

CONDOMINIUM DECLARATION

HARBOR RIDGE TOWN HOME CONDOMINIUM

THIS DECLARATION is made on _____, 2000, by WOODBERRY DEVELOPMENT, INC., a Pennsylvania corporation, 4720 Wattsburg Road, Erie, Pennsylvania 16504 ("Declarant"), which owns land in Harborcreek Township, Erie County, Pennsylvania, described in the Recorder of Deeds of Erie County Record Book _____ at Page _____. The Declarant wishes to create a condominium for residential ownership and use, on a portion of the land, in accordance with the Uniform Condominium Act as enacted in the Commonwealth of Pennsylvania as Act No. 82 of July 2, 1980, P.L. 286; 68 Pa. C.S.A. §§3101, et seq. ("the Act").

NOW, THEREFORE, intending to be legally bound hereby, the Declarant creates a flexible condominium ("Condominium") pursuant to the Act.

1. Definitions. The words and phrases used in this Declaration and its related documents, the Bylaws, Rules and Regulations, the Public Offering Statement, the Unit Purchase Contract, and the Deed, are derived from the Act and shall have the meanings given to them in the Act unless specifically provided otherwise or unless the context clearly indicates otherwise.

- (a) Additional Real Estate: the real estate described in Exhibit B attached, so long as the Declarant has the right to add such real estate to the Condominium.
- (b) Additional Unit: a Unit added to the Condominium by the Declarant exercising an option reserved in this Declaration.
- (c) Association: the Unit Owners' association of the Condominium which shall be known as Harbor Ridge Town Home Condominium Association.
- (d) Planned Unit Development Association: the Unit Owners' association of the Planned Unit Development which shall be known as Harbor Ridge Golf Community Homeowners Association.
- (e) Budget: the estimate of the Common Expenses prepared annually by the Executive Board of the Association.
- (f) Building: any building included on the Property.
- (g) Bylaws: the bylaws regulating the conduct of business of the Association.

- (h) Common Elements: all portions of the Condominium other than the Units and the Limited Common Elements allocated to a specific Unit.

- (i) Common Expenses: the expenses incurred by the Association with respect to its operation and those of the Common Elements, together with any allocations to reserves.
- (j) Limited Common Elements: a portion of the Common Elements allocated by or pursuant to this Declaration or the Act for the exclusive use of one or more, but fewer than all, of the Units.
- (k) Limited Common Expenses: any Common Expenses associated with the maintenance, repair or replacement of a Limited Common Element.
- (l) Permitted Mortgage: any mortgage or lien approved by the Executive Board of the Association.
- (m) Plat and Plans: the Plat and Plans attached hereto as Exhibit C and made part hereof, as the same may be amended from time to time.
- (n) Property: the real estate described in this Declaration plus any Additional Real Estate that is added to the Condominium.
- (o) Rules and Regulations: the written rules of the Executive Board adopted for the benefit of the Association and the Unit Owners.
- (p) Shared Common Elements: the swimming pool, tennis courts and clubhouse and green area which will be part of Harbor Ridge Golf Community and used by the owners of the single-family home units, patio home units and condominium units.
- (q) Unit: that portion of the Condominium designated for separate ownership and identified in this Declaration.
- (r) Unit Owner: the person to whom a Unit has been conveyed, and any person having an interest in the Unit solely as security for an obligation owed.

2. Name. The name of the Condominium is Harbor Ridge Town Home Condominium.

3. Location. The Condominium is situated in Harborcreek Township, Erie County, Pennsylvania.

4. Description.

- (a) The Property of the Condominium is described in Exhibit A attached.

