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COPPER BEECH TOWNHOME COMM EIGHTEEN  
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**DECLARATION OF CONDOMINIUM**

"The Prescott at Oakwood"

of Copper Beech Townhome Communities Eighteen, LLC,  
a Pennsylvania Limited Liability Company

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## **DECLARATION OF CONDOMINIUM**

**"The Prescott at Oakwood"**  
**of Copper Beech Townhome Communities Eighteen, LLC**  
**a limited liability company**

This Declaration is made this 8<sup>th</sup> day of MAY, 2007, by Copper Beech Townhome Communities Eighteen, LLC, a Pennsylvania limited liability company, with a mailing address of 141 Blackberry Lane, Boalsburg, Pennsylvania 16827 (hereinafter referred to as "Declarant") as the owner in fee simple of the property herein described.

### **WITNESSETH:**

#### **ARTICLE I. GENERAL PROVISIONS.**

Section 1.1 Declarant; Property; County; Name. Declarant, the owner in fee simple of certain real property consisting of approximately 4.18 acres, more or less, situate in the Township of Patton, County of Centre, Commonwealth of Pennsylvania, more particularly described in Exhibit "A" which is attached hereto and made a part hereof by reference, hereby submits the real property, including all easements, rights and appurtenances thereunto belonging and the buildings and improvements erected or to be erected thereon (hereinafter collectively the "Property") to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pa.C.S. §3101 et seq., as amended (hereinafter the "Act") and hereby creates a condominium to be known as the "The Prescott at Oakwood." The maximum number of Units to be constructed on the Property shall be thirty-two (32).

Section 1.2 Defined Terms. All terms defined in Section 3103 of the Act and used herein or in the Public Offering Statement, By-Laws, Rules and Regulations or Plats and Plans shall have the meanings specified in the Act. In addition, the following terms shall have the following specific meanings in this Declaration, the Public Offering Statement, By-Laws, Rules and Regulations and Plats and Plans:

"Association" means The Prescott at Oakwood Condominium Association, Inc., a non-profit corporation organized under the Non-Profit Business Corporation Law of Pennsylvania 15 Pa.C.S.A §5101 et seq. or its successors and assigns.

"Building" means any of the structures depicted on the Plats and Plans.

"By-Laws" means the document having that name and provided for by Section 3306 of the Act, as such document may be amended from time to time.

"Common Elements" means each portion of the condominium other than conveyed with a Unit.

"Common Expenses" means the expenses or financial liabilities for the operation of the Common Elements and the Association. These include:

(i) Expenses of administration, maintenance, repair or replacement of the Common Elements;

(ii) Expenses declared to be Common Expenses by the Condominium Documents or the Act;

(iii) Expenses agreed upon as Common Expenses by the Association;

(iv) Such reasonable reserves as may be established by the Association, whether held in trust or by the Association for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held by the Association.

"Condominium" means the real estate described in Section 1.1 above.

"Condominium Documents" consist of this Declaration including the Plats and Plans, the By-Laws, the Public Offering Statement and the Rules and Regulations.

"Declarant" means Copper Beech Townhome Communities Eighteen, LLC, a Pennsylvania limited liability company, and its successors and assigns.

"Declarant Control Period" means the time period commencing on the date of recordation of this Declaration and ending on the earlier of:

(i) Two (2) years after the date of the first conveyance of a Unit to a Unit Owner other than the Declarant; or

(ii) Sixty (60) days after the conveyance of seventy-five (75%) percent of the Units to Unit Owners other than the Declarant.

"Declaration" means this document and the Plats and Plans, as the same may be amended from time to time.

"Eligible Mortgage" means a first mortgage to (i) the Declarant; (ii) the Seller of a Unit; (iii) a bank, trust company, savings bank, savings and loan association, mortgage service company, insurance company, credit union, pension fund, real estate investment trust or like institutional investor or lender; and (iv) any other mortgage approved by the Executive Board, or a junior mortgage which is approved by the Executive Board. A holder, insurer or governmental guarantor of an Eligible Mortgage is referred to herein as an "Eligible Mortgagee."

"Executive Board" means the Executive Board of the Association.

"Horizontal Boundaries" means the upper and lower boundaries of a Unit.

"Limited Common Elements" means the portions of the Condominium designated herein or on the Plats and Plans as being Limited Common Elements. The portions of the

Common Elements allocated for the exclusive use of one or more but fewer than all of the Units by the Declaration or the Act.

"Majority or Majority of Unit owners" means the owners of more than fifty (50%) percent of the votes in the Association.

"Percentage Interest" means the undivided ownership interest in the Common Elements appurtenant to each Unit.

"Plats and Plans" means the Plats and Plans of "The Prescott at Oakwood" attached hereto and made a part hereof as Exhibit "B", as the same may be amended from time to time.

"Property" means the land and all improvements, easements, rights and appurtenances which have been submitted to the provisions of the Act by this Declaration.

"Public Offering Statement" means the current document prepared pursuant to Section 3402 of the Act as it may be amended from time to time and provided to purchasers prior to the time of execution of a binding purchase agreement.

"Rules and Regulations" means such rules and regulations as are promulgated by the Executive Board from time to time with respect to various details of the use of all or any portion of the Property which either supplement or elaborate upon the provisions in the Declaration or By-Laws.

"Transition Election" means the election at which one (1) additional member shall be elected to the Executive Board. Such election shall take Place within sixty (60) days after conveyance of twenty-five (25%) percent of the Units to Unit Owners other than the Declarant.

"Trustee" means the entity which may be designated by the Executive Board as the Trustee for the receipt, administration, and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses, and other like sources as defined in the Bylaws. If no Trustee has been designated, the Trustee will be the Executive Board from time to time constituted, acting by majority vote, as executed by the president and attested by the secretary.

"Unit" means a physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described in Section 2.2 of this Declaration.

"Unit Owner" means the Declarant or other individual, corporation, trust, estate, partnership, association or other legal or commercial entity (herein "Person"). Unit Owner does not include a Person having an interest in a Unit solely as security for an obligation. The Declarant is the initial owner of any Units created by this Declaration.

ARTICLE II. ALLOCATION OF PERCENTAGE INTERESTS: VOTES AND EXPENSE LIABILITIES; UNIT IDENTIFICATION AND BOUNDARIES.

Section 2.1 Percentage Interests. All Units shall have a 3.125% undivided ownership interest in the Condominium Common Elements.

Section 2.2 Unit Boundaries. Each Unit created by the Declaration and shown on the Plats and Plans as numbered Units shall consist of the space within the following boundaries:

2.2.1 Townhome.

(a) Upper boundaries shall be the Unit-Side surface of the roof of the third floor of the Unit/garage.

(b) Lower boundaries shall be the Unit-Side face of the concrete slab, constituting the lower floor of such Unit/garage.

(c) Vertical boundaries shall be the plane formed by the Unit-Side/Garage-Side surface of the dry wall of all perimeter walls and party walls and the Unit-Side/Garage Side surface of the sash of windows or doors and the exterior of the screens or glass in such doors or windows.

