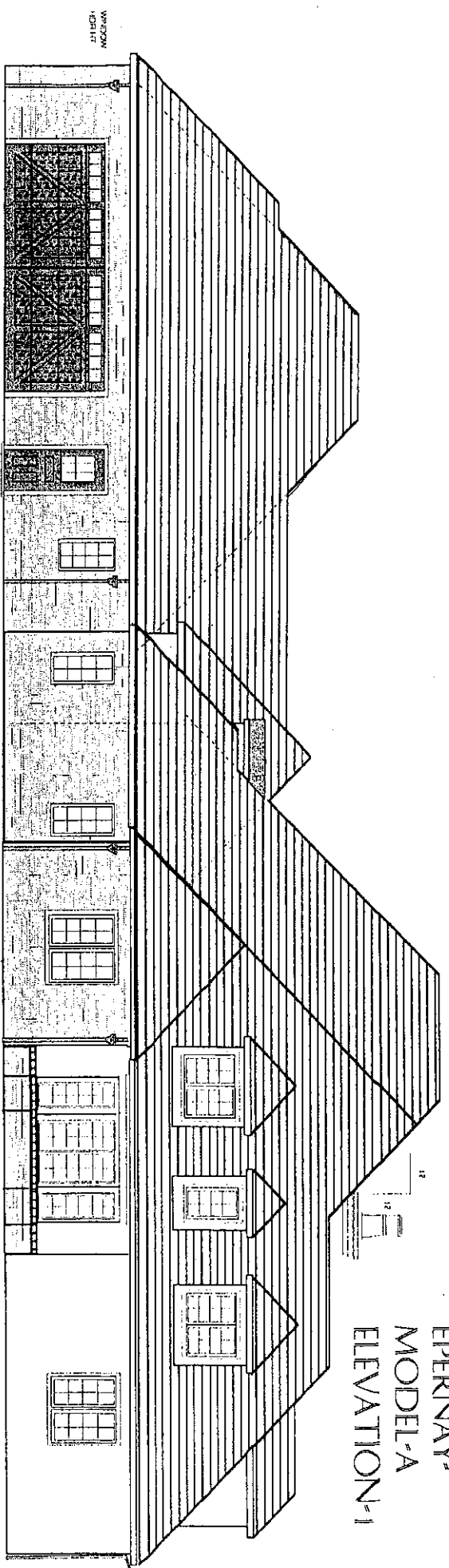
1ST LIVING 3802
OPTIONAL 2ND LIVING 1103
TOTAL NET 4905

GREAT ROOM PLATE HT

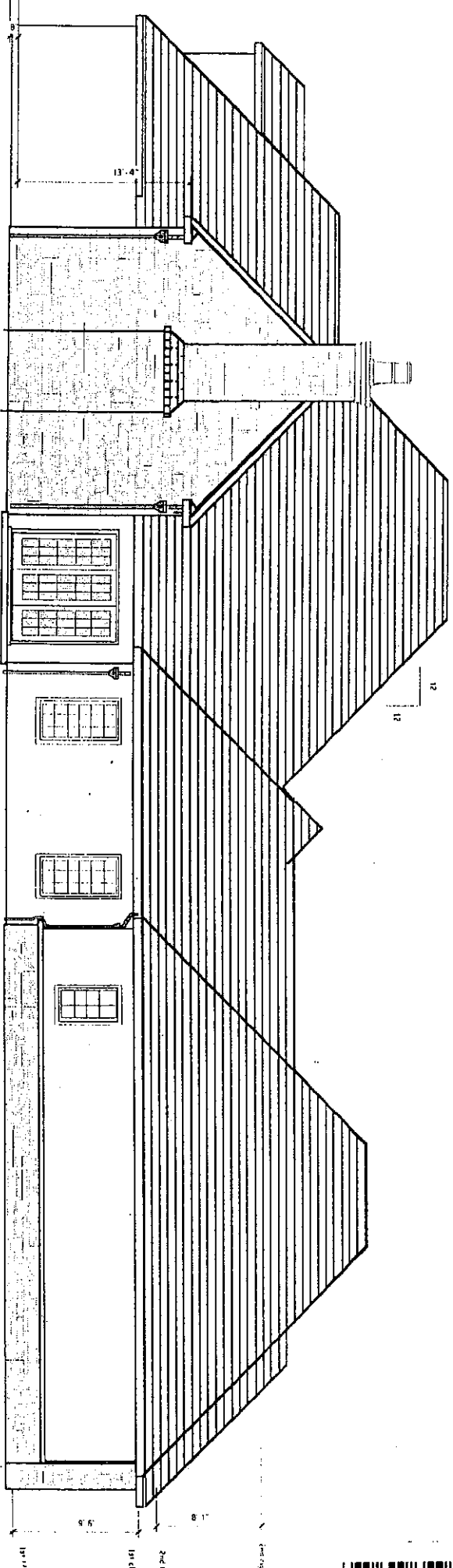
REAR ELEVATION



SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-A
ELEVATION-1



RIGHT ELEVATION



LEFT ELEVATION

FIRST FLOOR LAYOUT

CPT 645 D.V. n
enlwork code

19'-4" X 16'-6"

FAMILY ROOM

17' X 11'

PATIO

LOCATION OF FLUSH BEAMS IN CEILING - TYPICAL

16'-10" X 13'-10"

KITCHEN

24'-0" X 14'-2"

DINING ROOM

9'-6" CEILING

29'-0" X 20'-0"

GREAT ROOM

13'-4" CEILING

PATIO

20' X 12'

LOCATION OF FLUSH BEAMS IN CEILING - TYPICAL

FOYER

15'-0" X 12'-8"

GUEST BEDROOM-2

9'-6" CEILING

14'-0" X 13'-0"

STUDY

9'-6" CEILING

21'-4" X 16'-1"

MASTER SUITE

9'-6" CEILING

WET BAR

DISH ROOM

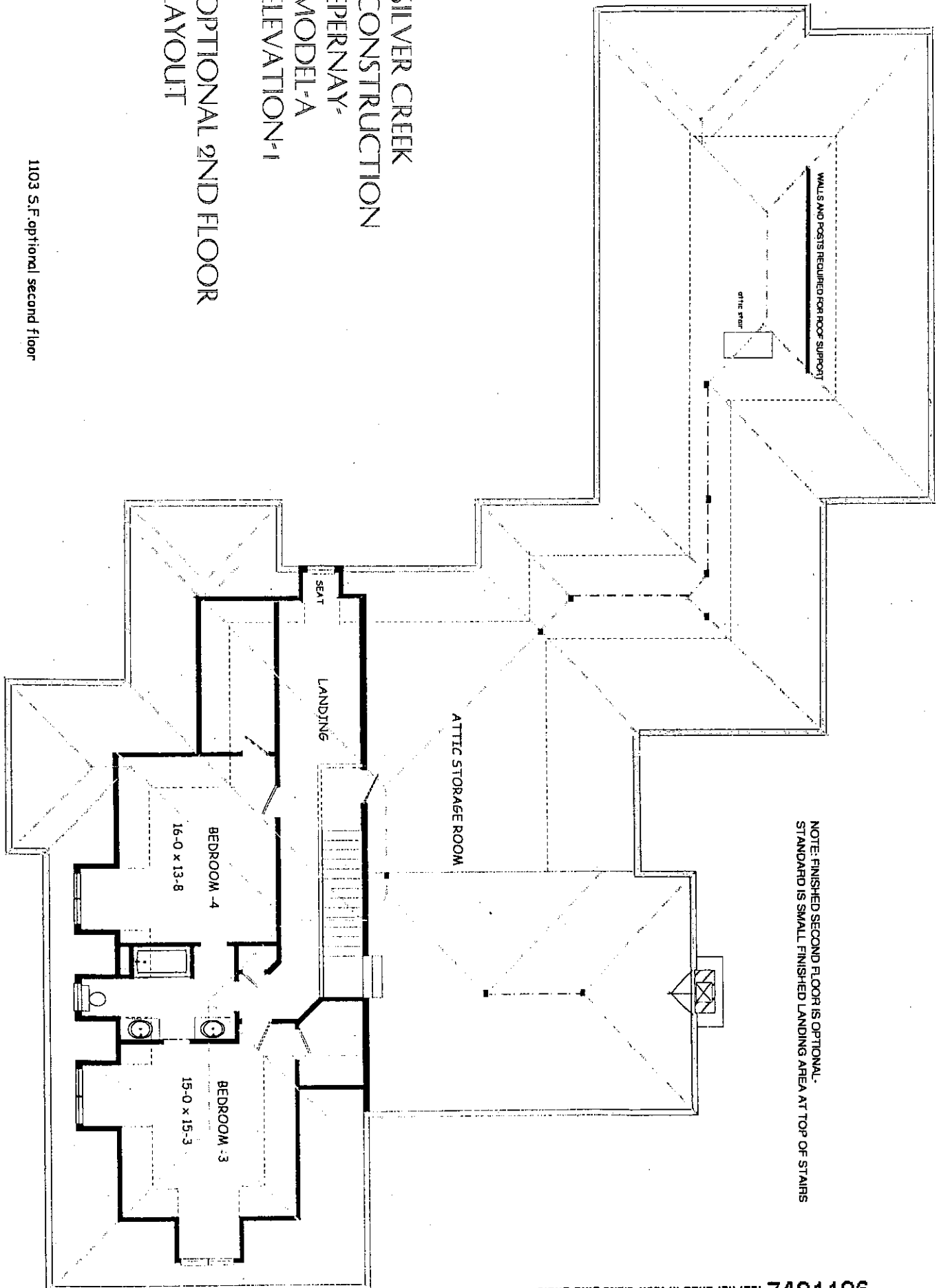
4' X 6' dressing island

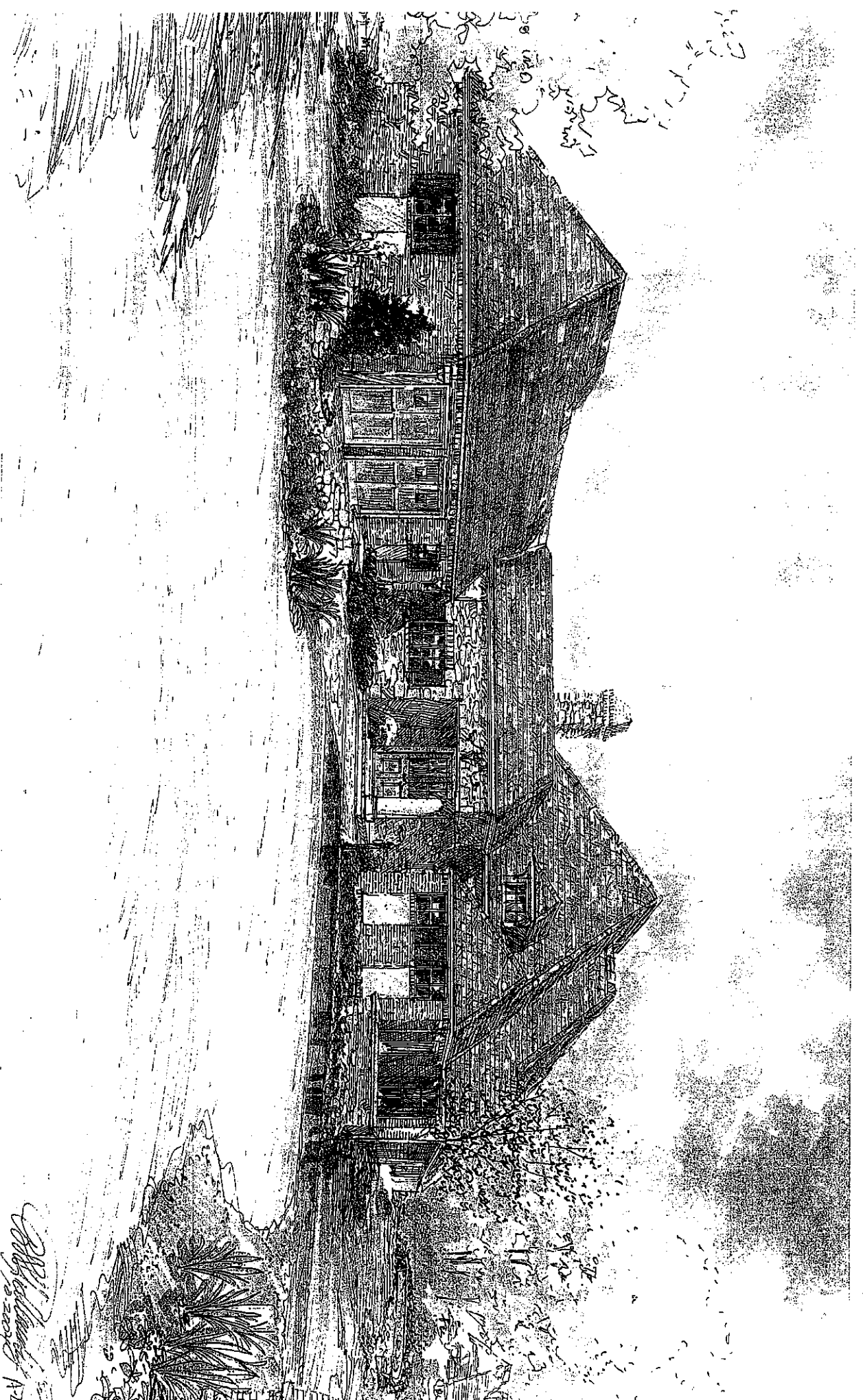
4' X 6' dressing island

PRIVATE PATIO

SILVER CREEK
CONSTRUCTION
LEPERNAY-
MODEL-A
ELEVATION-1
OPTIONAL 2ND FLOOR
LAYOUT

1103 S.F. optional second floor

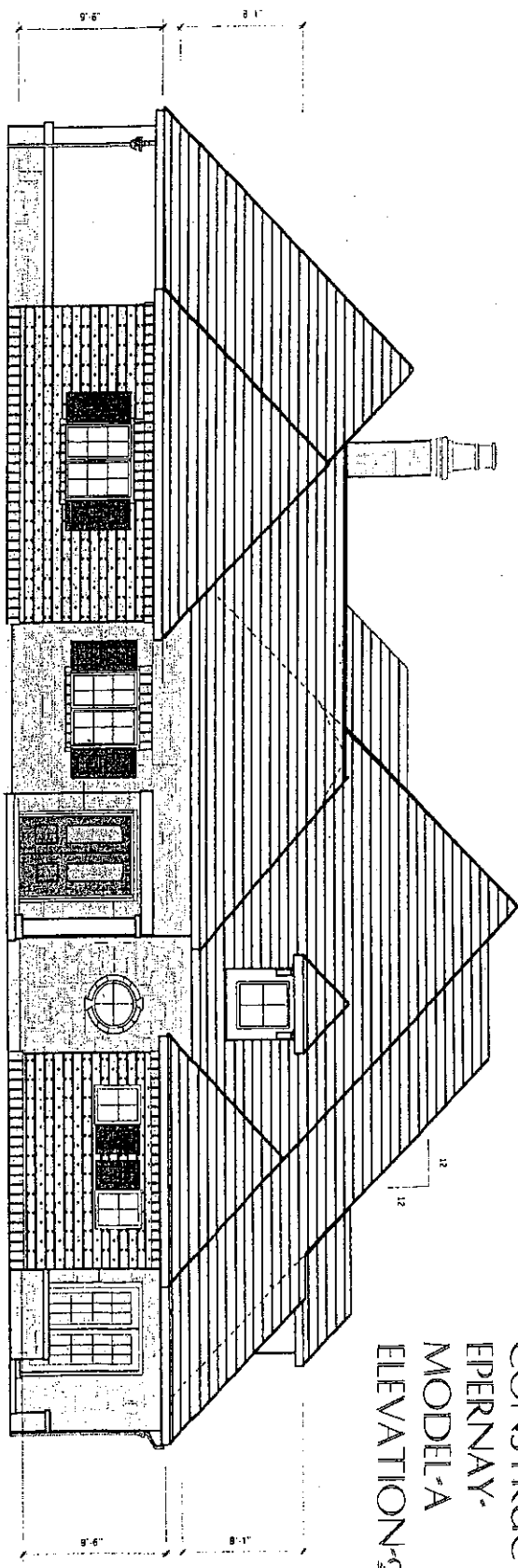




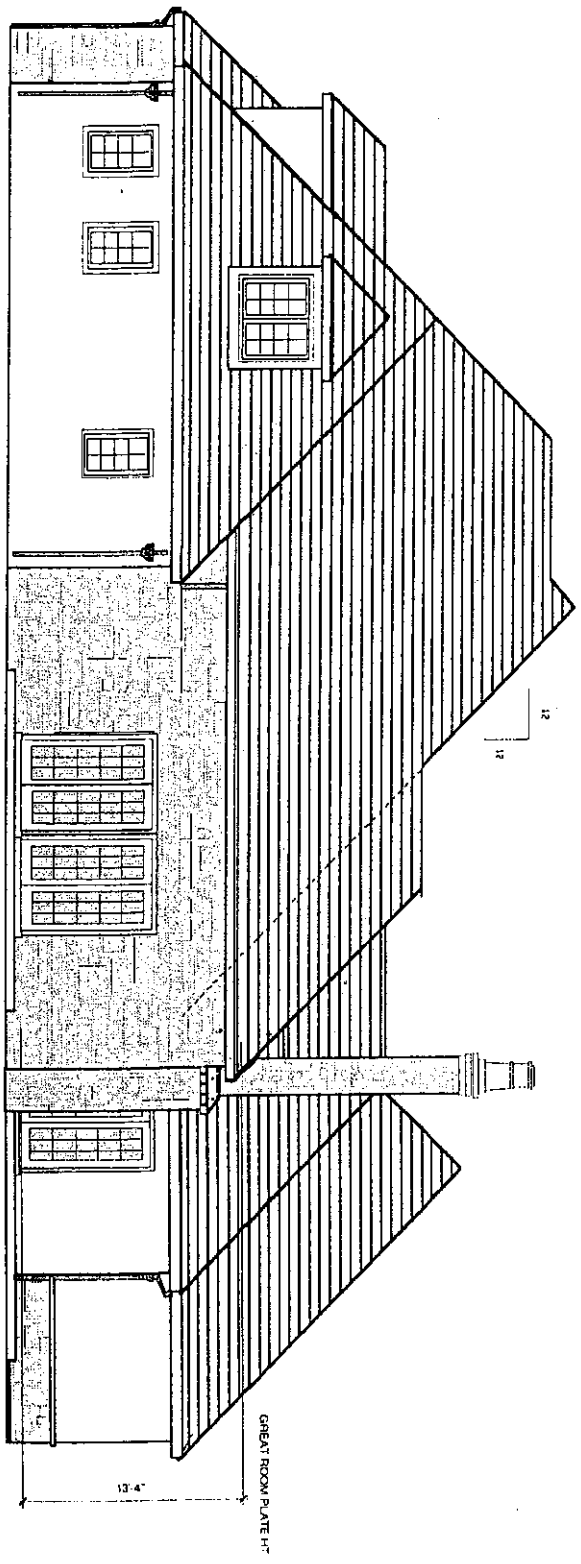
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R. M. Williams
10-20-07



SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-A
ELEVATION-2



FRONT ELEVATION

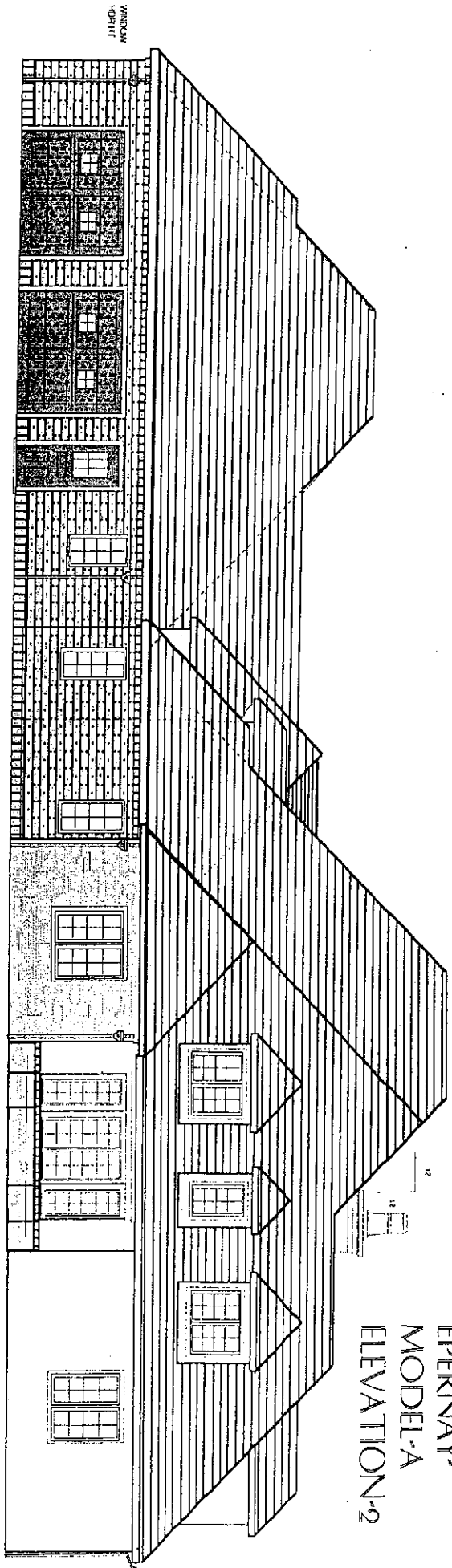


REAR ELEVATION

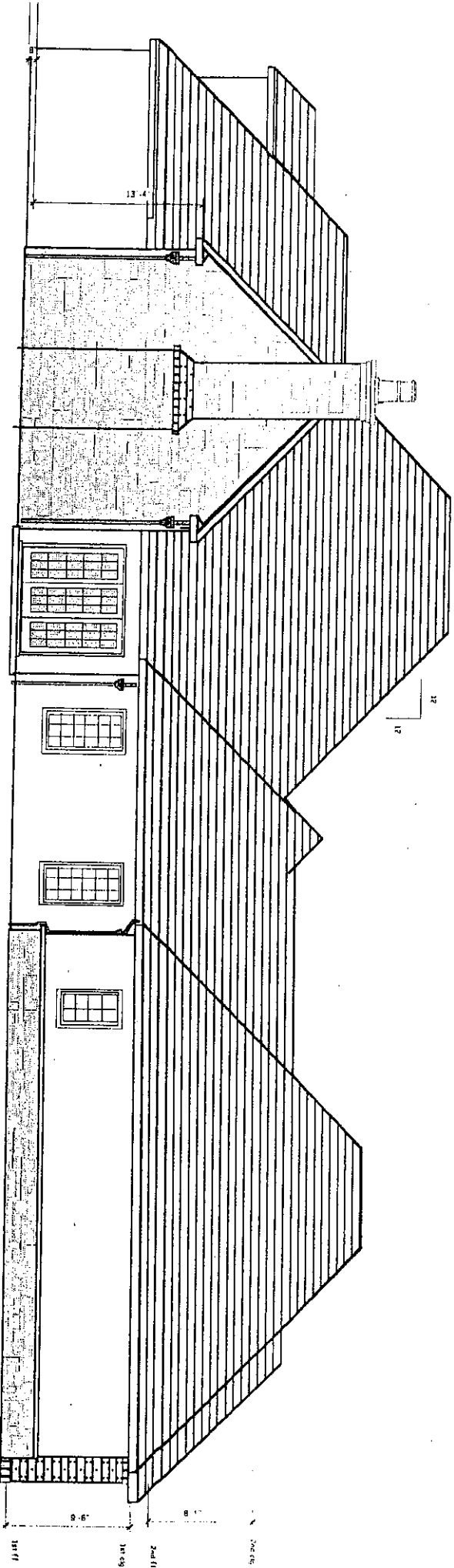
| | |
|---------------------|------|
| 1ST LIVING | 3838 |
| OPTIONAL 2ND LIVING | 1103 |
| TOTAL NET | 4941 |

