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**The Hamlet at Canterbury Crossing Condominium,
a Pennsylvania Condominium
1st Amendment of the Declaration of Condominium**

WHEREAS, by a Declaration of Condominium dated December 5, 2001 and recorded December 7, 2001 in the Office of the Recorder of Deeds for Centre County in Record Book 1304 at Page 816, S & A Custom Built Homes, Inc. (hereinafter "Declarant") caused to be created and subject to Pennsylvania's Uniform Condominium Act at 68 Pa.C.S.A. Section 3101 et seq. (hereinafter "Act"), a Condominium Development known as The Hamlet at Canterbury Crossing Condominium, and

WHEREAS, pursuant to the Act at Section 3219 and Article XIV, Section 14.4 of the aforementioned Declaration, the Executive Board seeks to amend the Declaration, and

WHEREAS, pursuant to the Act at Section 3219(f) and Article XIV, Section 14.4 of the aforementioned Declaration, it is the judgment of the Executive Board of the The Hamlet at Canterbury Crossing Association, Inc. that the following amendment is necessary to cure an ambiguity and to correct or supplement a provision of the Declaration that is defective, missing or inconsistent with any other provision thereof, and

WHEREAS, the Executive Board has received an opinion of counsel that there is an ambiguity as it pertains to the party or entity that is responsible to provide property or liability insurance.

NOW THEREFORE, the Executive Board of the Condominium known as The Hamlet at Canterbury Crossing Association, Inc. amends the Declaration of Condominium recorded December 7, 2001 in Record Book 1304 at Page 816 by deleting Article XVIII entitled Insurance in its entirety and substituting in its place the following:

ARTICLE XVIII. INSURANCE

Section 18.1 Coverage. The Executive Board or the Unit Owner shall obtain and maintain insurance coverage to carry out the requirements of maintenance, repair or replacement as required by this Declaration. In the event that insurance required to be carried by the Executive Board is not reasonably available, and the Executive Board determines that any insurance described herein will not be maintained, the Executive Board shall cause notice of that fact to be hand delivered or be sent prepaid by United States mail to all Unit Owners and Eligible Mortgagees at their respective last known addresses.

Section 18.2 Property Insurance to be provided by the Executive Board

- a. The Executive Board shall provide insurance: 1) on the Common Elements insuring against all risks of direct



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Joseph A. Davidson

- physical loss commonly insured against; and 2) on all personal property owned by the Association.
- b. The amount of coverage for the Common Elements shall be for an amount (after application of any deduction) equal to at least 90% of the replacement cost at the time the insurance is purchased and at each renewal date. The amount of coverage for Personal Property owned by the Association shall be for an amount equal to its actual cash value.
 - c. The Executive Board is authorized to obtain appraisals periodically for the purpose of establishing said replacement costs of the project facilities and the actual cash value of the personal property and the cost of such appraisals shall be a Common Expense.
 - d. Any insurance policy for Property Insurance must provide that:
 - i. Each Unit Owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the Common Elements or membership in the Association;
 - ii. The insurer waives its right to subrogation under the policy against any Unit Owner of the Condominium or members of his household;
 - iii. No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and
 - iv. If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same property by the policy, the policy is primary insurance not contributing with the other insurance.
 - e. Any proceeds from property insurance paid as a result of any loss must be paid to any insurance trustee designated in the policy for that purpose, and in the absence of such designation to the Association, in either case to be held in trust for each Unit Owner and each Unit Owner's mortgagee.

Section 18.3 Property Insurance provided by the Unit Owner.

- a. Each Unit Owner shall be responsible to provide property insurance for their own Unit as defined in Article 1, Subsection "Unit" for the purpose of fulfilling their responsibilities of maintenance, repair and replacement pursuant to Article IV such that said insurance will insure against all risks of direct physical loss commonly insured against.
- b. The amount and type of coverage for said insurance shall be in an amount (after application of any deduction) equal to at least 90% of the replacement cost of the Unit at the

