

BY-LAWS AND ORGANIZATION OF  
LOMBARD PINES CONDOMINIUM  
OWNERS ASSOCIATION

20162  
THESE BY-LAWS are made this 19<sup>th</sup> day of February, 1997, by all of whom constitute the first members of LOMBARD PINES CONDOMINIUM OWNERS ASSOCIATION an unincorporated association

ARTICLE I

IDENTIFICATION OF THE PROPERTY AND DEFINITIONS

Section 1.

Identification of the Property. These By-Laws are the By-Laws which are adopted pursuant to the Uniform Condominium Act of Pennsylvania for the regulation and management of the Property known and identified as LOMBARD PINES CONDOMINIUM which was submitted to the provisions of the Act by Declaration Creating and Establishing LOMBARD PINES CONDOMINIUM bearing even date herewith made by LOMBARD PINES LIMITED PARTNERSHIP, and recorded in the Office of the Recorder of Deeds in and for York County, Pennsylvania, in Record Book 1288, page 7276, and the accompanying Declaration Plan which was recorded in said Office in Plan Book 00, page 431.

Section 2.

Definitions. The following terms when used in these By-Laws shall have the same meanings ascribed to them in Section 1 of the Declaration referred to in Section 1 of this Article I, viz: "Act"; "Association"; "Building"; "Common Elements"; "Common Expenses"; "Condominium"; "Declarant"; "Land"; "Person"; "Property"; "Unit"; "Identifying Number"; "Unit Owner"; and "Voting Representative" of a Unit Owner means the person who is entitled pursuant to the provision of Section 13 of the Declaration to cast votes for such Unit Owner.

ARTICLE II

ADMINISTRATION; APPLICABILITY

Section 1.

Administration. The administration and management of LOMBARD PINES CONDOMINIUM and the Property and the actions of the Association and the Unit Owners shall be governed by the By-Laws.

Section 2.

Applicability. All present and future Unit Owners, tenants, their licensees, servants, agents, employees and any other person or persons that shall be permitted to use the Property shall be subject to the By-Laws and to the Rules and Regulations made and promulgated by the Association. Acquisition, rental or occupancy of any Unit shall be conclusively deemed to mean that the Unit Owner, tenant or occupant has accepted and ratified the By-Laws and the Rules and Regulations of the Association and will comply with them.

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ARTICLE III

PRINCIPAL OFFICE

Section 1.

Principal Office. The Principal office of LOMBARD PINES CONDOMINIUM and of the Association shall be located initially at 339 Allegheny Drive, York , but thereafter may be located at such other suitable and convenient place or places as shall be permitted by law and designated by the Association.

ARTICLE IV

THE ASSOCIATION

Section 1.

Organization. The Unit Owners Association shall be organized and exist no later than the date that the first Unit of LOMBARD PINES CONDOMINIUM is conveyed to a person other than the Declarant. Membership of the Association at all times shall consist exclusively of all Unit Owners and shall initially be deemed an unincorporated association. The management of the Association and its operation and organization shall be governed and exist according to the terms of the Uniform Condominium Act of Pennsylvania, Section 3301 et. seq., as applicable, which terms are incorporated herein by reference and made a part hereof.

Section 2.

Powers. The Association shall have the following powers, subject to the provisions of the Declaration:

1. To adopt and amend By-Laws and Rules and Regulations, by a 75% majority vote of the Unit Owners. Additionally, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these By-Laws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declaration, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with respect to condominium projects, then at any time and from time to time the Executive Board may affect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.
2. To adopt and amend budgets for revenues, expenditures and reserves and collect assessments for Common Expenses from Unit Owners.
3. To hire and terminate managing agents and other employees, agents and independent contractors.
4. To institute, defend or intervene in litigation or administrative proceedings in its own name or behalf of itself or two or more Unit Owners on matters affecting the Condominium.

