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Please reply to: Bellefonte Office

December 12, 2014

John Hanna Continental Real Estate Management 300 South Allen Street State College, PA 16801

RE: The Summit at Shiloh

Dear John:

Per your emailed request of Friday, December 5, 2014, I am enclosing copies of all of the recorded documents involving the formation of the Summit at Shiloh. They include the following:

- 1. Final Subdivision and Land Development Plan for the Summit at Shiloh, recorded in Centre County Plat Book 75, pages 20 24;
- 2. Minor plan amendment for the Summit at Shiloh, recorded in Centre County Plat Book 75, page 77;
- 3. Minor plan amendment for the Summit at Shiloh, recorded in Centre County Plat Book 76, pages 48 49;
- 4. Condominium plan for the Summit at Shiloh, recorded in Centre County Plat Book 78, page 66 (including 10 sheets);
- 5. The Declaration of Condominium recorded November 1, 2006 in Centre County Record Book 1975, page 777;
- 6. Amendment to Declaration of Condominium recorded June 5, 2007 in Centre County Record Book 1989, page 44;
- 7. Condominium Plan for the Summit at Shiloh recorded in Centre County Plat Book 83, page 52 (containing 10 sheets);

8. Minor Plan Amendment for the Summit at Shiloh recorded in Centre County Plat Book 80, page 43 (two sheets); and Second Amendment to Declaration of Condominium recorded May 7, 2010 in Centre County Record Book 2056, page 222.

The original Declaration reserved in the Declarant the right to convert real estate. Article XVIII states that the Declarant could convert common areas of the Summit at Shiloh Condominium from open space to a building containing residential units. That right to make the conversion was for a period of seven years from the recording of the Declaration. Because the Declaration was recorded on November 1, 2006, the seven year period ended on October 31, 2013.

The First Amendment of May 2007 is not pertinent to this discussion. That amendment eliminated the requirement that residents of the condominiums be 55 years of age or older.

The Second Amendment did exercise the Declarant's right to convert real estate, thereby creating building number two. The Amendment authorized the conversion of the common space where building two is now located from common elements to a building containing 27 residential units. There have been no further amendments to the Declaration.

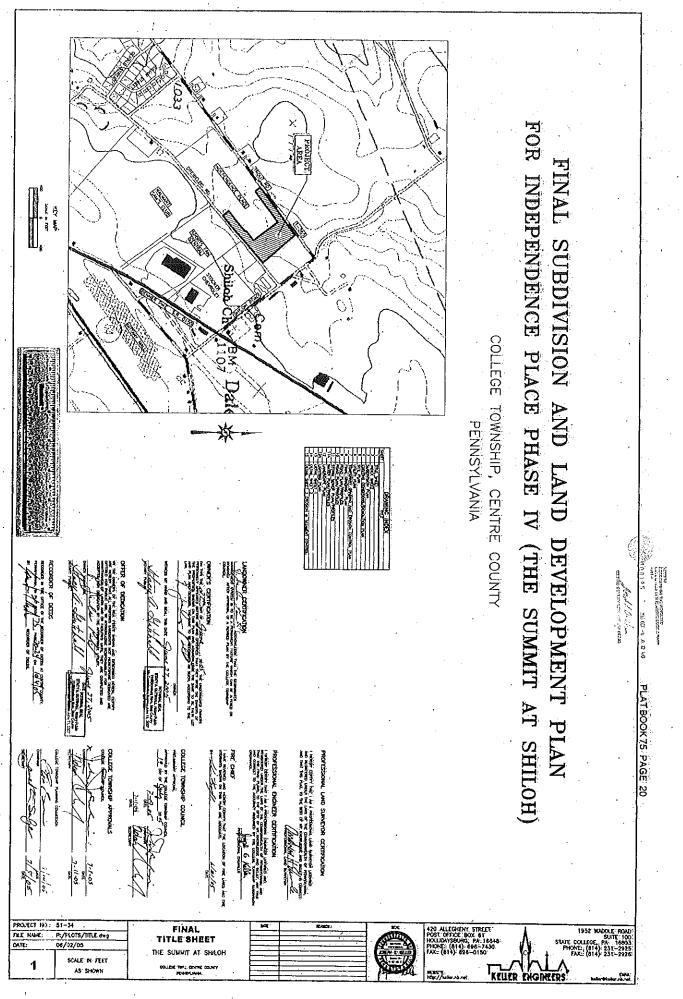
The seven year conversion period is ended. Hence the area that had been reserved for a possible conversion of common elements into a building number 3 is no longer so reserved. That space is now common elements owned jointly by the Unit Owners according to their percentage interest, and managed by the Condominium Association.

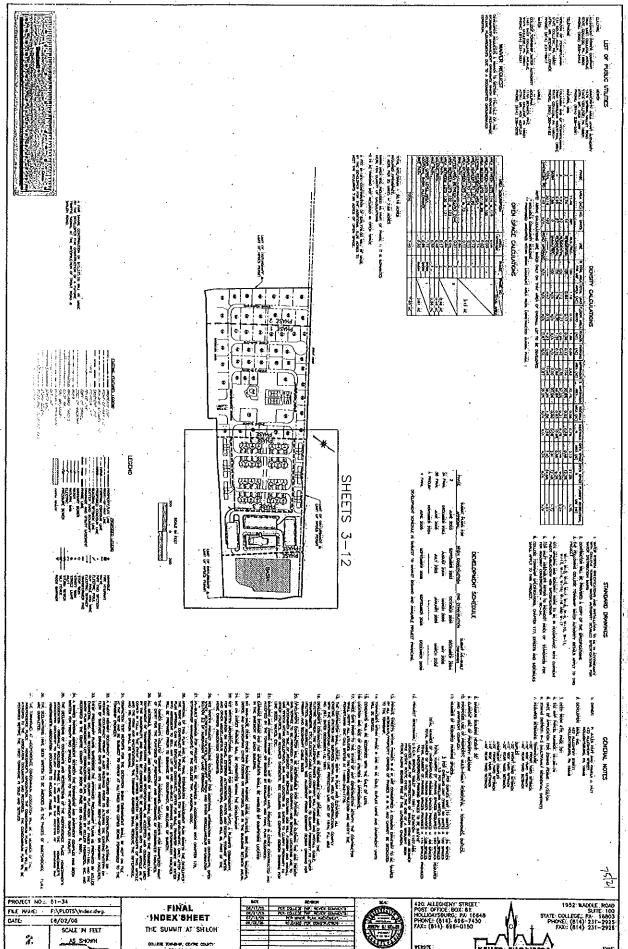
Please let me know if you have any further questions.