- time the insurance is purchased and at each renewal date or as required by a mortgage holder.
- c. The Unit Owner must provide the Association with a valid copy of the property insurance policy insuring the Unit to be maintained by the Association to monitor compliance with the provisions of this Article and the Declaration in general.
 - d. Any proceeds from property insurance maintained by the Unit Owner and paid as a result of any loss to the Unit or Condominium must be paid to the Unit Owner or the Association and must be used to rebuild, repair or replace any loss to the Unit or Condominium within one year of the loss.
 - e. Regardless of the adequacy or inadequacy of property insurance coverage, the Unit Owner must rebuild, repair or replace any loss to the Unit or Condominium within one year of the loss. If the Unit Owner fails to rebuild within one year, or fails to make substantial progress to rebuild as determined by the Executive Board of the Association within one year, the Unit Owner shall incur a penalty of fifty dollars (\$50.00) per day starting on the first anniversary of the date of the loss, payable to the Association.
 - f. Any insurance policy obtained by Unit Owner shall list the Association, and the mortgagee at the request or requirement of the mortgagee, as a Certificate Holder to be notified by the insurance carrier of any failure to maintain or renew insurance policies and give the Certificate Holder the right to take over payments and charge the Unit Owner accordingly.
 - g. If Unit Owner fails to insure the Unit with property insurance, the Association or mortgage holders may obtain insurance coverage, at the Association or mortgage holder's option and the Unit Owners expense. The insurance obtained by the Association or mortgage holder is to be charged back to the Unit Owner and shall become a lien pursuant to the procedures adopted in Article VIII Section 8.5 of this Declaration.

Section 18.4 Liability Insurance. The Association shall maintain liability insurance including medical payments insurance, in an amount determined by the Executive Board, but in no event less than One Million (\$1,000,000.00) Dollars covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the activities of the Association.

- a. Other Provisions. Insurance policies carried pursuant to this Section shall provide that:
 - (i) Each Unit Owner is an insured person under the policy with respect to liability arising out of the Unit Owner's interest in

- the Common Elements or membership in the Association;
- (ii) The insured waives the right to subrogation under the policy against a Unit Owner or member of the household of Unit Owner;
 - (iii) An act or omission by a Unit Owner, unless acting within the scope of the Unit Owner's authority on behalf of the Association will not void the policy or be a condition to recovery under the policy;
 - (iv) If at the time of a loss under the policy there is other insurance in the name of a Unit Owner covering the same residence covered by the policy, the policy of the Association provides secondary insurance;
 - (v) The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Unit Owner and each holder of a mortgage to whom a certificate or a memorandum of insurance has been issued at the last known addresses.

Section 18.5 Fidelity Bonds. A blanket fidelity bond is required for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The bond shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association or the manager at any time while the bond is in force and in no event less than the seven three-month assessments plus reserve funds. *The bond shall include a provision that calls for ten (10) days written notice to the Association, to each holder of a mortgage in a Unit, to each servicer that services an FNMA-owned or FHLMC-owned mortgage on a Unit and to the insurance trustee, if any, before the bond can be cancelled or substantially modified for any reason.*

Section 18.6 Unit Owner Policies. An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for his or her own benefit.

Section 18.7 Workers Compensation Insurance. The Executive Board shall obtain and maintain workers compensation insurance, if applicable, to meet the requirements of the laws of the Commonwealth of Pennsylvania.

Section 18.8 Directors and Officers Liability Insurance. The Executive Board shall obtain and maintain Directors and Officers liability insurance,

if available, covering all the Directors and Officers of the Association in such limits as the Executive Board may from time to time determine.

Section 18.9 Other Insurance. The Association may carry other insurance which the Executive Board considers appropriate to protect the Association or the Unit Owners.

Section 18.10 Premiums. The premiums from any insurance policy obtained by the Executive Board shall be a Common Expense. The premiums from any insurance policy obtained by the Unit Owner for his or her own benefit shall be the Unit Owner's expense.

NOW THEREFORE, all other terms and conditions of The Hamlet at Canterbury Crossing Condominium Declaration as originally dated December 5, 2001 and filed December 7, 2001 in Record Book 1304 at Page 816 are not modified by this Amendment and shall remain in full force and effect.

IN WITNESS WHEREOF, the Executive Board President, David Pepper, has caused this Amendment to be executed this 2nd day of April, 2004

WITNESS:

Sandra M Beck

The Hamlet at Canterbury Crossing
Condominium Association, Inc.

By: David Pepper
David Pepper, President

The undersigned Mortgagees in The Hamlet at Canterbury Crossing Condominium represent at least two-thirds (2/3) of the holders of first mortgages on the Units and hereby consent and agree to the creation and adoption of this 1st Amendment which will bind all Mortgagees in The Hamlet at Canterbury Crossing Condominium.

