

NEW

ENTERED FOR RECORD  
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JOHN W. MILES  
DECLARATION OF PROTECTIVE COVENANTS  
OAKWOOD-VAIRO ASSOCIATION  
RECORD OF DEEDS  
CENTRE COUNTY, PA.

THIS DECLARATION is made this 26<sup>th</sup> day of August, 1985, by VAIRO ASSOCIATES and FOREST HOME SYSTEMS, INC., a Pennsylvania corporation, having its principal place of business at R.D. #1, Box 131K, Selingsgrove, Northumberland County, Pennsylvania, hereinafter collectively called "Developer".

WHEREAS, Developer is the owner of the real property referred to in Article II and described in Exhibit "A" of this Declaration, and desires to develop thereon a residential group together with common lands and facilities for recreational purposes for the benefit of such community; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said community and for the maintenance of said common lands and facilities; and, to this end, desires to subject the real property referred to in Article II and described in Exhibit "A" to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which will be delegated and assigned the powers of maintaining and administering the community facilities, administering and enforcing the covenants and restrictions, and levying, collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has incorporated or intends to incorporate under the laws of the State of Pennsylvania, as a nonprofit corporation, the Oakwood Vairo Association for the purpose of exercising the functions aforesaid.

NOW, THEREFORE, the Developer declares that the real property referred to in Article II hereof and more particularly described in Exhibit "A" attached hereto and forming a part hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

Recorded in the office for the recording  
of Deeds, etc. in and for Centre County

In the Book No. 183 at page 338 Section 1. The following words when used in this

3 day of Sept A.D. 1985

Witness my hand and seal of office

John W. Miles  
Recorder

BOOK 183 PAGE 338

Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to the Oakwood Vairo Association, its successors and assigns.

(b) "The Properties" shall mean and refer to all properties, both Lots and Common Areas, as are subject to this Declaration, and which are described in Exhibit "A".

(c) "Common Areas" shall mean and refer to all areas within the properties other than designated lots as the same are shown on the recorded subdivision plats of the properties. Said areas are intended to be devoted to the common use and enjoyment of the members of the Association as herein defined, and are not dedicated for use by the general public.

(d) "Lot" shall mean and refer to any plot of land intended and subdivided for residential use, shown upon one of the recorded subdivision maps of The Properties, but shall not include the Common Areas as herein defined.

(e) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(f) "Party Fence" shall mean and refer to a fence situate, or intended to be situate, on the boundary line between adjoining lots.

(g) "Party Wall" shall mean and refer to the entire wall, all or a portion of which is used for support of each adjoining lot, situate or intended to be situate, on the boundary line between adjoining properties.

(h) "Family" shall mean an individual, or two or more persons related by blood or marriage; or no more than two unrelated persons living as a single housekeeping unit, together with, in any of the above definitions, children of any such persons. "Children" shall be further defined to mean natural offspring, legally adopted persons, and minor wards wherein the guardian of such wards is so appointed by an order of court of competent jurisdiction.

(i) "Members" shall mean and refer to all those Owners who are members of the Association as provided in Article IV, Section 1, hereof. All Owners as herein defined, upon acquiring title to any lot, shall automatically become a member of the Association.

## ARTICLE II

### PROPERTY SUBJECT TO THIS DECLARATION

Section 1. The land subject to this Declaration is a tract of 5.747 acres situate in Patton Township, Centre County, Pennsylvania, as more specifically described on Exhibit "A" attached hereto and made a part hereof.

Section 2. Additions to the Properties by Developer. If the Developer, its successors and assigns, should develop additional lands within the Oakwood Planned Community situate in Patton Township, Centre County, Pennsylvania, such additional lands may be annexed to The Properties by written declaration of the Developer, its successors or assigns, describing the additional property, and duly recorded. Such addition may be accomplished by the Developer at its sole discretion, without the consent of any of the members hereof or of the Association.

## ARTICLE III

### PERMITTED OCCUPANTS OF EACH LOT

Only one family, as defined in Article I, Section 1, subsection (h) shall be permitted to reside on any Lot described in Exhibit "A". Any violation of this Article may be enforced pursuant to the provisions of Article IX, Section 3 of these covenants.

## ARTICLE IV

### MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Membership in the Association shall be governed by the By-Laws of the Association as the same may be enacted or amended from time to time. All Owners, upon acquiring title to any Lot shall automatically become a member of the Association and shall be subject to this Declaration and to the By-Laws of the Oakwood Vairo Association.

Section 2. Voting Rights. Voting rights in the Association shall be likewise as set forth in the said By-Laws as enacted and amended from time to time.

Section 3. Suspension of Membership Rights. Suspension of membership rights shall be as set forth in the said By-Laws as enacted and amended from time to time.

