

THE FAIRWAYS AT BROOKSIDE II
Macungie, Pennsylvania 18062

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THE FAIRWAYS AT BROOKSIDE II

PURCHASER INFORMATION

Thank you for your interest in The Fairways at Brookside II. The following is a summary of certain pertinent information that the Vendor feels you should read prior to purchasing a condominium apartment at The Fairways at Brookside II.

INTRODUCTION

G & W Developers ("Vendor") intends to submit the property known as The Fairways at Brookside II located on Brookside Road, Lower Macungie, Pennsylvania to the provisions of the Pennsylvania Unit Property Act, (the "Act"), by the recording of a Declaration, a Code of Regulations, and a Declaration Plan. The Fairways at Brookside II consists of 7.376 acres of land at the above address, multi-unit buildings containing a total of 50 apartments and other improvements erected or to be erected thereon (as shown on the above mentioned Declaration Plan).

The Fairways at Brookside II is the second section of Apartments in a total development of approximately 750 Apartments on 109+ acres. Vendor reserves the right to make any and all necessary modifications in the development plans necessitated by changing market conditions including but not limited to the number of additional Apartments to be built, the placement of the Apartments, the mix, the density of future sections, the physical layout of future Apartments, the price, ownership (condominium, association, rental-apartments) and the location and make-up of amenities planned for future Apartments.

Vendor is now offering for sale each of the 50 Apartments (the "Units"). The offering is being made only in Pennsylvania and only through Vendor's exclusive sales agent, _____ ("Agent").

This summary is intended only to provide a prospective purchaser, with certain information pertinent to the possible purchase of Units. It is not, and is not intended to be, a complete statement of all pertinent information. For a complete statement of the subject matter of this summary, reference is made to the Declaration and the Code of Regulations, copies of which are being delivered to prospective purchasers herewith, and to the proposed form of the Declaration Plan which may be inspected at the Agent's sales office located on the site.

Additional information such as Community Rules and Regulations, a sample title report, a sample insurance policy, a copy of the Management Contract, and a copy of the Agreement of Sale are also available for any prospective purchaser's inspection at Agent's sales office.

OWNERSHIP OF A UNIT

Units in multi-unit properties submitted to the Act are commonly referred to as condominium units. The owner of a condominium unit such as one of The Fairways at Brookside II Units is, in many respects, in the same position as the owner of a private home:

He holds title to the Unit in fee, enjoys the right to exclusive possession for residential use subject to the provisions of the Act, the Declaration, and the Code of Regulations, and can sell or lease the Unit as a whole to anyone for like use, subject to the Council's right of first refusal.

He may mortgage his Unit, to any bank, trust company, savings bank, insurance company or like institutional investor.

No mortgage by a neighboring Unit Owner, including Vendor, can be a lien against his Unit.

Purchaser Information

He may, under current law, deduct for Federal income tax purposes the real estate taxes and mortgage interest he pays in respect of his Unit.

There are several areas of difference between owning a condominium Unit and a private home.

First, the condominium Units may only be used for residential purposes. Commercial, industrial, and professional business uses are specifically prohibited in the Declaration of Condominium.

Second, the Council, or its designated managing agent has the right to enter into any Unit at any reasonable time, for the limited purpose of replacing the Common Elements or making these repairs which are reasonably necessary for public safety.

Third, if a Unit Owner does not maintain his Unit as provided for in Section 6 C (1) of the Code of Regulations, Council may give the Unit Owner notice to do the necessary maintenance. If the Unit Owner fails to complete the aforesaid maintenance promptly, Council may enter the Unit and perform the necessary work, and bill the cost thereof to the Unit Owner.

Additionally, a condominium owner is a tenant in common with all other Unit Owners of the proportionate undivided interest specified in the Declaration for his Unit (the "Proportionate Interest") in the Common Elements, which constitute all portions of the Property other than the portions comprising the Units. That Proportionate Interest also controls the extent of his voting rights in the election of members of the Council (the body which manages, the business, operation and affairs of the Property and of all Unit Owners as a group) and in all other matters on which Unit Owners vote, and the proportion of the Common Expenses and any Common Profits of the Property borne by and payable to him. The Common Expenses are the expenses of administration, maintenance, repair and replacement of the Common Elements and the expenses of the Council in managing the business, operation and affairs of all Unit Owners as a group and in otherwise exercising its power and duties, and all expenses agreed upon as common by all the Unit Owners or declared common in the Act or in the Declaration or the Code of Regulations.

Any gross income from the Property net of applicable expenses shall constitute Common Profits; it is not presently expected by Vendor that there will be any Common Profits for the foreseeable future.

The Property shall, remain subject to the Act unless and until a termination shall result pursuant to Section 13 of the Declaration.

DATA CONCERNING THE UNIT

The following data relates to Unit No. _____ and is amplified in the paragraphs which follow:

Price	\$ _____
Proportionate Interest _____%	
Annual Mortgage Principal and Interest	
(_____% _____ yr term)	\$ _____
Estimated Annual Real Estate Taxes	\$ _____
Estimated Annual Common Expenses (pro-rata share)	\$ _____
Estimated Utilities; Sewer	\$ _____
Estimated Total Annual Expenses (gross)	\$ _____

Vendor retains the right from time to time to change the prices at which it offers unsold Units.

Purchaser Information

The Proportionate Interests of each Unit have been determined by Vendor based on its estimate of the relative value of each of the Units in relation to the value of all Units.

Estimated Real Estate Taxes shown above have been computed on the basis of an estimated assessment of \$ _____ for the Unit. The estimated assessment was made after study of other condominium unit tax rates in the area and after consultation with the Lehigh County Tax Assessors. There is absolutely no assurance that the above is an accurate assessment for the particular Unit described.

It is expected that the Council will assess the Unit Owners monthly, during each of the first twelve (12) months of operations for one-twelfth of the total estimated expenses for the twelve (12) month period shown on the attached schedule of estimated expenses for that period. At settlement each Unit Owner will contribute in addition to the above, a two (2) month Common Expense Fund Deposit. The Common Expense figure shown above represents the annual total multiplied by the Proportionate Interest shown. The schedule is based on a survey of expenses made specifically for this Property.

It should be recognized that, while such estimate is in Vendor's view a fair one based on presently available information, it cannot be guaranteed and may not accurately reflect the actual expenses.

Water will be supplied to The Fairways at Brookside II by the _____
Lehigh County Authority
All water company rates will be approved by the Pennsylvania Public Utilities Commission.

Sewer will be billed directly to the Unit Owners. The above estimate for sewer is based on the current sewer charge made by Lower Macungie Township.

The figure shown above for annual mortgage principal and interest assumes the purchaser secures a \$ _____ mortgage with a _____% annual interest rate payable in even monthly installments of principal and interest over a term of _____ years. Of course a purchaser is free to pay cash or to obtain a mortgage, on different terms from those assumed. Vendor has no obligation to assist a purchaser in obtaining mortgage financing.

TITLE INSURANCE

Vendor has made arrangement with Title Insurance Corporation of Pennsylvania, for the insurance, at regular rates to purchasers of Units wishing the same, of owners and mortgagee's title insurance relating to their Units. Such title insurance will affirmatively insure compliance with the Act and shall be subject to such exceptions as are set forth in a sample title report which, may be inspected at Agent's sales office. Of course, purchasers are free not to insure their title, but the agreements of sale will provide that purchasers who wish title insurance shall obtain it from Title Insurance Corporation of Pennsylvania.

SETTLEMENT CHARGES

Vendor will bear all costs and expenses incurred in connection with the submission of the Property to the Act and the sale of Units, including without limitation, selling expenses, Sales Agent's commission, advertising, printing, engineering, legal fees, and organization costs, heretofore and hereafter incurred. The purchaser will be responsible for his own legal fees, title insurance, recording costs, any fees relating to a Unit mortgage, one-half the applicable realty transfer taxes, a two month Common Expense Fund deposit and any other Settlement costs normally borne by purchasers of real property. Real Estate Taxes and Common Expenses will be apportioned between Vendor and the Purchaser as of the settlement date.

MANAGEMENT

The Code of Regulations provides that a Council of five (5) individuals, who are residents of Pennsylvania and who may be but need not be Unit Owners, shall manage the business, operation and affairs of the Property and of all Unit Owners as a group. The initial members of the Council are those named in the Declaration, all of whom are designees of Vendor.

Purchaser Information

Since the Code of Regulations provides for cumulative voting, Unit Owners other than Vendor will be able to elect a member of the Council at the first Annual Meeting after Vendor has sold Units having a Proportionate Interest aggregating in excess of twenty per cent (20%).

However, Vendor has the privilege under Section 15 of the Declaration of naming a majority (3) of the members of the Council as long as Vendor holds title to ten (10) or more Units.

The Code of Regulations provides that the Council may employ, at a compensation from time to time established by the Council, a managing agent to perform such duties and services as the Council shall authorize and direct. The Agreement of Sale, Section 13 authorized the Council to sign a management contract with _____, for a one year term at an annual fee of \$ _____. Said Management Contract is available for any prospective purchaser's inspection at Agent's sales office.

The services to be rendered by the Managing Agent shall include assessing and collecting Common Expenses, supervision, care of the grounds and repairs to and restoration of the Common Elements, purchasing supplies, maintaining the books and generally performing the duties of a managing agent.

VENDOR'S EXPANSION OPTION

Vendor reserves the option for five (5) years from date of recording the Declaration of Condominium to submit 4.965 acres of property adjacent to The Fairways at Brookside II Condominium to the provision of the Unit Property Act as an expansion of the Fairways at Brookside II. If Vendor exercises this option, 42 apartment units will be constructed on the additional property and the proportionate interests of the Unit Owners of The Fairways at Brookside II will be changed to those listed in Exhibit D of the Declaration of Condominium

GENERAL

The gross offering price of all 50 Units at The Fairways at Brookside II is approximately \$ _____; while Vendor intends and expects to make a substantial profit from the sale of the Units, it is not presently possible to accurately estimate such profit because of the many contingent factors involved, including but not limited to, actual complete cost of the buildings and other site improvements, marketing expenses, cost of holding the Property for an unknown time, and other related items.

Purchasers should recognize that while a Unit Owner is not directly responsible for the share of the Common Expenses payable in respect of any other Unit (1) in all cases where all or part of any assessments for Common Expenses and for any expenses of or advances by the Council in the collection thereof cannot be promptly collected from the persons liable therefor, such assessments and expenses may be reassessed to all Unit Owners, without prejudice to the Council's rights of collection against such persons, and (2) amounts expended by the Council to purchase, hold, repair or restore, sell, convey, mortgage, lease or otherwise deal in Units acquired by the Council at sheriff's sale pursuant to execution upon any lien against such Units constitute Common Expenses. During the period when the Council is in title to a Unit as aforesaid, the Proportionate Interest of the Unit shall be deemed to be zero and the Proportionate Interest of all other Units shall be deemed to be automatically adjusted so as to allocate it among all other Units proportionately, as more fully set forth in Section 6 D of the Code of Regulations; such allocation will have the effect among others, therefore, of increasing each other Unit's share of the Common Expenses during that period. Unit Owners would similarly share in any profit or loss involved in the leasing or sale of Units by Council.

PARTIAL TAKING BY EMINENT DOMAIN

If part of the premises is taken by Eminent Domain each Unit Owner shall be entitled to notice thereof; the proceeds thereof shall be treated and applied in the same manner as insurance proceeds as more fully treated in Section 6 E of the Code of Regulations.

Purchaser Information

FIRST REFUSAL

If a Unit Owner wishes to sell or lease his Unit, and he has received a bona fide offer therefore, he must give the Council written notice together with a signed copy of that offer. The Unit Owners, through the Council, shall have twenty-one (21) days from the date on which they receive a copy of the written offer to elect to purchase or lease the Unit under the terms and conditions of that offer. If Council does not exercise its right of first refusal in the stated time, the Unit Owner is free to consummate the sale or lease with the offering party at the terms presented.

AGREEMENT OF SALE

A. Warranty

In Section II of the Agreement of Sale, Vendor warrants that the Apartment portion of the premises shall be free under normal use and maintenance from substantial defects in material and workmanship for one (1) year from the date of settlement. It further states that Vendor shall not be liable for consequential damages which may arise from a breach of this warranty by Vendor or its agents.

B. Amenities

Vendor intends to convey title on or before January 1, 1977 to the Fairways at Brookside Recreation Area - a 4.6908 parcel of ground adjacent to the Fairways at Brookside II, improved with a swimming pool, tennis courts and a clubhouse - for \$1.00 to The Fairways at Brookside Trust, which will hold title and operate the recreation facilities for the benefit of the Unit Owners of The Fairways at Brookside I & II and for two future adjacent developments, Sections III & IV, which Vendor presently intends to build over the next 3-5 years. The Unit Owners of The Fairways at Brookside I & II and the Owners of the two adjacent future sections will each be responsible for 25% of the operating costs of the recreation area.

In the event that the Unit Owners of the Fairways at Brookside I refuse to accept the Trust as a deed restriction against their Condominium Units and consequently refuse to pay their share of the operating expenses, the Trustees shall deny them the use and enjoyment of the recreation area and the percentage of operating expenses for the remaining three Sections will increase to 33.33% each.

For full information concerning the recreational area, see Exhibits 1, 2 and 3 of the Agreement of Sale for The Fairways at Brookside II.

THE FAIRWAYS AT BROOKSIDE II

WARRANTY AGREEMENT

In connection with the sale of The Fairways at Brookside II located in Macungie, Pennsylvania, G & W Developers (hereinafter referred to as "Vendor") warrants to The Fairways at Brookside II Council, that the portions of the premises defined as "Common Elements" in the Declaration of Condominium dated _____ and recorded in the office of the Recorder of Deeds, Lehigh County, (page _____, book _____), shall be free under normal use and maintenance from substantial defects in material and workmanship and shall conform to the Declaration Plan dated _____ and recorded in the office of the Recorder of Deeds, Lehigh County, (page _____, book _____).

VENDOR'S WARRANTY SET FORTH HEREIN IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES EXPRESSED OR IMPLIED. VENDOR NEITHER ASSUMES NOR AUTHORIZES ANY PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE PREMISES DESCRIBED HEREIN, AND THERE ARE NO OTHER AGREEMENTS OR WARRANTIES, EITHER ORAL OR WRITTEN, COLLATERAL TO OR AFFECTING THIS AGREEMENT.