(b) The identifying number of each Unit is as follows:

LOT #	PLAN STYLE	SQ. FEET	% INTEREST	ADDRESS
T1	Chapman	1462	4.06%	3801 Hazard Court
T2	Stinson	1659	4.61%	3803 Hazard Court
T3	Stinson	1659	4.61%	3805 Hazard Court
T4	Chapman	1462	4.06%	3807 Hazard Court
T5	Chapman	1462	4.06%	3809 Hazard Court
T6	Stinson	1659	4.61%	3811 Hazard Court
T7	Stinson	1659	4.61%	3813 Hazard Court
T8	Chapman	1462	4.06%	3815 Hazard Court
T9	Chapman	1462	4.06%	3817 Hazard Court
T10	Stinson	1659	4.61%	3819 Hazard Court
T11	Stinson	1659	4.61%	3821 Hazard Court
T12	Chapman	1462	4.06%	3823 Hazard Court
T13	Chapman	1462	4.06%	3802 Hazard Court
T14	Stinson	1659	4.61%	3804 Hazard Court
T15	Stinson	1659	4.61%	3806 Hazard Court
T16	Chapman	1462	4.06%	3808 Hazard Court
T17	Chapman	1462	4.06%	3810 Hazard Court
T18	Stinson	1659	4.61%	3812 Hazard Court
T19	Stinson	1659	4.61%	3814 Hazard Court
T20	Chapman	1462	4.06%	3816 Hazard Court

T21	Chapman	1462	4.06%	3818 Hazard Court
T22	Stinson	1659	4.61%	3820 Hazard Court
T23	Stinson	1659	4.61%	3822 Hazard Court
T24	Chapman	1462	4.06%	3824 Hazard Court
	TOTALS	35990	1	

(c) The boundaries of the Units are as follows:

(i) The vertical boundaries of the Units shall be the vertical planes of the Unit-side of the perimeter walls as shown on the Plat and Plans of the Units attached as Exhibit C, extended to the intersection of the horizontal planes of the upper and lower boundaries of the Units.

(ii) The upper and lower boundaries of the Units shall be the uppermost ceiling of the Unit and the bottom surface of the basement floor of the Unit.

(iii) The Unit shall include all space, interior nonload-bearing partition walls and other fixtures and improvements within the Unit and all lath furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces of the walls, ceilings and floors of the Unit. All other structural portions of the walls, ceilings and floors, such as perimeter wall studs, interior load-bearing wall studs, ceiling joists and floor joists, are part of the Common Elements of the Condominium.

(iv) If any chute, fireplace, flue, duct, wire, conduit, bearing wall, bearing column, sump basin or pump, or any other fixture lies partially within and partially outside the boundaries of the Unit, any portion of it serving only that Unit is a part of that Unit allocated solely to the Unit and any portion serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.

5. Limited Common Elements. All driveways, walkways, doorsteps, stoops, porches, patios, decks, outside doors and windows, other fixtures or garden areas designated to serve only one Unit but located outside of the Unit's boundaries are Limited Common Elements allocated exclusively to that Unit.

6. Shared Common Elements. The swimming pool and associated structures, tennis courts and associated structures and the green area to be utilized by all Unit Owners in Harbor Ridge Golf Community.

7. Percentage Interest. Each Unit shall have one vote for all voting purposes and a Percentage Interest, determined on the basis of the size that the Unit bears to the size of the aggregate of all of the Units, including Additional Units, for all other purposes in the Condominium units. The Percentage Interest in the shared Common Elements is set forth as a separate Percentage Interest in paragraph 4. The "size" of each Unit is the total number of square feet of floor space contained in the Unit as shown on the Plat and Plans. The Percentage Interest shall determine the share of the Common Expense appurtenant to each Unit. The Percentage Interest shall be as shown in Paragraph 4, but it shall be recalculated when Additional Units are added to the Condominium and Harbor Ridge Golf Community.

8. Restrictions on Use of Units.

(a) Each Unit may be used only for a single family residence. No business or profession of any kind (either full time or part time) may be conducted in the Unit, provided, however, a Unit Owner may use his telephone for business purposes.

(b) No billboards, political signs, sale signs, or other advertising signs or devices of any kind may be placed on the Units or within the window of any Unit, except that Declarant may place signs in connection with the advertising, marketing, sale or leasing of Units, as provided for in this Declaration.

