

• Charles J. Vogt and James Finch - 1983

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DECLARATION

THIS DECLARATION of Ownership and Easements is made this 25th day of March, 1983, by TANGLWOOD LAKES, INC., a Pennsylvania Corporation, having a place of business at Tafton, Pennsylvania 18468, ("Declarant"), as owner of the real property hereinafter described;

WITNESSETH THAT:

WHEREAS, Declarant owns the Property hereinafter described situate in Palmyra Township, Pike County, Pennsylvania;

WHEREAS, Declarant desires to subject the Property to certain covenants and easements and to benefit the Property with certain easements and to further subject the Timeshare Building situate on said property to mutual ownership in a form of time-shared Interests; and

WHEREAS, Declarant desires to provide the framework for the Owners of Interests to enjoy the use of the Property and provide for the maintenance and repair of the Timeshare Building and the Common Areas which comprise the Property;

NOW, THEREFORE, Declarant hereby declares that the Property is and shall be owned, occupied, maintained, improved, transferred, sold, leased and conveyed subject to the Covenants, Mutual Ownership and Easements set forth herein and said Covenants, Mutual Ownership and Easements and the other provisions of this Declaration are intended to enhance and protect the value and desirability of the Property and of the Interests owned by Owners of the Timeshare Building located thereon, and to create mutual equitable servitudes among each of the Owners in favor of each other Owner, and to create reciprocal rights and privity of contract and estate between all persons, natural or artificial, acquiring or owning an interest in the Timeshare Building, their grantees, heirs, devisees, successors and assigns, and the said Covenants, Mutual Ownership and Easements shall be deemed to run with the land and be a burden and benefit to all such persons and the Property.

1. The Property

A. The real property that is hereby made subject to this Declaration is that parcel of land and improvements thereupon situate in Palmyra Township, Pike County, Pennsylvania, more particularly and at large described on Exhibit "A" attached hereto and made a part hereof and as shown on a certain plan entitled "Tanglwood Lakes Lodge", dated 9 March, 1983, and filed in the Office of the Recorder of Deeds in Plat Book Volume 22 at Page 24.

B. Additional Property. The Declarant shall have the right to bring within the scheme of this Declaration from time to time in its sole discretion additional parcels of land with or without improvements. Any such additions shall be made by a Supplementary Declaration filed by the Declarant in the manner set forth herein.

C. Deed Into Trust. The Property, prior to the conveyance of any interests therein, shall be transferred by the Declarant to a Trustee as is more particularly set forth in Section 9 hereof.

D. Supplementary Declaration. A Supplementary Declaration may be filed by the Declarant at any time hereafter for the purpose of making other parcels of land with or without improvements subject to the provisions of this Declaration. Such Supplementary Declaration shall contain the following:

- (1) A reference to this Declaration.
- (2) A description of the property being added.
- (3) An expression of the intent to submit such property to the uniform scheme of this Declaration.
- (4) Such additions to or modifications of the terms hereof as may be necessary to reflect the different character, ownership or operation of the lands being added.

E. Name of the Property. The Property shall be known as the Tanglwood Lakes Lodge.

F. Building. There is presently located on the property a free standing building which with contemplated additions is referred to hereinafter as "the Timeshare Building" and is more particularly described in Exhibit "B" attached hereto and made a part hereof. The Timeshare Building consists of two sections. The Residential Section, consisting of two floors, each containing or to contain eight separate residential units. The second section is the Declarant's Reserved Space consisting of a parcel of land referred to herein as "Declarant's Reserved Space" on which Declarant may construct a two story addition to the Timeshare Building.

G. Common Areas. The balance of the Property, including but not limited to the unimproved portion of the Property, driveway, parking area, and stairs, walkways and hallways comprise the Common Areas and in whole or in part be owned by the Declarant or the Association as hereinafter set forth.

2. Covenants.

A. The Residential Section of the Timeshare Building may be used for residential purposes only. Except as it is necessary for the operation or management of the Property or the sale or rental of Interests by the Declarant, or its assigns, no commercial, industrial or professional business shall be carried on at the Property at any time unless prior written approval of the Declarant is obtained.

B. No Owner may obstruct the Common Areas or in any manner interfere with the common use and enjoyment of those areas by other Owners or persons entitled to use them.

C. No Owner may store anything in or on the Common Areas without the prior consent of the Declarant.

D. The Common Areas shall be used only for the purposes for which they are intended. No Owner may carry on any practice or permit any practice to be carried on which unreasonably interferes with the quiet enjoyment by any other Owner, Declarant or their guests or invitees.

E. The Property is to be maintained in a clean and sanitary condition and no Owner may place any garbage, trash or rubbish anywhere on the Property other than in accordance with the Rules and Regulations.

F. No portion of the Property may be used, occupied or kept in a manner which will in any way increase the fire insurance premiums for the Property without the prior written permission of the Declarant.

G. No portion of the Property shall be used, occupied or kept in a manner which would violate any law, statute, ordinance, or regulations of any governmental body or which would lead to the cancellation of any hazard insurance policy or policies on the Property.

H. No Owner may erect any sign on or in the Property and visible from outside the Building or on or in the Common Areas without the prior written permission of the Declarant.

I. No Unit may be divided or subdivided into a smaller Unit. Likewise, no Interest created pursuant to the provisions for Mutual Ownership herein set forth may be divided or subdivided into a smaller Interest nor may any portion thereof less than an entire Interest be sold or otherwise transferred.

J. Nothing shall be done or permitted to be done on the Property which would jeopardize the soundness or safety of the Property or impair any easement or hereditament therein without the consent of the Declarant.

K. No animals of any kind shall be kept, raised or bred on the Property.

L. So long as the same do not conflict with the provisions of this Declaration, the Declarant shall have the right to promulgate from time to time Rules and Regulations governing the use and enjoyment of the Property and the reservation and other procedures concerning the occupancy of the Units. Each Owner shall be furnished with a copy of the Rules and Regulations at or before his initial occupancy and shall periodically be furnished with all amendments made thereto.

3. Mutual Ownership.

A. The Residential Section of the Timeshare Building is hereby dedicated and committed by the Declarant to time-shared ownership as herein set forth. Except as otherwise set forth herein, such dedication may not be withdrawn except by instrument executed by the Declarant and each Owner of an Interest in the Timeshare Building.

B. Each Owner shall own an undivided one eight hundred eighty-fifth (1/885) interest in the Timeshare Building as tenant-in-common with the Declarant, its successors and assigns, and the other Owners. Such interest is referred to herein as an Interest. Eight hundred thirty-two (832) such interests shall apply to the Residential Section. The Declarant shall retain fifty-three (53) of such Interests applicable to Declarant's Reserved Space as set forth in Section 6, which shall not obligate the Declarant to make any contribution for Common Expenses as set forth in Section 6 hereof and is hereinafter referred to as "Declarant's Reserved Interest".

C. Subject to the provisions of Subsection 3(D) hereof and except as otherwise set forth herein, each Owner shall have the privilege in perpetuity to occupy a Unit for one Interval Period during his Season of Purchase per year for each Interest which said Owner owns in accordance with the terms hereof. The manner in which the particular Interval Period and Unit is determined for an Owner for a particular year is set forth in Subsection 3(F) hereof and the Rules and Regulations. An Owner may purchase and own one or more Interests. Each Owner may convey, lease, assign, devise, mortgage or otherwise transfer each Interest owned subject to the provisions of this Declaration.

D. Owner's privilege to occupy a Unit, be a member of the Association or Tanglwood Lakes Club and/or participate in any interval exchange program is subject to the following conditions:

(1) Compliance with the reservation procedures established in the Rules and Regulations;

(2) Availability of a Unit during the Interval Period selected by Owner pursuant to the Rules and Regulations;

(3) Being current, both at the time of reservation and commencement of occupancy, in all financial obligations, including but not limited to, installment payments due under the Installment Contract and payment of all Common Expense charges and assessments; and

(4) Otherwise being in compliance with all the terms and conditions of this Declaration, the Contract and the Rules and Regulations.

E. Interval Period No. 1 is the seven (7) consecutive days commencing on the first Saturday in January of each calendar year. Interval Period No. 2 is the seven (7) days next succeeding Interval Period No. 1, and additional Interval Periods up to and including Interval Period No. 52 are computed in a like manner. Interval Period No. 53 consists of any days which may and do occur periodically between the end of Interval Period No. 52 of a particular year and the beginning of Interval Period No. 1 of the succeeding year. An Interval Period commences at four o'clock p.m. on the first Saturday of the Interval Period and ends at ten o'clock a.m. on the last Saturday of the Interval Period or at such other times as may be set forth in the Rules and Regulations. All times shall be either eastern standard time or eastern daylight savings time, depending upon that time which generally prevails at Paupack, Pike County, Pennsylvania. Each Owner hereby covenants and agrees to use, occupy and enjoy his Interest, subject to this Declaration and the Rules and Regulations.

F. An owner at the time of his purchase of an Interest shall select the Season of the year during which he wishes to have the privilege of occupying a Unit for an Interval Period ("Season of Purchase"). The Seasons being as follows:

GOLD + : July and August (Intervals 26 through 34)
Christmas & New Years (Intervals 51 and 52)

GOLD : February (Intervals 5 through 8)
May and June (Intervals 18 through 25)
September and October (Intervals 35 through 43)

SILVER : January (Intervals 1 through 4)
March and April (Intervals 9 through 17)
November and December (Intervals 44 through 50)

An owner may only occupy a Unit during his Season of Purchase. An owner may make a reservation and occupy a Unit during his Season of Purchase only in accordance with the procedures set forth in the Rules and Regulations promulgated by the Declarant from time to time.

G. Failure by an Owner to make or obtain a reservation for an Interval Period during his Season of Purchase for a particular year in accordance with the procedures set forth in the Rules and Regulations shall be deemed a waiver by said Owner of any right or privilege to occupy a Unit during that year. Such waiver shall not, however, result in any reduction in or waiver of the Owner's obligation to pay his proportionate share of the Common Expenses as set forth in Section 5 hereof.

H. An owner may transfer his Interest only by a deed or similar instrument which specifies the Season of Purchase. No such transfer shall take place except upon ten (10) days' written advance notice to the Declarant. The said Interest conveyed must be the identical Interest which the conveying owner previously acquired. Any deed or other instrument purporting to change or alter the Interest acquired by a conveying owner or to combine or divide an Interest acquired by such owner shall be null and void and have no force or effect. Any transfer or other conveyance of an Interest or Interests shall be and is expressly made subject to the provisions of this Declaration as amended at the time of said conveyance.

I. Each Owner and each purchaser of an Interest, by acceptance of a deed conveying title thereto or by the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such Interest, shall and does, for himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree, to and with the Declarant and the grantee, purchaser, or owner of each other Interest subject to this Declaration, to waive and relinquish, and does thereby waive and relinquish, in perpetuity (unless the Property is withdrawn from the provisions of this Section by the Declarant and all Owners thereof), any and all rights which he may now have or which he may hereafter acquire to seek or cause a partition of the Property or any portion thereof. No Owner or other person or entity acquiring any right, title or interest in the Property or any portion thereof shall seek or obtain through any legal procedure partition or the sale

thereof in lieu of partition so long as the Residential Section shall be subject to the provisions of this Section. If, however, any Interest shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Interest in lieu of partition as between such owners.

J. Each Owner shall, under the terms of the Rules and Regulations, have the exclusive right to occupy a Unit and enjoy the rights and privileges applicable thereto during the Interval Period to which he is assigned together with the nonexclusive right of all other Owners when acting through the Association to exercise, pursuant to the terms hereof, the various Management Functions with respect to the Property. No Owner shall occupy any Unit or exercise any other rights with respect to the Property or any portion thereof other than as set forth in this Declaration or the Rules and Regulations.

K. Each Owner shall keep the Unit in good condition and repair during his Interval Period; vacate the Unit at the time set forth herein or as established by the Rules and Regulations; remove all persons and property not forming part of the Unit therefrom; leave the Unit in good and sanitary condition and repair; and otherwise comply with such reasonable occupancy rules and other procedures as may from time to time be contained in the Rules and Regulations.

L. If any Owner or other person fails to vacate his assigned Unit at the time prescribed herein or by the Rules and Regulations or otherwise uses or occupies a Unit during an Interval Period other than that assigned to him, or prevents another Owner or the Declarant from using or occupying any Unit during the Declarant's or such other Owner's assigned Interval Period, the Owner or other person in wrongful possession:

(1) Shall be subject to removal, eviction or ejectment from the Unit wrongfully occupied;

(2) Shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejectment of such Owner or other person in wrongful possession;

(3) Shall pay to the Association as liquidated damages for the wrongful use of the Unit, a sum equal to two hundred percent (200%) of the fair rental value of the Unit for each day or portion thereof that such Unit is wrongfully occupied, including the day of surrender, which sum may be assessed and collected as a special assessment hereunder;

(4) Shall reimburse the Association for all costs and expenses, including but not limited to court costs and reasonable attorneys' fees incurred in connection with removing, evicting or ejecting the Owner or other person in wrongful possession of the Unit, which costs and expenses may be assessed and collected as a special assessment hereunder;

(5) Shall be subject to having his rights and privileges, if any, in connection with the Association, Common Areas, and Tanglwood Lakes Club, suspended; and

(6) Shall be subject to having any and all utility and other services to the Unit during the period of his wrongful occupancy terminated.

M. The Declarant will set aside sixteen (16) Interests applicable to the Residential Section for the maintenance and restoration of the Units. Title to such Interests may be conveyed to the Association at the time the Declarant has completed the initial sale of all Interests or at such other time as the Declarant may determine or may be held by the Declarant. Neither the Declarant nor the Association by reason of the ownership of the said Interests shall be liable or responsible for the payment of any proportionate charges for Common Expenses or any other expenses, fees or assessments chargeable to Owners under the provisions of this Declaration or the Rules and Regulations.

N. (1) At the end of his assigned Interval Period, each Owner and his guests shall remove all clothing, luggage, and personal property brought into the Building and shall remove from the Common Areas all personal property belonging to them, including but not limited to automobiles. The Declarant, Association or any other Owner shall not be liable in any manner whatsoever for any personal property left in a Building or on the Property by an Owner or his guests. All clothing, luggage and personal property remaining in a Building or on the Common Areas after the Unit has been vacated by the Owner in accordance with this Declaration and the Rules and Regulations, shall be considered to have been abandoned and may be disposed of in whatever manner Declarant deems appropriate.

(2) No noxious or offensive activity shall be conducted on the Property nor shall anything be done or permitted which shall constitute a public nuisance nor shall anything be done or permitted or kept on the Property which would increase the rate of insurance for the Property.

(3) Neither the Timeshare Building nor any part thereof shall be altered, painted, remodeled or renovated nor shall any other improvements be erected or constructed on the Property unless such alterations, remodeling, renovation, erection or construction is approved by the Declarant.

(4) All Maintenance of the Property required in order to maintain the Property in the manner required by this Declaration and the assessment and collection of the Common Expenses shall be made by the Declarant until such time as such responsibilities and rights are transferred to the Association. No Owner shall make any repairs, improvements, renovations or the like nor perform any Maintenance to any portion of the Property. No Owner shall cause any material to be furnished to any portion of the Property or any labor to be performed therein or thereon. Each Owner shall indemnify and hold the other Owners and Declarant harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of the removing of any unauthorized improvements and repairing and restoring any portion of the Property to substantially the same condition as it existed prior to such alteration, renovation or repair.

O. (1) Each Unit shall be furnished with all necessary Furniture. The cost thereof, whether by lease, purchase or otherwise, shall be a Common Expense and assessed as part thereof to all Owners. An Owner may use the Furniture in any Unit only in accordance with the purposes for which it is

intended and only during his assigned Interval Period and in such manner as to not hinder or violate the lawful rights of others to use same.

4. Easements.

A. Declarant hereby grants, appurtenant to and for the benefit of the Property and the Owners in common nevertheless with the Declarant, its successors and assigns, easements for water and sewer and for the right of ingress, egress and regress to and from the public highway over and across other lands of Declarant of which the Property was once part as such water and sewer facilities and roads are shown on a certain map entitled "Tanglwood Lakes Lodge" dated March 9, 1983, Harry F. Schoenagel, PLS, which map has been approved by the Supervisor of Palmyra Township, Pike County, Pennsylvania and is filed with the Office of the Recorder of Deeds, Pike County, Pennsylvania in Plat Book Volume 22 at Page 24.

B. Each Owner during the time that said Owner occupies a Unit during his assigned Interval shall have easements in common nevertheless with the Declarant, its successors and assigns, for use of the Common Areas including but not limited to parking spaces, for all purposes consistent with the terms hereof and the Common Areas' intended use.

C. All necessary easements on the Property for the management and maintenance thereof are hereby reserved to Declarant or its assignee as set forth herein.

D. The easements for the Declarants Reserved Interest described in Section 6 hereof are hereby reserved to Declarant.

E. The Property is currently subject to certain easements heretofore granted for telephone, electrical service and other associated utilities and Declarant hereby reserves the right to grant further such easements for appropriate utility services as may be in the opinion of Declarant desirable and necessary from time to time.

F. All easements and rights described and mentioned in this Declaration shall be deemed appurtenant to the Property in common nevertheless with the Declarant, its successors and assigns, and shall remain in full force and effect unless terminated at such time as mutual ownership under this Declaration may be terminated pursuant to the terms hereof.

5. Rights and Obligations of Owners.

Because of the Mutual Ownership established by Section 3 hereof, each Owner has interests which are common with each other Owner, each Owner is dependent on each other Owner for the basic use and enjoyment of the Property and no Owner is able to perform the Management Functions connected with the ownership of the Property. In recognition of this fact, each Owner regardless of how such ownership is acquired, takes such ownership subject to the rights and authorities, set forth herein, retained by the Declarant or granted to the Association, including, without limitation, the various Management Functions, in perpetuity, which rights and authorities are and shall be deemed binding upon the Property and are enforceable in accordance with the terms hereof.

A. Common Expenses.

(1) Each Owner is hereby obligated to pay his proportionate share of the Common Expenses for goods and services contracted for by Declarant or the Association for, inter alia:

(a) Trash collection, refuse and garbage removal, snow removal, landscaping, vermin extermination, custodial services, housecleaning services, management services, water service, sewer service, electrical service and other utility services, if any, provided to any part of the Property.