Vendor's maximum liability hereunder shall be the replacement cost of the Common Element portion of the premises. In no event shall Vendor be liable to Council for consequential damages arising from any breach of this Warranty or for the negligence or other breach of this Warranty by Vendor or its agents.

The warranty set forth herein shall not apply where the Common Elements have been subject to misuse or damage by accident, or have not been afforded reasonable care.

No warranty is given with respect to any apparatus, instrument, component, or accessory not manufactured by Vendor, except as to Vendor's workmanship and installation thereof, but the Vendor shall use its best efforts to obtain the standard warranty offered from the manufacturer thereof.

Vendor's liability under this Warranty for negligence or other breach of this Warranty is limited to replacing or repairing any defective parts or materials which do not comply with the warranty. Vendor shall have the sole right to determine whether the defect shall be corrected by repair or replacement and Council shall make every reasonable effort to make the Common Elements available to Vendor during normal business hours for such repair or replacement.

This Warranty shall not apply to a particular defect unless such defect is discovered and made known to Vendor in writing by a member of Council, within two (2) years from the date of the initial settlement of a Unit in The Fairways at Brookside II, and unless Council has given Vendor a reasonable period of time after receipt of such notice to correct such defect.

G & W DEVELOPERS

DATED

THE FAIRWAYS AT BROOKSIDE II - (Initial 50 Units) - COMMON EXPENSE PROJECTION

ACCOUNTING:

An annual review of the Condominium's income and expense records. Preparation of the annual statement for each Unit Owner. \$ 600.00

CLUBHOUSE:

Cleaning, heating, lighting; also repair and maintenance of interior and exterior of the facility. Total Cost \$3,000.00, 25% of that cost from the Fairways at Brookside II.* \$ 750.00

EXTERIOR LIGHTING:

Replacement of bulbs, and cost of electricity to operate this lighting system which illuminates parking areas, and walkways. \$ 3,300.00

EXTERIOR MAINTENANCE AND REPAIRS:

Repair and maintain curbs, sidewalks, drives, drains, roofs, and the exterior of all buildings \$ 2,700.00

INSURANCE:

A \$2,600,000.00 policy covering all buildings; all risk liability provision; common expense coverage up to \$45,750.00. Covers everything except individual liability, and personal property. Separate policies for clubhouse and swimming pool. \$ 3,800.00

LAWN CARE:

Cutting, raking, seeding, fertilizing, pruning, weeding as necessary in all lawn and garden areas; also replacement of trees and shrubs, when necessary. \$ 3,600.00

MANAGEMENT:

Collection of monthly common expenses; hiring, supervising, and coordinating service, repair and maintenance staff; payment of all bills; bookkeeping and records; notices and monthly statements. \$ 3,750.00

RESERVE:

Funds set aside each year for long-term repairs and replacements for large items such as drives, roofs, clubhouse, and swimming club repairs. \$ 2,200.00

SWIMMING CLUB:

Complete operation of pool facilities, including maintenance, repair, and employees (lifeguards). Total cost \$4,400, 25% of that cost from the Fairways at Brookside II. \$ 1,100.00

SNOW REMOVAL:

Plowing of drives and parking areas; shoveling of walks; placement of salt and/or cinders in icy areas. \$ 800.00

TRASH COLLECTION:

Twice-a-week collection of trash. Collector will pick up trash in plastic bags from each Apartment. \$ 1,500.00

EXTERMINATION:

To keep all Apartments free of insects and rodents. \$ 200.00

MISCELLANEOUS EXPENSE:

Printing, postage, etc. \$ 300.00

SUB-TOTAL \$24,600.00

*Developer's Contribution for recreation area expenses
(750 + 1100 = 1800 x 45.62%) \$ 843.97

TOTAL \$23,756.03

Projection of total operating cost for the first year.

NOTE: THIS IS AN ESTIMATE ONLY.

MONTHLY COST: $\frac{\text{Total Annual Cost}}{12 \text{ Months}}$ $\frac{\$23,756.03}{12}$ = \$ 1,979.67

MONTHLY COST PER UNIT:

"Expanded Meadows"	$\frac{\% \text{ Interest}}{2.30\%}$	x	$\frac{\text{Monthly Cost}}{\$1,979.67}$	=	\$ 45.53
"Meadows"	$\frac{\% \text{ Interest}}{1.95\%}$	x	$\frac{\text{Monthly Cost}}{\$1,979.67}$	=	\$ 38.60
Three Bedroom "Mansionaire Inside"	$\frac{\% \text{ Interest}}{1.95\%}$	x	$\frac{\text{Monthly Cost}}{\$1,979.67}$	=	\$ 38.60
"Mansionaire End"	$\frac{\% \text{ Interest}}{2.225\%}$	x	$\frac{\text{Monthly Cost}}{\$1,979.67}$	=	\$ 44.05

*The Fairways at Brookside II's contribution of 25% for recreation area expenses is based on its total development potential of 92 Units. Therefore, while only 50 Units exist, Vendor will contribute for the optional 42 Units, whose collective proportionate interest in the 92 Units is 45.62%.

THE FAIRWAYS AT BROOKSIDE II - (Expanded to 92 Units) - COMMON EXPENSE PROJECTION

ACCOUNTING:

An annual review of the Condominium's income and expense records. Preparation of the annual statement for each Unit Owner. \$ 600.00

CLUBHOUSE:

Cleaning, heating, lighting; also repair and maintenance of interior and exterior of the facility. Total cost \$3,000.00, 25% of that cost from The Fairways at Brookside II. \$ 750.00

EXTERIOR LIGHTING:

Replacement of bulbs, and cost of electricity to operate this lighting system which illuminates parking areas, and walkways. \$ 6,000.00

EXTERIOR MAINTENANCE AND REPAIRS:

Repair and maintain curbs, sidewalks, drives, drains, roofs, and the exterior of all buildings. \$ 5,000.00

INSURANCE:

A \$3,285,000.00 policy covering all buildings; all risk liability provision; common expense coverage up to \$ _____. Covers everything except individual liability, and personal property. Separate policies for clubhouse, and swimming club. \$ 7,000.00

LAWN CARE:

Cutting, raking, seeding, fertilizing, pruning, weeding as necessary in all lawn and garden areas; also replacement of trees and shrubs when necessary. \$ 6,600.00

MANAGEMENT:

Collection of monthly common expense; hiring, supervising, and coordinating service, repair, and maintenance staff; payment of all bills; bookkeeping and records; notices and monthly statements. \$ 6,900.00

RESERVE:

Funds set aside each year for long-term repairs and replacements for large items such as drives, roofs, clubhouse, and swimming club repairs. \$ 4,000.00

SWIMMING CLUB:

Complete operation of pool facilities, including maintenance, repair, and employees (lifeguards). Total cost \$4,400, 25% of that cost from The Fairways at Brookside II. \$ 1,100.00

SNOW REMOVAL:

Plowing of drives and parking areas; shoveling of walks; placement of salt and/or cinders in icy areas. \$ 1,500.00

TRASH COLLECTION:

Twice-a-week collection of trash. Collector will pick up trash in plastic bags from each Apartment. \$ 2,760.00

EXTERMINATION:

To keep all apartment free of insects and rodents. \$ 325.00

MISCELLANEOUS EXPENSE:

Printing, postage, etc. \$ 500.00

TOTAL: \$43,035.00

Projection of total operating cost for the first year.

NOTE: THIS IS AN ESTIMATE ONLY.

Monthly Cost:	<u>Total Annual Cost</u>	<u>\$43,035.00</u>	
	12 Months	12	- \$ 3,586.25

MONTHLY COST PER UNIT:

"Expanded Meadows"	<u>% Interest</u> 1.21%	x	<u>Monthly Cost</u> \$3,586.25	-	\$ 43.39
"Meadows"	<u>% Interest</u> 1.07%	x	<u>Monthly Cost</u> \$3,586.25	-	\$ 38.37
"Greenfield"	<u>% Interest</u> 1.01%	x	<u>Monthly Cost</u> \$3,586.25	-	\$ 36.22
"Two Bedroom Mansionaire Inside"	<u>% Interest</u> 0.995%	x	<u>Monthly Cost</u> \$3,586.25	-	\$ 35.68
"Mansionaire End"	<u>% Interest</u> 1.15%	x	<u>Monthly Cost</u> \$3,586.25	-	\$ 41.24
"Three Bedroom Mansionaire Inside"	<u>% Interest</u> 1.07%	x	<u>Monthly Cost</u> \$3,586.25	-	\$ 38.37

THE FAIRWAYS AT BROOKSIDE II
Macungie, Pennsylvania 18062
DECLARATION OF CONDOMINIUM

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THE FAIRWAYS AT BROOKSIDE II
Macungie, Pennsylvania 18062

DECLARATION OF CONDOMINIUM

THIS DECLARATION is made this _____ day of _____
19 _____ by G & W DEVELOPERS (hereinafter called the "Declarant") as the owner of
the Property hereinafter described.

W I T N E S S E T H :

1. Submission of Property to Unit Property Act;
Definitions.

A. This Declaration is filed under the Unit Property Act of Pennsylvania, Act of July 3, 1963, P.L. 196 (68 Pa. Stat. Ann. #700.101 et seq.), hereinafter called the "Act", and Declarant hereby submits and intends to submit the Property described in Exhibit "A" attached hereto and hereby made a part hereof, to the provisions of the Act.

The Property is part of a larger site comprising 109+ acres. The residential Units comprising the Property will enjoy the common benefits of the recreation area on land contiguous to the Property. A clubhouse, swimming pool and tennis courts have been constructed.

B.. The Property consists of 7.376 acres more or less, situated on Country Club Road, Lower Macungie, Pennsylvania and ten (10) one-story buildings and one (1) two-story building described below (The "Buildings") which will include a total of 50 condominium Units, 101 asphalt paved parking spaces, landscaped exterior areas that include walks, pathways and area lighting and the other improvements to be erected thereon.

The one-story buildings contain two types of floor plans designated as "Meadows" and "Expanded Meadows"; the two story buildings contain two types of floor plans designated as "Three Bedroom Mansionaire Inside" and "Mansionaire End". Each of these floor plans is more particularly shown in the Declaration Plan.

Typical construction details include: concrete footings; masonry bearing 8" block walls veneered with 4" of faced brick, or aluminum siding; asphalt shingled roof; aluminum gutters and downspouts; 8" block walls of 4 hour fire rated construction divide individual apartments.

All interior apartments partitions are wood stud with ½" gypsum board attached by nails. All gypsum board partitions are taped, spackled and painted. All ceilings are constructed of gypsum board which are taped, spackled and painted. Primary floor covering is wall to wall carpeting glued directly to concrete or wood subfloors. The kitchen floor is covered with vinyl asbestos tile. Wood base extends around all carpeted area with vinyl base or wood base in the vinyl-asbestos areas, as required.

The baths contain a water closet, a vanity with formica top, and a porcelain over steel round bowl, a decorative light fixture, a mirrored medicine cabinet and either a full size porcelain over steel bath tub or a shower stall with tempered safety glass shower door. All floors are ceramic tile and shower and bath areas are tiled to a height of six feet from the floor.

Powder rooms contain a water closet vanity with formica top, a porcelain over steel bowl, a mirror and a decorative light fixture. Floors are ceramic tile.

The Apartment entry door is an insulated metal door, painted and installed in a wood frame. Hardware includes a double keyed lock, and magnifying viewer. Interior doors are flush hollow core masonite doors installed in wood frames, painted, with hardware similar to entry door. Exterior windows and patio sliding doors are permanent dark bronze finish baked enamel on aluminum. Windows are single hung, with screens and storm sash. Patio sliders include thermal insulating glazing and have screen inserts.

In all buildings each apartment is self contained having its own exterior entrance, its own electric meter, and a mechanical room located on its patio or porch containing a package type heating and air conditioning unit, and a hot water heater. Each bath and powder room has an exhaust fan.

The appliance package includes a refrigerator/freezer, a 30" free standing range with self-cleaning oven, a stainless steel sink, a garbage disposal, and an under-counter dishwasher.

Each apartment also comes equipped with a washer and dryer located in a laundry closet.

The Property is more particularly shown in the Declaration Plan.

2. Definitions.

The terms used herein and in the Code of Regulations shall, unless otherwise specified to the contrary herein or in said Code of Regulations have the meanings stated in the Unit Property Act, which is hereby incorporated herein by reference with the same effect as if set forth fully herein.

3. Declaration Plan:

(a) The "Buildings" and other improvements of the Property will be or have been constructed by the Declarant substantially in accordance with the plan therefor prepared by Jarrell, Hay and Wallace, Architects, dated _____, 197_____, which plan has been or about to be recorded, are hereby incorporated by reference and are herein referred to as "Declaration Plan". Additional Units may be constructed in the future upon the premises described in Exhibit "B" attached hereto and made a part hereof, and the same may be made part of the Condominium Property by Declarant appropriately amending this Declaration and the Declaration Plan to reflect the same in accordance with the provisions of Section 15 of this Declaration.

(b) This Declaration and the Declaration Plan may be amended by Declarant filing such additional plan as may be required to describe adequately the completion of improvements. Such completion may be shown by a certificate of an architect, engineer, or surveyor certifying that the improvements have been constructed substantially as herein represented, or designating any changes made. Such plan or certificate when signed and acknowledged and filed of record by the Declarant shall in itself constitute an amendment of this Declaration and the Declaration Plan, notwithstanding the procedures for amendment described elsewhere in this Declaration, provided it conforms with the requirements of the Unit Property Act.

4. Description of Units:

The Property shall consist of Units and Common Elements as shown on the Declaration Plan. Except for such portions thereof which are part of the Common Elements the maximum boundaries of the Units are as reflected by the Declaration Plan and are described without limitation as follows: The Unit side surface of all perimeter walls, the Unit side surface of the second story ceilings in all two-story Units, the Unit side surface of the ceilings in all one-story Units, the Unit side surface of the concrete floor, and all interior space of the structures so bounded; windows, doors and the frames thereof; heating and air conditioning units and associated equipment located within or outside of the Unit; kitchen, bathroom and utility room fixtures and appliances; the porch and/or patio and/or the balcony, if any, contiguous to the exterior wall of the Unit, and the interior perimeter of the meter room, trash room and heat closet, which adjoin the porch and/or patio and/or balcony, if any.

5. Name:

The Condominium shall be known as "The Fairways at Brookside II".

6. Common Elements, Percentage Interests of Unit Owners, Common Expenses and Common Profits:

A. "Common Elements" shall mean and include:

(a) The land on which the Buildings are located and portions of the Buildings which are not included with a Unit.