Scott Lamb Vice President
Mortgagee of Unit 8 Cucuel, Loryd Barbara
Nittany Bank

Scott Lamb VICE President
Mortgagee of Unit 18 Amendola, Joe & Mary
Nittany Bank

Scott Lamb VICE President
Mortgagee of Unit 21 Thomas, William & Jane
Nittany Bank

Mortgagee of Unit 30 Nussbaum, John & Marianne
M&T Mortgage

Mortgagee of Unit 31 Butt, David & Susan
M&T Mortgage

Mortgagee of Unit _____

IN WITNESS WHEREOF, the Executive Board President, David Pepper, has caused this Amendment to be executed this 22nd day of April, 2004.

WITNESS:

Sandra M Bech

The Hamlet at Canterbury Crossing
Condominium Association, Inc.

By: David Pepper
David Pepper, President

The undersigned Mortgagees in The Hamlet at Canterbury Crossing Condominium represent at least two-thirds (2/3) of the holders of first mortgages on the Units and hereby consent and agree to the creation and adoption of this 1st Amendment which will bind all Mortgagees in The Hamlet at Canterbury Crossing Condominium.

M+T Mortgage Corp.
By: Michael A Campbell
Mortgagee of Unit 30 Vice President

M+T Mortgage Corp.
By: Michael A Campbell
Mortgagee of Unit 31 Vice President

Mortgagee of Unit _____

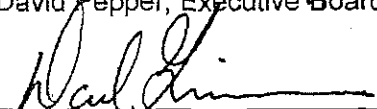
Mortgagee of Unit _____

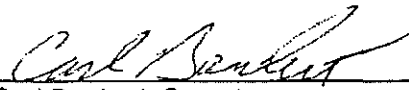
Mortgagee of Unit _____

Mortgagee of Unit _____

The undersigned Executive Board Members in The Hamlet at Canterbury Crossing Condominium represent a majority of the Executive Board Members and hereby agree to create and adopt this 1st Amendment to The Hamlet at Canterbury Crossing Condominium Declaration.


David Pepper, Executive Board President


Dave Grimm, Executive Board Vice President

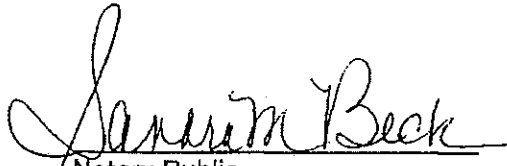

Carl Bankert, Secretary

Commonwealth of Pennsylvania :

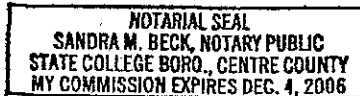
County of Centre :

On this the 22nd day of April, 2004, before me, the undersigned officer, personally appeared David Pepper who acknowledged himself to be the President of the Executive Board of The Hamlet at Canterbury Crossing Condominium Association, Inc. and he as such President being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Association by himself as President

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


Notary Public

My Commission Expires: Dec 4, 2006



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S & A Custom Built Homes, Inc.
501 Rolling Ridge Drive, Suite 200
State College, PA 16801

March 12, 2004

Re: Pending Amendment to The Hamlet at Canterbury Crossing Condominium Declaration

To all potential purchasers:

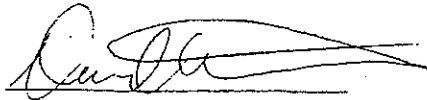
Attached please find the pending First Amendment to the Declaration of Condominium for The Hamlet at Canterbury Crossing Condominium.

In general, this pending amendment requires all property owners to purchase their own insurance to protect their homes and themselves from liability, and requires homeowners to rebuild their homes if damaged or destroyed.

This pending Amendment requires that any mortgage provider you choose to help finance your purchase, receives and agrees to this pending Amendment. We will provide you with a Consent and Joinder and another copy of this First Amendment for you to give to your mortgage provider to obtain their approval. However, once the Amendment is passed by a majority of the mortgage holders in the Condominium and recorded, it will become binding and effective on you and your mortgage provider.

Please carefully review this Amendment and let us know if you have any questions.
Thank you.

Sincerely,
S & A Custom Built Homes, Inc.



// We acknowledge receipt of the pending First Amendment to The Hamlet at Canterbury Crossing Condominium Declaration and agree to deliver the Consent and Joinder form to my/our mortgage provider for their review and signature.

Printed Name: ERNEST F. SALVINO Signature: [Signature] Date: 6-04-04

Printed Name: KAY L. SALVINO Signature: [Signature] Date: 6-4-04

Hamlet #24
520 Amherst Dr.
S.C., PA 16801