GREAT ROOM PLATE HT

SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-A
ELEVATION-2

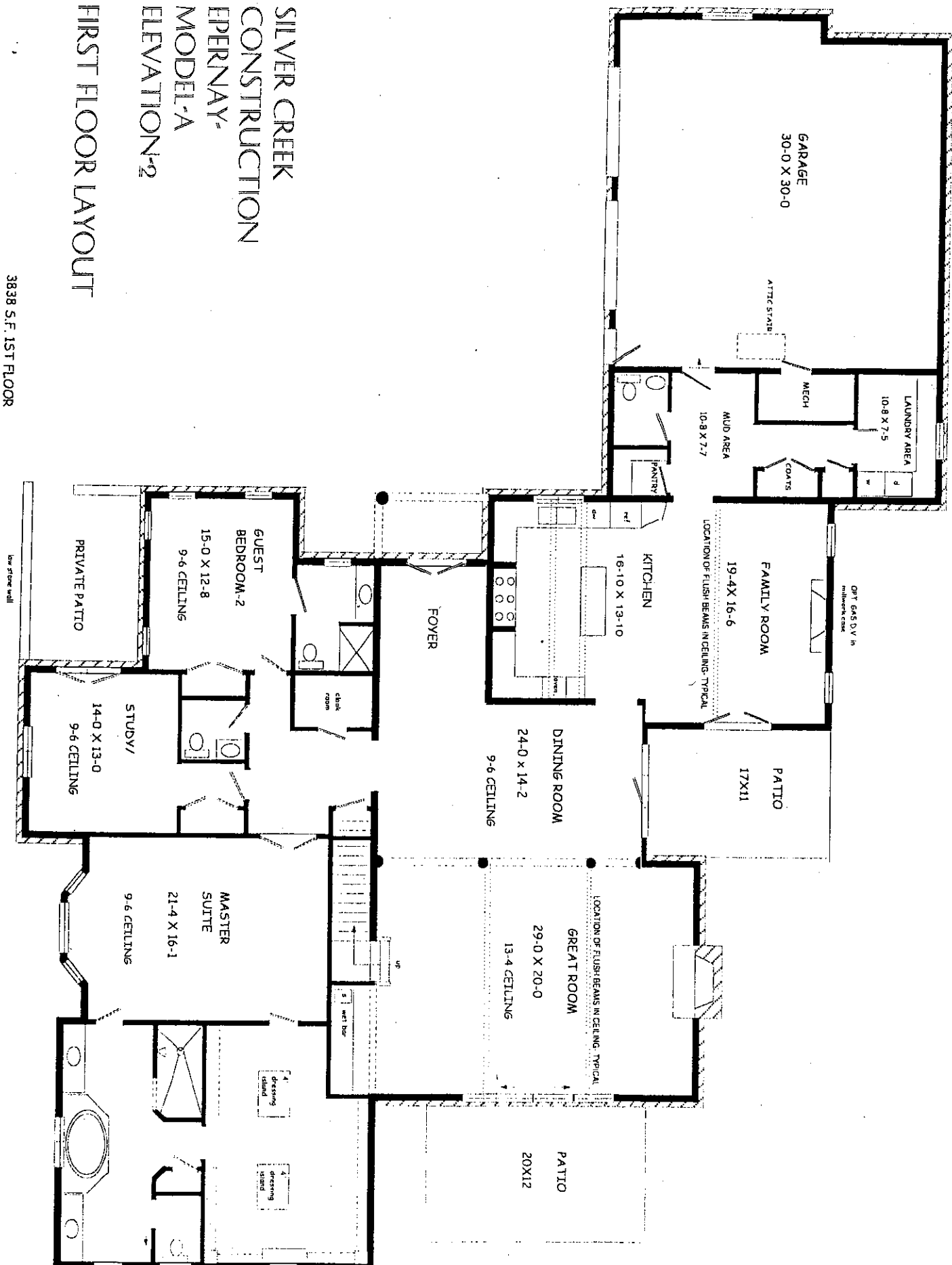


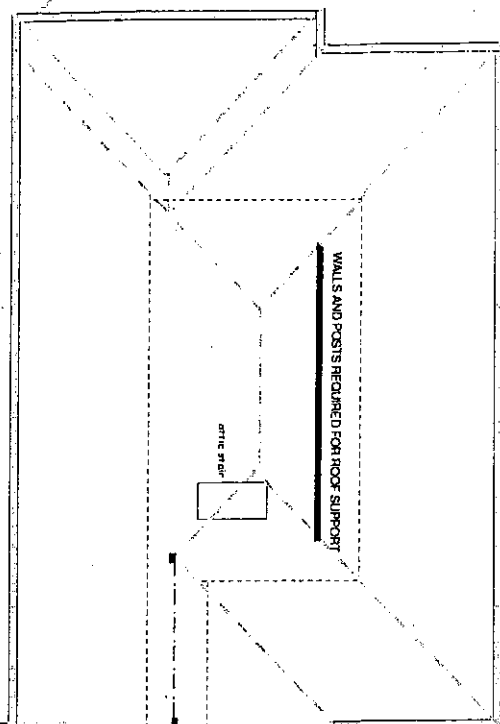
RIGHT ELEVATION



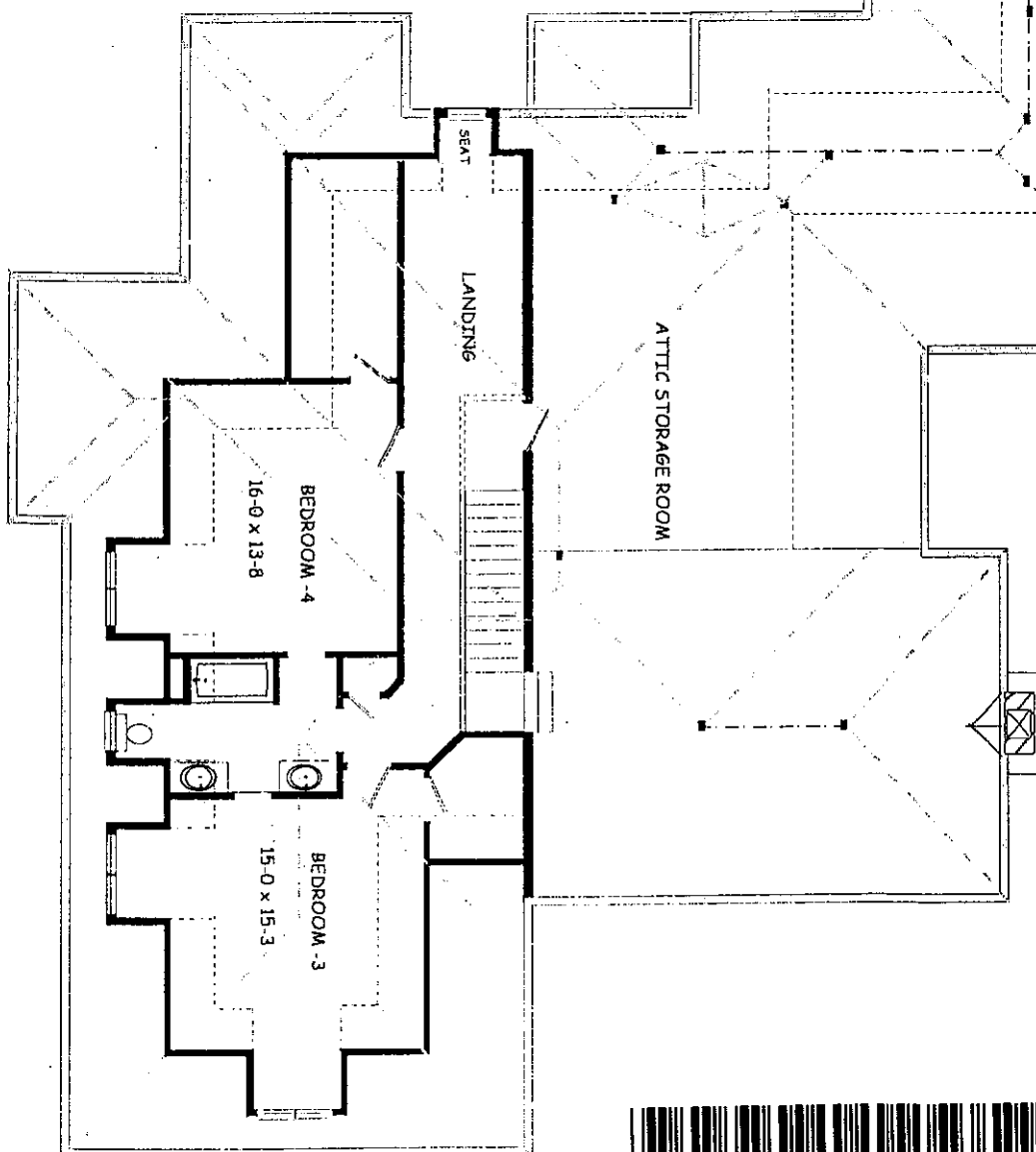
SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-A
ELEVATION-2
FIRST FLOOR LAYOUT

3838 S.F. 1ST FLOOR





NOTE: FINISHED SECOND FLOOR IS OPTIONAL.
STANDARD IS SMALL FINISHED LANDING AREA AT TOP OF STAIRS

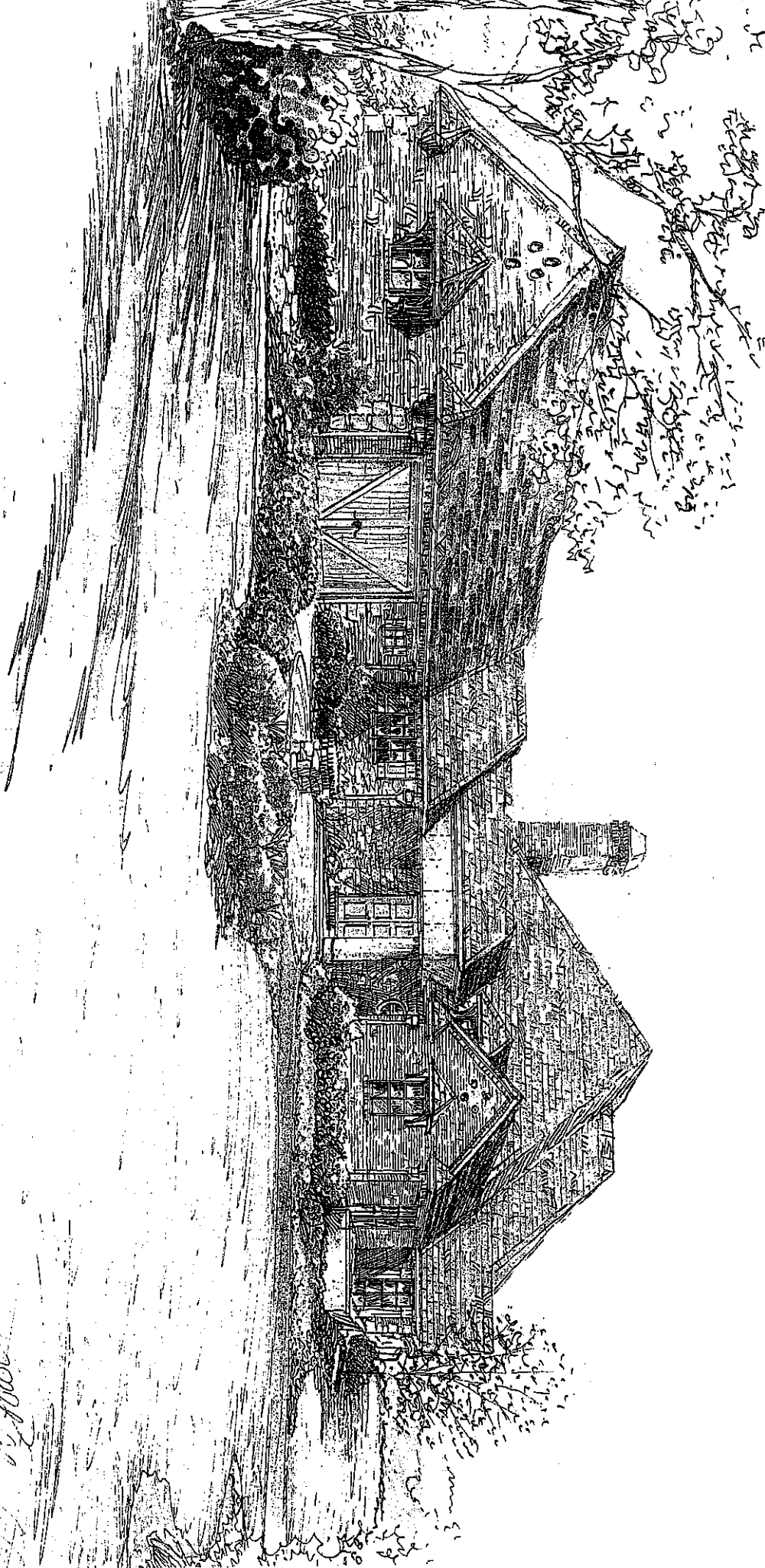


SILVER CREEK
CONSTRUCTION
EPERNAY
MODEL-A
ELEVATION-2

OPTIONAL 2ND FLOOR
LAYOUT

1103 S.F. optional second floor



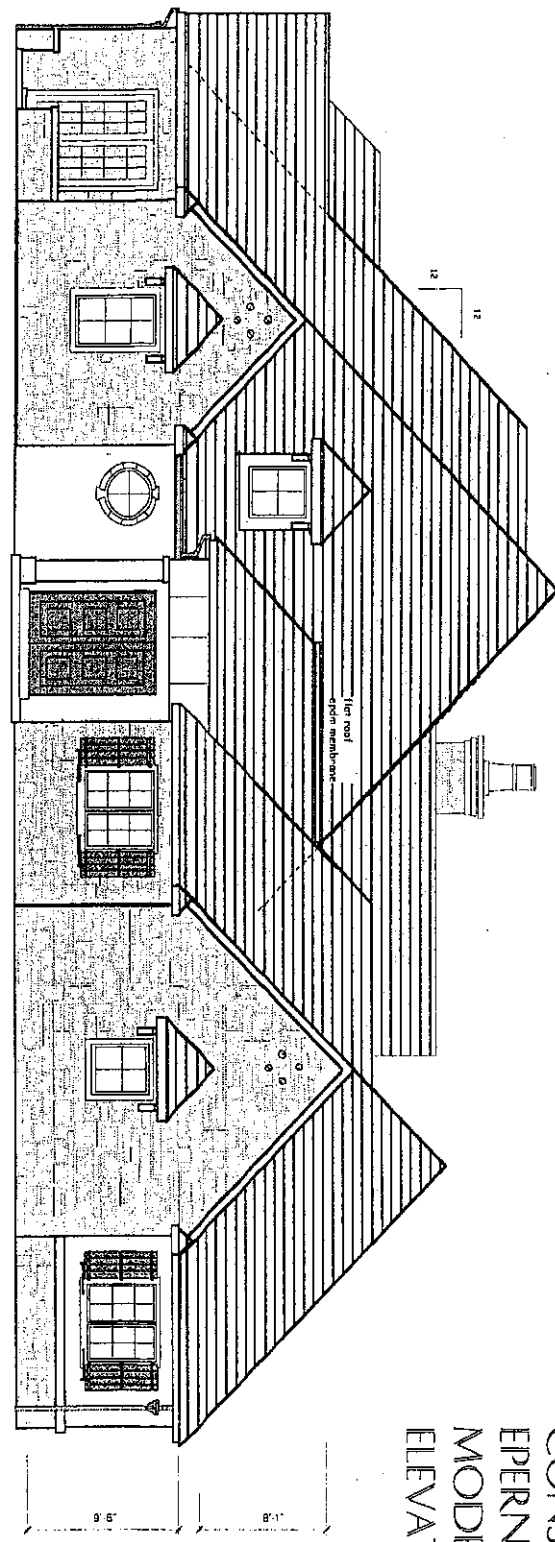


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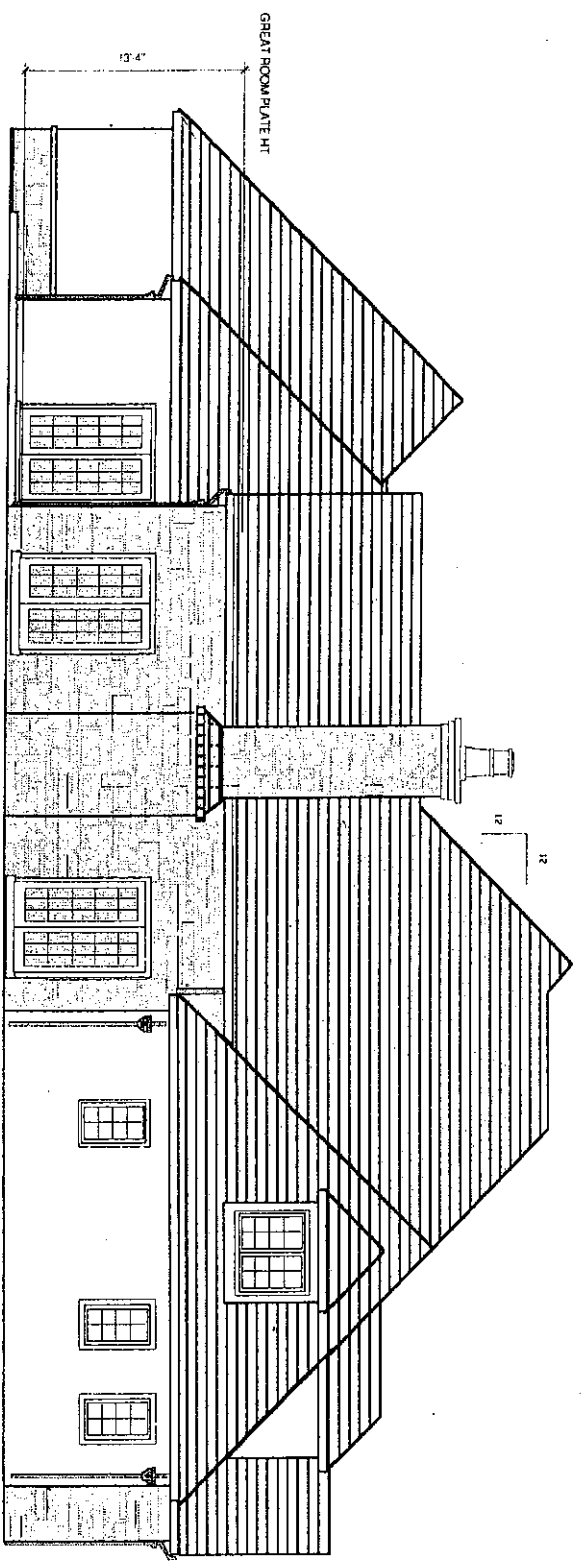
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SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-A
ELEVATION-3



FRONT ELEVATION

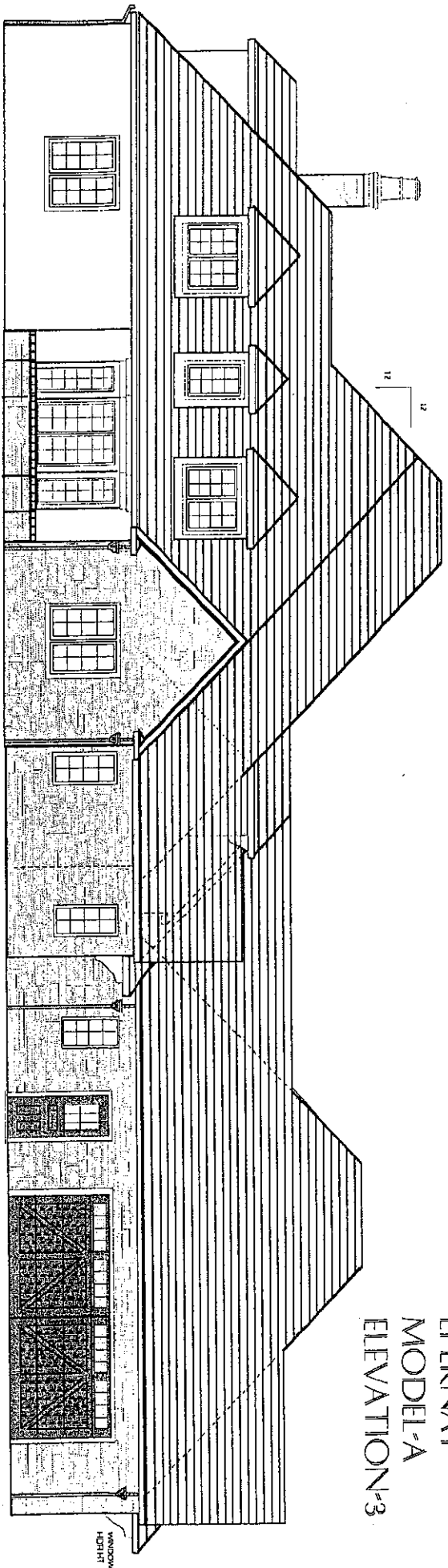


REAR ELEVATION

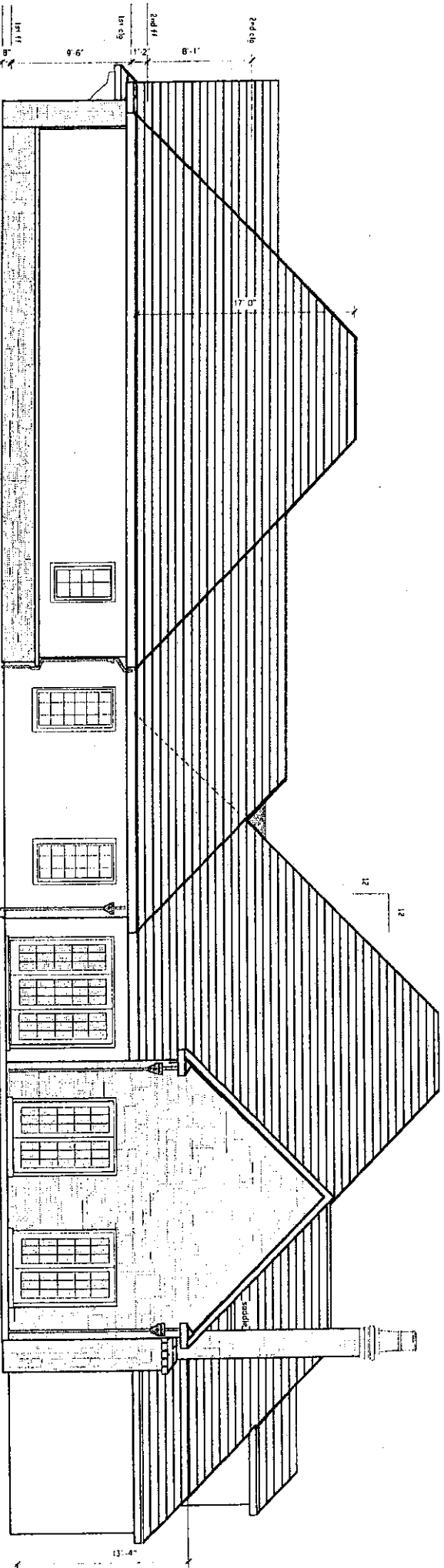
| | |
|---------------------|------|
| 1ST LIVING | 3838 |
| OPTIONAL 2ND LIVING | 1053 |
| TOTAL NET | 4891 |



SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-A
ELEVATION-3



LEFT ELEVATION



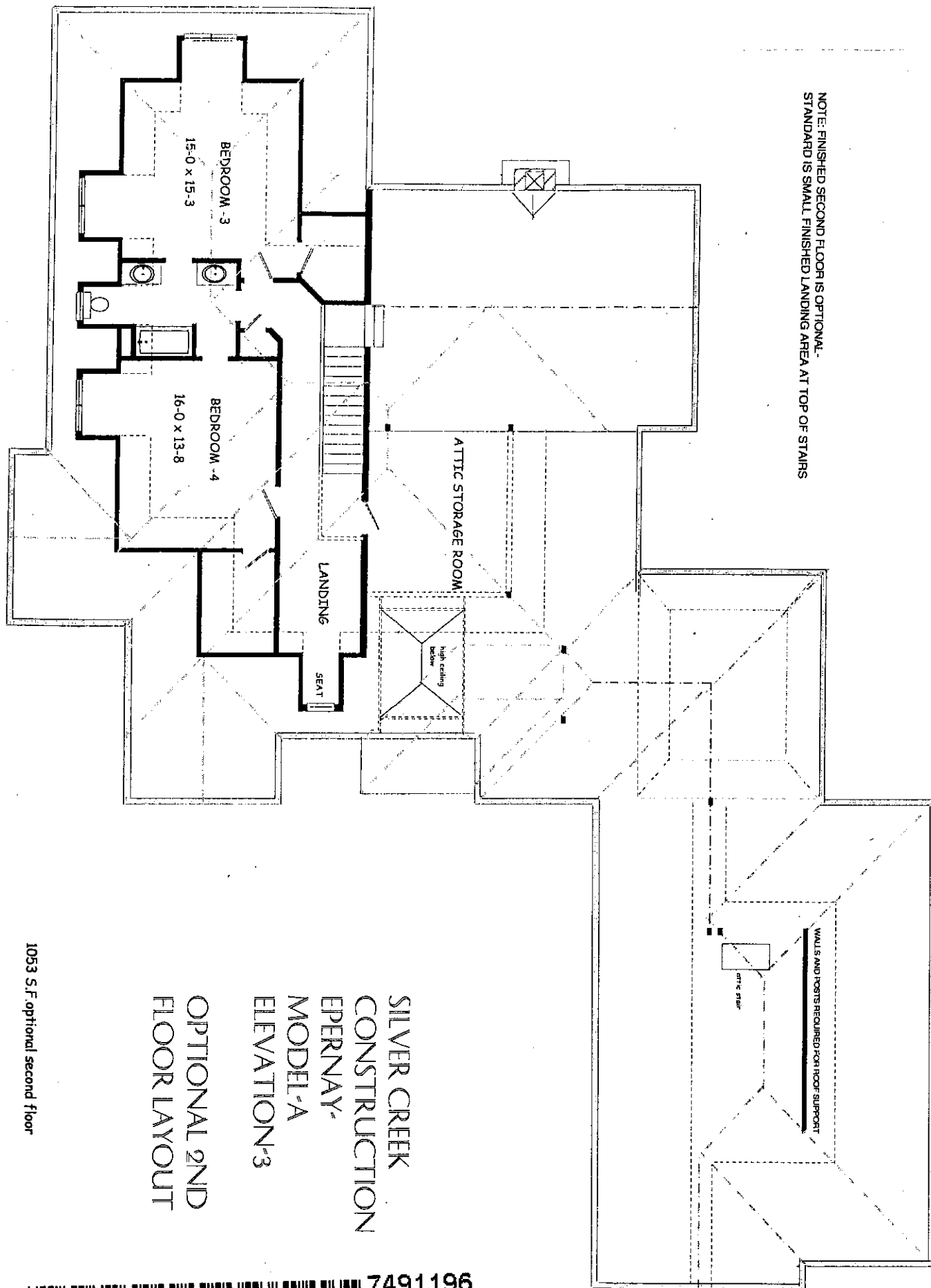
RIGHT ELEVATION





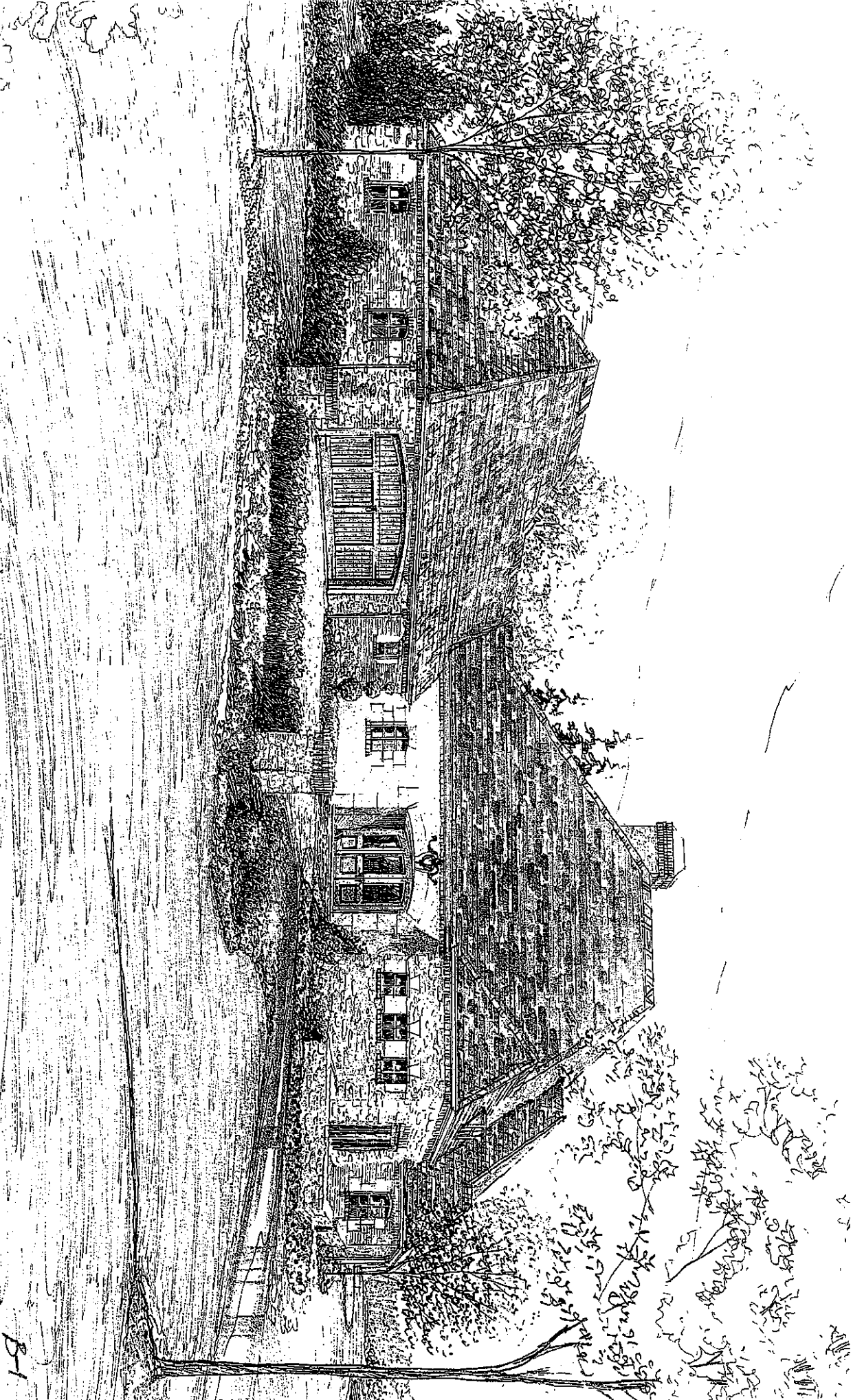
3838 5F 15T FLOOR

NOTE: FINISHED SECOND FLOOR IS OPTIONAL.
STANDARD IS SMALL FINISHED LANDING AREA AT TOP OF STAIRS



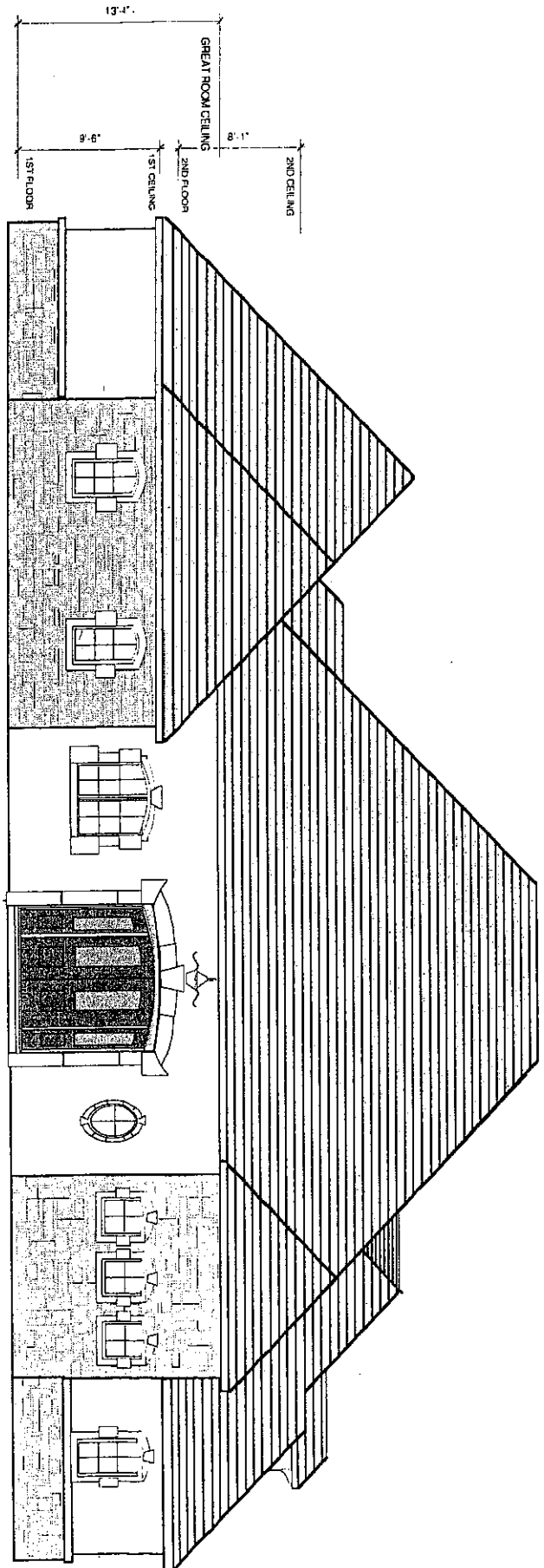
SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-A
ELEVATION-3
OPTIONAL 2ND
FLOOR LAYOUT