(b) The following parts of each building: foundation, structural parts, supports, except for the Unit side surface, thereof; the walls forming the perimeter of the Buildings and the interior walls forming part of the perimeter of the Units except for the Unit side surface thereof; second-story ceilings, except for the Unit side surfaces thereof; first-story ceilings of all Units, other than bi-level homes, except for the Unit side surface thereof. The concrete floor, except for the Unit side surface thereof; all water and sewer lines, sewer stacks, electric, telephone, master television antennae system wires and cables, and associated equipment (whether or not situated within the Unit) installed in or on walls, ceilings, floors, if such wires, cables, lines, pipes, or equipment serve more than one Unit; all water and sewer lines, electric and telephone wires and cables and associated equipment, which are installed outside of the Units.

(c) The yards, parking areas and driveways.

(d) All central services and utilities.

(e) All other parts or elements of the Buildings or the Property necessary or convenient to the Property's existence, management, operation, maintenance and safety, or in common use and which are not herein or in the Declaration Plan made a part of a Unit, and such facilities as are designated herein and in the Code of Regulations as Common Elements.

B. Percentage Interests of Unit Owners.

Each Unit shall include the proportionate undivided interest in the Common Elements as set out opposite the number of the Unit herein below:

<u>Unit Designation</u>	<u>Building Designation</u>	<u>Percentage Undivided Interest In The Common Elements</u>
201	Building A	2.225
202		1.95
203		1.95
204		1.95
205		2.225
206		2.225
207		1.95
208		1.95
209		1.95
210		2.225
211	Building B	1.95
212		1.95
213		1.95
214		1.95
215	Building C	1.95
216		1.95
217		1.95
218		1.95
219	Building D	1.95
220		1.95
221		1.95
222		1.95
223	Building E	1.95
224		1.95
225		1.95
226		1.95
227	Building F	1.95
228		1.95
229		1.95
230		1.95

<u>Unit Designation</u>	<u>Building Designation</u>	<u>Percentage Undivided Interest In The Common Elements</u>
231	Building G	1.95
232		1.95
233		1.95
234		1.95
235	Building H	1.95
236		1.95
237		1.95
238		1.95
239	Building I	1.95
240		1.95
241		1.95
242		1.95
243	Building J	2.30
244		2.30
245		2.30
246		2.30
247	Building K	1.95
248		1.95
249		1.95
250		1.95
		<u>100%</u>

The Common Elements shall remain undivided and no Unit Owner may exempt himself from liability with respect to the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by the abandonment of his Unit or otherwise and no action for partition or division of any part of the Common Elements shall be permitted, except as provided in #802 of the Act.

At any meeting of the Unit Owners (described in the Code of Regulations), each Unit Owner shall be entitled to a vote of the same weight relative to the votes of the other Unit Owners as the percentage of ownership in the Common Elements assigned to his Unit by this Declaration.

C. Common Expenses:

Each Unit Owner shall be liable for a share of the Common Expenses as defined below, such share being the same as the undivided share in the Common Elements which is appurtenant to his Unit. "Common Expenses" shall mean:

(i) Expenses of administration, maintenance, repair or replacement of the Common Elements;

(ii) Expenses agreed upon as common by all the Unit Owners; and

(iii) Expenses declared common by the provisions of the Unit Property Act, or by this Declaration or the Code of Regulations.

D. "Common Receipts" mean:

(i) Assessments and other funds collected from Unit Owners as Common Expenses or otherwise;

(ii) Rent and other charges derived from leasing or licensing the use of the Common Elements; and

(iii) Receipts designated as common pursuant to the Unit Property Act or this Declaration or the Code of Regulations.

E. "Common Profits" means:

The excess, if any, of all Common Receipts over all Common Expenses during any fiscal year of the condominium.

7. Easements.

(a) The Units and the Common Elements shall be, and are hereby made subject to, easements in favor of the appropriate utility companies for such utility services as are desirable or necessary to serve adequately the Property and all appurtenances thereto, including, without limitation, the right to install, lay, maintain, repair, relocate and replace water mains and pipes, sewer and drain lines, telephone wires and equipment, and electrical wires and conduits and associated equipment over, under, through, along and on the Property; provided, however, that any such easement through a Unit shall be located only as shown on the Declaration Plan, or if such, easement is not shown on the Declaration Plan, only as the Buildings and Units are actually constructed on the effective date of this Declaration unless approved in writing by the Unit Owner or Owners affected thereby. Easements are also reserved to Declarant for installation and maintenance of cable T.V. lines and cables lines amplifiers and related equipment. Said easements include, but are not limited to, the following Agreements of Record. Miscellaneous volume 365, page 934, miscellaneous volume 366, page 1038, miscellaneous volume 368, page 747, miscellaneous volume 368, page 754, miscellaneous volume 368, page 761, miscellaneous volume 370, page 661, miscellaneous volume 395, page 705, miscellaneous volume 395, page 664 and miscellaneous volume 398, page 1123.

(b) The Common Elements shall be, and are hereby made subject to, an easement in favor of the Unit Owners and their invitees, tenants and servants, the Council and the agents and employees of the Council (i) for pedestrian traffic on, over, through and across sidewalks as the same may from time to time exist, and (ii) for pedestrian and vehicular traffic on, over, through and across such portions of the Common Elements as may be from time to time paved and intended for such purposes.

(c) The Common Elements shall be and are hereby made subject to the following easements (in addition to any other easements set forth in this Declaration) in favor of the Unit or Units benefited thereby:

(i) For the installation, repair, maintenance, use, removal and/or replacement of any recessed medical cabinet in the bathroom of a Unit in the event that a part of such cabinet is located in the portion of a wall adjacent to such Unit which is a part of the Common Elements; and

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

(iii) For driving and removing nails, screws and bolts from the Unit-side surface of the walls of a Unit into the portion of such walls which are part of the Common Elements; provided, that such action will not unreasonably interfere with the use of any part of the Common Elements or impair or structurally weaken the Buildings; and

(iv) For the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical wiring and all other utility lines and conduits which are a part of a Unit and which pass across or through a portion of the Common Elements.

(v) To the extent necessary for the completion of construction of the Condominium project described herein, including all construction work required if Declarant elects to expand the project as provided for in Section 15 of this Declaration.

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

(e) The Units shall be and are hereby made subject to the following easements:

(i) In favor of the Council or its designee, for inspection of the Units for the purpose of verifying of performance by Unit owners of all items of maintenance and repair for which they are responsible, for inspection of the condition of the Common Elements situated in or assessable from such Unit, for correction of emergency conditions in each Unit or casualties to such Common Elements and/or Unit, for repairing, replacing and improving Common Elements therein or elsewhere in the Buildings, to abate any violation of law, orders, rules or regulations of any governmental authorities having jurisdiction, to correct any condition which violates the provisions of any mortgage and for such other purpose as may be reasonably required to carry out its duties, it being understood and agreed that the Council and its agents shall take reasonable steps to minimize any interference with a Unit owner's use of his Unit resulting from the Council's exercise of the foregoing rights pursuant to this Section or any other provisions of this Declaration; and

(ii) In favor of the Common Elements benefited, for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical wiring and all other utility lines and conduits which are part of the Common Elements and which pass across or through a portion of a Unit or Units.

(f) If a Unit or Units shall encroach upon any Common Elements or upon any other Unit by reason of original construction or a cause other than the purposeful or negligent act or omission of the Unit owner, then an easement appurtenant to such encroaching Unit, to the extent of such encroachment, shall exist for so long as such encroachment shall exist. If any Common Element shall encroach upon any Unit by reason of original construction or a cause other than the purposeful or negligent act or omission of the Council, then an easement appurtenant to such Common Elements, to the extent of such encroachment, shall exist for so long as such encroachment shall exist. In the event the Building is partially or totally destroyed, and then rebuilt, encroachment upon the Common Elements and/or Units, as and to the extent described above, shall be permitted, and a valid easement for said encroachments and the maintenance thereof shall exist for so long as such encroachment continues to exist.

(g) All easements and rights described and mentioned in this Declaration are easements appurtenant, running with the Land, Units and Common Elements, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding upon Declarant, its successors and assigns, the Council, any Unit owner, purchaser, mortgagee and any other person having an interest in said Land, Units, Common Elements or any portion thereof.

8. Amendments of Proportionate Undivided Interests in the Common Elements.

Notwithstanding any other provisions dealing with amendments of this Declaration, the proportionate undivided interest in the Common Elements, for any Unit may be altered only by the recording of any amendment to this Declaration, duly executed by all Unit Owners affected thereby. For purposes of this Section 8 only, the term "Unit Owners affected thereby" shall be deemed to mean all Unit Owners at the time of said amendment to this Declaration.

9. Purposes and Uses of Units.

Units may be used for residential purposes only. No commercial, industrial or professional business shall be carried on at the Property at any time. No Unit Owner shall permit his dwelling to be used or occupied for any prohibited purpose. Notwithstanding anything herein or in the Code of Regulations to the contrary, in connection with the marketing and initial sale of Units the Declarant shall be entitled to make reasonable commercial use of unsold Units until such time as Declarant shall have sold all of such Units. In addition to the foregoing restrictions, all Units shall be used in compliance with the following provisions:

A. No Unit Owner may obstruct the Common Elements in any way. No Unit Owner may store anything in or on the Common Elements without the prior consent of the Council.

B. The Common Elements shall be used only for the purposes for which they are intended and for the enjoyment of the occupants of all Units, subject to the right of certain designated Unit Owners to the exclusive use of certain designated portions of the Common Elements as stated herein. No Unit Owner may carry on any practice, or permit any practice to be carried on, which interferes with the quiet enjoyment of any other Unit by its Unit Owner. The Property is to be maintained in a clean and sanitary condition, and no Unit Owner may place any garbage, trash, or rubbish anywhere on the Property other than in his own Home and in or on such parts of the Common Elements as may be designated for such purpose by the Council.

C. Nothing shall be done or kept in any Unit or be permitted to be done or kept in any Unit which will in any way increase the fire insurance premiums for the Property, without the prior written permission of the Council. No Unit Owner may do or keep, or permit to be done or kept in his Unit anything or activity which would lead to the cancellation of the fire insurance policy or policies on the Property or which would be in violation of any law, statute, ordinance, or regulation of any governmental body.

D. Except for a single small non-illuminated name sign on his Unit, no Unit Owner may erect any sign on or in his own Unit and visible from outside the Building or on or in the Common Elements, without the prior written permission of the Council.

E. No Unit may be divided or subdivided into a smaller Unit nor any portion thereof less than the entire Unit sold, leased, or otherwise transferred.

F. Each of the Units shall be occupied only by one family, its servants and guests as a residence and for no other purpose.

G. No animals of any kind shall be raised, bred, or kept in any Unit, provided, however, that household pets may be raised, bred, or kept in any Unit after having obtained the written permission of the Council and upon complying with such reasonable rules and regulations as the Council may from time to time promulgate.

H. Reasonable Community Rules and Regulations, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property, may be promulgated from time to time by the Council. Copies of such rules and regulations and any amendments thereto shall be furnished to all Unit Owners.

10. Initial Council Members:

The initial members of the Council shall be:

11. Code of Regulations.

Further details in connection with the Property, its ownership and management, shall be set out in the Code of Regulations required by Section 303 of the Act. All prospective transferees of Units shall be given by the transferors thereof, copies of this Declaration and the Code of Regulations both as amended to date, prior to signing any Agreement of Sale for a Unit.

12. Amendment of Declaration.

Except as otherwise provided herein, this Declaration may be amended by a written instrument executed by a member of the Council upon the express written authorization of the Unit Owners holding at least eighty per cent (80%) of the total voting power under the Code of Regulations. Such amendment shall not be effective until recorded.

13. Removal of Property From Act.

The Property may be removed from the provisions of the Act at any time by a revocation expressing the intention to do so. No such revocation shall be effective unless and until it is executed by all of the Unit Owners and by the holders of all mortgages, judgments or other liens affecting the Units and is duly recorded. When the Property has been removed from coverage of the Act, the former Unit Owners shall, at the time such removal becomes effective, become tenants in common of the Property. The undivided interest in the Property owned in common which shall appertain to each Unit Owner following removal shall be the percentage of undivided interest previously owned by such Unit Owner in the Common Elements, as set forth in Section 6B of this Declaration.

14. First Conveyance of Units.

At the time of the first conveyance of each Unit following the recording of this Declaration in its original form, every mortgage and other lien of record affecting the entire Building or Property or a greater portion thereof than the Unit being conveyed shall be released therefrom by partial release duly recorded.

15. Provisions Pertaining to Declarant.

Notwithstanding any other provisions herein or in the Code of Regulations contained, for so long as Declarant continues to own any of the Units, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve Declarant from any obligations of a Unit Owner to pay Assessments as to each Unit owned by Declarant in accordance with the Documents after the construction of the Unit has been completed.

(i) Declarant shall have the right at any time to sell, transfer, lease, re-let, subdivide or combine, any Units which Declarant continues to own after this Declaration has been recorded, without regard to any restrictions relating to the sale, transfer, lease, form of lease, subdivision or combination of Units contained herein or in the Code of Regulations, and without the consent or approval of the Council or any other Unit owner being required.

(ii) For so long as Declarant owns ten (10) or more Units, a majority of the members of the Council shall be selected by the Declarant.

(iii) Declarant does not make, and specifically disclaims any intent to have made, any warranty or representation in connection with any Unit, the Common Elements, the Property or the condominium documents except as specifically set forth herein or in any agreement of sale for a Unit, and no person shall rely upon any warranty or representation not so specifically made therein.

(iv) Declarant pursuant to the following easements of record - Miscellaneous volume 368, page 747, miscellaneous volume 368, page 754, miscellaneous volume 368, page 761 - reserves the right of dedicating that portion of Country Club Drive, which lies within the title lines of the Property to Lower Macungie Township as a public road.

(v) No amendment may be made to the condominium documents without the written consent of Declarant so long as Declarant retains the ownership of ten or more Units.

(vi) The Declarant shall have the right to transact on the Property any business necessary to consummate the sale or leasing of Units, including, but not limited to, the right to maintain models, display signs, employees in the office and to use the Common Elements.

(vii) Declarant shall have the right, in its sole discretion, at any time and from time to time within five years from the date of recordation of this Declaration, to submit to the provisions of the Act "Additional Property" described in Exhibit "B" hereof. The Additional Property shall be submitted by an Amendment hereto in the form hereinafter provided, which shall be accompanied by an appropriate Amendment to the Declaration Plan.

