

Declaration of
Penn's West
Planned
Community

DECLARATION
Penn's West Planned Community

ARTICLE I
SUBMISSION

Section 1.1. Declarant; Location; Name. Hornstein Enterprises, Inc. ("Declarant"), owner in fee simple of the land described in "Exhibit A" attached hereto, located in Lower Macungie Township, Lehigh County, Pennsylvania (the "Land"), hereby submits the Land, together with easements, rights and appurtenances thereunto belonging and all buildings and improvements thereon located (the "Property") to the covenants, conditions and restrictions of this Declaration, and hereby creates a Home Owners' Association and Planned Community, to be known as Penn's West Planned Community ("Planned Community").

Section 1.2. Easements and Restrictions. The Land is so submitted UNDER AND SUBJECT TO ALL EASEMENTS, COVENANTS, CONDITIONS, RESTRICTIONS AND AGREEMENTS as now appear of record, as per the Schedule attached hereto as Exhibit "D".

ARTICLE II
DEFINITIONS

Section 2.1. Terminology. Capitalized terms not otherwise defined herein or in the Plats and Plans, as amended from time to time, shall have the meanings specified or used in the Act.

Section 2.2. Definitions. The following terms shall have specific meanings herein as follows:

- (a) "Act" is the Pennsylvania Uniform Planned Community Act.
- (b) "Association" means the Penn's West Planned Community Association, a non-profit corporation whose members are all of the Unit Owners of Penn's West Planned Community.
- (c) "Common Expenses" shall be the costs of administering the Association and its property. Common Expenses shall be paid by calculating association fees equally among all Unit owners.
- (d) "Declarant" means the Declarant and all successors to any Special Declarant Rights.
- (e) "Delinquency Assessment" means late fees, interest at the rate of 15% per annum, plus attorneys' fees and any costs incurred in connection with the collection of unpaid Assessments.

(f) "Plats and Plans" means the Plats and Plans which shall be recorded as an Exhibit hereto, as amended from time to time.

(g) "Percentage Interest" means each Unit Owner's equal ownership interest in the Common Facilities and equal percentage of total votes cast appurtenant to each Unit as set forth in Exhibit "C" attached hereto, as amended.

(h) "Unit Owner in Good Standing" means any Unit Owner against whom the Association does not hold an uncollected Delinquency Assessment or judgment, or who has not been notified of a continuing violation of the Planned Community Documents.

(i) "Voting Rights." As to voting rights, there shall be one vote cast per Unit owned, by a Unit Owner in Good Standing.

ARTICLE III BUILDINGS; UNIT BOUNDARIES; COMMON ELEMENTS

Section 3.1. Number and Location of Units. The location and dimensions of all Units are shown on the Plats and Plans.

Section 3.2. Units.

(a) Unit Defined. Each Unit consists of one townhouse lot. The locations of all Units are shown on the Plats and Plans. Attached as Exhibit "C" hereto is a list of all Units, their Identifying Numbers, Type, and the Percentage Interest appurtenant to each Unit.

(b) Unit Boundaries. All space, fixtures and improvements within the boundaries of a Unit are part of that Unit.

Section 3.3. Percentage Interests. The Percentage Interest appurtenant to each Unit is equal, as set forth in Exhibit "C." The Percentage Interest for each Unit shall decrease proportionately as new Units are added.

Section 3.4 Limited Common Facilities. The Executive Board shall have the power to designate Limited Common Facilities if, using its best business judgment, the Board decides Limited Common Facilities would enhance the Planned Community.

Section 3.5. Maintenance Responsibilities.

(a) The Association shall be responsible for the maintenance, repair and replacement of Common Facilities;

(b) Each Unit Owner shall be responsible for the maintenance, repair or replacement of

his Unit;

(c) Expenses associated with the maintenance, repair and replacement of a Limited Common Facility, if any, shall be Limited Common Expenses, assessed against the Unit(s) to which such Limited Common Facility was assigned at the time the expense was incurred;

(d) Notwithstanding the general rule set forth above, the Executive Board shall have the authority to set forth a specific list of Common Facilities and responsibilities for performing maintenance, improvement, repair, insurance, management, regulation and replacement, as well as who is responsible to pay for such work.

ARTICLE IV ALLOCATION, RESTRICTION AND USE OF COMMON FACILITIES

Section 4.1. Surface Parking Spaces.

(a) In addition to garages and driveways which are part of a Unit, additional automobile parking spaces are situated on streets to be dedicated to Lower Macungie Township and in parking lots. Street and parking lot parking shall be available for the use of Unit Owners on a "first come, first served" basis, except as the Executive Board may otherwise designate. During the period of Declarant control, the Declarant shall have the right to restrict the use of certain surface parking spaces for sales, construction, management and other purposes until all proposed Units are sold, settled and occupied.

Section 4.2. Common Facilities on Additional Real Estate. Declarant reserves the right to create Common Facilities on the Additional Real Estate and to add such Common Facilities to the Planned Community at any time and in any order, provided that such Common Facilities shall be substantially completed at the time of addition, and in no event will they be added after the final Unit is added to the Planned Community.

ARTICLE V EASEMENTS

The following easements are hereby created:

Section 5.1. Declarant's Easement to Facilitate Construction and Marketing.

(a) Declarant may use any or all of its Units as offices or models, and for the placement of signs. In addition to any Units which may be used by Declarant for such purposes, Declarant shall have the right to place and maintain sales and management offices and model homes on any portion of the Common Elements, and on any portion of the Additional Real Estate in such number, of such size and in such locations as Declarant deems appropriate. Declarant may relocate models, and management, construction, and sales offices to different locations within

the Common Elements and Additional Real Estate and upon such relocation, Declarant may remove all personal property and fixtures therefrom. Any fixtures not so removed shall be deemed Common Facilities, and any personal property not so removed shall be deemed the property of the Association.

(b) Declarant further reserves the right to maintain on the Common Elements and in Declarant-owned Units such advertising and directional signs as Declarant deems appropriate, for the duration of Declarant's ownership and sale of Units in the Planned Community. Declarant may relocate such signs at any time.