1053 S.F. optional second floor



B-1

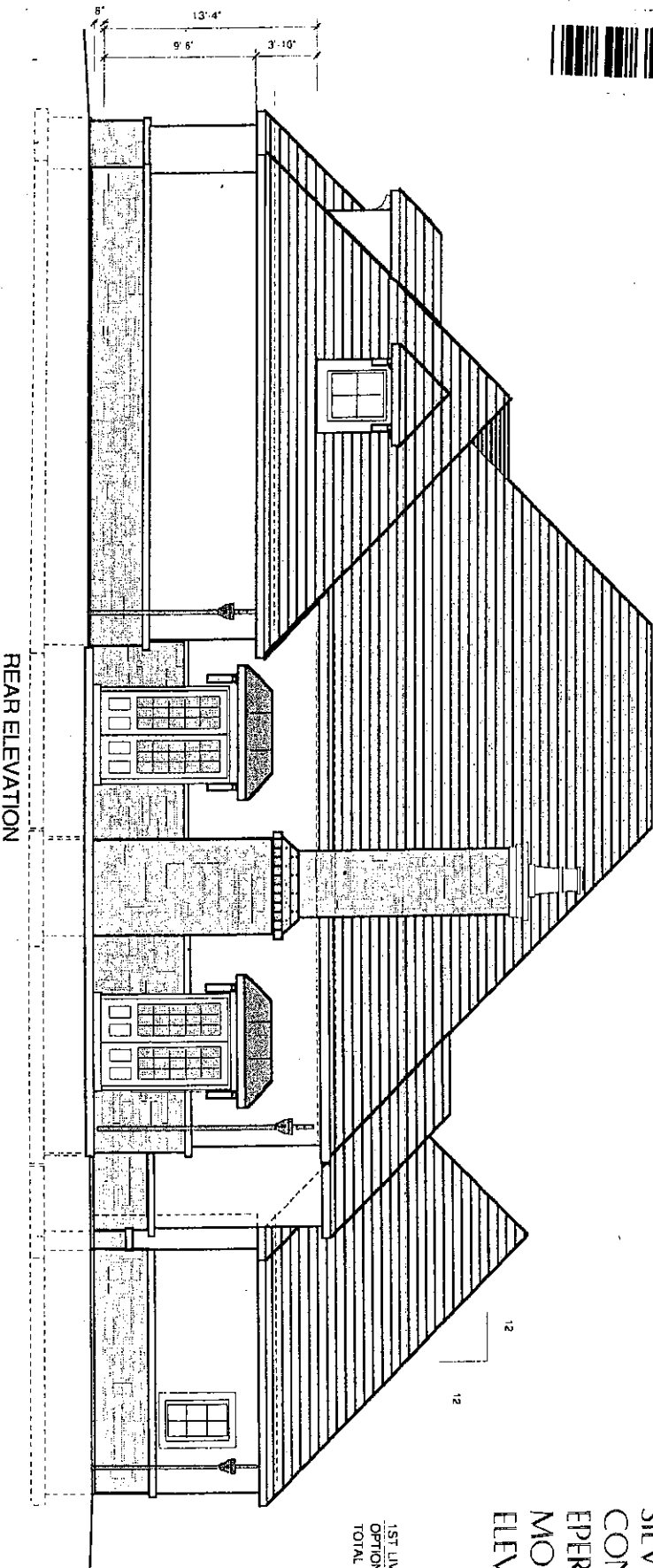




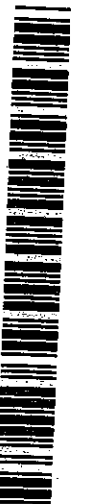
FRONT ELEVATION

SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-B
ELEVATION-1

| | |
|---------------------|------|
| 1ST LIVING | 3508 |
| OPTIONAL 2ND LIVING | 1265 |
| TOTAL NET | 4772 |

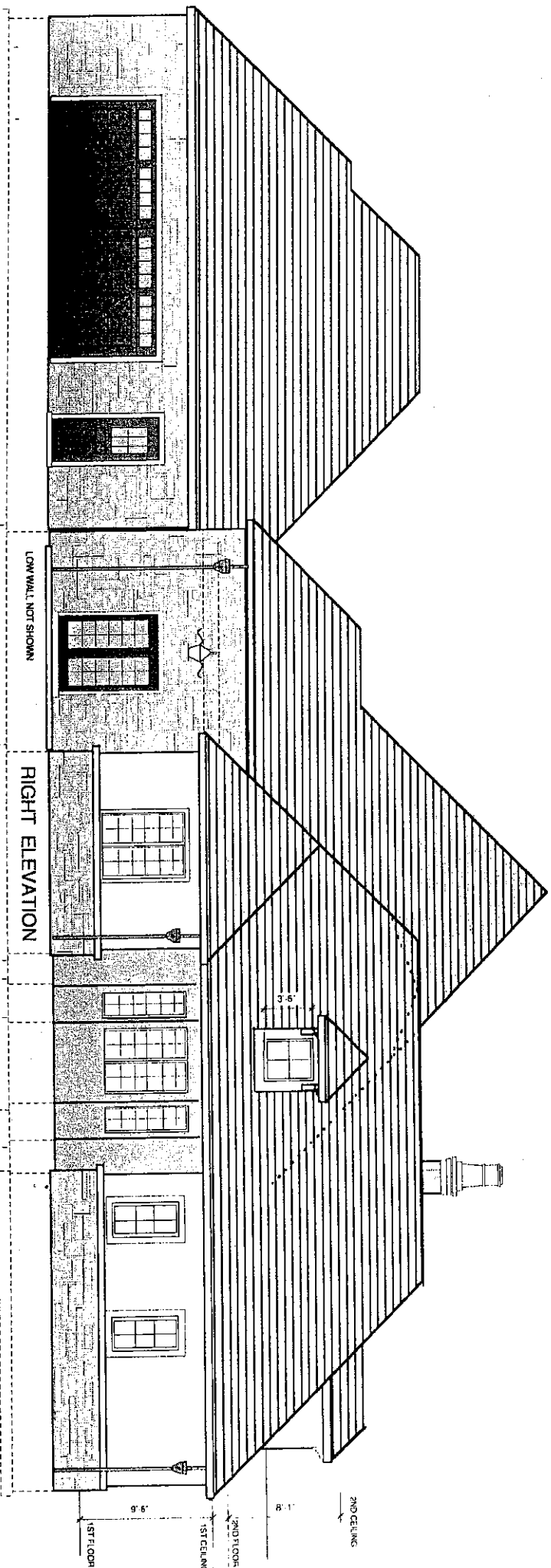
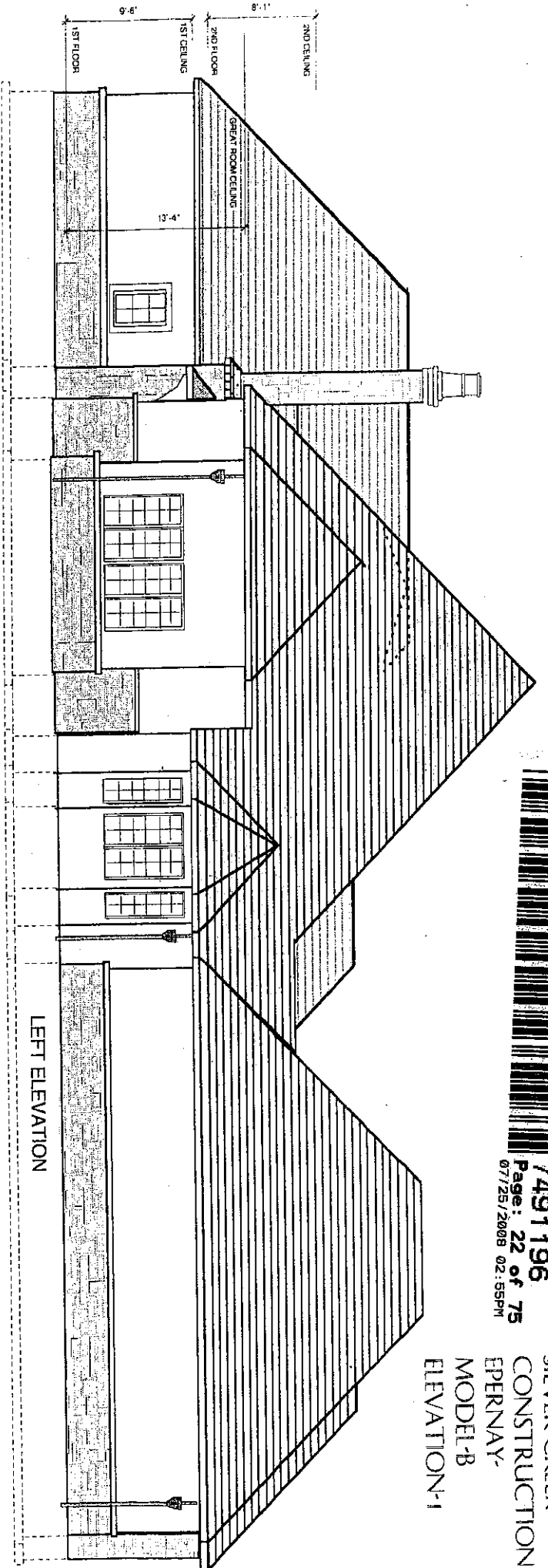


REAR ELEVATION



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SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-B
ELEVATION-1

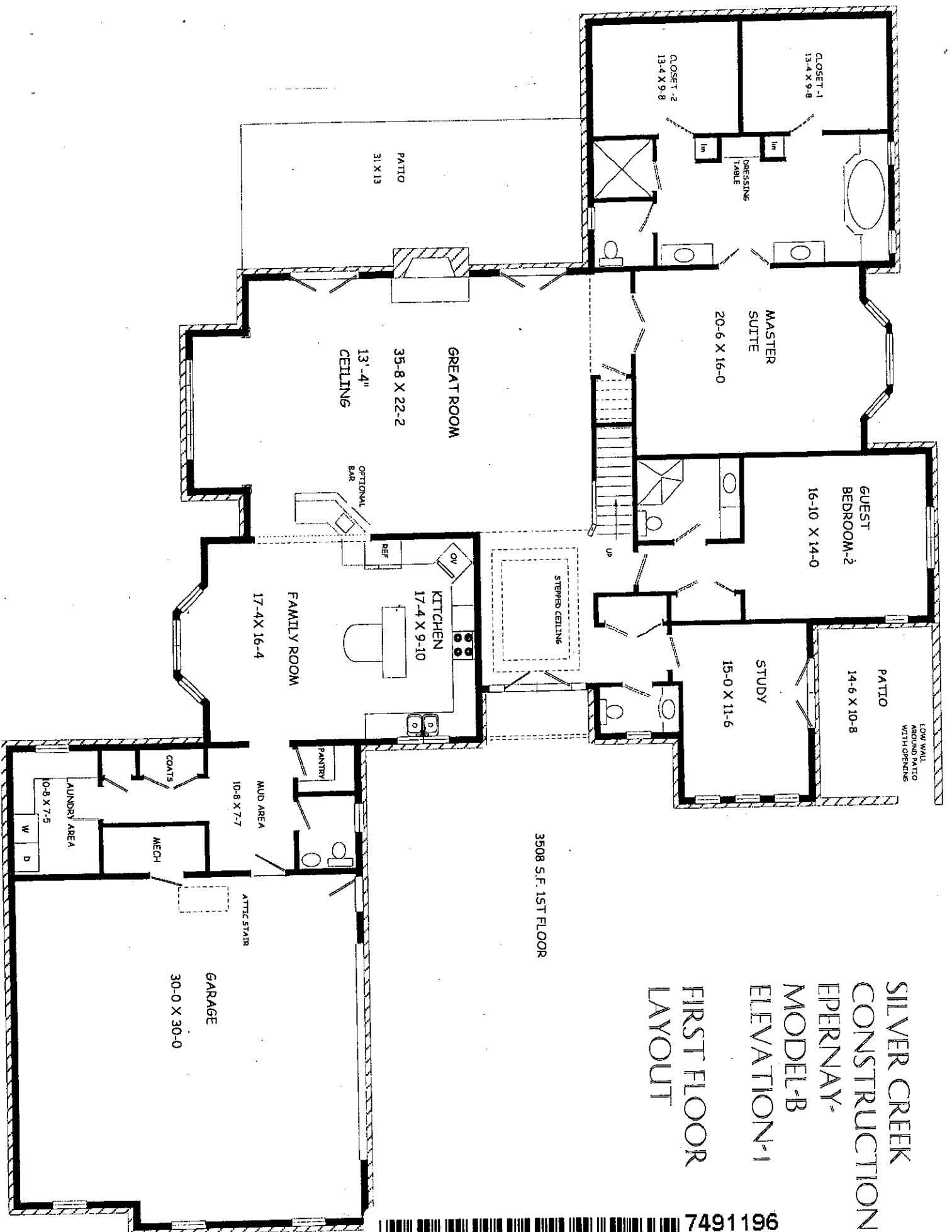


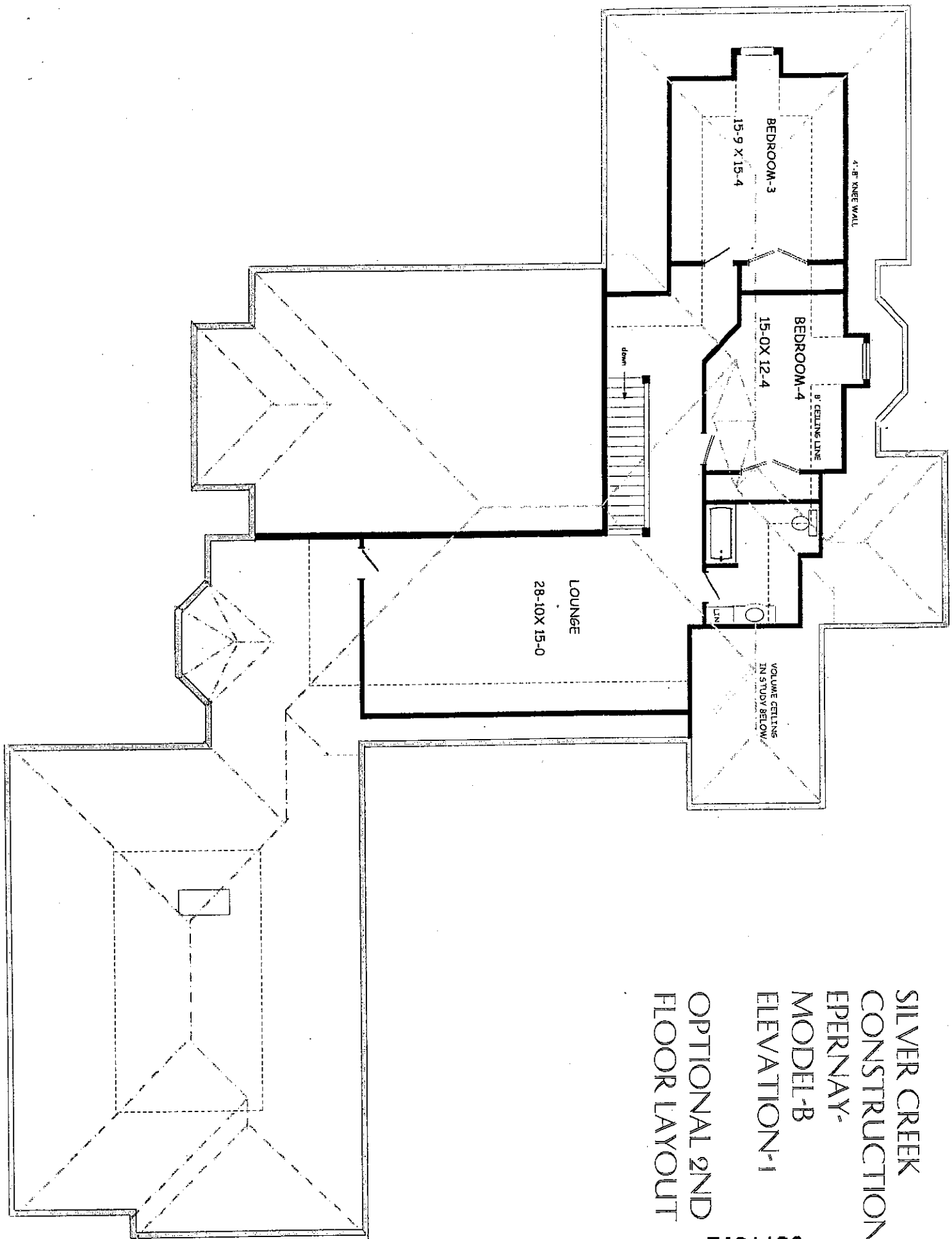
SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-B
ELEVATION-1
FIRST FLOOR
LAYOUT

7491196

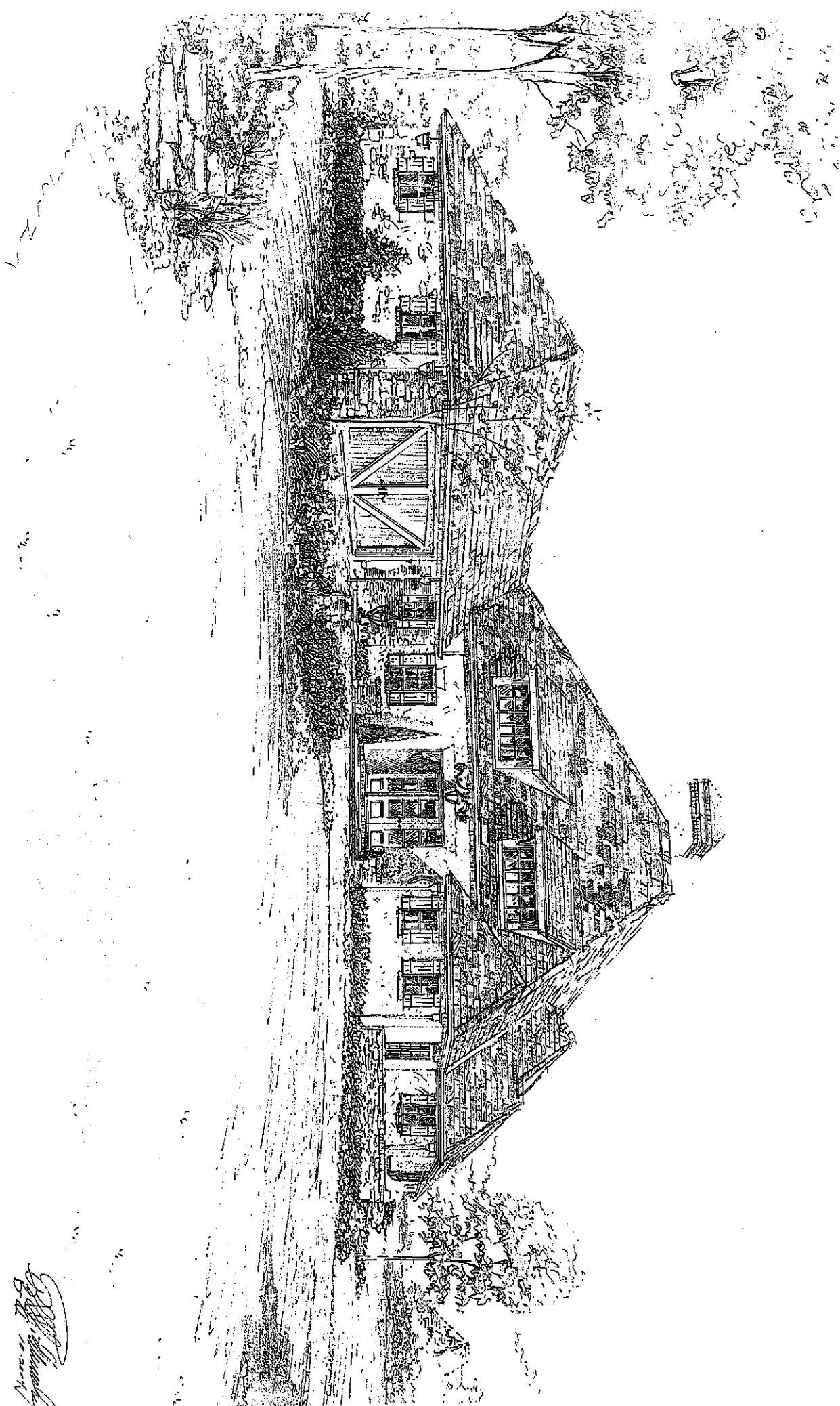
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3508 S.F. 1ST FLOOR



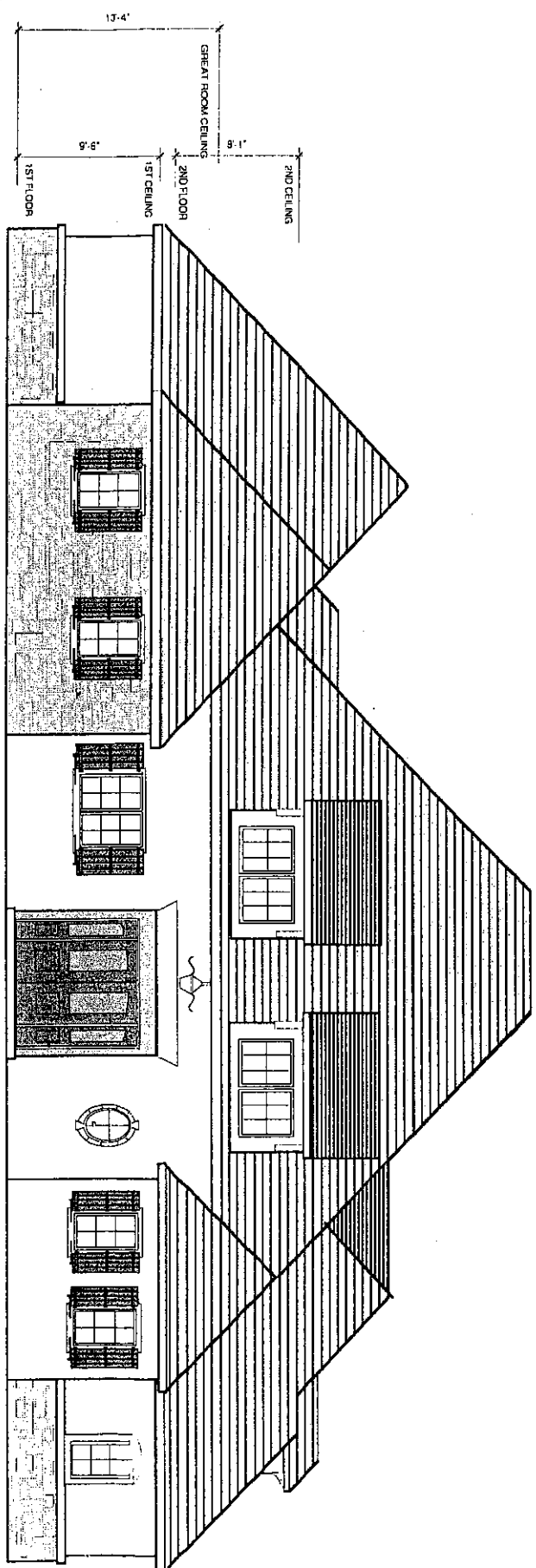


SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-B
ELEVATION-1
OPTIONAL 2ND
FLOOR LAYOUT