Such Amendment to the provisions of the Act and this Declaration shall contain the following:

- (1) a reference to the Act and an expression of the intention to submit the Additional Property to the provisions of the Act;
- (2) The name of the condominium and a reference to the recording date for this Declaration and the Code of Regulations and all amendments to either theretofore recorded;
- (3) a description of the Additional Property and of the Buildings erected or to be erected thereon; (as more specifically described in Exhibits "B" and "C" of this Declaration);
- (4) a statement that the Additional Property is to consist of Units and Common Elements as shown on an amendment to the Declaration Plan which shall be appended thereto;
- (5) a description of the Common Elements of the Additional Property;
- (6) the proportionate undivided interest in the Common Elements of the condominium assigned to each Unit in the Additional Property and a reference to Exhibit "D" of the Declaration which sets forth the proportionate undivided interests assigned to each Unit in the condominium which shall take effect upon the recording of the subject amendment; and
- (7) any other provisions permitted by the Act so long as such provisions do not adversely affect the rights and privileges of Owners of Units situate on all lands in the condominium theretofore submitted to the Act.

Notwithstanding the provisions of Section 8 to the contrary, an Amendment hereto submitting the Additional Property to the provisions of the Act and the Declaration shall be executed by Declarant on behalf of all Unit Owners affected thereby, pursuant to an irrevocable power of attorney granted to Declarant by each Unit Owner for such purpose. Each Unit Owner, by his acceptance of a deed or conveyance to his Unit, shall have granted to Declarant an irrevocable power of attorney, coupled with an interest, empowering Declarant to approve and execute the amendment to the Declaration and to the Declaration Plan contemplated hereby and to be effected pursuant to the provisions hereof, and no separate or other signature, vote or other approval whatsoever of any Unit Owner shall be requisite to the addition, filing of record or effectiveness of such amendment.

Unless and until the submission of the Additional Property to the provisions of the Act by an Amendment in accordance herewith, fee simple title to such Additional Property and to any and all buildings and improvements, if any, erected thereon, is hereby reserved to Declarant and its successors and assigns and no portion thereof and no interest therein shall be part of the condominium hereby created, nor shall any costs or expenses thereof be the responsibility of any Unit Owner except Declarant. Declarant shall be under no obligation whatsoever to submit the Additional Property to the provisions of the Act and Declarant's right to make the Additional Property a part of the condominium shall terminate at the expiration of five years from the date of this Declaration.

Upon submission of the Additional Property to the Act in accordance herewith, the Additional Property shall in all respects be deemed a part of the condominium hereby created, and the Common Elements situate on the Additional Property shall thereafter be indivisible from the Common Elements situate on the lands theretofore submitted to the Act, and all provisions of the Declaration shall be applicable to the Additional Property and to all Units and all Common Elements situate thereon.

The buildings constructed on the Additional Property added to the Condominium shall substantially conform to the buildings erected on the land at the date of the initial recording of this Declaration, (as more specifically shown in the Declaration Plan and Exhibit "C"), and the number of Units on the Additional Property shall be 42.

Each deed or other instrument conveying title to or any interest in a Unit prior to the effective date of the amendment to this Declaration contemplated by Section 15 shall include and shall be deemed to include a reservation to the Declarant to the extent of the interest in the Common Elements appurtenant to that Unit, of an easement to use those portions of the Land and to that extent as may be necessary or in Declarant's judgment desirable in order to construct those Buildings and other improvements contemplated by Section 15. Such easement shall terminate five (5) years from the date of recording hereof or the effective date of such amendment to this Declaration.

16. Provisions Respecting Construction Lender

Notwithstanding anything to the contrary contained in this Declaration, until such time as those certain mortgages upon the Property; dated October 31, 1975, and recorded November 24, 1975, in the Office of the Recorder of Deeds in and for Lehigh County, in Mortgage Book Volume 1089, Page 378, et seq., and dated October 31, 1975, and recorded November 24, 1975, in the Office of the Recorder of Deeds in and for Lehigh County, in Mortgage Book Volume 1089, Page 392, et seq., as the same may be amended, modified or extended from time to time, now held by Continental Bank (hereinafter referred to as "Mortgagee"), the following provisions shall be a part of this Declaration and shall supersede any inconsistent provisions contained heretofore in the Code or in the Condominium Declaration (the "Condominium Documents"):

A. Whenever the consent of Declarant is required under the Condominium Documents, the written consent of the holder of the Mortgage (hereinafter referred to as "Mortgagee") shall also be required.

B. In the event that Declarant shall fail to pay any Regular Assessment or Additional Assessment with respect to unsold Units, or shall otherwise violate any of its obligations as a Unit Owner, Council shall be required to give Mortgagee written notice of such failure or violation, and Council shall be prohibited from instituting any suit or exercising any other remedy against Declarant for any such failure or violation until it has given Mortgagee written notice of its intention to file such suit or exercise such remedy and Mortgagee has failed to cure said default within ten (10) days thereafter, if the default can be cured by the payment of money, or if the default cannot be cured by the payment of money, Mortgagee has failed to commence to cure the default within thirty (30) days thereafter, or subsequently fails to proceed with reasonable diligence in completing the cure of said default.

C. Mortgagee shall be given prompt written notice by the Council of: (i) any meeting of the Council or the Unit Owners, together with the agenda of such meeting; (ii) any damage to any Units owned by Declarant; (iii) any damage to the Property in excess of \$10,000; and (iv) any delinquencies of Unit owners in the payment of any Regular or Additional Assessment as determined at not more than quarterly intervals.

D. No amendment shall be made to the Condominium Documents which would reduce the amount of the Insurance coverage set forth in Article 8 of the Code, alter the procedure for repairing the Building, exercise the annexation or expansion rights of Declarant hereunder, alter the easement rights of the Condominium, alter any of the rights of the Mortgagee, or, in the opinion of Mortgagee, in any other way affect the security of Mortgagee, without its joinder and written consent to such amendment.

E. If Mortgagee should accept a deed from Declarant in lieu of foreclosure, Mortgagee shall not be liable for unpaid assessments of Declarant which accrued prior to the conveyance by deed in lieu of foreclosure, provided that any such unpaid assessments of Declarant may be assessed by the Council as a Common Expense to be collected from all of the Unit Owners, including Mortgagee as grantee of a deed in lieu of foreclosure, and Mortgagee's successors and assigns in title.

F. If Mortgagee either assumes possession of any portion of the Property upon which said Mortgage is a lien or acquires title to unsold Units upon foreclosure of the Mortgage, by purchase of the unsold Units at foreclosure sale, or by deed in lieu of foreclosure, Mortgagee and its successors and assigns shall, at its sole option, succeed to all of the rights and privileges granted to Declarant by the Condominium Documents, provided that this provision will not in any way limit the provisions of the Unit Property Act and the Condominium Documents which provide that a purchaser of a Unit at foreclosure sale or by deed in lieu of foreclosure shall not be liable for unpaid assessments against such Unit which occurred prior to such sale or transfer, provided that any such unpaid assessments may be assessed by the Council as a Common Expense to be collected from all of the Unit Owners, including the purchaser at a foreclosure sale or grantee of a deed in lieu of foreclosure and their respective successors and assigns in title. Mortgagee shall not be obligated to perform or discharge any obligation of the Declarant either by reason of these provisions or under or by reason of any assignment to Mortgagee of the Declarant's rights under the Condominium Documents unless the Mortgagee becomes the owner of any Unit, in which event, its obligations relative thereto shall be no different than those of any other Unit Owner.

G. Adjustment of losses under the policies maintained by the Council pursuant to Article 6 of the Code shall be made by the Council with the written consent of the holder of the Mortgage.

H. Mortgagee shall be given written notice by the Council of any action, suit, or claim of lien against the Property, the Council or the entirety of the Unit Owners, and shall have the right, but not the obligation, to take part in the defense of any such action, suit, or claim of lien.

17. Interpretation

The provisions of this Declaration shall be liberally construed in order to effectuate Declarant's desire to create a uniform plan for development and operation of a condominium project. The headings preceding the various paragraphs of this Declaration are intended solely for the convenience of readers hereof and shall not be deemed relevant in the construction of this Declaration.

18. Severability

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

19. Effective Date

This Declaration shall become effective upon recording.

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

WITNESS:

_____ (SEAL)

_____ (SEAL)

ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA :

: ss

COUNTY OF LEHIGH :

On this the _____ day of _____, 197_____
before me, a Notary Public, the undersigned officer, personally appeared
_____ known to me (or satisfactorily proven) to
be the person whose name is subscribed to the within instrument, and acknowledge
that he executed the same for the purposes therein contained.

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

Notary Public

EXHIBIT "A"

LEGAL DESCRIPTION

"The Property"

Beginning at a point on the northeast side line of Country Club Drive (70.00 feet wide), said beginning point being 480.83 feet, measured northwestwardly along said side line from its intersection with the southwest side line of Brookside Road; said point being a further distance of 25.00 feet, measured South 73 degrees 44 minutes 33 seconds West from the title line in the bed of said Brookside Road; thence from said beginning point, crossing aforesaid Country Club Drive, South 23 degrees 58 minutes 39 seconds West 90.00 feet to a point; thence South 66 degrees 01 minute 21 seconds East 50.00 feet to a point; thence South 23 degrees 58 minutes 39 seconds West 102.59 feet to a point on line of the Water Plant; thence along same, South 82 degrees 10 minutes 21 seconds West 105.00 feet to a point; thence partly along the Water Plant and partly along the Recreation Area, South 15 degrees 19 minutes 26 seconds West 271.74 feet to a point; thence along the Recreation Area the four following courses and distances: (1) South 21 degrees 01 minute 21 seconds East 35.36 feet to a point; (2) South 23 degrees 58 minutes 39 seconds West 47.00 feet to a point; (3) South 21 degrees 01 minute 21 seconds East 60.81 feet to a point; (4) South 23 degrees 58 minutes 39 seconds West 380.00 feet to a point on line of the Brookside Country Club, thence along same North 73 degrees 22 minutes West 558.59 feet to a point in line of land now or formerly of Cambridge Developers; thence along same North 23 degrees 58 minutes 39 seconds East 296.48 feet to a point in line of Phase 11-B; thence along same, the eight following courses and distances: (1) South 66 degrees 01 minute 21 seconds East 314.50 feet to a point on the center line of Whitmarsh Place; (2) along said center line North 23 degrees 58 minutes 39 seconds East 91.42 feet to a point of curve; (3) still along said center line, on a line curving to the left, with a radius of 37.50 feet, the arc distance of 58.91 feet to a point; (4) still along said center line North 23 degrees 58 minutes 39 seconds East 567.58 feet to a point; (5) North 66 degrees 01 minute 21 seconds West 12.50 feet to a point of curve; (6) on a line curving to the left, with a radius of 40.00 feet, the arc distance of 62.83 feet to a point of tangent; (7) North 66 degrees 01 minute 21 seconds West 2.50 feet to a point; (8) North 23 degrees 58 minutes 39 seconds East 40.00 feet to a point of curve on the northeast side line of aforesaid Country Club Drive (50.00 feet wide); thence on a line curving to the left with a radius of 30.00 feet, the arc distance of 25.23 feet to a point; thence South 66 degrees 01 minute 21 seconds East 239.99 feet to the place of beginning.

CONTAINING: Seven acres and three hundred seventy six one-thousandths part of an acre (7.376 Acres)

SITUATE: Lower Macungie Township, Lehigh County, Pennsylvania

Description of Phase 11-A, Fairways at Brookside, as shown on "Final Plan" by Yerkes Associates, Inc., dated October 28, 1975, last revised August 17, 1976.

EXHIBIT "B"

LEGAL DESCRIPTION

"The Additional Property"

Beginning at a point on the northeast side line of Country Club Drive (50.00 feet wide), said beginning point being 746.05 feet measured northwestwardly along said side line from its intersection with the southwest side line of Brookside Road; said point being a further distance of 25.00 feet measured South 73 degrees 44 minutes 33 seconds West from the title line in the bed of said Brookside Road; thence along Phase II-A the eight following courses and distances: (1) South 23 degrees 58 minutes 39 seconds West, partly crossing said Country Club Drive, 40.00 feet to a point; (2) South 66 degrees 01 minute 21 seconds East 2.50 feet to a point of curve; (3) on a line curving to the right with a radius of 40.00 feet, the arc distance of 62.83 feet to a point of tangent; (4) South 66 degrees 01 minute 21 seconds East 12.50 feet to a point on the center line of Whitemarsh Place; (5) South 23 degrees 58 minutes 39 seconds West along said center line 567.58 feet to a point on a curve; (6) on a line curving to the right with a radius of 37.50 feet, the arc distance of 58.91 feet to a point of tangent; (7) South 23 degrees 58 minutes 39 seconds West 91.42 feet to a point; (8) North 66 degrees 01 minute 21 seconds West 314.50 feet to a point in line of land now or formerly of Cambridge Developers; thence along same North 23 degrees 58 minutes 39 seconds East 767.81 feet to a point on a curve on the northeast side line of aforesaid Country Club Drive; thence along same, the two following courses and distances: (1) on a line curving to the right, with a radius of 725.00 feet, the arc distance of 112.36 feet to a point of tangent; (2) South 66 degrees 01 minute 21 seconds East 110.09 feet to the place of beginning.

CONTAINING: Four acres and nine hundred sixty five one-thousandths part of an acre. (4.965 Acres).

SITUATE: Lower Macungie Township, Lehigh County, Pennsylvania

Description of Phase II-B, Fairways at Brookside, as shown on "Final Plan" by Yerkes Associates, Inc., dated October 28, 1975, last revised August 17, 1976.

EXHIBIT "C"

The Additional Property consists of 4.965 acres more or less situate on Country Club Road, Lower Macungie, Pennsylvania, adjacent to the Property described in Exhibit "A", and will contain four (4) one-story buildings, and two (2) two-story buildings described below ("The Additional Buildings") which will include a total of 42 condominium units, 86 asphalt paved parking spaces, landscaped exterior areas, that include walks, pathways and area lighting and other improvements to be erected thereon.

The one-story buildings will contain two types of floor plans, designed as "Meadows" and "Expanded Meadows". The two story buildings will contain four types of floor plans designated as "Greenfield", "Manslonaire End", "Three Bedroom Manslonaire Inside" and "Two Bedroom Manslonaire Inside". Each of these floor plans is shown in the Declaration Plan.