Section 5.2. Utility Easements. The Units and Common Elements are hereby made subject to easements in favor of the Declarant, appropriate utility and service companies, and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property or the Additional Real Estate. The easements created in this Section shall include, without limitation, rights of Declarant, the providing utility or service company or governmental agency or authority to install, lay, maintain, repair, relocate and replace water mains, pipes, meters and related systems, apparatus and facilities, sewer and drain lines, telephone wires and equipment, television equipment and facilities, electrical wires, conduits and equipment and ducts and vents over, under, through, along, in and on the Units and Common Facilities, together with the right (when accompanied by the Unit Owner or representative of the Executive Board) to enter into the Unit for the purpose of repair, maintenance, adjustment or any other purpose (with respect to any utility or service company or governmental agency or authority) authorized by law or applicable regulations, including without limitation thereto termination of water and sewer service by the appropriate service company or agency. After the period of Declarant control, the Association shall have the right to grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes necessary for the proper operation of the Planned Community.

Section 5.3. Declarant's Easement to Correct Drainage. Declarant reserves an easement on, over and under those portions of the Common Elements for the purpose of managing and correcting drainage of surface water to maintain reasonable standards of health, safety and appearance and as required to comply with the approved overall drainage plans for the community. This easement expressly includes the right to move or remove any trees, bushes, or shrubbery, to grade and regrade the soil, or to take any other action reasonably necessary, following which Declarant shall reasonably restore the affected property.

Section 5.4. Declarant's Easement to Facilitate Completion and Expansion. Declarant reserves an easement through the Common Elements as may be reasonably necessary to complete construction of Units, Common Elements and any construction on the Additional Real Estate, and otherwise to discharge Declarant's obligations as Declarant and as defined in the Development Agreement with Lower Macungie Township and the utility providers.

Section 5.5. Easement for Entry. The Association shall have a reasonable right of entry

in or on any Unit to perform emergency repairs or to do other work reasonably necessary for the proper maintenance of the Property. The Association shall have the right to grant permits, licenses, and easements over the Common Elements for utilities, roads, and other purposes necessary for the proper operation of the Property. A Unit Owner shall have a right of entry upon the Common Elements for the necessary maintenance, repair or replacement of the Unit, Limited Common Facility and/or utility, sewer, or electrical lines, that service or are attached to the Unit.

Section 5.6. Easement for Encroachments. There is hereby created an easement due to construction, reconstruction, repair, shifting, settlement or other movement of any portion of the improvements resulting in either the Common Elements encroaching on a Unit or a Unit encroaching on the Common Elements or another Unit. In such case, an easement is hereby created for both the encroachment and its maintenance for as long as such encroachment exists.

Section 5.7. Easement for Ingress and Egress. Every Unit shall include as an incident of ownership a perpetual easement granting the Unit and each Unit Owner an unrestricted right of ingress and egress to and from the Unit.

ARTICLE VI AMENDMENT OF DECLARATION

Section 6.1. Association Amendments. Amendments to the Plats and Plans and/or the Declaration must be agreed to by Unit Owners representing at least 67% of the total allocated votes in the Association.

Section 6.2. Exceptions. The following exceptions shall apply to the foregoing method of amendment of the Declaration:

(a) Declarant shall have the right to amend the Declaration, including Plats and Plans, until the date on which all Declarant appointed Executive Board Members are required to resign pursuant to Section 8.2 of the Declaration.

(b) Declarant may amend the Declaration and the Plats and Plans pursuant to Article VII without lender or Unit Owner approval.

(c) For so long as Declarant continues to own and sell Units, no amendment of this Declaration shall make any change which would in any way affect any of the rights, privileges, powers and options of the Declarant unless the Declarant shall have given its prior written approval of such amendment.

(d) Amendments made to:

(1) Cure an ambiguity;

(2) Correct or supplement any portion of the Declaration, Plats or Plans that is defective, missing or inconsistent with any other provision of the Declaration or any law;

(3) Conform to the requirements of any agency or entity that has established national or regional standards with respect to loans secured by mortgages or as to Planned Communities, such as (but not limited to) the Department of Housing and Urban Development ("HUD") or the Federal National Mortgage Association ("FNMA").

(e) The amendments made pursuant to Section 6.2 (d) may only take effect after obtaining a written opinion from independent legal counsel that such amendment is permitted by that Section.

(f) The following amendments shall require the approval of all Unit Owners. Any amendment which would:

(1) increase any Special Declarant Right;

(2) alter the terms or provisions governing completion, conveyance or lease of Common Elements;

(3) increase the maximum number of Units, change the boundaries of any Unit, the Common Expense liability or voting strength in the Association allocated to a Unit, or the uses to which any Unit is restricted.

ARTICLE VII

OPTION TO ADD ADDITIONAL REAL ESTATE TO AND WITHDRAW WITHDRAWABLE REAL ESTATE FROM THE PLANNED COMMUNITY

Section 7.1. Reservation. Declarant hereby explicitly reserves:

(a) an option until the seventh anniversary of the recording of this Declaration to expand the Planned Community from time to time by preparing, executing and recording an amendment to the Declaration, without the consent of any Unit Owner. The option to expand may be terminated prior to such anniversary only upon the filing by Declarant of an amendment to this Declaration or by recording an amendment reaching the total of 162 Units in the Planned Community;

(b) the right to add any or all portions of the Additional Real Estate at any time, at different times, in any order, without any requirement regarding the addition of other portions of the Additional Real Estate, without limitation and without any assurances being made by Declarant with regard thereto; provided, however, that the Additional Real Estate shall not exceed the area described on Exhibit "B" hereto and as shown on the Plats and Plans. There are no other limitations on the options to expand;

(c) the right, until the seventh anniversary of the recording of this Declaration, to withdraw from the Planned Community those areas designated as Withdrawable Real Estate on

the Plats and Plans, at different times, all at once, in sections or otherwise as Declarant deems appropriate. Declarant makes no assurances that all or a portion of the Withdrawable Real Estate will be withdrawn. The Withdrawable Real Estate is described on the Plats and Plans as the roads with rights-of way, and storm water drainage area within the Planned Community.

Section 7.2. Revised Percentage Interests. The allocation of Percentage Interests in the Additional Real Estate shall be computed on the basis of the number of the Units. Upon annexing any part of the Additional Real Estate to the Planned Community the Percentage Interests allocated to each Unit shall be reduced and specified in an amended Exhibit "C".

Section 7.3. Assurances.

(a) Declarant makes no assurances as to location of buildings or other improvements on the Additional Real Estate.

(b) The maximum number of Units that may be created within the Additional Real Estate is 86, it being intended that if all of the Additional Real Estate is developed and added to the Planned Community the maximum number of Units in the Planned Community will be 162.