Handwritten signature and date:
G. W. M. M. M.
6/11/2008

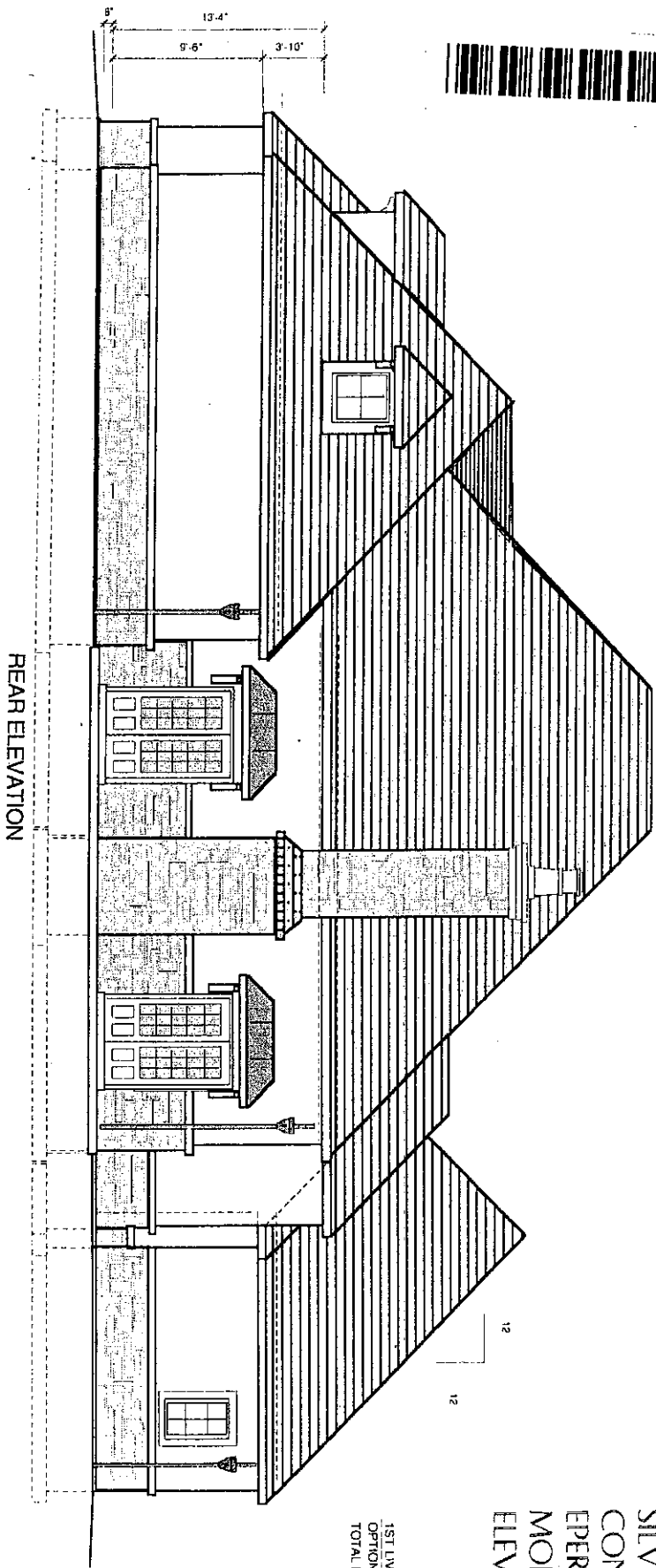




FRONT ELEVATION

SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-B
ELEVATION-2

| | |
|---------------------|------|
| 1ST LIVING | 3508 |
| OPTIONAL 2ND LIVING | 1286 |
| TOTAL NET | 4794 |

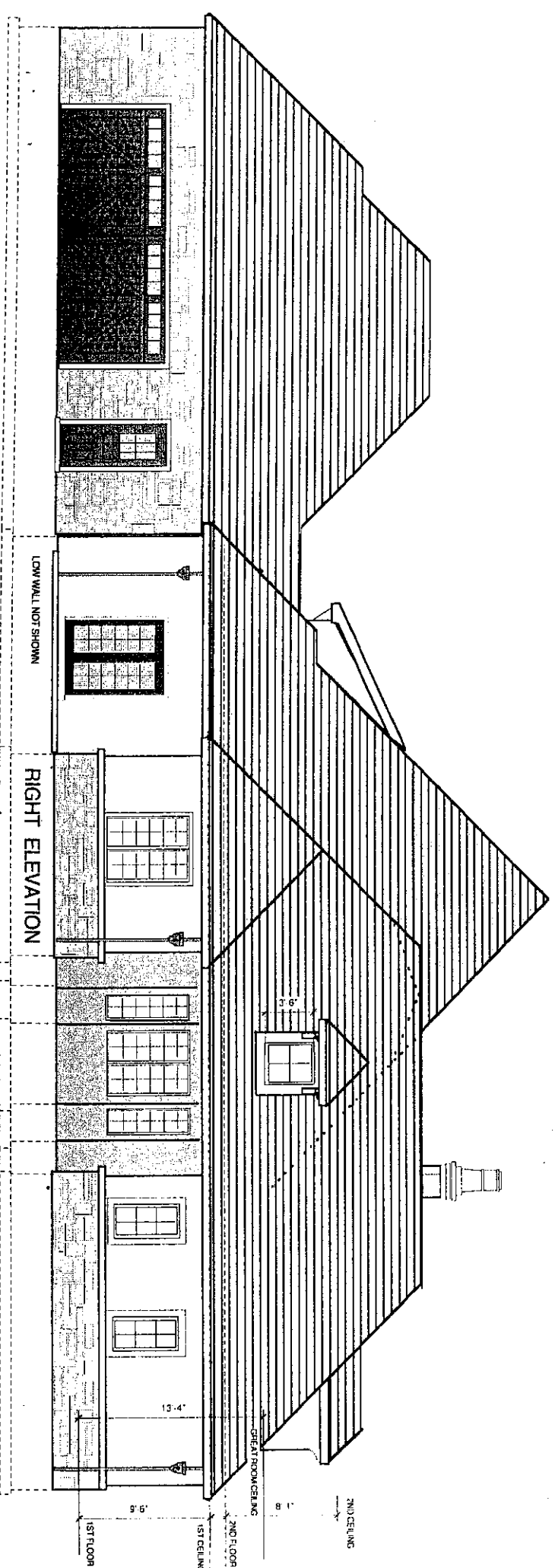
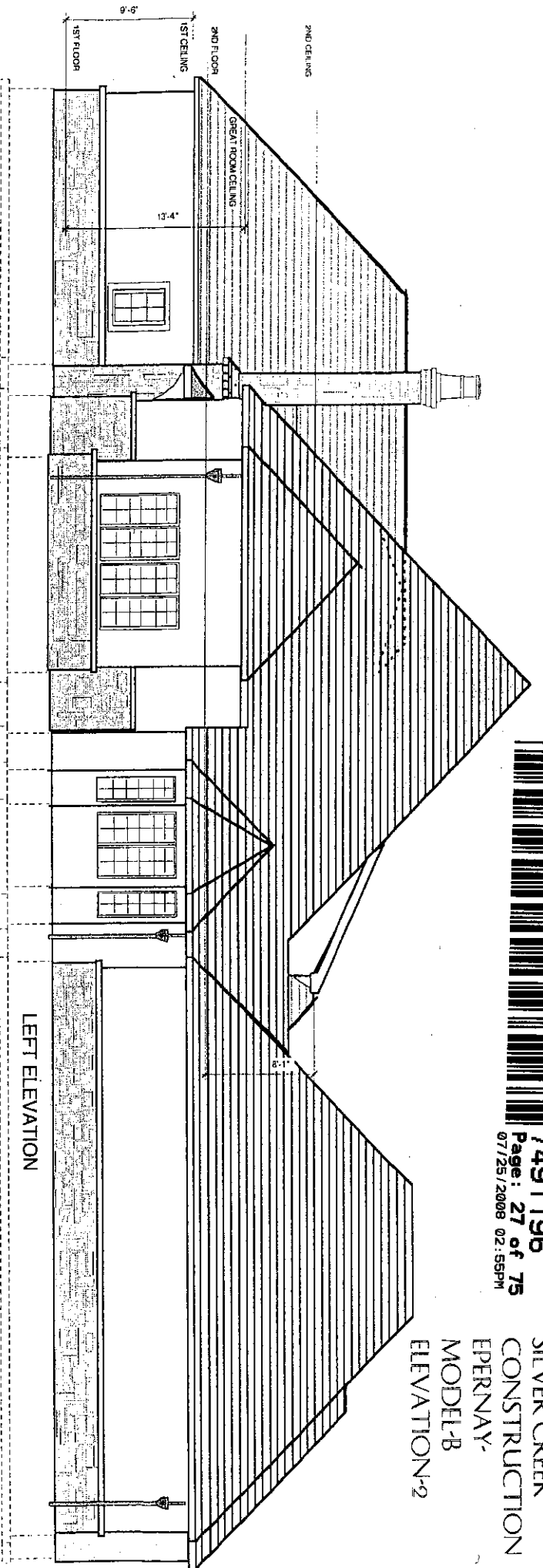


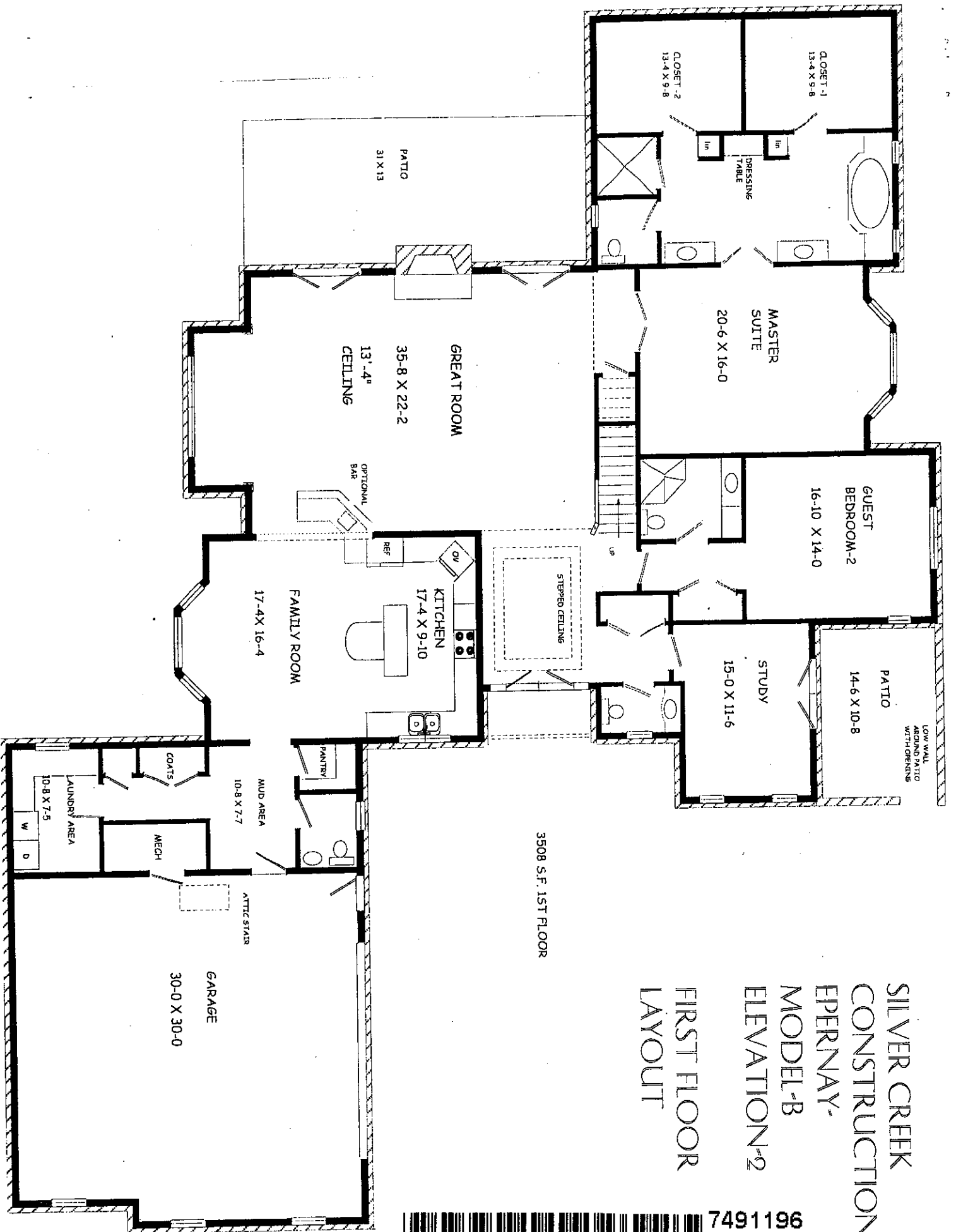
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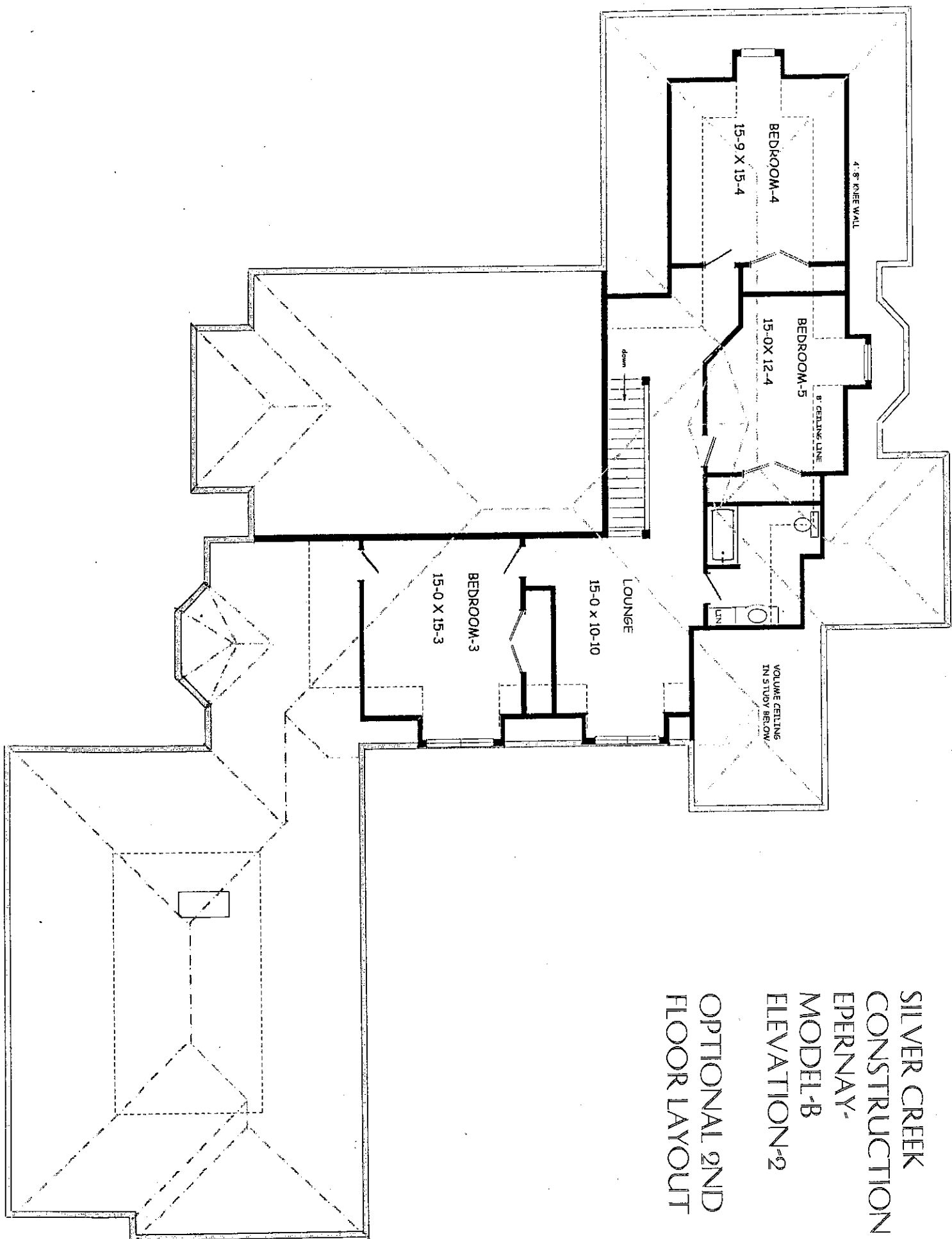
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Page: 27 of 75
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SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-B
ELEVATION-2



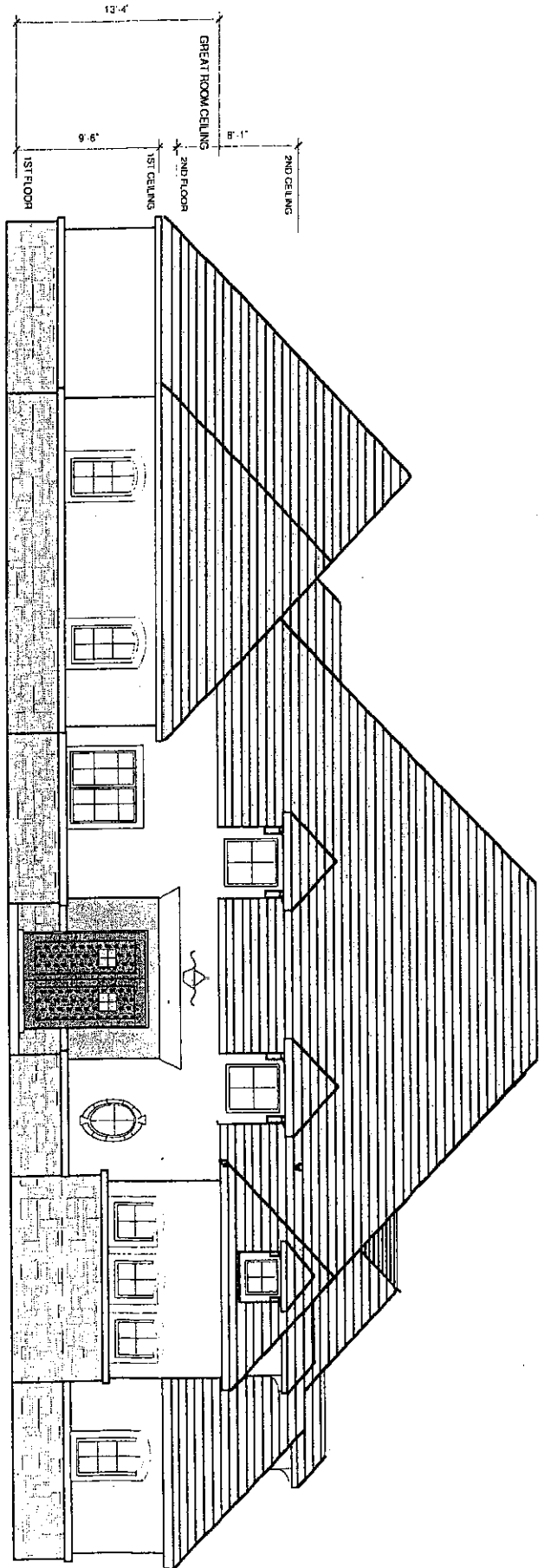


SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-B
ELEVATION-2
FIRST FLOOR
LAYOUT



SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-B
ELEVATION-2
OPTIONAL 2ND
FLOOR LAYOUT



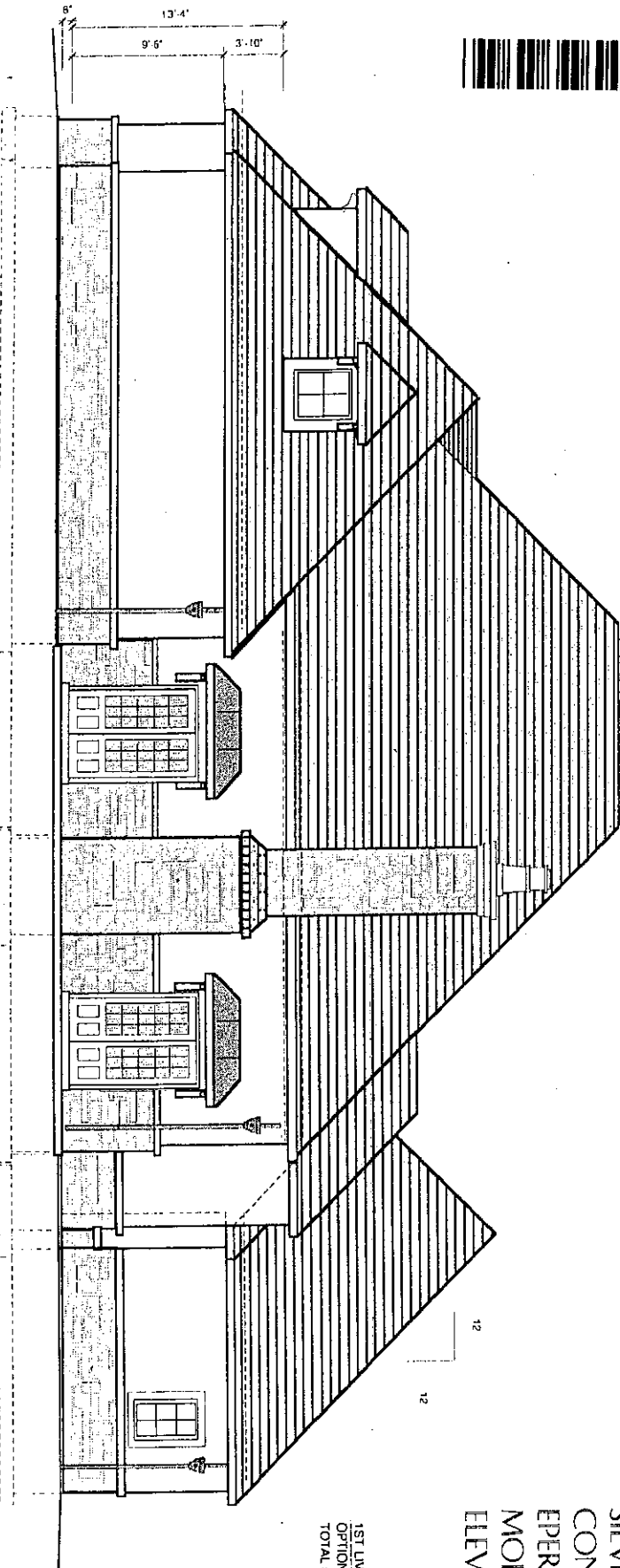


FRONT ELEVATION

SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-B
ELEVATION-3

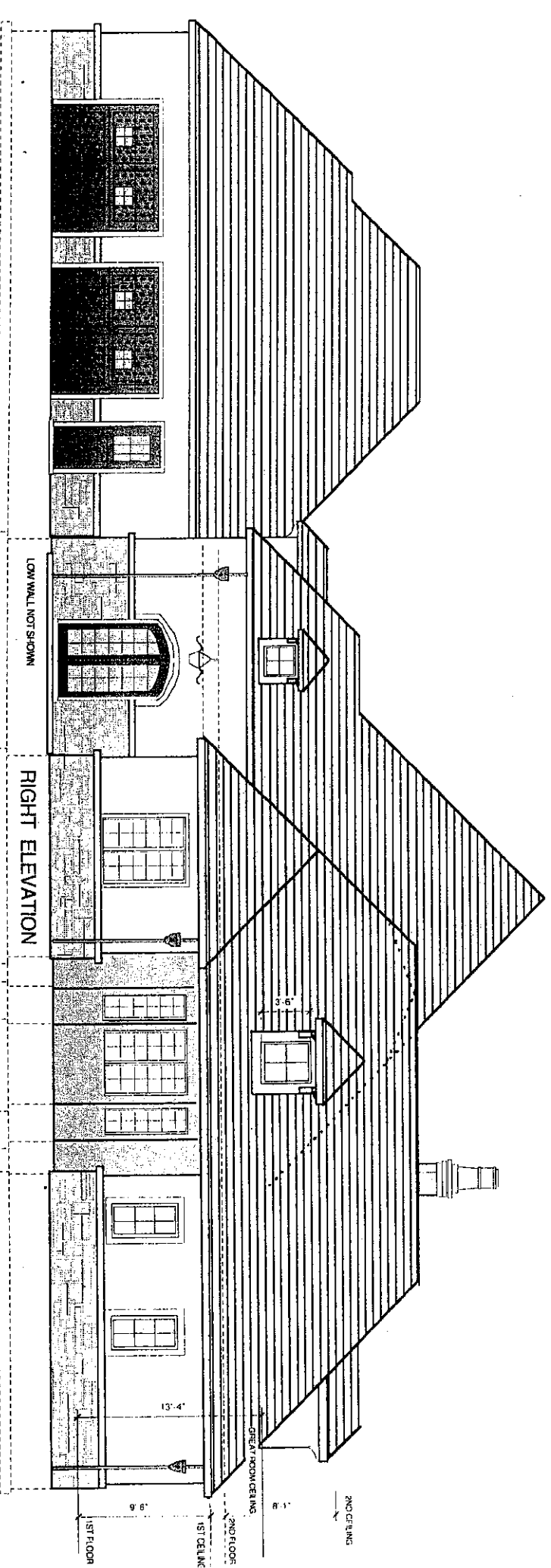
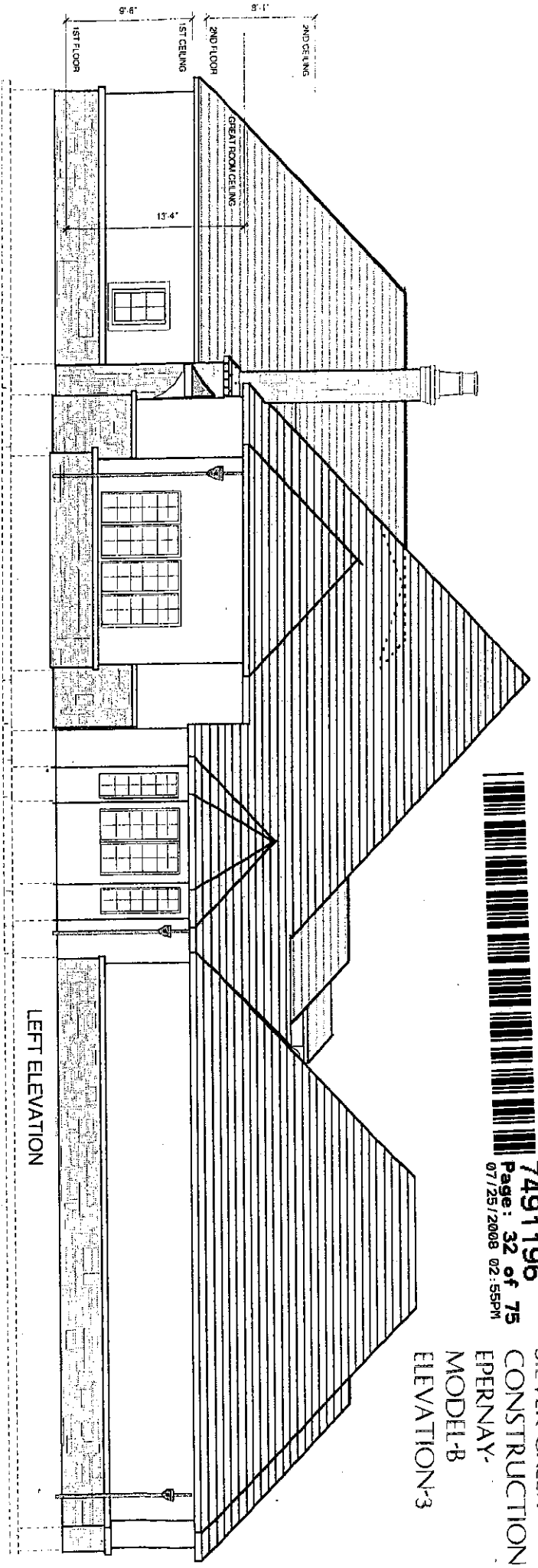
1ST LIVING 3508
OPTIONAL 2ND LIVING 1286
TOTAL NET 4794

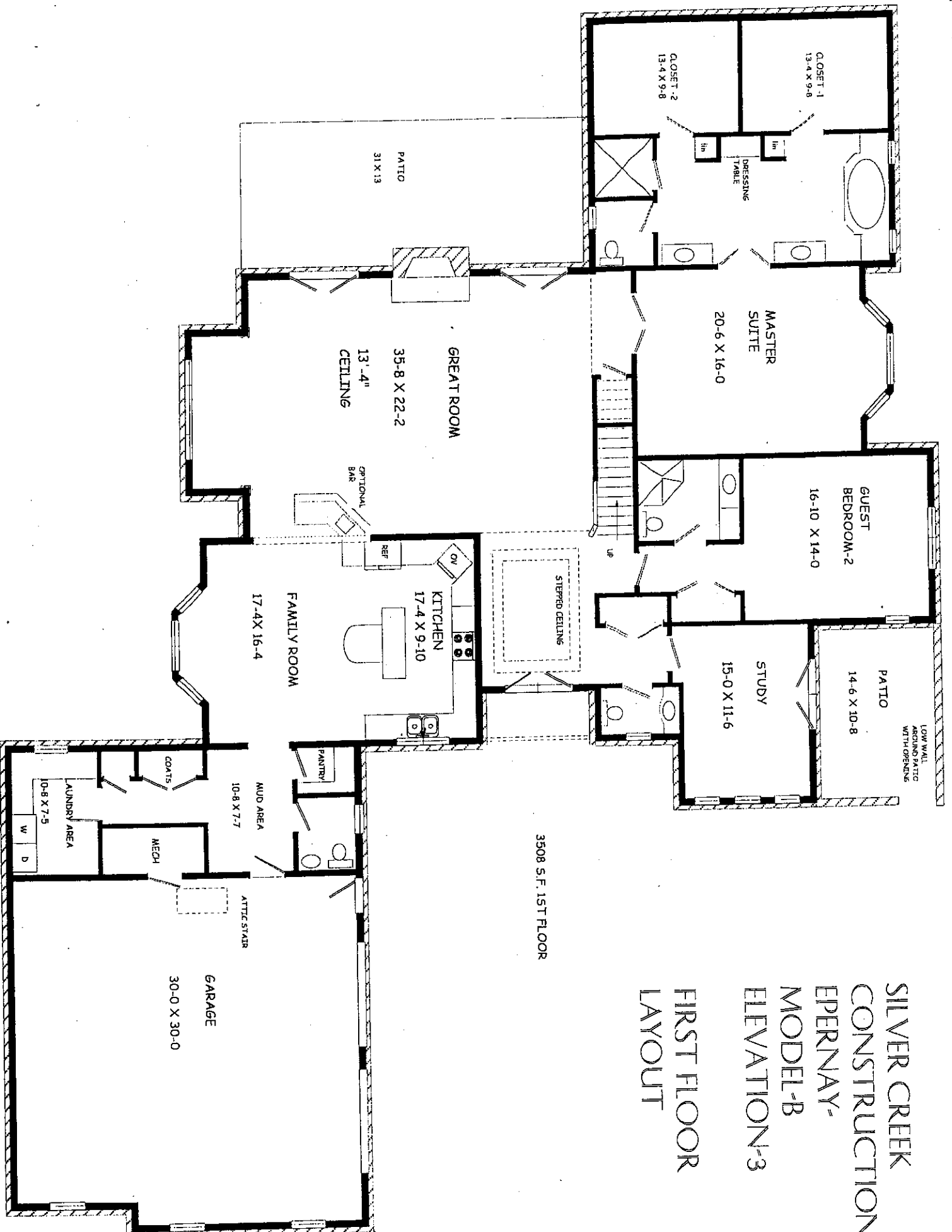
REAR ELEVATION



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SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-B
ELEVATION-3