Typical construction details for these additional buildings will be substantially identical with the construction details described in Section 1B of the Declaration, which are shown in the Declaration Plan.

EXHIBIT "D"

<u>Unit Designation</u>	<u>Building Designation</u>	<u>Percentage Undivided Interest In The Common Elements</u>
201	Building A	1.15
203		1.07
203		1.07
204		1.07
205		1.15
206		1.15
207		1.07
208		1.07
209		1.07
210		1.15
211	Building B	1.07
212		1.07
213		1.07
214		1.07
215	Building C	1.07
216		1.07
217		1.07
218		1.07
219	Building D	1.07
220		1.07
221		1.07
222		1.07
223	Building E	1.07
224		1.07
225		1.07
226		1.07
227	Building F	1.07
228		1.07
229		1.07
230		1.07
231	Building G	1.07
232		1.07
233		1.07
234		1.07
235	Building H	1.07
236		1.07
237		1.07
238		1.07
239	Building I	1.07
240		1.07
241		1.07
242		1.07
243	Building J	1.21
244		1.21
245		1.21
246		1.21
247	Building K	1.07
248		1.07
249		1.07
250		1.07
251	Building L	1.21
252		1.21
253		1.21
254		1.21

<u>Unit Designation</u>	<u>Building Designation</u>	<u>Percentage Undivided Interest In The Common Elements</u>
255	Building M	1.15
256		0.995
257		0.995
258		0.995
259		0.995
260		1.15
261		1.15
262		0.995
263		0.995
264		0.995
265		0.995
266		1.15
267	Building N	1.21
268		1.21
269		1.21
270		1.21
271	Building O	1.01
272		1.01
273		1.01
274		1.01
275		1.01
276		1.01
277		1.01
278		1.01
279	Building P	1.07
280		1.07
281		1.07
282		1.07
283	Building Q	1.15
284		1.07
285		1.07
286		1.07
287		1.15
288		1.15
289		1.07
290		1.07
291		1.07
292		1.15
		<u>100%</u>

THE FAIRWAYS AT BROOKSIDE II
Macungie, Pennsylvania 18062

CODE OF REGULATIONS

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THE FAIRWAYS AT BROOKSIDE II

Macungie, Pennsylvania 18062

CODE OF REGULATIONS

This CODE OF REGULATIONS is made this _____ day of _____, 197____ by the undersigned persons constituting all of the members of the first Council of The Fairways at Brookside II.

W I T N E S S E T H:

1. Identification of the Property; Definitions.

A. This Code of Regulations (hereinafter called the "Regulations") shall relate solely to the Property called The Fairways at Brookside II located in Lower Macungie, Lehigh County, Pennsylvania, more fully described in the Declaration of Condominium and Declaration Plan recorded immediately prior to these Regulations in the office of the Recorder of Deeds of and for Lehigh County, Pennsylvania.

B. The definitions used herein shall be the same as those used in the Declaration of Condominium referred to in Section 1 of these Regulations unless otherwise defined herein.

2. Unit Owners (as a group).

A. Meetings of the Unit Owners

(1) Time and Location

(a) Annual Meetings. There shall be an annual meeting of the Unit Owners on the first Monday of May of each year at 8:00 P.M., or at such other date and time as the Council may determine but not more than one hundred fifty (150) nor less than ninety (90) days after the end of the Fairways at Brookside II's fiscal year, as specified in Section 2C hereof. Such meetings shall be held at whatever location the Council may deem convenient.

(b) Special Meetings. Special meetings may be called at any reasonable time and from time to time and shall be called if requested by a majority of the Council or if Unit Owners with at least Twenty-five per cent (25%) of the voting power shall send a written request to the Council to call such a meeting. The Council shall designate the date, time and location of all special meetings of the Unit Owners.

(2) Purpose and Business

(a) Annual Meetings. The Annual Meeting shall be called to elect the members of the Council unless such action is being taken pursuant to the provisions of Section 2A (6) hereof, and to conduct whatever other business may be required or permitted by law, the Declaration, these Regulations, or business to be done by a vote of the Unit Owners. The Council Treasurer shall present at each Annual Meeting a statement (prepared and certified by an independent certified public accountant) of the Common Expenses, itemizing receipts and expenditures, the allocation thereof to each Unit Owner, and any changes expected for the present fiscal year. Such statement shall be delivered to all Unit Owners not less than ten (10) days prior to the Annual Meeting.

(b) Special Meetings. Special meetings shall be called for the purpose of considering matters which shall be required or permitted by law, the Declaration, these Regulations, business to be done by a vote of the Unit Owners, or for any other reasonable purpose.

(3) Notice

(a) Delivery. The Secretary of the Council shall deliver to the Unit Owners any notice permitted or required by the Declaration or these Regulations by United States first class mail addressed to the Unit of each Unit Owner, or to such other address which the Unit Owner may from time to time specify in writing to the secretary. This delivery requirement shall be deemed to have been met when the notice has been duly deposited in the United States mail, postage prepaid. If there are co-owners of record of a Unit, notice shall be addressed to all of them, but need be sent only to their Unit or to one other address designated in writing by them in accordance with the provisions of this Section 2A (3) (a).

(b) Contents. Notice for the Annual Meeting of the Unit Owners and the Council and all special meetings of such bodies shall specify the date, time and location of the meeting, as well as the matters which will be the subject of discussion or vote at such meetings.

(c) Time. All notices for the Annual Meetings shall be mailed to the Unit Owners at least ten (10) days, but not more than twenty (20) days, prior to such meeting. Notices for special meetings shall be mailed to the Unit Owners at least fifteen (15) days, but not more than twenty-five (25) days, prior to such meeting. Notices for postponed meetings shall be mailed at least ten (10) days, but not more than fifteen (15) days prior to the date of the rescheduled meeting.

(4) Quorum

No official business may be transacted nor may any binding vote be taken at any meeting of the Unit Owners, either annual or special, unless a quorum of Unit Owners is present. A quorum for all meetings shall exist if there is present, in person or by proxy, Unit Owners together having more than fifty per cent (50%) of the voting power of the group which comprises the Unit Owners. If a quorum is not present at any meeting, the Unit Owners present may reschedule the meeting for a later date and shall give all Unit Owners notice thereof in accordance with the provisions of Section 2 A (3) hereof. If no quorum is present at such second meeting, the notice procedure shall be repeated if the Unit Owners present decide to call a third meeting. A quorum at such third meeting shall consist of whatever number of Unit Owners is present, whether or not their combined voting power exceeds fifty per cent (50%).

When a quorum is once present to organize a meeting it cannot be broken by the subsequent withdrawal of a Unit Owner or Unit Owners or his or their voting representatives.

(5) Voting

At any meeting of the Unit Owners, each Unit Owner (including the Declarant, so long as the Declarant continues to own at least one Unit, and the Council as a body if it shall at any time have exercised its right of first refusal set forth in Section 6 F hereof and shall not yet have transferred title to a new owner) shall have voting power equal to such Unit Owner's proportionate undivided interest in the Common Elements as set out in Section 6 B of the Declaration. Except as otherwise provided by law, the Declaration or these Regulations, acts of the Unit Owners shall require approval by majority vote at a meeting of the Unit Owners at which a quorum of Unit Owners is present in person or by proxy at the commencement of the meeting.

Any Unit Owner may attend all meetings of the Unit Owners, either in person or by proxy. Such proxy shall be in writing and be delivered to the Council at least one (1) day prior to the meeting for which the proxy has been given. The proxy may be revoked at any time by written notice to the Council, but no proxy shall endure for more than one meeting, and any postponements thereof, unless the proxy shall state some longer period of duration, which in any event shall not exceed eleven (11) months. Such proxy shall also become void when the Council has received written notice of the death or judicially declared incompetence of the grantor of such proxy or of the recording of the transfer of title to the Unit from the grantor of such proxy.

If there are co-owners of record of a Unit (whether by joint tenancy, tenancy in common, tenancy by the entireties, or otherwise), all of such co-owners may attend the meetings of the Unit Owners but their full voting power shall be exercised unanimously. Any proxy shall be signed by all such co-owners; provided, however, that if only one of such co-owners is present or represented by proxy, he or the holder of such proxy shall be accepted by the Unit Owners as the agent and attorney-in-fact for the other co-owners not present.

✕ Each Unit Owner may cumulate his votes for the election of the Council by giving to one candidate the product of the number of members of the Council to be elected multiplied by such Unit Owner's voting power, or he may distribute his votes on a similar basis to as many candidates as he thinks fit, in no case casting more votes than the product of his voting power multiplied by the number of Council Members to be elected.

(6) Actions of Unit Owners Without A Meeting

Any action required or permitted to be taken by a vote of the Unit Owners may be taken without a meeting by the written consent, stating the action so taken, of at least that number of Unit Owners whose voting power would otherwise have been sufficient to take the action if a meeting had been held.

B. Address of the Unit Owners and Council.

All notices and other communications to either the Unit Owners or the Council shall be addressed to such body at Macungie, Pennsylvania 18062 or to such other address as the Council may have designated by written notice to all of the Unit Owners.

C. Fiscal Year

The fiscal year of the Fairways at Brookside II Condominium shall be January 1 through December 31.

3. The Council.

A. Election, Qualifications, Number and Term

The Council shall consist of five (5) natural individuals, each of whom shall be at least eighteen (18) years of age and a resident of the Commonwealth of Pennsylvania. A person need not be a Unit Owner to qualify for membership in the Council. Part of the Council shall be elected by the Unit Owners each year at the Annual Meeting of the Unit Owners, except for the filling of vacancies as set forth in Section 3 D hereof. The first members of the Council shall be persons designated as such in the Declaration. The Initial Council shall serve until the first Annual Meeting of the Unit Owners. Subject to the provisions of Section 15 of the Declaration of Condominium, the Unit Owners shall at its first Annual Meeting elect five (5) members to the Council. The members of the Council, other than those serving on the Initial Council, shall be elected to two (2) year terms, except that two (2) of the Council members elected at the first Annual Meeting shall serve for only one (1) year. Council members shall serve until their respective successors are duly elected, or until their death, removal, or resignation. A Council member may serve an unlimited number of terms.

B. Meeting

Three (3) members of the Council shall comprise a quorum for the transaction of all business. A majority vote of the Council, a quorum being present, shall bind the Council for all purposes unless otherwise provided in the Declaration or these Regulations. The Council may hold meetings at any time and at any place reasonably convenient to the Unit Owners, who are hereby granted admission to all Council meetings where they shall have the right to be heard but not the right to vote. Council meetings may be held under such reasonable rules as the Council is hereby empowered to promulgate, but in any event such meetings shall be held at least once every two (2) months. Notice of such meetings (other than the Annual Meeting of the Council referred to herein below) shall be delivered as provided in Section 2 A (3) hereof by the Council Secretary at least ten (10) days, but not more than twenty (20) days prior to each meeting. Council meetings where a quorum is not present may be postponed, provided notice of the new meeting shall be delivered as provided in Section 2 A (3) hereof by the Council secretary at least two (2) days but not more than ten (10) days prior to each such meeting. Notice may be waived in writing, but no action of the Council shall be valid unless a quorum is present or unless the Council has acted without the formality of a meeting, which it may do by obtaining the written consent of

all Council members for any and all acts decided upon in such manner. The Council shall, furthermore, hold an annual meeting each year immediately following the Annual Meeting of the Unit Owners for the purpose of electing officers, as more fully set forth in Section 4 below, and for any other purpose deemed proper.

C. Resignations and Removals

Any member of the Council may resign from the Council at any time by written notice to the Council. Subject to the limitation hereinafter set forth, any member may be removed from the Council by the vote of more than seventy-five per cent (75%) of the voting power of the Unit Owners cast at a special meeting for which the notice shall contain the name of the member or members to be removed; provided, however, that if the entire Council is to be removed a simple majority vote at such special meeting shall be sufficient for such removal. Notwithstanding the immediately foregoing sentence, if a member of the Council who is also a Unit Owner shall cease being a Unit Owner, such member may be removed from the Council by the seventy-five (75%) per cent vote of the other Council members, which vote shall be held, if at all, at the first meeting of the Council following the Council's receipt of notice of such cessation of Unit Ownership.

D. Filling Vacancies

Any vacancy or vacancies on the Council, whether caused by resignation, removal, or an increase in the size of the Council, may be filled by the majority vote of the Unit Owners at any special meeting called for the purpose of filling such vacancy or vacancies. If the vacancy results from removal by the Unit Owners, the election of a new member or new members may be held at the same meeting where removal takes place and notice of removal shall be considered notice of an election to fill the vacancy or vacancies so caused. The vote of a majority of the Unit Owners shall cause the postponement of the election to a later date, but in no case shall a vacancy, caused by resignation or removal, remain unfilled for more than three (3) months.

4. Council Officers

A. Election

At the Annual Meeting of the Council the Council members shall, if a quorum is present, elect Council officers for the following year, such officers to serve for one (1) year. The officers to be elected are: President, Secretary, Treasurer, and such other officers as the Council or Unit Owners may from time to time find necessary. All officers shall be members of the Council and each officer may serve an unlimited number of terms so long as he is reelected to the Council. Any member may hold two (2) offices simultaneously, but the President shall not hold any other office.

B. Duties

(1) President. The President shall be the chief executive officer of both the Council and the Unit Owners. Subject to the control of those two bodies, he shall direct, supervise, coordinate and have general control over the affairs of the Unit Owners and Council. He shall preside at all meetings of either body unless he is absent, in which case the group shall elect another person to preside. He shall have all of the powers and duties generally and ordinarily attributable to a chief executive officer of a corporation domiciled in Pennsylvania, including signing checks and documents on behalf of the Council and Unit Owners.

(2) Secretary. The Secretary shall keep all records (or copies thereof if such documents must be recorded) of the Unit Owners and the Council and shall have the authority to affix the seal to any documents requiring such seal. He shall give all notices as required by law, the Declaration or these Regulations, shall take and keep minutes of all meetings of the Unit Owners and Council, shall keep at the Unit Owners' office a record of the names and addresses of all Unit Owners, as well as copies of the Declaration, these Regulations, Community Rules, floor plans of the Units and plans of the Property, all of which shall be available for inspection by Unit Owners or prospective Unit Owners by appointment. The Secretary shall, in general, perform all duties and have such powers as are ordinarily attributable to the Secretary of a corporation domiciled in Pennsylvania. The Council may appoint a temporary Secretary to replace the Secretary in case of his death, absence or inability or failure to act.