2.2.2 Each Unit consists of all portions of the Building within the aforesaid title lines, except the air space displaced by: (i) structural members and bearing columns within or passing through such Unit which are deemed to be Common Elements; and (ii) other Common Elements within such Unit, including, without limitation, chutes, flues, ducts, wires, conduits and pipe runs which serve more than one Unit. With respect to such chutes, flues, ducts, wires, conduits and pipe runs, the provisions of Section 3202(2) of the Act shall apply.

2.2.3 Those portions of any lighting devices, outlets, medicine cabinets, exhaust fans, ventilation ducts, registers, grilles and similar fixtures which serve only such unit and which lie partially within and partially outside the title lines of a Unit shall be deemed to be a part of such Unit.

2.2.4 The Unit shall include the heating apparatus, including the heat pump systems and related heating ductwork and the hot water apparatus exclusively serving the Unit whether or not located within the title lines or boundaries of the Unit.

2.2.5 Subject to the provisions of Section 2.2.4, above, if any chute, flue, duct, wire, conduit, bearing wall, bearing column or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit; and any portion thereof serving more than one unit or any portion of the Common Elements is a part of the Common Element.

2.2.6 Subject to the provisions of Section 2.2.5, above, all spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

2.2.7 Declarant reserves the right to relocate the boundaries between adjoining Units owned by Declarant and to reallocate between such Units their Common Element interests



and Common Expense Liabilities by amendment to the Declaration in accordance with Section 3214 of the Act.

Section 2.3 Allocation of Unit Owner's Voting Rights. Each Unit owner shall be entitled to one vote in the Association per Unit owned.

### ARTICLE III. DESCRIPTION, ALLOCATION AND RESTRICTION OF COMMON ELEMENTS, AND LIMITED COMMON ELEMENTS.

#### Section 3.1 Limited Common Elements.

3.1.1 The following portions of the building are hereby designated as Limited Common Elements:

- (a) The water line, sewer line and interior plumbing excluding the hot water apparatus exclusively serving the Unit whether or not located within the title lines or boundaries of the Unit;
- (b) Functional decks and second-story patios;
- (c) All exterior doors including those leading from Units to patios, and their related frames, sills and hardware;
- (d) Window and door sills, frames and hardware which are not part of the Unit but which are adjacent to and serve only such Unit;
- (e) Any shutters, window boxes, doorsteps, stoops, or other fixture designed to serve a single Unit that is located outside the boundaries of the Unit;
- (f) Stoops, steps and walls above door openings at the entrances to each building, which provide access to less than all Units, the use of which is limited to the Units to which they provide access;
- (g) Attic space above each Unit with an attic, the use of which is limited to the Unit beneath it;
- (h) Mailboxes, name plates and exterior lighting affixed to the building will be Limited Common Elements allocated in the Units served; and
- (i) Those Limited Common Elements described as such in Sections 2.2.2.

3.1.2. The exclusive use of porches, decks and second-story patios by the Unit owners assigned such Limited Common Elements shall be limited to lawful uses normally associated with balconies and patios serving residential dwelling units, and any such use must not interfere with access over such balconies to fire towers. The Executive Board shall have the right to promulgate Rules and Regulations regarding the use of the balconies and patios that are consistent with the provisions of the immediately preceding sentence; and in any event, no decoration or other surface finish or covering of any portion of any Limited Common Element may be performed without the prior written consent of the Executive Board.

#### ARTICLE IV. MAINTENANCE, REPAIR AND REPLACEMENT.

Section 4.1 Common Elements. The Association shall maintain, repair and replace all of the Common Elements, except a portion of the Limited Common Elements which are required by this Declaration or the Act to be maintained, repaired or replaced by the Unit owners.

Section 4.2 Units. Each Unit Owner shall maintain, repair and replace at his or her own expense, all portions of his or her Unit except the portions thereof required by the Declaration, to be maintained, repaired or replaced by the Association.

##### Section 4.3 Limited Common Elements.

4.3.1 Common Expenses associated with the maintenance, repair or replacement of components and elements attached to, planted on, or a part of yards, patios and decks, shall be maintained, repaired or replaced by the Association. No additional component or element may be attached without consent of the Executive Board.

4.3.2 The Association shall be responsible for removing all snow, leaves and debris from all patios and balconies which are Limited Common Elements appurtenant to the Units.

Section 4.4 Repairs Resulting From Negligence. Each unit owner will reimburse the Association for any damages to any other Unit or to the Common Elements caused intentionally, negligently or by his or her failure to properly maintain, repair or make replacements to his or her Unit or to those Limited Common Elements for which he or she is responsible under Article III of the Declaration. The Association will be responsible for damage to Units caused intentionally, negligently or by its failure to maintain, repair or make replacements to the Common Elements. If such expense is caused by misconduct, it will be assessed following notice and hearing.

#### ARTICLE V. SUBSEQUENTLY ALLOCATED LIMITED COMMON ELEMENTS.

Section 5.1 Those portions of the Common Elements shown as parking spaces on the Plat may be subsequently allocated as Limited Common Elements in accordance with Article III of this Declaration or may be assigned by rule of the Executive Board or may be limited by rule to visitors only.

#### ARTICLE VI. ALLOCATION AND REALLOCATION OF LIMITED COMMON ELEMENTS.

Section 6.1 A Common Element not previously allocated as a Limited Common Element may be so allocated only pursuant to the provisions of this Article VI. All allocations will be made by amendments to the Declaration specifying to which Unit or Units the Limited Common Element is allocated. Such amendment shall require the approval of all holders of mortgages in the affected Units, which approval shall be endorsed thereon. The person executing the amendment shall provide an executed copy thereof to the Association which if the amendment complies with the provisions of this Declaration and the Act shall record it. The amendment shall contain words of conveyance and must be recorded and indexed in the names of the parties and the Condominium. The parties executing the amendment shall be responsible for the preparation of the amendment and shall reimburse the Association for its reasonable attorneys fees in connection with the review of the amendment and for the recording costs.

## ARTICLE VII. ADDITIONS, ALTERATIONS AND IMPROVEMENTS.

### Section 7.1 Additions, Alterations and Improvements by Unit Owners.

a. No Unit Owner will make any structural addition, structural alteration or structural improvement in or to a Unit without the prior written consent thereto of the Executive Board in accordance with Section 7.1(c).

b. Subject to Section 7.1(a), a Unit Owner:

(i) may make any other improvements or alterations to the interior of his or her Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium;

(ii) may not change the appearance of the Common Elements or the exterior appearance of a Unit, or any other portion of the Condominium, without permission of the Association;

(iii) after acquiring an adjoining Unit, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this subsection is not an alteration of boundaries. If a part of an adjoining Unit is acquired boundaries will be relocated in accordance with Article XVII.

c. A Unit Owner may submit a written request to the Executive Board for approval to do anything that he or she is forbidden to do under Section 7.1(a) or 7.1(b)(ii). The Executive Board shall answer any written requests for such approval, after notice and hearing, within sixty (60) days after the request thereof. Failure to do so within such time will not constitute a consent by the Executive Board to the proposed action. The Executive Board shall review the request in accordance with the provisions of its rules.

d. Any applications to any department or to any governmental authority for a permit to make any addition, alteration or improvement in or to any Unit shall be executed by the Association only. Such execution will not, however, create any liability on the part of the Association or any of its members to any contractor, subcontractor or material man on account of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

e. All additions, alterations and improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Executive Board, cause any increase in the premiums of any insurance policies carried by the Association or by the owners of any Units other than those affected by such change. The provisions of this section shall not apply to the Declarant in the exercise of Special Declarant Rights.