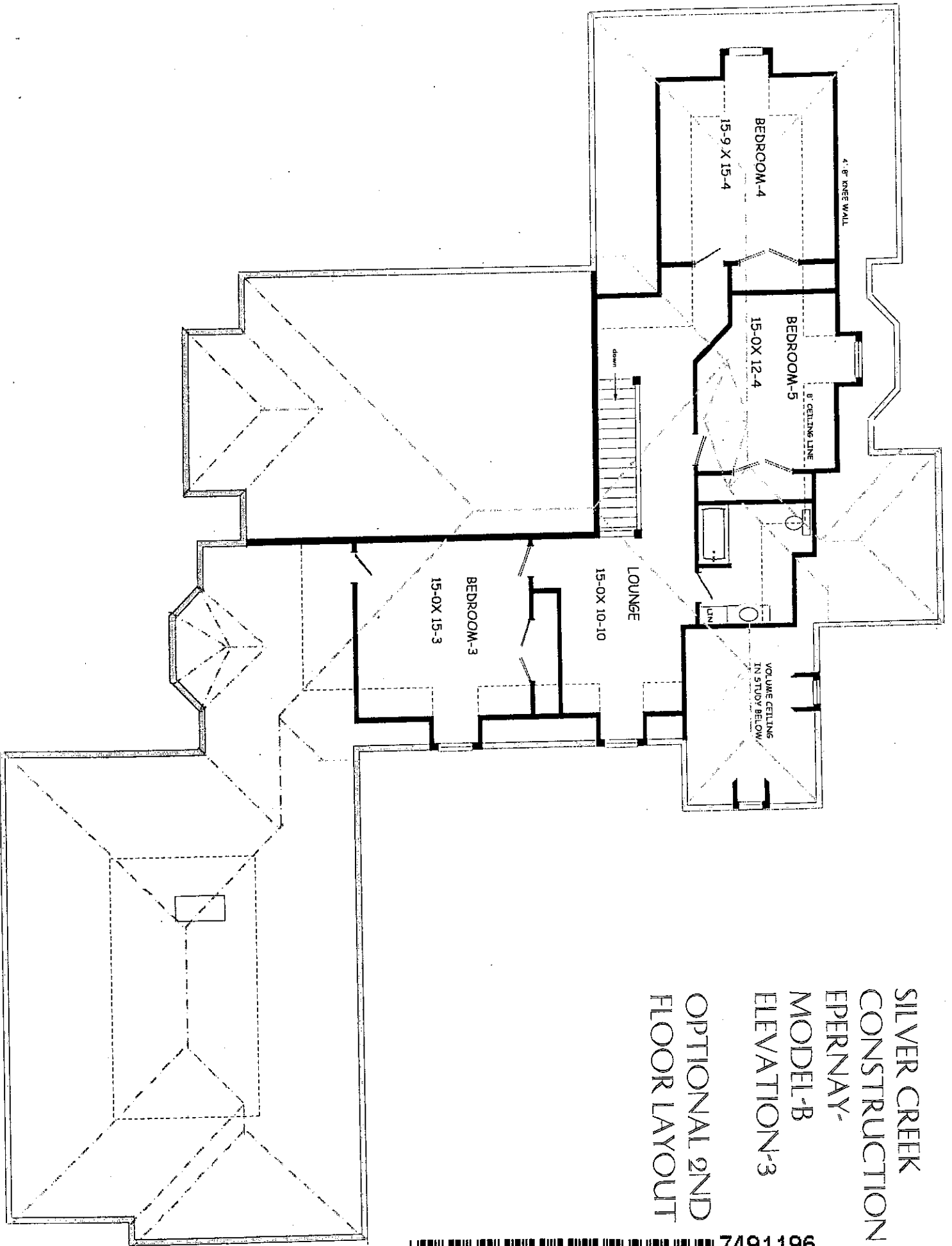




3508 S.F. 1ST FLOOR

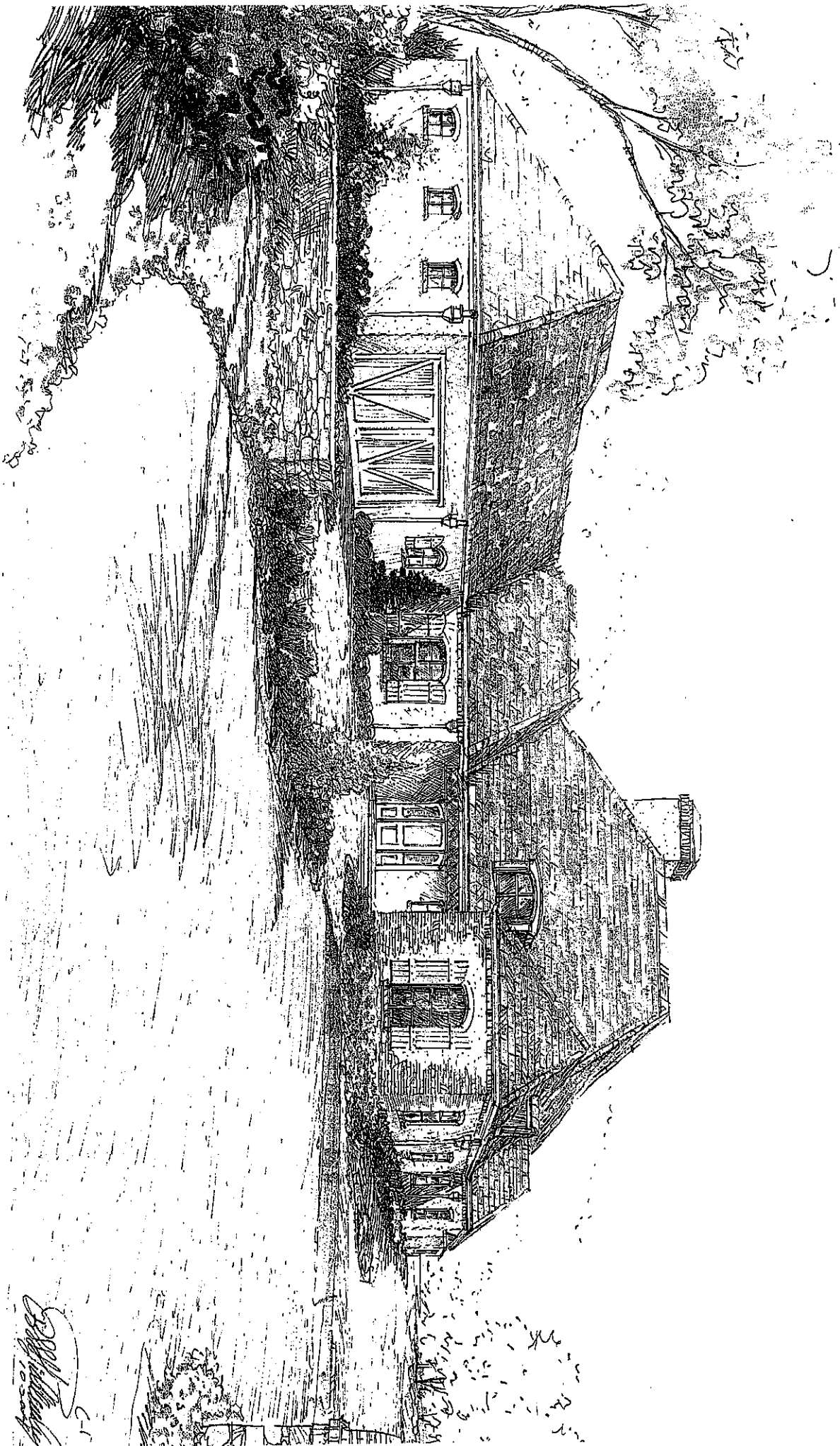
SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-B
ELEVATION-3
FIRST FLOOR
LAYOUT





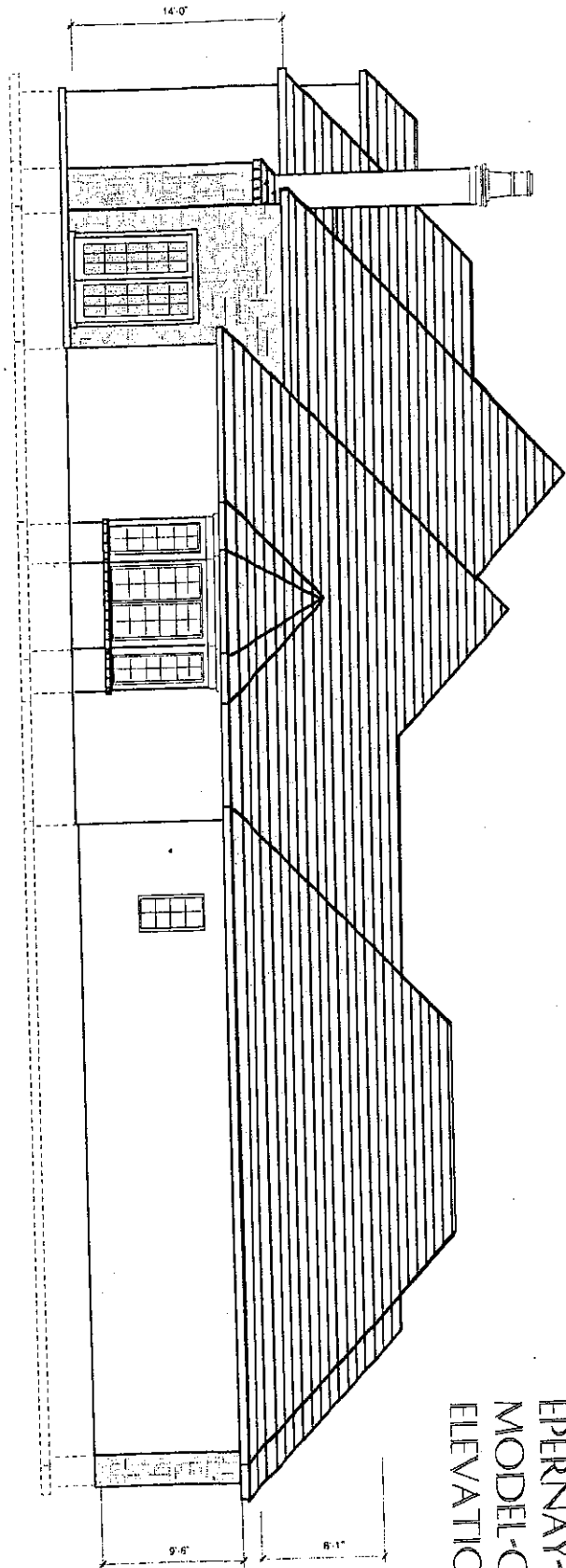
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CONSTRUCTION
EPERNAY-
MODEL-B
ELEVATION-3
OPTIONAL 2ND
FLOOR LAYOUT



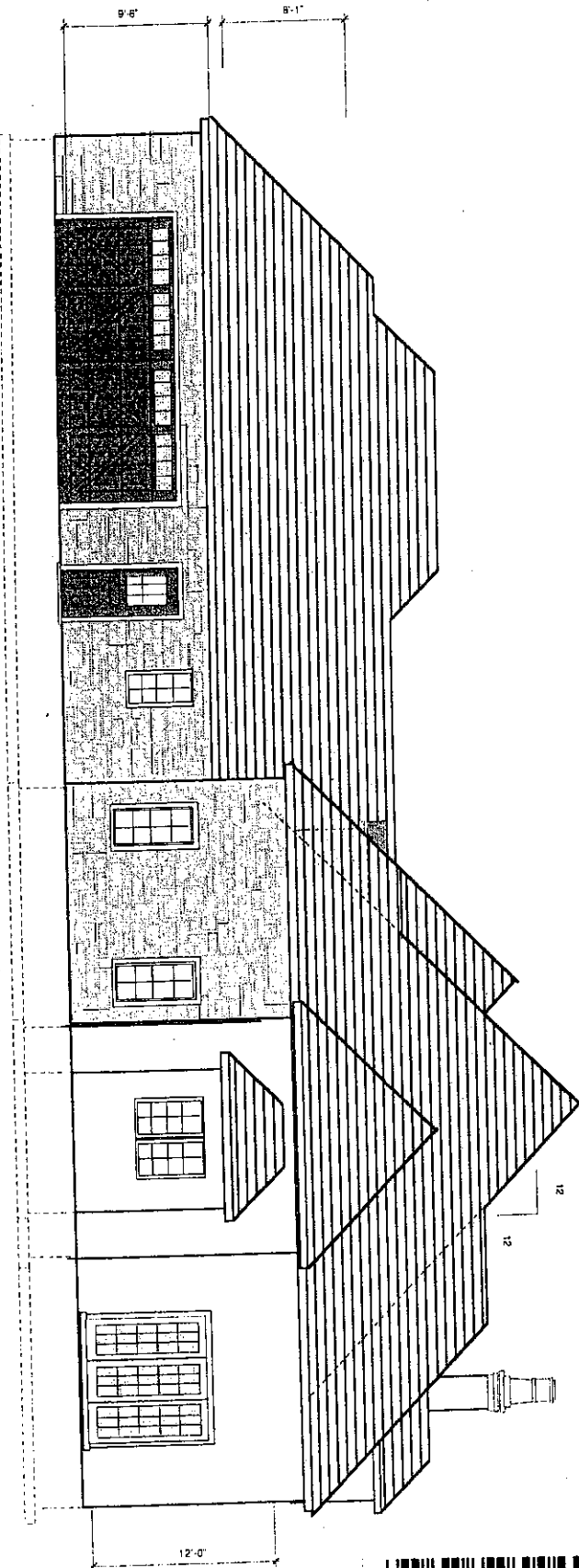


SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-C
ELEVATION-1

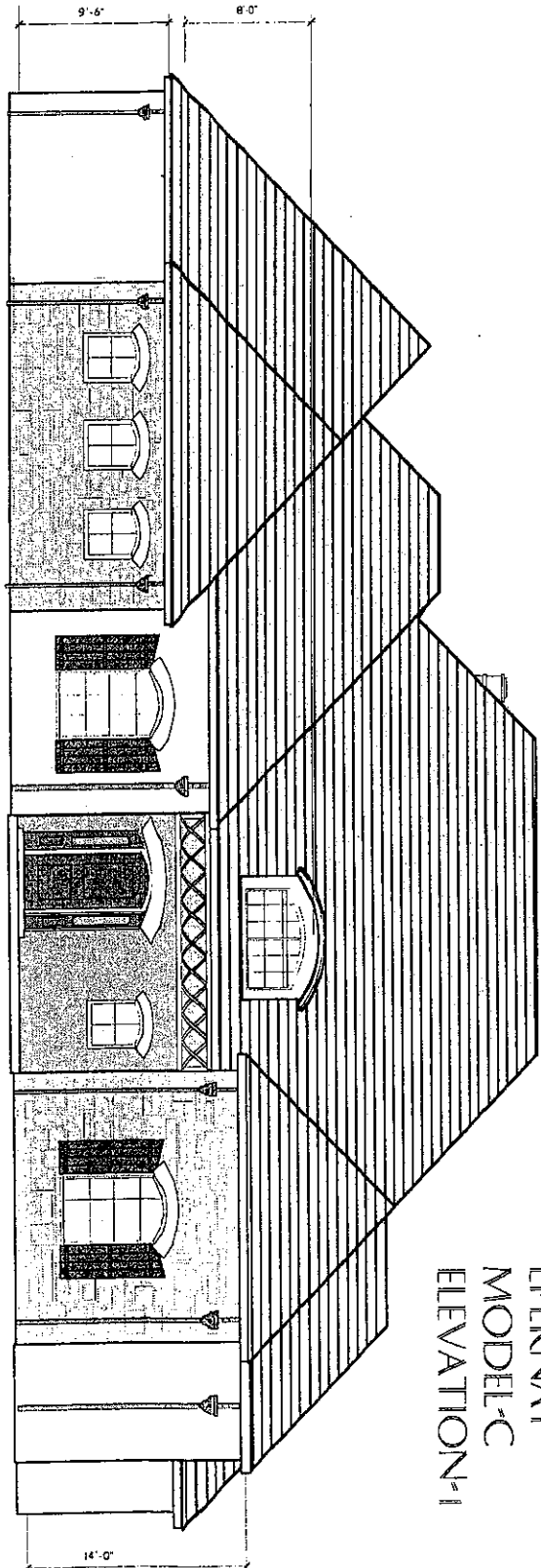
LEFT ELEVATION



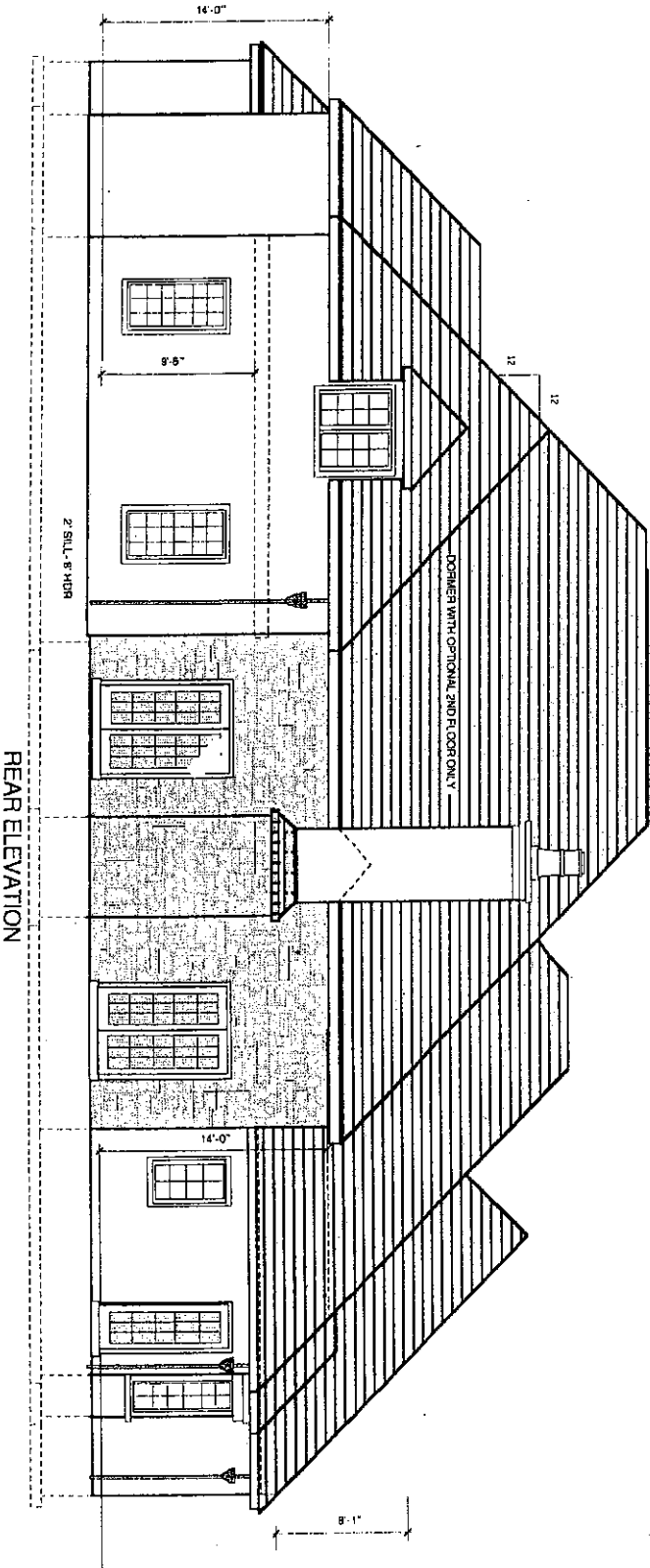
RIGHT ELEVATION



SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-C
ELEVATION-1



FRONT ELEVATION

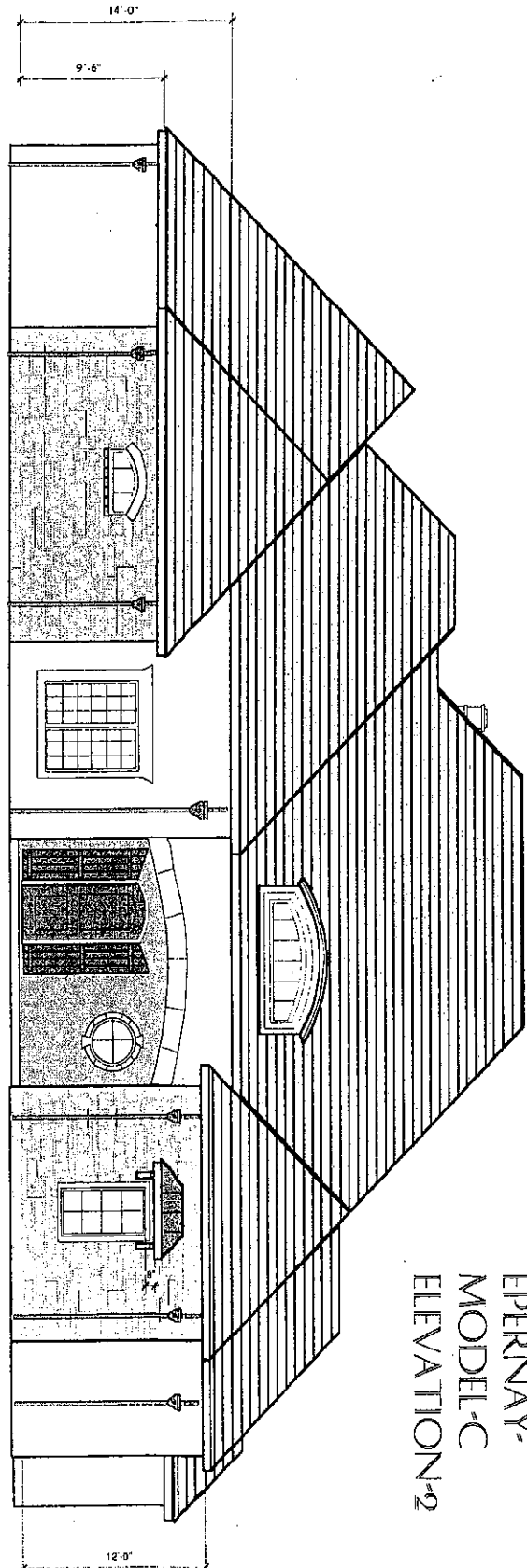


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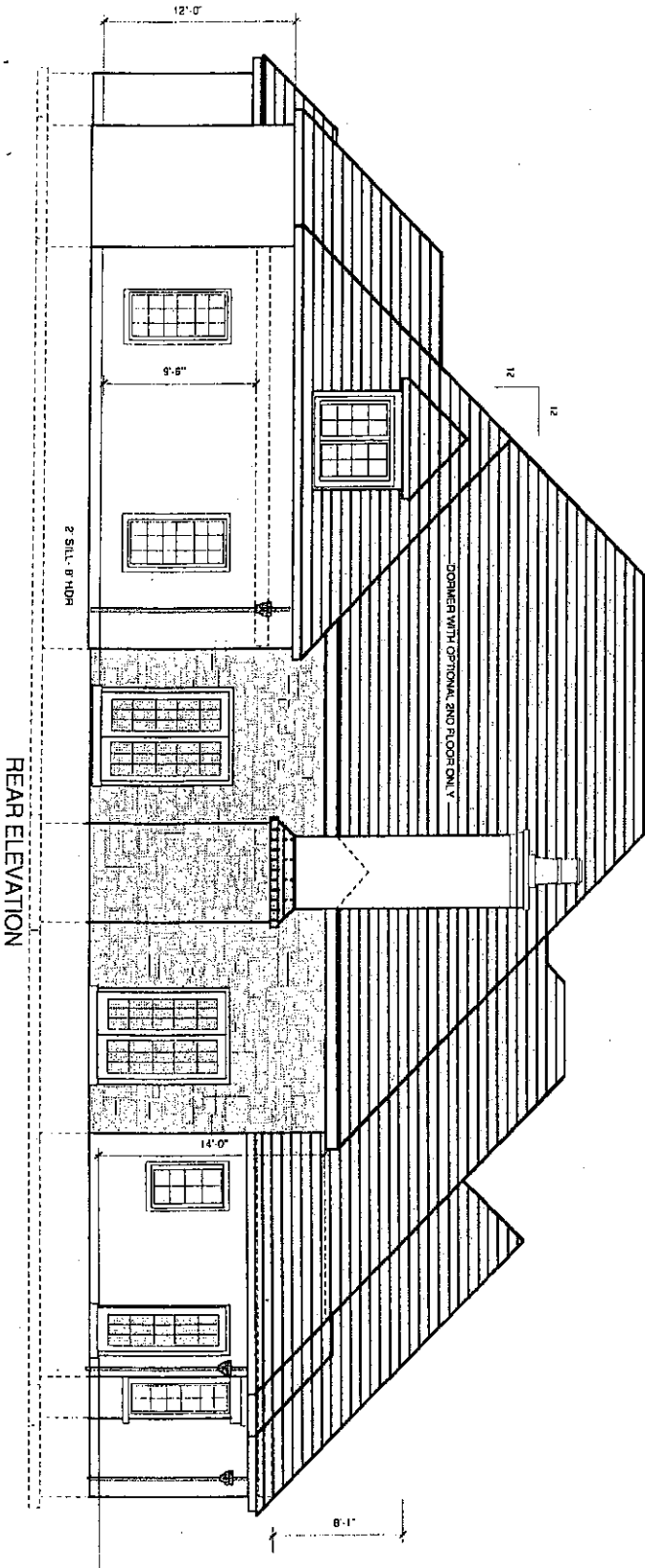
| | |
|----------------------|------|
| 1ST LIVING | 3123 |
| OPTIONAL 2ND LIVING | 823 |
| TOTAL NET | 3946 |
| optional media kgame | 538 |



SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-C
ELEVATION-2



FRONT ELEVATION



REAR ELEVATION

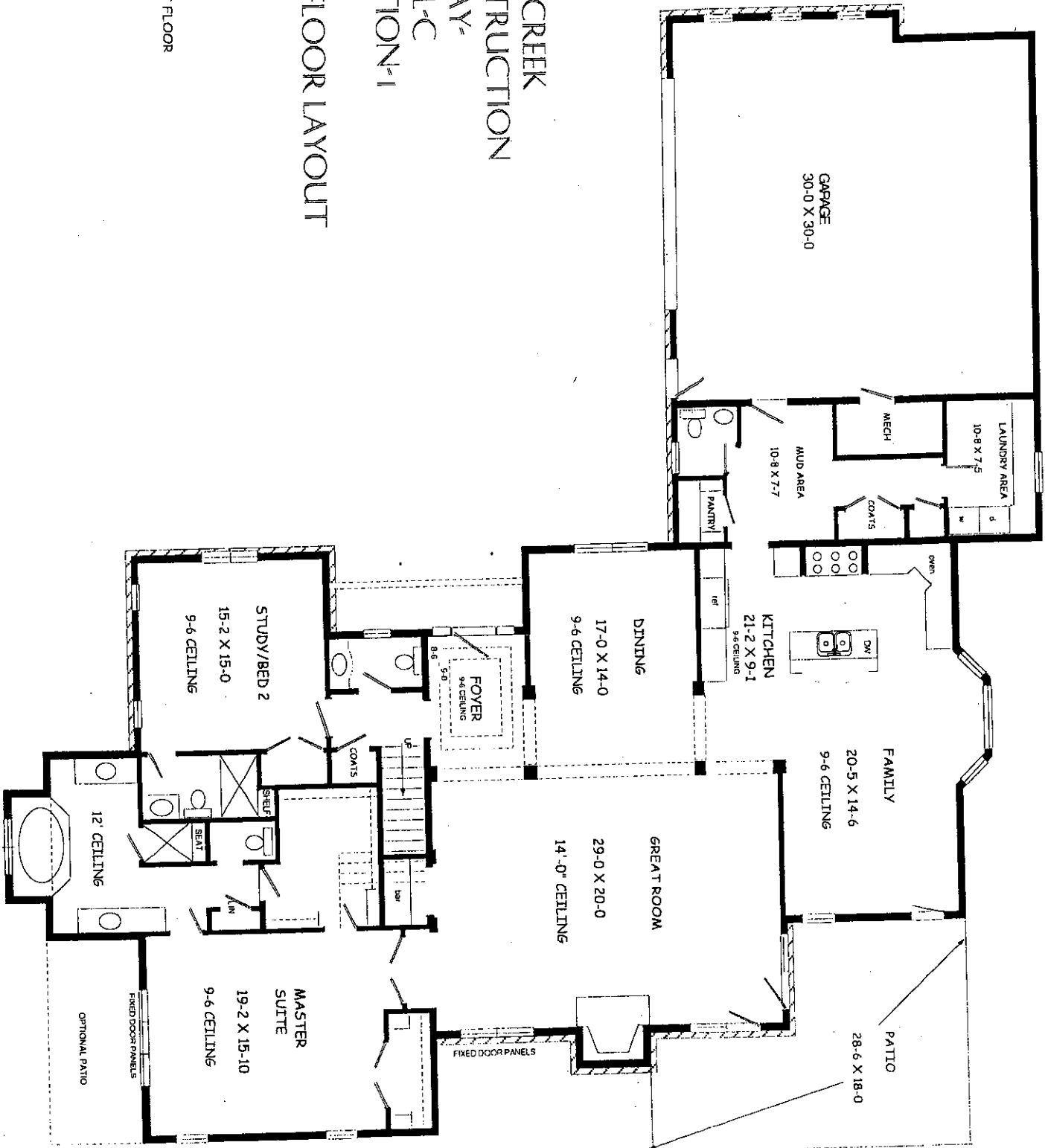
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|---------------------|------|
| 1ST LIVING | 3123 |
| OPTIONAL 2ND LIVING | 784 |
| TOTAL NET | 3907 |
| optional media room | 538 |



SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-C
ELEVATION-1

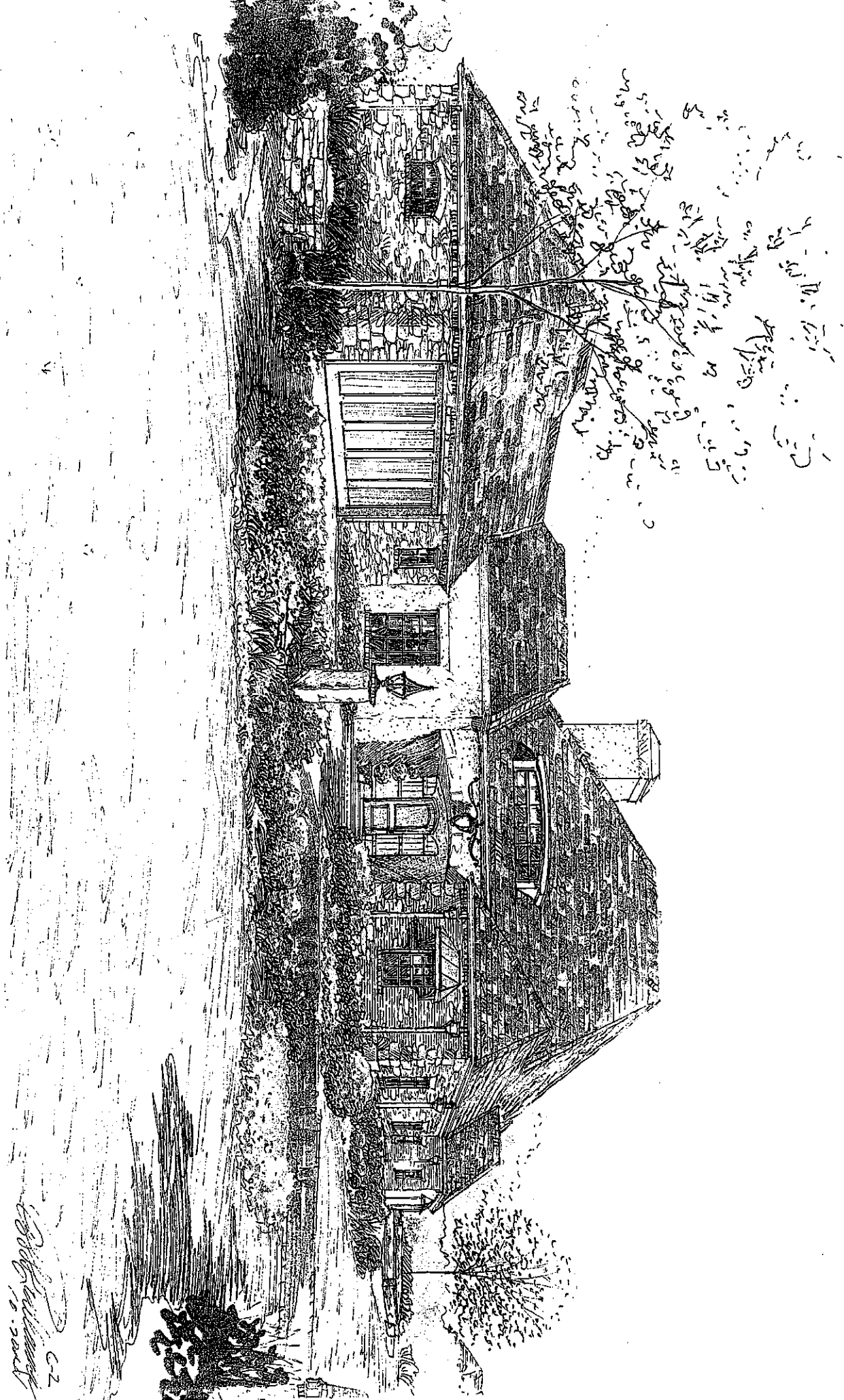
FIRST FLOOR LAYOUT

3123 S.F. 1ST FLOOR



7491196

Page: 38 of 75
07/25/2008 02:55PM

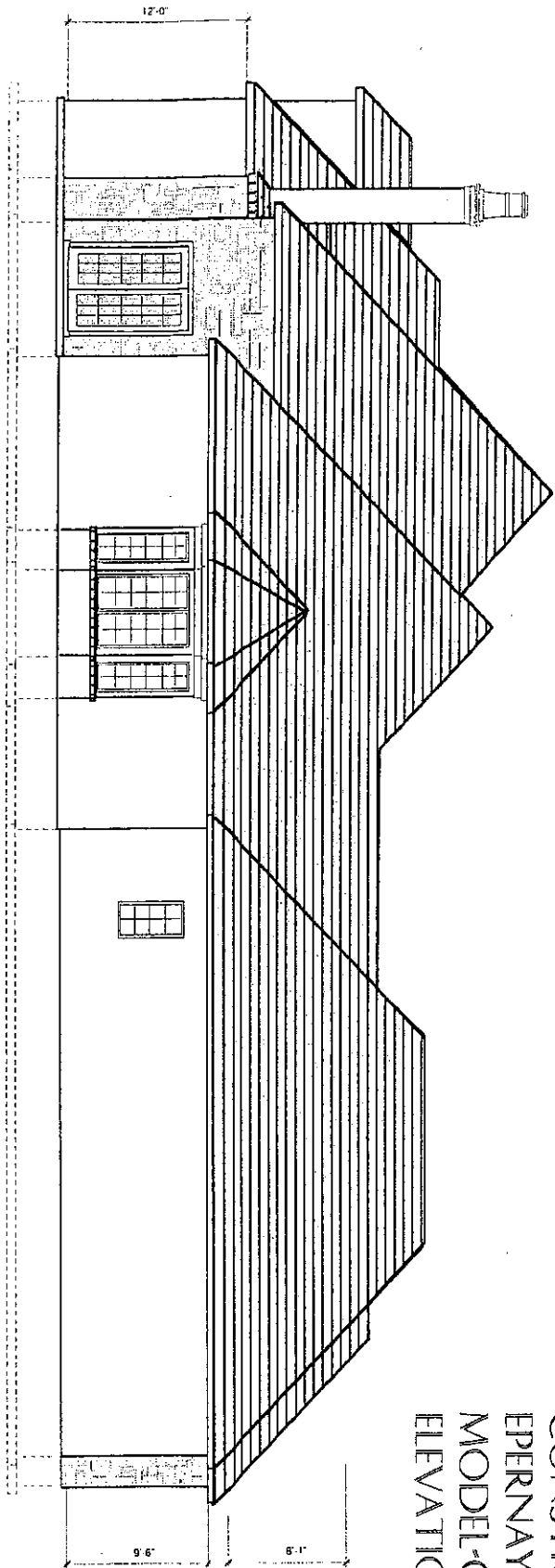


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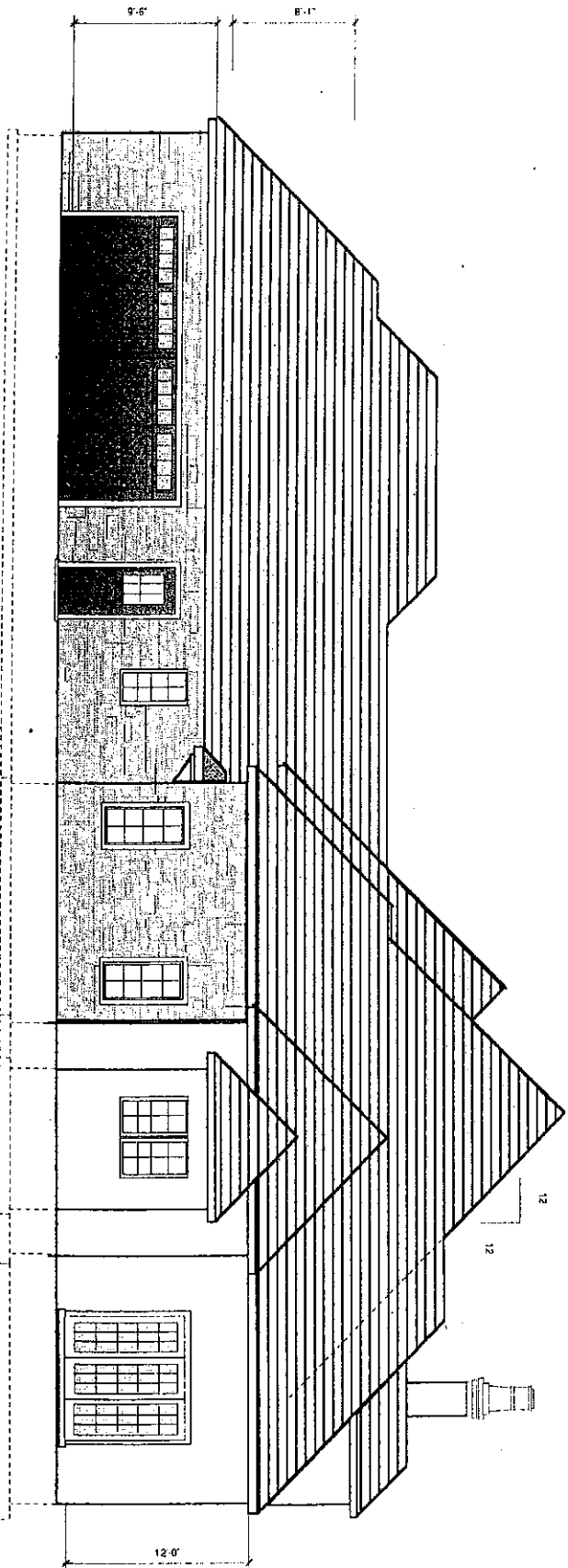
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SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-C
ELEVATION-2



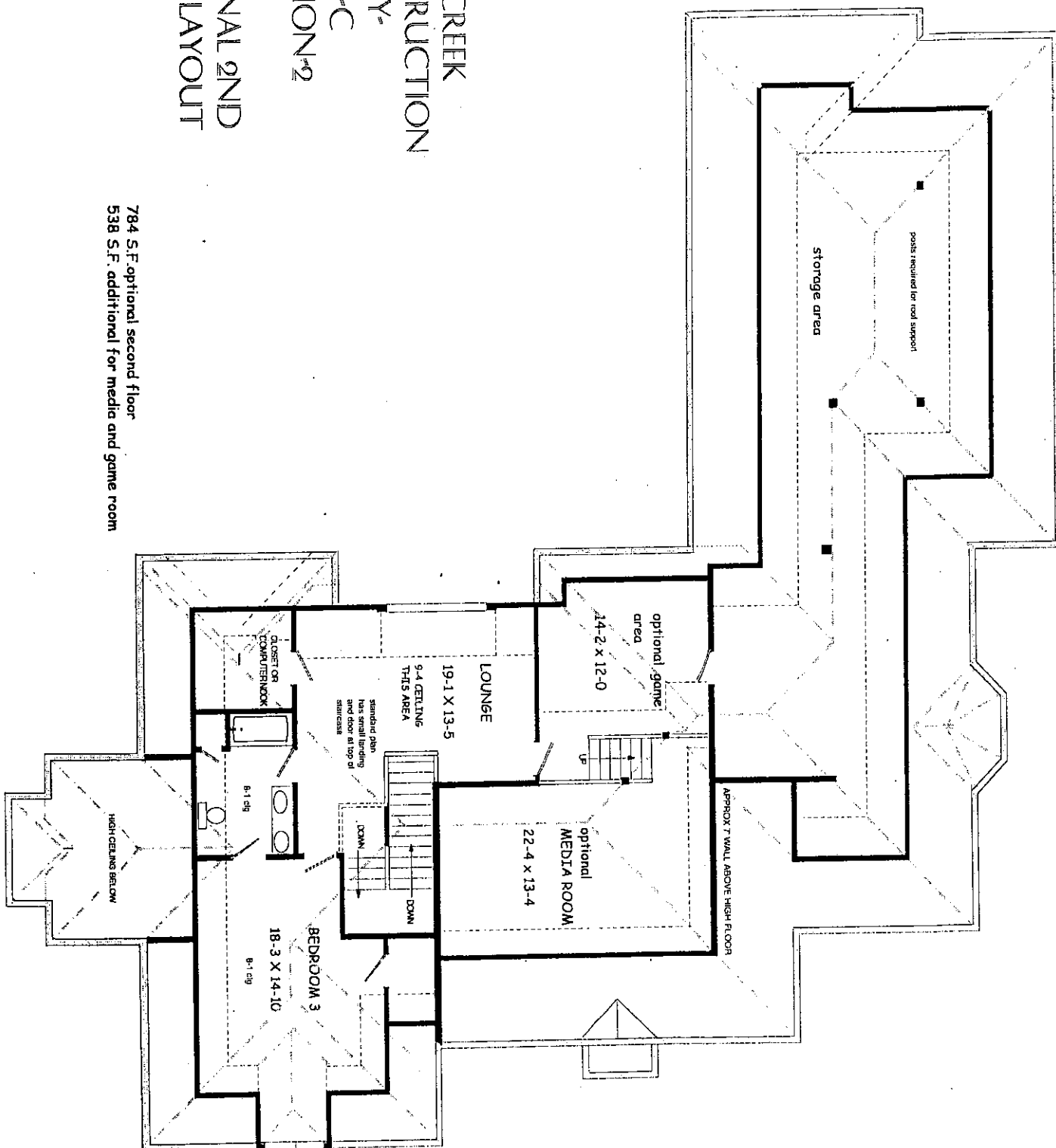
LEFT ELEVATION



RIGHT ELEVATION

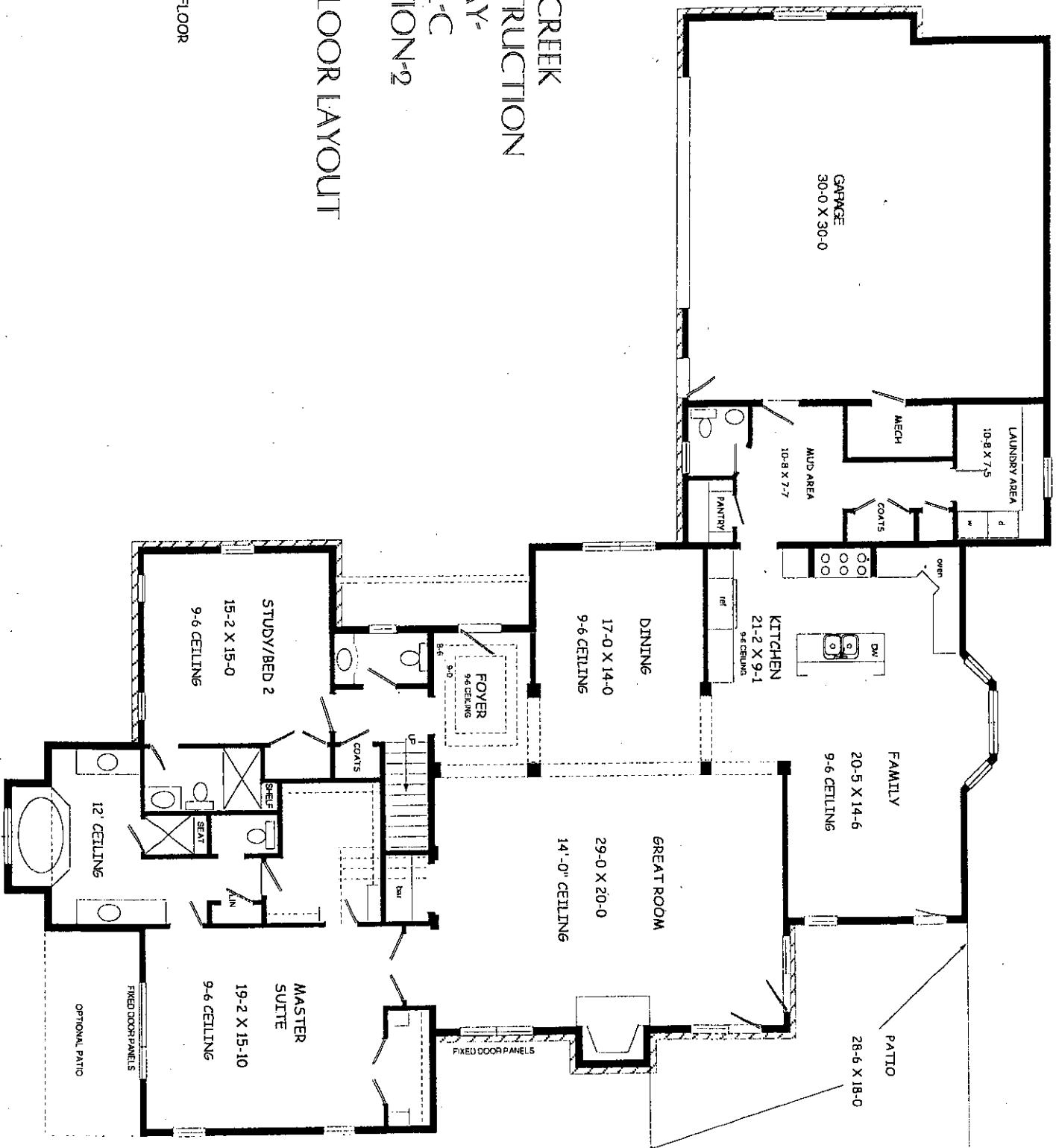
SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-C
ELEVATION-2
OPTIONAL 2ND
FLOOR LAYOUT

784 S.F. optional second floor
538 S.F. additional for media and game room

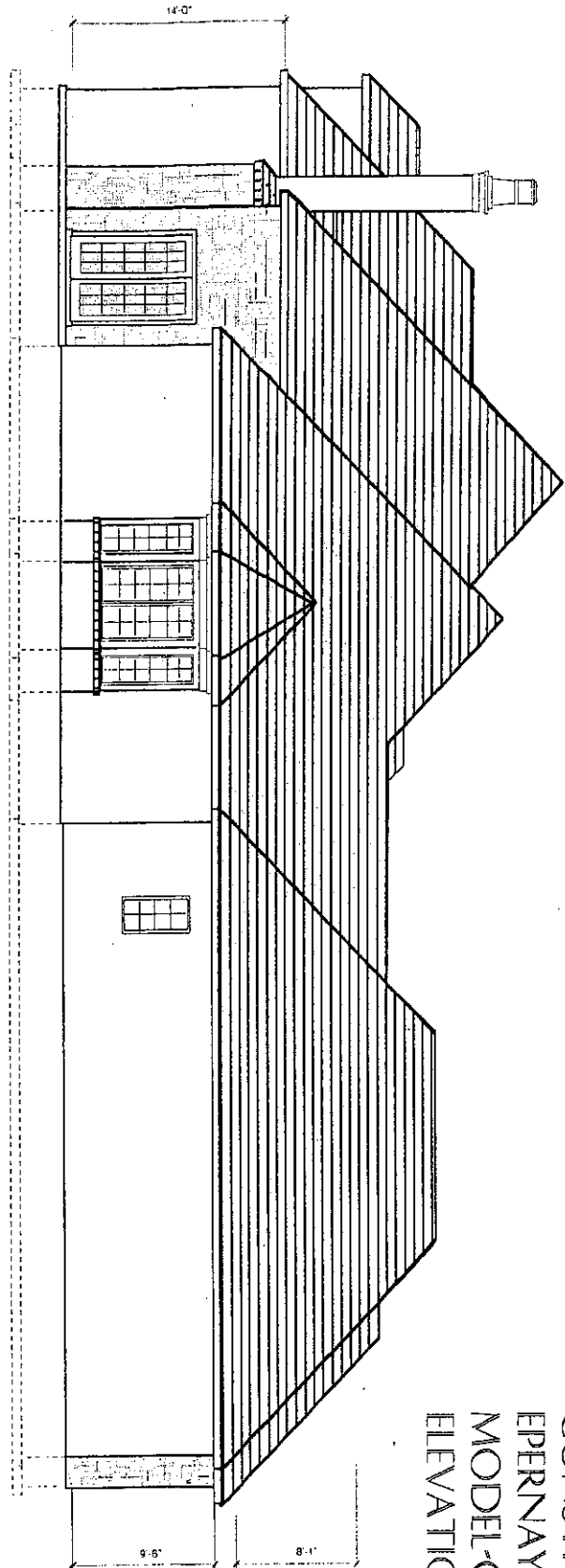


SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-C
ELEVATION-2
FIRST FLOOR LAYOUT

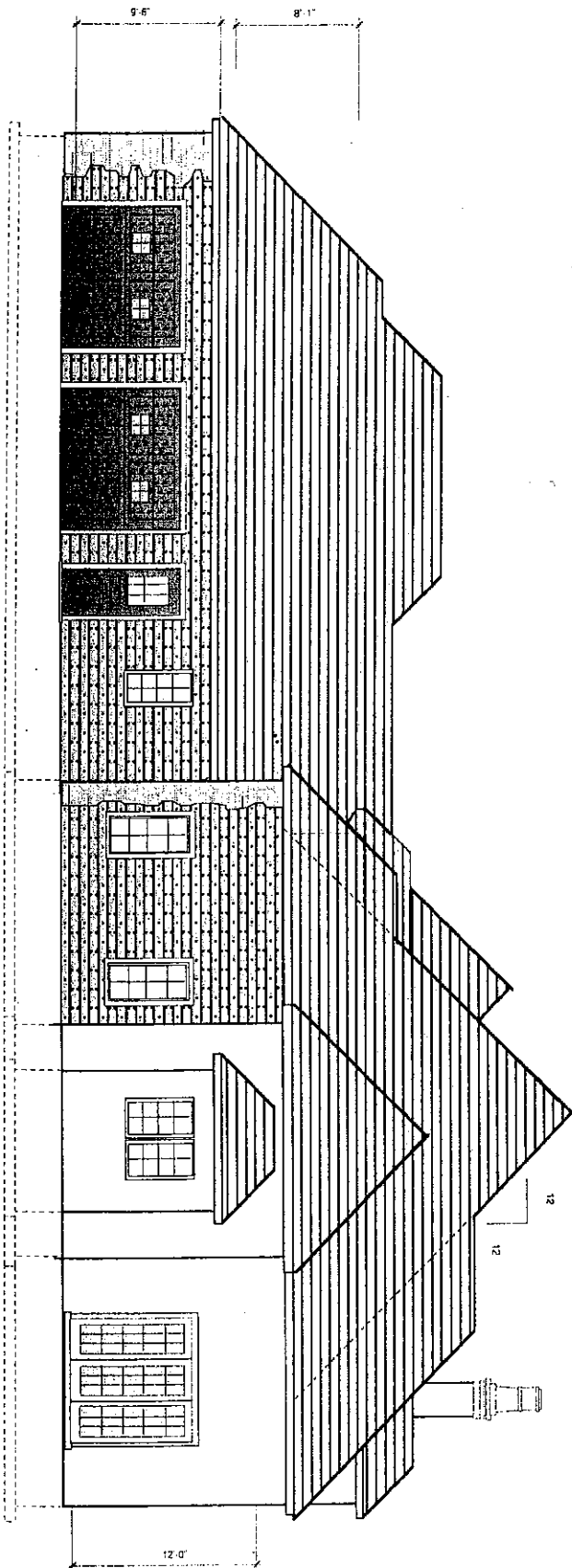
3123 S.F. 1ST FLOOR



SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-C
ELEVATION-3

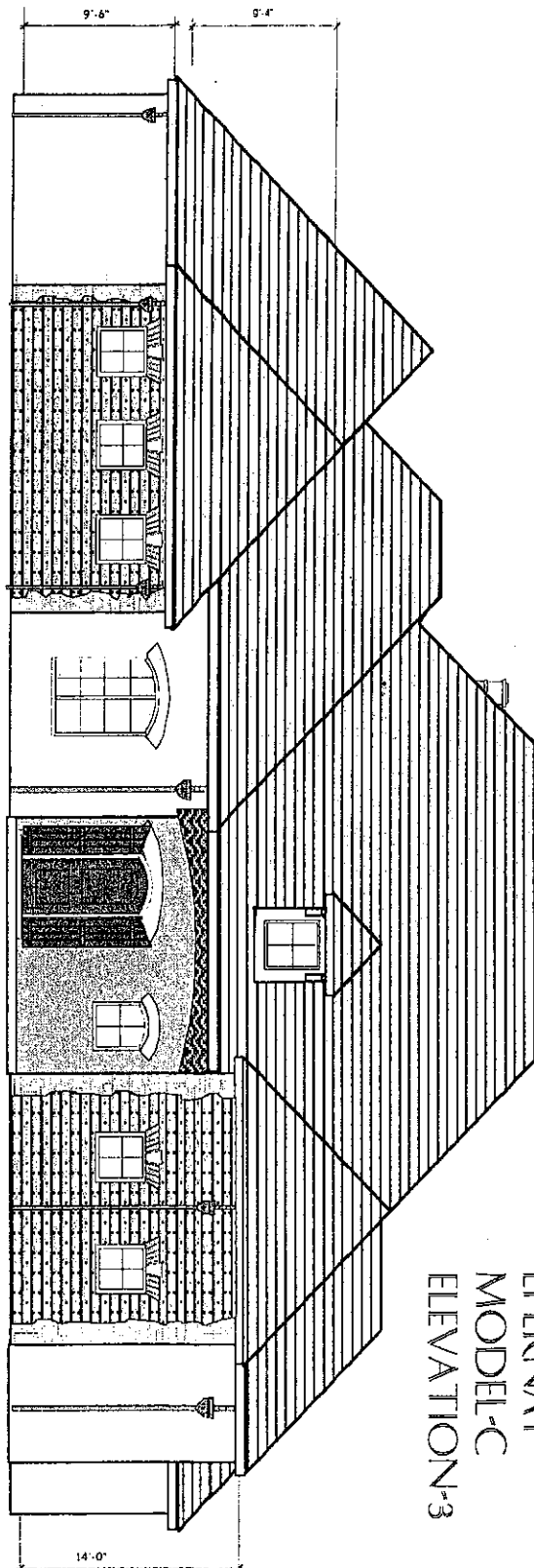


LEFT ELEVATION

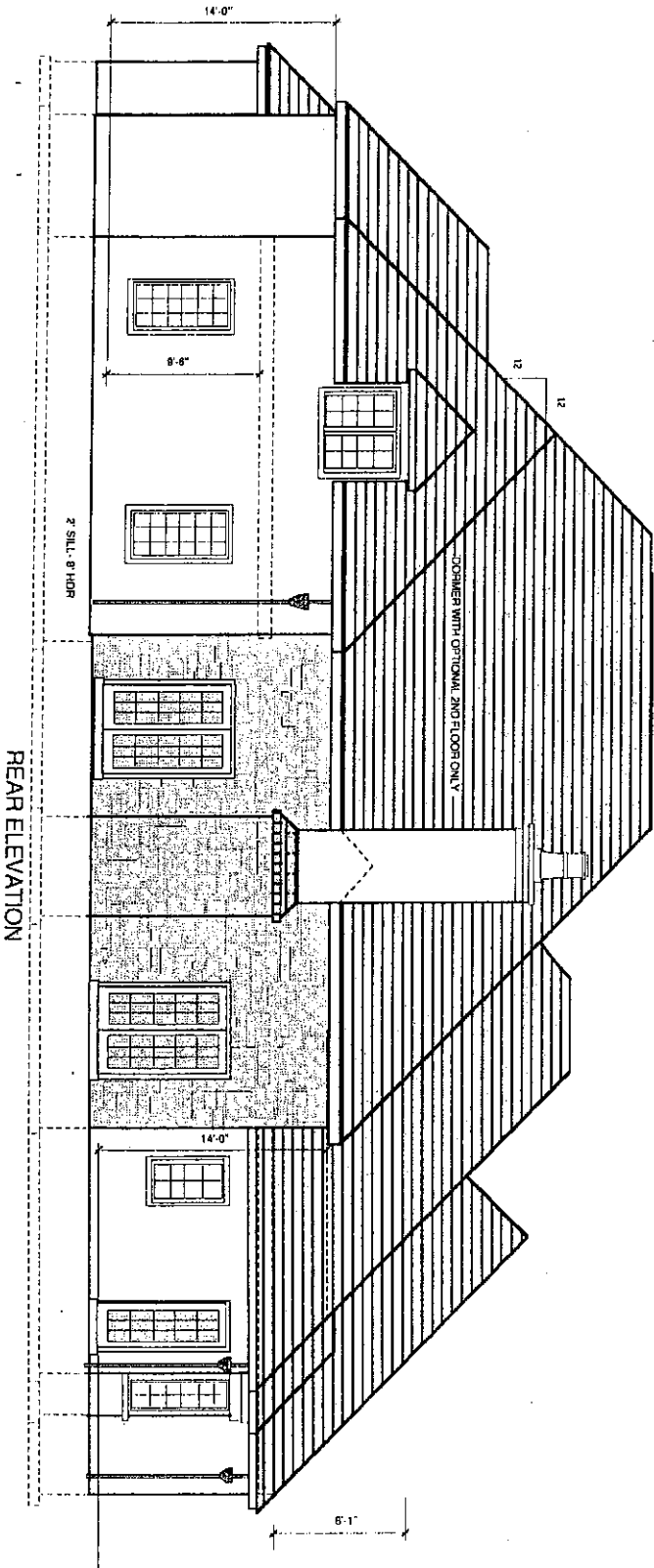


RIGHT ELEVATION

SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-C
ELEVATION-3



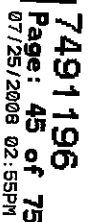
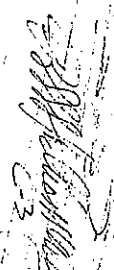
FRONT ELEVATION