(3) Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Unit Owners, shall deposit all such funds in such depositories as the Council may direct, shall keep correct and complete accounts and records of all financial transactions of the Unit Owners and the Council and shall submit to the Council and the Unit Owners such reports thereof as the law, the Declaration, the Council, or these Regulations may from time to time require. Such records shall include, without limitation, chronological listings of all receipts and expenditures on account of the Common Elements and each Unit, the amount of each assessment for Common Expenses and non-Common Expenses assessable to individual Units, if any, and the amounts paid and the amounts due on such assessments. Such records shall specify and itemize the maintenance, repair, and replacement expenses relating to the Common Elements and any other expenses incurred by the Unit Owners' office and shall be available there for inspection by Unit Owners or prospective Unit Owners by appointment. The Treasurer shall perform such duties and have such powers as are ordinarily attributable to the Treasurer of a corporation domiciled in Pennsylvania. The Council may appoint a temporary Treasurer to replace the Treasurer in case of his death, absence, inability or failure to act.

(4) Vice-Presidents and Assistance Officers. Unless otherwise determined by a resolution of the Council, any Vice-President and any assistant officer shall have the powers and perform the duties of his respective superior officer, the President being any Vice-President's superior officer, the Secretary being any Assistant Secretary's superior officer and the Treasurer being any Assistant Treasurer's superior officer.

C. Compensation

The officers of the Council shall receive no compensation unless such is approved by the Unit Owners. If any compensation is given it shall be treated as a Common Expense of the Property. Appointment or election as an officer shall not carry with it an automatic contractual right to compensation.

D. Resignation and Removal

Any officer may resign at any time by written notice to the Council, such resignation to become effective at the next Council meeting. Any Council member who resigns or is removed as a Council member shall also be deemed to have resigned or been removed, ipso facto, from any Council office he may have held. Any officer may be removed from his office by a majority vote of the Council whenever in the best judgement of the Council members the interests of the Unit Owners will be best served thereby, or by vote of the Unit Owners in the same manner as set forth for the removal of Council members in Section 3 C hereof.

E. Filling Vacancies

Vacancies caused by resignation, removal or creation of new offices may be filled by a majority vote of the Council members if the vacancy resulted from action of the Council. If, however, the vacancy resulted from Unit Owner action, such vacancy shall be filled in the same manner as set forth in Section 3 D above for filling Council vacancies, except that in no case may an office remain vacant for more than six (6) weeks.

5. Powers and Authority of the Council

A. Powers

(1) Subject to any limitations set forth in the Act, the Declaration, or these Regulations, the Council shall, on behalf of the Unit Owners, manage the business, operation and affairs of the Property and for such purposes the Council shall have the power to engage employees, appoint agents and attorneys, define the duties and fix the compensation of such employees, agents and attorneys, enter into contracts and other written instruments or documents and authorize the execution, delivery and, if appropriate, the recording thereof by the Council officers. The Council shall have such incidental powers as may be appropriate to the performance of its duties set out below.

(2) As part of its power set out in Section 5 A (1) hereof, the Council may hire a person or persons (hereinafter called "Manager") to manage the Property. The Manager shall be subject to the Control of the Council and the Unit Owners at all times. The Council shall have the power to fix the Manager's compensation (such compensation to be assessed as a Common Expense) and to set forth the details of the Manager's powers and duties. Such delegation may (but need not) be sufficiently broad as to encompass the full range of powers and duties of the Council. Such delegation shall be revocable upon thirty (30) days' written notice to the Manager from the Council or the Unit Owners, but any other particular direction to the Manager from the Council or Unit Owners shall immediately be binding on the Manager. The Council shall not be liable for the Manager's wrongful exercise of any power or duty.

B. Duties

The duties of the Council shall include the following:

(1) Maintenance, repair and replacement of the Common Elements, and the making of improvements or additions thereto (all of which shall be carried on only as provided in these Regulations), as more fully set forth in Section 6A and 6E hereof;

(2) Assessment and collection of funds from Unit Owners for Common Expenses and the payment of such Common Expenses, as more fully set forth in Section 6B hereof;

(3) Promulgation, distribution and enforcement of community rules and regulations governing the details of the use and operation of the Property and the use of the Common Elements (hereinafter called "Community Rules and Regulations") subject to the right of the Unit Owners to change such rules and regulations;

(4) Any other duties which may be set forth from time to time in the Declaration or these Regulations.

6. Rights and Obligations of the Unit Owners

A. Common Expenses

(1) The Council, for the benefit of and on behalf of the Unit Owners, shall assess to each Unit Owner, in the manner set forth in Section 6B below, his share of the Common Expenses incurred for the following goods and services which the Council is hereby authorized to incur and to pay for out of the Common Expense fund resulting from payment to the Council of each Unit Owner's Common Expense assessment:

(a) Utility Services, if any, provided to any part of the Common Elements and, to the extent not separately metered and charged to the Units.

(b) Fire Insurance in an amount not less than the full replacement cost of the Condominium without deduction for depreciation, with an endorsement for extended coverage, payable to the Council on behalf of all Unit Owners, or such other fire and casualty insurance as the Council may decide provides equal or greater protection for the Unit Owners and their mortgagees, if any, which insurance shall include a separate loss payable endorsement in favor of the mortgagee or mortgagees of each Unit, if any. The scope and amount of coverage of all fire insurance policies shall be reviewed at least once each year by the Council and may be increased in its discretion in order to maintain coverage in the amount of the current full replacement cost of the Condominium, as hereinabove required.

(c) Comprehensive liability insurance policies, as more fully set forth in Section 8 hereof, insuring the Council, the Manager and the Unit Owners, in their capacity as Unit Owners, against any liability to the public or to the Unit Owners, their tenants or invitees, incidental to the ownership and/or use of the Property and any part thereof. Limits of Liability shall be at least Three Hundred Thousand Dollars (\$300,000.00) for any one person injured or killed in any single occurrence, at least One Million Dollars (\$1,000,000.00) 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 Council and may be increased in its discretion.

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

(e) Management fees, as more fully set forth in Section 5 A hereof, and salaries or fees for such other employees as the Manager or Council may deem necessary for the operation and maintenance of the Common Elements, whether such employees are directly employed by the Council or by the Manager.

(f) Legal and accounting fees necessary and proper for operation of the Common Elements or enforcement of the Declaration or these Regulations on behalf of the Unit Owners, or both.

(g) A fidelity bond or bonds naming as principals the Manager and such others as the Council may determine, and naming the Unit Owners as obligees. The amount of the bond for the first year of operation shall be at least twenty-five per cent (25%) of the estimated Common Expenses for the first year of operation and for all following years the amount thereof shall be at least twenty-five per cent (25%) of the actual Common Expenses collected from the Unit Owners during the prior year. The Council may, in its discretion, raise the amount of such bond to whatever level it deems necessary and proper.

(h) Painting, maintenance, repair, replacement, landscaping and furnishings for the Common Elements, as the Council may deem necessary and proper, as well as any materials, supplies, labor, services, structural alterations, insurance and tax assessments which the Council is required to secure or necessary and proper in its discretion.

(i) Mechanics' and Materialmen's liens arising as a result of repairs to or improvements to the Common Elements, if authorized in writing pursuant to a duly adopted resolution of the Council; provided, however, that until such liens are paid by the Council they shall be liens against each Unit in a percentage equal to the proportionate share of the Common Elements appertaining to such Unit.

(j) Any unpaid assessments which cannot be promptly collected from a prior Unit Owner whose Unit has been sold pursuant to the provisions of Section 6 D (2) or (3) hereof.

(2) The Council will not be responsible for real estate or other taxes as a Common Expense. Each Unit, including its appurtenant undivided interest in the Common Elements as stated in the Declaration, shall be assessed and taxes for all purposes as a separate parcel of real estate entirely independent of the Building or the Property of which the Unit is a part. Neither the Building or the Property nor any or all of the Common Elements shall be assessed or taxed separately after the Declaration and Declaration Plan are recorded, nor shall the same be subject to assessment or taxation except as part of the assessment and taxation of the Units including their appurtenant undivided interest in the Common Elements.

(3) Except as expressly provided by the Declaration, these Regulations, or pursuant to a resolution of the Unit Owners, the Council may not make capital expenditures from the Common Expense fund in amounts greater than One Thousand Dollars (\$1,000.00) nor make assessments for Common Expenses attributable to capital expenditures in excess of such amounts.

(4) To protect its right to collect unpaid assessments which are a charge against a Unit as provided in Section 6D (1) hereof, the Council may, on behalf of the Unit Owners, purchase the Unit at a sheriff's sale provided such action is authorized by a majority vote of the Council, and if it does so purchase, the Council shall thereafter have the power to sell, convey, mortgage or lease such Unit to any person whatsoever. Payment of such purchase price shall be from the Common Expense fund, and income from any such resale, conveyance, mortgage or lease shall be placed in the Common Expense fund for the benefit of the Unit Owners so that their assessments may be reduced by any profit arising out of such transaction. The defaulting Unit Owner shall be responsible for the costs (including reasonable attorney's fees) of such sheriff's sale.

(5) In the event that there are any common profits of the Property and the Council elects not to retain such profits in the Common Expense fund, such profits shall be distributed to the Unit Owners according to the percentage of undivided interest of each in the Common Elements as set forth in Section 6B of the Declaration.

B. Assessment for Common Expenses

(1) Within thirty (30) days prior to the expiration of The Fairways at Brookside II's fiscal year, the Council shall estimate the net charges for Common Expenses to be expended during the following fiscal year (including reasonable provisions for contingencies, replacements and such other reserves as may be called for by generally accepted accounting principles, less any expected income or any surplus from the prior year or years). Each Unit Owner shall be assessed that percentage of the estimated cash requirement for the next fiscal year as is represented by the undivided interest in the Common Elements which is part of his Unit as specified in Section 6B of the Declaration. Declarant shall be responsible for the expenses allocable to any Units uncompleted or unsold to first purchasers; provided, however, that when a first purchaser shall take title to such Unit, the annual assessment shall be prorated between Declarant and the new Unit Owner as of the date of settlement for such Unit. The assessment on any Unit, the title to which shall have been transferred, shall be prorated in all cases between the old and new Unit Owners as of the date of settlement for such Unit.

(2) If the cash requirement estimated at the beginning of any fiscal year shall prove to be insufficient to cover the actual Common Expenses for such fiscal year for any reason (including by way of illustration and not limitation, any Unit Owner's non-payment of his assessment), the Council shall at any time it deems necessary and proper, levy an additional assessment, against each Unit Owner in the same percentage as the original assessment, except that in the event such additional assessment is required because of the failure of one or more Unit Owners promptly to pay an assessment, the amount of the additional assessment shall be increased to compensate for the anticipated failure of such defaulting Unit Owner or Owners to pay its or their share of such additional assessment, unless otherwise agreed by the unanimous consent of the Unit Owners. In the event that an additional assessment is made because of the failure of one or more Unit Owners to pay the original assessment, and the Unit Owners shall subsequently receive the unpaid assessment from the defaulting Unit Owner, the amount of such receipt shall be deducted from future assessments of the Unit Owners who have paid such additional assessments.

(3) Each Owner shall pay the assessments levied hereunder either in one lump sum within ten (10) days after the amount of the assessment is made known to the Unit Owners, or in equal monthly installments as established by the Council, such installment payments to be made to the Council on or before the first day of each month unless another payment date is designated by the Council.

(4) All moneys collected hereunder shall be used for the purpose designated herein.

(5) If the Council shall fail to fix new assessments for the subsequent fiscal year before the expiration of any fiscal year, the Unit Owners shall continue to pay the same sums they were paying in the fiscal year just ended as if such sums were the new assessments, and such failure shall not constitute a waiver, modification or release of any Unit Owner's obligations. If the Council shall change the assessments at a later date, such new assessment shall be treated as if it were an additional assessment under Section 6 B (2) hereof. This Section 6 B (5) may be amended only by the unanimous consent of the members of the Unit Owners.

(6) No Unit Owner may exempt himself from liability with respect to the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by the abandonment of his Unit or otherwise.

C. Assessments for Unit Expenses

(1) Unit Repair by Unit Owner. It shall be the primary responsibility of each Unit Owner to keep his Unit, including interior surfaces, in good condition, clean and sanitary, by adequate maintenance, painting, repair and replacement (hereinafter collectively called "maintenance"). The cost of all material and labor of such maintenance shall be borne solely by the Unit Owner. In addition, each Unit Owner shall be responsible for maintenance of all lighting, heating, air conditioning, or plumbing equipment, and any dishwashers, refrigerators, hot water heaters, garbage disposals, stoves and other appliances which may be part of his Unit. No Unit Owner may do any work which would jeopardize the soundness or safety of the Property or impair any easement or hereditament without the unanimous consent of the Unit Owners. Any mechanics' or materialman's lien arising as a result of repairs to or improvements to a Unit by a Unit Owner shall be a lien only against such Unit.

(2) Unit Repair by the Council

(a) If the maintenance required in Section 6 C (1) hereof shall not have been done by the Unit Owner responsible for such maintenance, and if the Council shall decide that such maintenance is reasonably necessary in its discretion for protection of the Common Elements or to preserve the appearance and value of the Property, the Council shall give such Unit Owner written notice thereof, and if the Unit Owner shall not have completed such maintenance promptly after delivery of such notice, the Council may enter the affected Unit and perform such maintenance and pay for it from the Common Expense fund.

(b) The Council shall have an easement to enter any Unit to maintain, repair or replace the Common Elements as well as to make repairs to Units if such repairs are reasonably necessary for public safety, to prevent damage to other Units or to the Common Elements, or under the discretionary powers granted in this Section. Any entry hereunder shall be made with as little inconvenience as possible to the Unit Owner and, except in emergencies, by pre-arrangement with such Unit Owner. Any damage caused thereby shall be repaired by the Council immediately and the cost of repairs shall be paid from the Common Expense fund.

(3) Special Assessments. If the Council shall have made any expenditures on behalf of any Unit Owner under Section 6 C (2) the Council shall levy such expenditures as a special assessment upon the particular Unit Owner so benefitted. Such special assessment shall be levied within thirty (30) days after the work is completed and the debt arising from such special assessment shall be treated for all purposes in the same manner as a regular monthly assessment which shall be due and payable at the same time as the regular monthly assessment next occurring after the date of such levy (whether or not such Unit Owner is paying his share of the Common Expenses in monthly installments).