(c) All of the Units that may be created on the Additional Real Estate shall be restricted exclusively to residential use and such accessory uses as may be permitted by the Lower Macungie Zoning Ordinance.

(d) All buildings constructed on the Additional Real Estate which is annexed to the Planned Community shall be of a quality consistent with buildings on the Land, but Declarant makes no assurances as to compatibility of materials, style, size, or type of unit.

(e) No assurances are made by Declarant as to improvements and Limited Common Facilities on the Additional Real Estate.

(f) Declarant expressly reserves the right to create Limited Common Facilities on the Additional Real Estate and to designate Common Facilities therein which may be subsequently assigned as Limited Common Facilities. Declarant makes no assurances as to type, size or maximum number or proportion of such Common Facilities or Limited Common Facilities.

(g) In the event Declarant does not add any portion of the Additional Real Estate, Declarant shall nevertheless have the right to construct all or any portion of any building on the Additional Real Estate and operate the same without restriction, subject to the applicable land use requirements of Lower Macungie Township and any recorded documents regarding land use and density. No other assurances are made regarding the Additional Real Estate in the event some or all of it is not added to the Planned Community.

Section 7.4. Restrictions. All restrictions in this Declaration affecting use, occupancy

and alienation of Units need not apply to Units created within any Additional Real Estate, unless such Additional Real Estate is added to the Planned Community.

ARTICLE VIII DECLARANT'S RIGHTS AND OBLIGATIONS

Section 8.1. Declarant Leases. Declarant retains the right to enter into leases with any third parties for the occupancy of any of the Units retained by Declarant and not sold to any purchaser.

Section 8.2. Transfer of Association Control.

(a) Until the 60th day after conveyance of 41 Units to Unit Owners other than Declarant, Declarant shall have the right to appoint and remove all officers and members of the Executive Board.

(b) Not later than 60 days after conveyance of 41 Units to Unit Owners other than Declarant, two of the five members of the Executive Board shall be elected by Unit Owners other than Declarant, which members may not be removed by Declarant.

(c) Not later than the earlier of:

(i) seven years after the date of the first conveyance of a Unit in the Planned Community;

(ii) four months after 122 of the Units which may be constructed or completed on the Land and the Additional Real Estate have been conveyed to Unit Owners other than Declarant;

(iii) two years after all Declarants have ceased to offer Units for sale, or

(iv) two years after any Declarant Rights to add new Units was exercised, all remaining members of the Executive Board appointed by Declarant shall resign, and the Unit Owners (including Declarant to the extent of Units owned by Declarant) shall elect three new members to the Board replacing Declarant's appointees.

(d) Once all Declarant appointees have left the Executive Board, the period of Declarant control shall cease and Declarant shall turn over to the Association all pertinent documents and records in its possession which the Association might reasonably need to operate efficiently.

Section 8.3. Management Contracts. Declarant may enter into a professional management contract on behalf of the Association prior to the second special election meeting provided such contract may be canceled by the Association, at any time and without penalty, with no more than ninety (90) days' prior notice. Declarant may enter into a management contract with a party related to Declarant provided such contract is at competitive rates and may be canceled by either party upon ninety (90) days' written notice.

Section 8.4. Right to Dedicate Roads and Land. Until the seventh anniversary of the recording of this Declaration, Declarant reserves the right to withdraw the Withdrawable Real Estate and to then dedicate any and all roads and other defined Withdrawable Real Estate within the Planned Community to Lower Macungie Township, or any municipal authority.

Section 8.5. Declarant Obligations. Except where otherwise stated in the Declaration, if Declarant owns one or more Units, Declarant has the same rights and obligations as any Unit Owner as to the Units it owns.

ARTICLE IX NO OBLIGATIONS TO BUILD OR COMPLETE

Nothing contained in this Declaration or the Plats and Plans shall be deemed to impose upon Declarant or its successors or assigns any obligation of any nature to build, construct, complete or provide any buildings or improvements except to the extent required by Lower Macungie Township, and no assurances are made in that regard.

ARTICLE X BUDGET, COMMON EXPENSES, ASSESSMENTS AND ENFORCEMENT

Section 10.1. Common Expenses. By virtue of acceptance of a Deed to a Lot or Unit, each Unit Owner agrees to be subject to all rights and duties of Unit Owners under this Declaration, including the duty to pay promptly all regular and Special Assessments as well as Delinquency Assessments.

Section 10.2. Determination of Common and Limited Common Expenses. Subject to the rights of 75% of all Unit Owners to override such budget, by November 15th the Executive Board shall estimate Common Expenses, if any, for the ensuing fiscal year, which shall be reflected in a formal budget. A copy of each budget shall be delivered to each Unit Owner promptly after its adoption. Common Expenses shall include a monthly charge for the use of the swimming pool and recreation facilities on the property adjoining the Planned Community to the South, as set forth in the recorded recreation facilities agreement.

Any year-end surplus shall be applied to the following year's budget. The budget shall include adequate working capital, a general operating reserve and reserves for replacements, casualty losses in excess of insurance coverage, litigation, uncollectible Assessments, contingencies and the like. The reserve for maintenance, repair and replacement of those portions of the Common Facilities which require periodic replacement shall be separately maintained on the Association's books and shall be funded at least annually out of the regular Assessments for Common Expenses. The Executive Board may also make interim determinations of anticipated Common and Limited Common Expenses and adopt revised budgets accordingly. The Executive Board may periodically assess Special Assessments to fund unanticipated expenses.

Section 10.3. Commencement of Assessments. Assessments for Units in the Planned Community begin on the date of the first conveyance, or occupancy of a Unit by a purchaser or by an occupant who is not a Declarant or a successor to any Special Declarant Right.

Section 10.4. Assessment Payments. All Common Expense Assessments shall be due and payable at such intervals, no more often than once per month, as the Executive Board shall determine. Special Assessments shall be due and payable in one or more payments, as determined by the Board. Unit Owners shall be severally and not jointly liable for the payment of such Assessment. With respect to the Assessment for a given Unit, the Unit Owners and any lessees or sublessees thereof shall be jointly and severally liable therefor. There shall be a fifteen (15) day grace period for the receipt of all Assessments, during which time no interest shall be payable. After such grace period, Assessments with interest at the rate of 15% per annum from the due date shall, until fully paid, constitute a charge against such Unit. In the event any Assessment shall be past due for more than forty-five (45) days, and at the discretion of the Board, the Board may accelerate the Assessments due for the balance of the current year, plus interest as aforesaid, making those sums immediately due and payable in full.