(b) Fire insurance payable to the Declarant and the Association as their interests may appear in an amount equal to the full insurable replacement value of the Building without deduction for depreciation with an endorsement for extended coverage or such other fire and casualty insurance as the Declarant may decide provides equal or better protection for the Owners and their mortgagees, if any.

(c) Comprehensive liability insurance policies, as more fully set forth herein, insuring to the extent available, the Owners, the Declarant and the Association against any liability to the public or to the Owners, their tenants or invitees, relating in any way to the ownership and/or use of the Property and/or any part thereof. Limits of liability shall be at least Five Hundred Thousand Dollars (\$500,000.00) per occurrence. The scope and amount of coverage of all liability insurance policies shall be reviewed at least once each year by the Declarant and may be increased in its discretion.

(d) Business interruption or extra expense coverage to provide for the expenses of securing alternate accommodations for Owners should the Building or any portion be uninhabitable as a result of its total or partial destruction.

(e) An Umbrella liability policy in an amount of at least \$1,000,000.

(f) Such workmen's compensation insurance and other such insurance as applicable laws may require.

(g) Management fees and salaries or fees for such employees as the Declarant or the Association may deem necessary or desirable for the operation and Maintenance of the Property, whether such employees are directly employed by the Declarant, the Association or a Manager.

(h) Legal, accounting and administrative costs and fees necessary and proper for any one or more of: operation of the Property, conduct of the affairs of the Declarant or the Association in performing the Management Functions or enforcement of the Declaration, the Rules and Regulations, or any of them.

(i) A fidelity bond or bonds as Declarant or the Association may deem necessary.

(j) Maintenance and improvements and additions to the Property, except Declarant's Reserved Space, as the Declarant may deem necessary

and proper, as well as any materials; supplies, labor, services, structural alterations, insurance and tax assessments which apply thereto and/or which Declarant is required to secure or pay by law, this Declaration or the Rules and Regulations or which the Declarant deems necessary and proper in its discretion.

(k) Supply, maintenance, repair and replacement, by purchase, lease or otherwise, of the Furniture.

(l) Mechanics' and materialmen's liens arising as a result of Maintenance of the Property or part of it.

(m) Any unpaid assessments which cannot be promptly collected pursuant to the provisions hereof from other Owners or prior Owners.

(n) The amount, (if any), by which the cost of repairing or restoring any casualty loss insured under an insurance policy or policies carried by the Declarant exceeds the proceeds of such insurance by reason of an uninsured loss or failure of the Declarant to carry fire insurance in the full insurable replacement value of the Building without deduction for depreciation as required herein.

(o) Costs and expenses of administration of the Reservation system and participation in an Interval exchange program.

(p) Costs and expenses of operating and maintaining an activities and hospitality program for the benefit of the Owners.

(q) Real Estate, Sales and Use and all other taxes or other governmental charges due or paid with respect to the Management Functions or use, ownership or occupancy of the Property.

(2) In order to protect the Owners, each Owner, by virtue of said ownership, whether said ownership is pursuant to Agreement of Sale, deed, or other ownership instrument, hereby irrevocably constitutes and appoints the Declarant as his agent for all purposes connected with the assessment, levy, collection and payment of real estate taxes and all other Common Expenses. In the event that the actual real estate taxes and other Common Expenses exceed those anticipated, the difference shall be billed by the Declarant to the Owners as a special assessment, and the Declarant shall have the right to collect these and enjoy all the remedies for the collection thereof that apply to the collection of other assessments. The Declarant shall have the right to have all tax bills and assessment notices applying to the Property sent to it as agent for the Owners.

(3) To protect its right to collect unpaid assessments which are a charge against an Interest as provided herein, the Association may, in its own name or in the name of a designee, purchase such Interest at a Sheriff's Sale or other sale, public or private. If the Association does so purchase the Interest, the Association shall thereafter have the power to sell, convey, mortgage or lease such Interest to any persons whatsoever upon any terms and conditions which it deems proper. Payment of such purchase price and the expenses of purchase by the Association shall be from the Common Expense Fund, and income from any such resale, conveyance, mortgage or lease shall be placed in the Common Expense Fund for the benefit or loss of the Owners so that their

assessments may be reduced or increased by reason of such transaction. The defaulting Owner shall be responsible for any loss and liable personally for the payment thereof. The provisions hereof shall not be construed to require the Association to purchase such Interests at a Sheriff's Sale nor shall they be construed to prevent Declarant in its capacity as developer from purchasing the same.

(4) In the event that there are any excess collections over expenditures from Assessments or pursuant to the foregoing subparagraph, the Declarant shall retain such excess in the Common Fund to offset future expenses.

B. Assessment for Common Expenses.

(1) Determination of Assessment.

The Declarant or the Association (after transfer to it of the Management Functions) shall estimate the charges for Common Expenses to be expended during the following Fiscal Year. Each Owner shall be assessed his proportionate share ("Annual Assessment") of the estimated cost required for Common Expenses for the next Fiscal Year, such share to be determined by dividing such estimated cost requirements by 832. Declarant shall pay, with respect to each Interest which it owns, one half of the Annual Assessment and one half of any additional assessments made with respect to said Interests. Declarant shall not be required to pay any assessments with respect to Declarant's Reserved Interest.

(2) Additional Assessment.

If the cash requirement estimated at the beginning of any Fiscal Year shall prove to be insufficient to cover the actual Common Expenses for such Fiscal Year for any reason including (by way of illustration and not limitation) any Owner's nonpayment of his assessment, the Declarant shall, at any time it deems necessary and proper, levy an additional assessment against each Owner in the same percentage as the original assessment, except that in the event such additional assessment is required because of the failure of one or more Owners to promptly pay an assessment, the percentage of the additional assessment against the other Interests shall be increased to compensate for the anticipated failure of such defaulting Owner or Owners to pay its or their share of such additional assessment.

(3) Payment of Assessments.

Each Owner shall pay any assessments levied hereunder within thirty (30) days of being billed therefor. No Owner may make a reservation as set forth in the Rules and Regulations or occupy a Unit if he is delinquent in payment of any assessment or has failed to pay any assessment for the Fiscal Year in which such occupancy is to occur.

(4) Failure to Determine Assessment.

If a new assessment for Common Expenses for the subsequent Fiscal Year is not fixed before the expiration of the previous Fiscal Year, the Owners shall continue to pay the same sums they were paying in the Fiscal Year

just ended as if such sums were the new assessments, and such failure to fix new assessments shall not constitute a waiver, modification or release of any Owner's obligation. If the Declarant or the Association shall change the assessment at a later date, an increase in the total assessment amount as a result of such new assessment shall be treated as if it were an additional assessment hereunder and be retroactive to the beginning of the Fiscal Year.

(5) No Waiver of Assessment.

No Owner may exempt himself from liability with respect to the Common Expenses by waiver of the enjoyment or right to use any of the Common Areas, Amenities, Unit or otherwise. Nor may any Owner exempt himself from such liability by claiming to be not a member of or by waiving the privileges of membership in the Association or Tanglwood Lakes Club.

(6) No Abatement of Assessments for Common Expenses.

No diminution or abatement of any assessments shall be claimed or allowed for the interruption of the right of occupancy of a Unit or use of the Common Areas or other ownership privileges or for inconveniences or discomfort arising from (i) Maintenance or improvement of the Common Areas or other portions of the Property or (ii) requirements of any law, ordinance or order of any governmental authority.

C. Special Assessments.

(1) Common Expenses Attributable to an Owner.

Any expenditure which the Declarant shall be required to make for the Maintenance of all or any part of the Property because of any injury thereto or misuse thereof by one or more Owners or their tenants, guests, invitees or licensees or resulting from theft or in damage to any portion of the Property shall be made from the Common Fund and shall be paid as a special assessment by the Owner or Owners responsible for such injury or misuse or whose tenants, guests, invitees or licensees caused such injury or misuse.

(2) Special Assessments.

If the Declarant or the Association shall have made any expenditures on behalf of any Owner or Owners for any reason deemed necessary by the Declarant, the Declarant shall levy such expenditures as a special assessment upon the particular Owner or Owners so benefited or who is responsible for the expenses. Such special assessment shall be levied promptly, and the debt arising from such special assessment shall be treated and due in the same manner as the Annual Assessment.

D. Defaults in Payment of Assessments.

(1) Personal Debt.

All sums assessed against any Owner as annual, additional or special assessments, together with interest thereon at the rate of 1.25% per

month or such higher rate as may be permitted by law, beginning the thirtieth (30th) day following the billing of such assessment, shall constitute the personal liability of the Owner so assessed and also shall, until fully paid, constitute a charge against such Owner's Interest which shall be enforceable by suit in assumpsit against such defaulting Owner by the Declarant or the Association. Such suit may be filed before a District Magistrate. Each such suit when filed shall refer to the Interest against which the assessment was made and the Owner thereof and if filed in Common Pleas Court, shall be indexed by the prothonotary as *lis pendens*. Any judgment against the Interest or its Owner, or both, shall be enforceable as a money judgment in the manner provided by law. The delinquent Owner shall be obligated to pay (i) all expenses of such proceedings, including reasonable attorneys' fees, incurred in the collection of the delinquent assessment; and (ii) any amounts paid for taxes or on account of superior liens or otherwise to protect the liens for the collection of these assessments, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such.

(2) Unpaid Assessments upon Execution Sale Against an Interest.

In the event that title to an Interest is subject to execution upon any lien against such Interest, the Declarant, in addition to its rights set forth above, may give notice in writing to the Sheriff of any unpaid assessments for Common Expenses which are a charge against the Interest and the Sheriff shall pay the assessments of which he has such notice out of any proceeds of the sale which remain in his hands for distribution after payment of all other claims which he is required by law to pay, but prior to any distribution of the balance to the Owner against whom the execution issued. The purchaser at such Sheriff's Sale (which term shall include a sale pursuant to foreclosure of any mortgage) and the Interest involved shall not be liable for unpaid assessments for Common Expenses which became due prior to said sale. Any such unpaid assessments which cannot be promptly collected from the former Owner may be reassessed to the extent necessary to make up a deficit as an additional assessment to be collected from all of the Owners, including the purchaser who acquired title at the Sheriff's Sale, his successors and assigns.

(3) Unpaid Assessments upon Voluntary Sale of an Interest.

Notwithstanding the provisions set forth above, upon the voluntary sale, conveyance or any other voluntary transfer, except for a transfer to the Declarant, of an Interest, the grantee thereof shall be jointly and severally liable with the grantor thereof for all unpaid assessments for Common Expenses which are a charge against the Interest as of the date of the sale or conveyance, but such joint and several liability shall be without prejudice to such grantee's right to recover from such grantor the amount of any such unpaid assessments which such grantee may pay and until any such assessments are paid, they shall continue to be a charge against the Interest which may be enforced in the manner set forth above. Any person who shall have entered into a written agreement to purchase an Interest shall be entitled to obtain from the Declarant or the Association a written statement of the amount of unpaid assessments charged against the Interest, and if such statement is not correct as of the date it is rendered, neither the purchaser nor the Interest shall be

liable for the payment of more than the unpaid assessments shown thereon, but the seller of such Interest shall remain liable for such excess. Any such excess which cannot be promptly collected from the former Owner may be reassessed as an additional assessment to be collected from all of the Owners, including the purchaser, his successors, and assigns.

E. Damage or Destruction.

(1) Repair.

Except as otherwise provided by law or herein, damage to or destruction of the Property or any portion thereof shall be promptly repaired and restored using the proceeds of insurance paid for that purpose, and the Owners shall be liable for assessment for any deficiency in such proceeds in proportion to their Interests. The Declarant or the Association shall be responsible for accomplishing the full repair or reconstruction, the costs of which shall be paid out of the Common Fund and insurance proceeds. The Declarant or the Association shall be responsible for restoring the Property only to substantially the same condition as it was immediately prior to the damage.

(2) Eminent Domain.

A taking of, injury to or destruction of part or all of the Property by the power, or a power in the nature, of eminent domain or by an action or deed in lieu of condemnation shall be considered to be included in the term "damage or destruction" for purposes of this Section, and the proceeds of the eminent domain taking shall be treated in the same manner as insurance proceeds. No Owner shall be entitled to the proceeds from the taking of all or a portion of the Common Areas, but rather such proceeds shall be treated in the same manner as receipts of assessment monies and shall be applied to the Common Expenses in the manner set forth herein. To the extent that the Building or any portion thereof may be taken as aforesaid or destroyed to the extent that it can no longer be used for the purposes set forth hereinabove, proceeds of such taking or destruction shall be paid to the Owners in proportion to their Interest(s).

F. Enforcement.

Each Owner shall comply with the provisions, conditions and restrictions of this Declaration, any conditions or covenants in his deed or Agreement of Sale and the Rules and Regulations as the same may be amended from time to time and shall comply with such decisions of the Declarant or others entitled to make them as may be rendered pursuant to such documents. Failure so to comply shall be grounds for an action for the recovery of damages or for injunctive relief, or both, maintainable by the Declarant or other entitled party aggrieved as a result of such noncompliance.

6. Declarant's Reserved Rights.

The Property is hereby made subject to the easements and reserved rights contained in this Section 6 ("Declarant's Reserved Rights"). Said easements shall be appurtenant to Declarant's Retained Interest in the Property.

A. Right to Rent the Units to Non-Owners.

In the event that for a particular Interval Period, one or more Units have not been reserved or are not being used by Owners pursuant to this Declaration and the Rules and Regulations, the Declarant shall have the right to reserve or use such Unit or Units for any lawful purpose, including but not limited to reserving or renting the Units on a daily or weekly basis. The Declarant shall receive for its own account all funds collected as a result of such use. For each night during which a Unit is so used, the Declarant shall pay to the Common Fund one seventh (1/7) of the amount which has been assessed to each Owner as his share of the Common Expenses for the current year. The Association or the Manager shall provide to Units used in this manner all services usually provided to Units occupied by Owners during properly assigned Interval Periods. Any persons, including non-Owners, occupying the Units in this manner with the permission of the Declarant shall have the same rights and easements associated with the use of the Units and the Property as those of an Owner during an Interval Period assigned pursuant to the Rules and Regulations.

B. Exclusive Right to use Declarant's Reserved Space.

The Declarant shall have the exclusive right to use the parcel of land on the Property designated as Declarant's Reserved Space, as the same is shown on the plan described in Section 1. The Declarant shall have the exclusive right to use Declarant's Reserved Space in any legal manner, including but not limited to improvement thereof as an addition to the Timeshare Building for office, sales, commercial or residential use and the connection of said parcel or any addition or improvement erected thereupon to any and all utilities and services on the Property, including but not limited to water, sewer, electricity and telephone. The Declarant shall have any and all rights of access, ingress or egress for utilities, sewer, power, electricity and telephone and any other easements or rights which the Declarant deems to be necessary to enable the Declarant to use the Declarant's Reserved Space in any manner not inconsistent with this Declaration.

C. There is assigned to Declarant's Reserved Space fifty-three (53) Interests in the Building. Declarant shall not, as a result of such reserved interest, be obligated to pay any portion of the Common Expenses for the Building except:

(1) All telephone, electricity, insurance and other separately billed charges or costs pertaining exclusively to Declarant's use of Declarant's Reserved Space;

(2) A prorata share, based on the percentage of the Building site which is covered by the Declarant's Reserved Space, to wit: 18.4%, of the Real Estate taxes.

D. Declarant shall have the right to amend this Declaration such that portions of Declarant's Reserved Space suitable for use as Units, either in the same manner as that established for the 832 Interests to be sold as set forth herein or in any other manner Declarant may determine, may be utilized under the terms of this Declaration as a Unit or Units, and Declarant may sell

fifty-two (52) of its Interests as applicable to such portion of Declarants Reserved Space.

7. Insurance.

The Declarant shall maintain at all times insurance of the type, containing the clauses and in at least the amounts hereinbefore provided, and any other form of insurance which shall be deemed necessary or desirable. All insurance shall be obtained in accordance with the following provisions:

(a) All policies shall be written with a reputable and financially sound company licensed to do business in the Commonwealth of Pennsylvania. Declarant shall have no liability for the failure of any such insurer selected by it in good faith.

(b) Exclusive authority to adjust losses under policies hereafter in force on the property shall be vested in the Declarant or its authorized representative.

(c) In no event shall the insurance coverage obtained and maintained by the Declarant hereunder be brought into contribution with insurance purchased by Owners or their mortgagees.

(d) Each Owner may obtain additional insurance covering his Interest at his own expense provided, however, that (i) such policies shall contain waivers of subrogation and (ii) no Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Declarant may realize under any insurance policy which the Declarant may have in force on the Property or any portion thereof at any particular time.

(e) Any Owner who obtains individual insurance policies covering his Interest other than personal property belonging to such Owner shall be required to file a copy of such individual policy or policies with the Declarant within thirty (30) days after purchase of such insurance and in all events prior to any occupancy.

(f) Provided it is readily available at standard rates, the Declarant shall secure insurance policies covering the Property that will provide for the following:

(i) A waiver of subrogation by the insurer as to any claims against the Declarant, the Owners, and their respective servants, agents and guests:

(ii) That the insurance policies issued to the Declarant and covering the Property cannot be cancelled, invalidated or suspended on account of the conduct of any one or more Owners and in no event can cancellation, invalidation or suspension for any reason be effected without at least ten (10) days' prior written notice to each Owner and all holders of mortgages on Units and Intervals whose names and addresses are on file with the Declarant.

(iii) That all policies covering the Property cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Declarant without a prior demand in writing that the Declarant cure the

defect and without providing a reasonable period of time thereafter in which to cure the same; and

(iv) That any "no other insurance" clause in the Declarant's insurance policies exclude individual Owner's policies on their Interests from consideration.

8. Management of the Property.

The Declarant shall not later than one year following the sale of eighty-five percent (85%) of the eight hundred eight-five (885) Interests which exist in the Timeshare Building transfer the rights, obligations and powers to manage the Property to the Association. At such time Declarant shall also convey or cause to be conveyed the Common Areas to the Association. This obligation to transfer such rights, obligations and powers shall not apply to Declarant's Reserved Space as more particularly set forth in Section 6 above.