ARTICLE VPROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3 of this Article, every Member shall have a right and easement of enjoyment in and to the Common Area of the recorded subdivision plat of which his Lot is a part, and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Title to Common Areas. The Developer hereby agrees, that prior to the conveyance of the first lot of the recorded subdivision plat of The Properties, it will convey by special warranty deed, fee title to the Common Areas to the Association free and clear of all encumbrances and liens (except utility easements and those created by or pursuant to this Declaration), the Common Areas to be deeded to be those shown on such subdivision plat.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The rights of the Association, in accordance with its Articles and By-Laws, to borrow money, for the purpose of improving the Common Areas and in aid thereof, to execute such notes, mortgages, or other documents as may be required by any lender;

(b) The right of the Association, as provided in its Articles and By-Laws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty days for any infraction of its published rules and regulations;

(c) The right of the Association to charge reasonable admission and other fees for the use of the Common Areas;

(d) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility or to grant a right of way or easement for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by

Members entitled to cast two-thirds of the votes of the Class A membership and two-thirds of the votes of the Class B membership, if any, has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the action is sent to every Member at least 30 days in advance of any action taken;

(e) The right of the Developer, and of the Association to grant and reserve easements and rights of way through, under, over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, fuel oil, television cable and other utilities.

#### ARTICLE VI

##### MAINTENANCE OF LOTS AND HOMES

Section 1. Duty of Owner. It shall be the duty and responsibility of each Owner to properly maintain his Lot and the home erected thereon in proper repair and condition both structurally and in appearance so as to conform generally with the condition and appearance of other Lots and homes within the Properties. In addition, all Lots and homes shall be maintained so as to not constitute a hazard or nuisance. Each Owner is also subject to the rules, regulations, and protective covenants of the Oakwood Vairo Association.

Section 2. Duty of Association. Notwithstanding the provisions contained in Section 1 of this Article, the Association shall have the exclusive right, in its sole and unrestricted discretion, to maintain, repair, restore and improve not only the Common Areas, but also exterior portions of any Lot, including the building as well as land and the improvements thereon within the Properties. It is intended that each Lot will conform generally with the condition and appearance of other Lots within The Properties. In connection therewith, the Association shall consult with the Architectural Review Committee established in connection with the Oakwood Vairo Association. All individual lot improvement, whether by the Association or by the individual owner, shall be subject to the prior approval of the Architectural Review Committee.

#### ARTICLE VII

##### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer, for each Lot owned by it within The Properties, hereby covenants and each subsequent Owner of any

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such Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) Annual Assessments or charges; (2) Special Assessments for capital improvements; (3) Specific Assessments for specific work on individual Lots if performed by the Association on any individual Lot as referred to in Article VI hereof. Such assessments shall be fixed, established and collected from time to time as hereinafter provided. The Annual and Special and Specific Assessments, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as are hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments. The Annual and Special Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residence in The Properties and in particular for the improvements and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

Section 3. Basis and Maximum of Annual Assessments. Commencing with the conveyance of the first Lot to an Owner, a monthly assessment (which must be fixed at a uniform rate for all Lots) shall be assessed and collected against each Lot.

The Board of Trustees of the Association shall, after consideration of maintenance costs and future needs of the Association, set the assessment rates and change them from time to time, provided that it shall be an affirmative obligation of the Association and its Board of Trustees, to fix such assessments at an amount sufficient to maintain and operate the Common Areas and facilities.

The Developer shall be exempt from the payment of any assessment or charge with respect to any Lots owned by it unless the Developer rents a Lot with a house thereon in which event it shall pay the same as any other Owner.

Section 4. Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized by Section 3 of this Article VII, the Association may levy in any assessment year one or more special assessments (which must be fixed at a uniform rate for all lots) applicable to that year only, for the purpose

of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, provided that any such assessments shall have the assent of a majority of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty days nor more than sixty days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Specific Assessment for Repairs and Maintenance to Specific Lots and Homes. In the event the Owners shall fail to maintain the Lot and Home in proper repair or condition as set forth hereinbefore, or should the same by reason of neglect or other causes become a nuisance, in the sole and absolute discretion of the Board of Trustees, the said Board of Trustees shall have the power to cause such repairs, maintenance, or replacement to be accomplished and upon completion thereof, to assess the cost of the same against the said Owner. The right granted by this paragraph shall include, but not be limited to, exterior repainting, re-roofing, and exterior repairs such as to a leaking downspout.

In the event said Owner fails to pay the cost of such work or repairs, as assessed, within one month after receiving such assessment from the Association, the Board of Trustees shall mark said assessment delinquent, which may be collected as other Annual or Special Assessments hereunder. The Owner in any event shall be entitled to information as to the details of the cost making up such assessment.

The due date of any special assessment under Sections 4 and 5 hereof shall be fixed in the resolution authorizing such assessment.