Section 10.5. Lien for Assessments. The Association has a lien on a Unit for any Assessment or fines levied against that Unit or Unit Owner from the time the Assessment or fine becomes due. If an Assessment is payable in installments, the full amount of the Assessment becomes effective as a lien from the time the first installment thereof becomes due. Any fees, charges, late charges, fines, costs, interest and reasonable attorneys' fees which may be levied by the Executive Board shall be enforceable as Assessments.

Section 10.6. Collection of Delinquent Assessments. It shall be the obligation of the Executive Board to take prompt action to collect Assessments, together with accrued interest as aforesaid, which remain unpaid after their due date. Any such delinquent Assessment together with such accrued interest may be enforced by suit by the Executive Board acting on behalf of the Association in an action in assumpsit, which suit when filed shall refer to the Unit against which the Assessment is made and to the delinquent Unit Owner and shall be indexed by the Prothonotary as *lis pendens*. Any judgment against a Unit Owner shall be enforceable in the same manner as is otherwise provided by law. The delinquent Unit Owner shall be obligated to pay (i) all expenses of the Association, including reasonable attorney's fees, incurred in the collection of the delinquent Assessment by legal proceedings or otherwise, and (ii) any amounts paid by the Association for taxes or on account of superior liens or otherwise to protect its lien, which expenses and amounts, plus accrued interest, shall be deemed a part of the delinquent Assessment and shall be collectible as such.

Section 10.7. Reassessment of Uncollectible Assessments. In all cases where all or part of any Assessments for Common Expenses and Limited Common Expenses cannot be promptly collected from the persons or entities liable therefor, the Executive Board may reassess the same as a Common Expense without prejudice to its rights of collection.

ARTICLE XI INSURANCE

Section 11.1. Insurance. The Executive Board shall obtain and maintain (to the extent obtainable) the following insurance:

(a) "All-risks" property and casualty insurance insuring the Common Facilities, insuring against all common risks of direct physical loss covering the interests of the Executive Board and the Unit Owners as their respective interests may appear, in an amount, after any deductibles, not less than 80% of the value of the insured property, excluding land, excavations, foundations and other items customarily excluded from property policies. The Association shall not provide casualty coverage on individual Units.

(b) Workers' compensation insurance to the extent required by law, covering persons employed by the Association, if any.

(c) Flood and water damage insurance, if at any time required, covering the Common Facilities.

(d) Comprehensive public liability insurance, including medical payments insurance, with such limits as the Executive Board determines, but not less than \$1,000,000. for death or injury to any one person, \$1,000,000. for any single occurrence, and \$250,000. for property damage in any single occurrence, covering each member of the Executive Board, the managing agent and persons employed by the Association and each Unit Owner, and Unit Owner's family, tenants, agents or servants.

(e) Fidelity coverage against dishonest acts by any person (including, without limitation, members of the Executive Board, officers, agents, employees and volunteers) responsible for handling funds of the Executive Board or Association. Such fidelity coverage shall name the Association as the insured and shall be written in an amount sufficient to provide protection of at least 150% of the Association's annual budget.

(f) Policies of Executive Board Member and Officer's Liability insurance, insuring the members and officers of the Executive Board and committee volunteers against personal liability arising from the performance of their duties.

(g) Such other insurance as the Executive Board may reasonably determine to be necessary including, without limitation, insurance to provide funds to enable the Association and the Unit Owners to pay any amounts required to satisfy the indemnification obligations of the Association and Unit Owners pursuant to Section 14.2 of the Declaration.

Section 11.2. Insurance Coverage Lacking. In the event insurance described herein is

not maintained, the Association shall promptly notify all Unit Owners.

Section 11.3. Policy Terms. Policies maintained per Sections 11.1 (a) and (d) above shall provide:

(a) Each Unit Owner is an insured person under the policy with respect to liability arising out of membership in the Association;

(b) The insurer waives its right of subrogation under the policy against any Unit Owner or member of the Unit Owner's household;

(c) No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;

(d) If at the time of a loss under the policy there is other insurance in the name of one or more Unit Owners covering the same risk, the Association's policy shall be secondary.

Section 11.4. Notice of Cancellation. Any Association policy shall provide that such policies may not be substantially modified or terminated without at least 30 days' prior written notice of all insureds.

Section 11.5. Repair and Replacement. Any portion of the Planned Community for which insurance is required to be maintained by the Association and which is damaged or destroyed shall be repaired or replaced by the Association; any portion of the Planned Community for which insurance is required to be maintained by the Unit Owner and which is damaged or destroyed shall be repaired or replaced by the Unit Owner, unless:

(a) The Planned Community is terminated;

(b) repair or replacement would be illegal under any state or local health or safety statute or ordinance;

(c) 80% of the Unit Owners, including every owner of a Unit or assigned Limited Common Facility which will not be rebuilt, vote not to rebuild.

The Association shall pay any excess over insurance proceeds for repair or replacement of its areas of responsibility, and the Unit Owner(s) shall pay any excess over insurance proceeds for repair or replacement of its areas of responsibility.

Section 11.6. Qualified Insurers. All insurance policies maintained by the Association shall be written with companies licensed to do business in Pennsylvania and having a rating of "B" or better in the most recent Best's Insurance Reports, or by a similar rating service if Best's Insurance Reports are no longer published.

Section 11.7. Unit Owner Insurance. Unit Owners must obtain insurance for their property and for personal liability. The Association does not insure Unit Owners for casualty or property loss. Nothing contained herein shall prohibit any Unit Owner from carrying any type of

insurance coverage.

Section 11.8. Regulatory Requirements and Other Insurance. The Association shall attempt to maintain policies of insurance and endorsements with minimum amounts of coverage as are required by the then-current regulations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or their successors. The Association shall also obtain, if available, insurance to satisfy the indemnification obligation of the Association and all Unit Owners set forth in Section 14.2.

ARTICLE XII USE OF PROPERTY

Section 12.1. Use and Occupancy of Units and Common Elements. The occupancy and use of the Units and Common Elements shall be subject to restrictions, in the form of Rules and Regulations, imposed from time to time by the Executive Board. Every Unit Owner shall be responsible for the conduct of all occupants of the Unit, whether owners, tenants or guests.