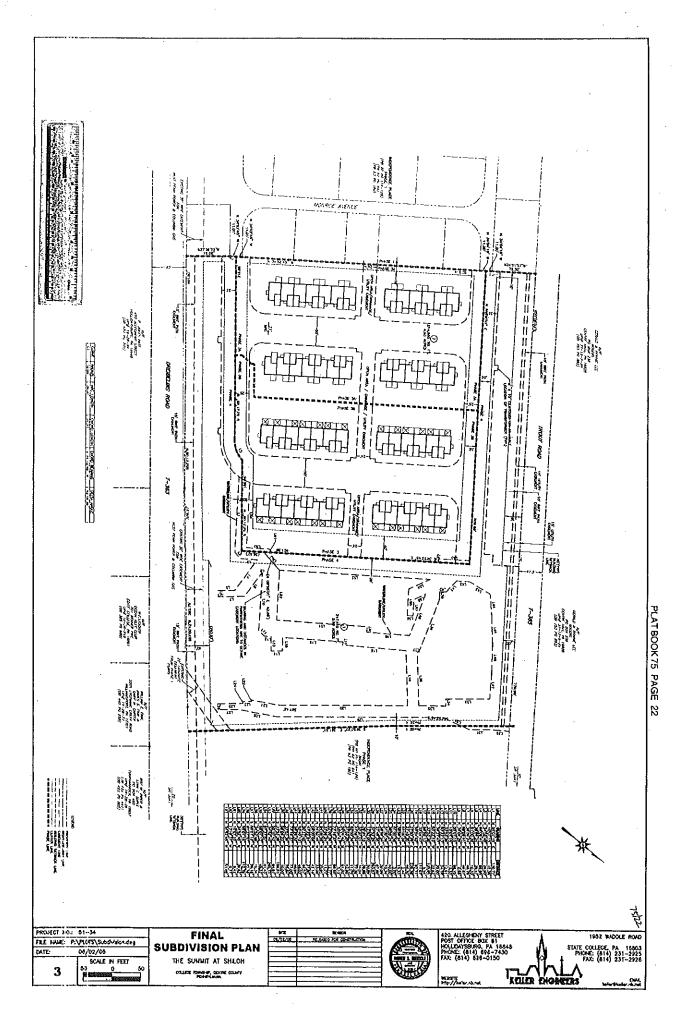
Very Truly Yours,

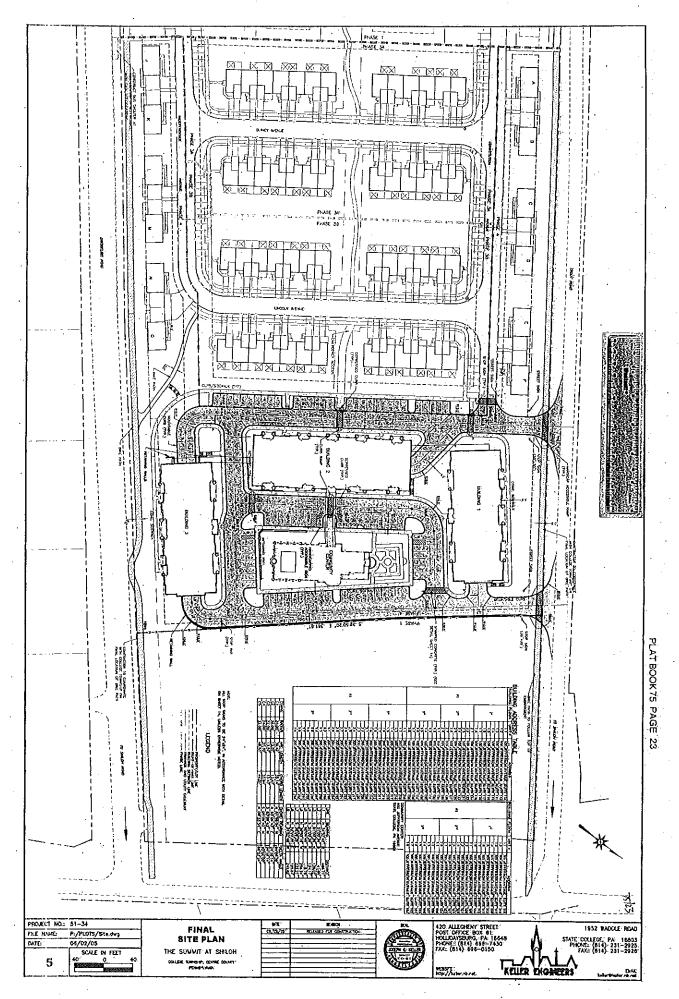
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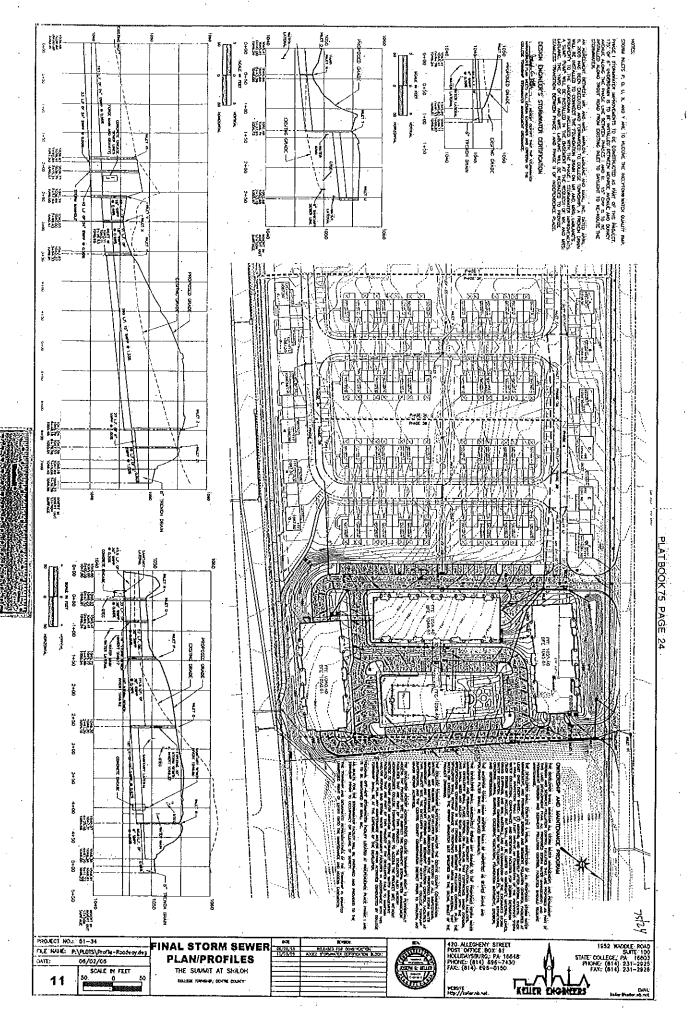
JWS/cjs/121214.jh Enclosures as above