(c) Pets may be kept only in accordance with the following standards. No more than two (2) dogs, two (2) cats or one (1) dog and one (1) cat may be kept by any Unit Owner or tenant. No Doberman Pinschers, Pit Bulls, Chow-Chows, Shar-peis or Rottweilers may be kept by anyone unless by written approval of the Association and must be kept on leash while outdoors. Other domesticated household pets, such as birds or fish, may be kept in conjunction with permitted dogs or cats. No exotic pets, such as snakes, ferrets, lizards, pigs, or other animals, may be kept in any Unit or anywhere within the Property. If any pet is kept in such a way that it constitutes a nuisance to another Unit Owner, any Unit Owner may complain to the Executive Board. The Executive Board shall then determine whether the animal in fact creates a nuisance to any other Unit Owner and what shall be done. Its determination shall be conclusive.

(d) No tractors, trailers, commercial trucks, mobile homes, camping trailers, self-contained camping units, snowmobiles, boats, jet skis or other watercraft and/or trailers for transporting such recreational vehicles may be parked or stored on any Limited Common Element or Common Element within the Condominium, except within a closed garage.

(e) A Unit Owner may lease his entire Unit at any time subject to the following conditions: (i) there must be a written lease for a minimum term of ninety (90) days; (ii) the lease shall be approved by the Executive Board which may deny approval for any reason; (iii) a copy of the lease must be delivered to the Executive Board within ten (10) days after it is executed; (iv) the lessee shall take subject to and be bound by all of the terms of the Declaration, Bylaws, Rules and Regulations; (v) the lease shall provide that the Association shall have a direct cause of action against the lessee if the lessee violates any provisions of the Declaration, Bylaws of Rules and Regulations. These use limitations with respect to leasing shall not apply to the Declarant.

(f) The Association may adopt reasonable Rules and Regulations consistent with this Declaration concerning the use and enjoyment of the Units, Limited Common Elements, Shared Common Elements and Common Elements. When such Rules and Regulations are adopted, copies shall be delivered to each Unit Owner, after

which the Unit Owner shall use the Unit, the Limited Common Elements, Shared Common Elements and the Common Elements in accordance with the Rules and Regulations.

9. The Association.

(a) The Declarant hereby creates and organizes an unincorporated association known as Harbor Ridge Town Home Condominium Association. The Declarant also adopts the Bylaws attached to this Declaration as the Bylaws of the Association.

(b) The members of the Association shall include all of the Unit Owners of the Condominium. The Unit Owners are authorized to incorporate the Association which shall have full power and authority to manage the Condominium and shall be subject to the provisions of the Act. The Declarant may control the Association for a period up to seven (7) years from the recording of this Declaration.

(c) Subject to the Declarant's rights during the control period, the Association shall have an Executive Board consisting of two (2) to five (5) adults, which number shall be determined annually by the members of the Association. The initial Executive Board members are:

John W. Schaefer
4720 Wattsburg Road
Erie, PA 16504

Matthew D. Schaefer
4720 Wattsburg Road
Erie, PA 16504

(d) The Association shall have a President, Vice President, Secretary and Treasurer. The initial officers of the Association are:

President	-	John W. Schaefer
Vice President	-	Matthew D. Schaefer
Secretary	-	Matthew D. Schaefer
Treasurer	-	Matthew D. Schaefer

(e) The Association shall provide in the Bylaws that the Executive Board and officers of the Association shall be indemnified to the full extent provided under Pennsylvania law for any liability they incur while acting as Executive Board members or officers of the Association. The cost of any indemnification or insurance shall constitute a Common Expense of the Association.

(f) The Executive Board shall prepare and adopt a Budget for the Common Expenses of the Condominium and shall allocate the Common Expenses among the Unit owners on a monthly basis. The Unit Owners may reject the budget by a vote of 67% or greater of all votes that may be cast if they meet and vote within thirty (30) days after the Budget is adopted by the Executive Board.

(g) The Executive Board shall retain in the Association's account any amounts accumulated from assessments for Limited Common Elements and/or Common Elements and any income from the operation of any Limited Common Elements and/or Common Elements that exceed the amount required for actual Limited Common Expenses and/or Common Expenses and reserves for future Limited Common Expenses and/or Common Expenses, and shall take into account any such surplus in approving and adopting the Association's next annual budget after the accumulation of such surplus.