Section 6. Change in Maximum of Annual Assessments. The Board of Trustees of the Association may prospectively increase the maximum of the Annual Assessments from time to time as the same may be deemed necessary in the sole discretion of the said Board.

Section 7. Quorum for any Action Authorized Under Section 4. The quorum required for any action authorized by Section 4 of this Article VII shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 of this Article VII, the presence at the meeting of Members or proxies, entitled to cast sixty percent of all the votes of the membership, shall constitute a quorum. If the required quorum is not forthcoming at any

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meeting, another meeting may be called, subject to the notice requirements set forth in Section 4 and 5, and the required quorum at such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that such subsequent meeting shall not be held more than sixty days following the preceding meeting.

Section 8. Date of Commencement of Annual Assessments:  
Due Dates. The Annual Assessments provided for herein shall commence on the first day of the month following the conveyance of the first Lot from the Developer to an Owner and shall be due and payable in advance on the first day of each calendar month.

Section 9. Initial Payment for Operating Cash. At the time of acquiring title to a Lot from the Developer each Owner acquiring such title shall pay to the Association an amount equal to one-fourth of the Annual Assessment at the time then in effect to provide for the initial costs of maintaining the Association. The aforementioned payments shall be in addition to and shall not in any way be considered a prepayment of the Annual Assessment fee.

Section 10. Duties of the Board of Trustees. In the event of any change in the Annual Assessments as set forth herein, the Board of Trustees of the Association shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period at least thirty days in advance of such date or period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Association shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be prima facie evidence of payment of any assessment therein stated to have been paid.

It shall be the duty of the Board of Trustees of the Association to take out and keep continuously in force liability insurance of any Common Areas and covering acts performed by the Association, its agents and/or employees.

Section 11. Effect of Non-Payment of Assessment. The Personal Obligation of the Owner; The Lien; Remedies of Association. If any assessment is not paid on the date when due (being the dates specified in Section 8 hereof), then such



assessment shall be deemed delinquent and shall, together with such interest thereon and cost of collection thereof as are hereinafter provided, continue as a lien on the Lot which shall bind each Lot in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of fifteen percent per annum and the Association may bring legal action against the Owner personally obligated to pay the same or may enforce or foreclose the lien against the property; and in the event a judgment is obtained, such judgment shall include the amount of the late assessment, liquidated damages equal to \$50.00, interest on the assessment as above provided, and a reasonable attorney's fee of 25%, but not less than \$100.00, together with the costs of the action.

Section 12. Continuance of Lien. In the event Owner shall transfer his Lot while an assessment of any kind remains unpaid, the lien of the assessment shall continue to be a charge on the Lot and shall continue as a lien until paid. The Association shall furnish any prospective purchaser with a certificate upon which all unpaid assessments shall be listed together with interest and costs, at any time upon request.

#### ARTICLE VIII

##### PARTY WALL OR PARTY FENCES

Section 1. General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to each party wall or party fence which is built as part of the original construction of the homes upon The Properties and any replacement thereof.

In the event that any portion of any structure, as originally constructed by the Developer, including any party wall or fence, shall protrude over an adjoining Lot, such structure, party wall or fence shall not be deemed to be an encroachment upon the adjoining Lot or Lots, and Owners shall neither maintain any action for the removal of a part wall or fence or projection, nor any action for damages. In the event there is a protrusion as described in the immediately preceding sentence, it shall be deemed that said Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the projection, party wall or fence. The foregoing shall also

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apply to any replacements of any structures, party walls or fences if same are constructed by the Developer. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of these covenants and restrictions.

Section 2. Cost of Repair. The cost of reasonable repair and maintenance of a party wall or party fence shall be shared equally by the Owners who make use of the wall or fence.

Section 3. Destruction by Fire or Other Casualty. If a party wall or party fence is destroyed or damaged by fire or other casualty, any Owner who has used the wall or fence may restore it, and if the other Owners thereafter make use of the wall or fence, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule or law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of the furnishing of the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall or party fence, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators and be binding upon the parties.

Section 7. Insurance. It is the obligation of each Owner to carry and pay for fire and extended insurance coverage in an amount not less than replacement value of the building as determined by the Fire Insurance Committee as hereafter set forth, and to furnish a copy of his insurance policy to the Committee. It is further the obligation of each Owner, where an insurable loss has occurred, to repair and rebuild at least to the extent of the insurance proceeds. Where an insurable loss has occurred, the Owner must submit a plan of restoration to the Board of Trustees within fifteen (15) days. The Oakwood Vairo Association shall be named in the loss payable clause of the insurance policy for the purpose of insuring compliance.