REAR ELEVATION

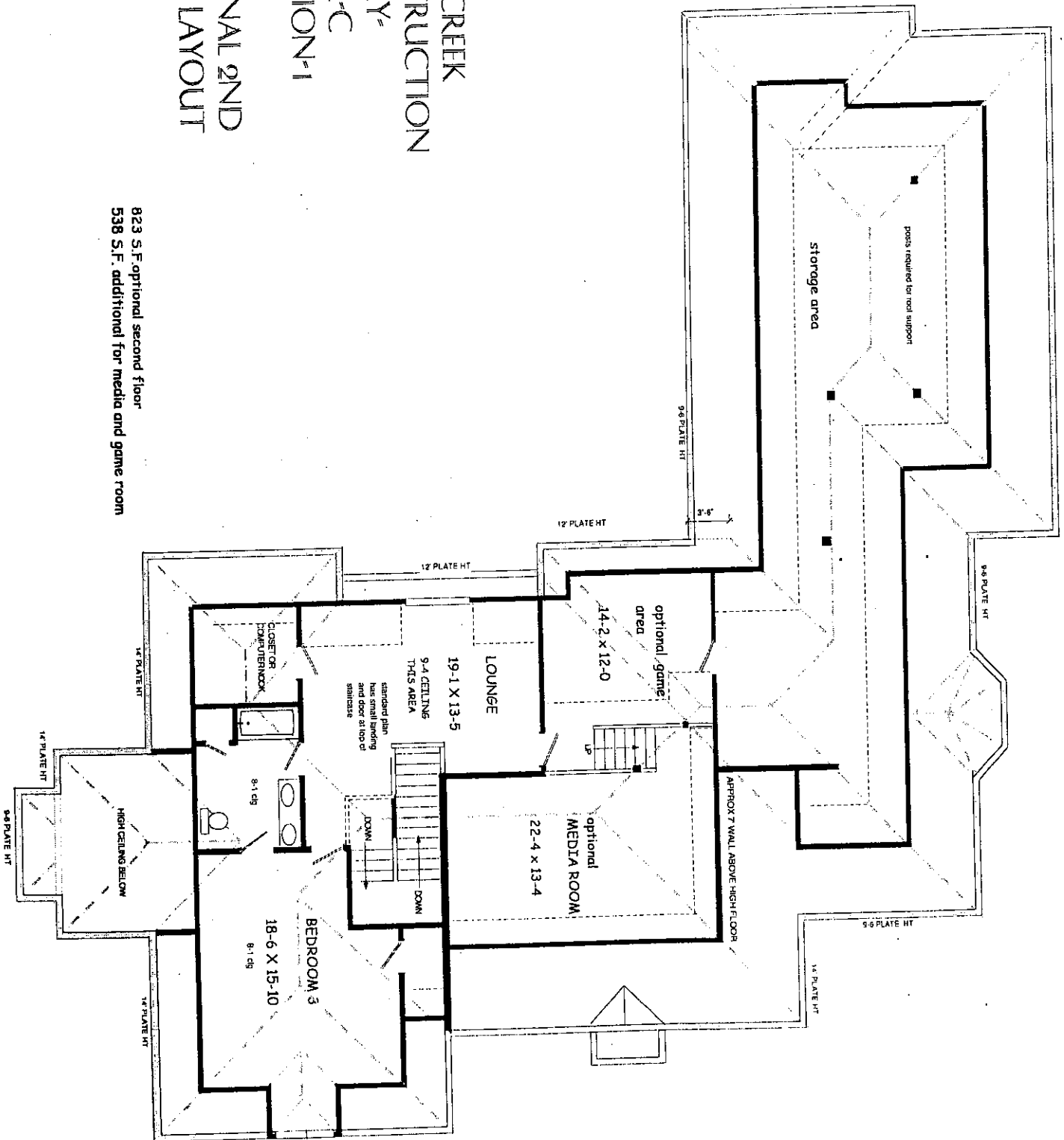
1ST LIVING 3123
OPTIONAL 2ND LIVING 823
TOTAL NET 3946
optional media & game 536



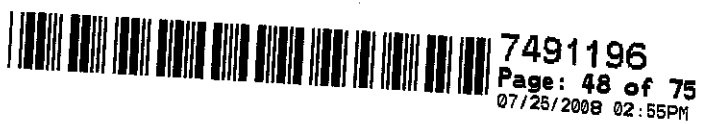


SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-C
ELEVATION-1
OPTIONAL 2ND
FLOOR LAYOUT

823 S.F. optional second floor
538 S.F. additional for media and game room

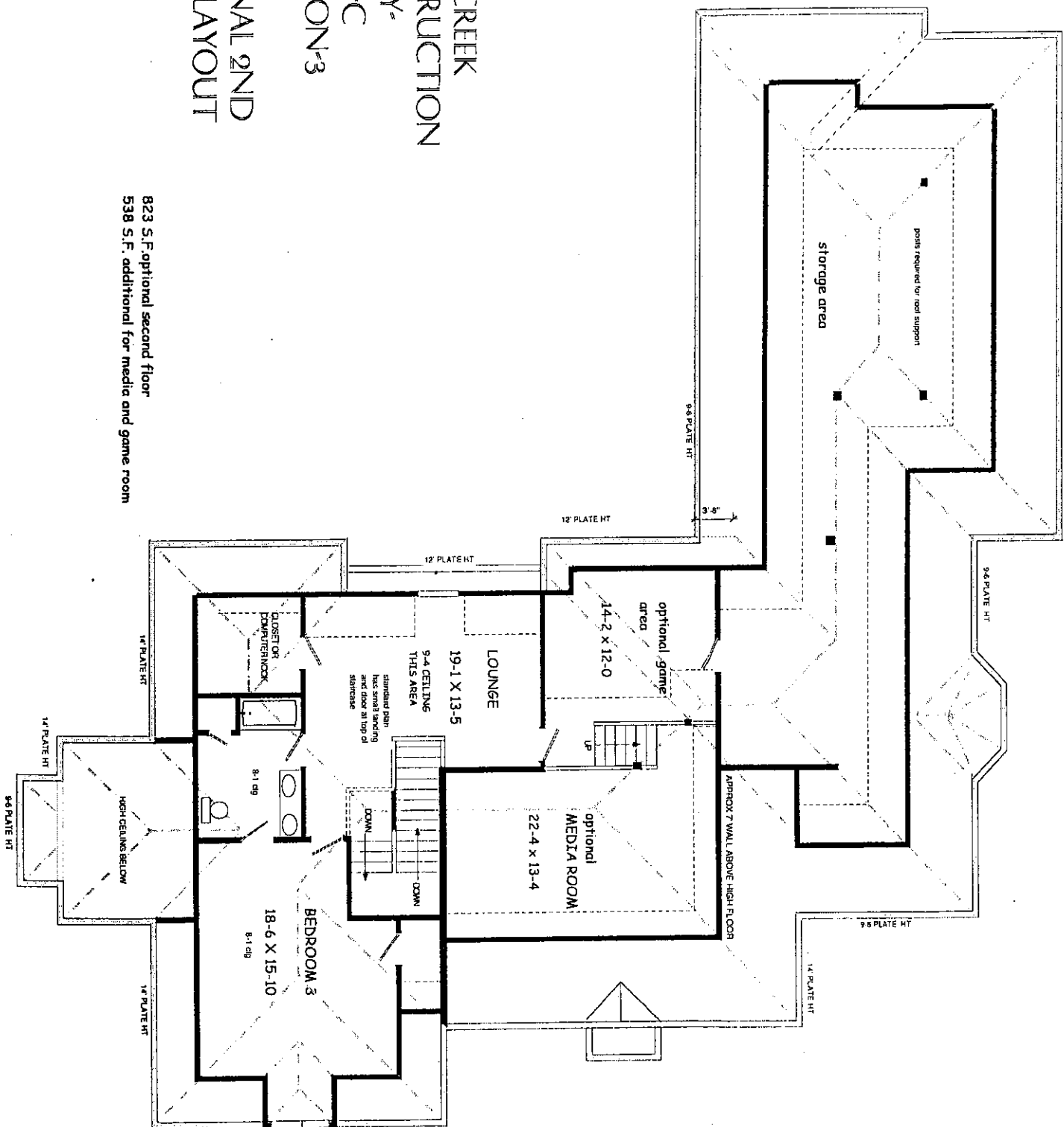


3123 S.F. 15T FLOOR



SILVER CREEK
CONSTRUCTION
EPERNAY-
MODEL-C
ELEVATION-3
OPTIONAL 2ND
FLOOR LAYOUT

823 S.F. optional second floor
538 S.F. additional for media and game room



ARTICLE 2

DEFINITIONS

2.01 Defined Terms:

When used in this Declaration, the following words and terms (unless the context indicates otherwise) shall have the meaning ascribed to them below:

(1) "Act" shall mean the Pennsylvania Uniform Condominium Act, the Act of July 2, 1980, P.L. 286, No. 82 as in force on the date hereof and as it may be amended.

(2) "Board of Directors" means the Board of Directors of the Condominium Association.

(3) "Bylaws" means the Bylaws of the Condominium Association, incorporated herein by reference, as the same may be from time to time amended.

(4) "Common Elements" means those portions of the Condominium Property not included in the Units or labeled limited common areas on the Condominium Plans.

(5) "Common Expenses" means the expenses for which the Unit Owners are liable to the Condominium Association, as the same are more particularly described in Article 5 of this Declaration of Condominium.

(6) "Common Expense Charge" means a share of the funds required for the payment of Common Expenses which, from time to time is assessed against a Unit Owner.

(7) "Common Surplus" means the excess of all receipts of the Condominium Association, including, but not limited to, Assessments, rents, profits and revenues on account of the Common Elements, over the amount of Common Expenses.

(8) "Commonly Insured Real Property" means (a) the entirety of the Common Elements and (b) all Units, inclusive of the fixtures and improvements installed or located therein on the date of the first conveyance of each of such Units by Declaration and any replacements thereof, but exclusive of any improvements or betterments installed in such Units by Unit Owners other than the Declaration (c) any insurance provided to protect off premises occurrences.

(9) "Condominium Association" or "Association" means EPERNAY CONDOMINIUM ASSOCIATION, a Pennsylvania nonprofit corporation, which is the entity responsible for the operation of the Condominium.

(10) "Condominium Documents" means this Declaration of Condominium, the Condominium Plans attached hereto, and the Bylaws, as the same may be amended from time to time.

(11) "Convertible Real Estate" means that area depicted on the Condominium Plans designated as "convertible real estate".

(12) "Declarant" means EPERNAY, LP, a Pennsylvania limited partnership, with an office located at 2005 City Line Road, Suite 106, Bethlehem, Pennsylvania 18017, and its successors and assigns, and all successors to any Special Declarant Rights, if any.

(13) "Indemnity" means obligations and/or insurance provided to third parties.

(14) "Limited Common Elements" means those common Elements which are reserved for the use of a certain Unit or Units to the exclusion of all other Units. The Limited Common Elements are described in Article 3 of this Declaration and delineated in the Condominium Plans.

(15) "Occupant" means the person or persons, other than the Unit Owners, in possession of a Unit.

(16) "Proportionate Interest" means the proportionate undivided interest in the Common Elements assigned and appurtenant to each Unit.

(17) "Unit" means a part of Property which is subject to exclusive ownership and delineated in the Condominium Plans attached as Exhibit B hereto.

(18) "Unit Owner" means the owner or owners of a Unit and the Proportionate Interest in the Common Elements assigned thereto.

2.02 Additional Defined Terms:

When used in this Declaration, the following words and terms (unless the context indicates otherwise) shall have the meaning ascribed to them below:

(1) "Land" shall mean (i) the lot or piece of ground situate in The Township of Upper Saucon, Lehigh County, Pennsylvania, described by metes and bounds in the rider attached hereto as Exhibit A and therein referred to as the "Condominium Parcel".

(2) "Condominium Plans" means and refers collectively to those plans attached hereto as Exhibit B, as may be amended from time to time in accordance with the terms hereof.

Capitalized terms not otherwise defined herein or in the Bylaws to be adopted pursuant hereto (the "Bylaws") as the same may be amended from time to time, shall have the meanings ascribed to them in the Pennsylvania Uniform Condominium Act, the Act of July 2, 1980, P.L. 286, No. 82, as in force on the date hereto and as it may be amended (the "Act").

ARTICLE 3

BUILDINGS ON THE CONDOMINIUM PARCEL: UNIT BOUNDARIES

3.01 Location of the Buildings:

The Location, dimensions and area of the existing and to-be built Buildings are as shown on the Condominium Plans.

3.02 Unit Designation:

Each Unit is identified on the Condominium Plans by a specific Unit Number. The porch or outdoor deck, if any, serving a particular unit is identified on the Condominium Plans by the unit number assigned to the Unit it serves.

3.03 Description of Units:

(1) Each Unit consists of that portion of the Buildings within the title lines shown on the Condominium Plan and more particularly described in this section. The title lines on the Condominium Plan are intended to designate as the boundaries of the Unit, the exterior walls, floor or ceilings of the Unit. Specifically, all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, furnished flooring and any other materials constituting any part of the finished surfaces of the Unit are part of the Unit. If any chute, flue, duct, wire, piping, conduit, bearing wall, bearing column or any other fixture lies partially within and partially outside the designated boundaries of a Unit, the portion thereof serving only that unit is a Limited Common Element allocated solely to that Unit and the portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements. Except as provided above, all spaces, interior partitions and other fixtures, appliances and improvements within the boundaries of a Unit are a part of the Unit.

(2) All of the following, if within the title lines of a Unit, shall be regarded as part of that Unit:

- (a) All walls, partitions, dividers, doors, door frames, door hardware;
- (b) All kitchen equipment and fixtures, including, without limitation, ovens, refrigerators, freezers, sinks, ranges, cabinets, dishwashers, exhaust fans and waste disposal units;
- (c) All bathroom, lavatory and plumbing fixtures and equipment including, without limitation, sinks, tubs, shower, toilets, vanities, exhaust fans and medicine cabinets;

(d) All electrical and lighting fixtures, including, without limitation, outlets, switches, outlet boxes, switch boxes, telephone outlets, circuit breakers and circuit breaker panels;

(e) All heating equipment;

(f) All floor and wall covering including, without limitation, carpeting, tiling, wallpaper and paint; and

(g) All piping, ducts, wiring, cables and conduits of any kind or type located within a particular Unit and serving other than or in addition to that particular Unit shall not be part of the particular Unit but shall be a Common Element.

(3) All heating, piping, ducts, wiring, cables and conduits of any kind and all associated equipment serving only one Unit and not located within that Unit or any other Unit shall be a Limited Common Element allocated to that Unit it serves.

3.04 Description of Common Elements and Limited Common Elements:

(1) The Common Elements consist of all portions of the Property except those portions of the building which, pursuant to Section 3.03 are a part of a Unit, including, but not limited to, the following:

(a) The Land, except as otherwise designated herein:

(b) The foundation, supports, columns, girders, beams, structural parts, main walls, and roof of the Buildings, parking areas, entrances, and exits;

(c) The yards, outdoor parking areas, roadways, and lawns;

(d) All portions of that Land and Buildings used exclusively for the management, operation or maintenance of the Common Elements;

(e) All space devoted to the use of persons employed in connection with the operation of the Condominium;

(f) All other apparatus and installations existing for common use.

(g) All other elements of the Building necessary or convenient to its existence, management, operation, maintenance and safety or normally in common use.

(2) All airspace above the surface of the Land, excluding the air space enclosed by any Unit, and all soil and other elements below the surface of the Land.

(3) The Limited Common Elements shall consist of those Common Elements located outside a Unit's exterior boundaries but which are intended to be used only in conjunction with a

particular Unit to the exclusion of all other Units and Unit Owners. The limited Common Elements are (i) the shutters, doorsteps, porches, outdoor decks, privacy walls, if any, and all exterior doors and windows of a Unit and all heating, piping, ducts, wiring, cables, and conduits of any kind and associated equipment serving only one Unit but not located within the boundaries of that Unit or any other Unit; (ii) the lateral water line serving each Unit; (iii) the lateral sewer lines serving each unit; and (iv) that portion of the land designated as a Limited Common Element on the Condominium Plans, if any.

3.05 Use of the Common Elements:

Each Unit Owner shall have the right to use the Common Elements (but not the Limited Common Elements) in common with all other Unit Owners as may be required for the use and occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend to each Unit Owner, and the agents, servants, tenants, family members and invitees of each Unit Owner, except as such rights and uses may, from time to time, be limited by this Declaration or the Bylaws. Each Unit Owner shall have the right subject to such limitations on such right as may be imposed by the Board of Directors, to the exclusive use and possession of the Limited Common Element intended to be used in conjunction with his Unit. Such rights to use and possess the Common Elements and Limited Common Elements shall be subject to and governed by the provisions of the Act, this Declaration, and the Bylaws and any rules and regulations adopted by the Board of Directors.

3.06 Proportionate Undivided Interest of Each Unit in the Common Elements:

The proportionate undivided interest in the Common Elements (the "Proportionate Interest") assigned to each Unit shall be 2.94% upon the completion of thirty-four (34) units.

ARTICLE 4

CONDOMINIUM ASSOCIATION

The Condominium Association shall be an unincorporated association consisting of all of the Unit Owners acting as a group in accordance with the Act pursuant to this Declaration and Bylaws. For all purposes, the Condominium Association shall act merely as an agent for the Unit Owners as a group. The Condominium Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Condominium Association by the Act, this Declaration and the Bylaws. Except as to those matters which the Act specifically requires to be performed by the vote of the Association, the foregoing responsibilities shall be performed by the Board of Directors, provided, however, that the Condominium Association shall have the power and authority, by vote of that number of Unit Owners entitled to cast at least seventy-five percent (75%) of the votes of all members of the Condominium Association, to reject any budget or capital expenditure approved by the Board of Directors and affecting all Unit Owners within thirty (30) days after the date of such approval.

ARTICLE 5

VOTING INTERESTS AND COMMON EXPENSES

5.01 Voting Interests:

The number of votes allocated to each unit and percentage of common expenses shall be computed on the basis of each Unit Owner's Proportionate Interest. Each unit owner shall be entitled to cast 1 vote at any meeting of the association. The proportionate percentage interest in common expenses for each unit shall be 2.94%.

5.02 Items Declared Common Expenses:

The following are hereby declared to be Common Expenses:

- (1) expenses of administration, maintenance, repair and replacement of all portions of the Common Elements;
- (2) expenses of the Board of Directors on managing the business, operation and affairs of the Property on behalf of the Unit Owners;
- (3) expenses of obtaining and maintaining the following services for all Unit Owners; water service; sewerage service, trash removal service, road and curb repair.
- (4) premiums on all policies of insurance required to be maintained pursuant to Article 13;
- (5) fees or compensation due to any manager retained by the Board of Directors;
- (6) such amounts as the Board of Directors deem proper for working capital, general operating reserves, reserves for contingencies and to make up any uncollectible delinquencies in the payment of assessments for Common Expenses;
- (7) any expense declared common by the provisions of the Act, the Declaration, or these Bylaws; and
- (8) other expenses agreed upon as common by all the Unit Owners.

ARTICLE 6

ASSESSMENT

6.01 Annual Assessments:

(1) The Board of Directors shall annually determine the estimated Common Expenses for the ensuing fiscal year, which determination shall be reflected in an appropriate budget, taking into account the Common Expenses incurred during the period then ended. Such determination shall include, without limitation, general operating reserves, reserves for replacements, casualty insurance in excess of the insurance coverage, litigation, uncollected assessments, contingencies and the like.

(2) The Board of Directors shall allocate and assess among all Unit Owners, charges to meet Common Expenses (the "Common Expense Charge") to be assessed and allocated pro rata in accordance with each Unit Owner's Proportionate Interest. Charges made against Unit Owners for the payment of Common Expenses are sometimes hereinafter generally and collectively referred to as "Common Expense Charges".

6.02 Assessments to a Lien:

All charges against a Unit shall be a lien against such Unit, subject to the provisions of Section 3315 of the Act. Such lien shall exist in favor of the Condominium Association and there shall be included therein interest as herein provided and reasonable attorney's fees for enforcing payment thereof. A Unit owner shall, by acceptance of title, be conclusively presumed to have agreed to pay his proportionate share of Common Expense Charges assessed while he is the owner of a Unit. However, the liability of a Unit Owner for Common Expense Charges shall be limited to amounts duly assessed in accordance with the Declaration, the Bylaws and the Act. Common Expense Charges assessed against any Unit shall bear interest from the due date at a rate set by the Association, such rate not to exceed fifteen percent (15%) per annum.

6.03 Special Interim Assessments:

In addition to the preparation of annual budgets for Common Expense Charges, the Board of Directors may, by resolution duly adopted, make interim determinations between such regular annual determinations, to the extent it, from time to time, may deem necessary.

6.04 Liability for Assessments:

The Unit Owners shall be severally and not jointly liable for the payment of Common Expense Charges, but with respect to the portion thereof so payable with respect to a given Unit, the Unit Owners and the lessors or sublessors thereof shall be jointly and severally liable therefor. Common Expenses Charges assessed annually by the Board of Directors shall be payable by the Unit Owners either (i) in equal monthly installments, such installment payments to be made to the Association on or before the first day of each month unless another payment date is

6.08 Lien Position:

The lien of the Condominium Association against a particular Unit for Common Expense Charges which become due within the six (6) month period immediately preceding the institution of an action by a mortgagee or other holder of a lien against such Unit to enforce collection of that party's lien by a judicial sale of the Unit shall not be divested by such sale except to the extent that the six (6) months' unpaid assessments for Common Expense Charges giving rise to the lien of the Condominium Association are paid out of the proceeds of such sale. The lien of the Condominium Association for Common Expense Charges or other charges becoming due prior to the aforesaid six (6) month period shall be divested by such judicial sale, but to the extent that the proceeds of such sale are sufficient to pay all or some of these additional charges, after satisfaction of the costs of the judicial sale, the liens and encumbrances described in Section 6.06 hereof and the Common Expense Charges for the six (6) month period described in this Section 6.08, they shall be paid before any remaining proceeds may be paid to any other claimant, including the prior owner of the Unit. Any unpaid Common Expense Charges which shall remain uncollectable from the former Unit Owner for a period of more than sixty (60) days after a judicial sale may be reassessed by the Condominium Association as Common Expenses to be collected from all Unit Owners, including the purchaser who acquired title at the sale, his successors and assigns. The Condominium Association may bid in and purchase the Unit at a judicial sale, and acquire, hold lease, mortgage and convey the same. Notwithstanding any foreclosure, tax sale, or other forced sale of a Unit, all applicable provisions of the Condominium Declaration and Rules and Regulations of the Association, shall be binding upon any purchaser at such sale to the same extent as they would bind a voluntary grantee.

ARTICLE 7

EASEMENTS AND ENCROACHMENTS

7.01 Easements:

(1) The Units and Common Elements shall be and hereby are made subject to an easement for such utility services as are desirable or necessary to adequately serve the Property; including without limitation the right to install, lay, maintain, repair, relocate and replace any utility lines and equipment over, under, or along the Condominium Parcel; provided that any such easement through a Unit shall not be enlarged or extended beyond its extent on the date of the first conveyance of that Unit by Declarant after this Declaration is recorded without the written consent of the Unit Owner.

(2) To the extent necessary, each Unit shall have and is hereby made subject to an easement for structural support over the Common Elements.

(3) Each Unit shall be and hereby is made subject to an easement in favor of the Board of Directors for entrance to the Unit to inspect, maintain, repair or replace the Common Elements, to maintain or repair the Unit or any other Unit if such action is reasonably necessary

designated by the Association; or (ii) by such other method of payment as the Association may determine from time to time. The Unit Owner's liability for any Common Expense Charges hereunder shall not be abated due to any interruption in his right of occupancy of his Unit or for any other reason whatsoever, except as otherwise hereafter specifically set forth.

6.05 Assessments as a Lien:

As between the Association and each Unit Owner, the Common Expense Charges represented in the usual annual assessment (the "Regular Assessment") shall become effective as a lien against each Unit on the first day of the fiscal year; additional or added assessments for Common Expenses Charges and other charges and expenses, if any, assessed against Units ("Special Assessments") and not covered by the Regular Assessment shall become effective as a lien against each Unit as of the date when the Special Assessment was made by the Board of Directors. As to other persons, the recording of this Declaration in the Recorder of Deeds Office of Lehigh County shall constitute notice and perfection of such lien. Such lien may be foreclosed by the Condominium Association in the matter provided for the foreclosure of a mortgage on real property; and, in the event of the filing of such claim of lien, the Condominium Association shall, in addition to the amount due, be entitled to recover reasonable expenses of the action including costs and attorney's fees. The right of the Condominium Association to foreclose the lien aforesaid shall be in addition to any other remedy which may be available to it at law or equity for the collection of all Common Expense Charges duly made by the Condominium Association, including the right to proceed personally against any delinquent Unit Owner for the recovery of a personal judgment against such Unit Owner.

6.06 Limited Subordination of Assessments:

Except as provided in the Act or in this Declaration, all such liens shall be subordinate to: (1) any lien for past due real estate taxes or other governmental charges or assessments against the Unit; (ii) the lien of any first mortgage secured by the Unit and recorded prior to the due date of the first installment payable on the Common Expense Charge; and (iii) any other lien or encumbrance recorded prior to the time of recording of this Declaration.

6.07 Status of Assessment upon Conveyance:

Upon any voluntary conveyance of a Unit, the grantor and grantee of such Unit shall be jointly and severally liable for all unpaid Common Expense Charges pertaining to such Unit duly made by the Condominium Association or accrued up to the date of such conveyance without prejudice to the right of the grantee to recover from the grantor any amounts paid by the grantee, but the grantee shall be exclusively liable for those accruing while he is the Unit Owner. Any Unit Owner may require from the Condominium Association a certificate showing the amount of unpaid Common Expense Charges pertaining to such Unit and the Treasurer of the Condominium Association shall provide such certificate within ten (10) days after written request therefore. The holder of a mortgage or other lien on any Unit may request a similar certificate with respect to such Unit. Such certificate shall be binding upon the Condominium Association, the Board of Directors and every Unit Owner.

- j. Subject to Easement for grading purposes granted to James G. Zawick as more fully set forth at Document I.D. No. 7261867.
- k. Subject to Easement for drainage purposes granted to James G. Zawick as more fully set forth at Document I.D. No. 7261868.
- l. Subject to easements, restrictions, covenants and conditions as more fully set forth on Plan of Epernay recorded at Document ID No. 7451766.
- m. Subject to Supplemental Land Development Improvements Agreement for Epernay Limited Partnership dated November 5, 2007.