5. To make contracts and incur liabilities.
6. To regulate the use, maintenance, repair, replacement and modification of Common Elements.
7. To cause additional improvements to be made as a part of the Common Elements.
8. To acquire, hold, encumber and convey in its own name any right, title, or interest to real or personal property, but common elements may be conveyed or subjected to a security interest only pursuant to the provisions of Section 3318 of the Act.
9. To grant easements, leases, licenses and concessions through or over the Common Elements, but any such grant shall be subject to the limitations set forth in Section 3302 (a) (9) of the Act.
10. To impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements other than Limited Common Elements described in Section 3202(2) and (4) (relating to unit boundaries.).
11. To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, By-Laws, and Rules and Regulations of the Association.
12. To impose reasonable charges for the preparation and recordation of amendments to the Declaration, resale certificates required by Section 3407 (relating to resale of units) or statements of unpaid assessments.
13. To provide for the indemnification of its officers and executive board and maintain directors' and officers' liability insurance.
14. To exercise any other powers conferred by the Declaration or By-Laws.
15. To exercise all other powers that may be exercised in this Commonwealth by legal entities of the same type as the Association.
16. To exercise any other powers necessary and proper for the governance and operation of the Association.
17. To assign its future income, including the right to receive the payments made on account of common expense assessments.

### Section 3.

Executive Board. The executive Board shall be composed initially of a minimum of three (3) members and a maximum of five (5) members appointed by the Declarant, and shall have the power to act in all instances of behalf of the Association except for the following express limitations:

1. The Executive Board may not amend the Declaration or terminate the Condominium, except as allowed by law and the Condominium documents.

2. The Executive Board may not elect new members of the Board or determine the qualifications, powers and duties or terms of office of Board members, except that the Board may fill vacancies in its membership for the unexpired portion of any term.
3. Unit Owners may by 70% vote reject any budget or capital expenditure approved by the Board within 30 days after the approval.
4. Declarant control of the Executive Board shall, unless voluntarily terminated earlier, not extend beyond five (5) years from the date of the first conveyance of a Unit, except that Declarant control shall automatically terminate 120 days after conveyance of 75% of all Units contained in all sections (including the additional real estate) to Unit Owners other than Declarant.
5. No later than 60 days after conveyance of 25% of the Units to Unit Owners other than Declarant, not less than 25% of the members of the Executive Board shall be elected by Unit Owners other than Declarant. Not later than 60 days after conveyance of 50% of the Units to Unit Owners other than a Declarant, no less than 33-1/3% of the members of the Executive Board shall be elected by Unit Owners other than Declarant. In calculating these percentages contained within this Section, the percentage of Units conveyed is presumed to be that percentage which would have been conveyed if all of the Units the Declarant has built or reserved the right to build in the Declarant were included in the Condominium.

#### Section 4.

Termination of Contracts and Leases of Declarant. Any contract or lease entered into by the Executive Board before the termination of Declarant control relating to management, employment or any contract or lease to which Declarant or an affiliate is a party may be terminated without penalty by the Association at any time after termination of Declarant control by the successor Executive Board upon not less than 90 days notice to the other party.

#### Section 5.

##### Officers.

1. Mandatory Designation - The principal officers of the Association shall be the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant Treasurer, an assistant Secretary and such other officers as in its judgment may be necessary. The President and Vice-President shall be members of the Executive Board. Any other officer may, but need not, be Unit Owners or members of the Executive Board. An officer other than the President may hold more than one office.
2. Election of Officers - The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Board and shall hold office at the pleasure of the Executive Board.
3. Removal of Officers - Upon the affirmative vote of a majority of all members of the Executive Board, any officer may be removed, either

with or without cause, and a successor may be elected in the case of removal, or retirement or death of an officer prior to the expiration of the officer's term at any meeting of the Executive Board called for this purpose.

4. The Executive Board or Officers shall not delegate any of the powers granted herein unless such delegation is expressly authorized in the Declaration or By-Laws.
5. The Secretary shall prepare, and the President shall execute, certify and record any amendments to the Declaration on behalf of the Association.
6. The By-Laws may be amended in the manner provided in Article IV, Section 2, Paragraph 1 and Sections 7 and 8.
7. Compensation of Officers - No officer who is also a member of the Executive Board shall receive any compensation from the Association for acting as an officer, but may be reimbursed for any out-of-pocket expenses incurred in performing his duties; provided, however, the Secretary and Treasurer may be compensated for their services if the Executive Board determines the compensation to be appropriate.
8. Other provisions - Subject to the provisions of the Declaration, the By-Laws may provide for any other matters the Association deems necessary and appropriate.