The President of the Association shall appoint a Committee to be known as the Fire Insurance Committee composed of

a Chairman and two other members, at least one of whom must be a Trustee. The Committee will have the following duties and authority:

(a) At the time of purchase by any Owner and at least every three (3) years thereafter to determine the replacement value of each property separating land and buildings;

(b) To notify each Owner in writing of the aforesaid valuation;

(c) To obtain on behalf of the Association a copy of each Owner's policy;

(d) To be responsible to see to the compliance of the provisions of this section;

(e) Upon the failure of any Owner to obtain or pay the premiums for any policy as required by this section, the Association, acting through its Fire Insurance Committee, shall have the right to purchase said insurance and assess the Owner the cost thereof pursuant to Article VII hereof.

#### ARTICLE IX

Section 1. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, until December 31, 2013, unless otherwise expressly limited herein, after which time said covenants shall be automatically extended for successive periods of ten years each unless an instrument signed by the then Owners of two-thirds of the Lots has been recorded, agreeing to change said covenants and restrictions in whole or in part. Provided, however, that no such agreement to change shall be effective unless made and recorded two years in advance of the effective date of such change and unless written notice of the proposed agreement is sent to every Owner at least ninety days in advance of any action taken.

Section 2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last-known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. The Association, or any Owner, shall have the right to enforce these covenants and restrictions by any proceeding at law or in equity, against any person or

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persons violating or attempting to violate any covenant or restrictions, to restrain violation, to require specific performance and/or to recover damages; and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The expense of enforcement by the Association shall be chargeable to the Owner of the Lot violating these covenants and restrictions and shall constitute a lien on the Lot, collectible in the same manner as assessments hereunder.

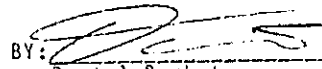
Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect the validity of any other provisions, which shall remain in full force and effect.

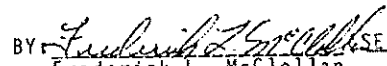
IN WITNESS WHEREOF, the Developer has caused these Declarations to be executed as of the day and year above written.

VAIRO ASSOCIATES

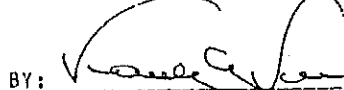
BY:  (SEAL)  
Benson M. Lichtig

BY:  (SEAL)  
Peter L. Podol


BY:  (SEAL)  
Daniel Barbet

BY:  (SEAL)  
Frederick L. McClellan

FOREST HOME SYSTEMS, INC. \*

BY:  (SEAL)  
Karoly G. Kovacs, President

ATTEST:

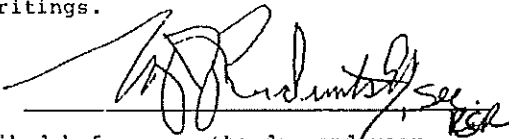
  
Marvin B. Rudnitsky,  
Secretary

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\* Anything above not withstanding, Forest Home Systems, Inc. has signed this legal instrument, along with Vairo Associates, the Developer, solely for the purpose of releasing, quit claiming and binding any equitable interest it may have in the real estate described in Exhibit "A" to the provision hereof, but not for the purpose of assuming any general liability or obligations of a Developer.

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF CENTRE : SS:  
:

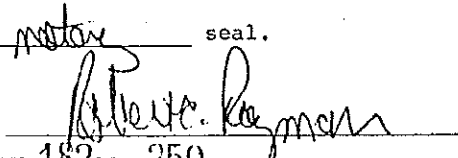
On this 26<sup>th</sup> day of August, 1985, before me, the subscriber, Robert C. Rayman, personally appeared MARION RUDNITSKY of the said Forest Home Systems, Inc. who being duly sworn according to law, says that he was personally present at the execution of the within Declaration of Protective Covenants Oakwood-Vairo Association, and saw the corporate seal of the said Corporation duly affixed thereto; that the seal so affixed thereto is the corporate seal of the said Corporation; that the said Declaration of Protective Covenants Oakwood-Vairo Association was duly sealed and delivered by Karoly G. Kovacs as President of the said Corporation, as and for the act and deed of the said Corporation, for the uses and purposes therein mentioned, and that the names of this deponent as Secretary and of Karoly G. Kovacs as President of the said Corporation, subscribed to the Declaration of Protective Covenants Oakwood-Vairo Association in attestation of it due execution and delivery, are of their and each of their respective handwritings.

  
SWORN and subscribed before me, the day and year

aforesaid.

WITNESS my hand and notary seal.

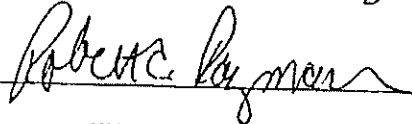
ROBERT CRAIG RAYMAN, NOTARY PUBLIC  
STATE COLLEGE BORO, CENTRE COUNTY  
MY COMMISSION EXPIRES MAY 1, 1989  
Member, Pennsylvania Association of Notaries

  
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COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF CENTRE : SS:

On this, the 26<sup>th</sup> day of August, 1985, before me, Robert C. Rayman, the undersigned officer, personally appeared Peter L. Podol, Fredrick L. McClellan, Benson M. Lichtig and Daniel Barbet, known to me (or satisfactorily proven) to be the persons whose names subscribed to the within instrument, and acknowledged that they executed the same for the purpose therein contained.