(h) The allocation of the Common Elements pursuant to the Budget may be assessed as a lien on each Unit and fines may be imposed on Units and Unit owners if the monthly assessments are not paid as provided in the Act.

(i) The Association shall be responsible for maintaining the Common Elements and the Limited Common Elements, except for those Limited Common Elements which, by virtue of the Rules and Regulations, Unit Owners are responsible for maintaining. The Association shall have the right of entry on or into any Unit to perform emergency repairs or to do other work necessary for the maintenance of the Condominium. The Association shall, except in cases of extreme emergency, provide reasonable notice of such entry.

(j) The Association shall have the right to grant permits, licenses and/or easements over the Common Elements for utilities, roads or other purposes necessary for the proper operation and maintenance of the Condominium.

(k) The Association shall maintain current copies of this Declaration, the Bylaws, and Rules and Regulations, and any amendments to any of them, as well as the Association's books, records and financial statements, and shall make such documents available for inspection during normal business hours by any Unit owner, mortgage holder, or insurer or guarantor of first mortgages that are secured by Units in the Condominium.

10. Reservation of Option to Expand Flexible Condominium.

(a) The Declarant expressly reserves the option to add Additional Real Estate to the Condominium from time to time in accordance with the Act without the consent of any Unit Owner or mortgagee. The Declarant reserves this option for a period of seven years from the date on which this Declaration is recorded. This option may be terminated only by the Declarant filing an amendment to this Declaration.

(b) The Declarant expressly reserves the right to add Additional Real Estate at any time of its choosing in any order of location within the area described on Exhibit B attached.

(c) There are no limitations on the Declarant's option except as stated in this Declaration.

(d) If Additional Real Estate is added to the Condominium, the Percentage Interest of all Unit Owners in the Condominium shall be recalculated as described in paragraph 6 above. Each Unit Owner's Common Element and Shared Common Element interest and share of Common Expense and Shared Common Element Liability may be decreased somewhat by this exercise of the Declarant's option.

(e) The maximum number of Units that may be created within any Additional Real Estate shown on Exhibit B is One Hundred Seventy-five (175).

(f) All of the Units will be restricted exclusively to residential use and will be subject to the restrictions specified in Paragraph 7 above.

(g) The maximum number of Units per acre that may be created within the boundaries described on Exhibit B is Seven (7).

(h) No assurances are made with respect to whether: (i) any Additional Real Estate will be added; (ii) when any Additional Real Estate may be added or withdrawn; (iii) where any buildings or other improvements will be located on the Additional Real Estate; (iv) any buildings and Units that may be erected upon the Additional Real Estate will be compatible with the other buildings and Units in the Condominium in terms of architectural style, quality of construction, principal materials employed in construction, and size; (v) improvements and Limited Common Elements will be made on the Additional Real Estate; (vi) any Limited Common Elements created within any Additional Real Estate will be of the same general types and sizes as those within other parts of the Condominium; and (vii) the proportion of Limited Common Elements to Units, within any Additional Real Estate, will be approximately equal to the proportion existing within any other parts of the Condominium.

(i) In the event that the Declarant does not add Additional Real Estate, or adds and then subsequently withdraws Additional Real Estate, the Declarant may erect structures consistent with the zoning laws of Harborcreek Township and operate them without the restrictions of this Declaration.

11. Permitted Mortgages. A Unit Owner other than the Declarant or the Executive Board may not voluntarily encumber or subject his Unit to any lien, other than the lien of a Permitted Mortgage. Whether or not they expressly so state, all such Permitted Mortgages and the obligations secured thereby shall be deemed to provide,

generally, that the Permitted Mortgage, and the rights and obligations of the parties thereto, shall be subject to the terms and conditions of the Act and this Declaration and shall be deemed to provide specifically, but without limitation, that the Permitted Mortgagee shall have no right (a) to participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Property, or (b) to accelerate the mortgage debt or to have any other remedies by virtue of waste or alleged waste or other conditions occurring any where on the Property other than within the affected Unit, and the obligation secured shall be prepayable, without penalty, upon the happening of any termination of the Condominium or determination not to restore or replace the affected Unit.