Section 7.2 Additions, Alterations and Improvements by the Executive Board. The Executive Board may make any additions, alterations or improvements to the Common Elements which in its judgment it deems necessary.

## ARTICLE VIII. EASEMENTS.

Section 8.1 Additional Easements. In addition to and in supplementation of the easements provided for by Sections 3216, 3217 and 3218 and other provisions of the Act, the Condominium shall be subject to the following easements and restrictions:

### 8.1.1 Declarant's Use for Sales Purposes.

a. Declarant shall have an easement to maintain sales offices, management offices and models throughout the Property and to maintain one (1) or more advertising signs on the Common Elements while the Declarant is selling Units in the Condominium. Declarant reserves the right to place models, management offices and sales offices in any Units owned by Declarant and on any portion of the Common Elements in such number, of such size and in such locations as Declarant deems appropriate. The models, management offices and sales offices constituting a portion of the Common Elements shall be subject to the following requirements:

(i) The number of models maintained by the Declarant within the Common Elements shall not exceed one (1) per building.

(ii) In addition to the models maintained by the Declarant on the Common Elements, Declarant shall have the right to maintain within the Common Elements not more than one (1) office for sales and management purposes.

b. Declarant may from time to time relocate models, management offices and sales offices to different locations within the Property. Upon the relocation of a model, management office or sales office constituting a Common Element, Declarant may remove all personal property and fixtures therefrom. Any fixtures not so removed shall be deemed Common Elements, and any personal property not so removed shall be deemed the property of the Association.

c. So long as Declarant shall be selling Units in the Condominium, Declarant shall have the right to restrict the use of up to four (4) parking spaces for sales purposes. Such use shall include reserving such spaces for use by prospective unit purchasers, Declarant's employees and others engaged in sales, maintenance, construction or management activities.

8.1.2 Utility and Other Easements. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant (until Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner and the Association), the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment, including security systems, as may be necessary or desirable to serve any portion of the Property or the Convertible Real Estate. The easements provided for by this Section 8.1.2 shall include, without limitation, rights of Declarant, the Association, any providing utility, any service company and any governmental agency or authority, and any of them, to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), security systems, electrical wires, conduits and equipment and ducts and vents and any other appropriate equipment and facilities over, under, through, along and on the Units and Common Elements. Notwithstanding

the foregoing provisions of this Section 8.1.2, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existing at the time of first conveyance of the Unit by the Declarant to a grantee other than the Declarant or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

#### 8.1.3 Declarant's Easements.

a. Declarant reserves an easement (until Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit Owner and the Association) to use portions of the Common Elements and any Units owned by Declarant for construction or renovation related purposes, including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Property.

b. Declarant reserves an easement (until Declarant shall have satisfied all of its obligations under any Condominium Document and all commitments in favor of any Unit owner and the Association) on, over and under those portions of the Common Elements not located within the building for the purpose of maintaining and correcting drainage of surface, roof or storm water. The easement created by this subsection expressly includes the right to cut any trees, bushes or shrubbery, to grade the soil or to take any other action reasonably necessary, following which the Declarant shall restore the affected property as closely to its original condition as practicable.

c. During the Declarant Control Period and for a period of two (2) years thereafter, the Declarant shall have an easement through the Units for any access necessary to complete any renovations or modifications to be performed by Declarant.

#### 8.1.4 Easement for Ingress and Egress Through Common Elements; Access to Units and Support.

a. Each Unit Owner is hereby granted an easement in common with each other unit owner for ingress and egress through all Common Elements, subject to such reasonable Rules and Regulations as may be imposed by the Association. Each Unit is hereby burdened with and subjected to an easement for ingress and egress through all Common Elements by persons lawfully using or entitled to the same.

b. To the extent necessary, each Unit shall have an easement for structural support over every Unit in the building, the Common Elements and the Limited Common Elements; and each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit in the building, the Common Elements and the Limited Common Elements.

8.1.5 Common Elements Easement in Favor of the Association. The Common Elements (including the Limited Common Elements) shall be and are hereby made subject to an easement in favor of the Association and the agents, employees and independent contractors thereof for the purpose of the inspection, upkeep, maintenance, repair and replacement of the Common Elements (including the Limited Common Elements).

8.1.6 Common Elements Easement in Favor of Unit Owners. The Common

Elements (including the Limited Common Elements) shall be and are hereby made subject to the following easements in favor of the Units benefitted:

a. For the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of or serve any Unit and which shall pass across or through a portion of the Common Elements.

b. For the installation, repair, maintenance, use, removal and/or replacement of lighting fixtures, electrical receptacles, panel boards and other electrical installations which are a part of or serve any Unit but which encroach into a part of a Common Element adjacent to such Unit; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the building or impair or structurally weaken the building.

c. For driving and removing nails, screws, bolts and other attachment devices into the Unit side surface of the stone, block, brick or other masonry walls bounding the Unit and the Unit side surface of the studs which support the drywall or plaster perimeter walls bounding the Unit, the bottom surface of floor joists above the Unit and the top surface of the bottom surface of floor joists above the Unit and the top surface of the floor joists below the Unit to the extent such nails, screws, bolts and other attachment devices may encroach into a part of a Common Element adjacent to such Unit; provided that any such action will not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the building or impair or structurally weaken the building.

d. For the maintenance of the encroachment of any lighting devices, outlets, medicine cabinets, exhaust fans, ventilation ducts, registers, grilles and similar fixtures which serve only one Unit but which encroach into any part of any Common Elements or Limited Common Elements on the date this Declaration is recorded or was thereafter installed by Declarant during the Declarant Control Period or within two (2) years after the termination thereof.

8.1.7 Units and Limited Common Elements Easement in Favor of Association. The Units and the Limited Common Elements are hereby made subject to the following easements in favor of the Association and its agents, employees and independent contractors:

a. For inspection of the Units and Limited Common Elements in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible;

b. For inspection, maintenance, repair and replacement of the Common Elements or the Limited Common Elements situated in or accessible from such Units or Limited Common Elements, or both; and

c. For correction of emergency conditions in one or more Units or Limited Common Elements, or both, or casualties to the Common Elements, the Limited Common Elements and/or the Units. In case of an emergency, no request or notice is required and

the right of entering shall be immediate with such force as is apparently necessary to gain entrance, whether or not the Unit Owner is present at the time.

8.1.8 Record Easements. The Condominium is subject to those additional record easements and title exceptions as shown on the Plats and Plans.

#### ARTICLE IX. RESERVED.

#### ARTICLE X. ASSESSMENT AND COLLECTION OF COMMON EXPENSES.

Section 10.1 Apportionment of Common Expenses. All Common Expenses shall be assessed against all Units equally.