Section 12.2. Use Restrictions. The following restrictions are hereby imposed upon the Property:

(a) Units, except any Units being used by the Declarant, are restricted to residential use and accessory uses which are permitted by the ordinances and regulations of Lower Macungie Township. No Unit may be used or occupied for any prohibited purposes.

(b) No Unit may be divided or subdivided by any Unit Owner, including the Declarant, into a smaller Unit or Lot nor may any portion thereof less than the entire Unit be sold or otherwise transferred, unless all Unit Owners give their prior consent thereto.

(c) Reasonable Rules, not in conflict with the provisions of this Declaration, concerning the use and enjoyment of the Property, may be promulgated from time to time by the Executive Board, subject to the right of the Association to change such Rules. Copies of the then current Rules and Regulations and any amendments thereto shall be furnished to all Unit Owners by the Executive Board promptly after the adoption of such Rules or any amendments thereto.

ARTICLE XIII MORTGAGES

Section 13.1. Mortgages Generally. There are no restrictions on a Unit Owner's right to mortgage a Unit. All mortgages shall provide, and the holder of the lien shall be deemed to have agreed by acceptance of a mortgage or other obligation encumbering a Unit, that the mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of this Declaration. The then-current form of mortgage published by the Federal Home Loan

Mortgage Corporation, the Federal National Mortgage Association, the Department of Housing and Urban Development (HUD), the Veterans Administration, or their successors, with the then-current Planned Community rider published by such entities, shall at all times be deemed to be approved by the Executive Board.

ARTICLE XIV LIMITATION OF LIABILITY

Section 14.1. Liability of Members of the Executive Board and Officers. The members of the Executive Board and the officers and assistant officers of the Association (i) shall not be liable to the Unit Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or bad faith, nor for acts performed for them, in their capacity as such, and (iv) shall have no personal liability arising out of the use, misuse or condition of the Property, or which might in any other way be assessed or imputed to them as a result or by virtue of their capacity as such.

Section 14.2. Indemnification by Unit Owners. Subject to the provisions of Section 14.1 above, the Unit Owners shall indemnify and hold harmless any person, his heirs and personal representatives, from and against any and all personal liability and all expenses, including reasonable counsel fees, incurred, imposed or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative instituted by any one or more Unit Owners or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Executive Board or an officer or an assistant officer of the Association. However, no such indemnification shall apply if such liability or expense shall be attributable to his willful misconduct or bad faith. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Unit Owners or of the Executive Board, or otherwise. The indemnification by the Unit Owners set forth in this Section shall be effective with respect to claims for which such indemnification is applicable, if the underlying basis for such claim arose during the period of service of the person to be indemnified as a member of the Executive Board or as an officer or assistant officer of the Association, notwithstanding that at the time such claim is made, adjudicated or settled and indemnification is requested, such person no longer serves in such capacity. The indemnification by the Unit Owners set forth in this Section shall be paid by the Executive Board on behalf of the Unit Owners, shall constitute a Common Expense and shall be assessed and collectible as such.

Section 14.3. Right of Action. In addition to the rights and remedies granted by the Declaration and Bylaws, the Association and any aggrieved Unit Owner shall have a right of

action against Unit Owners who fail to comply with the provisions of the Declaration or Bylaws of the Association, and any aggrieved Unit Owner shall also have the same right of action against the Association.

Section 14.4. Costs of Suit in Actions Brought by One or More Unit Owners on Behalf of All Unit Owners. If any action is brought by one or more, but less than all, Unit Owners on behalf of all Unit Owners and recovery is had, the plaintiff's expenses, including reasonable counsel fees, shall be a Common Expense, but only to the extent that such expenses are less than the amount recovered on behalf of the Association. If, however, such action is brought against the Association or otherwise against all other Unit Owners or against the Executive Board, its officers, assistant officers, employees or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Unit Owners, the plaintiff's expenses, including counsel fees, shall not be charged to or borne by the other Unit Owners, as a Common Expense or otherwise.

ARTICLE XV CONFESSION OF JUDGMENT FOR DELINQUENT ASSESSMENTS

Section 15.1 Power to Confess Judgment to Collect Delinquent Assessments. AS A MEANS OF ENFORCING THE OBLIGATION OF THE UNIT OWNERS TO PAY ALL ASSESSMENTS LEVIED PURSUANT TO THE DECLARATION AND BYLAWS THE EXECUTIVE BOARD SHALL HAVE THE RIGHT AND POWER TO OBTAIN A JUDGMENT OR JUDGMENTS FOR DELINQUENT ASSESSMENTS BY CONFESSION AGAINST THE UNIT OWNER AGAINST WHOM SUCH DELINQUENT ASSESSMENTS HAVE BEEN LEVIED. ACCORDINGLY, EACH UNIT OWNER, BY HIS ACCEPTANCE OF THE DEED TO HIS UNIT, SHALL BE DEEMED TO HAVE APPOINTED ANY MEMBER OF THE EXECUTIVE BOARD THE ATTORNEY-IN-FACT FOR SUCH UNIT OWNER TO CONFESS A JUDGMENT AGAINST SUCH UNIT OWNER IN ANY COURT OF COMPETENT JURISDICTION IN THE COMMONWEALTH OF PENNSYLVANIA FOR ANY DELINQUENT ASSESSMENTS, FOR THE PURPOSE OF WHICH A COPY OF THIS SECTION 15.1 AND A COPY OF THE UNIT OWNER'S DEED (BOTH VERIFIED BY THE AFFIDAVIT OF ANY MEMBER OF THE EXECUTIVE BOARD) SHALL BE SUFFICIENT WARRANT. SAID UNIT OWNER HEREBY IRREVOCABLY RELEASES SAID EXECUTIVE BOARD MEMBER FROM ANY AND ALL CAUSES OF ACTION FOR BRINGING SUCH ACTION. THE AUTHORITY HEREIN GRANTED TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY EXERCISE THEREOF BUT SHALL CONTINUE AND BE EFFECTIVE AT ALL TIMES WITH RESPECT TO EACH AND EVERY DELINQUENT ASSESSMENT. SUCH AUTHORITY TO CONFESS JUDGMENT AND THE AFORESAID APPOINTMENT OF ATTORNEYS-IN-FACT, BEING FOR SECURITY, SHALL BE IRREVOCABLE.

Section 15.2. Notice. The Executive Board shall not exercise its right to obtain a judgment by confession against any institutional lender who has acquired title to a Unit by

foreclosure sale or deed in lieu of foreclosure, nor shall such right be exercised against a delinquent Unit Owner except after the Board gives such Unit Owner at least thirty (30) days' written notice of its intention so to do.