Each Owner, by virtue of becoming such by transfer of title, execution of an Installment Contract, devise, operation of law or otherwise, does and shall become a member of the Association and be bound by the provisions hereof and the by-laws, charter and other governing instruments of the Association. Each Owner now or hereafter existing recognizes and shall be deemed to have consented to the assignment or transfer made by Declarant to the Association of any or all of the management rights, powers and obligations of Declarant hereunder with the same force and effect as if those said rights, powers or obligations had been vested in the Association as of the date hereof.

The Association shall and is hereby required to hire a Manager to perform all of functions, set forth herein or transferred to it by Declarant and shall pay such Manager such management fees as are deemed reasonable, which fees shall be charged to the Common Expense Fund. The Manager shall perform all acts and functions otherwise required to be performed by the Association hereunder.

9. Trust Arrangements.

A. As set forth in Subsection 1(C) hereof, the Property, prior to the conveyance of any interests therein shall be transferred by the Declarant to a Trustee which shall hold the Property for the benefit of the Declarant. To the extent that the Declarant may have transferred by Installment Contract or otherwise any Interests in the Property the Trustee shall hold the Property for the benefit of such transferee or transferees as well.

B. The rights and obligations of the Declarant, the Owners and the Trustee shall be more particularly set forth in a trust agreement entered into between Declarant and Trustee which trust agreement shall be recorded in the office of the Record of Deeds of Pike County, Pennsylvania simultaneously with the conveyance of the Property by Declarant to the Trustee.

C. Promptly following the execution of an Installment Contract between Declarant as Seller and an Owner as Buyer, Declarant shall prepare and deliver to Trustee under the terms of the trust agreement a copy of the Installment Contract and a trustee's deed for the Interest being purchased by an Owner pursuant to the Installment Contract.

D. Trustee shall hold the Property, including each Owner's Interest, and shall at such time as as Owner has completed the financial obligations of his purchase by paying pursuant to the terms of the Installment Contract, either the entire cash amount thereof or making all required payments on installments as set forth therein, record in the office of the Recorder of Deeds of Pike County, Pennsylvania the trustee's deed to the Owner for the Interest purchased by Owner.

E. Should an Owner fail to comply with the financial obligations of the Installment Contract or otherwise be in default under the terms of the Installment Contract, Declarant shall be entitled under the terms of the trust agreement, as more particularly set forth therein, to certify such default to the Trustee and terminate Owner's Installment Contract and Interest in the trust.

F. Before any obligation by Trustee shall exist to record a trustee's deed in favor of Owner, Owner shall pay or cause to be paid all real estate transfer taxes and recording costs. Owner shall pay all other similar expenses of purchase which may be itemized in the Installment Contract or otherwise required as a condition of the recordation of a deed under the laws of Pennsylvania.

G. Trustee shall convey the Common Areas to the Association at the time set forth in Section 8.

10. Miscellaneous.

A. An Owner may not voluntarily encumber or subject his Interest to any lien other than the lien of a first mortgage of a bank, trust company, savings bank, savings and loan association, insurance company, pension fund, real estate investment trust, mortgage service company or like institutional investor, or a purchase money mortgage or lien interest to the Declarant. In either case such mortgage or lien and the rights and obligations of the parties thereto shall be subject to the terms and conditions of this Declaration, all amendments hereto and the Rules and Regulations as the same may exist from time to time whether prior to the date of such mortgage or lien instrument or thereafter. Such mortgage or lien instruments shall specifically but without limitation provide that the mortgagee shall have no right to (a) participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore the damage to or destruction of the Property or any portion thereof or (b) to receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise except in the event of either of a distribution thereof to Owners or of insurance proceeds being received in excess of the cost of repair or restoration. No Owner or prospective purchaser of an Interest shall deliver any mortgage or other lien instrument unless within ten (10) days thereafter he shall notify the Declarant of the name and address of the mortgagee or lien holder and of the amount of the debt secured by the lien. A conformed copy of such mortgage and obligation shall be submitted to the Declarant upon request therefor.

B. The failure of the Declarant to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration or the Rules and Regulations or to exercise any

right or option herein or therein contained or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition, restriction, option or right, but such term, covenant, condition, restriction, option or right shall remain in full force and effect. The receipt by the Declarant of any payment of assessments from an Owner with knowledge of the breach of any provision hereof or thereof shall not be deemed a waiver of such breach and no waiver by the Declarant of any provision hereof or thereof shall be deemed to have been made unless expressed in writing and signed by the Declarant.

C. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of the Property. The headings preceding the various sections of this Declaration are intended solely for the convenience of the readers hereof and shall not be deemed relevant in the construction of this instrument.

D. Except as otherwise provided herein the provisions of this Declaration may be amended at any time prior to the conveyance to the Association of the Common Areas by an instrument in writing signed and acknowledged by the Declarant. Thereafter the Declaration may be amended only by an instrument in writing signed by or consented to by the Declarant (so long as the Declarant has retained any interest in the Property) and the Association. If such amendment would affect the value of any Interests subject to any mortgages permitted under this Declaration such amendment shall also require the written approval of the holder of such mortgages.

E. The Owners shall have and enjoy the various Amenities made available to them by Tanglwood Lakes Club ("TLC") as the same may exist from time to time pursuant to agreements between the TLC and the Declarant or others.

F. It is the express intention of the Declarant that the Property shall not be or be deemed to be a condominium as such ownership form presently exists or may hereafter exist in the Commonwealth of Pennsylvania pursuant to the Uniform Condominium Act or any similar laws or regulations now or hereafter existing. Any portions hereof or of any other documentation connected with the ownership, sale or management of the Property which may be interpreted or construed in one manner which would bring the Property under any regulations or laws concerning condominiums and interpreted or construed in another manner to exclude the Property from such regulations or laws, shall be interpreted or construed in the manner which will exclude the Property from the regulations or laws concerning condominiums.

G. The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision or portion hereof unless such deletion shall destroy the uniform plan for the development and operation of the Property which this Declaration is intended to create.

H. This Declaration shall become effective as of the date first above set forth whether or not it has been recorded as of that date. This Declaration shall nevertheless be recorded prior to the conveyance by deed of any Interests.

11. Definitions.

The following terms when used in this Declaration or other instruments relating to the property or any part thereof shall have the meanings hereinafter set forth unless the context in which such terms are used clearly requires another meaning:

"Agreement of Sale", "Installment Contract", or "Contract" - These terms shall mean and refer to the contract or agreement entered into between Declarant and Owner by virtue of which Owner acquires from Declarant an Interest in the Building. Any subsequent Owner acquiring an Interest directly or indirectly from a previous Owner who acquired an Interest from Declarant shall be bound by the terms and conditions of the original Installment Contract, this Declaration and the Rules and Regulations.

"Amenities" - This term shall refer generally to all of the recreational facilities, cultural facilities and the like, if any, made available to Owners as a result of their ownership of their Interests or to which they may be entitled as members of Tanglwood Lakes Club.

"Association" - This term refers to Tanglwood Lodge Club, Inc., a Pennsylvania not-for-profit corporation to which Owners, by virtue of the execution of the Installment Contract or other acquisition of an Interest, become members and which, pursuant to the provisions of Section 8 of this Declaration, is responsible through the Manager for the operation and maintenance of the Property and shall receive ownership of the Common Areas as set forth in Section 8.

"Common Areas" - This term refers to all portions of the Property and all improvements thereon except the Timeshare Building.

"Common Expenses" - This term shall refer to those expenses connected with or arising out of the ownership of the Property, and the performance of the Maintenance Functions by the Declarant, or Manager. The Common Expenses are more particularly and at length set forth in Section 5 hereof.

"Common Fund" - This term shall refer to the fund of money collected by the Declarant or Manager out of assessments, insurance proceeds, eminent domain proceeds or otherwise to be used for the payment of Common Expenses in accordance with the terms of this Declaration.

"Declarant" is Tanglwood Lakes, Inc., its successors and assigns, the maker of this Declaration. In the event of an assignment or transfer of any of the rights, privileges or obligations accorded the Declarant hereunder, this term shall thereafter refer to the entity to which such rights, privileges or obligations have been transferred as the context may thereafter require.

"Declarant's Reserved Interest" - The fifty-three (53) Interests applicable to the Declarant's Reserved Space as described in Section 38.

"Declarant's Reserved Rights" - This term shall refer to the rights of Declarant set forth in Section 6 hereof.

"Declarant's Reserved Space" - This term shall refer to the portion of the Timeshare Building reserved exclusively for the Declarant's use as set forth in Section 6.

"Declaration" - This term refers to this document in its entirety and as the context may require each portion hereof.

"Fiscal Year" - This term shall refer to the accounting or tax Fiscal Year selected by the Declarant or Association for use in the budgeting of, assessment of and collection of Common Expenses.

"Furniture" - This term, as the context may require, shall refer to and include all personal property located in or about the Unit. This term shall include all the furnishings deemed by the Declarant to be necessary for the Owner to occupy and enjoy his Unit during his assigned Interval. The Declarant reserves the right to change, repair, replace, and otherwise modify the Furniture contained in each Unit. All costs of doing so shall be paid out of the Common Expenses and assessed against the Owners in accordance with the terms of this Declaration.

"Interest" - This term refers to the one eight hundred eighty-fifth (1/885) ownership interest held as tenant-in-common in the Timeshare Building by an Owner with all other Owners and the Declarant, its successors or assigns as more particularly set forth in Section 3.

"Interval Period" - This term refers to the numbered, consecutive periods for each year as described in Section 3 hereof.

"Maintenance" - This term shall refer collectively and separately to all maintenance, repair work, restoration work, improvement work, rebuilding, replacement, painting, landscaping, paving, housecleaning, trash collection and general upkeep required to maintain the Property in a good and sanitary condition.

"Management Functions" - This term refers to those rights, privileges and obligations set forth hereunder relating to the continued operation of the Property.

"Manager" - This term shall refer to the person or business entity hired pursuant to the terms hereof by the Association to carry out the various Management Functions on behalf of the Association.

"Mutual Ownership" - This term refers to the form of time-shared ownership established under the terms of Section 3 of this Declaration.

"Owner" - This term refers to the person or persons owning an Interest. This term shall include purchasers under Agreements of Sale from the moment that such agreements are accepted and executed by the Declarant, and any and all other persons owning an interest in an Interest by virtue of a deed, agreement of sale or other instrument. This term shall include, where applicable, the Declarant, provided, however, that the Declarant shall be exempt from certain obligations of other Owners as more particularly set forth herein. In the event that one or more persons shall so own an Interest, this term shall

mean all such persons collectively and the obligation of an Owner hereunder shall be the joint and several obligation of all such persons.

"Property" - This term refers to the entire parcel of land described on Exhibit "A" and referred to in Section 1 of this Declaration. In certain contexts throughout the term Property shall be and does mean the combination of the terms the Timeshare Building and the Common Areas.

"Residential Section" - This term shall refer to the portion of the Timeshare Building containing the Units and consists of the entire Timeshare Building with the exception of the Declarant's Reserved Space.

"Rules and Regulations" - This term shall refer to those rules and regulations that document promulgated from time to time by the Declarant or the Association and containing the basic rules and regulations concerning the use by the Owners and others of the Property and the reservation procedures.

"Season" - This term refers to either Gold +, Gold and Silver, each of which consists of certain consecutive Interval Periods as described in Section 3 hereof. At the time of purchase of an Interest an Owner selects a Season ("Season of Purchase") and thereafter may reserve and occupy a Unit in an Interval Period only during said Season.

"The Timeshare Building" or "The Building" - These terms shall refer to the free standing building situated on the Property as more particularly set forth in Exhibit "B" hereof and include the Residential Section and the Declarant's Reserved Space and any improvement or addition which the Declarant shall place thereupon.

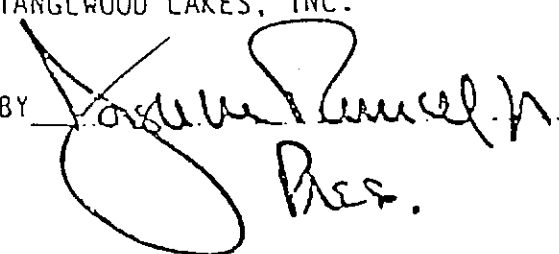
"Trustee" - This term refers to Ammest Realty, Inc. or such other party which shall hold legal title to the Property subject to the terms of this Declaration and which shall issue deeds to purchasers of Interests as set forth in Section 9.

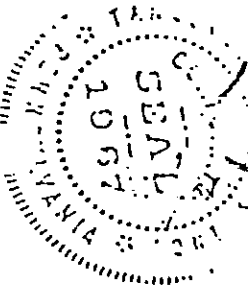
"Unit" - This term refers to the residential rooms in the Timeshare Building. This term shall also include, as the context may require, the Furniture physically located in the Unit.

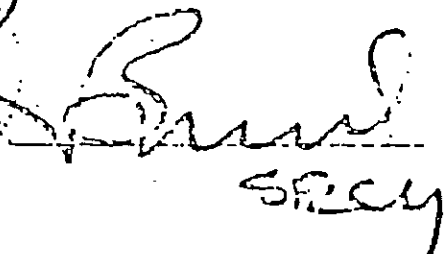
IN WITNESS WHEREOF and intending to be legally bound hereby,
Declarant has executed this Declaration the day and year first above written.

TANGLWOOD LAKES, INC.

BY


Pres.




Pres.

ALL that certain parcel of land situate in Palmyra Township, Pike County, Pennsylvania, known as the "Timeshare Building" as more particularly shown on a certain map entitled Tanglwood Lakes Lodge" Harry F. Schoenagel; PLS, dated March 9, 1983, and filed of record in the Office of the Recorder of Deeds of Pike County, Pennsylvania, in Plat Book Volume 22 at Page 24, which Timeshare Building is more particularly described as follows:

BEGINNING at a point on the common boundary line of the lands of the Grantor herein and lands of Winkler and others, said point being located South 15 degrees 39 minutes 44 seconds West 210.08 feet from the most northerly corner of the lands of the Grantor herein;

THENCE through the lands of the Grantor herein the following six courses and distances:

- (1) South 53 degrees 31 minutes 17 seconds East 326.54 feet to an iron pin for a corner;
- (2) North 36 degrees 28 minutes 43 seconds East 7.00 feet to an iron pin for a corner;
- (3) South 53 degrees 31 minutes 17 seconds East 172.00 feet to an iron pin for a corner;
- (4) South 38 degrees 03 minutes 30 seconds West 101.12 feet to an iron pin for a corner;
- (5) South 46 degrees 57 minutes 56 seconds West 24.36 feet to a corner; and
- (6) North 53 degrees 31 minutes 17 seconds West 446.44 feet to a corner in the line of lands of Winkler and others;

THENCE along the said lands North 15 degrees 39 minutes 44 seconds East 126.29 feet to the point and place of BEGINNING.

COMPRISING within said boundaries Parcel "A" as shown on a certain plan of lots on the land of the Grantor herein entitled Tanglwood Lakes Lodge dated March 9, 1983 and filed in the Office of the Recorder of Deeds of Pike County in Plat Book 22 at Page 24.

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING fifty-seven thousand one hundred and forty-three (57,143) square feet of land to be the same more or less.

ALL that certain parcel of land situate in Palmyra Township, Pike County, Pennsylvania, known as the "Timeshare Building" as more particularly shown on a certain map entitled "Tanglwood Lakes Lodge" Harry F. Schoenagel, PLS, dated March 9, 1983, and filed of record in the Office of the Recorder of Deeds of Pike County, Pennsylvania, in Plat Book Volume 22 at Page 24, which Timeshare Building is more particularly described as follows:

BEGINNING at the most southerly corner of the premises hereby conveyed, said point being located North 04 degrees, 36 minutes 18 seconds East 17.66 feet from the most southerly corner of Parcel "A";

THENCE through Parcel "A" the following eight courses and distances:

- (1) North 53 degrees 31 minutes 17 seconds West 252.29 feet to a corner;
- (2) North 36 degrees 28 minutes 43 seconds East 13.00 feet to a corner;
- (3) North 53 degrees 31 minutes 17 seconds West 32.33 feet to a corner;
- (4) North 36 degrees 28 minutes 43 seconds East 51.00 feet to a corner;
- (5) South 53 degrees 31 minutes 17 seconds East 32.33 feet to a corner;
- (6) South 36 degrees 28 minutes 43 seconds West 35.00 feet to a corner;
- (7) South 53 degrees 31 minutes 17 seconds East 252.29 feet to a corner;
and
- (8) South 36 degrees 28 minutes 43 seconds West 29.00 feet to the point
and place of BEGINNING.

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING two hundred and six one-thousandths (0.206) acres of land to be the same more or less.

COMMONWEALTH OF PENNSYLVANIA)
) SS:
 COUNTY OF ~~XXX~~ Montgomery)

ON THIS, the 25th day of March, 1983, before me, a
 Notary Public, the undersigned officer, personally appeared
 Joseph M. Russell, Jr.

who acknowledged himself to be the President of TANGLWOOD LAKES, INC., a
 corporation, 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 the corporation by himself as President.

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

Martha E. Detwiler

MARTHA E. DETWILER, Notary Public
 Phoenixville Boro, Chester Co.
 My Commission Expires Dec. 14, 1986

STATE OF PENNSYLVANIA

COUNTY OF PIKE. SS. RECORDED IN THE OFFICE OF THE
 RECORDER IN AND FOR SAID COUNTY
 AND STATE IN Deed BOOK NO. 874 AT PAGE 159 &c.
 GIVEN UNDER MY HAND AND THE SEAL OF THE SAID OFFICE
 THIS 27th DAY OF July A.D. 19 83

Randolph W. Gregory RECORDER

DEPUTY

DECLARATION OF MUTUAL
OWNERSHIP, ETC.
TANGLWOOD WOODMONT - PHASE I
YACHTSIDE VILLAS, BUILDINGS 1 AND 2

THIS DECLARATION OF MUTUAL OWNERSHIP, RESTRICTIONS, COVENANTS, EASEMENTS, EQUITABLE SERVITUDES, CHARGES AND ASSESSMENTS, dated as of the 1st day of July, 1984, by TANGLWOOD LAKES, INC., a Pennsylvania business corporation, having a place of business at Tafton, Pennsylvania, herein referred to as the "Declarant";

WITNESSETH:

WHEREAS, Declarant owns certain property hereinafter described (the "Property") situate in Palmyra Township, Pike County, Pennsylvania;

WHEREAS, Declarant desires to develop the Property, inter alia, by constructing the Project (as hereinafter defined), in phases, which Project shall include a cluster or village of residential units (hereinafter defined as the "Units") to be known as Tanglwood Woodmont, Yachtside Villas; and

WHEREAS, Declarant intends to offer and to convey time share interests in the Units and desires hereby, to provide the legal framework for the owners of Units to enjoy the use of the Property, to provide for operation and maintenance of the Property and to impose upon the Property certain mutual restrictions, covenants, easements, equitable servitudes, charges and assessments under a general plan of development all for the mutual benefit of the Units and the owners thereof, present and future.