Section 10.2 Initial Capital Payment. Declarant, as agent for the Executive Board shall collect from each initial purchaser at the time of settlement an "initial capital payment" of Five Hundred and no/100 Dollars (\$500.00) for common expenses for each Unit. The Declarant shall deliver the funds so collected to the Association to provide the necessary working capital for the Unit Owners Association. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs and for such other purposes as the Executive Board shall determine.

Section 10.3 Reserves for Replacement. Each annual budget for monthly assessments of Common Expenses shall include an amount reasonably considered by the Executive Board to be sufficient as a reserve for replacements and contingencies. If the reserves are inadequate for any reason, including non-payment of any Unit Owner's assessment, the Executive Board may at any time levy a further assessment, which shall be assessed against the Unit Owners equally and which may be payable in a lump sum or in installments as the Executive Board may determine. The Executive Board shall serve notice of such further assessment on Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten (10) days after delivery of such notice of further assessment. All Unit Owners so notified shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as provided hereinafter.

#### Section 10.4 Common Expenses Attributable to Fewer Than All Units.

a. Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against the Unit which benefits from such service.

b. Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against that Unit.

c. An assessment to pay a judgment against the Association may be made only against the Units in the condominium at the time the judgment was entered and shall be shared equally by such Unit Owners.

d. If a Common Expense is caused by the misconduct of a Unit Owner, the Association may assess that expense exclusively against that Unit Owner's Unit.

e. Fees, charges, late charges, fines, collections, costs and interest charged against a Unit Owner pursuant to the Declaration, the By-Laws and the Act are enforceable as Common Expense assessments.

#### Section 10.5 Lien.

a. The Association has a lien on a Unit for an assessment levied against a Unit or fines imposed against its unit owner from the time the assessment or fine becomes due. Fees, charges, late charges, fines and interest charges pursuant to the Act and the Declaration and the By-laws are enforceable as assessments under this section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.

b. A lien under this section is prior to all other liens and encumbrances on a Unit except:

- (1) a lien and encumbrance recorded before the recordation of the Declaration;
- (2) a first mortgage on the Unit recorded before the date on which the assessment sought to be enforced became delinquent; and judgments obtained for obligations secured by such mortgages;
- (3) liens for real estate taxes and other governmental assessments or charges against a unit. A lien under this section is also prior to all mortgages described in Article XII to the extent of the Common Expense assessments based on the periodic budget adopted by the Association pursuant to Section 10.6 of this Article which would have become due in the absence of acceleration during the six (6) months immediately preceding institution of an action to enforce either the Association's lien or a security interest described in subsection b of this Section 10.5. This subsection does not affect the priority of mechanics or materialmen's liens or the priority of a lien for other assessments made by the Association.

c. Recording of the Declaration constitutes record notice and perfection of the lien. Further recording of a claimant lien for assessment under this section is not required.

d. A lien for an unpaid assessment is extinguished unless proceedings to enforce a lien are instituted within three (3) years after the full amount of the assessment becomes due; provided, that if an owner of a Unit subject to a lien under this section files a petition for relief under the United States Bankruptcy Code, the period of time for instituting proceedings to enforce the Associations lien shall be tolled until thirty (30) days



after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.

e. This section does not prohibit an action to recover sums for which subsection (a) of this section creates a lien or prohibit the Association from taking in lieu of foreclosure.

f. A judgment or decree in any action brought under this section shall include costs and reasonable attorneys fees for the prevailing party.

g. A judgment or decree in an action brought under this section is enforceable by execution under the Commonwealth of Pennsylvania statute on judgment executions.

h. The Association lien must be foreclosed as a mortgage, or as a lien as foreclosed under the Commonwealth of Pennsylvania non judicial foreclosure proceedings.

i. In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver of the Unit Owner to collect all sums alleged to be due from that Unit Owner prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action, to the extent of the Association's Common Expense assessments based on a periodic budget adopted by the Association pursuant to Section 10.6 of this Declaration.

j. If a holder of a first or second mortgage on a Unit forecloses that security interest, the purchaser at the foreclosure sale is not liable for any unpaid assessments against that Unit which came due before the sale, other than the assessments which were prior to that mortgage. Any unpaid assessments not satisfied from the proceeds of the sale become Common Expenses collectible from all the Unit Owners including the purchaser.

k. In the case of foreclosure under Commonwealth of Pennsylvania non judicial foreclosures, the Association shall give reasonable notice of its action to each of the lien holders of a Unit whose interest would be affected.

l. Any payments received by the Association in discharge of a Unit Owners obligation may be applied to their oldest balance due.

m. Application of payments. Any payment received by an association in connection with the lien under this section shall be applied first to any interest accrued by the association, then to any late fee, then to any costs and reasonable attorney fees incurred by the association in collection or enforcement and then to the delinquent assessment. The foregoing shall be applicable, notwithstanding any restrictive endorsement, designation or instructions placed on or accompanying a payment.

Section 10.6 Budget Adoption and Ratification. Within thirty (30) days after adoption of the proposed budget for the Condominium, the Executive Board shall provide a summary of the budget to each Unit Owner, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting a majority of all Unit owners rejects the budget, the budget is ratified whether or not a quorum is present. If the proposed budget is rejected the periodic budget last ratified by the Unit Owners continues until the Unit Owners ratify a budget proposed by the Executive Board.

Section 10.7 Ratification of Non Budgeted Common Expense Assessments. If the Executive Board votes to levy a Common Expense assessment not included in the current budget other than one enumerated in Section 10.4(a) of this Declaration in an amount greater than fifteen (15%) percent of the current annual operating budget, the Executive Board shall submit such Common Expense to Unit Owners for ratification in the same manner as the budget under Section 10.6.

Section 10.8 Certificate of Payment of Common Expense Assessments. The Association upon written request shall furnish to a Unit owner a statement in recordable form setting out the amount of unpaid assessments against a Unit. The statement shall be furnished within ten (10) days after receipt of the request and is binding on the Association Executive Board and each Unit Owner.

Section 10.9 Monthly Payment of Common Expenses. All Common Expenses assessed under Sections 10.1 and 10.4 of this Declaration shall be due and payable monthly on the first day of the month for the current month's assessment.

Section 10.10 Acceleration of Common Expense Assessments. In the event of default for a period of ten (10) days by any Unit Owner in the payment of any Common Expense assessment levied against his or her Unit, the Executive Board shall have the right after notice and hearing to declare all unpaid assessments for the pertinent fiscal year to be immediately due and payable.

Section 10.11 Commencement of Common Expense Assessments. Common Expense assessments shall begin on the first day of the month in which conveyance of the first Unit to a Unit Owner other than the Declarant occurs.

Section 10.12 No Waiver of Liability for Common Expenses. No Unit owner may exempt himself or herself from liability or for payment of the Common Expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the assessments are made.

Section 10.13 Personal Liability of Unit Owners. The Unit Owner of a Unit at the time a Common Expense assessment or a portion thereof is due and payable, is personally liable for the assessment. Personal liability for the assessment shall not pass to a successor in title to the Unit unless he or she agrees to assume the obligation.