ARTICLE XVI LEASING

Section 16.1. Leasing. A Unit Owner may lease or sublease no less than his entire Unit at any time from time to time provided that (except for a lease or sublease made by Declarant):

- (a) a lease or sublease must be in writing;
- (b) a copy of such lease or sublease shall be furnished to the Executive Board within ten (10) days after execution thereof;
- (c) the rights of any lessee or sublessee of the Unit shall be subject to, and each such lessee or sublessee shall be bound by, the Declaration, Bylaws and Rules and Regulations and the same shall be made a part of said lease. A default thereunder shall constitute a default under the lease or sublease;
- (d) the Association is hereby made a third party beneficiary of any lease respecting the enforcement of the Declaration, Bylaws and Rules and Regulations with the right to terminate the lease for unabated violations of the Association's requirements.
- (e) the Association is hereby entitled to, and any landlord hereby consents to, payment directly from a tenant for the Assessments, fines and Delinquency Assessments owed by the Unit Owner landlord to the Association.

ARTICLE XVII INTERPRETATION; SEVERABILITY

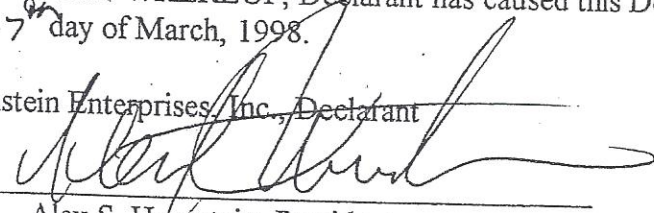
Section 17.1. Interpretation. The provisions of the Declaration and Bylaws shall be liberally construed, in accordance with the laws of the Commonwealth of Pennsylvania and specifically the Uniform Planned Community Act. All headings herein are for the convenience of readers, and should not be considered in construing the meanings of the sections.

Section 17.2. Severability. All provisions of this Declaration shall be deemed severable and independent, and the invalidity or unenforceability of any provision or portion thereof shall not affect the balance of the document.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this
27th day of March, 1998.

Hornstein Enterprises, Inc., Declarant

By:


Alex S. Hornstein, President

COMMONWEALTH OF PENNSYLVANIA :

COUNTY OF LEHIGH :

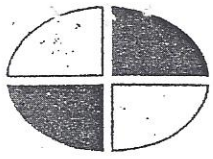
On this, the day of March, 1998, before me, the undersigned officer, personally appeared Alex S. Hornstein, who acknowledged himself to be the President of Hornstein Enterprises, Inc., the Declarant to the within Declaration and that he, as such President, being duly authorized to do so, signed his name as President and that he executed the foregoing Declaration of Planned Community for the purposes therein contained.

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



NOTARY PUBLIC

Notarial Seal
Mary Lou Yurkanin, Notary Public
Salisbury Twp., Lehigh County
My Commission Expires Jan. 22, 2001
Member, Pennsylvania Association of Notaries



SSM

SPOTTS, STEVENS AND McCOY, INC.
ENGINEERS • PLANNERS • SCIENTISTS

EXHIBIT "A"

Declaration of Penn's West Planned Community

Description of Phase I-A of the Development of Penn's West

ALL THAT CERTAIN piece, parcel or tract of land designated as Phase I-A as shown on the Revised Overall Site Layout Plan for the Development of Penn's West as prepared by SSM/Spotts, Stevens and McCoy, Inc., Consulting Engineers, said plan being numbered 8877-000-D-003L, situate in the Township of Lower Macungie, County of Lehigh and Commonwealth of Pennsylvania, being more fully described as follows, TO WIT:

BEGINNING AT A POINT at or near the intersection of the centerline of Township Road T-494, known as Mill Creek Road, and the centerline of State Route 3003, known as Willow Lane; thence in and along the aforesaid State Route 3003, known as Willow Lane, south zero degrees thirty-one minutes fifty-four seconds west (S. 00°31'54" W.) a distance of three hundred forty-seven and forty-seven one-hundredths (347.47') feet to a point; thence leaving the aforesaid State Route 3003, known as Willow Lane, and along the northern side of property now or formerly of Charles F. Jarrett and Mildred A.S. Jarrett, and along a portion of the northern side of property now or formerly of Lawrence W. Herr, respectively, south forty-nine degrees one minute twenty-one seconds west (S. 49°01'21" W.) a distance of seven hundred five and seventy-one one-hundredths (705.71') feet to a point; thence along the eastern side of Lot 19 of the Development of Penn's West north forty degrees fifty-eight minutes thirty-nine seconds west (N. 40°58'39" W.) a distance of one hundred forty and zero one-hundredths (140.00') feet to a point; thence crossing Sequoia Drive north twenty-nine degrees forty minutes three seconds west (N. 29°40'03" W.) a distance of fifty and ninety-nine one-hundredths (50.99') feet to a point; thence along the eastern side of Lot 77 of the aforesaid Development of Penn's West north forty degrees fifty-eight minutes thirty-nine seconds west (N. 40°58'39" W.) a distance of ninety-five and zero one-hundredths (95.00') feet to a point; thence along the northern side of the same, the northern side of Lots 78, 79, 80, 81, 82, 83, 84, 85, 86, and a portion of the northern side of Lot 87, all of the aforesaid Development of Penn's West, respectively, south forty-nine degrees one minute twenty-one seconds west (S. 49°01'21" W.) a distance of two hundred ninety-six and forty-seven one-hundredths (296.47') feet to a point; thence along the eastern side of Lots 170 and 102, both of the aforesaid Development of Penn's West, and crossing Pioneer Drive, respectively, north forty-one degrees thirteen minutes forty-six seconds west (N. 41°13'46" W.) a distance of one hundred eighty-three and zero one-hundredths (183.00') feet to a point; thence along the northern right-of-way line of the aforesaid Pioneer Drive south forty-eight degrees forty-six minutes fourteen seconds west (S. 48°46'14" W.) a distance of two hundred ninety-six and ninety-five one-hundredths (296.95') feet to a point of curvature; thence continuing along the same along a curve to the left having a radius of five hundred twenty-five and zero one-hundredths (525.00') feet, a central angle of seven degrees forty-eight minutes fifty-six seconds (07°48'56"), and a distance along the arc of seventy-one and sixty-one one-hundredths (71.61') feet, the chord of said curve bearing south forty-four degrees fifty-one minutes forty-six seconds west (S. 44°51'46" W.) for a distance of seventy-