#### Section 6.

Upkeep of Condominium. General Rule - Except to the extent provided by the Declaration, the Association is responsible for maintenance, repair and replacement of the Common Elements and each Unit Owner is responsible for maintenance, repair and replacement of his Unit. Each Unit Owner shall afford to the Association and the other Unit Owners and to their agents or employees, access through his Unit reasonably necessary for those purposes. If damage is inflicted on the Common Elements or any Unit through which access is taken, the Unit Owner responsible for the damage, or the Association if it is responsible, is liable for the prompt repair thereof.

#### Section 7.

Meetings. Meetings of the Association shall be held at least once each year, special meetings on ten (10) days written notice. The President and the Secretary, not less than ten (10) nor more than sixty (60) days in advance of any meeting, shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or By-Laws, any budget or assessment changes and any proposal to remove an Executive Board member or officer. Only agenda items specifically listed and fully described in motion form in the meeting notice shall be voted upon at that meeting.

#### Section 8.

Quorums.

1. Association - Unless the By-Laws provide otherwise, a quorum is deemed present throughout any meeting of the Association if persons entitled to cast 20% of the votes which may be cast for election of the Executive Board are present in person or by proxy at the beginning of the meeting. The By-Laws may require a larger percentage or a smaller percentage not less than 10%.
2. Executive Board - Unless the By-Laws specify a larger percentage, a quorum is deemed present throughout any meeting of the Executive Board if persons entitled to cast 50% of the votes on the Board are present at the beginning of the meeting.

Section 9.  
Voting; Proxies.

1. Where a Unit Owner is other than a natural person, such owner shall, as required by Section 3310 of the Act, designate in a certificate executed by the Unit Owner the natural person entitled to cast the vote for such Unit. Where a Unit is owned by multiple owners, each of them shall execute a certificate designating the individual person entitled to cast all the votes allocated to that Unit. Such certificates shall be filed with the Secretary. Such certificates shall be valid until revoked by a subsequent certificate similarly executed. In the absence of the designated person from the meeting or the failure to execute and file such a certificate, the person entitled to vote on behalf of a Unit shall be the person owning such Unit who is present. If more than one of the multiple owners is present, the votes allocated to that Unit may be cast only in accordance with their unanimous agreement unless the Declaration expressly provides otherwise. There shall be deemed to be unanimous agreement if any one of the multiple owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Unit. Except where execution by owners of a Unit in the same manner as a deed is required, approvals or disapprovals required by the Act, the Declaration or the By-Laws shall be made only by the person who is entitled to cast the vote of such Unit at any meeting of the Association.
2. Proxies - Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of votes by the other owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date unless it specifies a shorter term.
3. Units owned by Association - No votes allocated to a Unit owned by the Association may be cast.
4. Unless otherwise indicated, each Unit shall have one vote as provided in the Declaration.

5. Any change in the Common Elements shall require 75% approval vote.

Section 10  
Tort and Contract Liability.

1. General rule -

- A. An action in tort alleging a wrong done by a Declarant or his agent or employee in connection with a portion of any convertible or withdrawable real estate or other portion of the condominium which the Declarant has the responsibility to maintain may not be brought against the Association or against a Unit Owner other than a Declarant.
- B. Except as otherwise provided in paragraph A:
- (i) An action in tort alleging a wrong done by the Association or by an agent or employee of the Association, or an action arising from a contract made by or on behalf of the Association, shall be brought against the Association.
- (ii) A Unit Owner shall not be subject to suit or, except as otherwise provided by subsection (2), be otherwise directly or indirectly held accountable for the acts of the Association or its agents or employees on behalf of the Association.
- C. If the tort or breach of contract occurred during any period of Declarant control (Section 3303(c)), the Declarant is liable to the Association for all unreimbursed losses suffered by the Association as a result of that tort or breach of contract, including costs and reasonable attorney's fees. If a claim for tort or breach of contract is made after the period of Declarant control the Association shall have no right against the Declarant under this paragraph unless the Association shall have given the Declarant:
- (i) notice of the existence of the claim promptly after the date on which one or more members of the Executive Board who are not designees of the Declarant learns of the existence of such a claim; and
- (ii) an opportunity to defend against such claim on behalf of the Association at the Declarant's expense.
- Any statute of limitation affecting the Association's right of action under this section is tolled until the period of Declarant control terminates.
- D. A Unit Owner is not precluded from bringing an action contemplated by this subsection because he is a Unit Owner or a member or officer of the Association.