## ARTICLE XI. USE RESTRICTIONS.

### Section 11.1 Rules and Regulations.

a. The occupancy and use of the Units and Common Elements shall be subject to the following restrictions;

(i) The Units in the Condominium (with the exception of any Units during the time period when they are being used by the Declarant as a sample, model or sales office) are restricted to single family residential use and may not be used for any other purposes by the Unit Owner or any future Unit Owner. Units shall be occupied by no more than one (1) family. No family shall contain any persons under the age of twenty-two (22) years and not employed full-time except natural or adopted

children. No Unit Owner shall permit his Unit to be used or occupied for any prohibited purposes.

(ii) A Unit Owner is prohibited from making any alteration, installation, removal, reconstruction or repair to his Unit or Units which will impair the structural integrity of the building or any mechanical or electrical system therein; or adversely affect either the thermal or acoustical character of the building; or lessen the support of any portion of the building; or violate any applicable law, ordinance or governmental rule, regulation or order.

(iii) No drying or airing of any clothing or bedding shall be permitted outdoors within the area of any Unit or Common Elements and clothes hanging devices such as lines, reels, poles, frames, etc., shall not be erected.

(iv) Refuse containers provided by Owner shall not be placed on any street, sidewalk, parking area or in the Common Elements and Limited Common Elements except when necessary for collection.

(v) No boats of any type shall be permitted on or in a Unit or Common Elements or Limited Common Elements.

(vi) No commercial or other non-passenger vehicle of any type and no unlicensed or non-operational motor vehicle of any type shall be permitted to remain overnight on any Common Element or on any street or on any Unit, other than as may be used by Declarant in conjunction with construction activities.

(vii) No noxious, unsightly or offensive activity, including vehicle repairs, shall be conducted in any Unit or on any Common Elements or the streets nor shall anything be permitted to be done thereon which may be or may become an annoyance or nuisance to other Unit Owners.

(viii) No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Unit except that dogs, not larger than seventy (70) pounds, cats or other domesticated household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose and further providing that no more than two (2) pets in the aggregate may be kept in any such Unit unless otherwise authorized by the Association, and said pets must be housed indoors and Owners shall conform to all local ordinances and regulations applicable to such animals.

(ix) No sign of any kind shall be displayed to public view on any Unit except those used by the Declarant or approved by the Association.

(x) No Common Area shall be used for parties or other social gathering.

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

## ARTICLE XII. MORTGAGES.

### Section 12.1 Requirements.

a. Any mortgage or other lien on a Unit and the obligations secured thereby shall be deemed to provide, generally, that the mortgage or other lien instrument and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act and this Declaration and shall be deemed to provide specifically, but without limitation, that the mortgagee or lien holder shall have no right (i) to participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Property; or (ii) to receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise, except in the event and to the extent either a distribution of such proceeds to Unit Owners pursuant to Section 3312(g) of the Act or of insurance proceeds in excess of the cost of repair or restoration being received by the owner of the Unit encumbered by such mortgage; or (iii) to accelerate the mortgage debt or to have any other remedies on the Property other than within the affected Unit, and the obligation secured shall be prepayable, without penalty, upon the happening of any termination of the Condominium or determination not to restore or replace the affected Unit.

- (i) Nothing contained in this Section 12.1 (a) hereinabove or elsewhere in this Declaration shall give a Unit Owner, or any other party, priority over any rights of the mortgagee of a Unit pursuant to its mortgage in case of a distribution to such Unit owner of insurance proceeds or condensation awards for loss to or a taking of one or more Units and/or Common Elements.

b. No Unit Owner or purchaser of a Unit shall deliver any mortgage or other lien instrument secured by a Unit, or any obligation to be secured thereby, unless it has first notified the Executive Board of the name and address of the proposed mortgagee or lien holder, the amount of the debt proposed to be so secured, and has submitted to the Executive Board a copy of the form of the proposed mortgage and note or other instrument of obligation. When a mortgage other than (i) a first mortgage or (ii) a junior mortgage to the Declarant or Seller of a Unit is delivered to the Executive Board, the Executive Board shall promptly notify the proposed mortgagee whether such mortgage has been approved by the Executive Board as an Eligible Mortgage.

### Section 12.2 Eligible Mortgagees.

a. When an Eligible Mortgage is delivered to the Eligible Mortgagee or other lien holder, the Unit Owner shall simultaneously provide executed or conformed copies to the Executive Board. Upon receipt of such copy of an Eligible mortgage, the Secretary of the Executive Board shall instruct the insurer of the Property to add the name of the Eligible Mortgagee to the mortgagee loss payable provision of the hazard insurance policy covering the Property and to provide such Eligible Mortgagee with a Certificate of Insurance showing that the Eligible Mortgagee's name has been so added.

b. The Secretary shall maintain a register of Eligible Mortgages, showing the names and addresses of the Eligible Mortgagees, the amount secured by each Eligible

Mortgage and whether it is a first mortgage.

Section 12.2.1 Upon the specific written request of a holder of an Eligible Mortgage on a Unit or its servicer to the Executive Board, the Eligible Mortgagee shall be entitled to receive some or all of the following as designated in the request;

- a. Copies of budgets, notices of assessment or any other notices or statements provided under this Declaration by the Executive Board to the owner of the Unit covered by the mortgage;
- b. Any audited or unaudited financial statements of the Executive Board which are prepared for the Executive Board and distributed to the Unit Owners. The holder of any mortgage on a Unit shall be entitled to have an audited statement prepared at its own expense if one is not otherwise available;
- c. Copies of notices of meetings of the Unit Owners and the right to be represented at any such meetings by a designated representative;
- d. Notice of substantial damage to or destruction of any unit (in excess of \$1,000) or any part of the Common Elements (in excess of \$10,000);
- e. Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Property;
- f. Notice of any default of the owner of the Unit which is subject to the mortgage, where such default is not cured by the Unit Owner within thirty (30) days after the giving of notice by the Association to the Unit Owner of the existence of the default or where there is a sixty (60) day delinquency in the payment of assessments or charges against a Unit on which the Eligible Mortgagee holds a mortgage;
- g. Any lapse, cancellation or material modification of any insurance policy maintained by the Association;
- h. Notice of any decision by the Executive Board to terminate professional management and assume self-management of the Property;
- i. Any condemnation or casualty loss that affects either a material part of the Condominium or the Unit securing the mortgagee's mortgage;
- j. Such other financial data as such Eligible Mortgagee shall reasonably request in writing; or
- k. Any proposed action which would require the consent of a specified percentage of first mortgagees as set forth in Section 12.3 below.

12.2.2 The request of an Eligible Mortgagee or its servicer shall be written and specify which of the above items it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Executive Board. The Executive Board shall be under no obligation to inquire into the validity of any request made hereunder by an Eligible mortgagee. The Executive Board may refuse to honor any request where, after reasonable inquiry, it shall

determine that the person making such request is not entitled to the material so requested and may establish reasonable rules to implement this subsection 12.2.2.

12.2.3 Failure to comply with the requirements set forth above shall in no way invalidate the otherwise proper actions of the Association and the Executive Board.