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



ROBERT CRAIG RAYMAN, NOTARY PUBLIC  
STATE COLLEGE BORO, CENTRE COUNTY  
MY COMMISSION EXPIRES MAY 1, 1989  
Member, Pennsylvania Association of Notaries

BYLAWS  
OF  
OAKWOOD-VAIRO OWNERS' ASSOCIATION

ARTICLE I  
Introductory Provisions

Section 1.1. Applicability.

The provisions of these Bylaws provide for the governance of the Oakwood-Vairo Owners' Association, located at Oakwood Avenue, State College, Pennsylvania, and all real estate owned at that location by the Association.

Section 1.2. Definitions.

The words and phrases defined in the Declaration of Protective Covenants for the Oakwood-Vairo Association recorded in the office of the Centre County Recorder of Deeds shall have the same meaning when used herein.

Section 1.3. Membership.

Acquisition of a Lot in this Project shall automatically make the Owner a member of the Oakwood-Vairo Owners' Association (herein "Association") and shall signify that these Bylaws are accepted, ratified and will be complied with by such Owner. All present or future Owners, tenants, or any other person who might use the Lot in any manner are subject to these Bylaws and any rules and regulations promulgated hereunder.

Section 1.4. Office.

The Association's Office shall be located at Oakwood Avenue, State College, PA, 16803, or such other place as may be designated from time to time by the Executive Board.

ARTICLE II  
The Association

Section 2.1. Annual Meeting.

The annual meeting of the Association shall be held at such time as is designated by the Executive Board, for the purpose of electing Executive Board Members and for transacting such other business as may come before the meeting.

Section 2.2. Special Meetings.

The President shall call a special meeting of the Association, as required by these Bylaws, or upon his own motion, or if so directed by resolution of the Executive Board, or upon a petition signed and presented to the Secretary by Owners entitled to cast at least 10% of the votes in the Association. The notice of any special meeting shall be in the form required by Section 2.4 hereof, and shall be held within sixty (60) days after receipt by the President of the motion, resolution or petition. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.3. Place of Meetings.

The office of the Association shall be the place of meeting for all annual and special meetings, unless the Executive Board designates otherwise by proper notice.

Section 2.4. Notice of Meetings.

Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each Owner entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by United States mail, pre-paid, addressed to the Owner at his primary residence address. The notice shall be given by or at the direction of the President or the Secretary of the Association at the direction, pursuant to section 2.2 hereof, of the President, Executive Board or Owners calling the meeting.

Section 2.5. Quorum.

A quorum shall be deemed present throughout any meeting of the Owners if persons entitled to cast at least a majority of the votes which may be cast for election of the Executive Board



are present in person or by proxy at the beginning of the meeting; provided that for any meeting called for the purpose of approving amendments to Bylaws, removal of Executive Board Members, capital improvements or the addition or construction of new facilities, a quorum shall consist of Owners holding not less than seventy-five percent (75%) of those votes, represented in person or by proxy. If less than the required number of Owners entitled to vote is represented at a meeting, a majority of the Owners who are represented may adjourn the meeting from time to time without further notice. At such adjourned meeting, if a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally called.

#### Section 2.6. Proxies.

A vote may be cast in person or by proxy. In the event a Lot is owned by more than one person, that Lot's vote cannot be divided among its Owners. The Lot's vote shall be consistent with a majority of the Owners, and if no majority exists, the vote shall be counted as an abstention. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. An Owner may not revoke a proxy given pursuant to this section except by actual written notice of revocation to the person presiding over the meeting.

#### Section 2.7. Voting.

Each Owner shall be entitled to one vote for each Lot he owns.

A majority vote of Owners represented at an Owners' meeting can adopt decisions binding on all Owners, unless otherwise provided in these Bylaws. If the Declarant owns or holds title to one or more Lots, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Lot or Lots are entitled. This right shall terminate no later than five (5) years after the first Lot is sold. No vote allocated to a Lot owned by the Association may be cast. There shall be no cumulative or class voting.

#### Section 2.8. Informal Action by Owners.

Any action required to be taken or that may be taken at a meeting of the Owners may be taken without a meeting by a consent in writing, setting forth the action so taken and signed by the

necessary number of Owners entitled to vote with respect to the subject matter thereof.

**Section 2.9. Fiduciaries and Joint Owners.**

A personal representative, guardian, or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Lot owned or held by him in such capacity, whether or not the same shall have been transferred to his name; provided that he shall satisfy the Secretary that he is the personal representative, guardian, or trustee holding such Lot in such capacity. Whenever any Lot is owned by two or more persons jointly, according to the records of the Association, the vote of such Lot may be exercised by any one of the Owners then present, in the absence of protest by a co-Owner. In the event of disagreement among the co-Owners, the vote of such Lot shall be treated as an abstention.