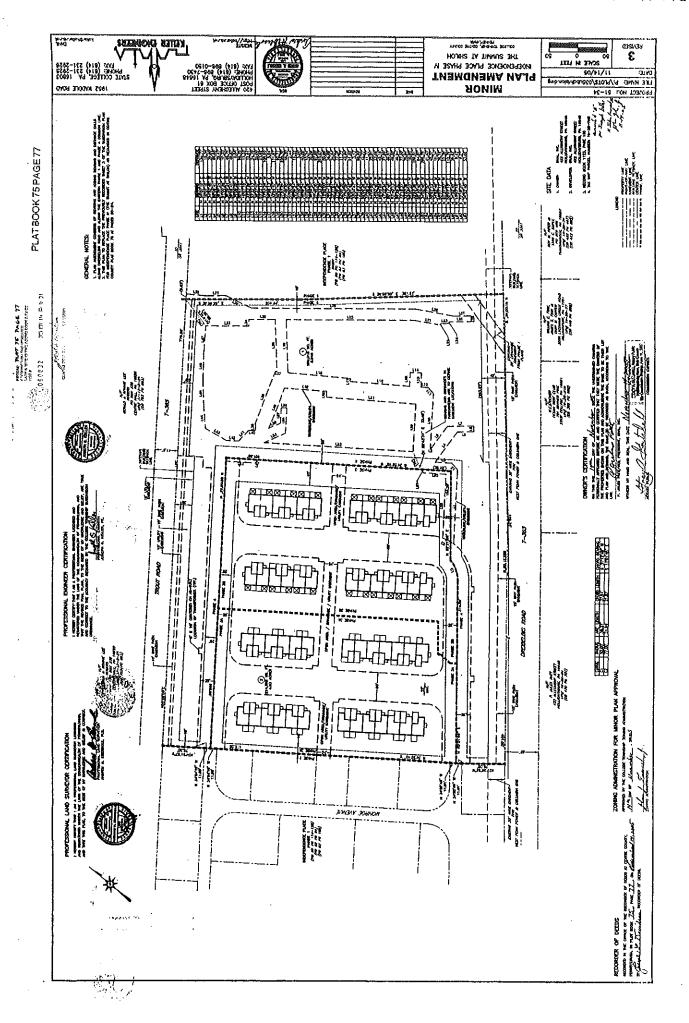


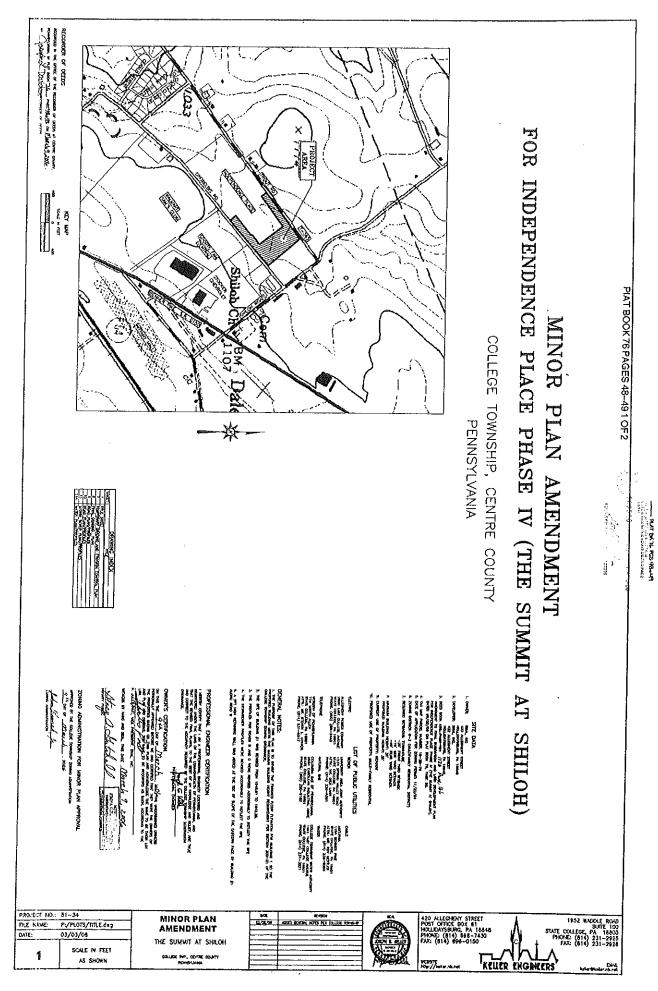


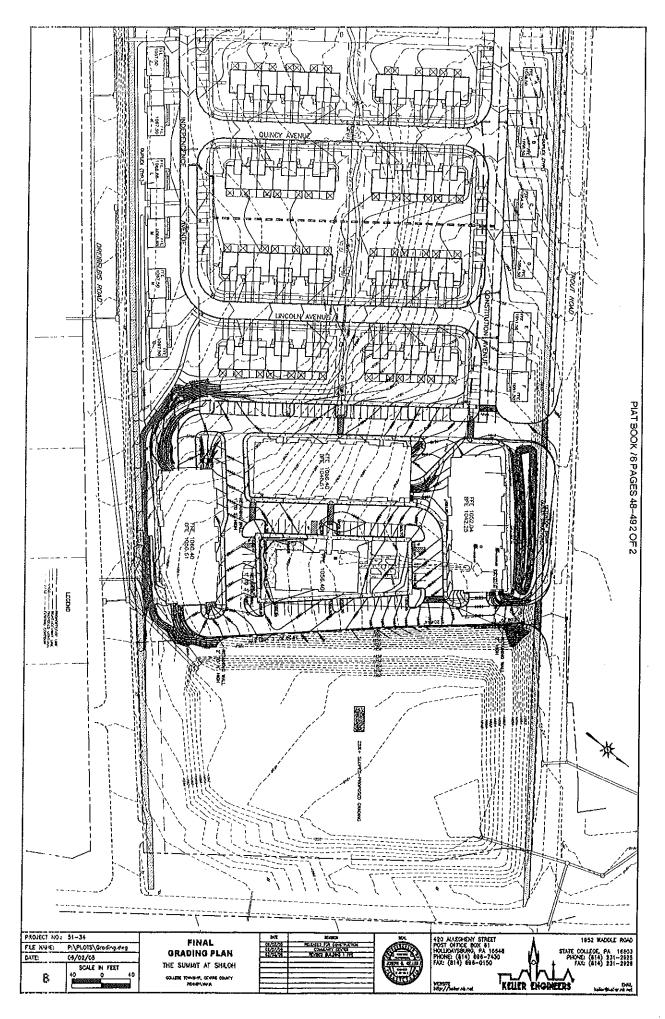


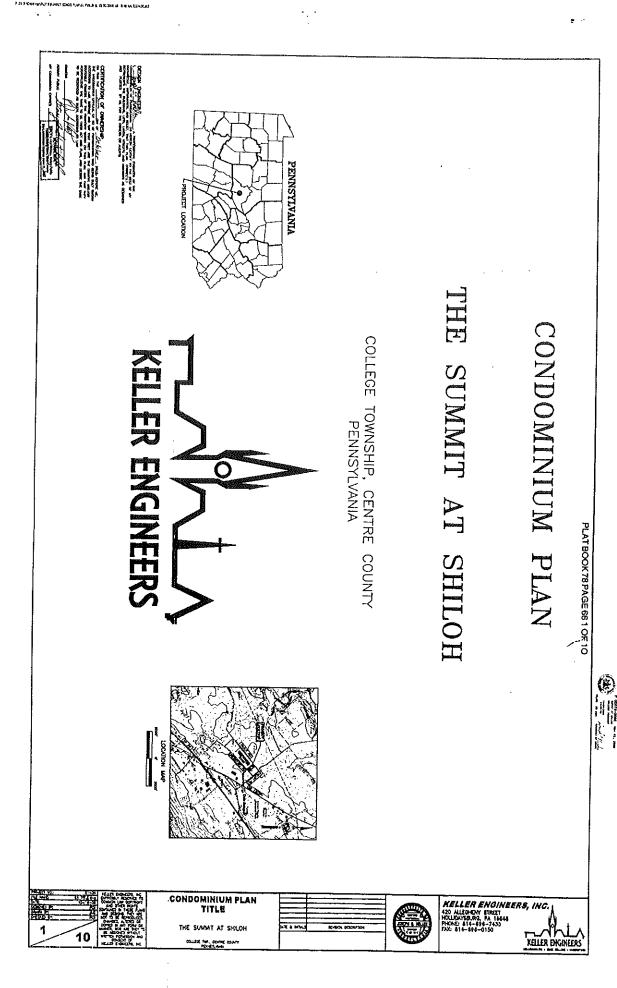




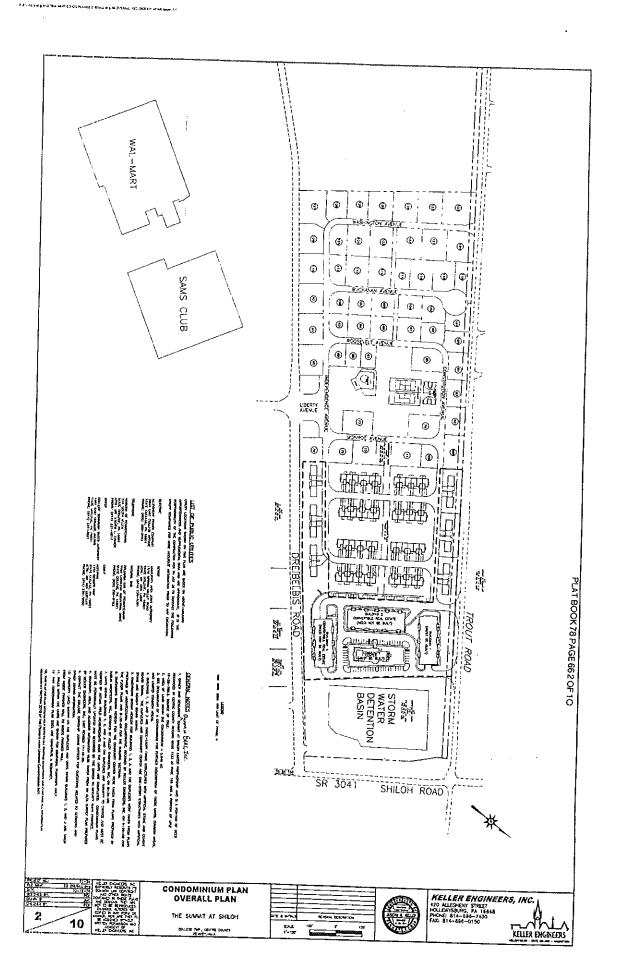


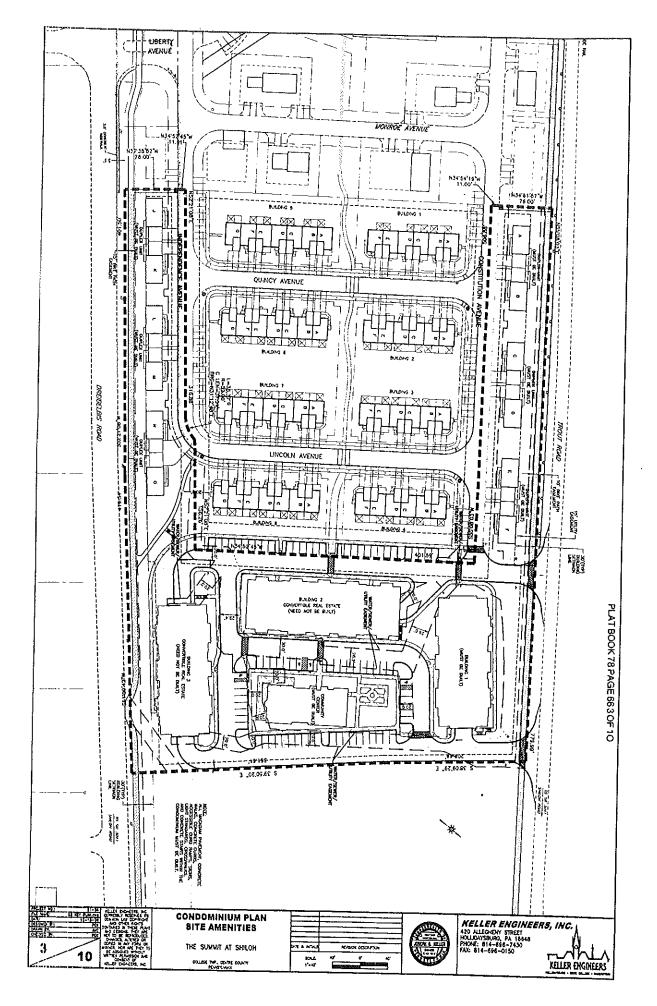


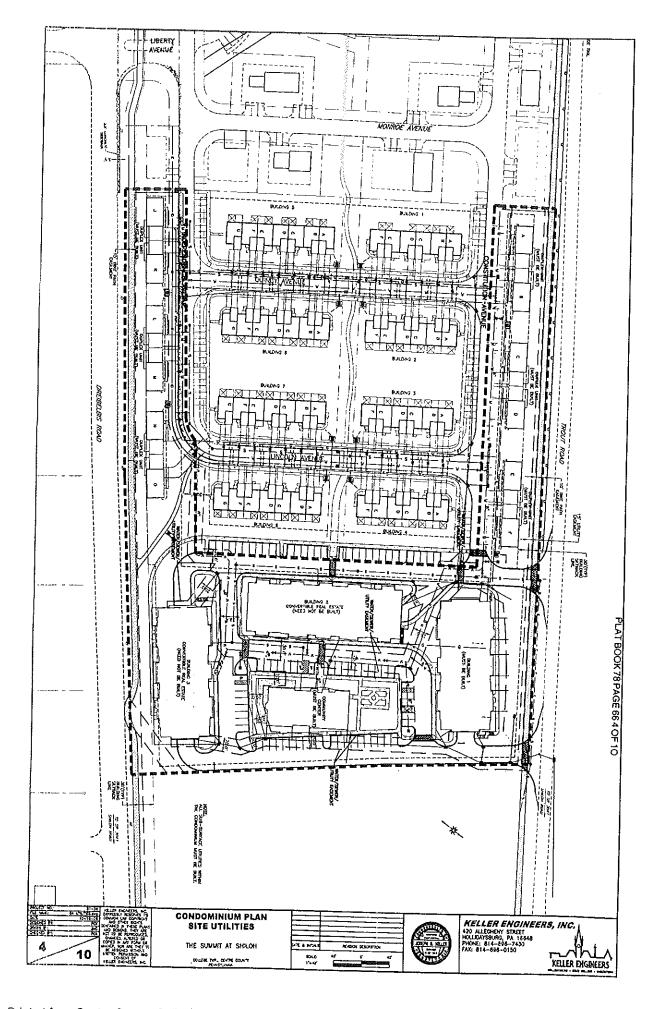


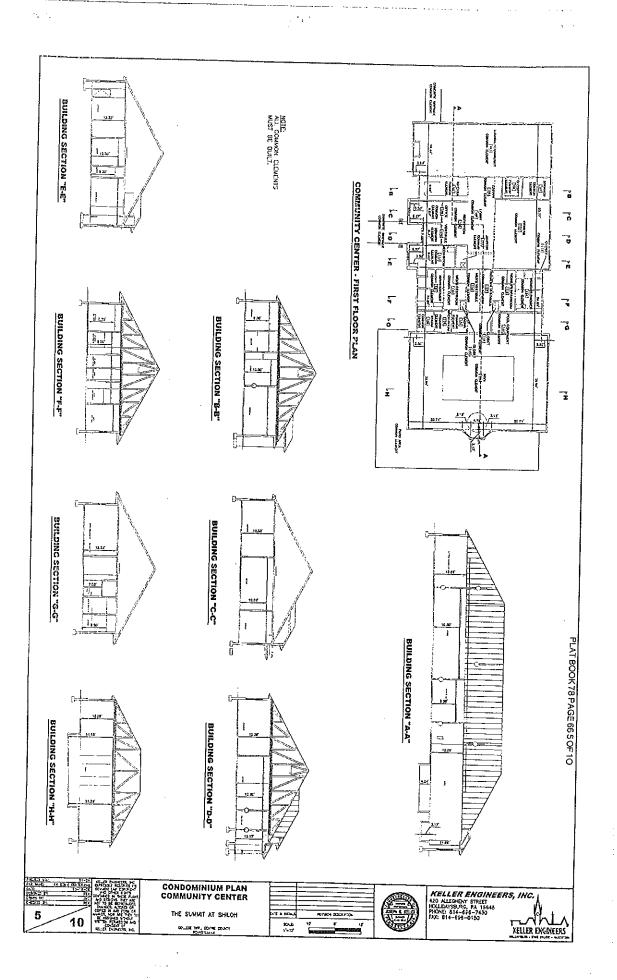


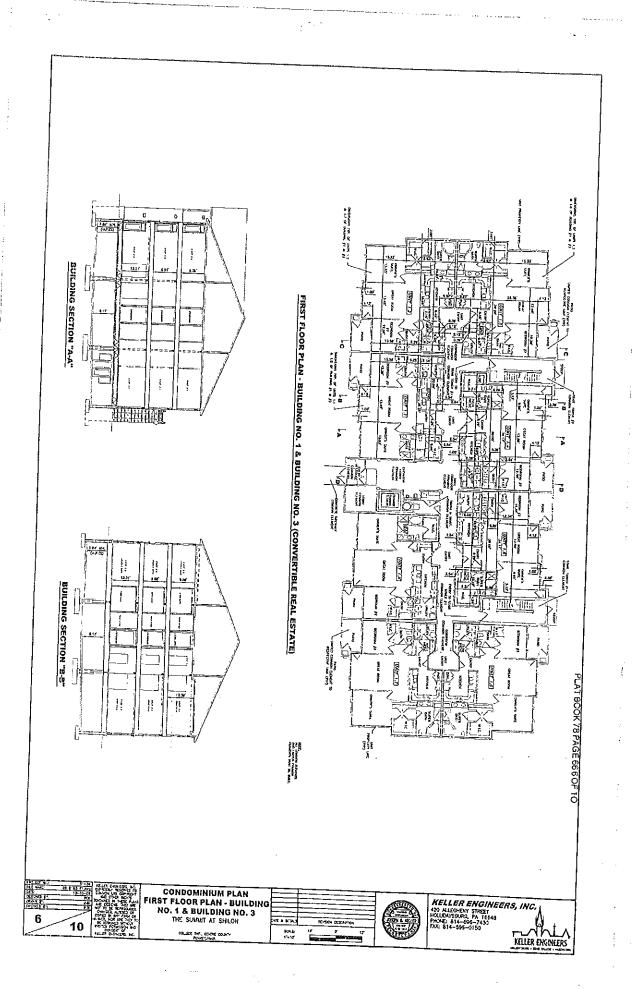
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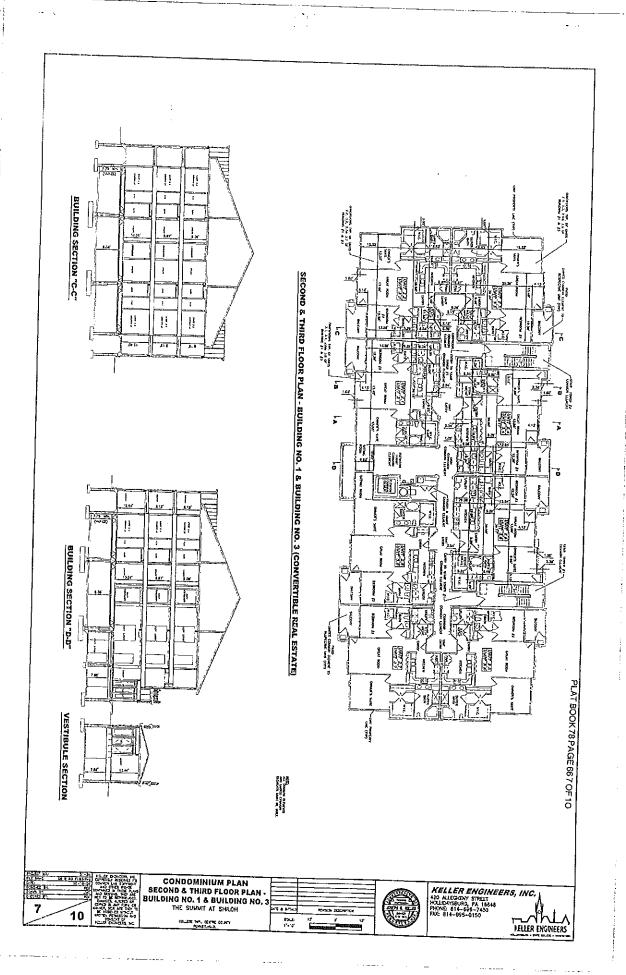


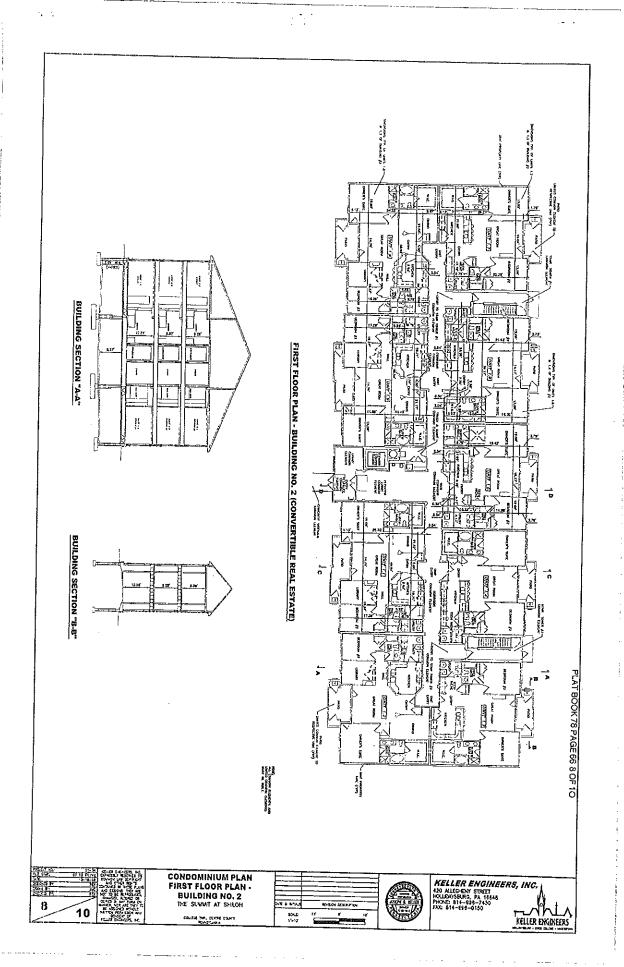


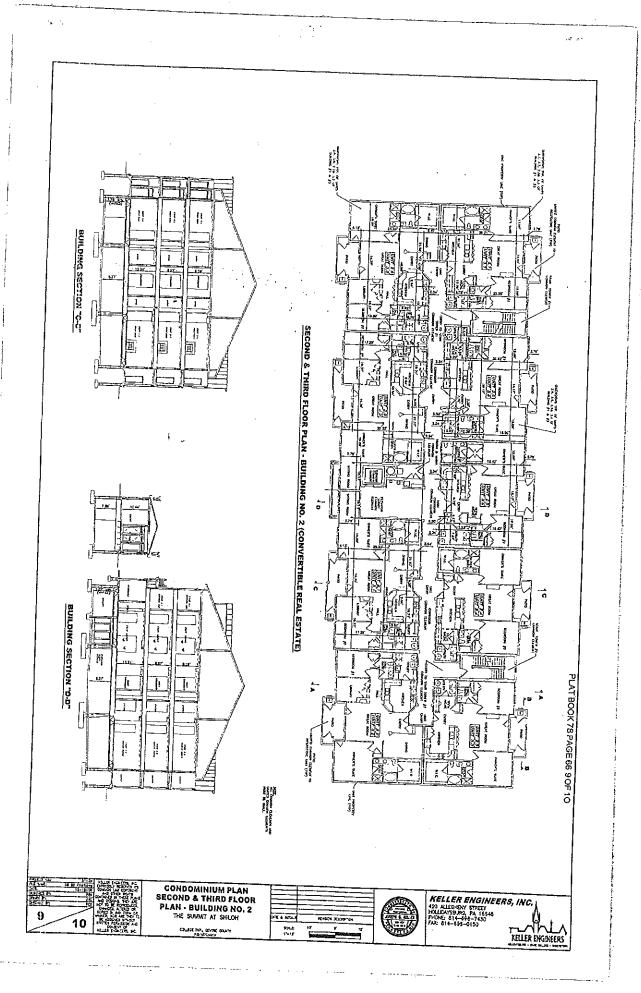


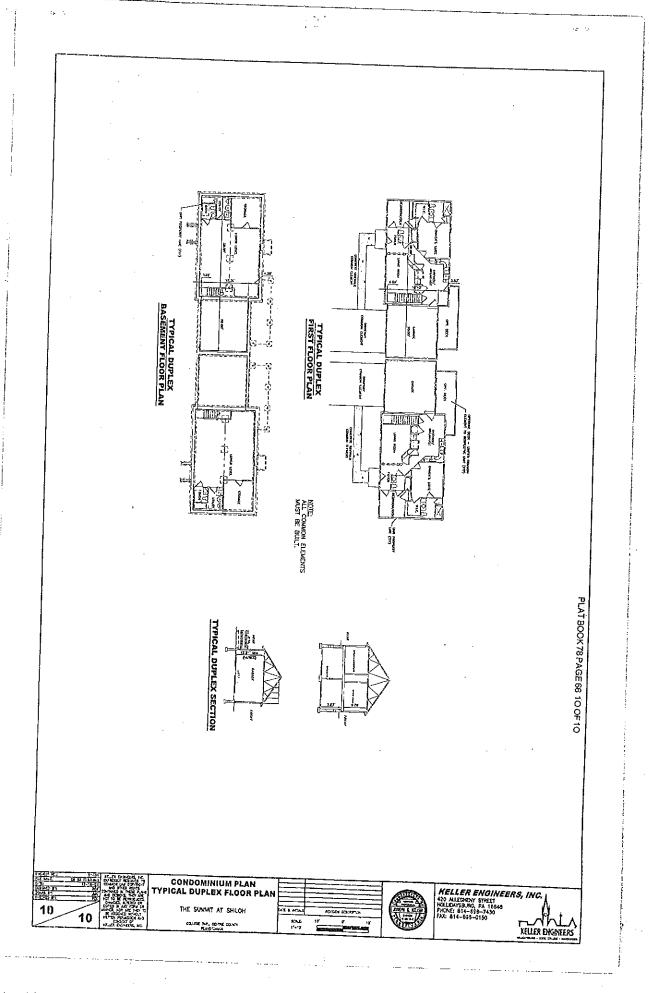












THE SUMMIT AT SHILOH CONDOMINIUMS

DECLARATION OF CONDOMINIUM

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THE SUMMIT AT SHILOH

DECLARATION OF CONDOMINIUM

ARTICLE I SUBMISSION

THE SUMMIT AT SHILOH LIMITED PARTNERSHIP, a Pennsylvania business corporation ("Declarant"), owner in fee simple of certain real estate described in Exhibit "A-1" attached hereto and made a part hereof, located in the Township of College, Centre County, Pennsylvania, hereby submits the real estate together with all easements, rights and appurtenances thereunto belonging and the buildings and improvements erected or to be erected thereon (collectively referred to as the "Property") to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pac's. § 3101 et seq. (the "Act"), and hereby creates with respect to the Property a condominium, to be known as The Summit at Shiloh Condominiums (the "Condominium").