EXHIBIT "A"

Declaration of Penn's West Planned Community

one and fifty-six one-hundredths (71.56') feet to a point; thence along the eastern side of Lot 165 of the aforesaid Development of Penn's West and extending into Township Road T-494, known as Antique Lane, respectively, north forty-seven degrees twenty-four minutes twenty-eight seconds west (N. 47°24'28" W.) a distance of one hundred ninety-six and two one-hundredths (196.02') feet to a point; thence in and along the aforesaid Township Road T-494, known as Antique Lane, north forty-eight degrees forty-six minutes fourteen seconds east (N. 48°46'14" E.) a distance of five hundred forty-two and twenty-nine one-hundredths (542.29') feet to a point; thence leaving the aforesaid Township Road T-494, known as Antique Lane, south forty-one degrees thirteen minutes forty-six seconds east (S. 41°13'46" E.) a distance of forty and zero one-hundredths (40.00') feet to a point; thence along a portion of the northern side of Lot 167 of the aforesaid Development of Penn's West south forty-eight degrees forty-six minutes fourteen seconds west (S. 48°46'14" W.) a distance of eighteen and zero one-hundredths (18.00') feet to a point of curvature; thence continuing along the western side of the same, the three (3) following courses and distances, VIZ: 1.) along a curve to the left having a radius of fifteen and zero one-hundredths (15.00') feet, a central angle of ninety degrees zero minutes zero seconds (90°00'00"), and a distance along the arc of twenty-three and fifty-six one-hundredths (23.56') feet, the chord of said curve bearing south three degrees forty-six minutes fourteen seconds west (S. 03°46'14" W.) a distance of twenty-one and twenty-one one-hundredths (21.21') feet to a point of tangency; 2.) south forty-one degrees thirteen minutes forty-six seconds east (S. 41°13'46" E.) a distance of one hundred twenty and zero one-hundredths (120.00') feet to a point of curvature; and, 3.) along a curve to the left having a radius of fifteen and zero one-hundredths (15.00') feet, a central angle of ninety degrees zero minutes zero seconds (90°00'00"), and a distance along the arc of twenty-three and fifty-six one-hundredths (23.56') feet, the chord of said curve bearing south eighty-six degrees thirteen minutes forty-six seconds east (S. 86°13'46" E.) for a distance of twenty-one and twenty-one one-hundredths (21.21') feet to a point of tangency; thence along the southern side of the same and along the southern side of Lots 156, 155, 154, 153, 152, 151, 150, 149, 148, 147, 146 and 145, all of the aforesaid Development of Penn's West, respectively, north forty-eight degrees forty-six minutes fourteen seconds east (N. 48°46'14" E.) a distance of three hundred sixty-three and fifty one-hundredths (363.50') feet to a point; thence along the eastern side of the aforesaid Lot 145 and extending into the aforesaid Township Road T-494, known as Antique Lane, respectively, north forty-one degrees thirteen minutes forty-six seconds west (N. 41°13'46" W.) a distance of one hundred ninety and zero one-hundredths (190.00') feet to a point; thence in and along the aforesaid Township Road T-494, known as Antique Lane, north forty-eight degrees forty-six minutes fourteen seconds east (N. 48°46'14" E.) a distance of three hundred sixty-eight and sixty-eight one-hundredths (368.68') feet to a point; thence in and along the aforesaid Township Road T-494, known as Mill Creek Road, south eighty-two degrees thirty-seven minutes six seconds east (S. 82°37'06" E.) a distance of five hundred thirty-seven and thirty-nine one-hundredths (537.39') feet to the place of BEGINNING.

CONTAINING IN AREA 14.3446 acres of land.

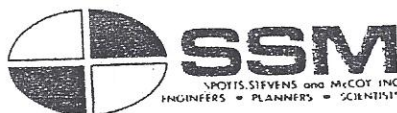


EXHIBIT "A"

Declaration of Penn's West Planned Community

Being part of the same premises which Grace E. Kirby, widow, did grant and convey unto Hornstein Enterprises, Inc., by deed dated December 24, 1987, and recorded in the Office of the Recorder of Deeds in and for the County of Lehigh at Allentown, Pennsylvania, in Deed Book Volume 1408, Page 312.

(F:\Data\WPData\Descript\8877-000.P1A)

EXHIBIT "B"
to
Declaration of Penn's West Planned Community

Additional Real Estate that may be added to the Planned Community consists of Phases I-B, and II as laid out on the approved Subdivision/Land Development Plan for the Penn's West Development.

EXHIBIT "C"
to
Declaration of Penn's West Planned Community

PENN'S WEST
Ia

Building	Lot	Address	% of Ownership
25	13	2854 Sequoia Drive	.62 %
	14	2850 Sequoia Drive	.62 %
	15	2846 Sequoia Drive	.62 %
	16	2842 Sequoia Drive	.62 %
	17	2838 Sequoia Drive	.62 %
	18	2834 Sequoia Drive	.62 %
26	7	2878 Sequoia Drive	.62 %
	8	2874 Sequoia Drive	.62 %
	9	2870 Sequoia Drive	.62 %
	10	2866 Sequoia Drive	.62 %
	11	2862 Sequoia Drive	.62 %
	12	2858 Sequoia Drive	.62 %
27	1	2902 Sequoia Drive	.62 %
	2	2898 Sequoia Drive	.62 %
	3	2894 Sequoia Drive	.62 %
	4	2890 Sequoia Drive	.62 %
	5	2886 Sequoia Drive	.62 %
	6	2882 Sequoia Drive	.62 %
28	123	6407 Pioneer Drive	.62 %
	124	6411 Pioneer Drive	.62 %
	125	6415 Pioneer Drive	.62 %
	126	6419 Pioneer Drive	.62 %
	127	6423 Pioneer Drive	.62 %
	128	6427 Pioneer Drive	.62 %