D. Defaults in Payment of Assessments

(1) **Personal Debt Reducible to Judgment.** All sums assessed by the Council against any Unit Owner as a regular or special assessment shall constitute the personal liability of the Owner of the Unit so assessed and shall, until fully paid, together with interest thereon at 6% interest or whatever higher rate is permitted by the Unit Property Act, from the thirtieth (30) day following adoption of the resolution fixing such assessment, constitute a charge against such Unit which shall be enforceable by suit in assumpsit against such defaulting Unit Owner by the Council acting on behalf of the Unit Owner. Each such suit when filed shall refer to the Act and to the Unit against which the assessment is made and the Owner thereof and shall be indexed by the prothonotary as *lis pendens*. Any judgment against a Unit and its Owner shall be enforceable in the same manner as otherwise provided by law.

(2) Unpaid Assessments upon 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 such Unit, the Council may give notice in writing to the sheriff of any unpaid assessments for Common Expenses which are a charge against the Unit but have not been reduced to liens pursuant to Section 703 of the Act, and the sheriff shall pay the assessments of which he has such notice out of any 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, but prior to any distribution of the balance to the former Unit Owner against whom the execution is issued. The purchaser at such sheriff's sale and the Unit involved shall not be liable for unpaid assessments for Common Expenses which become due prior to the sheriff's sale of the Unit. Any such unpaid assessments which cannot be promptly collected from the former Unit Owner may be reassessed by the Council as a Common Expense to be collected from all of the Unit Owners, including the purchaser who acquired 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 Council may, on behalf of the Unit Owners, purchase the Unit at sheriff's sale if authorized by a majority of the members of the Council, and if it does so purchase, the Council shall thereafter have the power to sell, convey, mortgage or lease such Unit to any person whatsoever.

(3) **Unpaid Assessments Upon Voluntary Sale of a Unit.** Notwithstanding the provisions of Section 6 B (1) hereof, upon the voluntary sale or conveyance of a Unit, the grantee thereof shall be jointly and severally liable with the grantor thereof for all unpaid assessments for Common Expenses which are a charge against the Unit as of the date of the sale or conveyance but such joint and several liability shall be without prejudice to such grantee's right to recover from such grantor the amount of any such unpaid assessments which such grantee may pay, and until any such assessments are paid, they shall continue to be a charge against the Unit which may be enforced in the manner set forth in Section 703 of the Act. Any person who shall have entered into a written agreement to purchase a Unit shall be entitled to obtain from the Treasurer of the Council a written statement of the amount of unpaid assessments charged against the Unit and if such statement is not correct as of the date it is rendered, neither the purchaser nor the Unit shall be liable for the payment of more than the unpaid assessments shown thereon. Any such excess which cannot be promptly collected from the former Unit Owner may be reassessed by the Council as a Common Expense to be collected from all of the Unit Owners, including the purchaser, his successors and assigns.

E. Repair or Reconstruction; Eminent Domain

Except as otherwise provided by law or herein, damage to or destruction of the Buildings shall be promptly repaired and restored by the Council using the proceeds of insurance held by the Council for that purpose, and the Unit Owners directly affected thereby shall be liable for assessment for any deficiency in proportion to their respective undivided ownership of the Common Elements. The Council shall be responsible for accomplishing the full repair or reconstruction which shall be paid out of the Common Expense fund and assessed as above provided. Unit Owners may apply the proceeds from their individual fire insurance policies, if any, to the share of such Common Expense as may be assessed to them. The Council shall be responsible for restoring the Property only to substantially the same condition as it was immediately prior to the damage, and each Unit Owner shall personally assume the additional expense of any improvements to his Unit if he desires to restore it beyond such condition. If any changes are made in the basic construction of the restored Unit, the Council shall record an amended Declaration Plan encompassing such changes.

However, if

(1) There is substantially total destruction of the Buildings the existence of which condition shall be conclusively determined by an unanimous vote of the Council members rendered within thirty (30) days after the damage; or

(2) Seventy-five per cent (75%) of the Unit Owners directly affected thereby duly resolve, within sixty (60) days after receipt of at least three (3) contractors' bids and final insurance adjustment, not to proceed with repair or restoration, and the proceeds of said policy is sufficient to retire all liens on effected units then, and in those events only, the salvage value of the Property shall be subject to partition at the suit of any Unit Owner directly affected thereby, in which event the net proceeds of sale, together with the net proceeds of insurance policies held by the Council, shall be considered as one fund and shall be divided among all the Unit Owners directly affected thereby in proportion to their respective undivided ownership of the Common Elements, after discharging, out of the respective shares of Unit Owners directly affected thereby, to the extent sufficient for the purpose, all liens against the Units of such Unit Owners.

For purpose of this Section only, the term "Unit Owners directly affected thereby" shall mean all Unit Owners.

A taking of, injury to, or destruction of part or all of the Property by eminent domain shall be considered to be included in the term "damage or destruction" for purposes of this Section and the proceeds of the eminent domain taking shall be treated in the same manner as insurance proceeds. Whenever all or part of the Common Elements shall be taken, injured or destroyed by eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, but in any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein.

F. Right of First Refusal

(1) In General. If any Unit Owner other than the Declarant wishes to sell or lease his Unit, and shall have received a bona fide offer therefor from a prospective purchaser or tenant, the Unit Owners shall be given written notice thereof, together with an executed copy of such offer and the terms thereof. Such notice and copy shall be given to the Council for the Unit Owners. The Unit Owners, through the Council, shall have the right to purchase or lease such Unit upon the same terms and conditions as set forth in the offer therefor, provided written notice of such election to purchase or lease is given to the selling or leasing Unit Owner and a matching down payment or deposit (if such is required by the terms of such offer) is provided to the selling or leasing Unit Owner during the twenty-one (21) day period immediately following the delivery of the notice of the bona fide offer and copy thereof to the Unit Owners.

If any Unit Owner other than the Declarant attempts to sell or lease his Unit without giving the Unit Owners the right of first refusal as herein provided, such sale or lease shall be void and shall confer no title or interest whatsoever upon the intended purchaser or lessee.

The subleasing of any Unit shall be subject to the same limitations as are applicable to the leasing thereof. The liability of the Unit Owner under law, the Declaration, these Regulations and any Community Rules and Regulations, shall continue during any tenancy or subtenancy created hereunder.

In no case shall the right of first refusal reserved herein affect the right of a Unit Owner to subject his Unit to trust deed, mortgage or other security instrument.

The failure of or refusal by the Council to exercise the right to so purchase or lease shall not constitute a waiver of such right under any subsequent bona fide offer to buy or lease.

(2) Mortgages Not Affected by Right of First Refusal. If any Unit Owner shall default under a purchase money first mortgage made in good faith and for value secured upon his Unit, which default shall entitle the holder thereof to foreclose such mortgage, any sale under such foreclosure, including delivery of a deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of Section 6 F (1) hereof, and the purchaser (or grantee under such deed in lieu of foreclosure) of such Unit shall be thereupon and thereafter subject to the provisions of the Declaration, these Regulations and any Community Rules and Regulations. If such first mortgagee or his nominee is the purchaser at such foreclosure sale (or grantee under the deed in lieu of such foreclosure), the same mortgagee or nominee may thereafter sell and convey such Unit free and clear of the restrictions of Section 6 F (1) hereof, but its grantee shall be subject to all of the provisions thereof.

The transfer of the interest of a deceased joint tenant or tenant by the entireties of a Unit to the surviving joint tenant or the surviving joint tenant or tenants or the surviving tenant by the entireties, or the transfer of a decedent's interest in a Unit to a devisee by will or to his heirs at law under the intestacy laws, shall not be subject to the provisions of Section 6 F (1) hereof.

If a Unit Owner can prove to the Council's satisfaction that a proposed transfer is neither a sale nor lease, then such transfer shall not be subject to the provisions of Section 6 F (1) hereof.

(3) Certificate of Satisfaction of Right of First Refusal. Upon written request of any prospective transferee, purchaser, tenant, or an existing or prospective mortgagee of any Unit, the Council shall immediately, or, if any time period is stated, at the end of such time period, issue an acknowledged certificate in recordable form, which certificate shall be conclusive evidence of the facts contained therein, evidencing that:

(a) With respect to a proposed lease or sale under Section 6 F (1) hereof, proper notice was or was not given by the selling or leasing Unit Owner and that the Unit Owners did or did not elect to exercise its option to purchase or lease;

(b) With respect to a deed to a first mortgagee or its nominee in lieu of foreclosure, and a deed from such first mortgagee or its nominee, pursuant to Section 6 F (2) hereof, such deeds were or were not in fact given in lieu of foreclosure and are or are not subject to the provisions of Section 6 F (1) hereof.

G. Council and Manager Not Responsible for Theft

Neither the Council nor any Manager shall be responsible to any Unit Owner for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants or guests. Work done by the Council to fix any damage to the Common Elements resulting from theft in or damage to a particular Unit shall be charged as a Common Expense to the Unit Owners.

H. No Structural Changes by Owner

After the original construction of a Unit Owner's Unit, the Owner thereof shall not make any structural change in or to his Unit or redecorate any portion of the exterior of the buildings or any portion of the Common Elements without the prior written permission of the Council.

No Unit Owner shall do any work which would jeopardize the soundness or safety of the Property or impair any easement or hereditament without the unanimous consent of all the Unit Owners.

1. Enforcement

Each Unit Owner shall comply with the provisions of the Declaration, these Regulations, and the Community Rules and Regulations, as the same may be lawfully amended from time to time, with the covenants, conditions and restrictions set forth in the Declaration, the Declaration Plan or the Deed to his Unit and with such decisions as may be rendered pursuant to such documents. Failure to comply shall be grounds for an action for the recovery of damages or for injunctive relief, or both, maintainable by any member of the Council on behalf of the Unit Owners, or, in a proper case, by an aggrieved Unit Owner or by any person who holds a mortgage lien upon a Unit and is an aggrieved party as a result of such non-compliance.

7. Non-Liability of Management

A. Limitation of Council's Liability

The Council shall not be liable for the failure of any service to be obtained and paid for by the Council hereunder, or for injury or damage to persons or property caused by the elements or by another Unit Owner or person on the Property, resulting from electricity, water, rain, dust or sand which may leak or flow from the outside or from any parts of any Building or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless caused by gross negligency of the Council. No diminution or abatement of Common Expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements to the Common Elements or required by any law, ordinance or order of any governmental authority.

B. Indemnification of Council Members

Each member of the Council shall be indemnified by the Unit Owners against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceedings in which he may become involved by reason of his being or having been a member of the Council, or any settlement thereof, whether or not he is a Council member at the time such expenses are incurred, except in such cases wherein the Council member is adjudged guilty of willful misbehavior in the performance of his duties; provided that, in the event of a settlement, the indemnification shall apply only if and when the Council (with the affected member abstaining) approves such settlement and reimbursement as being in the best interest of the Unit Owners.

8. Insurance

The Council shall maintain at all times insurance of the type, containing the clauses, and in at least the amounts provided in Section 6 A (1) hereof, including insurance for such risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design and use. Such insurance shall be covered by the following provisions:

A. All policies shall be written with a company licensed to do business in the Commonwealth of Pennsylvania and holding a rating of "AAA" or better by Best's Insurance Reports;

B. Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Council or its authorized representative;

C. In no event shall the insurance coverage obtained and maintained by the Council hereunder be brought into contribution with insurance purchased by individual Unit Owners or their mortgagees;

D. Each Unit Owner may obtain additional insurance at his own expense; provided, however, that no Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Council, on behalf of the Unit Owners, may realize under any insurance policy which the Council may have in force on the Property at any particular time;

E. Each Unit Owner shall be required to notify the Council of all improvements made by him to his Unit, the value of which is in excess of One Thousand Dollars (\$1,000.00).

F. Any Unit Owner who obtains individual insurance policies covering any portion of the Property other than personal property belonging to such Owner shall be required to file a copy of such individual policy or policies with the Council within thirty (30) days after purchase of such insurance;

G. The Council shall be required to make every effort to secure insurance policies that will provide for the following:

(1) A waiver of subrogation by the insurer as to any claims against the Council, the Manager, the Unit Owners and their respective servants, agents, and guests;

(2) That the Unit Owners' insurance policies covering the Property cannot be cancelled, invalidated or suspended on account of the conduct of any one or more Unit Owners and in no event can cancellation, invalidation or suspension for any reason be effected without at least ten (10) days' prior written notice to each Unit Owner;

(3) That all policies covering the Property cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Council or Manager without a prior demand in writing that the Council or Manager without a prior demand in writing that the Council or Manager cure the defect and a reasonable period of time thereafter in which to cure the same;

(4) That any "no other insurance" clause in the Unit Owners' insurance policies exclude individual Unit Owners' policies from consideration;

H. The annual insurance review which the Council is required to conduct, as provided in Sections 6 A (1) and (2) above, shall include an appraisal of the improvements in the Project by a representative of the insurance carrier or carriers writing the Unit Owners' policies.

9. Miscellaneous.

A. Audits

Any Unit Owner may at any time, at his own expense, cause an audit or inspection to be made of the books and records of the Manager and the Council. The Council, as part of the Common Expenses, shall obtain a statement of all books and records pertaining to the Property at least once per fiscal year and furnish copies thereof to the Unit Owners.

B. Failure of Council or Manager to Insist upon Strict Performance is No Waiver.

The failure of the Council or Manager to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of the Declaration, these Regulations or the Community Rules and Regulations, or to exercise any right or option herein or therein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition, restriction, option or right shall remain in full force and effect. The receipt by the Council or Manager of any payment of assessment from any Unit Owner, with knowledge of the breach of any covenant hereof or thereof shall not be deemed a waiver of such breach and no waiver by the Council or Manager of any provision hereof or thereof shall be deemed to have been made unless expressed in writing and signed by the Council or Manager, as the case may be.

C. Interpretation

The provisions of these Regulations shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a condominium project. The Table of Contents, if any, and the headings preceding the various paragraphs of these Regulations are intended solely for the convenience of the readers thereof and shall not be deemed relevant in the construction of this instrument.

D. Personal Property

The Council or Manager may acquire and hold, for the benefit of the Unit Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in such personal property or proceeds from the sale thereof shall be in the Unit Owners and shall be deemed part of the Common Elements.

Within thirty (30) days following the recording of the Declaration, Declarant shall execute and deliver to the Council a bill of sale on behalf of all the Unit Owners, transferring to the Council, for the benefit of the Unit Owners, all personal property on the Property which Declarant has furnished and which is intended for the common use and enjoyment of the Unit Owners.