NOW, THEREFORE, TANGLWOOD LAKES, INC. declares that the Property hereinafter described in Article II and such additional property as may be added hereto by supplement to this Declaration as hereinafter provided is held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the provisions of this Declaration, all of which are declared and agreed to be in furtherance of a plan for the development, improvement and conveyance of the Property and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness thereof. The provisions of this Declaration are intended: to create mutual equitable servitudes upon each of the Units in favor of all such Units, with each time sharing Owner covenanting and agreeing with each other time sharing Owner and with Declarant, and for their mutual benefit, that the time sharing Owners, their heirs, administrators, successors and assigns will faithfully keep, observe

OFFICE OF THE CLERK
& PROthonotary
Aug 6 3 00 PM '84
RECORDED
PIKE COUNTY, PA.

and perform the covenants and conditions hereof for the benefit of each other time sharing Owner; to grant each time sharing Owner the right to enforce, in law or equity, the performance hereof by each other time sharing Owner; and to operate as covenants running with the land for the benefit of the Property and each time sharing Unit subject to this Declaration and the Owners thereof, present and future.

Article I: DEFINITIONS

The following terms when used in this Declaration or other instrument relating to the Property or any part thereof shall have the meanings hereinafter provided, unless the context clearly indicates otherwise:

1.01 "Amenities" means the improvements or facilities, including private streets, roadways and rights of way (so long as the same have not been dedicated and accepted as public streets or roads), recreational facilities, cultural facilities and the like, owned or controlled by Declarant and available for use or enjoyment by Owners as members of the Association pursuant to the terms and provisions of the Amenities Agreement.

1.02 "Amenities Agreement" means an agreement dated as of January 1, 1984, as amended and supplemented, between Declarant and, inter alia, the Association, setting forth the terms and conditions for use of the Amenities by, inter alia, Owners hereunder.

1.03 "Association" means the Tanglwood Woodmont Association, Inc., a Pennsylvania non-profit corporation.

1.04 "Board" means the Board of Directors of the Association elected pursuant to provisions hereof and the By-laws.

1.05 "By-laws" means the By-laws of the Association.

1.06 "Common Areas" means that portion of the Property and any improvements thereon as designated and defined as a "Common Area" or "Common Areas" in Article II hereof or within any supplement hereto.

1.07 "Common Expenses" means those expenses connected with ownership, operation or Maintenance of the Property, including performance of the Management Functions by the Declarant, the Association or the Manager, as provided and as more particularly set forth in Article VI hereof.

1.08 "Common Fund" means the monies collected by Declarant, the Association or the Manager from assessments or charges,

1.17 "Interest" means the property rights held by an Owner under this Declaration, including the one/four hundred and sixteenth (1/416) ownership interest as tenant in common with other Owners and the Declarant, its successor or assigns, in a Timeshare Building.

1.18 "Interval Period" means the numbered consecutive time share occupancy and use periods as described in section 4.03 hereof.

1.19 "Maintenance" means collectively and separately all maintenance, repair work, restoration work, reconstruction work, improvements, replacement, painting, landscaping, paving, house cleaning, trash collection and general maintenance upkeep required to maintain the Property in a good and sanitary condition.

1.20 "Management Functions" means collectively and separately all of those rights, privileges and obligations set forth hereunder relating to the continued operation, Maintenance, and administration of the Property.

1.21 "Manager" means the person or persons retained pursuant to the provisions hereof by the Declarant or by the Association, as applicable, to perform the Management Functions on behalf of the Declarant or the Association, as applicable.

1.22 "Mutual Ownership" means the form of time share ownership established hereunder and described in Article IV of this Declaration.

1.23 "Owner" means any person or persons who have contracted to purchase an Interest under a Contract, the moment that such Contract is accepted and executed by Declarant, or under any other agreement, deed, or document of transfer or conveyance, in which case the Seller under such agreement, shall cease to be an "Owner" with respect to such Interest while said agreement is in effect, and all other persons holding or owning an Interest by virtue of a deed, other instrument, devise, or any other means. This term shall include, where applicable, the Declarant; Provided however, that the Declarant shall be exempt from certain obligations of other Owners as more particularly set forth herein. In the event that one or more persons shall so hold or own an Interest, this term shall mean all such persons collectively and the obligations of an Owner hereunder shall be the joint and several obligations of all such persons.

1.24 "Phase I Final Plans" means the Final Plan applicable to the Yachtside Villas, Timeshare Buildings 1 and 2 entitled "Woodmont Phase I", as prepared by Harry F. Schoenagel, P.L.S., dated April 16, 1984, revised May 3, 1984, and recorded May 30, 1984, in Pike County, at Plat Book 23, page 41, and shall

Final Plan. This term also shall include, as the context may require, the Furnishings physically located therein. The term "1 BR Unit" shall refer to a Unit containing 1 bedroom, and the term "2 BR Unit" shall refer to a Unit containing 2 bedrooms, as designated by Declarant and as shown on the floor plans for such Units.

Article II: THE PROPERTY

2.01 The real property hereby made subject to this Declaration are those parcels of land situate in Palmyra Township, Pike County, Pennsylvania, more particularly described on Exhibit "A" attached hereto and made a part hereof, and as shown on the Phase I Final Plans as Parcels "A-2" and "B", including Timeshare Parcels 1 and 2 and the Timeshare Buildings constructed or to be constructed thereon and the Common Areas described herein, all as shown on the Phase I Final Plans, and all of which property is also referred to herein as the Property.

2.02 Declarant has constructed or will construct Timeshare Buildings 1 and 2 on the parcels of real estate identified as Timeshare Parcels 1 and 2, respectively, as more particularly described on Exhibit "B", attached hereto and made a part hereof, and as shown on the Phase I Final Plans. Interests in the Timeshare Buildings shall be conveyed by Declarant to Owners pursuant to the plan of Mutual Ownership as provided herein.

2.03 Timeshare Buildings 1 and 2 constitute the first phase of the Project. The Declarant, from time to time, in its sole discretion, may construct additional Timeshare Buildings within the Property, or may otherwise enlarge the Project and make additional parcels of land or other property subject to this Declaration by filing a supplemental declaration pursuant to section 13.03 hereof.

2.04 The balance of the Property (that portion which is not within a parcel of land containing a Timeshare Building), including, but not limited to driveways, parking areas, walkways, sewer lines, sewage disposal facilities, water lines and water supply facilities, any other improvements, not comprising a Timeshare Building and any easements and rights of way shall comprise a part of the Common Areas to be held by the Declarant, or the Association as set forth herein and subject to an agreement, dated as of May 15, 1984, between Declarant and the Supervisors of Palmyra Township, Pike County, in regard to subdivision of the Property. As provided therein, the Declarant shall convey within 5 years from the date of said agreement, the Common Areas to the Trustee, or to the Association, if at such time, the Management Functions have been transferred to the Association pursuant to Article XI hereof. Prior to said conveyance, the Declarant shall have the power and authority to subdivide, construct and sell additional Timeshare Buildings on, transfer, add to, delete, or otherwise dispose of any portion of the Common Areas that

the Declarant, or the Association (upon transfer of the Management Functions to it).

3.07 No Owner may erect any sign on or in any Timeshare Building or any Unit and visible from outside any Unit or on or in the Common Areas without the prior written permission of the Declarant, or the Association (upon transfer of the Management Functions to it).

3.08 Except as provided herein for Mutual Ownership, and the sale of Interests pursuant thereto, no Unit may be divided or subdivided into a smaller Unit. Likewise, no Interest created pursuant to the provisions for Mutual Ownership herein may be divided or subdivided into a smaller Interest nor may any portion thereof less than an entire Interest be sold or otherwise transferred.

3.09 Nothing shall be done or permitted to be done which would jeopardize the soundness or safety of the Property or impair any easement or hereditament therein without the consent of the Declarant, or the Association (upon transfer of the Management Functions to it).

3.10 No animals of any kind shall be kept, raised or bred on the Property.

3.11 The Declarant, or the Association (upon transfer of the Management Functions to it), shall have the right to promulgate from time to time reasonable Rules and Regulations so long as the same do not conflict with the provisions of this Declaration, which Rules and Regulations shall govern the use and enjoyment of the Property. Each Owner shall be furnished with a copy of the Rules and Regulations and shall further be furnished with all amendments made thereto.

Article IV: MUTUAL OWNERSHIP

4.01 Timeshare Buildings 1 and 2 are hereby dedicated and committed by the Declarant to time-shared ownership as herein set forth. Except as otherwise provided herein, such dedication may not be withdrawn except by instrument executed by the Declarant and each Owner of an Interest in the Timeshare Building.

4.02 Each Owner shall own an undivided one/four hundred sixteenth (1/416) interest in a Timeshare Building as tenant-in-common with the Declarant, its successors and assigns, and the other Owners of such Timeshare Building. Each such interest is referred to herein as an Interest. Each Interest shall entitle an Owner to occupy, possess and use a Unit for a one-week period each year (the "Interval Period") as designated by the Owner pursuant

Owner or to combine or divide an Interest acquired by such Owner shall be null and void and have no force or effect. Any transfer or other conveyance of an Interest or Interests shall be and is expressly made subject to the provisions of this Declaration.

4.06 Each Owner and each purchaser of an Interest, by acceptance of title thereto or by the execution of a Contract or any other agreement for the purchase thereof, whether from the Declarant or any other Owner, shall and does, for himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree, to and with the Declarant and the grantee, purchaser, or Owner of each other Interest subject to this Declaration, to waive and relinquish, and does thereby waive and relinquish, so long as this Declaration shall remain in effect (unless the Property, or the portion affected, is withdrawn from the provisions hereof), any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of the Property, or any portion thereof. No Owner acquiring any right, title or interest in the Property or any portion thereof shall seek or obtain through any legal procedures, judicial partition, or sale of the Property or any portion thereof in lieu of partition at any date prior to expiration of the applicability of this Declaration to such Property. If, however, any Interest shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Interest in lieu of partition as between such Owners.

4.07 Each Owner shall have the exclusive right to occupy his designated Unit and to enjoy the rights and privileges applicable thereto during his Interval Period, together with the non-exclusive right of all other Owners when acting through the Association to exercise, pursuant to the terms hereof, the various Management Functions with respect to such Unit. No Owner shall occupy his Unit or any other Unit or exercise any other rights of ownership with respect to any such Unit and the Furnishings appurtenant to any such Unit other than the rights provided in this Declaration or the Rules and Regulations during any Interval Period other than that applicable to his Interest unless expressly authorized by the Owner of such other Interest. Each Owner shall keep the Unit and all Furnishings appurtenant to the Unit in good condition and repair during his Interval Period; vacate the Unit at the time established hereby or by the Rules and Regulations; remove all persons and property, excluding the Furnishings, therefrom; leave the Unit in good and sanitary condition and repair; and otherwise comply with such reasonable occupancy rules and other procedures as may from time to time be contained in the Rules and Regulations.

4.08 If any Owner or other person fails to vacate his Unit at the time prescribed herein or by the Rules and Regulations or otherwise uses or occupies a Unit during an Interval Period

property brought into the Unit and shall remove from the Common Areas all personal property belonging to them, including but not limited to motor vehicles. The Declarant, Association or any other Owner shall not be liable in any manner whatsoever for any personal property left in a Unit or on the Property by an Owner or his guests. All clothing, luggage and personal property remaining in any Unit or on the Common Areas after the Unit has been vacated by the Owner in accordance with this Declaration and the Rules and Regulations, shall be considered to have been abandoned and may be disposed of in whatever manner Declarant deems appropriate.

(b) No noxious or offensive activity shall be conducted within any Unit or on the Common Areas, nor shall anything be done or permitted which shall constitute a public nuisance nor shall anything be done or permitted or kept on the Property which would increase the rate of insurance for the Units or any portion of the Property.

(c) No Unit, any building, nor any part thereof shall be altered, painted, remodeled or renovated nor shall any other improvements be erected or constructed on the Property unless such alterations, remodeling, renovation, erection or construction is approved by the Declarant.

(d) All Maintenance of the Property required in order to maintain the Property in the manner required by this Declaration and the assessment and collection of the Common Expenses shall be made by the Declarant until such time as the Management Functions are transferred to the Association pursuant to section 11.01 hereof. No Owner shall make any repairs, improvements, renovations or the like nor perform any Maintenance to his Unit or any portion of the Property without the advance written consent of the Declarant, or the Association (after transfer of the Management Functions to it). No Owner shall cause any material to be furnished to any portion of the Property or any labor to be performed therein or thereon. Each Owner shall indemnify and hold the other Owners and Declarant harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of the removing of any unauthorized improvements and repairing and restoring any portion of the Property to substantially the same condition as it existed prior to such alteration, renovation or repair.

4.11 (a) Each Unit shall be furnished with all necessary Furnishings. The cost thereof, whether by lease, purchase or otherwise, shall be a Common Expense and assessed as part thereof to all Owners. An Owner may use the Furnishings in his Unit only in accordance with the purposes for which they are intended and only during his Interval Period and in such manner as

(b) in favor of the Declarant, or the Association, for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical wiring and all other utility lines and conduits which serve any Unit or other areas of the Property or portions of the Project owned by the Declarant and which pass across or through a portion of the Property.

5.04 All easements and rights described and mentioned in this Declaration are easements appurtenant, running with the land and the Property and shall be in full force and effect for the life of this Declaration, as the same may be amended.

5.05 An easement for access and parking purposes over portions of the Common Areas shall be conveyed with respect to each Timeshare Building as set forth and described on Exhibit "B", attached hereto and made a part hereof. Each Owner during the time that said Owner occupies a Unit during his Interval shall have such access and parking easements, and in general, easements in common nevertheless with all Owners, the Declarant, its successors and assigns, and business invitees, for use of the Common Areas for all purposes consistent with the terms hereof and the Common Areas' intended use; Provided that parking space(s) may be assigned by the Declarant or the Association, as applicable, to a particular Unit, whereupon an Owner's use of any parking area shall be consistent with such assignment or as otherwise provided by Declarant or the Association in the Rules and Regulations.

5.06 Owners, for themselves, their invitees, heirs and assigns, are hereby granted and Declarant, for itself, its invitees, successors and assigns, hereby reserves easements over the roadways, parking areas, streets, walks and foot paths now or hereafter located on the Property, or any other property owned, or hereafter acquired by Declarant.

Article VI: COMMON EXPENSES

6.01 Because of the Mutual Ownership established hereby, each Owner has interests which are common with each other Owner, each Owner is dependent on each other Owner and upon proper management of the Property for the use and enjoyment thereof. In recognition of this fact, each Owner, regardless of how such ownership is acquired, takes such ownership subject to the rights and authorities, set forth herein, retained by the Declarant or granted to the Association, including, without limitation, the various Management Functions, so long as this Declaration remains in effect, which rights and authorities are and shall be deemed binding upon each Owner, and the Property and are enforceable by the Declarant, or the Association (upon transfer of the Management Functions to it), or such other person as may benefit therefrom, in accordance with the terms hereof.

the Property, conduct of the affairs of the Declarant or the Association in performing the Management Functions or enforcement of the Declaration, the Rules and Regulations, or any of them.

(i) A fidelity bond or bonds as Declarant or the Association may deem necessary.

(j) Maintenance and improvements and additions to the Property, as the Declarant or the Association may deem necessary and proper, as well as any materials, supplies, labor, services, structural alterations, insurance and tax assessments which apply thereto and/or which Declarant or the Association is required to secure or pay by law, this Declaration or the Rules and Regulations or which the Declarant or the Association deems necessary and proper in its discretion.

(k) Supply, maintenance, repair and replacement, by purchase, lease or otherwise, of the Furnishings.

(l) Mechanic's and materialmen's liens arising as a result of Maintenance of the Property or part of it.

(m) Any unpaid assessments which cannot be promptly collected pursuant to the provisions hereof from other Owners or prior Owners.

(n) The amount (if any), by which the cost of repairing or restoring any casualty loss insured under an insurance policy or policies carried by the Declarant or the Association exceeds the proceeds of such insurance by reason of an uninsured loss or failure of the Declarant to carry fire insurance in the full insurable replacement value of any building or Unit without deduction for depreciation as required herein.

(o) Costs and expenses of administration of any reservation or internal exchange system and participation in an interval exchange program, to the extent not paid directly by the Owners.

(p) Costs and expenses of operating and maintaining an activities and hospitality program for the benefit of the Owners.

(q) Real estate, sales and use and all other taxes or other governmental charges due or paid with respect to the Management Functions or use, ownership or occupancy of the Property.

(r) Charges or assessments payable by the Association under the Amenities Agreement, or such other costs, expenses or charges which shall represent the share of the total costs of

available or on deposit in the Common Fund, or profits pursuant to section 6.04, or otherwise, during any Fiscal Year, the Declarant, or the Association (after transfer of the Management Functions to it), shall retain such funds in the Common Fund to be devoted to the purposes thereof.

Article VII: ASSESSMENTS

7.01 Each Owner, other than Declarant, by execution of a Contract, any other agreement of sale or acceptance of title to an Interest, by deed or other document of transfer or conveyance, or by devise, or any other means covenants and agrees to pay to the Declarant, or the Association (after transfer to it of the Management Functions), for the purposes herein provided: (1) annual assessments of Common Expenses; (2) special assessments; and (3) any additional assessments or charges as hereinafter authorized or provided.

7.02 Each Owner's annual assessment of Common Expenses shall be fixed and determined by the Declarant or the Association (after transfer to it of the Management Functions) as follows:

(a) For the Fiscal Year, commencing during the calendar year 1984, the annual assessment shall be \$130 per Interest, except for an Interest with the right to occupy a 2 BR Unit, in which case the annual assessment shall be \$165 per Interest. For each Fiscal Year thereafter, until the Management Functions are transferred to the Association, as provided in Article XI hereof, the annual assessments may be increased by the Declarant by a uniform percentage, but only in accordance with any increase in the Cost of Living Index, as determined by the U. S. Commodity Index, as maintained by the Department of Labor of the United States, or any successor index thereto, on the basis of the level of the Index as of the date of this Declaration.