ARTICLE II DEFINITIONS

- 2.1 Capitalized Terms. Capitalized terms not otherwise defined herein or in the Plats and Plans shall have the meanings specified or used in the Act.
- 2.2 **Defined Terms.** The following terms some of which are used or defined in general terms in the Act shall have specific meanings herein as follows:
 - (a) "Act" shall mean the Pennsylvania Uniform Condominium Act, 68 Pac's. § 3101 et seq.
 - (b) "Amendment" shall mean that amendment to the Declaration or other condominium documents made in accordance with Article XVIII hereof.
 - (c) "Association" shall mean the Unit Owners' Association of the Condominium and shall be known as the "The Summit at Shiloh Condominium Association."
 - (d) "Athletic Club" shall mean the two story building designated as the "Athletic Club" on the Plats and Plan.
 - (e) "Buildings" shall mean structures erected on the Property located as shown on the Plats and Plans, and containing the Units.

- (f) "By Laws" means such governing regulations as are adopted pursuant to the Pennsylvania Uniform Condominium Act for the regulation and management of the Property including such amendments thereof as may be adopted from time to time.
- (g) "Common Expenses" means expenditures made or liabilities incurred by or on behalf of the Association other than individual Unit Expenses and Limited Common Expenses, together with any allocation to reserves and shall include, but not be limited to debt service or other loans, refuse removal, grounds keeping and maintenance repair and replacement of Common Elements.
- (h) "Common Expense Assessment" means the liability for Common Expenses assessed to each Unit in accordance with its respective Percentage Interest.
- (i) "Common Expense Surplus" means the balance, if any, of all common charges, income, profits and revenues from the Common Elements and facilities remaining after the deduction of Common Expenses.
- (j) "Condominium" means for the purposes of this Declaration, the Buildings located on the Property wherein an individual Unit Owner in fee simple is entitled to the exclusive ownership and possession of his Unit, and being entitled to an exclusive easement for the use of the Limited Common Elements appurtenant to his Unit, and with each Unit Owner being entitled to an undivided interest in the Common Elements and facilities of the entire Property included in this Declaration.
- (k) "Condominium Documents" means the Declaration of Condominium, the By-Laws, the Declaration Plan, and the Rules and Regulations promulgated by the Executive Board from time to time, and any and all exhibits, schedules and amendments to any of them.
- (I) "Condominium Management Agreement" shall mean that certain agreement for the management of the Association between the Association and Keystone Hospitality Group, Inc., in the form attached hereto as Exhibit "A-4".
- (m) "Convertible Real Estate" means the premises described as Convertible Real Estate" on the Declaration Plan attached hereto as Exhibit A-2, so long as the Declarant's rights to create Units and Limited Common Elements therein continue to exist.
- (n) "Declarant" means the Declarant described in Article I above and all successors to any Special Declarant Rights pursuant to §3304 of the Act.
- (o) "Declaration Plan" shall mean the Plats and Plans attached hereto as Exhibit "A-2" and made a part hereof, as the same may be amended from time to time.
- (p) "Executive Board" means the board of natural individuals of the number stated in the By-Laws who are residents of the Commonwealth of Pennsylvania and, except for the initial Executive Board, the majority of which shall be Unit Owners, who

shall manage the business, operation and affairs of the Association on behalf of the Unit Owners and in compliance with and subject to the provisions of the Pennsylvania Uniform Condominium Act, and who may take title to real or personal property as agent, nominee or trustee for the Association.

- (q) "Insurance Trustee" means a lending institution in the vicinity of State College, Pennsylvania with trust powers designated by the Executive Board to receive and administer insurance proceeds as set forth in Section 15.1(n) of this Declaration.
- (r) "Limited Common Elements" means those portions of the Common Elements allocated to the exclusive use of one or more but fewer than all of the Units by the Declaration or by operation of § 3209 of the Act.
- (s) "Managing Agent" shall mean Keystone Hospitality Group, Inc, or such other party appointed to serve as the manager of the Association as provided in Paragraph 13.1 hereof.
- (t) "Multi-Family Building(s)" shall mean the Buildings designated as Building 1, and Buildings 2 and 3 (if built) on the Plats and Plan.
- (u) "Related Common Expenses" means the expenses, charges and fees associated with the maintenance, repair, replacement and use of Limited Common Elements to be borne by the owner of the Unit which is allocated or served by the Limited Common Element.
- (v) "Percentage Interest" shall mean the interest in the Common Elements appurtenant to each Unit as set forth on Exhibit A-3 attached hereto.
- (w) "Posted Mortgage" means a first mortgage to (i) the Declarant; (ii) the seller of a Unit; (iii) a bank, trust company, 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 mortgagee approved by the Executive Board. A holder of a Posted Mortgage is referred to herein as a "Posted Mortgagee."
- (x) "Person" means a natural individual, corporation, partnership, association, trustee or other legal entity.
 - (y) "Qualified Resident" means an individual who is 55 years of age or older.
- (z) "Resident" means any natural person who occupies a Unit either as an owner of such Unit or under written lease from a Unit Owner.
- (aa) "Rules and Regulations" means such Rules and Regulations as are promulgated by the Executive Board with respect to the use and enjoyment of the Property.

- (bb) "Unit" means a part of the Property designated or intended for any type of independent use, which has a direct exit to a public street or way, or to Common Element or Common Elements leading to a road or way, or to an easement or right of way leading to a public street or way, and includes the proportioned undivided interests in the Common Elements, which is assigned thereto in this Declaration or any amendments hereto or as further defined in the Act. Unit number means the number, letter or combination thereof designating a Unit in the Plats and Plans.
- (cc) "Unit Expenses" means the expenses, charges and fees associated with the maintenance, repair, replacement and use of the Unit and shall include but not be limited to electricity, water, heat, air conditioning and telephone as set forth with more particularity at Article XIV of the By-Laws.
- (dd) "Unit Purchase Agreement" shall mean and refer to that certain Agreement for the purchase of a Condominium Unit executed by the Declarant, as Seller, and each Unit Owner prior to a person acquiring title to a Unit. The rights, duties, and obligations of a Unit Owner and his heirs, successors and assigns with regard to a Unit and the Condominium Documents shall be subordinate and subject to the Unit Purchase Agreement.
- (ee) "Unit Owner" means the person or persons owning a Unit in fee simple including the Declarant.
- (ff) "Villa(s)" shall mean the Units designated as Units A, B, C, D, E, F, J, K, L, M, N, and O on the Plats and Plan.

ARTICLE III UNIT IDENTIFICATION AND BOUNDARIES; MAINTENANCE RESPONSIBILITIES

- 3.1 Plats and Plans; Units/Common Elements. The location and dimensions of the Buildings and other structures and improvements comprising the Property and the Units within Multi-Family Buildings and the Villas, the Common Elements and the Limited Common Elements of the Condominium are shown on the Plats and Plans. The initial number of Units in the Condominium shall be thirty six (36) and maximum number of Units in the Condominium, if and when constructed, shall be eighty seven (87).
- 3.2 Unit Boundaries. The title lines or boundaries of each Unit are situated as shown on the Plats and Plans and described as follows: all walls, floors, ceilings, doors and windows within or comprising part of each Unit. Each Unit shall include the items within the Unit or part of the title lines described in § 3202 of the Act which are appurtenant to the Unit, as follows:
 - a) All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, painted, finished flooring and other materials constituting any part of the finished surfaces of such boundary walls, flooring or ceilings are part of a Unit, and all other portions of such boundary walls, floors, or ceilings are part of the Common Elements.

- b) If any chute, flue, duct, wire, conduit, bearing wall, bearing columns 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 Elements.
- c) Subject to the provisions of subparagraph (b), all spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are part of the Unit.
- d) Any shutters, window boxes, balconies and terraces (including railings) and windows or other fixtures (including sills, frames and hardware) designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

There is also included within a Unit (by way of illustration and not limitation):

- a) The air space enclosed within the title lines described above;
- b) All partitions which are wholly contained within such title lines, including (but not limited to) all doors, door frames, hardware, electrical outlets and wiring, telephone outlets and conduits, and other equipment and devices in such partitions serving only such Unit;
- c) All plumbing fixtures located within such title lines and serving only such Unit, and their water and waste connections;
- d) All items of kitchen equipment located within such title lines and serving only such Unit, and such equipment's water, waste and electrical connections;
- e) Exhaust fans and grills, registers, ventilation ducts and related fixtures which serve only such Unit, whether or not any of the forgoing is located in any portion of the Common Elements;
- f) Lighting devices (including, by way of illustration, and not limitation, lamps and bulbs which are surface mounted on, recessed in, or suspended from, ceilings, walls and partitions within or on the perimeter of such Unit) serving only such Unit whether or not such lighting devices are themselves located entirely within the title lines of such Unit;
- g) Outlets, wires, cables, conduits, circuits and related equipment transmitting electricity for lighting and power or transmitting impulses and signals (including but not limited to, impulses and signals for telephone, internet and television transmission, except to the extent otherwise specifically provided herein) which serve only such Unit and which are located entirely within the title lines of such Unit.

- h) Surface-mounted and recessed medicine cabinets (including by way of illustration and not limitation, all associated lighting fixtures and accessories).
- i) Refrigerators, ranges, dishwashers, clothes washers and dryers, garbage disposal units and other appliances (if any) and the portions of their water waste, electrical and exhaust connections located within such title lines and serving only such Unit.

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 outside the title lines of a Unit shall be deemed to be a part of such Unit.