E. No Partition

There shall be no judicial partition to the Property or any part thereof, until the happening of the conditions set forth in Section 6 E hereof concerning damage to or destruction of the Property or unless the Property has been removed from the provisions of the Act as provided in Section 601 thereof; provided, however, that if any Unit shall be owned by two or more co-tenants, nothing herein contained shall prevent a judicial partition as between such co-tenants, but such partition shall not affect any other Unit.

F. How Consent Is Given

Whenever the Declaration, these Regulations, or the Community Rules and Regulations shall require written permission of the Council, such permission shall consist of a written statement setting forth the action or activity for which such permission is granted, signed by at least one Council member who shall have been authorized to sign such permission by the vote of the Council either at a meeting or without the formality of a meeting as set forth in Section 3 B hereof.

Written permission of the Unit Owners shall consist of a similar written statement signed by the Secretary of the Council who shall have been authorized to give such permission by such vote of the Unit Owners as may be required to allow the requested action or activity either at a meeting or without the formality of a meeting pursuant to Section 2 A (6) hereof. Whether resulting from a meeting or not, the giving of such permission by the Council or Unit Owners and the action or activity for which permission is granted shall be noted by the Secretary in the records of the Council or Unit Owners, as the case may be, according to which body granted such permission.

G. Amendment

Except as otherwise provided herein, the provisions of these Regulations may be amended by an instrument in writing signed and acknowledged by Unit Owners of record holding eighty per cent (80%) of the total voting power in the Unit Owners, which amendment shall be effective upon its recording.

H. Severability

The provisions hereof shall be deemed independent and severable, and the invalidity of partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof unless such deletion shall destroy the uniform plan for development and operation of the condominium project which these Regulations are intended to create.

1. Effective Date

These Regulations shall take effect upon recording.

IN WITNESS WHEREOF, the undersigned, constituting all the members of the first Council, have executed this instrument in such capacity the day and year first above written.

ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA :

: ss.

COUNTY OF LEHIGH :

On this the _____ day of _____
197____ before me, _____ the under-
signed officer, personally appeared

known to me to be the persons whose names are subscribed to the Code of Regula-
tions, and acknowledged that they executed the same for the purposes therein
contained.

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

Notary Public.

THE FAIRWAYS AT BROOKSIDE II

COMMUNITY RULES AND REGULATIONS

Note: Unless otherwise stated, all terms used herein shall be ascribed the meanings given to such terms in the Declaration or Code of Regulations.

1. The walkways in front of the Buildings, other than the walkways providing ingress to and egress from a single Unit shall not be obstructed or used for any purpose other than pedestrian traffic.
2. No exterior of any Unit shall be decorated by any Unit Owner in any manner without prior written consent of the Council or Manager (hereinafter referred to as "Management").
3. No article shall be hung from the doors or windows or placed upon the exterior window sills of the Unit.
4. No bicycles, scooters, baby carriages or similar vehicles or toys or other personal articles shall be allowed to stand unattended in any part of the Common Elements.
5. No Unit Owner shall make or permit any noises that will unreasonably disturb or annoy the occupants of any of the other Units or do or permit anything to be done which will unreasonably interfere with the rights, comfort or convenience of the other Unit Owners.
6. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.
7. No awnings, window guards, window boxes, ventilators, fans or air conditioning devices shall be used in or about the Buildings except such as shall have been approved by Management.
8. No sign, notice, advertisements, flag, banner or the like shall be inscribed or exposed on or at any window or other part of any Buildings, except such as shall have been approved in writing by Management, nor shall anything be projected out of any window in the Units without similar approval.
9. All refuse and garbage not disposed of in garbage disposal units shall be deposited with care in containers provided for such purpose and only at such times and in such manner as Management may direct. Burning of trash or refuse is prohibited. All garbage disposal units shall be used only in accordance with instructions given to the Unit Owners by Management. Wet garbage shall be deposited in the Unit Owner's garbage disposal unit rather than in the garbage containers whenever possible.
10. No Unit Owner shall send any employee of Management away from the Property on any private business of the Unit Owner.
11. Water-closets and other water apparatus in the Buildings shall not be used for any purpose other than that for which they were constructed nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water-closet or other apparatus shall be paid for by the Unit Owner of the Unit where the misuse occurred.
12. No bird or animal shall be kept or harbored on the Property unless the same in each instance is expressly permitted in writing by Management. In No event shall dogs be permitted in any of the Public portions of the Property unless carried or on leash. Each Unit Owner keeping or harboring any bird or animal on the Property shall indemnify Management and hold it harmless against any loss or liability of any kind whatsoever arising from or growing out of having such bird or animal on the Property. If a dog or other animal becomes obnoxious to other Unit Owners by barking or otherwise, the owner thereof shall cause the problem to be corrected or if it is not corrected,

such owner, upon written notice by the Management, will be required to dispose of the animal or take such other steps as the Management may direct.

13. No radio or television aerial shall be attached to or hung from the exterior of any Unit without prior written approval of Management.
14. The agents of Management, and any contractor or workman authorized by Management, may enter any Unit, patio or parking area at any reasonable hour of the day for any purpose permitted under the terms of the Declaration or Code of Regulations; provided, however, that except in case of emergency, entry will be made by prearrangement with the Unit Owner.
15. Management may retain a passkey to each Unit. No Unit Owner shall alter any lock or install a new lock on any door leading into his Unit without the prior consent of Management. If such consent is given, the Unit Owner shall provide management with a key for Management's use.
16. Vehicles shall be parked only in areas provided for that purpose. No campers, trailers, boats, or similar articles shall be permitted in the parking areas. The Unit Owners, their employees, servants, agents, visitors, licensees and the Unit Owner's family will obey any traffic regulations promulgated in the future for the safety, comfort and convenience of the Unit Owner.
17. Except as needed to prevent an accident, no Unit Owner shall cause or permit the blowing of any horn from any vehicle of which his guests or family shall be occupants, approaching or upon any of the driveways or parking areas serving the Property.
18. All damage to the Units caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.
19. No Unit Owner shall use or permit to be brought into any Unit any inflammable oil or fluid, such as gasoline, kerosene, naphtha or benzine, or explosives, fireworks or articles deemed extrahazardous to life, limb or property, without in each case obtaining the prior written consent of Management.
20. Unit Owners shall not be allowed to put their names on any entry of the Units except in the places provided by Management for such purpose.
21. All Unit Owners shall close all windows when necessary, to avoid possible damage from storm, rain or freezing.
22. A Unit Owner shall not plant, place, prune, or remove trees or shrubs within any portion of the yard area without first obtaining written permission from Management.
23. No contractor or workman employed by a Unit Owner shall be permitted to do any work in any Unit (except for emergency repairs) between the hours of 6:00 P.M. and 8:00 A.M. or on Saturdays, Sundays or legal holidays if such work is likely to disturb the occupants of any other Unit, without the prior written permission of the Management.
24. Any damage to any portion of the Property caused by minor children of Unit Owners or their guests shall be repaired at the expense of such Unit Owners.
25. Parents shall be held responsible for the actions of their minor children and their guests.
26. Complaints regarding the Management of the Property or regarding actions of other Unit Owners shall be made in writing to Management.
27. Any consent or approval given under these Community Rules and Regulations by Management shall be revocable at any time.

Dated: _____

THE FAIRWAYS AT BROOKSIDE II

MANAGEMENT AGREEMENT

AGREEMENT dated _____ 197____ between the
Council of THE FAIRWAYS AT BROOKSIDE II and _____

(Managing Agent).

G & W Developers has submitted the property owned by it in fee simple on Brookside Road, Lower Macungie, Pennsylvania (as more fully described in Exhibit "A" attached to the Declaration of Condominium), to the Unit Property Act of Pennsylvania by recording a Declaration of Condominium, a Code of Regulations and a Declaration Plan.

The parties hereto, hereby enter into an agreement pursuant to the Section 5 of Code of Regulations which authorizes the Council to employ a managing agent to perform such duties and services as the Council shall direct.

The Council and the Managing Agent each intending to be legally bound agree as follows:

1. The Council employs Managing Agent as the exclusive managing agent of the Property for a fee of \$_____ per annum, payable in equal monthly installments, on the first day of each and every month during the term hereof.

2. The Managing Agent shall perform the following services:

- (a) Hire, pay and supervise all persons whose services are necessary, to maintain and operate the Property.
- (b) Operate and maintain the common Elements in good condition, including but not limited to repairs, alterations, restoration and improvements. Repairs or alterations, involving an expenditure of over \$1,000.00 for any one item, shall not be the responsibility of the Managing Agent.
- (c) Enter into contracts for all Building Services approved by the Council.
- (d) Purchase to the extent obtainable, in such amounts and through such brokers as the Council may designate in writing, such insurance as is required under the Code of Regulations and such other insurance as the Council may deem necessary or advisable.
- (e) File all bills received for services, work, supplies and equipment ordered in connection with maintaining and operating the Common Elements, pay all such bills, and all utility charges and sewer rents levied in respect to the Property, as they become due and payable.
- (f) Pay the assessments for Common Expenses and the real estate taxes, municipal claims and charges assessed against, and any other charges and expenses relating to, any Unit while the Council is the owner thereof.
- (g) Bill and use his best efforts to collect from Unit Owners the assessments for Common Expenses as determined by the Council, and bill and use his efforts to collect the rent and other charges payable by tenants of Units from time to time owned by the Council. Distribute or apply any Common Profits as determined by the Council.

- (h) Render monthly statements of all receipts and disbursements to the Council not later than the 15th day after the close of the preceding month. Keep books of account in accordance with generally accepted accounting practices reflecting all receipts and disbursements in the performance of his duties hereunder, which shall be open to inspection by the Council or its designees at all reasonable times.
- (i) Prepare and submit annually to the Council an operating budget setting forth the anticipated income and expenses for the ensuing year; notify Unit Owners of monthly and all other assessments of Common Expenses promptly as determined by the Council.
- (j) Prepare and send out all notices of meetings of the Council and of the Unit Owners and such other letters and reports as the Council may request.

3. The Council authorizes the Managing Agent to perform any act necessary or desirable to carry out his duties hereunder, and every act shall be performed by the Managing Agent, as agent of the Council: all obligations or expenses incurred thereby shall be for the account, on behalf and at the expense of the Council.

All purchases or commitments made or other transactions entered into with third parties by the Managing Agent for the Council shall be in writing and shall state that the Managing Agent is acting as agent for the Unit Owners and that any liability thereunder or in respect of the subject matter thereof shall be borne by those who are Unit Owners at the time such liability may be assessed by the Council as a Common Expense pursuant of the Code of Regulations and that each Unit Owner shall be liable for such assessments only severally to the extent of his Proportionate Interest as therein provided, and that neither the Managing Agent nor the Council shall be liable or responsible with respect to any such commitment or purchase or other transaction.

4. All funds collected by the Managing Agent for the account of the Council shall be deposited in an account titled THE FAIRWAYS AT BROOKSIDE II in a bank or trust company selected by the Council having an office in Lehigh County, Pennsylvania.

5. The Managing Agent shall not be liable to the Council for any loss or damage not caused by the Managing Agent's own negligence or willful misconduct. The Council will indemnify and hold harmless the Managing Agent from any liability not caused by his negligence or willful misconduct, for damages, penalties, costs, and expenses (a) for injury to any persons or property in, about and in connection with the Property; and (b) for all acts performed by the Managing Agent pursuant to this Agreement or any other written instructions of the Council. The Council will cause the policies evidencing liability insurance carried by the Council to include the Managing Agent as a named insured.

6. The term of this Agreement shall be for one (1) year from the date of its beginning. The Agreement shall automatically renew on a month to month basis, unless or until either party hereto gives at least 90 days notice by registered mail to the other party at the address listed in Section 8 hereof of its intent to terminate or change the conditions of this Agreement.

7. The Council and the undersigned officers are acting only as agents for the Unit Owners, and they shall have no personal liability hereunder, (except to the extent, if any, that they may also be Unit Owners at the time any such liability is assessed as described below.) Any claim by the Managing Agent in respect to this Agreement or the subject matter thereof shall be asserted against the Council which shall act on behalf of the Unit Owners in respect thereto.

8. Notices hereunder may be given by registered or certified mail, postpaid, addressed to the Council, c/o The Fairways at Brookside II, Macungie Township, Pennsylvania and to the Managing Agent, c/o _____ or to such other address as either party may by like notice from time to time designate.

THE FAIRWAYS AT BROOKSIDE II COUNCIL

THE FAIRWAYS AT BROOKSIDE II COUNCIL

THE FAIRWAYS AT BROOKSIDE II

Macungie, Pennsylvania 18062

OWNER'S MANUAL

WELCOME TO THE FAIRWAYS AT BROOKSIDE II

If you have any questions or problems, please call the Managing Agent at 967-5452. He is your employee and anxious to be of service. He has a professionally trained staff who are available to help you. The Managing Agent will also serve as liason between G & W DEVELOPERS (Seller) and all of the Unit Owners, and if necessary, between Unit Owners.

We are pleased to inform you that you are covered by two separate warranties:

A one year warranty on your apartment, entitling you to the repair or replacement of any defective material, appliance, or general work within your apartment.

A two year warranty on the Common Elements of The Fairways at Brookside II. This protects you against defective work or repairs in such areas as the driveway, walkways, sanitary sewer system, water lines, drainage system, etc.

Should any problems arise concerning these matters, kindly contact your Managing Agent, and he will make an inspection and decide upon the proper party to call on for the solution.

You are responsible for the repair and maintenance of the interior of your apartment. This includes, without limitation, painting, decorating, rug cleaning, and the repair or replacement of plumbing fixtures and piping, electrical circuits, windows, locks, etc.

However, while the Biron Corporation (the General Contractor) is still completing construction, it will be pleased as a courtesy, to assist you in making any minor repairs which ordinarily would be your sole responsibility. Kindly understand that these services are offered only as an accommodation to you, and that this offer may be withdrawn at any time.

ELECTRICAL

You will be pleased to learn that there are no fuses in any Fairways at Brookside II Apartments. All electrical circuits are powered by breakers located in the Utility Closet. When an individual circuit becomes overloaded, the breaker switch will snap to "off" position. Try to locate and remove the cause of the overload, then push the circuit switch back to "on".

BEST WISHES FOR A HAPPY LIFE AT THE FAIRWAYS AT BROOKSIDE II