EXHIBIT "C"
to
Declaration of Penn's West Planned Community

PENN'S WEST
Ia

29	129	6431 Pioneer Drive	.62 %
	130	6435 Pioneer Drive	.62 %
	131	6439 Pioneer Drive	.62 %
	132	6443 Pioneer Drive	.62 %
	133	6447 Pioneer Drive	.62 %
	134	6451 Pioneer Drive	.62 %
30	135	6455 Pioneer Drive	.62 %
	136	6459 Pioneer Drive	.62 %
	137	6463 Pioneer Drive	.62 %
	138	6467 Pioneer Drive	.62 %
31	139	6471 Pioneer Drive	.62 %
	140	6475 Pioneer Drive	.62 %
	141	6479 Pioneer Drive	.62 %
	142	6483 Pioneer Drive	.62 %
	143	6487 Pioneer Drive	.62 %
	144	6491 Pioneer Drive	.62 %
39	71	2859 Sequoia Drive	.62 %
	72	2855 Sequoia Drive	.62 %
	73	2851 Sequoia Drive	.62 %
	74	2847 Sequoia Drive	.62 %
	75	2843 Sequoia Drive	.62 %
	76	2839 Sequoia Drive	.62 %
40	67	2875 Sequoia Drive	.62 %
	68	2871 Sequoia Drive	.62 %
	69	2867 Sequoia Drive	.62 %
	70	2863 Sequoia Drive	.62 %
41	61	2899 Sequoia Drive	.62 %
	62	2895 Sequoia Drive	.62 %
	63	2891 Sequoia Drive	.62 %
	64	2887 Sequoia Drive	.62 %
	65	2883 Sequoia Drive	.62 %
	66	2879 Sequoia Drive	.62 %

EXHIBIT "C"
to
Declaration of Penn's West Planned Community

PENN'S WEST
Ia

42	119	6474 Pioneer Drive	.62 %
	120	6470 Pioneer Drive	.62 %
	121	6466 Pioneer Drive	.62 %
	122	6462 Pioneer Drive	.62 %
43	113	6498 Pioneer Drive	.62 %
	114	6494 Pioneer Drive	.62 %
	115	6490 Pioneer Drive	.62 %
	116	6486 Pioneer Drive	.62 %
	117	6482 Pioneer Drive	.62 %
	118	6478 Pioneer Drive	.62 %
44	109	6514 Pioneer Drive	.62 %
	110	6510 Pioneer Drive	.62 %
	111	6506 Pioneer Drive	.62 %
	112	6502 Pioneer Drive	.62 %
45	103	6538 Pioneer Drive	.62 %
	104	6534 Pioneer Drive	.62 %
	105	6530 Pioneer Drive	.62 %
	106	6526 Pioneer Drive	.62 %
	107	6522 Pioneer Drive	.62 %
	108	6518 Pioneer Drive	.62 %

EXHIBIT "D"

to

Declaration of Penn's West Planned Community

1. Easement to Tuscarora Oil Co. Ltd. as recorded in Lehigh County Recorder of Deeds Office in Miscellaneous Volume 219, Page 308, and Easement to Northern Pipe Line Co. recorded in Miscellaneous Volume 317, Page 339, as said easement grants are modified and released in and by Release and Agreement between Hornstein Enterprises, Inc. and Buckeye Pipe Line Co. recorded in Miscellaneous Volume 571, Page 353.
2. Easement to PP&L Co. recorded in Miscellaneous Volume 380, Page 7.
3. Deed of Dedication to Township of Lower Macungie for strip of land for PIONEER DRIVE, as recorded in Miscellaneous Volume 875, Page 704.
4. Deed of Dedication to Township of Lower Macungie for strip of land for SEQUOIA DRIVE, as recorded in Miscellaneous Volume 875, Page 716.
5. Deed of Dedication to Township of Lower Macungie for strip of land for PENN AVENUE, as recorded in Miscellaneous Volume 875, Page 727.
6. Deed of Dedication to Township of Lower Macungie for a storm sewer and utility easement, as recorded in Miscellaneous Volume 875, Page 684.
7. Deed of Dedication to Township of Lower Macungie for a sanitary sewer and utility easement, as recorded in Miscellaneous Volume 875, Page 690.
8. Deed of Dedication to Township of Lower Macungie for a strip of land for the expansion of the right-of-way of MILL CREEK ROAD, as recorded in Miscellaneous Volume 875, Page 699.
9. Deed of Dedication to Township of Lower Macungie for a strip of land for the expansion of the right-of-way of WILLOW LANE (S.R. 3003), as recorded in Miscellaneous Volume 875, Page 711.
10. Deed of Dedication to Township of Lower Macungie for a strip of land for the expansion of the right-of-way of ANTIQUE LANE, as recorded in Miscellaneous Volume 875, Page 722.
11. Deed of Dedication to Township of Lower Macungie for a strip of land for the expansion of the right-of-way of TRAFFIC ROUTE 100 (S.R. 0100), as recorded in Miscellaneous Volume 875, Page 732.

9. Deed of Dedication to Township of Lower Macungie for a strip of land for the expansion of the right-of-way of WILLOW LANE (S.R. 3003) as recorded in Miscellaneous Volume 875, Page 711.

10. Deed of Dedication to Township of Lower Macungie for a strip of land for the expansion of the right-of-way of ANTIQUE LANE as recorded in Miscellaneous Volume 875, Page 722.

11. Deed of Dedication to Township of Lower Macungie for a strip of land for the expansion of the right-of-way of TRAFFIC ROUTE 100 (S.R. 0100) recorded in Miscellaneous Volume 875, Page 732.

12. Agreement with respect to recreational facilities between Hornstein Enterprises, Inc. and Penn's West Planned Community Association recorded in Miscellaneous Volume 882, Page 991.

EXHIBIT "E"
to
Declaration of Penn's West Planned Community

See items 3,4,5,8,9 & 10 on Exhibit "D" of this Declaration.

**PENN'S WEST PLANNED COMMUNITY
PROPOSED BUDGET**

	ULTIMATE BUDGET	INITIAL BUDGET PHASE 1a
INCOME		
Assoc. Fees	73,872	18,240
Late Fees 1%	739	200
Interest	900	235
Resale Doc.	300	150
TOTAL	\$75,811	\$18,825
EXPENSES		
Landscaping	14,000	10,000
General Maintenance	200	0
Water	100	100
Telephone	100	100
Management	7,750	3,500
Insurance	1,500	1,000
Audit	750	500
Legal	750	250
Office/Commun.	1,500	750
Income Taxes	165	25
Miscellaneous	1,600	600
Contingency	1,200	500
Common Area Reserves	4,000	1,500
Recreation Area Fee	41,796	0
Snow Removal (Parking Lots)	400	0
TOTAL	\$75,811	\$18,825
MONTHLY FEE	38.00	20.00