No Unit Owner shall make or deliver any Permitted Mortgage, or any obligation to be secured thereby, unless he has first notified the Executive Board of the name and address of the proposed mortgagee and of the amount of the debt proposed to be secured. When such a Permitted Mortgage is delivered to the mortgagee, the Unit Owner shall simultaneously provide executed or conformed copies to the Executive Board. Upon receipt of a Permitted Mortgage, the Secretary of the Executive Board shall instruct the insurer of the Property to add the name of the mortgagee to the mortgagee loss payable provision of the hazard insurance policy covering the Property and to provide such mortgagee with a Certificate of Insurance showing that the mortgagee's name has been so added.

The lien of any purported mortgage which does not comply with all the requirements of this Paragraph 10 shall not attach to or affect the property or any part thereof or interest therein and shall be of no force and effect as and to the extent that it purports to relate thereto. The Secretary shall maintain a register of such Permitted Mortgages, showing the names and addresses of the mortgagees and the amount secured thereby.

12. Rights of Mortgagees, Insurers or Guarantors.

(a) Upon the specific written request of a holder, insurer or guarantor of a mortgage on a Unit, to the Executive Board, the mortgage holder, insurer or guarantor shall be entitled to receive some or all of the following information:

(i) Copies of budgets, notices of assessments, or any other notices or statements provided under this Declaration by the Executive Board to the owner of the Unit covered by the mortgage;

(ii) Any financial statements of the Association which are prepared for the Association and distributed to the Unit Owners;

(iii) An audited financial statement for the Association's preceding fiscal year, which shall be available within one hundred twenty (120) days of the Association's fiscal year end;

(iv) Copies of notices of meetings of the Unit Owners;

(v) Notice of the decision of the Unit Owners to make any material amendment to this Declaration;

(vi) Notice of substantial damage to or destruction of any Unit (the repair of which would cost in excess of \$1,000) or any part of the Common Elements (the repair of which would cost in excess of \$10,000);

(vii) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Property;

(viii) Notice of any default by the Owner of the Unit which is subject to the mortgage, when the default is not cured by the Unit Owner within ten (10) days after the giving of notice by the Association to the Unit Owner of the existence of the default;

(ix) Notice of a lapse, cancellation, or material modification of any insurance policy maintained by the Association;

(x) The right to examine the books and records of the Executive Board at any reasonable time; or

(xi) Notice of any decision by the Executive Board to terminate professional management and assume self-management of the Property.

The request of a mortgage holder, insurer or guarantor shall specify which of the above items it desires to receive and shall identify the Unit number on which it holds (or insures or guarantees) the mortgage and specify the address to which any notices or documents shall be sent by the Executive Board. If the Board does not send the information, it shall not constitute an act of default under the Permitted Mortgage.

(b) In the event of an amendment to this Declaration, the Bylaws and/ or the Rules and Regulations which constitutes an amendment of a material nature, as that term is used in the Federal National Mortgage Association (Fannie Mae) Selling Guide, Part VIII, Chapter 6 (revision 4/30/93), or as subsequently revised, or any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs, such amendment or action to terminate must be agreed to by

eligible mortgage holders who represent at least 51% of the votes of Unit estates that are subject to mortgages held by eligible holders, in addition to the required vote of Unit owners.

(c) In the event of any action to terminate the legal status of the Condominium for any reason other than substantial destruction or condemnation, such action must be agreed to by eligible mortgage holders that represent at least 67% of the votes of the mortgaged Units, in addition to the required vote of Unit owners.

(d) The Association shall imply the approval of any eligible mortgage holder who has approval rights under subparagraphs (b) and/or (c) of this Section 11 in the event that such mortgage holder fails to submit a written response to any written proposal for amendment or termination within thirty (30) days after it receives proper notice of the proposal, provided the Association delivered such notice by certified or registered mail, with a return receipt requested, or by such other method of service that will provide proof of receipt by the mortgage holder.