**Section 2.10. Conduct of Meetings.**

The President (or in his absence the Vice-President) shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration or these Bylaws. All votes shall be tallied by tellers appointed by the President.

**ARTICLE III  
Executive Board**

**Section 3.1. General Powers and Duties.**

The business and affairs of the Association and the Owners collectively shall be managed by its Executive Board exclusively. The Executive Board shall contract for insurance and utility services upon the Common Areas and for all goods and services necessary for the repair, maintenance, improvement and replacement of Common Areas, and shall have the power to assess the Owners for other common charges in the manner provided by the Declaration and these Bylaws. The Executive Board may borrow without vote of the Owners up to \$500.00 per Lot for maintenance of Common Areas and the cost thereof shall be part of the common expenses. Until the initial meeting for the election of Executive Board Members, Declarant, or its assignee, shall exercise all the powers of the Executive Board and shall have the

power and authority to contract for utilities, insurance, goods and services on behalf of the Association for terms extending to, or beyond, the first meeting of the Executive Board provided, however, that such utilities, insurance, goods and services shall not be contracted for a period in excess of that normally to be contracted for by a prudent property owner.

Section 3.2. Nomination and Election; Number, Tenure and Qualifications.

The number of Executive Board Members of the Association shall be five. The sole qualification for nomination and election shall be membership in the Association.

At any meeting for the election of Executive Board Members, any person who is a member of the Association may be nominated by any other member present, but Association members present may set reasonable limits on the number of nominees.

At the initial meeting for the election of Executive Board Members, the Owners shall elect two persons for a term of one year, two for two years, and one for three years.

The terms of all Executive Board Members subsequently elected shall be for a period of three years. Each Executive Board Member shall hold office until the annual meeting of the Association in the year in which his term shall expire, or until the election and qualification of his successor, whichever is later.

Section 3.3. Regular Meetings.

A regular meeting of the Executive Board shall be held without notice, other than as provided by this Bylaw, immediately after and at the same place as the annual meeting of Association: ~~The Executive Board may provide by resolution the time and place for the holding of additional regular meetings without notice other than by such resolution.~~

Section 3.4. Special Meetings.

Special meetings of the Executive Board may be called by or at the request of the Executive Board President or any two Executive Board Members. The person or persons authorized to call special meetings of the Executive Board may fix the place for holding any special meeting called by them.

### Section 3.5. Notice of Special Meetings.

Notice of any special Executive Board meeting shall be given at least five (5) days prior thereto by written notice delivered personally or mailed to each Executive Board Member at his residence or business address or by telegram. If mailed, such notice shall be deemed to have been given when deposited in the United States Mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to have been given when the telegram is delivered to the telegraph company. Any Executive Board Member may waive notice of the meeting. The attendance of the Executive Board Member at a meeting shall constitute a waiver of notice of such meeting, except where an Executive Board Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Executive Board need be specified in the notice or waiver of notice of such meeting.

### Section 3.6. Quorum.

A majority of the Executive Board Members shall constitute a quorum for the transaction of business at any meeting of the Executive Board, but if less than such majority is present at a meeting, a majority of the Executive Board Members present may adjourn the meeting from time to time without further notice. Executive Board meetings may be conducted by telephone or similar communication permitting conference calls.

### Section 3.7. Executive Board Actions.

Actions taken by a majority of the Executive Board Members present at a meeting at which a quorum is present shall be actions of the entire Executive Board.

### Section 3.8. Vacancies.

Any vacancy occurring on the Executive Board may be filled by the affirmative vote of a majority of the remaining Executive Board Members. An Executive Board Member elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any vacancy to be filled by reason of an increase in the number of Executive Board Members or by reason of the removal of one or more Executive Board Members shall be filled by an election at an annual meeting or at a special meeting of the Owners called for that purpose.

Section 3.9. Removal of Members.

All or any number of the Executive Board Members may be removed with or without cause at a meeting of the Owners expressly called for that purpose by an affirmative vote of record Owners holding seventy-five percent (75%) of the total vote then entitled to vote on an election of Executive Board Members. Furthermore, any Executive Board Member who ceases to be an Owner entitled to vote shall automatically cease to be an Executive Board Member and said position shall be filled as herein provided.

Section 3.10. Compensation.

Members of the Executive Board shall serve without compensation except that any Member shall be entitled to compensation for out-of-pocket expenses incurred in the performance of his duties, provided that no expenses, shall be incurred in a sum in excess of \$25 without being approved in advance by the Executive Board. All reimbursements made and/or authorized by the Executive Board to any Member shall be reported annually to the Executive Board.

Section 3.11. Administrative Rules and Regulations.