12.2.4 Any Eligible mortgagee shall have the right, exercisable upon written request to the Executive Board, to examine the books and records of the Association at any reasonable time.

Section 12.3 Approval of Mortgagees. Subject to the limitations imposed by Section 3221 of the Act:

a. The prior written approval of holders of first mortgages of Units representing at least sixty-seven percent (67%) of the votes of Units subject to first mortgages shall be required to terminate the condominium status of the Property for reasons other than substantial destruction or condemnation of the Property;

b. The prior written approval of at least two-thirds (2/3) of the holders of first mortgages on Units (based upon one (1) vote for each first mortgage owned) shall be required for any of the following:

(i) the termination or abandonment of the condominium status of the Property except for termination or abandonment as a result of condemnation or substantial loss to the Units and/or Common Elements;

(ii) a change in the schedule of Percentage Interests allocated to each Unit.

(iii) the partition or subdivision of any Unit or the Common Elements;

(iv) the abandoning, encumbering, selling or transferring of the Common Elements (the granting of easements for public utilities or for other public purposes consistent with the intended uses of the Common Elements shall not be deemed a transfer within the meaning of this subsection); and

(v) the use of hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such Condominium Property.

c. The prior written approval of holders of first mortgages of Units representing at least fifty-one percent (51%) of the votes of the units subject to first mortgages shall be required to make an amendment of a material nature to the Condominium Documents. A change of the provisions of any Condominium Document directly relating to any of the following shall for this purpose be considered material;

(i) voting rights;

(ii) Assessments, assessment liens or subordination of assessment liens;

(iii) Reserves for maintenance, repair and replacement of the Common

Elements;

- (iv) Responsibility for maintenance and repairs;
  - (v) Reallocation of interests in the Common Elements or Limited Common Elements or rights to their use;
  - (vi) Boundaries of any Unit;
  - (vii) Convertibility of Units into Common Elements or of Common Elements into Units;
  - (viii) Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project;
  - (ix) Insurance;
  - (x) Leasing of Units by the Declarant;
  - (xi) Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
  - (xii) A decision by the Association to establish self-management when professional management had been required previously by an Eligible Mortgagee;
  - (xiii) Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;
  - (xiv) Actions to terminate the legal status of the project after substantial destruction or condemnation occurs; or
  - (xv) Provisions that expressly benefit holders, insurers or guarantors of Eligible Mortgages.
- d. Notwithstanding anything to the contrary in this Section 12.3, written approval of holders of first mortgages on Units shall not be required for an amendment to this Declaration made pursuant to Section 2.2.7 hereof.

#### ARTICLE XIII. LEASING.

Section 13.1 Leasing. A Unit Owner may lease or sublease his Unit (but not less than his entire Unit) at any time and from time to time provided that:

- a. No Unit may be leased or subleased without a written lease or sublease;
- b. No Unit may be leased or subleased for a term of less than six (6) months.
- c. A copy of such lease or sublease shall be furnished to the Executive Board

within ten (10) days after execution thereof; and

d. The rights of any lessee or sublessee of the Unit shall be subject to, and each such lessee or sublessee shall be bound by, the covenants, conditions and restrictions set forth in the Declaration, By-Laws and Rules and Regulations, and a default thereunder shall constitute a default under the lease or sublease; provided, however, that the foregoing shall not impose any direct liability on any lessee or sublessee of a Unit to pay any Common Expense assessments or special assessments on behalf of the owner of that Unit.

e. All leases of a Unit shall be deemed to include a provision that the tenant will recognize and attorn to the Association as landlord, solely for the purpose of having the power to enforce a violation of the provisions of the condominium Documents against the tenant, provided the Association gives the landlord notice of its intent to so enforce and or reasonable opportunity to cure the violation prior to the commencement of any enforcement action.

f. Any Unit may be occupied by up to three (3) graduate students over the age of twenty-two (22) years.

13.1.1 Notwithstanding the foregoing, the provisions of subsection 13.1 shall not apply to a holder of a first mortgage who is in possession of a Unit following a default in such mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure.

#### ARTICLE XIV. DECLARANT'S RIGHTS.

##### Section 14.1 Declarant Control of the Association.

14.1.1 Subject to subsection 14.1.2, there shall be a period of Declarant control of the Association, during which a Declarant or persons designated by the Declarant, may appoint and remove the officers and members of the Executive Board. The period of Declarant control terminates no later than the earlier of:

a. sixty (60) days after conveyance of seventy-five percent (75%) of the Units that may be created, to Unit Owners other than a Declarant; or

b. two (2) years after the first Unit is conveyed to a Unit Owner other than a Declarant.

A Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of that period, but in that event, the Declarant may require, for the duration of the period of Declarant Control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

Section 14.1.2 Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created to Unit Owners other than Declarant, at least one member of the Executive Board shall be elected by Unit Owners other than Declarant.

Section 14.1.3 Composition of the Executive Board shall be as set forth in Section



16.2 below. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.

Section 14.1.4 Notwithstanding any provision of this Declaration or the By-Laws to the contrary, following notice under Section 3308 of the Act, the Unit Owners, by a two-thirds (2/3) vote of all persons present and entitled to vote at a meeting of the Units Owners at which a quorum is present, may remove a member of the Executive Board with or without cause, other than a member appointed by the Declarant.

#### ARTICLE XV. UNITS SUBJECT TO CONDOMINIUM DOCUMENTS; EMINENT DOMAIN.

Section 15.1 Applicability of Condominium Documents. Each present and future owner, lessee, occupant and mortgagee of a unit shall be subject to and shall comply with the provisions of the Act, this Declaration (including the Plats and Plans), the By-Laws and the Rules and Regulations and with the covenants, conditions and restrictions as set forth in the deed to such Unit; provided that nothing contained herein shall impose upon any lessee or mortgagee of a Unit any obligation which the Act or one or more of such documents, or both, make applicable only to Unit owners (including, without limitation, the obligation to pay assessments for Common Expenses). The acceptance of a deed or mortgage to any Unit, or the entering into of a lease or the entering into occupancy of any Unit, shall constitute an agreement that the provisions of the Act, this Declaration (including the Plats and Plans), the By-Laws, the Rules and Regulations and the covenants, conditions and restrictions set forth in the deed to such Unit are accepted and ratified by such grantee, mortgagee or lessee insofar as applicable. All of such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

Section 15.2 Eminent Domain. Whenever all or part of the common Elements shall be taken, injured or destroyed by eminent domain, the Association shall represent the Unit owners in negotiations, settlements and agreements with the condemning authority. Each Unit Owner appoints the Association as attorney-in-fact for this purpose. Each Unit Owner shall be entitled to notice thereof; but in any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit owner's interest therein. The award or proceeds of settlement shall be payable to the Association for the use and benefit of the Unit Owners and their mortgages as their interests may appear.

#### ARTICLE XVI. EXECUTIVE BOARD OF THE ASSOCIATION.

Section 16.1 Powers of Executive Board. The Executive Board of the Association shall possess all of the duties and powers granted to the Executive Board by the Act.