(b) For each Fiscal Year following transfer of the Management Functions to the Association, the Association shall prepare and adopt, at least 30 days prior to commencement of each Fiscal Year, a budget containing an estimate of the costs or charges for Common Expenses to be expended or incurred during such Fiscal Year and the annual assessment(s) necessary to recover the same. The annual assessment(s) shall be determined by dividing the total budgeted Common Expenses by an amount equal to the aggregate of the following: (i) 1 times the total number of Interests, owned by Owners, other than Declarant, excluding Interests with the right to occupy a 2 BR Unit; (ii) 1.3 times the number of Interests with the right to occupy a 2 BR Unit, owned by Owners, other than Declarant; and (iii) .5 times the number of Interests owned by the Declarant. The result shall be the base annual assessment for such Fiscal Year. Each Owner

(b) No diminution or abatement of any assessments shall be claimed or allowed for the interruption of the right of occupancy of a Unit or use of the Common Areas or other ownership privileges or for inconveniences or discomfort arising from (i) Maintenance or improvements of any Units, the Common Areas or other portions of the Property or (ii) requirements of any law, ordinance or order of any governmental authority.

7.07 The Declarant or the Association (after transfer of the Management Functions to it) shall have the authority to fix, determine, assess and collect special assessments for the following purposes:

(a) Any expenditure which the Declarant shall be required to make for the Maintenance of all or any part of the Property because of any injury thereto or misuse thereof by one or more Owners or their tenants, guests, invitees or licensees or resulting from theft or in damage to any portion of the Property shall be made from the Common Fund and shall be paid as a special assessment by the Owner or Owners responsible for such injury or misuse, or whose tenants, guests, invitees or licensees caused such injury or misuse.

(b) If the Declarant or the Association shall have made any expenditures on behalf of any Owner or Owners for any reason deemed necessary by the Declarant, or the Association (after transfer of the Management Functions to it), the Declarant or the Association shall levy such expenditures as a special assessment upon the particular Owner or Owners so benefited or who is responsible for the expenses. Such special assessment shall be levied promptly, and the debt arising from such special assessment shall be treated and due in the same manner as the annual assessment.

(c) (i) If the Association (after transfer of the Management Functions to it), by action of its Board, shall determine that additional funds are necessary or desirable for the purpose of paying, in whole or in part, the costs of construction, reconstruction, repair or replacement (herein a "Capital Improvement") of any Unit, building, improvement, any of the Common Areas, or any other portion of the Property, such costs shall be assessed in the same proportion as the base annual assessment to Owners over such period of time as shall be determined by the Board.

(ii) The Owners may authorize any Capital Improvement to the Property by the affirmative vote of Owners owning 85% or more of the total Interests in Timeshare Buildings then subject to this Declaration, at a special meeting of the Owners pursuant to written notice as shall be provided by the By-laws of the Association. In such case, the cost of such

Common Expenses which became due prior to said sale. Any such unpaid assessments which cannot be promptly collected from the former Owner may be reassessed to the extent necessary to make up a deficit as an additional assessment to be collected from all Owners.

8.03 Notwithstanding the provisions set forth above, upon the voluntary sale, conveyance or any other voluntary transfer, except for a transfer to the Declarant, of an Interest, the grantee thereof shall be jointly and severally liable with the grantor thereof for all unpaid assessments for Common Expenses which are a charge against the Interest as of the date of the sale or conveyance, but such joint and several liability shall be without prejudice to such grantee's right to recover from such grantor the amount of any such unpaid assessments which such grantee may pay and until any such assessments are paid, they shall continue to be a charge against the Interest which may be enforced in the manner set forth above. Any person who shall have entered into a written agreement to purchase an Interest shall be entitled to obtain from the Declarant or the Association a written statement of the amount of unpaid assessments charged against the Interest, and if such statement is not correct as of the date it is rendered, neither the purchaser nor the Interest shall be liable for payment of more than the unpaid assessments shown thereon, but the seller of such Interest shall remain liable for any unpaid amount. Any such unpaid amount which cannot be promptly collected from the former Owner may be reassessed as an additional assessment to be collected from all of the Owners, including the purchaser, his successors and assigns.

Article IX: DAMAGE OR DESTRUCTION; INSURANCE

9.01 Except as otherwise provided by law or herein, damage to or destruction of the Property or any portion thereof shall be promptly repaired and restored using the proceeds of insurance for that purpose, and the Owners shall be liable for assessment for any deficiency in such proceeds in proportion to their Interests. The Declarant or the Association shall be responsible for accomplishing the full repair or reconstruction, the costs of which shall be paid out of the Common Fund and insurance proceeds. The Declarant or the Association shall be responsible for restoring the Property only to substantially the same condition as it was immediately prior to the damage.

9.02 A taking of, injury to or destruction of part or all of the Property by the power, or a power in the nature, of eminent domain or by an action or deed in lieu of condemnation shall be considered to be included in the term "damage or destruction" for purposes of this Article and the proceeds of the eminent domain taking shall be treated in the same manner as insurance

policies covering the Property that will provide for the following:

(i) A waiver of subrogation by the insurer as to any claims against the Declarant, the Owners, and their respective servants, agents and guests;

(ii) That the insurance policies issued to the Declarant or the Association covering the Property cannot be canceled, invalidated or suspended on account of the conduct of any one or more Owners and in no event can cancellation, invalidation or suspension for any reason be effected without at least ten (10) days' prior written notice to each Owner and all holders of mortgages on Interests whose names and addresses are on file with the Declarant.

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

(iv) That any "no other insurance" clause in the Declarant's or the Association's insurance policies exclude individual Owner's policies on their Interests from consideration.

Article X. THE ASSOCIATION

10.01 Each Owner, including the Declarant, by virtue of becoming such by transfer of title, execution of a Contract or other agreement of sale with respect to acquisition of an Interest, devise, operation of law or otherwise automatically shall be a member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Interest and any such membership shall terminate simultaneously with any termination of such ownership.

10.02 Each Owner, as a member of the Association, shall be bound by the provisions hereof and the articles of incorporation, By-laws and other governing instruments of the Association. The governing body of the Association shall be the Board, the members of which shall be elected by members of the Association for such terms and in the manner provided herein and in the By-laws. To the extent not provided herein, the articles and By-laws shall govern the affairs of the Association, including the designation and election of officers, time, place and notice of meetings, and the rights, duties, privileges and obligations of membership. In the event of any conflict between provisions of the articles of

11.03 The Declarant may and the Association shall and is hereby required, to hire a Manager to perform certain services and functions set forth herein or transferred to the Association by Declarant and shall pay such Manager such management fees as are deemed reasonable, which fees, costs and expenses shall be a Common Expense. The Manager may perform all acts and Management Functions otherwise required to be performed hereunder by the Declarant or the Association, as shall be authorized from time to time by the Declarant or the Association, as applicable.

Article XII: THE TRUST ARRANGEMENTS

12.01 The Property, prior to the conveyance of any Interest, and immediately following the recording hereof, shall be transferred by the Declarant to the Trustee which shall hold the Property pursuant to the Trust Agreement and subject to the terms and provisions hereof.

12.02 As provided in the Trust Agreement, the Trustee shall hold the Property for the benefit of the Declarant and for the benefit of other Owners, to the extent that Declarant may have transferred by Contract or otherwise any Interest in the Property to an Owner or other transferee.

12.03 Upon execution of a Contract, Declarant shall prepare and deliver to the Trustee a copy of the Contract and a Trustee's Deed for the Interest(s) being purchased by an Owner pursuant to the Contract. Trustee shall hold the Owner's Interest(s) until such time as Owner has completed the financial obligations and satisfied all of the other terms and conditions of the Contract, whereupon a Trustee's Deed to the Owner for his Interest(s) shall be executed, delivered and recorded in the Office of the Recorder of Deeds of Pike County, Pennsylvania, subject however, to the payment of any necessary recording costs or real estate transfer taxes as more particularly provided in the Contract and the Trust Agreement.

12.04 Upon the transfer of the Management Functions by the Declarant to the Association as provided in section 11.01 hereof, the Trustee shall convey the Common Areas to the Association.

Article XIII: AMENDMENTS AND SUPPLEMENTS

13.01 Except as otherwise provided herein, the provisions of this Declaration may be amended by Declarant at any time prior to transfer of the Management Functions to the Association pursuant to section 11.01 hereof by an instrument in writing executed and acknowledged on behalf of Declarant and recorded in Pike County. Thereafter, the Declaration may be amended only by an

Article XIV: MISCELLANEOUS

14.01 Notwithstanding anything herein to the contrary, the Declarant shall, so long as it owns any Interest hereunder, have the right to do as follows:

(a) use, occupy, demonstrate and show all portions of the Property and Common Areas for the purpose of promoting and aiding in the development, marketing, sale or rental of any portion of the Property;

(b) display and erect signs, billboards and placards upon the Property, Common Areas and any portion of the Property; and

(c) operate and maintain sales offices and related facilities upon the Property, Common Areas or any portions thereof.

14.02 An Owner may not voluntarily encumber or subject his Interest to any lien other than the lien of an Institutional Lender, or a purchase money mortgage to a selling Owner. In either case such mortgage or lien and the rights and obligations of the parties thereto shall be subject to the terms and conditions of this Declaration, all amendments hereto and the Rules and Regulations as the same may exist from time to time, whether prior to the date of such mortgage or lien instrument or thereafter. Such mortgage or lien instruments shall specifically but without limitation provide that the mortgagee shall have no right to (a) participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore the damage to or destruction of the Property or any portion thereof or (b) to receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise except in the event of either of a distribution thereof to Owners or of insurance proceeds being received in excess of the cost of repair or restoration. No Owner or prospective purchaser of an Interest shall deliver any mortgage or other lien instrument unless within ten (10) days thereafter he shall notify the Declarant, or the Association upon transfer of the Management Functions to it, of the name and address of the mortgagee or lien holder and of the amount of the debt secured by the lien. A conformed copy of such mortgage and obligation shall be submitted to the Declarant or the Association upon request therefor.

14.03 Each Owner shall comply with the provisions, conditions and restrictions of this Declaration, any conditions or covenants in his deed or Contract, the Rules and Regulations and the By-laws as the same may be amended from time to time and shall comply with such decisions of the Declarant or others entitled to make them as may be rendered pursuant to such documents. Failure so to comply shall be grounds for an action for the recovery of

14.08 This Declaration shall become effective as of the date first above set forth whether or not it has been recorded as of that date. This Declaration shall nevertheless be recorded prior to the conveyance by deed of any Interests. The provisions of this Declaration, as amended and supplemented from time to time, shall be enforceable for a term of twenty (20) years from the date hereof; thereafter, all of the provisions hereof shall be extended automatically for successive periods of five (5) years each, unless this Declaration is terminated as hereinafter provided.


This Declaration may be terminated as of the end of the initial 20-year term, or at the end of any 5-year extension thereof, upon the recording, in the Office of the Recording of Deeds, Pike County, of an instrument providing for disposition of the Property subject hereto. The instrument shall be executed (1) by Owners owning 85% or more of all Interests subject hereto, or by the Association upon the affirmative vote of members of the Association representing 85% of all Interests subject hereto; and (2) by the Declarant, its successors or assigns.

14.09 Each Owner, upon acceptance of ownership of an Interest, whether by any Contract, any other agreement of sale, deed, or by devise or bequest or any other means, for himself, his heirs, successors and assigns, and as a member of the Association, for the Association, acknowledges that the Project is to be developed by Declarant in phases and that Declarant has plans for other projects for future development of property owned by Declarant, or to be acquired by it, and covenants and agrees that he will not oppose or support any opposition to Declarant's future development of the Project or future development of any other project now held or hereafter acquired by the Declarant.

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

TANGLWOOD LAKES, INC.

By 
Exec. Vice-President

ATTEST

Secretary
(Corporate Seal)

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING ten and seventy-one one-hundredths (10.71) acres of land to be the same more or less.

EXCEPTING AND RESERVING subject to public highway purposes those portions of the rights-of-way of the public highways which cross the above-described premises.

Parcel "B":

BEGINNING at Pennsylvania Power and Light Company monument number 141; thence along the lands of the Pennsylvania Power and Light Company the following three courses and distances: (1) North 68 degrees 32 minutes 00 seconds East 191.40 feet to Pennsylvania Power and Light Company monument number 140; (2) South 74 degrees 46 minutes 00 seconds East 277.80 feet to Pennsylvania Power and Light Company monument number 139 and (3) North 03 degrees 53 minutes 00 seconds West 118.30 feet to Pennsylvania Power and Light Company monument number 138; thence through the lands of the Grantor herein North 13 degrees 52 minutes 59 seconds West 87.02 feet to the common corner of lots number 66 and 67; thence along lot number 67 North 84 degrees 35 minutes 00 seconds East 131.02 feet to a corner; thence crossing a ten foot wide path to the most southerly corner of lot number 68; thence along lots number 68 and 69 North 68 degrees 55 minutes 00 seconds East 255.08 feet to a corner; thence along lots number 70, 71, 72, 73 and 74 South 66 degrees 50 minutes 00 seconds East 579.52 feet to a corner; thence along lot number 74 North 23 degrees 10 minutes 00 seconds East 150.00 feet to a corner in the center of a forty foot wide private road; thence along the centerline of the said forty foot wide private road South 66 degrees 50 minutes 00 seconds East 150.00 feet to a corner; thence through the lands of the Grantor herein North 85 degrees 23 minutes 26 seconds East 729.49 feet to a corner in the line of lands of the "Atkinson Tract"; thence along the "Atkinson Tract" South 23 degrees 37 minutes 00 seconds West 135.00 feet to a P.R.&I. Co. monument; thence along Gumble Brothers "Atkinson Tract" South 42 degrees 19 minutes 00 seconds East 2144.02 feet to a corner marked by an iron bar; thence through the lands of the Grantor herein South 48 degrees 07 minutes 14 seconds West 207.55 feet to the northeast corner of lot number 16 of Section Seven; thence along Section Seven the following four courses and distances: (1) along lots number 16, 15, 14, 13 and 12 North 45 degrees 46 minutes 00 seconds West 394.00 feet to a corner, (2) along lots number 11, 10 and 9 North 45 degrees 59 minutes 00 seconds West 251.50 feet to a corner, (3) along lots number 8, 7, and 6 North 42 degrees 10 minutes 00 seconds West 262.2 feet to a corner and (4) along lots number 5, 4, 3, 2 and 1 North 56 degrees 45 minutes 00 seconds West 393.50

be acquired by the Declarant and identified as Parcel "A-1" on the aforesaid map. The precise location of such facilities shall be as determined by the Declarant.

EXCEPTING AND RESERVING subject to public highway purposes those portions of the rights-of-way of the public highways which cross the above-described premises.

Also excepting and reserving subject to private road purposes those portions of the rights-of-way of the private roads which cross the above-described premises.

Also excepting and reserving all walking paths and rights-of-way which may be of record.

Area #2A; thence along Parking Area #2A North 36 degrees 11 minutes 00 seconds West 45.00 feet to a corner; thence through the lands of the Grantor herein North 53 degrees 49 minutes 00 seconds East 72.00 feet to a corner in the line of Timeshare Parcel #1; thence along Timeshare Parcel #1 South 36 degrees 11 minutes 00 seconds East 15.00 feet to the point and place of BEGINNING. COMPRISING within said boundaries Parking Area #1A as shown on a certain plan of lots on the lands of the Grantor herein.

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING thirteen one-hundredths (0.13) of an acres of land to be the same more or less.

Timeshare Parcel 2:

BEGINNING at the most northerly corner of the premises hereby conveyed, said point being located the following two courses and distances from Pennsylvania Power and Light Company monument number 143: (1) South 36 degrees 11 minutes 00 seconds East 15.00 feet to a corner and (2) North 53 degrees 49 minutes 00 seconds East 10.00 feet to the point and place of BEGINNING; thence through the lands of the Grantor herein the following four courses and distances: (1) South 36 degrees 11 minutes 00 seconds East 65.00 feet to a corner, (2) South 53 degrees 49 minutes 00 seconds West 150.00 feet to a corner, (3) North 36 degrees 11 minutes 00 seconds West 65.00 feet to a corner and (4) North 53 degrees 49 minutes 00 seconds East 150.00 feet to the point and place of BEGINNING. COMPRISING within said boundaries Timeshare Parcel #2 as shown on a certain plan of lots on the lands of the Grantor herein.

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING twenty-two one-hundredths (0.22) of an acre of land to be the same more or less.

TOGETHER WITH an easement for access and parking purposes described in the Declaration on and across Parcel 2-A as shown on said map, more particularly bounded and described as follows:

BEGINNING at the most southerly corner of Timeshare Parcel #2; thence along Timeshare Parcel #2 North 53 degrees 49 minutes 00 seconds East 127.92 feet to a corner; thence through the lands of the Grantor herein and along Parking Area #1A South 36 degrees 11 minutes 00 seconds East 73.80 feet to a corner; thence through the lands of the Grantor herein the following four courses and distances: (1) South 53 degrees 49 minutes 00 seconds West 90.00 feet to a corner, (2) South 85 degrees 00 minutes 47 seconds West 88.66 feet to a corner, (3) North 04 degrees 59 minutes 13 seconds West 43.49 feet to a corner and (4) North 85 degrees 00 minutes 47

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF MONTGOMERY) SS:

ON THIS, the 1st day of July, 1984, before me, a Notary Public, the undersigned officer, personally appeared LANE R. JUBB, who acknowledged himself to be the Exec. Vice-Pres. of TANGLWOOD LAKES, INC., a corporation, 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 the corporation by himself as such officer.

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

Martha E. Detwiler
MARTHA E. DETWILER, Notary Public
Phoenixville Boro, Chester Co.
My Commission Expires Dec. 14, 1985

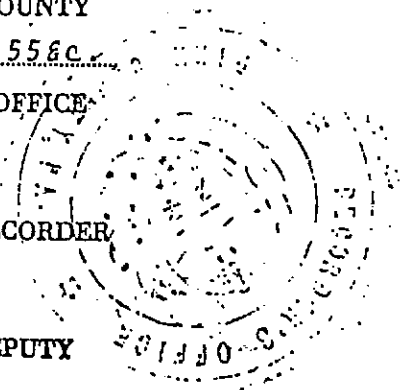
OFFICE OF RECORDER
& PROCLAMATORY

AUG 6 3 00 PM '84

ENTERED FOR RECORD
PIKE COUNTY, PA.