- 3.3 Maintenance Responsibilities. Notwithstanding the ownership of the various portions of the Common Elements and the Units by virtue of the foregoing boundary descriptions, the Units and Common Elements shall be maintained and repaired by each Unit Owner and by the Association in accordance with the provisions of § 3307 of the Act, except as expressly set forth to the contrary herein. All expenses associated with the lawn care and maintenance of the landscaping shall be assessed as a Common Expense. All snow removal and the maintenance, repair and replacement of the parking areas, driveways and sidewalks and other expenses associated with the Limited Common Elements shall be assessed as a Related Common Expense allocated to the Unit or Units to which such Related Common Expenses were assigned at the time the expense was incurred and in the same proportion as the respective Percentage Interest of all such Units. All ordinary maintenance and repair of the Limited Common Elements shall be the responsibility of the Association.
- 3.4 Relocation of Unit Boundaries; Subdivision and Conversion of Units. Subject to Section 7.2, relocation of boundaries between Units and subdivision or conversion of Units will be permitted, subject to compliance with the provisions therefor in §§ 3214 and 3215 of the Act. Subdivisions of Units by the Declarant pursuant to § 3215(c) of the Act may not result in any additional Units. Declarant shall have the express right to reconfigure the boundaries of any Unit, provided that such reconfiguration does not increase the size of any Unit by more than ten (10%) percent.
- 3.5 Alteration of Units. Subject to requirements of law and to applicable Rules and Regulations, a Unit Owner:
 - a) May make any improvements or alterations to his Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Buildings;
 - b) 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;
 - c) After acquiring an adjoining Unit or an adjoining part of an adjoining Unit (adjacent above or below), 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 paragraph is not an alteration of boundaries.

- d) Shall refrain from making any alteration that will adversely affect either the fire retardant or sound absorption quality of the Buildings or violate any applicable law, ordinance or governmental rule, regulation or order.
- e) Shall obtain the approval of the Executive Board (which approval shall not be unreasonably withheld or delayed) for any alteration to the buildings prior to the commencement of any such alteration, subject to exemptions pursuant to the Rules and Regulations.
- f) Shall expeditiously complete all alterations: (i) in accordance with the plans and specifications therefor which have been prepared at such Unit Owner's expense and which have been approved by the Executive Board prior to the commencement of such alterations, if required; and (ii) without incurring any mechanic's or materialmen's liens.
- g) Shall pay all costs and expenses incurred in connection with the Executive Board's review, execution and recording of any amendment to the Declaration (including the Plats and Plans) needed in order to reflect the condition of the Buildings after completion of such alterations, which amendment shall be recorded by the Executive Board if such amendment conforms to the requirements of the Act and if such amendment is approved in writing by all Owners of all Units, the appearances of which on such amendment differ from their respective appearances on the Plats and Plans prior to such amendment, and such amendment shall not require any additional authorization or approval, notwithstanding anything contained elsewhere in this Declaration to the contrary.
- h) Shall not permit installation, removal, reconstruction or repair of any electrical lighting, signal transmission and/or power circuit or electric outlet box or terminal device included in such outlet box, or any items of heating or air conditioning equipment, or any ventilation or exhaust duct or related equipment, any of which is located within an interior partition of a Unit or within the ceiling above a Unit, until after application has been made to and written approval has been received from the Executive Board. Such approval shall be granted only if the work performed shall be of similar or superior quality to that then prevailing in the Buildings and shall be performed by qualified personnel. The cost of such installation, removal, reconstruction or repair, whether undertaken by a Unit Owner or by the Association (under procedures which may be established by the Executive Board) shall be borne by the Unit Owner of the Unit benefited thereby.

ARTICLE IV

IDENTIFICATION OF UNITS; ALLOCATION OF VOTES, COMMON ELEMENT INTERESTS AND COMMON EXPENSE LIABILITIES

Attached as Exhibit "A-3" hereto is a list of all Units by their identifying numbers and the Percentage Interest appurtenant to each Unit. The Condominium consists of Units for residential use. The Percentage Interest assigned to each Unit is a fraction, the numerator of which is the "factor value" of the particular Unit and the denominator of which is the aggregate factor values of all Units located within the Condominium. The factor value of each Unit within the Mulit-Family Buildings is based on the square footage of the particular Unit. The factor value of each Villa Units is based upon the square footage of the ground floor (1,000 square feet), plus 50% of the square footage of the basement level (500 square feet).

All Common Expenses will be allocated between the Units on the basis of their respective Percentage Interests. Notwithstanding the foregoing, each Unit will have one (1) vote with respect to all matters coming before the Association.

ARTICLE V DESCRIPTION, ALLOCATION AND RESTRICTION OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

- 5.1 Limited Common Elements. The following portions of the Common Elements are designated as Limited Common Elements assigned to the Units as stated:
 - a) If a chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column or other fixture lies partially within and partially outside the designated boundaries of a Unit, the portion serving only the Unit is a Limited Common Element, allocated solely to that Unit, the use of which is limited to that Unit and any portion serving more than one Unit or a portion of the Common Elements is part of the Common Elements.
 - b) Any balconies, terraces, patios, exterior doors, windows or shutters, or other fixtures or amenities designated to serve a single Unit, located outside the boundaries of the Unit, are Limited Common Elements allocated exclusively to the Unit and their use is limited.
 - c) Stoops, steps and walls above door openings at the entrances to each buildings, which provide access to less than all Units, the use of which is limited to the Units to which they provide access, are Limited Common Elements allocated exclusively to the Units to which they provide access.
 - d) Elevators, hallways and stairways within the Multi-Family Buildings are Limited Common Elements allocated exclusively to the Units within the Multi-Family Building in which they are located.

- e) Attic space above each Unit that has an attic, the use of which is limited to the Unit beneath are Limited Common Elements allocated exclusively to the Units to which they are accessible.
- f) Driveways leading to Villa Units are Limited Common Elements allocated to the exclusive use of Units served by such driveways. Parking areas adjacent to Buildings 1, 2 and 3 (if built) are Limited Common Elements allocated to the exclusive use of the Building served by such parking area.
- g) Landscaped areas adjacent to the Villa Units are Limited Common Elements allocated to the exclusive use of Units appurtenant to such landscaped areas. Landscaped areas adjacent to Buildings 1, 2 (if built) and 3 (if built) are Limited Common Elements allocated to the exclusive use of the Building(s) appurtenant to such landscaped areas.
- h) The Declarant reserves the right to assign parking spaces located beneath the Multi-Family Buildings as Limited Common Elements for the exclusive use of certain Unit Owners to whose Units these parking spaces shall become appurtenant. The Declarant may assign such a Common Element as a Limited Common Element pursuant to the provisions of §3209 of the Act by making such an assignment in a written instrument of assignment or in the Deed to the Unit to which such parking space shall be appurtenant or by recording an appropriate amendment to this Declaration. Parking spaces allocated hereunder may not be severed from the Condominium Units to which they become appurtenant. After the Declarant no longer owns any Unit, the aforesaid rights of assignment shall vest in the Executive Board.
- 5.2 Allocation of Limited Expense Liability. Except as set forth in Section 3.3 above, Limited Common Elements shall be maintained and repaired by the Association and the costs of such maintenance and repair shall be apportioned among the Unit or Units served by such Limited Common Elements, as provided in Section 3314(c) of the Act.
- 5.3 Reserved Common Elements. Reserved Common Elements are those parts of the Common Elements which the Executive Board may designate from time to time for use by less than all of the Unit Owners or by non-owners of any Units for specified periods of time or by only those persons paying fees or satisfying other reasonable conditions for use as may be established by the Executive Board.

ARTICLE VI EASEMENTS AND RESTRICTIONS

In addition to and in supplementation of the easements provided for in § 3216, 3217 and 3218 of the Act, the following easements and restrictions are hereby created:

6.1 Utility Easements. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant (during any period in which there are any unsold

units) and the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this Section 6.1 shall include, without limitation, rights of Declarant, or the providing utility or service company, or governmental agency or authority 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), electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 6.1, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located within substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

- 6.2 Access. The Units and the Limited Common Elements are hereby made subject to the following easements:
 - (a) In favor of the Association and its agents, employees and independent contractors, (i) 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, (ii) for inspection, maintenance, repair and replacement of the Common Elements or Limited Common Elements situated in or accessible from such Units or Limited Common Elements, or both, and (iii) 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, it being understood and agreed that the Association and its agents, employees and independent contractors shall take reasonable steps to minimize any interference with a Unit Owner's use of his Unit resulting from the Association's exercise of any rights it may have pursuant to this Section; and
 - (b) In favor of the Unit Owner benefited thereby and the Association and its agents, employees and independent contractors for the installation, repair, maintenance, use removal and/or and replacement of pipes, ducts, electrical, telephone, telegraph or other communication systems and all other utility lines and conduits which are part of the Common Elements and which pass across or through a portion of one or more Units.
- 6.3 Easement for Use of Athletic Club. Each Unit Owner and each person lawfully residing within any Unit is hereby granted a non-exclusive, perpetual right and easement of access to and enjoyment in common with others of the amenities and recreational facilities constituting the Athletic Club, subject to the right of the Association to adopt rules and regulations governing the use thereof.
- 6.4 Structural Support. To the extent necessary, each Unit shall have an easement for structural support over every other Unit in the Condominium and the 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 Condominium and other Common Elements.

- 6.5 **Rights of the Association**. In addition to any other rights and powers that the Association may possess pursuant to this Declaration, the Bylaw, the Rules and Regulations and the Act, as they may be amended from time to time, the Association shall have:
 - (a) The right to grant permits, licenses and easements over the Common Elements for utilities and other purposes reasonable necessary or useful for the proper maintenance or operation of the Condominium; and
 - (b) A reasonable right of entry into any Unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance or operation of the Condominium. Each Unit Owner shall furnish the Association with a set of keys necessary to gain access to his Unit in the exercise of such rights at the time any locks are changed or installed in the doors to such Unit. The Association shall maintain appropriate security measures to prevent access to such keys by unauthorized persons. The Association shall also have the right (but not the obligation), at its election, to install security locks on doors leading to any Building and to issue copies of keys or entry cards to all Unit Owners requiring access to such areas. The Association is empowered to charge Unit Owners a reasonable fee for the cost of such security cards or keys.
- 6.6 **Declarant's Easement to Correct Drainage**. Declarant reserves an easement on, over and under those portions of the Common Elements not located within any Building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Section 6.3 expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Declarant shall use its best efforts to restore the affected property as closely to its original condition as practicable.
- 6.7 Easement for Unintentional and Non-Negligent Encroachments. If a Unit shall encroach upon any Common Element or upon any other Unit, by reason of the original construction or by the non-purposeful or non-negligent act of the Unit Owner or Declarant, then an easement appurtenant to such encroaching Unit to the extent of such encroachment shall exist. If any Common Element or Limited Common Element shall encroach upon any Unit by reason of the original construction or the non-purposeful or non-negligent act of the Association or the Declarant, then an easement appurtenant to such Common Element or Limited Common Element to the extent of such encroachment shall exist so long as such encroachment shall exist.
- 6.8 Declarant's Use for Sales Purposes. Declarant shall have the right to maintain models, management offices and sales offices on the Property and to relocate such models, management offices and sales offices from time to time anywhere within the Property. The models, management offices and sales offices shall be in Units owned by the Declarant and not within the Common Elements. Such model Units shall not exceed one (1) model for each type of Unit. The size of each such model shall be size of the Unit which is the model. In addition to the models maintained by the Declarant, Declarant shall have the right to maintain a single office for sales and/or management purposes. Such sales or management office may not exceed the size of the largest Unit in the Condominium.