7.02 Encroachments:

If any portion of the Common Elements shall encroach upon any Unit, or if any Unit shall encroach upon any other Unit or upon any portion of the Common Elements, as a result of construction, reconstruction, repair, shifting, settlement or movement of the Building or any portion thereof, or as a result of any cause other than the purposeful or negligent act or omission of the Owner of the encroaching Unit, or of the Board of Directors in the case of encroachments by the Common Elements for the encroachment and for the maintenance of the same shall exist so long as the encroachment shall exist. In the event that the Buildings are partially or totally destroyed and are then rebuilt, encroachments of parts of the Common Elements upon any Unit which do not substantially interfere with the use and enjoyment of the Unit or Common Elements encroached upon, due to such rebuilding, shall be permitted, and valid easements appurtenant to the encroaching Units or Common Elements for such encroachments and the maintenance thereof shall exist so long as the encroachments shall exist. Said easements shall run with the land and the Buildings and inure to the benefit of and be binding upon Declarant, his successors and assigns, the Board of Directors, all Unit Owners, and any mortgagee, lessee, or other person having any interest in the Condominium Parcel.

ARTICLE 8

MAINTENANCE AND REPAIR OF UNITS

8.01 General Responsibilities:

Each Unit Owner shall have the sole and exclusive duty and responsibility to maintain in good condition, repair, and replace as needed, at his own expense, all portions of his Unit, except to the extent that any such repair or replacement is covered by insurance maintained by the Board of Directors.

8.02 Special Responsibilities:

It shall also be the responsibility of each Unit Owner:

for public safety or to prevent damage to the Property, and to inspect the Unit to determine compliance with this Declaration or Bylaws.

(4) Each unit shall have an easement for pedestrian traffic on, over, through, and across sidewalks, paths walks, lanes, and stairways, as the same may from time to time exist, upon the Common Elements; and for vehicular traffic on, over, through and across such portions of the Common Elements intended for such purposes.

(5) Each Unit shall have an easement to encroach upon that portion of the common Elements constituting the studding, furring, joists, rafters, doors and window frames bounding the Unit to install, use, maintain, repair, remove, and replace electrical, plumbing, heating fixtures or devices and to place nails, screws or other fastening devices in and upon said studding, furring, joists, rafters, doors and window frames, provided that no such act shall be done under any circumstances which impairs or tends to impair the structural integrity or safety of the Condominium Parcel or which impairs or tends to impair any easement.

(6) All easements and rights described in this Article 7 are easements appurtenant, running with the Land and Buildings, shall be in full force and effect for the life of this Declaration, and at all times shall inure to the benefit of and be binding upon Declarant, its successors and assign; the Board of Directors; all Unit Owners, and any mortgagee, lessee or other person having any interest in the Property.

(7) The following are easements and/or restrictions of record:

- a. Easements, or claims of easements, not shown by the public record.
- b. Any variation in location of lines or dimensions or other matters which an accurate survey would disclose.
- c. Possible additional tax assessments for new construction and/or major improvements.
- d. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by public records.
- e. Town, County and School Taxes and Water and Sewer Rents for the current year.
- f. Subject to easements, restrictions, covenants, conditions and reservations, including any subdivision agreements, as set forth on Plan of Minor Subdivision of Bethlehem Steel Corp. Landis Mill Road Tract.
- g. Subject to easements, restrictions, covenants and reservations as set forth in Deed Book Volume 1375, page 220.
- h. Subject to Subdivision Improvements Agreement with Upper Saucon Township as more fully set forth at Document I.D. No. 7296869.
- i. Subject to possible Highway Occupancy Permit to Commonwealth of Pennsylvania Department of Transportation as more fully set forth at Document I.D. 7304367.

(1) To maintain, repair or replace at his own expense all portions of his Unit which may cause injury or damage to the other Units or to the Common Elements or if such maintenance repair or replacement is covered by insurance maintained by the Board of Directors, to inform the Board of Directors in writing of the same;

(2) To pay the expenses incurred by the Board of Directors in making repairs or replacements of the Common Elements of the Condominium;

(3) To pay the expenses incurred by the Board of Directors in making repairs to his Unit as authorized by this Declaration or the Bylaws;

(4) To perform his responsibilities under this Article 8 in such a manner and at such reasonable hours so as not to disturb other Unit Owners residing in the Buildings;

(5) To refrain from repairing, altering, replacing, painting or otherwise decorating or changing the appearance of any portion of the Common Elements without obtaining the prior written consent of the Board of Directors;

(6) To refrain from repairing, altering, replacing, painting or otherwise decorating or changing the appearance of any portion of a Limited Common Element serving any Unit owned by a Unit Owner without obtaining the prior consent of the Board of Directors; and

(7) To promptly report to the Board of Directors or its agent any work that he intends to perform that is the responsibility of Board of Directors. Any consent by the Board of Directors to the performance of such work by the Unit Owner shall constitute an agreement by the Board of Directors to pay the expense thereof. The failure of the Board of Directors to respond to such notice shall not be deemed a waiver of its rights nor constitute any consent or agreement by the Board of Directors to pay for any work performed by the Unit Owner. Any consent given by the Board of Directors may set forth the terms of such consent and the Unit Owner shall be required to comply with such terms.

ARTICLE 9

USE OF UNITS

9.01 Limitation on Use and Restrictions on Leases:

Except as specifically provided in this Declaration each Unit shall be used only as a single family residence. No separate part of a Unit may be rented. The entire Unit may be rented by a Unit Owner other than the Declarant only under a written lease providing for a term of at least one year. However, Unit Owners may rent their Units for special events for terms less than one year with the consent of the Condominium Association (as example of a special event is a golf tournament). The Declarant may rent an entire Unit only under written lease providing for a term of at least one month. All leases shall be and shall expressly provide that they are, subject in all respects to the provisions of this Declaration and the Bylaws of the Condominium

Association, and that any failure by the lessee to comply with the terms of such documents shall be a default under such lease. Such lease agreement shall be in form acceptable to the Board of Directors whose acceptance thereof shall not be unreasonably withheld. In the event a Unit is purchased by a corporation or other bona fide business entity, the officers, partners, employees and business guests of such entity shall have the right to occupy and reside in such Unit on a short-term basis only if no rental or other fee or charge is exacted for such occupancy.

9.02 General Use Restrictions:

No use or practice shall be permitted in any Unit which is determined by the Board of Directors to be a source of undue annoyance to the residents or occupants of other Units or interferes with the peaceful possession and proper use of the Property by such other residents or occupants, or which would increase the rate of insurance on the Property.

9.03 Further Restrictions:

(1) No Unit Owner may erect or permit the erection of any sign, banner or notice in or on his Unit or otherwise on the Property which is visible from outside his Unit without the prior written consent of the Board of Directors, except that the Declarant shall be entitled to place reasonable "for sale" and construction signs on the property until all Units are sold.

(2) No outdoor deck or porch shall be enclosed, covered by any awning or otherwise altered or improved without the prior written consent of the Board of Directors. No personal property shall be permitted to be kept on any outdoor deck or porch nor shall any decoration or painting be permitted to any outdoor deck or porch, if, in the opinion of the Board of Directors, said property or decoration or painting would create an unsightly appearance. No clothes, bedding or other item shall be hung on any outdoor deck or porch.

9.04 Use by Declarant:

Notwithstanding anything to the contrary herein, the Declarant may use one or more Units owned by it as a sales or management office or as a model.

ARTICLE 10

SALE OF UNITS

10.01 Restrictions:

(1) No Unit Owner shall be permitted to convey, mortgage pledge, hypothecate, sell, or lease his Unit unless and until he shall have paid in full all sums assessed by and owed to the Condominium Association.

(2) No Unit may be divided, partitioned or subdivided into a smaller Unit nor may any portion less than the whole thereof be sold or otherwise transferred.

Upon written notice to the Board of Directors by the holder of any mortgage which is a lien upon a Unit setting forth the name of such holder, the address of such holder, the date of such mortgage and the Unit upon which such mortgage is a lien, the Board of Directors shall place such information in a register to be maintained for such purposes and such mortgage shall thereupon constitute a "Permitted Mortgage" for purposes of this Declaration. The provisions of the Article 12 shall not apply to any mortgage of any Unit of which Declarant is the Unit Owner.

12.02 Notice:

Holders insurers, or guarantors of any mortgage on any unit in the Condominium shall be given written notice of any condemnation or casualty loss that effects either a material portion of the project or unit securing its mortgage, any sixty (60) day delinquency in the payment of assessments, lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owner's Association and actions that require the consent of a specified percentage of eligible mortgage holders.

ARTICLE 13

INSURANCE

13.01 Insurance to be Maintained:

The Board of Directors shall obtain and continuously maintain:

(1) "All risk" insurance against direct physical loss by damage to or destruction of the Commonly Insured Real Property in an amount equal to the full insurable replacement value thereof, without deduction for depreciation, with a deductible provision in an amount to be determined by the Board of Directors but not to exceed Five Thousand Dollars (\$5,000.00), payable on behalf of all Unit Owners and holders Permitted Mortgages, as their interests may appear. Such insurance policy shall include a separate loss payable endorsement in favor of the holders of Permitted Mortgages, if any, modified to make the loss payable provisions in favor of such holders of Permitted Mortgages subject and subordinate to the loss payable provisions in favor of the Board of Directors. At least once every three (3) years, but more frequently if in the judgment of the Board of Directors the property is rapidly appreciating in value, the Board of Directors shall cause an appraisal of the property to be made for the purpose of determining the current full insurable replacement value of the insured property, without considering depreciation, and the Board of Directors shall change the amount of hazard insurance on the Property to the amount of then current full insurable replacement value of the property as established by such appraisal.

(2) Comprehensive liability insurance policies, including medical payments insurance, insuring the Unit Owners in their capacity as Unit Owners, the members of the Board of Directors against any liability to the public or to the Unit Owners, their tenants or invitees, relating in any way to the ownership, maintenance and/or use of the Property, but excluding coverage for the liability of any Unit Owner for acts occurring solely within his Unit or away for

the Property. Limits shall be at least FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for any one person injured or killed in any single occurrence, at least FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for any injury or death sustained by any two or more persons in any single occurrence, and at least FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) for property damage resulting from each occurrence.

The scope and amount of coverage of all liability insurance policies shall be reviewed at least once each year by the Board of Directors and may be changed in its discretion provided that such policies shall comply with the requirements of Section 13.02 hereof and the first and second sentence of this Section 13.01(2).

(3) At its options, or if required by lending institution or government guarantors fidelity coverage against dishonest acts on the part of such persons (including by way of illustration and not limitation, members of the Board of Directors and officers and agents, employees and volunteers) responsible for handling funds belonging to or administered by the Condominium Association. The fidelity bond or insurance shall name the Condominium Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half (1½) time the Condominium Association's estimated annual operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(4) Such workmen's compensation insurance as applicable law may require.

(5) The indemnification obligation of the Condominium Association and all Unit Owners and the cost of premiums for insurance carried by the Board of Directors to protect the Unit Owners against claims for such indemnification. In addition to any and all indemnity obligations of the Condominium Association, the Association shall indemnify and hold harmless Saucon Valley Country Club from any and all damage that may occur to its property located adjacent to the condominium development as a result of any development activities located on the condominium property. The Condominium Association shall list Saucon Valley Country Club as an additional insured on the Association's liability policies. The provisions of this indemnity and insurance requirement may only be eliminated or amended with the written consent of Saucon Valley Country Club.

13.02 Required Provisions:

All insurance shall be obtained by the Board of Directors in accordance with the following provisions:

(1) All policies shall be written with a company licensed to do business in the Commonwealth of Pennsylvania and holding a rating "A" or better by Best's Insurance Reports, or by any equivalent rating bureau should Best's Insurance Reports cease to be issued.

(2) Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Board of Directors or its authorized representative. Prior to the

or omissions of any one or more named insureds of persons otherwise covered or benefited thereby:

(c) provide that they shall not be cancelled or modified without at least thirty (30) days prior written notice to all whose interests are covered thereby, including, without limitation, each Unit Owner, the Board of Directors, and all holders of Permitted Mortgages; and

(d) provide that coverage afforded thereby shall not be affected or diminished or result in contribution by reason of any additional insurance separately carried by any Unit Owner as permitted by the further terms hereof or by any other person or entity, and that "no other insurance" clause in the policies maintained by the Board of Directors will not be applicable to such individual Unit Owners' policies.

(6) Duplicate originals of all such insurance policies and renewals shall be delivered by the insurers (at least thirty (30) days prior to the renewal) to the Board of Directors and duplicate originals or certificates or memoranda of insurance shall be used by the insurers to all others whose interests are covered thereby, including without limitation, the Unit Owners and the holders of Permitted Mortgages.

(7) No Unit Owner shall do or permit any act which would void or impair the covered afforded by said policies or would result in an increase in the premium therefore and shall be liable to the Board for the amount of such increase.

ARTICLE 14

ADDITIONAL DECLARANT RIGHTS

14.01:

Anything in this Declaration or in the Bylaws to the contrary notwithstanding, Declarant reserves certain rights (hereinafter, sometime, collectively referred to as the "Additional Special Declarant Rights") as follows:

(1) Declarant shall have the right to control the actions of the Board of Directors and its officers (Declarant Control) for the period specified below ("Period of Declarant Control"), subject to the rights of the Unit Owners other than Declarant to elect that number of members to the Board of Directors as the times and in the manner set forth below and in the Bylaws (the "Participation Rights and Non-Declarant Unit Owners").

(a) As used in the preceding sentence and elsewhere in this Declaration, the following words and phrases shall have the meanings ascribed to them below:

(i) "Declarant Control" refers to the right of Declarant, at any time and from time to time during the Period of Declarant Control to appoint and remove the representatives who have been designated by Declarant to serve as

(3) Any deed shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of this Declaration and the Bylaws. All deeds shall also include such other details as are required by the Act.

(4) Every written instrument dealing with the Unit shall specifically set forth the name by which the property is identified and the Unit designation identifying the Unit involved.

ARTICLE 11

DAMAGE TO COMMON ELEMENTS BY INDIVIDUAL UNIT OWNERS

Should the Board of Directors be required to make any expenditure for the repair or replacement of any portion of the Common Elements because of any damage thereto (other than ordinary wear and tear) caused by one or more Unit Owners, or the family members, animals, guests, tenants, agents, or employees of one or more Unit Owners, the Unit Owner or Unit Owners responsible for such damage shall, to the extent that the Board of Directors is not required to maintain insurance to cover the particular damage, reimburse the Board of Directors for such expenditure.

ARTICLE 12

SEPARATE UNIT MORTGAGES

12.01 Separate Mortgage:

Each Unit Owner shall have the right, subject to the provisions of this Declaration, to make a separate mortgage on such Unit Owner's respective Unit, together with such Unit Owner's respective Proportionate Interest in the Common Elements. No Unit Owner shall have the right or authority to make or create, or cause to be made or created, any mortgage, encumbrance, or other lien on or affecting the Property, or any part thereof, except as provided in this Article.

Any mortgage which is a lien against a Unit and which is recorded after the recording of this Declaration shall be subject to the terms and conditions of this Declaration and the exhibits hereto, as the same may be amended from time to time, and the holder of any such mortgage and the obligation secured thereby shall have no right:

(1) To participate in the adjustment of losses with insurers or in the decision whether or repair or restore damage to or destruction of the Commonly Insured Real Property; or

(2) To receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise, except in the event of a termination pursuant to the act or in the event and to the extent that insurance proceeds in excess of the cost of repair or restoration are distributed to Unit Owners.

adjustment of any such loss the Board of Directors shall decide whether, if the Board of Directors uses a public adjuster in connection therewith, the proceeds of any applicable insurance policy on the Property are likely to be sufficiently increased through the efforts of such adjuster to warrant the additional expense of retaining such an adjuster. If such shall be in favor of using a public adjuster, the Board of Directors shall retain a public adjuster, licensed as such by the Commonwealth of Pennsylvania, which adjuster shall at the option of the Board of Directors either act solely in the capacity of advisor to the Board of Directors with respect to such adjustment or also act as the Board of Director's authorized representative.

(3) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Unit Owners or their mortgagees.

(4) Each Unit Owner may obtain additional insurance at his own expense such as, by way of illustration and not of limitation, public liability insurance covering liabilities occurring solely within his Unit or away from the Property, which liabilities will not be covered by the insurance to be carried by the Board of Directors under the terms hereof, provided that all such policies shall be obtained either from an insurer with which coverage is at the time of reference being carried pursuant to the provisions of this Section or from another insurer approved by the Board of Directors, which approval shall not be unreasonably withheld, and shall also contain waiver of subrogation (having the same scope as that required with respect to the insurance to be carried by the Board of Directors hereunder) and provide that the insurance carried by which Owner shall not affect, alter or diminish the coverage under the policies being so carried by the Board of Directors. Copies of proposed policies of insurance shall be being effected, be delivered to the Board for approval pursuant to the terms hereof, which approval shall not be unreasonably withheld, and the policies actually issued following such approval shall provide that they shall not be modified or cancelled without thirty (30) days prior written notice to the Board of Directors and copies thereof shall be provided to the Board when issued. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by the Board of Directors hereunder, due to pro-rata of insurance purchased by the Unit Owner, the Unit Owner agrees to assign the proceeds of this latter insurance, to the extent of the amount of such reduction, to the Board of Directors to be distributed as herein provided.

(5) With respect to the insurance policies issued to the Board of Directors and covering all or any part of the Property, such policies shall:

(a) contain waivers by the insurers of all rights by way of subrogation or otherwise to the claims or rights of any one or more named insureds or persons otherwise covered or benefited by such policies against any one or more other named insureds or persons covered or benefited thereby (including the Condominium Association and the Board of Directors and their respective agents and employees and the Unit Owners, member of their households, and their respective agents and employees);

(b) provide that the coverage afforded to any and all other named insureds or persons otherwise covered or benefited by such policies shall not be affected by the Acts

members of the Board of Directors and as its officers and who shall constitute, during said period of Declarant Control, no less than a majority of the Board of Directors and all of its officers;

(ii) "Period of Declarant Control" refers to the period ending on the earlier of (aa) five (5) years from the date of the first conveyance of a Unit to a purchaser other than Declarant; or (bb) one hundred eighty (180) days after the conveyance to the Unit purchasers other than Declarant of seventy-five percent (75%) of the Units.

(iii) "Participation Rights of Non-Declarant Unit Owners" refers to the right of such Owners (aa) to elect one fourth ($\frac{1}{4}$) of the members of the Board of Directors not later than sixty (60) days after the conveyance to Unit Purchasers other than Declarant of twenty-five percent (25%) of the Units which Declarant has built or reserved the right to build hereunder; and (bb) to elect two-fifth ($\frac{2}{5}$) of the members of the Board of Directors not later than sixty (60) days after the conveyance to Unit purchasers other than Declarant of fifty percent (50%) of such Units.

(b) The initial Board of Directors shall consist of the three (3) members, designated by Declarant.

(c) During the Period of Declarant Control, the number of members on the Board of Directors may increase in accordance with the Bylaws to a maximum of five (5) members. Upon the termination of the Period of Declarant Control the number of members of the Board of Directors shall be reduced to a maximum of three (3) members unless increased by the Board of Directors.

(d) The procedure by which the Participation Rights of Non-Declarant Unit Owners specified in Section 14.01(1)(a)(iii) hereof may be exercised is fully set forth in the Bylaws.

(2) Declarant reserves the unrestricted right to sell, lease and/or mortgage any Units which it continues to own after the recording of this Declaration.

(3) Declarant shall have the right to make changes in and to the Units and to use them, in accordance with rights reserved by Declarant.

14.02 Supporting Easements:

There are hereby reserved by and for Declarant, his employees, agents or other representatives and its customers and other invitees as well as its successors and assigns under the terms of this Article 14 such easements and licenses as may be necessary or desirable, in the judgment of the Declarant, to realize all of the Additional Declarant Rights reserved under this Article 14.

ARTICLE 15

ASSIGNABILITY OF ADDITIONAL SPECIAL DECLARANT RIGHTS

15.01:

Any one or more of the Additional Special Declarant Rights created and reserved under Article 14, may be transferred by Declarant to any other party and that transfer shall be effective as to all persons or parties affected thereby if and at such time as the instrument evidencing such transfer is executed by both the transfer and transferee of the subject and additional Declarant Rights and are recorded in the Recorder of Deeds of Lehigh County.

ARTICLE 16

PROVISIONS PERTAINING TO DECLARANT

16.01 Disclaimer of Warranty and Representation:

The Declarant specifically disclaims any intent to have made any warranty or representation in connection with the Property or the Declaration or the Bylaws except as specifically set forth therein and the Public Offering Statement provided to purchasers as provided by the Act. No person shall rely upon any warranty or representation not so specifically made therein. The Declarant disclaims any warranty as to the estimates of common expenses. All rights, privileges, powers authority and options of the Declarant, as set forth herein shall inure to the benefit of and may be asserted and exercised by the successors, assigns, sub-assigns, designees, sub-designees, nominees and sub-nominees of the Declarant.

16.02 Assignability of Declarant's Rights:

Declarant may assign any and all of its right reserved or established by the Declaration, to any individual or entity of entities that Declarant may choose.

ARTICLE 17

SPECIAL PROVISIONS ON DECLARATION AMENDMENTS

17.01:

Without the prior written consent of Declarant, no amendment may be made, in whole or in part, to any other provision of this Declaration if such amendment would diminish or otherwise adversely affect any rights of Declarant either reserved or elsewhere in the Declaration. So long as Declarant owns any Unit, the provision of this Article 17 shall not be amended, in whole or in part, without the prior written consent of Declarant.

18.02 Assessments and Taxes:

Each unit and its Proportionate Interest shall be assessed and taxed for all purposes as a separate parcel of real estate entirely independent of the Property of which the Unit is a part, and each Unit Owner is charged with the payment of all such taxes, municipal claims and liens assessed, levied or filed against his Unit. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Property as a whole, then each Unit Owner shall pay a share thereof in accordance with such Unit's Proportionate Interest. The Board of Directors shall determine the amount due and notify each Unit Owner as to the share of such taxes due for each Unit.

18.03 Covenants Running with the Land:

All provisions of this Declaration and the Bylaws, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, shall be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon and inure to the benefit of the Owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration and the Bylaws, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration and the Bylaws, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

18.04 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 or mailed first class postage prepaid to the Unit mailing address or such other address as the Unit Owner may designate in writing to the Board of Directors.

18.05 Interpretation:

The provisions of this Declaration shall be liberally construed in order to effectuate the Declarant's desire to create a uniform plan for development and operation of a condominium project. The table of contents and all paragraph titles or captions, are intended solely for the convenience of the readers thereof and shall not be deemed relevant in the construction of this Declaration. All pronouns and any variations thereof are deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require.



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17.02:

This Declaration may be amended solely upon the due execution and acknowledgment of an amendment to this Declaration, notwithstanding the procedures provided in the subsections hereof, and without the need for the joinder by any other party, by filing such additional plans and amendments as may be required:

- (1) To describe adequately the completion of the improvements; and/or
- (2) To reflect an alteration of the design and layout of the Units owned by Declarant or any part thereof.

17.03:

Subject to the other provisions of this Declaration, the Bylaws and the Act, this Declaration and the Condominium Plans may be amended by the Board of Directors, if, in its judgment, such amendment is necessary to cure any ambiguity or to correct or supplement any provision of the Declaration or to the Bylaws which is defective or inconsistent with any other provision hereof or thereof or with the Act, or to change, correct or supplement anything failing to appear in this Declaration or in the Condominium Plans which is incorrect, defective or inconsistent. However, Amendments of a material nature must be agreed to by Unit Owners who represent at least sixty seven (67%) percent of the total allocated votes in the Owners Association. In addition, approval must be obtained by eligible mortgage holders who represent at least fifty one (51%) percent of the votes of Unit Estates that are subject to mortgages held by eligible holders. Material changes are those set forth in FANNIE MAE regulations a promulgated from time to time or otherwise imposed by law.

When, or if, Unit Holders are considering termination of the legal status of the project for reasons other than substantial destruction or condemnation of the property, eligible mortgage holders that represent at least sixty seven (67%) percent of the votes of the mortgaged units must agree. Implied approval shall be assumed when an eligible mortgage holder fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided the notice as delivered by certified or registered mail, with a "return receipt" requested.

ARTICLE 18

GENERAL PROVISIONS

18.01 Utilities

All services furnished by a utility company or any Government, or governmental authority to any Unit Owner, shall be charged to and paid by the Unit Owner receiving such services. Separate meters shall be furnished for all Units to measure consumption to such utility service.

18.06 Severability:

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any covenant or restriction or any paragraph, subparagraph, clause, phrase or work or other provision thereof shall not affect the validity or enforceability of the remaining portions thereof unless such deletion shall destroy the uniform plan for development and operation of the condominium project which this Declaration is intended to create.

ARTICLE 19

EFFECTIVE DATE

This Declaration shall become effective upon its being recorded in the Office of the Recorder of Deeds in and for the County of Lehigh, Commonwealth of Pennsylvania.

ARTICLE 20

ADDITION OF REAL ESTATE-FLEXIBLE CONDOMINIUM

20.01:

Declarant hereby reserves the option to create additional Condominium units, common elements, limited common elements, or both, within convertible real estate or to add additional real estate to the Condominium. The area subject to this Declaration is set forth on the attached plans. Additional area, if added, will be added by amendment to this Declaration and shall be effective when recorded.

20.02:

Declarant option reserved in 20.01 above shall last for a maximum of seven (7) years from the date this Declaration is recorded. There are no circumstances that will terminate the option before the expiration of the time limit.

20.03:

There shall be no limitations on the option reserved in 20.01 above except those that may be imposed by law.

20.04:

Each Unit Owner shall be entitled to share equally with all other Unit Owners pro-rata in all common elements and condominium expenses. The maximum number of units in the Epernay Condominiums shall be thirty-four (34). If all thirty-four units are added to the condominium each unit owner shall be entitled to 2.94% interest in the condominium common elements as well

in the condominium expenses. The same proportions apply to voting interests in the condominium.

20.05:

The description of all real estate capable of being added to the condominium is set forth in the site plan of Epernay Condominiums attached to this Declaration. Unit 27 and Unit 29 are hereby declared to be Condominium Units as set forth on site plan of Epernay Condominium attached hereto.

20.06:

Various portions of real estate may be added to or deleted from the condominium pursuant to the option reserved in 20.01 at different times. However, no assurances can be given as to when or where the real estate will be added or deleted or in what order it may occur. If additional Real Estate is added, all improvements intended for further phases will be substantially complete prior to annexation.

20.07:

The maximum number of units that may be added to the condominium shall be thirty-four (34). All units comprising the condominium shall be restricted exclusively to residential use.

20.08:

All units that may be built within any additional real estate shall be restricted exclusively to residential use.

20.09:

All buildings that may be added to the real estate shall be substantially compatible with other buildings and units in the Condominium in terms of architectural style, quality of construction and principal materials employed in construction and size.

20.10:

All restrictions in the declaration affecting use, occupancy and alienation of units will apply to any units added to the Condominium.

20.11:

No assurances are made by Declarant indicating what, if any, other improvements or limited common elements may be made to additional real estate if added to the Condominium.

20.12

Declarant makes no assurances of any limitations as to the location of any buildings or other improvements that may be made within the additional real estate.

20.13:

Any common elements created within any additional will be of the same general types and sizes as those within other parts of the Condominium.

20.14:

The general proportion of limited common elements to units created within additional real estate will be approximately equal to the proportion existing within other parts of the Condominium.

20.15:

Any assurances made in the event additional real estate is added to the Condominium shall not apply if no additional real estate is added to the Condominium.

IN WITNESS WHEREOF, Declarant, intending to be legally bound, has duly executed this Declaration, the day and year first above written.

ATTEST:

**EPERNAY LIMITED PARTNERSHIP,
By its General Partner,
EPERNAY LLC**

By: _____

Dennis E. Benner, Managing Member



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COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF Lehigh)

SS:

On this the 25th day of July, 2008, before me, a Notary Public for the State and County aforesaid, the undersigned officer, personally appeared, **Dennis E. Benner**, who acknowledged himself to be a Managing Member of EPERNAY, LLC, a Pennsylvania limited liability company, as General Partner of EPERNAY LIMITED PARTNERSHIP, a Pennsylvania limited partnership, and that he as such Managing Member, being authorized to do so, executed the foregoing Declaration for the purposes therein contained by signing the name of the General Partner by himself as Managing Member.

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

Paula A. Csaszar
Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Paula A. Csaszar, Notary Public
City of Bethlehem, Lehigh County
My Commission Expires May 17, 2012
Member, Pennsylvania Association of Notaries