2. Lien of judgment - A judgment for money against the Association, if and when entered of record against the name of the Association in the Office of the Prothonotary of the Court of Common Pleas of York

County, shall also constitute a lien against each Unit for a pro rata share of the amount of that judgment, including interest thereon, based on the Common Expense liability allocated to that Unit (Section 3208). No other property of a Unit Owner is subject to the claims of creditors of the Association.

3. Index judgment - A judgment against the Association shall be indexed in the name of the Condominium.
4. Applicability of section - The provision of this section shall be applicable to all associates without regard to whether the Association is organized as a corporation or as an unincorporated Association.

Section 11.  
Insurance.

1. Insurance to be carried by Association - Commencing not later than the time of the first conveyance of a Unit to a person other than a Declarant, the Association shall maintain, to the extent reasonably available:
  - A. Property insurance on the Common Elements and units exclusive of improvements and betterments installed in Units insuring against all risks of direct physical loss commonly insured against or, in the case of a conversion building, against fire and extended coverage perils. The total amount of insurance after application of any deductibles shall be not less than 80% of the actual cash value of the insured property exclusive of land, excavations, foundations and other items normally excluded from property policies.
  - B. Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Executive Board but not less than any amount specified in the Declaration covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership and maintenance of the Common Elements.
2. Other insurance carried by Association - If the insurance described in subsection (1) is not maintained, the Association shall promptly cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Unit Owners. The Declaration may require the Association to carry any other insurance and the Association in any event may carry any other insurance it deems appropriate to protect the Association or the Unit Owners.
3. Contents of insurance policies - Insurance policies carried pursuant to subsection (1) must provide that:
  - A. Each Unit Owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the Common Elements or membership in the Association.



- B. The insurer waives its right to subrogation under the policy against any Unit Owner of the Condominium or members of his 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 a Unit Owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.
4. Proceeds from property insurance - Any loss covered by the property policy under subsection (1)(a) shall be adjusted with the Association but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose or otherwise to the Association and not to any mortgagee or beneficiary under a deed of trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interest may appear. Subject to the provisions of subsection (7), the proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements and Units and Unit Owners and lienholders are not entitled to receive payments of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored or the condominium is terminated.
  5. Unit Owner may obtain insurance - An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for his own benefit.
  6. Evidence and cancellation of insurance - An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance to the Association and, upon request, to any Unit Owner, mortgagee or beneficiary under a deed of trust. The insurance may not be cancelled until 30 days after notice of the proposed cancellation has been mailed to the Association, each Unit Owner and each mortgagee or beneficiary under a deed of trust to whom certificates of insurance have been issued.
  7. Disposition of insurance proceeds -
    - A. Any portion of the condominium damaged or destroyed shall be repaired or replaced promptly by the Association unless:
      - (i) the condominium is terminated;
      - (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or
      - (iii) eighty (80%) percent of the Unit Owners, including every owner of a Unit or assigned Limited Common Element which will not be rebuilt, votes not to rebuild.

The cost of repair or replacement in excess of insurance proceeds

and reserves is a Common Expense.

B. If the entire condominium is not repaired or replaced:

- (i) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium;
- (ii) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were assigned; and
- (iii) the remainder of the proceeds shall be distributed to all the Unit Owners in proportion to their Common Element interest.

If the Unit Owners vote not to rebuild any Unit, that Unit's entire Common Element interest, votes in the Association and Common Expense liability are automatically reallocated upon the vote as if the Unit had been condemned under Section 3107(a) (relating to eminent domain) and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

C. Notwithstanding the provisions of this subsection, Section 3220 (relating to termination of condominium) governs the distribution of the insurance proceeds if the Condominium is terminated.

8. The Association shall give the holder, insurer, or guarantor of the mortgage on any Unit the right, upon delivery of a written request to receive such information, to timely written notice of any casualty loss that affects either a material portion of the Condominium or the Unit securing its mortgage.

## Section 12.

### Surplus Funds.

1. There shall be established at least one working capital fund to be maintained by the Association to meet unforeseen expenditures or to purchase any additional equipment or services. The initial establishment of this fund shall be by the Declarant, who shall establish the initial working capital fund with an amount that is equal to two months of estimated common charges for each Unit. The Declarant shall collect each Unit's share of the working capital fund by collecting it in the name of the Association at the time the sale of the Unit is closed. At such time as control of the Association is transferred to the Unit Owners, the Association's agent shall continue this practice at the time of the sale of any Unit. The amounts paid into this fund shall not be considered as an advance payment of the regular monthly assessment or as a security deposit, and shall not be refundable upon the sale of a Unit. The working capital fund shall be maintained as a segregated fund whether the Association controlled by the Declarant or whether

control has been transferred to the Unit Owners.