13. Declarant's Rights to Control Board. Declarant shall have the right to appoint and remove all of the members of the Executive Board, that are not elected by the Unit Owners, and officers of the Association until one hundred eighty (180) days after conveying 75% of all of the planned Units to third persons.

Within thirty (30) days after all of the planned Units have been constructed on the Property, or seven (7) years after the date this Declaration is recorded, whichever shall first occur, the members of the Executive Board appointed by the Declarant shall resign and the Unit Owners (including the Declarant to the extent that it still owns Units) shall elect their successors.

14. Declarant's Easements.

(a) Declarant reserves the right and an easement in unsold Units for all purposes relating to the construction, development, leasing, and sale of Units in the Condominium or on the Additional Real Estate. This easement shall include without limitation, the right of vehicular and pedestrian ingress and egress, the right to park motor vehicles and to engage in construction and marketing activities of any nature whatsoever, including the movement and storage of building materials and equipment, the conduct of sales, leasing and management activities, the maintenance of signs, models and offices. This right shall continue until the Declarant has sold all of the Units to third parties, after which this right and easement shall automatically terminate.

(b) Declarant reserves an easement on, over, and under those portions of the Property not located within a Building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of

health, safety, and appearance. This easement expressly includes the right to cut any trees, bushes or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Declarant shall restore the Property as closely to its original condition as reasonable.

15. Easements.

(a) Utility Easements. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant, the Association, appropriate utility and service companies and governmental agencies or authorities to install and maintain utility and service lines and equipment as may be necessary or desirable to serve any portion of the Common Elements, the Property or the Additional Real Estate. These easements shall include, without limitation, the right to install, lay, maintain, repair, relocate, and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities, electric poles, transformers and wires, conduits and equipment and ducts and vents over, under, through, along, and on the Units and Common Elements and to use a Unit to obtain access to the roof of the Unit. Notwithstanding the foregoing provisions of this paragraph, unless approved in writing by the Unit Owner affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as to not materially interfere with the use or occupancy of the Unit.

(b) There are other easements burdening the Property as set forth on Exhibit D.

16. Matters Governed by the Act. Except as otherwise provided in this Declaration, the Bylaws and/or the Rules and Regulations, or, in instances where this Declaration, the Bylaws and/or the Rules and Regulations are silent on any particular matter covered by the Act, the rights, powers, duties and obligations of the Declarant, the Association, the Executive Board and/or any Unit Owner shall be governed by the Act. To the extent that any provision(s) of this Declaration, the Bylaws and/or the Rules and Regulations conflict with, are inconsistent with or contradict any provision(s)

of the Act, the provision(s) of the Act shall control over such conflicting, inconsistent or contradictory provision(s).

17. Amendment of Declaration/Termination. This Declaration may be amended only in accordance with the procedures set forth in the Act and this Declaration. The Condominium may be terminated only in accordance with the procedures set forth in the Act and this Declaration.

IN WITNESS to this Declaration, we fix our signatures this ____ day of _____, 2000.

WOODBERRY DEVELOPMENT, INC.

B y

John W. Schaefer, President/Secretary

EXHIBIT A

Legal description of Phase 1 Harbor Ridge Town Home Condominium:

EXHIBIT B

Legal description of Additional Real Estate of Harbor Ridge Town Home Condominium, a _____ acre parcel of land:

EXHIBIT C

CERTIFICATION PURSUANT TO SECTION 3210(a)
OF THE PENNSYLVANIA UNIFORM CONDOMINIUM ACT,
68 PA. C.S.A. §3210(a)

CERTIFICATE OF SUBSTANTIAL COMPLETION
FOR
HARBOR RIDGE TOWN HOME CONDOMINIUM
PURSUANT TO SECTION 3414(c) OF THE
PENNSYLVANIA UNIFORM CONDOMINIUM ACT, 68 PA. C.S.A. §3414(c)