6.9 Additional Easements. The Declarant (during any period in which there are any unsold Units) and the Association each shall have the right to grant such additional electric, telephone, drainage, irrigation, sprinkler, cable television or other utility or service easements the Declarant shall have the right, with the consent of the Association, to relocate any existing utility or service easements in any portion of the Condominium or Property, and to grant such access easements as the Declarant deems necessary for the proper operation and maintenance of the improvements or any portion thereof, or for the health and safety of the Unit owners, or for the purpose of carrying out any provisions of this Declaration; provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the use of the Units for dwelling purposes.

ARTICLE VII USES, PURPOSES AND RESTRICTIONS

- 7.1 Use and Occupancy of Units and Common Elements. The uses of the Property and the purposes for which the Buildings and each of the Units therein, the Common Elements and the Limited Common Elements are intended shall be in accordance with the following provisions:
 - (a) **Subdivision.** No Unit may be divided or subdivided into a smaller unit. Any Unit may be added to or incorporated into another unit; provided that such combination of Units must be approved in writing by the Executive Board.
 - (b) Structural Integrity, Combination of Units. Nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of the Building or which will structurally change the Building. Additionally, all requirements set forth in §§ 3213 and 3215 of the Act and in Article XIII of the By-Laws and the Executive Board must be satisfied.
 - (i) Subject to the foregoing, two or more Units may be combined and doors, windows, stairways or other openings established between such Units with the written consent of the Executive Board subject to the following:

The percentage of undivided interests appertaining to any such combined Units shall be the sum of the percentages of the individual Units so combined;

All work done in combining such Units shall be at the sole cost and liability of the Unit Owner carrying out such work;

The work shall be subject to all the requirements of the By-Laws and shall be carried out in a manner so as not to interfere with the use and enjoyment of the Common Elements on the other Units by the Unit Owners or Residents; and

Provided the conditions of this Article VII are satisfied, the required amendments to this Declaration and to the Declaration Plan will be made, the reasonable legal fees and recording costs therefor to be assessed against and borne by the Unit Owner(s) requesting such amendment.

- (ii) Interior partitions or walls may be moved in accordance with this Declaration or openings may be made thereto at the sole risk and expense of then Unit Owner and subject to this Declaration and the By-Laws and approval of the Executive Board.
- (c) Use of Common Elements. The Common Elements shall be used only for the furnishing of the services or facilities for which they are reasonably suited and which are incidents of the use and occupancy of the Units.
- (d) Maintenance and Repair of Common Elements. The maintenance and repair of Common Elements and the making of additions or improvements thereto shall be carried out only as provided under the By-Laws and this Declaration, established and adopted pursuant to the provisions of § 3307 of the Act and of this Declaration which shall be recorded and as the same may be duly amended from time to time.
- (e) Reserve Funds. The Executive Board shall have the power to create contingency reserve funds which funds shall be used for the benefit of Unit Owners and to assess the Unit Owners for contributions to the contingency reserve funds in accordance with their percentage of ownership of the Common Elements.
- 7.2 **General Use Restrictions.** The Property shall be subject to the following use restrictions:
 - (a) Residential Use. Except as expressly set forth herein, Units shall be used for residential purposes only, and no part of a Unit shall be used or caused, allowed, or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other nonresidential purpose.
 - (b) **Declarant's Use.** The Declarant shall have the irrevocable right to use its Units for sales or administrative purposes, until it has conveyed title to the last Unit. This right shall not be subject to amendment or modification by the Unit Owners.
 - (c) Aesthetics. Each Unit Owner shall maintain the interior of his Unit in good condition, order and repair, at his own expense. No Unit Owner may paint, decorate or otherwise alter or modify in any way the outside of his Unit, or install outside of his Unit any canopy, awning, covering, radio or television antenna, including any satellite receiver, dish or structure, or addition of any kind whatsoever without prior written consent of the Executive Board.
 - (d) **Displays, Hanging Objects.** Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of any of the Buildings and no sign, awning, canopies, shutters, or radio or television antennas

shall be fixed or placed upon the exterior walls or roofs or any part thereof without the prior written consent of the Executive Board; provided, however, until such time as it has conveyed title to the last Unit, the Declarant shall have the irrevocable right to display signs pertaining to the sale of the Units within or on the outside of the Buildings, and this right shall be not subject to amendment by the Unit Owners.

- (e) **Pets.** Upon moving in to a Unit, each Unit owner may keep within each Unit no more than two (2) prior owned domestic animals such as a dog, cat or bird. No new pets may be brought into a Unit after occupancy. Except as set forth above, no animals of any kind shall be raised, bred or kept in a Unit or in the Common Elements or elsewhere on the Property.
- (f) Offensive Activities. No noxious or offensive activity shall be carried on in any Unit or elsewhere on the Property nor shall anything be done therein either willfully or negligently which may or become an annoyance or nuisance to the other Unit Owners or Residents.
- (g) Exposure of Objects. No clothing, sheets, blankets, articles of any kind or any other articles may be hung or exposed in or on any part of the Common Elements or Limited Common Elements.
- (h) Insurance. Without the prior written consent of the Executive Board, nothing shall be done or kept in any Unit or elsewhere on the Property which will increase the rate of insurance of the Buildings or the contents thereof beyond the normal rates applicable for its use. No Unit Owner shall permit anything to be done or kept in his Unit or elsewhere on the Property which would result in the cancellation of insurance on any portion of the Building or the contents thereof, or which will be in violation of any law. No refuse shall be permitted in the Common Elements or Limited Common Elements, except for trash containers placed outside of the Units no more than twenty-four (24) hours prior to the scheduled pick-up. There shall be no obstruction of the Common Elements or Limited Common Elements, nor shall anything be stored in those areas without the prior written consent of the Executive Board except as herein expressly provided.
- (i) **Refuse.** All refuse shall be placed in designated trash chutes for transport to a common dumpster area. Other than as stated above, no refuse may be placed in the common areas for any period of time.
- (j) Electricity. No one may overload the electrical wiring of the Buildings or operate any machinery, appliance, accessories or equipment in such manner as to cause, in the judgment of the Executive Board, an unreasonable disturbance. This restriction includes the operation of high speed machinery or radio devices which disturbs television reception.
- (k) Parking Areas. Except for motor vehicles of the type normally used for personal, daily transportation, no vehicles or other property including, but not limited to,

motor homes, trailers, boats, dump trucks or heavy commercial vehicles may be parked or stored in driveways or parking areas.

- (I) Temporary Structures. No trailer, tent, storage shack or other temporary structure may be maintained on the Property, other than what has been or shall be con-structed on the Property by the Declarant as set forth in the Declaration Plan.
- (m) Fences and Clotheslines. There shall be no fences, walls or similar structures erected or maintained on the Property, except as placed by the Declarant in its sole discretion or permitted by the Executive Board. There shall be no outside clotheslines permitted on the Property.
- (n) Use of Common Elements. The Common Elements or common areas may be used by all Unit Owners and/or their tenants, assigns, successors in interest, family members, guests, and invitees, subject to the By-Laws, Rules and Regulations and such further Rules and Regulations as may be established from time to time by the Executive Board. Each Unit Owner may use the Common Elements in accordance with the purposes for which the Common Elements are intended without hindering or encroaching upon the lawful rights of other Unit Owners, and subject to the provisions hereof, the By-laws, and Rules and Regulations of the Executive Board.
- (o) Access to Public Roads. Under no circumstances shall any Unit Owner's right of ingress or egress or right of access to and from any public area, public roads or over Common Elements, Common Areas and lands be impaired where the same has been designated for such use on the Declaration Plan.
- (p) Powers of the Executive Board The Executive Board shall have the power to make such rules and regulations as may be necessary to carry out the intent of these restrictions, and shall have the right to bring suit to enforce the provisions of this Declaration, the By-Laws and the rules and regulations promulgated by the Executive Board. The Executive Board shall further have the right to levy fines for violations of the provisions of this Declaration, the By-Laws and the rules and regulations promulgated by the Executive Board; provided, however, that prior to levying any such fines, the Executive Board shall first notify the Unit Owner and, at his request, afford such Unit Owner an opportunity to be heard regarding the imposition of such fine. Any Unit Owner determined to be in violation of this Declaration, the By-Laws and rules and regulations promulgated by the Executive Board shall pay all attorney's fees and costs incurred by the Executive Board in the enforcement of the same against the Unit Owner and any fine levied by the Executive Board, provided that the fine for a single violation may not, under any circumstances, exceed \$100.00. For each day a violation continues after notice, it shall be considered a separate violation. Any fine so levied is to be considered as a Common Expense to be levied against a particular Unit Owner involved, and collection may be enforced by the Executive Board in the same manner as the Executive Board is entitled to enforce collections of Common Expense.
- 7.3 Permissible Class of Owners and Occupants. With the exception of a single Unit to be used by a resident manager or engineer, the Units are intended for occupancy by at least one

(1) person 55 years of age or older per Unit (herein defined as a "Qualified Resident"). While Units may be owned by any natural person, each Unit owner must be or designate and provide at least one (1) Qualified Resident to reside in the Unit for regular and continuous occupancy throughout the period of Unit ownership. No children under the age of nineteen (19) may permanently occupy any Unit. Visitors (including children) may occupy a Unit for a period not exceeding thirty (30) consecutive days for a maximum of sixty (60) days in any calendar year, subject to the right of the Executive Board to extend such period under extraordinary circumstances.