STATE OF PENNSYLVANIA
COUNTY OF PIKE. SS. RECORDED IN THE OFFICE OF THE
RECORDER IN AND FOR SAID COUNTY
AND STATE IN Deed BOOK NO. 933 AT PAGE 255 &c.
GIVEN UNDER MY HAND AND THE SEAL OF THE SAID OFFICE
THIS 6th DAY OF Aug. A.D. 19 84

[Signature]
RECORDER
[Signature]
DEPUTY



945 CASE 068

SECOND SUPPLEMENTARY DECLARATION
TO
DECLARATION OF OWNERSHIP AND EASEMENTS
TANGLWOOD LAKES LODGE
PHASE II, BUILDINGS D AND E

THIS SECOND SUPPLEMENTARY DECLARATION, made as of the 1st day of September, 1984 (referred to separately in this document as the "Second Supplementary Declaration" and which term sometimes is referred to in this document by use of such words as "hereto", "hereby", "herein", "hereof" and "hereunder", or other descriptive words or phrases having similar import), by TANGLWOOD LAKES, INC., a Pennsylvania corporation having a place of business at Tafton, Pennsylvania 18468 (the "Declarant") to the Declaration of Ownership and Easements, dated March 25, 1983, as heretofore amended and supplemented.

WITNESSETH:

WHEREAS, Declarant owns certain property situate within Palmyra Township, Pike County, Pennsylvania; and

WHEREAS, Declarant heretofore made a portion of such property subject to certain covenants and easements for the purpose of creating certain timeshare Interests and for the benefit of owners thereof, by a Declaration of Ownership and Easements, dated March 25, 1983, and recorded in Pike County at Deed Book 874, Page 159 etc., as amended by a Declaration of Amendments, dated December, 1983, and recorded in Pike County at Deed Book 906, Page 53, etc., (said declaration, as amended, is herein referred to as the "Original Declaration"); and

WHEREAS, Section 1B of the Original Declaration provides, inter alia, that the Declarant may cause additional property to be subject to the timeshare scheme of the Original Declaration by the filing of a supplementary declaration thereto; and

WHEREAS, Declarant heretofore made a Correctional First Supplementary Declaration, dated as of May 1, 1984, to the Original Declaration, recorded in Pike County at Deed Book 934, Page 176, whereby certain additional property, defined as the Phase II Property was made subject to the timeshare scheme of the Declaration, and whereby Phase II Timeshare Buildings A and B were submitted to the mutual ownership plan of the Declaration, as supplemented; and

WHEREAS, Section 2B of the Correctional First Supplementary Declaration provides, inter alia, that the Declarant, at its sole discretion, may construct additional Phase II Timeshare

Buildings within the Phase II Property and may submit the same to the mutual ownership scheme of the Declaration, as supplemented; and

WHEREAS, the Declarant desires to develop and convey Phase II Timeshare Buildings D and E pursuant to the timeshare scheme under the Original Declaration, as supplemented by the Correctional First Supplementary Declaration and by this Second Supplementary Declaration;

NOW, THEREFORE, Declarant hereby declares that Phase II Timeshare Buildings D and E are and shall be owned, occupied, maintained, improved, transferred, sold, leased and conveyed subject to the Covenants, Mutual Ownership and Easements set forth in the Original Declaration as amended and supplemented, and said Covenants, Mutual Ownership and Easements and the other provisions of the Original Declaration, as amended and supplemented, are intended to enhance and protect the value and desirability of the Property, including Phase II Timeshare Buildings D and E and the Interests therein, and to create mutual equitable servitudes among each of the Owners in favor of each other Owner and to create reciprocal rights and privity of contract and estate between all persons, natural or artificial, acquiring or owning an interest in the Timeshare Buildings, including Phase II Timeshare Buildings D and E, and the said Covenants, Mutual Ownership and Easements shall be deemed to run with the land and be a burden and benefit on all such persons and the Property, including Phase II Timeshare Buildings D and E.

Section 1. Definitions.

The terms and phrases used herein shall have the meanings specified in the Original Declaration and, where applicable, as specified in the Correctional First Supplementary Declaration and as specified in the preamble hereof and in this section.

"Phase II Timeshare Buildings" - This term shall have the meaning set forth in the Correctional First Supplementary Declaration, and, as provided therein, shall include Phase II Timeshare Building D, containing Phase II Units 121-124 and 221-224, inclusive, and Phase II Timeshare Building E, containing Phase II Units 125-128 and 225-228, inclusive, as more particularly described on Exhibit "B-2" attached hereto and made a part hereof, as referenced in Section 2 hereof.

Section 2. The Phase II Property; Timeshare Buildings D and E.

A. Declarant has constructed or will construct Phase II Timeshare Buildings D and E, within the Phase II Property, on

the parcels of real estate identified as Parcels 3 and 4, respectively, as more particularly described on Exhibit "B-2", attached hereto and made a part hereof, and as shown on the Phase II Final Plan entitled "Tanglwood Lakes Lodge Phase II", dated March 21, 1984, and recorded in the Office of the Recorder of Deeds, Pike County, in Plat Book Volume 23, Page 63. Phase II Timeshare Buildings D and E shall be transferred and conveyed by the Declarant to the Trustee as is provided in Section 9 of the Original Declaration.

B. The Phase II Common Areas shall be as defined in the Correctional First Supplementary Declaration and shall include the parking areas and roadways to be constructed in connection with Phase II Timeshare Buildings D and E, as shown on the Phase II Final Plan referenced in Section 2A above.

Section 3. Mutual Ownership.

A. Phase II Timeshare Buildings D and E are hereby dedicated and committed by the Declarant to timeshared ownership as herein set forth. Except as otherwise provided in the Correctional First Supplementary Declaration, such dedication may not be withdrawn except by instrument executed by the Declarant and each owner of an interest in such Phase II Timeshare Building.

Section 4. Easements.

A. Declarant hereby grants appurtenant to and for the benefit of the Property, including Phase II Timeshare Buildings D and E, and the Owners, in common, nevertheless, with the Declarant, its successors and assigns, easements for water and sewer service, and for the right of ingress, egress and regress to and from the public highway over and across other lands of Declarant and from one part of the property to another, as such water and sewer facilities, roads and rights of way are shown on the Phase II Final Plans, including the Phase II Final Plan referenced in Section 2A hereof.

B. An easement for access and parking purposes over portions of the Phase II Common Areas shall be conveyed with respect to each Phase II Timeshare Building, including Phase II Timeshare Buildings D and E, as set forth and described on Exhibit "B-2", attached hereto and made a part hereof.

Section 5. Miscellaneous.

A. All terms, conditions, covenants and agreements of the Original Declaration, as previously amended and supplemented, except to the extent that the same are further amended and/or supplemented hereby, are ratified and confirmed and are declared to be and shall be and remain in full force and effect and shall

apply in all respects to this Second Supplementary Declaration and to the Phase II Property and Phase II Owners, including Phase II Timeshare Buildings D and E and the Owners thereof, all as shall be applicable and appropriate, as if the same were repeated in full herein; Provided, however, that provisions of the Original Declaration, as previously amended, and the Correctional First Supplementary Declaration always shall be construed so as to give proper effect and meaning to provisions of this Second Supplementary Declaration.

B. Except as otherwise provided herein, the provisions of this Second Supplementary Declaration may be amended by Declarant at any time prior to the conveyance to the Association of the Common Areas in the manner provided in Section 10D of the Original Declaration, and thereafter, may be amended as provided in Section 10D of the Original Declaration.

C. The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision or portion hereof or of the Declaration unless such deletion shall destroy the uniform plan for the development and operation of the Property which the Declaration is intended to create.

D. This Second Supplementary Declaration shall become effective as of the date first above set forth whether or not it has been recorded as of that date. This Second Supplementary Declaration shall nevertheless be recorded prior to the conveyance by deed of any Interest in a Phase II Timeshare Building.

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

TANGLWOOD LAKES, INC.

By *Sam H. Jones*
President

[Signature]
Secretary

EXHIBIT "B-2"

PHASE II TIMESHARE BUILDINGS D AND E

ALL those certain tracts or parcels or land and premises situate, lying and being in the Township of Palmyra, the County of Pike and Commonwealth of Pennsylvania, together with any improvements erected thereon as more particularly shown on a certain map entitled "Tanglwood Lakes Lodge Phase II", prepared by Harry F. Schoenagel, P.L.S., dated March 21, 1984, and as last revised, filed of record in the Office of the Recorder of Deeds in and for Pike County, Pennsylvania, at Plat Book 23, Page 63, which parcels are more particularly bounded and described as follows:

Timeshare Parcel 3 (Phase II Timeshare Building D):

BEGINNING at the northeasterly corner of Parcel 3A; thence along Parcel 3A North 60 degrees 32 minutes 45 seconds West 150.00 feet to a corner; thence through the lands of the Grantor herein the following three courses and distances: (1) North 29 degrees 27 minutes 15 seconds East 62.00 feet to a corner, (2) South 60 degrees 32 minutes 45 seconds East 150.00 feet to a corner and (3) South 29 degrees 27 minutes 15 seconds West 62.00 feet to the point and place of BEGINNING. COMPRISING within said boundaries Parcel 3 as shown on said map of lands of the Grantor herein.

BEARINGS of the true meridian as per maps of the Pennsylvania Power & Light Company and CONTAINING twenty-one one-hundredths (0.21) of an acre to be the same more or less.

TOGETHER WITH an easement for access and parking purposes as described in the Declaration, on and across Parcel 3A as shown on said map and more particularly bounded and described as follows:

BEGINNING at the southeasterly corner of Parcel 3A, said point being located the following five courses and distances from the most northerly corner of Parcel 2A: (1) South 61 degrees 58 minutes 23 seconds West 19.68 feet to a point, (2) North 13 degrees 05 minutes 50 seconds West 46.06 feet to a point, (3) South 60 degrees 32 minutes 45 seconds East 155.60 feet to a point, (4) North 37 degrees 25 minutes 20 seconds East 20.20 feet to a point and (5) South 44 degrees 36 minutes 34 seconds East 7.49 feet to the point and place of BEGINNING; thence through the lands of the Grantor herein North 29 degrees 29 minutes 15 seconds East 39.06 feet to a corner; thence along Parcel #3 North 60 degrees 32 minutes 45 seconds West 150.00 feet to a corner; thence through the lands of the Grantor herein South 29 degrees

27 minutes 15 seconds West 37.00 feet to a corner on the northerly edge of the right of way of Crest Drive; thence along the northerly edge of the right of way of Crest Drive the following two courses and distances: (1) South 60 degrees 32 minutes 45 seconds East 142.80 feet to a corner and (2) South 44 degrees 36 minutes 34 seconds East 7.49 feet to the point and place of BEGINNING. COMPRISING within said boundaries Parcel 3A as shown on a certain map of lands of the Grantor herein.

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING thirteen one-hundredths (0.13) of an acre to be the same more or less.

Timeshare Parcel 4 (Phase II Timeshare Building E):

BEGINNING at the northeasterly corner of Parcel 4A; thence along Parcel 4A North 44 degrees 36 minutes 34 seconds West 150.00 feet to a corner; thence through the lands of the Grantor herein the following three courses and distances: (1) North 45 degrees 23 minutes 26 seconds East 62.00 feet to a corner, (2) South 44 degrees 36 minutes 34 seconds East 150.00 feet to a corner and (3) South 45 degrees 23 minutes 26 seconds West 62.00 feet to the point and place of BEGINNING. COMPRISING within said boundaries Parcel 4 as shown on a certain map of lands of the Grantor herein.

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING twenty-one one-hundredths (0.21) of an acre of land to be the same more or less.

TOGETHER WITH an easement for access and parking purposes as described in the Declaration, on and across Parcel 4A as shown on said map and more particularly bounded and described as follows:

BEGINNING at the southwesterly corner of Parcel 4A, said corner being located South 44 degrees 36 minutes 34 seconds East 8.32 feet from the southeasterly corner of Parcel 3A; thence through the lands of the Grantor herein North 45 degrees 23 minutes 26 seconds East 37.00 feet to a corner; thence along Parcel 4 South 44 degrees 36 minutes 34 seconds East 150.00 feet to a corner; thence through the lands of the Grantor herein South 45 degrees 23 minutes 26 seconds West 37.00 feet to a corner on the northerly edge of the right of way of Crest Drive; thence along the northerly edge of the right of way of Crest Drive North 44 degrees 36 minutes 34 seconds West 150.00 feet to the point and place of BEGINNING. COMPRISING within said boundaries Parcel 4A as shown on a certain map of lands of the Grantor herein.

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING thirteen one-hundredths (0.13) of an acre of land to be the same more or less.

COMMONWEALTH OF PENNSYLVANIA:

COUNTY OF MONTGOMERY :

ON THIS, the 1st day of September, 1984, before me, a Notary Public, the undersigned officer, personally appeared Lane R. Jubb, who acknowledged himself to be the Executive Vice-President of TANGLWOOD LAKES, INC., a corporation, 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 the corporation by himself as the Executive Vice President.

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

Martha E. Detwiler
NOTARY PUBLIC

My Commission Expires:

MARTHA E. DETWILER, Notary Public
Phoenixville Bord, Chester Co.
My Commission Expires Dec. 14, 1985

OFFICE
& PI
OCT 12 3 20 PM '84
ENTERED RECORD
PIKE COUNTY, PA.

STATE OF PENNSYLVANIA
COUNTY OF PIKE. SS. RECORDED IN THE OFFICE OF THE
RECORDER IN AND FOR SAID COUNTY
AND STATE IN Deed BOOK NO. 945 AT PAGE 688c.
GIVEN UNDER MY HAND AND THE SEAL OF THE SAID OFFICE
THIS 12th DAY OF Oct. A.D. 19 84

Joseph J. Peters
RECORDER
DEPUTY



CORRECTIONAL
FIRST SUPPLEMENTARY DECLARATIONTO
DECLARATION OF OWNERSHIP AND EASEMENTSTANGLWOOD LAKES LODGE
PHASE II, BUILDINGS A AND B

AUG 9 1 53 PM '84

ENTERED FOR RECORD
PIKE COUNTY, PA.

THIS CORRECTIONAL FIRST SUPPLEMENTARY DECLARATION, made as of this 1st day of May, 1984, (referred to separately in this document as the "First Supplementary Declaration" and which term sometimes is referred to in this document by use of such words as "hereto", "hereby", "herein", "hereof" and "hereunder", or other descriptive words or phrases having similar import), by TANGLWOOD LAKES, INC., a Pennsylvania corporation, having a place of business at Tafton, Pennsylvania 18468 (the "Declarant") to the Declaration of Ownership and Easements, dated March 25, 1983, as amended.

WITNESSETH:

WHEREAS, Declarant owns certain property situate within Palmyra Township, Pike County, Pennsylvania; and

WHEREAS, Declarant heretofore made a portion of such property subject to certain covenants and easements for the purpose of creating certain timeshare interests and for the benefit of owners thereof, by a Declaration of Ownership and Easements, dated March 25, 1983, and recorded in Pike County at Deed Book 874, Page 159 etc., and by a Declaration of Amendments to said Declaration of Ownership and Easements, dated December, 1983, and recorded in Pike County at Deed Book 906, Page 53, etc., (said declaration, as amended, is herein referred to as the "Original Declaration"); and

WHEREAS, Section 1B of the Original Declaration provides, inter alia, that the Declarant may cause additional property to be subject to the timeshare scheme of the Original Declaration by the filing of a supplementary declaration thereto; and

WHEREAS, Declarant heretofore made a first supplementary declaration, dated March 22, 1984, to the Original Declaration, recorded in Pike County, at Deed Book 920, Page 275, and, by a Termination dated as of the date hereof and recorded simultaneously herewith, has terminated said supplementary declaration; and

WHEREAS, no Interests in any Phase II Timeshare Building, or other portion of the Phase II Property, have been conveyed prior to the date hereof, or prior to the recording hereof; and

WHEREAS, the Declarant desires to develop and convey certain additional property pursuant to a timeshare scheme under the Original Declaration, as supplemented by this Supplementary Declaration;

NOW, THEREFORE, Declarant hereby declares that the Phase II Property, is and shall be owned, occupied, maintained, improved, transferred, sold, leased and conveyed subject to the Covenants, Mutual Ownership and Easements set forth in the Original Declaration, as amended and supplemented hereby, and said Covenants, Mutual Ownership and Easements and the other provisions of the Original Declaration, as amended and supplemented hereby, are intended to enhance and protect the value and desirability of the Property, including the Phase II Property, and of the Interests owned by Owners of the Timeshare Buildings, including the Phase II Timeshare Buildings, located thereon, and to create mutual equitable servitudes among each of the Owners in favor of each other Owner, and to create reciprocal rights and privity of contract and estate between all persons, natural or artificial, acquiring or owning an interest in the Timeshare Buildings, including the Phase II Timeshare Buildings, their grantees, heirs, devisees, successors and assigns, and the said Covenants, Mutual Ownership and Easements shall be deemed to run with the land and be a burden and benefit on all such persons and the Property, including the Phase II Property.

Section 1. Definitions.

The terms and phrases used herein shall have the meanings specified in the Original Declaration and, where applicable, as specified in the preamble hereof and in this section. The following terms shall have the following meanings, unless the context clearly otherwise requires:

"Amenities Agreement" - This term refers to an agreement dated as of January 1, 1984, as amended and supplemented, between Declarant and, inter alia, the Association, setting forth the terms and conditions for use of the Amenities, by, inter alia, Owners hereunder.

"Common Areas" - This term shall mean the Common Areas as defined in the Original Declaration and portions of the Phase II Property, including any improvements thereon, except parcels containing the Phase II Timeshare Buildings, as provided in Section 2D hereof.

"Declaration" - This term refers to the Original Declaration, as amended and supplemented from time to time.

"Interest" - This term refers to the one eight hundred eighty-fifth (1/885) ownership interest held as tenant in common by an Owner with all other Owners and the Declarant, its successors or assigns, with respect to the Timeshare Building, as more particularly set forth in Section 3 of the Original Declaration and the one four hundred sixteenths (1/416) ownership interest held as tenant in common by a Phase II Owner with other Phase II Owners and the Declarant in a Phase II Timeshare Building, as more particularly set forth in Section 4 hereof.