Section 16.2 Composition of Executive Board. The Executive Board shall consist of three (3) members who shall be elected at Annual Meetings of Association members except that until the Transition Election there shall be three (3) members of the Executive Board, which three (3) members and any successors to such three (3) members shall be appointed by Declarant until the end of the Declarant Control Period. One (1) Executive Board members shall be elected at the Transition Election following the resignation of one of Declarant's appointed members. At such Transition Election, all Unit Owners other than the Declarant shall have the right to vote for such additional Executive Board member. During the transition period, the successor to such additional member of the Executive Board shall be elected by the vote only of Unit owners other than the Declarant. Each Executive Board member shall hold office pursuant to the provisions relating

thereto in the By-Laws.

Section 16.3 Disputes. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of this Declaration (including the Plats and Plans), the By-Laws or the Rules and Regulations, the ultimate determination with respect thereto by the Executive Board following an appeal to such Executive Board from the Association body making a determination in the first instance shall be final and binding on each and all such Unit Owners. The Executive Board shall have the authority to seek a declaratory judgment or other appropriate judicial relief or offer to assist it in carrying out its responsibilities under this Section 16.3. All costs of obtaining such a judgment shall be borne by the disputants or, in the absence of disputants, by the Association as a Common Expense.

Section 16.4 Amendments to the Condominium Documents. The Condominium Documents may be amended only in accordance with the Act and the Condominium Declaration and By-Laws. Notwithstanding any other provisions of this Declaration to the contrary, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provisions of the Condominium Documents that are defective, missing or inconsistent with any other provisions thereof, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or other secondary mortgage market lenders, guarantors or insurers with respect to condominium projects, then at any time and from time to time the Executive Board may affect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence. Each amendment of the type described in this Section 16.4 shall be effective upon the recording of an appropriate instrument setting forth the amendment and its due adoption, which instrument has been executed and acknowledged by one or more officers of the Executive Board.

Section 16.5 Abating and Enjoining Violations by Unit Owners. The violation of any Rules and Regulations adopted by the Executive Board, the breach of any provision contained in the By-Laws or the breach of any provision of this Declaration or the Act by a Unit Owner shall give the Executive Board and any aggrieved Unit Owner the right, in addition to any other rights to which it may be entitled, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

#### ARTICLE XVII. THE RELOCATION OF BOUNDARIES BETWEEN ADJOINING UNITS.

Section 17.1 Application and Amendment. Subject to approval of any structural changes or required permits pursuant to Article VII, the boundaries between adjoining Units may be relocated by an amendment to the Declaration upon application to the Association by the owners of the Units affected by the relocation. If the owners of the adjoining Units have specified a reallocation between their Units of their Percentage Interest, the application shall state the proposed reallocations. Unless the Executive Board determines, within thirty (30) days after the receipt of the application that the reallocations are unreasonable, the Association shall consent to the reallocation and prepare an amendment that identifies the Units involved, states the reallocations and indicates the Association's consent. The amendment must be executed by those Unit Owners affected and contain words of conveyance between them and the approval of holders of mortgages in the affected Units shall be endorsed thereon. On recordation, the amendment shall be indexed in the name of the grantor and grantee and in the grantee's index in the name of the Association.

Section 17.2 Recording Amendments. The Association shall prepare and record Plats or Plans necessary to show the altered boundaries for the adjoining Units, and the Units dimension and identifying numbers. The applicants will pay for the cost of preparation of the amendment and its recording, and the reasonable consultant fees of the Association if the Executive Board deems it necessary to employ a consultant.

#### ARTICLE XVIII. AMENDMENTS TO DECLARATION.

Section 18.1 General. Except in cases of amendments that may be executed by the Declarant in the exercise of its Special Declarant Rights or by the Association under Article XVI and Article XVII of this Declaration and Section 3209 of the Act, and except as limited by Section 3221 of the Act, and except as provided in Section 3219 of the Act, this Declaration, including the Plat and Plans may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated. The procedure for amendment must follow the procedures of Section 3219 of the Act.

Section 18.2 Limitation of Challenges. An action to challenge the validity of an amendment by the Association pursuant to this Article may not be brought more than one (1) year after the amendment is recorded.

Section 18.3 Recordation of Amendments. Each amendment to the Declaration must be recorded in the applicable Office of the Recorder of Deeds in which a portion of the Condominium is located and the amendment is effective only upon recording.

Section 18.4 When Unanimous Consent Required. Except to the extent expressly permitted or required by other provisions of the Act an amendment may not create or increase Special Declarant Rights, increase the number of Units, change the boundaries of a Unit, the Common Element Interest, Common Expense Liability or voting strength in the allocation allocated to a Unit, or the uses to which a Unit is restricted in the absence of unanimous consent of the Unit Owners.

Section 18.5 Execution of Amendments. An amendment to the Declaration required by the Act to be recorded by the Association which has been adopted in accordance with this Declaration and the Act, must be prepared, executed, recorded and certified on behalf of the Association by an officer of the Association designated for that purpose or in the absence of such designation, by the President of the Association.

Section 18.6 Special Declarant Rights. Provisions in this Declaration creating the Special Declarant Rights may not be amended without the consent of the Declarant.

Section 18.7 Consent of Holders of Mortgage Interests. Amendments are subject to the consent requirements of Article XII.

#### ARTICLE XIX. TERMINATION.

Section 19.1 Termination. Termination of the Condominium may be accomplished only in accordance with Section 3220 of the Act.

#### ARTICLE XX. DAMAGE TO OR DESTRUCTION OF PROPERTY.

Section 20.1 Duty to Restore. The portion of the Condominium for which insurance is required under the By-Laws or Section 3312 of the Act for which insurance carried by the Association is in effect, whichever is more extensive, that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- a. the Condominium is terminated;
- b. repair or replacement would be illegal under state statute or municipal ordinance governing health or safety; or
- c. eighty percent (80%) of the Unit Owners including each owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.

Section 20.2 Cost. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

Section 20.3 Plans. The property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Executive Board, a majority of Unit Owners, and fifty-one percent (51%) of Eligible Mortgagees.

Section 20.4 Replacement of Less Than Entire Property.

- a. The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium;
- b. Except to the extent that other persons would be distributees:
  - (i) the insurance proceeds attributable to a Unit and Limited Common Elements that are not rebuilt must be distributed to the owner of the Unit and the owner of the unit to which the Limited Common Elements were allocated or to lien holders as their interests may appear; and
  - (ii) the remainder of the proceeds must be distributed to each Unit Owner or lien holder as their interests may appear in proportion to the Common Element interests of all the Units;
- c. If the Unit owners vote not to rebuild a Unit, the Percentage Interests of the Unit are reallocated upon the vote as if the Unit had been condemned under Section 3107 of the Act and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

Section 20.5 Insurance Proceeds. The Trustee, or if there is no Trustee, then the Executive Board of the Association, acting by the President, shall hold any insurance proceeds in trust for the Association, Unit Owners and lien holders as their interests may appear. Subject to the provisions of Section 20.1(a) through subsection 20.1(c) of this Declaration, the proceeds shall be disbursed first for the repair or restoration of the damaged property, and the Association, Unit owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completed, repaired or restored or the Condominium has been terminated.