2. The Declarant may not use the working capital fund to defray any of its expenses, reserve contributions or construction costs, or to make up any budget deficits of the Association while Declarant is in control of the Association. When unsold units are sold, however, the if the Declarant has previously used its own funds to pay any unsold Unit's share of the working capital fund (as in the case of any Unit used as a model, sales office, rental unit or the like), The Declarant may reimburse itself for funds it paid to the Association for such unsold unit's share of the working capital fund by using funds collected at closing when the unit is sold.
3. The Association shall also establish and maintain an adequate reserve fund for the replacement of improvements to the common elements and those limited common elements that it is obligated to maintain. This fund shall be maintained out of regular assessments for common expenses.
4. Any amounts accumulated from assessments for Limited Common Expenses and income from the operation of Limited Common Elements to which such Limited Common Expenses pertain in excess of the amount required for actual Limited Common Expenses and reserves for future Limited Common Expenses shall be credited to each Unit assessed for a share of such Limited Common Expenses in proportion to the share of such Limited Common Expenses so assessed, these credits to be applied, unless the Declaration provides otherwise, to the next monthly assessment of Limited Common Expenses against that Unit under the then current fiscal year's budget, and thereafter, until exhausted. Any amounts accumulated from assessments for general Common Expenses and income from the operation of the Common Elements, other than Limited Common Elements with regard to which Limited Common Expenses are assessed, in excess of the amount required for actual general Common Expenses and reserves for future general Common Expenses shall be credited to each Unit in accordance with such Unit's interests in Common Elements, these credits to be applied, unless the Declaration provides otherwise, to the next monthly assessment of general Common Expenses against that Unit under the then current fiscal year's budget, and thereafter, until exhausted.

### Section 13.

#### Assessments for Common Expenses.

1. General rule - Until the Association makes a Common Expense assessment, the Declarant shall pay all the expenses of the Condominium. After any assessment has been made by the Association, assessments shall be made at least annually and shall be based on a budget adopted at least annually by the Association. The budgets of the Association shall segregate limited common expenses from general common expenses if and to the extent possible.
2. Allocation and interest - Except for assessments under subsection (3), Common Expenses shall be assessed against all the Units in accordance with the Common Expense liability allocated to each Unit (Section 3208) in the case of general common expenses and in

accordance with subsection 3 in the case of special allocations of expenses. Any past due assessment or installment thereof shall bear interest at the rate established by the Association not exceeding fifteen (15%) percent per year.

3. Limited Expenses - Except as provided by the Declaration:
  - A. Any Common Expenses associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed in equal shares against the units to which that Limited Common Element was assigned at the time the expense was incurred; and
  - B. Any Common Expense benefiting fewer than all of the Units shall be assessed exclusively against the Units benefited.
4. Reallocation - If Common Expenses liabilities are reallocated, Common Expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense liabilities.

Section 14.  
Lien for Assessments.

1. General Rule - The Association has a lien on a Unit for any assessment levied against that Unit or fines imposed against its Unit Owner from the time the assessment or fine becomes due. The Association's lien may be foreclosed in like manner as a mortgage on real estate. A judicial or other sale of the Unit in execution of Common Element lien or any other lien shall not affect the lien of a mortgage thereon, except the mortgage for which the sale is being held, if the mortgage is or shall be prior to all other liens upon the same property except those liens identified in 42 Pa.C.S. Subsection 8152(a) (relating to judicial sale as affecting lien of mortgage) and liens for condominium assessments created under this section. Unless the Declaration otherwise provides, fees, charges, late charges, fines and interest charged pursuant to Section 3302(a)(10), (11) and (12) (relating to powers of Unit Owners' Association) and reasonable costs and expenses of the Association, including legal fees, incurred in connection with collection of any sums due the Association by the Unit Owner or enforcement of the provisions of the Declaration, bylaws, rules or regulations against the Unit Owner are enforceable as assessments under this section. If an assessment is payable in installments and one or more installments is not paid when due, the entire outstanding balance of the assessment becomes effective as a lien from the due date of the delinquent installment.
2. Priority of lien -
  - A. General rule - A lien under this section is prior to all other liens and encumbrances on a Unit except:
    - (i) Liens and encumbrances recorded before the recordation of the Declaration.
    - (ii) Mortgages and deeds of trust on the Unit securing first

mortgage holders and recorded before the due date of the assessment or the due date of the first installment payable on the assessment.