"Owner" - This term as used in the Original Declaration refers to an Owner of the Timeshare Building, and in certain contexts herein and in the Original Declaration shall refer to all Owners, including the Phase II Owners.

"Phase II Final Plans" - This term means the subdivision or land development plans for the Phase II Property, or any portion thereof, as adopted by Declarant and, if applicable, as submitted to and approved by the authorities of Palmyra Township, Pike County, Pennsylvania, and, if applicable, as recorded in Pike County, including the final plans of Tanglwood Lakes Lodge, Phase II, as prepared by Harry F. Schoenagel, P.L.S., and recorded in Pike County as referenced in section 2B hereof.

"Phase II Owner" - This term refers to the person or persons owning an Interest in one of the Phase II Timeshare Buildings. This term shall include any purchaser under an Agreement of Sale from the moment that any such agreement is accepted and executed by the Declarant, and any and all other persons owning an Interest in a Phase II Timeshare Building by virtue of a deed, agreement of sale or other instrument. This term shall include, where applicable, the Declarant, provided, however, that the Declarant shall be exempt from certain obligations of other Owners as set forth in the Declaration. In the event that one or more persons shall so own an Interest in any Phase II Timeshare Building, this term shall mean all such persons collectively and the obligation of a Phase II Owner hereunder shall be the joint and several obligation of all such persons.

"Phase II Property" - This term refers to the entire parcel of land, described on Exhibit "A-1" attached hereto and made a part hereof, and including the Phase II Timeshare Buildings and any and all other improvements made or to be made to said parcel of land, fixtures, Furniture, and other property provided or to be provided for use of the Phase II Owners hereunder and the easements and rights of way, all as referenced in Section 2 hereof. In certain contexts herein, the term Phase II Property shall be and does mean a combination of the Phase II Timeshare Buildings and the Common Areas applicable thereto.

"Phase II Timeshare Buildings" - This term refers to the freestanding buildings, and the parcels of land on which the same are constructed or to be constructed within the Phase II Property as shown on a Phase II Final Plan. This term shall include Phase II Timeshare Building A, containing Phase II Units 109 to 112 and 209 to 212, inclusive, and Phase II Timeshare Building B, containing Phase II Units 113 to 116 and 213 to 216, inclusive, as more particularly described on Exhibit "B-1" attached hereto and made a part hereof, as referenced in Section 2B hereof.

"Phase II Unit(s)" - This term refers to the separate dwelling Units or residential rooms contained within a Phase II Timeshare Building, including the Furniture physically located therein; the term "1 BR Phase II Unit" shall refer to a Phase II Unit containing 1 bedroom, and the term "2 BR Phase II Unit" shall

refer to a Phase II Unit containing 2 bedrooms, as designated by Declarant and as shown on the floor plans with respect to such Units.

"Property" - This term refers to the entire parcel of land described on Exhibit "A" to the Original Declaration and referred to in Section 1 of the Original Declaration and the Phase II Property. In certain contexts throughout the Declaration, the term "Property" shall be and does mean the combination of the terms the Timeshare Buildings and the Common Areas.

"Timeshare Buildings" - This term shall refer collectively to the "Building" or "Timeshare Building" as defined in the Original Declaration and the Phase II Timeshare Buildings as defined herein.

"Unit(s)" - This term shall refer to the Units within the Timeshare Building, or in certain contexts herein and in the Original Declaration shall refer to all Units within all Timeshare Buildings. This term shall also include, as the context may require, the Furniture physically located within such Unit(s).

Section 2. The Phase II Property.

A. The real property hereby made subject to the Declaration, as amended and supplemented hereby, is that parcel of land and the improvements thereon, or to be constructed thereon, situate in Palmyra Township, Pike County, Pennsylvania, more particularly described on Exhibit "A-1" attached hereto and made a part hereof and as shown and identified as Parcel "C" on the Phase II Final Plan entitled "Tanglwood Lakes Lodge", dated January 27, 1984, and recorded in the Office of the Recorder of Deeds, Pike County, in Plat Book Volume 23, at page 38, together with the easements for access and utility services as shown on said plan.

B. Phase II Timeshare Buildings. Declarant has constructed or will construct Phase II Timeshare Buildings A and B, within the Phase II Property, on the parcels of real estate identified as Parcels 1 and 2, respectively, as more particularly described on Exhibit "B-1" attached hereto and made a part hereof and as shown on the Phase II Final Plan entitled "Tanglwood Lakes Lodge Phase II", dated March 21, 1984, revised April 16, 1984, and recorded in the Office of the Recorder of Deeds, Pike County, in Plat Book Volume 23, page 39. Declarant reserves the right, from time to time, and in its sole discretion, to construct additional Phase II Timeshare Buildings within the Phase II Property by preparation and recording a supplementary declaration and a Phase II Final Plan describing such buildings and submitting the same to the mutual ownership scheme hereof.

C. Deed into Trust. The Phase II Timeshare Buildings, prior to the conveyance of any Interest therein under the terms hereof, shall be transferred by the Declarant to the Trustee, as is provided in section 9 of the Original Declaration.

D. The Phase II Common Areas. The balance of the Phase II Property, including but not limited to the unimproved portion of the Phase II Property, driveways, parking areas, walkways, sewer lines, sewage disposal facilities, water lines and water supply facilities, easements, rights of way and other improvements not comprising a Phase II Timeshare Building, shall comprise a part of the Common Areas, and in whole or in part are to be held by the Declarant or the Association as set forth herein and subject to an agreement, dated as of April 17, 1984, between Declarant and the Supervisors of Palmyra Township, Pike County, in regard to subdivision of the Phase II Property. As provided therein, the Declarant shall convey within 5 years from the date of said agreement, the Phase II Common Areas to the Trustee, or to the Association, if at such time, the Management Functions have been transferred to the Association pursuant to section 8 of the Declaration. Prior to said conveyance, the Declarant shall have the power and authority to subdivide, transfer, add to, delete, or otherwise dispose of any portion of the Phase II Common Areas that is not subject to any easement, improvements, or otherwise dedicated, or necessary to the use and occupancy of any Phase II Timeshare Building, so long as such disposition is approved by the Supervisors of Palmyra Township as consistent with applicable provisions of the Palmyra Township Zoning Ordinance. The Phase II Common Areas shall be held by the Declarant, the Trustee or the Association, as applicable, pursuant to the provisions of the Declaration.

Section 3. Covenants.

A. The covenants set forth in Section 2 of the Original Declaration shall be applicable to the Phase II Property and to the Phase II Owners as provided therein.

Section 4. Mutual Ownership.

The following provisions are applicable to the Phase II Timeshare Buildings:

A. The Phase II Timeshare Buildings A and B are hereby dedicated and committed by the Declarant to time-shared ownership as herein set forth. Except as otherwise provided herein, such dedication may not be withdrawn except by instrument executed by the Declarant and each Owner of an Interest in such Phase II Timeshare Buildings.

B. Each Phase II Owner shall own an undivided one/four hundred sixteenth (1/416) interest in a Phase II Timeshare Building as tenant in common with the Declarant, its successors and assigns, and the other Owners of such Phase II Timeshare Building. Each such interest is referred to herein as an Interest. Each Interest shall entitle a Phase II Owner to occupy, possess and use a Phase

II Unit for a one-week period each year (the "Interval Period") as designated by such Owner pursuant to section 4D hereof. A Phase II Owner may purchase and own one or more Interests without regard to whether or not the Interests represent consecutive Interval Periods in the same Phase II Unit or different Interval Periods in different Phase II Units. The number of Interests owned by each Phase II Owner shall be identical to the number of Interval Periods acquired by such Phase II Owner with respect to any Phase II Unit(s). Each Owner may convey, lease, assign, devise, mortgage or otherwise transfer his Interest in the applicable Phase II Timeshare Building, subject to the provisions hereof.

C. Interval Period No. 1 is the seven (7) consecutive days commencing on the first Saturday in January of each calendar year. Interval Period No. 2 is the seven (7) days next succeeding Interval Period No. 1, and additional Interval Periods up to and including Interval Period No. 51 are computed in a like manner. Interval Period No. 52 contains the seven (7) days succeeding the end of Interval Period No. 51 without regard to the month or the calendar year in which those days occur, plus any excess days, if any, to the beginning of Interval Period No. 1 of the succeeding year. An Interval Period commences at four o'clock p.m. on the first Saturday of the Interval Period and ends at ten o'clock a.m. on the next succeeding Saturday or at such other times as may be set forth in the Rules and Regulations. All times shall be either eastern standard time or eastern daylight savings time, depending upon that time which generally prevails at Paupack, Pike County, Pennsylvania. Each Phase II Owner hereby covenants and agrees to own, hold and exercise the rights of occupancy, possession and use of his Interest, subject to this Declaration and the Rules and Regulations promulgated as to the time for the commencement of occupancy of a Unit and the time for vacating the Unit.

D. At the time of purchase of an Interest from Declarant pursuant to an Agreement of Sale, a Phase II Owner shall designate the Phase II Unit and the Interval Period during which the Phase II Owner shall have the privilege of occupancy, possession and use of such Phase II Unit. Thereafter, the designated Phase II Unit and Interval Period shall attach to the Interest and the Phase II Owner's privilege of occupancy, possession and use of such Phase II Unit shall be limited to the designated Interval Period.

E. A Phase II Owner may transfer his Interest only by a deed or similar instrument which specifies the Phase II Timeshare Building, Phase II Unit and Interval Period attached to, or applicable to, the Interest to be conveyed. No such transfer shall take place except upon ten (10) days' written advance notice to the Declarant. The Interest conveyed shall be the identical Interest which the conveying Phase II Owner acquired, except that a Phase

II Owner who holds more than one Interest can convey or transfer any one or more of such Interests by separate deed or similar instrument, subject to the provisions hereof. Any deed or other instrument purporting to change or alter the Interest acquired by a Phase II Owner or to combine or divide an Interest acquired by a Phase II Owner shall be null and void and have no force or effect. Any transfer or other conveyance of an Interest or Interests shall be and is expressly made subject to the provisions of this Declaration.

F. Each Phase II Owner and each purchaser of an Interest, by acceptance of title thereto or by the execution of a Contract or any other agreement for the purchase thereof, whether from the Declarant or any other Owner, shall and does, for himself, his heirs, devisees, personal representatives, grantees, successors and assigns, covenant, consent and agree, to and with the Declarant and the grantee, purchaser, or Owner of each other Interest subject to this Declaration, to waive and relinquish, and does thereby waive and relinquish, so long as this Declaration shall remain in effect (unless the Phase II Property, or the portion affected, is withdrawn from the provisions hereof), any and all rights which he may now have or which he may hereafter acquire to cause a judicial partition of any Property subject to the Declaration, including any Phase II Timeshare Building, the Phase II Property, or any portion thereof. No Phase II Owner acquiring any right, title or interest in the Phase II Property or any portion thereof shall seek or obtain through any legal procedures, judicial partition, or sale of the Phase II Property or any portion thereof in lieu of partition at any date prior to expiration of the applicability of this Declaration to such property. If, however, any Interest shall be owned by two or more persons, nothing herein contained shall prohibit a judicial sale of the Interest in lieu of partition as between such persons.

G. Each Phase II Owner shall have the exclusive right to occupy his designated Phase II Unit and to enjoy the rights and privileges applicable thereto during his Interval Period, together with the non-exclusive right of all other Owners when acting through the Association to exercise, pursuant to the terms hereof, the various Management Functions with respect to such Phase II Unit. No Phase II Owner shall occupy his Unit or any other Unit or exercise any other rights of ownership with respect to any such Unit and the Furniture appurtenant to any such Unit other than the rights provided in this Declaration or the Rules and Regulations during any Interval Period other than that applicable to his Interest unless expressly authorized by the Phase II Owner of such other Interest. Each Phase II Owner shall keep the Phase II Unit and all Furniture appurtenant to the Phase II Unit in good condition and repair during his Interval Period; vacate the Phase II Unit at the time established hereby or by the Rules and Regulations; remove all persons and property, excluding the Furniture

therefrom; leave the Phase II Unit in good and sanitary condition and repair; and otherwise comply with such reasonable occupancy rules and other procedures as may from time to time be contained in the Rules and Regulations.

H. If any Phase II Owner or other person fails to vacate a Unit at the time prescribed herein or by the Rules and Regulations or otherwise uses or occupies a Unit during an Interval Period other than that applicable to his Interest, or prevents another Owner or the Declarant from using or occupying any Unit during the Declarant's or such other Owner's Interval Period, the Phase II Owner or other person in wrongful possession:

(1) shall be subject to removal, eviction or ejection from the Unit wrongfully occupied;

(2) shall be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of such Owner or other person in wrongful possession;

(3) shall pay to the Association as liquidated damages for the wrongful use of the Unit, a sum equal to two hundred percent (200%) of the fair rental value of the Unit for each day or portion thereof that such Unit is wrongfully occupied, including the day of surrender, which sum may be assessed and collected as a special assessment hereunder;

(4) shall reimburse the Association for all costs and expenses, including but not limited to court costs and reasonable attorneys' fees incurred in connection with removing, evicting or ejecting the Owner or other person in wrongful possession of the Unit, which costs and expenses may be assessed and collected as a special assessment hereunder;

(5) shall be subject to having his rights and privileges, if any, in connection with the Association, Common Areas, and Amenities suspended; and

(6) shall be subject to having any and all utility and other services to the Unit during the period of his wrongful occupancy terminated.

I. The Declarant may set aside one (1) Interest representing one Interval Period, as determined by Declarant, in its sole discretion, in each of the Phase II Timeshare Units to be held and used by Declarant, or the Association, for Maintenance and restoration of such Units. Title to such Interests shall be conveyed to the Association at the time of conveyance of the Common Areas to the Association, or prior thereto, at such time as the

Declarant may determine. Neither the Declarant nor the Association by reason of the ownership of said Interests shall be liable or responsible for the payment of any assessments or charges for Common Expenses or any other expenses, fees or assessments chargeable to Owners under the provisions of this Declaration or the Rules and Regulations.

J. (1) At the end of his Interval Period, each Phase II Owner and his guests shall remove all clothing, luggage, and personal property brought into any Unit or onto the Property and shall remove from the Common Areas all personal property belonging to them, including but not limited to motor vehicles. The Declarant, Association or any other Owner shall not be liable in any manner whatsoever for any personal property left in a Unit or on the Property by an Owner or his guests. All clothing, luggage and personal property remaining in any Unit or on the Common Areas after the Unit has been vacated by the Owner in accordance with this Declaration and the Rules and Regulations, shall be considered to have been abandoned and may be disposed of in whatever manner Declarant deems appropriate.

(2) No noxious or offensive activity shall be conducted within any Unit or on the Common Areas, nor shall anything be done or permitted which shall constitute a public nuisance nor shall anything be done or permitted or kept on the Property which would increase the rate of insurance for the Units or any portion of the Property.

(3) No Unit, any building, nor any part thereof shall be altered, painted, remodeled or renovated nor shall any other improvements be erected or constructed on the Property unless such alterations, remodeling, renovation, erection or construction is approved by the Declarant.

(4) All Maintenance of the Property required in order to maintain the Property in the manner required by this Declaration and the assessment and collection of the Common Expenses shall be made by the Declarant until such time as the Management Functions are transferred to the Association pursuant hereto. No Phase II Owner shall make any repairs, improvements, renovations or the like nor perform any Maintenance to his Unit or any portion of the Property without the advance written consent of the Declarant, or the Association (after transfer of the Management Functions to it). No Owner shall cause any material to be furnished to any portion of the Property or any labor to be performed therein or thereon. Each Phase II Owner shall indemnify and hold the other Owners and Declarant harmless against any loss, damage or claim arising out of his breach of the provisions of this paragraph, including but not limited to the costs of the removing of any unauthorized improvements and repairing and restoring any portion

of the Property to substantially the same condition as it existed prior to such alteration, renovation or repair.

Each Phase II Unit shall be furnished with all necessary Furniture. The cost thereof, whether by lease, purchase or otherwise, shall be a Common Expense and assessed as part thereof to all Owners. An Owner may use the Furniture in his Unit only in accordance with the purposes for which they are intended and only during his Interval Period and in such manner as to not hinder, violate or interfere with the lawful rights of others to use the same.

Section 5. Easements.

A. Declarant hereby grants, appurtenant to and for the benefit of the Property, including the Phase II Property, and the Owners, including the Phase II Owners, in common nevertheless with the Declarant, its successors and assigns, easements for water and sewer service and for the right of ingress, egress and regress to and from the public highway over and across other lands of Declarant and from one part of the Property to another, as such water and sewer facilities, roads, and rights of way are shown on the Phase II Final Plans, referenced in Section 2A hereof.

B. An easement for access and parking purposes over portions of the Phase II Common Areas shall be conveyed with respect to each Phase II Timeshare Building as set forth and described on Exhibit "B-1", attached hereto and made a part hereof. Each Phase II Owner during the time that said Phase II Owner occupies a Phase II Unit during his Interval shall have such access and parking easements, and in general, easements in common nevertheless with all Phase II Owners, the Declarant, its successors and assigns, for use of the Common Areas for all purposes consistent with the terms hereof and the Common Areas' intended use; Provided that parking space(s) may be assigned by the Declarant or the Association, as applicable, to a particular Unit, whereupon an Owner's use of any parking area shall be consistent with such assignment or as otherwise provided by Declarant or the Association in the Rules and Regulations.

C. Declarant, for itself, its invitees, successors and assigns, hereby reserves an easement for access, ingress and egress over the roadways, streets, walks or foot paths now or hereafter located on the Phase II Property.

D. All general easements for maintenance, utility service or other purposes, as set forth in Section 4C, E and F of the Original Declaration are hereby declared to be applicable to the Phase II Property as set forth therein.

Section 6. Rights and Obligations of Owners.

Each Phase II Owner, regardless of how such ownership is acquired, takes such ownership subject to the rights and authorities, as set forth in the Declaration, retained by the Declarant or granted to the Association, including, without limitation, the various Management Functions, which rights and authorities are and shall be deemed binding upon the Property, including the Phase II Property and upon the Owners, including the Phase II Owners, and are enforceable in accordance with the terms of the Declaration.