The Executive Board shall from time to time adopt such written administrative rules and regulations as may be necessary or desirable to govern the details of the operation and use of the Common Areas.

Section 3.12. Informal Action by Executive Board.

Any action required to be taken or that may be taken at a meeting of the Executive Board may be taken without a meeting if all of the Members of the Executive Board shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Executive Board.

Section 3.13. Conduct of Meetings.

The President (or in his absence, the Vice-President) shall preside over all meetings of the Executive Board and the Secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the Executive Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the

Executive Board if and to the extent not in conflict with the Declaration or these Bylaws.

## ARTICLE IV Officers

### Section 4.1. Designation and Qualifications.

The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President and Vice President shall be Members of the Executive Board. Any other officers may, but need not, be Owners or members of the Executive Board. An officer other than the President may hold more than one office.

### Section 4.2. Election and Term of Officers.

The officers shall be elected annually by a majority of the Executive Board at its first meeting held after each annual meeting of the Owners. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until his successor shall have been duly elected and qualified, or until his earlier death, resignation or removal.

### Section 4.3. Removal of Officers.

The officers of the Association may be removed by a majority of the Executive Board, either with or without cause. Any officer removed shall be removed without prejudice to the contract rights, if any, of the person so removed.

### Section 4.4. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Executive Board for the unexpired portion of the term.

### Section 4.5. President.

The President shall, when present, preside at all meetings of the Association and of the Executive Board and shall perform all duties incident to such office and such other duties

as may be prescribed by the Executive Board from time to time. He shall be the principal executive officer of the Executive Board and of the Association and, subject to the control of the Executive Board, shall in general supervise and control all the business and affairs of the Executive Board, the Owners collectively and the Association. He shall sign, with the Secretary or any other officer properly authorized by the Executive Board, and have authority to certify and record, any deeds, mortgages, bonds, contracts, or other instruments that the Executive Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Executive Board or by these Bylaws to some other officer or agent of the Executive Board or the Association or shall be required by law to be otherwise signed or executed. The President shall cease holding such office at such time as he ceases to be a Member of the Executive Board.

#### Section 4.6. Vice-President.

The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other Member of the Executive Board to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated or assigned him by the Executive Board or by the President. The Vice President shall cease holding such office at such time as he ceases to be a Member of the Executive Board.

#### Section 4.7. Secretary.

The Secretary shall:

A. Keep the minutes of the meetings of the Association and of the Executive Board in one or more books provided for that purpose and wherein resolutions shall be recorded;

B. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

C. In general perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Executive Board; and

D. Sign, certify and record any documents required of him by the President or by the Executive Board.

Section 4.8. Treasurer.

If required by the Executive Board, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Executive Board shall determine. He shall:

A. Have charge and custody of and be responsible for all funds of the Executive Board and the Association; receive and give receipts for monies due and payable to the Executive Board and the Association from any source whatsoever; and deposit all such monies in the name of the Executive Board and the Association in such banks, trust companies, or other depositories as shall be selected by the Executive Board; and

B. In general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Executive Board.

Section 4.9. Salaries.

The salaries of the officers may be fixed from time to time by the Executive Board, and no officer shall be prevented from receiving a salary by reason of the fact that he is also a Member of the Executive Board.

ARTICLE V  
Common Areas

Section 5.1. Use and Maintenance of Common Areas.

Each Owner may use the Common Areas in accordance with the purpose for which they were intended, but may not hinder or encroach upon the lawful rights of the other Owners.

Section 5.2. Executive Board Responsibility.

The necessary work to maintain, repair or replace the Common Areas, and additions and improvements to the Common Areas, shall be the responsibility of the Executive Board and shall be carried out as provided in the Declaration and these Bylaws.

Section 5.3. Costs.

The costs of maintenance, upkeep and repair of the Common Areas shall be paid as provided in Article VI hereof and the



Declaration, and shall be paid by checks drawn on the Association bank account and signed as provided in Section 7.3 hereof.

## ARTICLE VI Annual Budget, And Apportionment Common Expenses

### Section 6.1. Fiscal Year.

The fiscal year of the Association shall be the calendar year, unless otherwise determined by the Executive Board; provided, however, that the first fiscal year shall begin upon the recordation of the Declaration, and end on December 31, of that year.

### Section 6.2. Annual Budget.

On or before the first day of December of each year (or thirty days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall adopt an annual budget for the Association, which shall contain an itemized statement of estimated expenses for the upcoming fiscal year. On or before the fifteenth day of December of each year (or fifteen days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall make the budget available for inspection at the Association office and shall send to each Owner a copy of the budget. The budget shall constitute the basis for determining each Owner's assessment for common expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted.

### Section 6.3. Assessment and Payment of Common Expenses.

The common charges and expenses of the Association shall be charged to and paid by, the Owners as set forth in the Declaration of Restrictive Covenants for the Oakwood-Vairo Association. (See Article VIII thereof).