Section 20.6 Certificates by the Executive Board. The Trustee, if any, may rely on the following certification in writing made by the Executive Board:

- a. whether damaged or destroyed property is to be repaired or restored;
- b. the manner and amounts to be paid for repairs or the restoration and the names and addresses of the parties to whom such amount should be paid.

Section 20.7 Certificates by Attorneys or Title Insurance Companies. If payments are to be paid to unit owners or mortgagees, the Executive Board and the trustee, if any, shall obtain and may rely on a title insurance company or attorney's title certificate of title or a title insurance policy based on a search of land records of the applicable Office of the Recorder of Deeds from the date of the recording of the original Declarations stating the names of the Unit Owners and the mortgagees.

## ARTICLE XXI. INSURANCE.

Section 21.1 Coverage. To the extent reasonably available, the Executive Board shall obtain and maintain insurance coverage as set forth in this Article. If such insurance 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 21.2 Property.

(a) Property insurance covering:

(i) the project facilities (which term means all buildings on the Property, including the Units and all fixtures, equipment and any improvements and betterments whether a part of the Unit or a Common Element, and such personal property of Unit owners as is normally insured under building coverage), but excluding land, excavations, portions of foundations below the under surface of the lowest basement floors, underground pilings, piers, pipes, flues and drains and other items normally excluded from property policies; and

(ii) all personal property owned by the Association.

(b) Amounts. The project facilities for an amount (after application of any deductions) equal to one hundred percent (100%) of their actual cash value at the time the insurance is purchased and at each renewal date. Personal property owned by the Association for an amount equal to its actual cash value.

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.

The maximum deductible for insurance policies shall be Ten Thousand (\$10,000.00) Dollars or one (1%) percent of the policy face amount whichever is greater. The difference between the policy deductible and Two Hundred Fifty (\$250.00) Dollars shall be paid by the Association as a Common Expense. Of the deductible portion, Two Hundred Fifty (\$250.00)

Dollars as per Unit Owner affected shall be paid by each of the Unit Owners suffering a loss.

(c) Risks insured against. The insurance shall afford protection against all risks of direct physical loss commonly insured against.

(d) Other provisions. Insurance policies required by this Section shall 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 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 the Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

(v) Loss must be adjusted within the Association.

(vi) Insurance proceeds 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.

(vii) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or a nonrenewal has been mailed to the Association, each Unit Owner and each holder of a mortgage to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

(viii) The name of the insured shall be substantially as follows: The Prescott at Oakwood Condominium Association, Inc., for the use and benefit of the individual Unit Owners.

Section 21.3 Liability Insurance. 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 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 primary 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 21.4 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 21.5 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 21.6 Directors and Officers Liability Insurance. The Executive Board shall obtain and maintain Directors and officers liability insurance if available covering all of the Directors and officers of the Association in such limits as the Executive Board may from time to time determine.

Section 21.7 Other Insurance. The Association may carry other insurance which the Executive Board considers appropriate to protect the Association or the Unit Owners.

Section 21.8 Premiums. Insurance premiums shall be a Common Expense.

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**EXHIBIT "A", PAGE 1**

**Legal Description**

**ALL** that certain parcel of land situated in the Township of Patton, County of Centre, and Commonwealth of Pennsylvania, being shown as Parcel 6 on a plan entitled "Updated Master Plan for Oakwood Planned Community," prepared by Sweetland Engineering & Associates, Inc., drawing number E-1050 - E-1052 dated 11/20/1992, revised to 01/04/1993 and recorded 02/22/1993, in the Centre County Recorder's Office in Plat Book 46, pages 26-28, bounded and described as follows:

**BEGINNING** at a point, in a curve, in the northern right-of-way line of Oakwood Avenue (being a 70' wide right-of-way) at a common southeastern corner of Open Space (PB 35, PG's 175-176) and the southwestern corner of the herein described parcel; thence along said Open Space the following three (3) courses and distances: (1) North 27° 55' 50" West, 284.96 feet to a point at the northwestern corner of said herein described parcel; thence (2) by the arc of a curve to the right having an arc length of 838.60 feet, a radius of 3065.72 feet, a central angle of 15° 40' 22" and a chord bearing and distance of North 67° 34' 27" East, 835.99 feet to a point at the northeastern corner of said herein described parcel; thence (3) South 15° 38' 24" West, 290.78 feet to a point in said northern right-of-way line of Oakwood Avenue at a common southwestern corner of said Open Space and the southeastern corner of said herein described parcel; thence along said northern right-of-way line of Oakwood Avenue the following two (2) courses and distances: (1) North 74° 21' 35" West, 160.69 feet to a point, said point being a point of curvature; thence (2) by the arc of a curve to the left having an arc length of 482.89 feet, a radius of 635.00 feet, a central angle of 43° 34' 14" and a chord bearing and distance of South 83° 51' 16" West, 471.34 feet to the point or place of beginning.

**CONTAINING** 4.18 acres of land gross measure more or less.

The parcel description amended by current survey as described in a plan prepared by Pandora Engineering, State College, Pennsylvania, entitled "Villas at Oakwood, Parcel 6; Preliminary/Final Land Development Plan," dated March 29, 2005, and recorded June 30, 2005, an Exhibit "A" to Deed recorded in Centre County Record Book 1842 at page 163, bounded and described as follows:

**BEGINNING** at an iron pin, being a westerly corner of lands known as Open Space (lands owned now or formerly by Location, Inc., D.B. 451, Page 991) and lying in a northerly R/W line of Oakwood Avenue (70' R/W); thence along said R/W, North 75° 12' 53" West, 160.69 feet to an iron pin; thence continuing along said R/W along a curve to the left, having a chord bearing

**EXHIBIT "A", PAGE 2**

**Legal Description**

of South 83° 21' 27" West, a chord length of 463.97 feet, a radius of 635.00 feet and an arc length of 474.96 feet to an iron pin, lying in northerly line of said R/W and being an easterly corner of the Open Space lands; thence along said lands North 28° 04' 14" West, 283.72 feet to an iron pin; thence continuing along said lands along a curve to the right, having a chord bearing of North 87° 28' 48" East, a chord length of 827.25 feet, a radius of 3,065.72 feet and an arc length of 829.78 feet to an iron pin; thence continuing along said lands South 15° 38' 24" West, 284.59 feet to an iron pin, being the place of beginning.

**CONTAINING** 4.087 acres.

**UNDER AND SUBJECT** to a 20-foot sanitary easement traversing through the northerly boundary of the parcel..

**BEING** known as Centre County Uniform Parcel Identifier Tax Parcel Number 18-18/2R.

**BEING** the same premises conveyed unto Copper Beech Townhome Communities Eighteen, LLC, by Deed of Walker Oak Development Company, Inc., Edward D. Walker, and Village Square Builders, LLC, dated June 17, 2005, and recorded June 30, 2005, in Centre County Record Book 1842 at page 163.

**UNDER AND SUBJECT, NEVERTHELESS,** to existing easements, restrictions, covenants, and conditions of record.

EXHIBIT "B"

Plats and Plans of "The Prescott at Oakwood"

See Plat Book 79 Page 114