A. Common Expenses.

(1) Each Owner, including each Phase II Owner, is obligated to pay his proportionate share of the Common Expenses for goods and services contracted for by Declarant or the Association for the cost of operation, maintenance and administration of the Property, including the Phase II Property, all as more specifically set forth in Section 5A(1) of the Original Declaration. Said Common Expenses shall include the costs and expenses, as specified in the Original Declaration, applicable to operation, maintenance and administration of the Phase II Property.

(2) The Declarant, or the Association, as applicable, shall have the same rights on behalf of the Phase II Owners, with respect to the payment of Common Expenses, including real estate taxes, unpaid assessments, or other charges against the Phase II Property or any Interest therein, as is set forth in Section 5A(2), (3) and (4) of the Original Declaration.

B. Assessment For Common Expenses.

(1) Determination of Assessment.

Each Owner's proportionate share ("Annual Assessment") of the Common Expenses, including the Common Expenses applicable to the Phase II Property, for each Fiscal Year, shall be fixed and determined as follows:

(a) For the Fiscal Year, commencing during the calendar year 1984, the Annual Assessment shall be \$130 per Interest, except for an Interest with the right to occupy a 2 BR Phase II Unit, in which case the Annual Assessment shall be \$165 per Interest. For each Fiscal Year thereafter, until the Management Functions are transferred to the Association, as provided in Section 8 of the Declaration, the Annual Assessments may be increased by the Declarant by a uniform percentage, but only in accordance with any increase in the Cost of Living Index, as determined by the U. S. Commodity Index, as maintained by the Department of Labor of the United States, or any successor index thereto, on the basis of the level of the Index as of the date of this Supplementary Declaration.

(b) For each Fiscal Year following transfer of the Management Functions to the Association, the Association shall prepare and adopt, at least 30 days prior to commencement of each Fiscal Year, a budget containing an estimate of the costs or charges for Common Expenses to be expended or incurred during such Fiscal Year and the Annual Assessment(s) necessary to recover the same. The Annual Assessment(s) shall be determined by dividing the total budgeted Common Expenses by an amount equal to the aggregate of the following: (i) 1 times the total number of Interests, owned by Owners, other than Declarant, excluding Interests with the right to occupy a 2 BR Phase II Unit; (ii) 1.3 times the number of Interests with the right to occupy a two-bedroom Phase II Unit, owned by Owners, other than Declarant; and (iii) .5 times the number of Interests owned by the Declarant. The result shall be the base Annual Assessment for such Fiscal Year. Each Owner shall be assessed the base Annual Assessment for each Interest owned, excluding Interests with the right to occupy a 2 BR Phase II Unit and Interests held by the Declarant. Each Owner owning an Interest with the right to occupy a 2 BR Phase II Unit shall be assessed an amount equal to 130% of the base Annual Assessment for each such Interest owned. The Declarant shall pay with respect to each Interest which it owns (excluding, however, any Interests held pursuant to Section 3M of the Original Declaration and Section 4I hereof), one-half of the base Annual Assessment.

(c) The provisions of Section 5B(1) of the Original Declaration shall be modified to the extent inconsistent herewith.

(2) Additional Assessment.

Additional assessments may be imposed by the Declarant, or the Association, as applicable, against each Owner, including the Phase II Owners, in the manner and for the purposes set forth in Section 5B(2) of the Original Declaration.

C. Applicability of Original Declaration.

The terms and provisions of Section 5 of the Original Declaration, to the extent not modified herein, with respect to payment, collection and enforcement of payment of assessments for Common Expenses, Annual Assessments, Additional Assessments and Special Assessments shall be applicable to the Phase II Owners and to the Phase II Property as provided therein.

D. Damage or Destruction.

The provisions of Section 5E of the Original Declaration with respect to damage or destruction of any portion of the Property shall be applicable to the Phase II Property as set forth therein.

E. Enforcement.

Each Phase II Owner shall comply with the provisions, conditions and restrictions of the Declaration, any conditions or covenants in his deed or Agreement of Sale and the Rules and Regulations as the same may be amended, or supplemented, from time to time, and shall comply with such decisions of the Declarant or others entitled to make them as may be rendered pursuant to such documents. Failure so to comply shall be grounds for an action for the recovery of damages or for injunctive relief, or both, maintainable by the Declarant or other entitled party aggrieved as a result of such noncompliance.

Section 7. Insurance.

The provisions of Section 7 of the Original Declaration concerning the obtaining and maintenance of insurance shall be applicable to the Phase II Property and Phase II Owners as set forth therein.

Section 8. Management of the Property.

The transfer of the Management Functions and the conveyance of the Common Areas by the Declarant to the Association shall occur not later than one year following the sale of 85% of all Interests under the Declaration, including Interests created hereby with respect to the Phase II Property, subject, however, to the provisions of Section 2D hereof. In the event Declarant is required to convey the Phase II Common Areas pursuant to the agreement referenced in Section 2D hereof, prior to transfer of the Management Functions to the Association, the Phase II Common Areas shall be conveyed to the Trustee to be held for the benefit of the Owners as provided herein and shall be conveyed by the Trustee to the Association upon transfer of the Management Functions as provided herein.

Each Phase II Owner shall become a member of the Association as provided in Section 8 of the Original Declaration.

9. Miscellaneous.

A. All terms, conditions, covenants and agreements of the Original Declaration, as previously amended, except to the extent that the same are further amended and/or supplemented hereby, are ratified and confirmed and are declared to be and shall be and remain in full force and effect and shall apply in all respects to this First Supplementary Declaration and to the Phase II Property and Phase II Owners, all as shall be applicable and appropriate, as if the same were repeated in full herein; Provided, however, that provisions of the Original Declaration, as previously amended, always shall be construed so as to give proper effect and meaning to provisions of this First Supplementary Declaration.

B. Except as otherwise provided herein, the provisions of this First Supplementary Declaration may be amended by Declarant at any time prior to the conveyance to the Association of the Common Areas in the manner provided in Section 10D of the Original Declaration, and thereafter, may be amended as provided in Section 10D of the Original Declaration.

C. The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision or portion hereof or of the Declaration unless such deletion shall destroy the uniform plan for the development and operation of the Property which the Declaration is intended to create.

D. This First Supplementary Declaration shall become effective as of the date first above set forth whether or not it has been recorded as of that date. This First Supplementary Declaration shall nevertheless be recorded prior to the conveyance by deed of any Interest in a Phase II Timeshare Building.

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

TANGLWOOD LAKES, INC.

By 
President

ATTEST:


Secretary

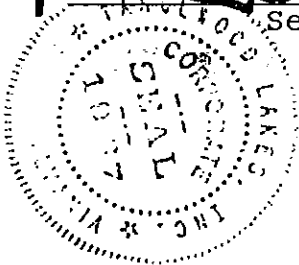


EXHIBIT "A-1"THE PHASE II PROPERTY

ALL that certain tract or parcel of land and premises, situate, lying and being in the Township of Palmyra, the County of Pike and Commonwealth of Pennsylvania, together with any improvements erected thereon, as more particularly shown and identified as Parcel C on a certain map entitled "Tanglwood Lakes Lodge", prepared by Harry F. Schoenagel, PLS, dated January 27, 1984, and filed of record in the Office of the Recorder of Deeds in and for Pike County, Pennsylvania, at Plat Book 23, Page 38, which parcel is more particularly bounded and described as follows:

BEGINNING at the northeasterly corner of the lands of Orlando Celli, said corner being a common corner with the lands of Tanglwood Lakes, Incorporated; thence along the lands of Orlando Celli due West 540.00 feet to a corner; thence through the lands of the Grantor herein the following seven courses and distances: (1) North 28 degrees 57 minutes 51 seconds West 388.13 feet to a corner, (2) North 01 degrees 08 minutes 45 seconds West 250.05 feet to a corner, (3) North 67 degrees 50 minutes 01 second East 291.55 feet to a corner, (4) South 73 degrees 54 minutes 33 seconds East 270.60 feet to a corner, (5) South 43 degrees 37 minutes 53 seconds East 80.46 feet to a corner, (6) South 62 degrees 27 minutes 21 seconds East 882.31 feet to a corner and (7) North 16 degrees 36 minutes 00 seconds East 405.76 feet to a corner in the center of United States Route number 6; thence along the centerline of United States Route number 6 South 71 degrees 26 minutes 00 seconds East 50.03 feet to a corner; thence along the lands of the Pennsylvania State Game Land No. 183 South 16 degrees 36 minutes 00 seconds West 1883.20 feet to a corner; thence along the lands of Tohlman the following two courses and distances: (1) North 65 degrees 23 minutes 00 seconds West 138.50 feet to a corner and (2) South 17 degrees 06 minutes 00 seconds West 1326.50 feet to a corner; thence along the lands now or formerly of Minter North 72 degrees 39 minutes West 727.00 feet to a corner; thence along the common boundary line of lots numbered 18 and 19 North 17 degrees 02 minutes 00 seconds East 115.00 feet to a corner in the center of a private road; thence along the centerline of the said private road and along lots numbered 18, 17, 16, 15, 14, 13 and 12 North 72 degrees 58 minutes 00 seconds West 350.00 feet to a corner; thence along the common boundary line of lots numbered 69 and 71 North 17 degrees 02 minutes 00 seconds East 115.00 feet to a corner; thence along the common boundary line of lots numbered 66, 67, 68 and 69 North 72 degrees 58 minutes 00 seconds West 100.00 feet to a corner; thence along the common boundary line of

lots numbered 64 and 66 North 17 degrees 02 minutes 00 seconds East 115.00 feet to a corner in the center of a private road; thence along the centerline of the said private road North 72 degrees 58 minutes 00 seconds West 228.00 feet to a point of intersection with the centerline of another private road; thence along the centerline of the said private road North 17 degrees 02 minutes 00 seconds East 115.00 feet to a corner; thence along the common boundary line of lots numbered 101 and 124 South 72 degrees 58 minutes 00 seconds East 128.00 feet to a corner; thence along the common boundary line of lots numbered 124, 125 and 126 North 17 degrees 02 minutes 00 seconds East 115.00 feet to a corner; thence along the lands of Jack Rose and others the following seven courses and distances: (1) North 50 degrees 43 minutes 00 seconds East 180.27 feet to a corner, (2) South 72 degrees 58 minutes 00 seconds East 350.00 feet to a corner, (3) North 26 degrees 09 minutes 00 seconds East 193.39 feet to a corner, (4) North 57 degrees 46 minutes 00 seconds East 100.00 feet to a corner, (5) North 50 degrees 56 minutes 00 seconds East 100.00 feet to a corner, (6) North 44 degrees 18 minutes 00 seconds East 50.00 feet to a corner and (7) North 28 degrees 45 minutes 00 seconds East 248.00 feet to a corner; thence along the lands of Shephard's Marine North 28 degrees 25 minutes 08 seconds East 403.66 feet to a corner; thence along the lands of Orlando Celli the following two courses and distances: (1) South 72 degrees 26 minutes 04 seconds East 110.44 feet to a corner and (2) North 11 degrees 08 minutes 44 seconds East 692.53 feet to the point and place of BEGINNING. COMPRISING within said boundaries Parcel "C" as shown on a certain plan of lands of the Grantor herein.

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING sixty-two and sixty-five one-hundredths (62.65) acres of land to be the same more or less.

EXCEPTING ALL that certain piece, parcel and tract of land situate in Palmyra Township, Pike County, Pennsylvania, bounded and described as follows, to-wit:

BEGINNING at a point for corner in the center of a private roadway as set forth in the hereinafter mentioned map and being a common corner of Lots No. 91 and 92; thence along the common division line of Lots No. 91 and 92, South 9 degrees 7 minutes East 144.3 feet to a point in the center of a public road, as set forth in the hereinafter mentioned map; thence South 58 degrees 35 minutes West 54 feet to a point for corner; thence North 9 degrees 7 minutes West 44.8 feet to a point for corner; thence South 80 degrees 53 minutes West 50 feet to a point for corner; thence North 9 degrees 7 minutes West 120 feet to a point for corner; thence North 80 degrees 53 minutes East 100 feet to the point and place of BEGINNING. CONTAINING Lots No.

90 and 91 as set forth on Map Entitled "Lands of Frank Kelly and Jan Stibbe, Palmyra Township, Pike County, Pennsylvania, Scale, 1 inch equals 50 feet, June 10, 1952, bearings of true meridian, declination 10-28 feet West, Fred C. Schoenagel, RS".

TOGETHER WITH unto the Grantees herein, their heirs and assigns, in common, however, with the Grantors, their heirs and assigns, the following:

(a) the right of ingress, egress and regress over all roadways as shown on map of lands of the Grantors entitled "Lands of Frank Kelly and Jan Stibbe, surveyed by Fred C. Schoenagel, RS".

AND EXCEPTING AND RESERVING the right-of-way of United States Route number 6 which crosses the northerly side of the above described premises.

EXHIBIT "B-1"THE TIMESHARE BUILDINGS

ALL THOSE CERTAIN tracts or parcels of land and premises, situate, lying and being in the Township of Palmyra, the County of Pike and Commonwealth of Pennsylvania, together with any improvements erected thereon, as more particularly shown on a certain map entitled "Tanglwood Lakes Lodge Phase II", prepared by Harry F. Schoenagel, PLS, dated March 21, 1984, revised April 16, 1984, and filed of record in the Office of the Recorder of Deeds in and for Pike County, Pennsylvania, at Plat Book 23, Page 39, which parcels are more particularly bounded and described as follows:

Time Share Parcel 1 (Building A):

BEGINNING at the southwesterly corner of the premises hereby conveyed, said corner being located the following three courses and distances from the common corner of the lands of the Grantor herein and lands of Celli: (1) Due West 540.00 feet to a point, (2) North 28 degrees 57 minutes 51 seconds West 388.13 feet to a corner, and (3) North 58 degrees 26 minutes 20 seconds East 29.26 feet to a corner being the point and place of BEGINNING; thence through the lands of the Grantor herein the following four courses and distances: (1) North 14 degrees 15 minutes 32 seconds East 150.00 feet to a corner, (2) South 75 degrees 44 minutes 28 seconds East 62.00 feet to a corner, (3) South 14 degrees 15 minutes 32 seconds West 150.00 feet to a corner, and (4) North 75 degrees 44 minutes 28 seconds West 62.00 feet to the point and place of BEGINNING. COMPRISING within said boundaries Time Share Parcel #1 as shown on a certain plan of lots on the lands of the Grantor herein.

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING twenty-one one-hundredths (0.21) of an acre of land to be the same more or less.

TOGETHER WITH an easement for access and parking purposes as described in the Declaration, on and across parcel 1A as shown on said map and more particularly bounded and described as follows:

BEGINNING at the northeasterly corner of Time Share Parcel #1; thence through the lands of the Grantor herein the following five courses and distances: (1) North 66 degrees 58 minutes 03 seconds East 63.56 feet to a corner, (2) South 13 degrees 05 minutes 50 seconds East 25.38 feet to a corner, (3) South 66 degrees 58 minutes 03 seconds West 15.53 feet to a

corner, (4) South 14 degrees 15 minutes 32 seconds West 146.59 feet to a corner and (5) North 75 degrees 44 minutes 28 seconds West 49.88 feet to a corner in the line of Time Share Parcel #1; thence along Time Share Parcel #1 North 14 degrees 15 minutes 32 seconds East 140.03 feet to the point and place of BEGINNING. COMPRISING within said boundaries Parcel 1A as shown on a certain plan of lots on the lands of the Grantor herein.

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING nineteen one-hundredths (0.19) of an acre of land to be the same more or less.

Time Share Parcel 2 (Building B):

BEGINNING at the most westerly corner of Time Share Parcel #2, said point being located South 66 degrees 39 minutes 14 seconds East 16.72 feet from the southeasterly corner of Parcel 1A; thence through the lands of the Grantor herein the following four courses and distances: (1) North 61 degrees 58 minutes 23 seconds East 62.00 feet to a corner, (2) South 28 degrees 01 minute 37 seconds East 150.00 feet to a corner, (3) South 61 degrees 58 minutes 23 seconds West 62.00 feet to a corner, and (4) North 28 degrees 01 minute 37 seconds West 150.00 feet to the point and place of BEGINNING. COMPRISING within said boundaries Time Share Parcel #2 as shown on a certain plan of lots on the lands of the Grantor herein.

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING twenty-one one-hundredths (0.21) of an acre of land to be the same more or less.

TOGETHER WITH an easement for access and parking purposes as described in the Declaration, on and across Parcel 2A as shown on said map and more particularly bounded and described as follows:

BEGINNING at the northeasterly corner of Time Share Parcel #2; thence through the lands of the Grantor herein the following three courses and distances: (1) North 61 degrees 58 minutes 23 seconds East 50.00 feet to a corner, (2) South 28 degrees 01 minute 37 seconds East 150.00 feet to a corner, and (3) South 61 degrees 58 minutes 23 seconds West 50.00 feet to the southeasterly corner of Time Share Parcel 2; thence along Time Share Parcel #2 North 28 degrees 01 minute 37 seconds West 150.00 feet to the point and place of BEGINNING. COMPRISING within said boundaries Parcel 2A as shown on a certain plan of lots on the lands of the Grantor herein.

BEARINGS of the true meridian as per maps of the Pennsylvania Power and Light Company and CONTAINING seventeen one-hundredths (0.17) of an acre of land to be the same more or less.

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF *Montgomery* }

SS:

ON THIS, the *1st* day of *May*, 198*4*, before me, a Notary Public, the undersigned officer, personally appeared Joseph M. Russell, Jr., who acknowledged himself to be the President of TANGLWOOD LAKES, INC., a corporation, 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 the corporation by himself as President.

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

Martha E. Detwiler

MARTHA E. DETWILER, Notary Public
Phoenixville Boro, Chester Co.
My Commission Expires Dec. 14, 1985

STATE OF PENNSYLVANIA

COUNTY OF PIKE. SS. RECORDED IN THE OFFICE OF THE
RECORDER IN AND FOR SAID COUNTY

AND STATE IN *Deed* BOOK NO. *934* PAGE *1768c.*

GIVEN UNDER MY HAND AND THE SEAL OF THE SAID OFFICE

THIS *9th* DAY OF *Aug.* A.D. 19 *84*

Joseph Russell Jr.

RECORDER

DEPUTY