The Executive Board shall assess and bill each Owner on or before ten (10) days prior to the beginning of each month for his share of the common charges and expenses anticipated according to the budget, during the following month, which Owner shall pay within ten (10) days after the start of such month.

After such ten (10) day period, any delinquent assessment shall bear interest at the rate of one and one-half percent (1.5%) per month. No Owner may exempt himself from liability for

his contribution towards common expenses by waiver of the use of enjoyment of any of the Common Areas abandonment of his Lot.

The Executive Board is liable for the foregoing expenses. Accordingly, in addition to its power to assess and bill each Owner for his share of such expenses, the Executive Board shall have the power to obtain a lien against an Owner's Lot for failure to pay these expenses assessed.

#### Section 6.4. Annual Audit.

The Executive Board shall cause annual financial statements of the Association to be prepared on the accrual basis in accordance with generally accepted accounting principles (with a reconciliation with respect to information furnished to Owners for income tax purposes), to be audited each year by a competent certified public accountant, and to be sent to each Owner.

#### Section 6.5. Reserves; Shortage of Funds; Surplus Funds.

The Executive Board shall build up and maintain reasonable reserves for working capital, operations, contingencies, replacements and such other reserves as it deems warranted in its good business judgment. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, including non-payment of any Owner's assessments, the extraordinary expenditures shall be assessed uniformly against the Owners and shall be payable in one or more monthly assessments as the Executive Board may determine.

The Executive Board shall serve notice on all Owners of any such further assessments as required herein or by the Declaration, by a statement in writing giving the amount and reasons therefor and due date. All Owners so assessed shall be obligated to pay such further assessment in the same manner as set forth for original assessments.

In the event that a surplus of funds remain at the end of the fiscal year, after payment of or provision for common expenses and any prepayment of reserves, the Executive Board shall uniformly credit such surplus to the Owners to reduce their future common expense assessments.

Each Association reserve shall be deposited with a bank as Trustee in such interest-bearing accounts as the Trustee shall determine to be in the best interest of the Owners. Such Trustee shall retain such reserves as common funds for the benefit of the respective Owners as the owners thereof in accordance with their

contribution thereto, and shall pay over such funds upon demand of the Executive Board for the purpose, or purposes, for which such reserves are established. Such reserves shall not become the funds of the Association until so demanded and received by the Executive Board. Upon the sale or other disposition of a Lot, reserves allocated to that Lot shall not be refunded but rather shall be transferred to the account of the new Owner of the Lot as part of such sale or other disposition.

## ARTICLE VII Contracts, Loans, Checks and Receipts

### Section 7.1. Contracts.

The Executive Board may authorize an officer or officers, or agent or agents, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Executive Board and the Association, and such authority may be general or confined to specific instances.

### Section 7.2. Loans.

No loans shall be contracted on behalf of the Executive Board or the Association in excess of an aggregate amount of \$500.00 per Lot, and no evidence of indebtedness beyond such aggregate amount shall be issued in its name, unless authorized by a resolution of the Executive Board and approved by an affirmative vote of record Owners holding seventy-five percent (75%) of the total vote. Such authority may be general or confined to the specific instances.

### Section 7.3. Checks.

All checks, drafts, vouchers or other orders for the payment of money, and notes or other evidence of indebtedness issued in the name of the Executive Board or the Association shall be signed by such officer or officers, or agent or agents, of the Executive Board or the Association and in such manner as shall from time to time be determined by resolution of the Executive Board.

### Section 7.4. Deposits.

All funds of the Executive Board or the Association not otherwise employed shall be deposited from time to time to the credit of the Executive Board or the Association in such banks,

trust companies or other depositories as the Executive Board may select.

ARTICLE VIII  
Miscellaneous

Section 8.1. Adoption of Administrative Rules and Regulations.

By majority vote the Executive Board shall adopt, and thereafter amend, such rules and regulations governing the details of the operations and use of the Common Areas as shall not contravene these Bylaws or the Declaration of The Condotel.

Section 8.2. Amendments.

Amendments to these Bylaws may be proposed by resolution of the Executive Board at any time. Amendments to the Bylaws may also be proposed at any meeting of the Owners. Adoption of an Amendment shall require an affirmative vote of record Owners holding seventy-five percent (75%) of the total vote. No amendments of the Bylaws shall be valid unless set forth in an amendment to the Declaration and such amendment, certified by the President and Secretary of the Association, is duly recorded.

VAIRO ASSOCIATES

BY: Benson Gutting, Partner

Sworn to and subscribed  
before me this 7<sup>th</sup> day  
of August, 1985.

Elaine A. Cardinal  
Notary Public

ELAINE A. CARDINAL, Notary Public  
State College, Centre Co., Pa.  
My Commission Expires June 23, 1986