- (iii) Liens for real estate taxes and other governmental assessments or charges against the Unit.
- B. Limited nondivestiture - The Association's lien for Common Expenses shall be divested by a judicial sale of the Unit:
- (i) As to unpaid Common Expense assessments made under Section 3314(b) (relating to assessments for Common Expenses) that come due during the six months immediately preceding institution of an action to enforce collection of a lien against a Unit by a judicial sale, only to the extent that the six months unpaid assessments are paid out of the proceeds of the sale.
  - (ii) As to unpaid Common Expenses assessments made under Section 3314(b) other than the six months assessment referred to in subparagraph (i), in the full amount of these unpaid assessments, whether or not the proceeds of the judicial sale are adequate to pay these assessments. To the extent the proceeds of the sale are sufficient to pay some or all of these additional assessments, after satisfaction in full of the costs of the judicial sale, and the liens and encumbrances of the types described in paragraph (a) and the unpaid Common Expense assessments that come due during the six-month period described in subparagraph (i), they shall be paid before any remaining proceeds may be paid to any other claimant, including the prior owner of the Unit.
- C. Monetary exemption - The lien is not subject to the provisions of 42 Pa. C.S. Section 8123 (relating to general monetary exemption).
- 3. Notice and perfection of lien - Subject to the provisions of subsection (2), recording of the Declaration constitutes record notice and perfection of the lien.
  - 4. Limitation of actions - A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three (3) years after the assessments become payable.
  - 5. Other remedies preserved - Nothing in this section shall be construed to prohibit actions or suits to recover sums for which subsection (1) creates a lien or to prohibit an Association from taking a deed in lieu of foreclosure.
  - 6. Costs and attorney's fees - A judgment or decree in any action or suit brought under this section shall include costs and reasonable attorney's fees for the prevailing party.
  - 7. Statement of unpaid assessments - The Association shall furnish to a Unit Owner upon written request a recordable statement setting forth

the amount of unpaid assessments currently levied against his Unit. The statement shall be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Executive Board, and every Unit Owner.

8. The Association shall give holder, insurer, or guarantor of the mortgage on any Unit the right, upon delivery of a written request to receive such information, to timely written notice of any 60-day delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds a mortgage.

Section 15.

Association Records. During the period of declarant control, the Association shall keep financial records sufficiently detailed to enable the Association to comply with Section 3407 (relating to resales of Units). All financial and other records shall be made reasonably available for examination by any Unit Owner and his authorized agents.

Section 16.

Association as Trustee. With respect to a third person dealing with the Association in the Association's capacity as a trustee, the existence of trust powers and their proper exercise by the Association may be assumed without inquiry. A third person is not bound to inquire whether the Association has power to act as trustee or is properly exercising trust powers and a third person, without actual knowledge that the Association is exceeding or improperly exercising its powers, is fully protected in dealing with the Association as if it possessed and properly exercised the powers it purports to exercise. A third person is not bound to assure the proper application of trust assets paid or delivered to the Association in its capacity as trustee.

Section 17

Conveyance or encumbrances of Common Elements.

- A. General rule - Portions of the Common Elements may be conveyed or subjected to a security interest by the Association if the persons entitled to cast at least 80% of the votes in the Association, including 80% of the votes allocated to Units not owned by a Declarant or any larger percentage the Declaration specifies, agree to that action, but all the owners of Units to which any Limited Common Element is allocated must agree in order to convey that Limited Common Element or subject it to a security interest. The Declaration may specify a smaller percentage only if all of the Units are restricted exclusively to nonresidential uses. Proceeds of the sale are an asset of the Association.
- B. Required agreement - An Agreement to convey Common Elements or subject them to a security interest must be evidenced by the execution of an Agreement, or ratifications thereof, in the same manner as a deed, by the requisite number of Unit owners. The Agreement must specify a date after which the Agreement will be void unless recorded before that date. The Agreement and all ratifications thereof must be recorded in every county in which a portion of the Condominium is situated and is effective only upon recordation.
- C. Association powers - The Association on behalf of the Unit owners

may contract to convey Common Elements or subject them to a security interest, but the contract is not enforceable against the Association until approved pursuant to subsections A and B. Thereafter, the Association has all powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments.

- D. Other conveyances or encumbrances void - Any purported conveyance, encumbrance, judicial sale or other voluntary transfer of common elements, unless made pursuant to this section, is void.
- E. Right of access and support - A conveyance or encumbrance of Common Elements pursuant to this section does not deprive any Unit of its right of access and support.
- F. Preexisting encumbrances - Unless the Declaration otherwise provides, a conveyance or encumbrance of Common Elements pursuant to this section does not affect the priority or validity of preexisting encumbrances.
- G. Limitation - Common Elements which may be conveyed or encumbered pursuant to this section shall not include any land, buildings or other facilities:
  - (i) containing or comprising one or more Units; or
  - (ii) necessary for the use or operation of one or more Units.

#### Section 18

##### Other liens affecting the Condominium.

- A. General rule - Except as provided in subsection B, a judgment for money against the Association, if and when the judgment has been perfected as a lien on real property, is not a lien on the Common Elements, but is a lien in favor of the judgment lienholder against all of the Units in the Condominium at the time the judgment was entered. No other property of a Unit owner is subject to the claims of creditors of the Association.
- B. If security interest in Common Elements - If the Association has granted a security interest in the Common Elements to a creditor of the Association pursuant to section 3318 (relating to conveyance or encumbrance of Common Elements), the holder of that security interest shall exercise its right against the Common Elements before its judgment lien on any Unit may be enforced.
- C. Release upon payment of Unit Owner's share - Whether perfected before or after the creation of the Condominium, if a lien other than a deed of trust or mortgage, including a judgment lien or lien attributable to work performed or materials supplied before creation of the Condominium, becomes effective against two or more Units, the Unit owner of an affected Unit may pay to the lienholder the amount of the lien attributable to his Unit, and the lienholder, upon receipt of payment, promptly shall deliver a release of the lien covering that Unit. The amount of the payment must be proportionate to the ratio which that Unit owner's Common Expense liability bears to the Common Expense liabilities of all Unit owners whose Units are

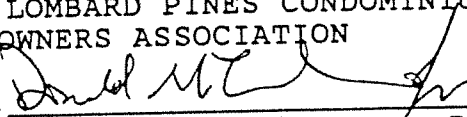
subject to the lien. After payment, the Association may not assess or have a lien against that Unit owner's Unit for any portion of the Common Expenses incurred in connection with that lien.

- D. Indexing of judgments - A judgment against the Association must be indexed in the name of the Condominium and the Association and, when so indexed, is notice of the lien against the Units.

IN WITNESS WHEREOF, the parties hereto set their hands and seals the day and year first above written.

WITNESS:

  
\_\_\_\_\_

LOMBARD PINES CONDOMINIUM  
OWNERS ASSOCIATION  
BY:   
Donald M. Larkin, Jr., President  
D. M. Larkin Communities, Inc.

COMMONWEALTH OF PENNSYLVANIA :  
: ss.  
COUNTY OF YORK :

On this, the 19th day of February, 1997, before me, the undersigned officer, personally appeared Donald M. Larkin, Jr., who acknowledged himself to be the President of D. M. Larkin Communities, Inc., general partner of LOMBARD PINES LIMITED PARTNERSHIP, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of LOMBARD PINES LIMITED PARTNERSHIP by himself as President of its General Partner.

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



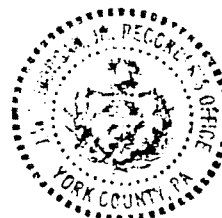
  
\_\_\_\_\_  
Notary Public


Notarial Seal  
Linda K. Parrish, Notary Public  
York, York County  
My Commission Expires Jan. 24, 2001  
Member, Pennsylvania Association of Notaries

Mail to: Marc Roberts, Esquire  
149 East Market Street  
York, PA 17401

I Certify This Document To Be  
Recorded In York County, Pa.

RECORDER OF DEEDS  
YORK COUNTY  
PENNSYLVANIA  
INSTRUMENT NUMBER  
1997020162  
RECORDED ON  
Apr 17, 1997  
2:56:22 PM  
RECORDING FEES \$37.00  
STATE WRIT TAX \$0.50  
TOTAL \$37.50



  
\_\_\_\_\_  
Recorder of Deeds