ARTICLE VIII LEASES AND CONVEYANCES

- 8.1 Leasing. The Declarant may lease any Units owned by it at any time provided that the lease shall not extend for a term greater than one (1) year. Unit Owners other than the Declarant may lease a Unit to a third party for a period not exceeding six (6) months during any calendar year.
- 8.2 Conveyances, Sales and Transfers. Prior to any sale, transfer or conveyance of a Unit, the Unit Owner shall furnish to the purchaser a copy of this Declaration, the By-Laws and Rules and Regulations of the Association and a certificate containing the information required under § 3707 (a) of the Act. The Association, within ten (10) days after a request from a Unit owner, shall furnish a certificate containing the information necessary to enable the Unit owner to comply with § 3407 (1) of the Act.

In the case of the death of the owner of the Unit, the surviving spouse and or other person designated by will or operation of law to receive title shall remain subject to all provisions of this Declaration..

The foregoing provisions of this Section 8.2 shall not apply to a transfer to or purchase by an institutional mortgagee that acquires its title as a result of owning a mortgage upon the Unit concerned, and this shall be so whether the title is acquired by deed from the mortgagor, his successors or assigns, or through foreclosure proceedings. The assignee or successor of a mortgage originally given to an institutional mortgagee shall enjoy the same rights, immunities and privileges as are herein granted to the said institutional mortgagee

ARTICLE IX MORTGAGES

9.1 Posted Mortgages. A Unit Owner may not voluntarily encumber or subject his or its Unit to any lien, other than a lien of a Posted Mortgage. Whether or not they expressly so state, all such Posted Mortgages and the obligations secured thereby shall be deemed to provide, generally, that the Posted Mortgage, 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 Posted Mortgagee shall have no right (a) to participate in the adjustment of losses with insurers or in the decision (b) to accelerate the mortgage debt or to have any other remedies by virtue of waste or alleged waste or other

conditions occurring anywhere 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. No Unit Owner shall deliver any Posted Mortgage, or any obligation to be secured thereby, unless it has first notified the Executive Board of the name and address of the proposed Posted Mortgagee and of the amount of debt proposed to be so secured. When such a Posted Mortgage is delivered to the Posted Mortgagee, the Unit Owner shall simultaneously provide executed or conformed copies to the Executive Board. Upon receipt of such copy of a Posted Mortgage, the Secretary of the Executive Board shall instruct the insurer of the Property to add the name of the Posted Mortgagee to the mortgagee loss payable provision of the hazard insurance policy covering the property and to provide such Posted Mortgagee with a certificate of Insurance showing that the Posted Mortgagee's name has been so added. The lien of any proposed mortgage which does not comply with all of the requirements of this Article shall not attach to or affect the Property or any part thereof or interest therein and shall be of no force or effect as to and to the extent that it purposes to relate thereto. The Secretary shall maintain a register of such Posted Mortgages, showing the names and addresses of the Posted Mortgagees.

ARTICLE X RIGHTS OF POSTED MORTGAGES

- 10.1 Reports and Notices. Upon the specific written request of a holder of a Posted Mortgage or its services, insurer, guarantor (all of whom are deemed to be Posted Mortgagees for purposes of notices and rights to information) to the Executive Board, the Posted Mortgagee shall be entitled to receive some or all of the following as designated in the request:
 - (a) Copies of the current Declaration, Bylaws, and Rules and Regulations and 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 Posted Mortgagee.
 - (b) Any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Unit Owners;
 - (c) Copies of notices of meetings of the Unit Owners and the right to designate a representative to attend such meetings;
 - (d) Notices of the decision of the Association to make any material amendment to this Declaration or to take any other action which requires the consent of a specific percentage of Posted Mortgagees;
 - (e) Notice of damage to or destruction of any Unencumbered by a Posted Mortgage held by the requesting Posted Mortgagee or any material part of the Common Elements;
 - (f) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any of the Property;

- (g) Notice of any default by the owner of the Unit which is subject to the Posted Mortgage, where such default is not cured by the Unit Owner within sixty (60) days after the giving of notice by the Association to the Unit Owner of the existence of the default;
- (h) The right to examine the books and records of the Association at any reasonable time;
- (i) Notice of any decision by the Executive Board or the Association to terminate professional management and assume self-management of the property; or
- (j) Notice of lapse, cancellation or material modification of any Association insurance policies.

The Executive Board may impose charges on Unit Owners for performance of the services described in this Section 10.1.

- 10.2 Content of Request. The request of a Posted Mortgagee or its servicer shall specify which of the above items it desires to receive and shall indicate the address to which any notice or documents shall be sent by the Executive Board. The Executive Board need not inquire into the validity of any request made by a Posted Mortgagee hereunder.
- 10.3 **Non-Compliance.** Failure to comply with the requirements set forth herein or in the By-Laws or rules and regulations shall in no way invalidate otherwise proper actions of the Association and the Executive Board.

ARTICLE XI REAL ESTATE TAXES

11.1 Real Estate Taxes. It is understood that real estate taxes are to be separately assessed and taxed to each Unit for his Unit and its corresponding Percentage Interest in the Common Elements, as provided in the Act. For the year in which this Declaration is first recorded, real estate taxes shall be apportioned between the Declarant and each Unit Owner on a calendar year basis. In the event the real estate taxes for any year are not separately assessed against each Unit Owner, but rather are assessed against the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective Percentage Interest in the Common Elements and, in said event, such taxes shall be a Common Expense. The Executive Board shall have the authority to advance Association funds in payment of all or a portion of such taxes pending receipt from the respective Unit Owners of their proportionate share thereof.

ARTICLE XII POWERS OF THE EXECUTIVE BOARD

12.1 Additional Powers. In addition to the powers set forth in the Act and elsewhere herein, the Executive Board shall have the following additional powers:

- (a) To appoint committees of the Board (which need not include any Board Members) and to delegate to such committees the Executive Board's authority to carry out certain duties of the Board, subject to the approval and control of the Board;
- (b) To engage the services of a manager or managing agent, who may be any person, firm or corporation, upon such terms and compensation as the Executive Board deems fit, and to remove the manager or managing agent at any time, provided that with the exception of the Management Agreement to be entered into with Keystone Hospitality Group, Inc. as set forth in Section 13.1 hereof, any agreement with such manager or managing agent shall extend for not more than one (1) year and must be terminable by either party to such agreement without cause and without payment of a termination fee, upon ninety (90) days' or less prior written notice.
- (c) To engage the services of any persons (including, but not limited to, accountants and attorneys) deemed necessary by the Executive Board at such compensation as is deemed reasonable by the Executive Board, in the operation, repair, maintenance and management of the Condominium, or in connection with any duty, responsibility or right of the Executive Board and to remove, at any time, any such personnel;
- (d) To pay any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Property or any part thereof which may in the opinion of the Executive Board constitute a lien against the Property or against the Common Elements, rather than merely against the interest therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, then they shall be jointly and several liable for the cost of discharging it and any costs incurred by the Executive Board by reason of said lien or liens shall be specially assessed to said Unit Owners.
- (e) To expend funds for the maintenance and repair of any Unit or any other portion of the Property which a Unit Owner is obligated to maintain or repair under the terms hereof, if such maintenance or repair is necessary, in the discretion of the Executive Board, to protect the Common Elements, or any other portion of the Property, and the owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Executive Board to said Unit Owner, provided that the Executive Board shall levy a special assessment against such Unit for the cost of said maintenance or repair.
- (f) To establish user charges with respect to the swimming pool, health club, meeting room and other amenities. Such charges shall be billed to the Unit Owner who, or whose guest, makes use of such facilities. Nothing herein contained shall require the establishment of user charges with respect to all or any one or more of such amenities. Use of all such amenities shall be subject to the Rules and Regulations of the Executive Board.

- (g) To enter into leases of portions of the Common Elements with any person or entity to provide such services as health club operation and valet services. All revenues from such leases shall be deposited in the Common Expense fund.
- (h) In the event more than one Unit shall a common utility meter or if a portion of the Common Elements and one or more Units share a common utility meter, to determine the proper allocation of the cost of the utility service between or among the recipients of such utility service which determination shall be conclusive and binding.
- (i) In the event of any condemnation, to represent the Unit Owners in any proceedings, negotiations, settlements or agreements with the condemning authority.
- (j) To borrow money on the credit of the Association and, as security for any such borrowing, to assign the Association's rights to receive future income (including assessments) and/or pursuant to § 3318 of the Act, to encumber or convey the Common Elements, or any portion thereof.
- (k) To grant permits, licenses and easements over the Common Elements subject to the limitations set forth in § 3302(a) of the Act.
- 12.2 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, the Plats and Plans, the Bylaws or the Rules and Regulations, the determination thereof by the Executive Board 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 order to assist it in carrying out its responsibilities under this Section 12.2. All costs of obtaining a judgment shall be borne by the disputants, or in the absence of disputants, by the Association as a Common Expense.

ARTICLE XIII MANAGEMENT

13.1 Condominium Management Agreement. The Association has entered into a Condominium Management Agreement, a copy of which is attached hereto as Exhibit "A-4", whereby Keystone Hospitality Group, Inc (the "Manager") shall render management services on behalf of the Association for a term commencing on the first day of the month in which the Declarant closes on the purchase of the first Condominium Unit and ending five (5) years after that date. Under the terms of the Condominium Management Agreement Keystone Hospitality Group, Inc, will manage the affairs of the Association, and will be paid therefore five (5%) percent of all Common Expense Assessments collected by it on behalf of the Association. The Association is given the right to terminate the Condominium Management Agreement at any time after the Executive Board elected by the Unit Owners pursuant to § 3303(e) takes office upon not less than ninety (90) days' notice to Keystone Hospitality Group, Inc,.

Each Unit Owner, his heirs, successors, personal representatives and assigns shall be bound by the Condominium Management Agreement for the purposes therein expressed, including, but not limited to, adopting, ratifying and confirming the execution thereof by the Association; covenanting to perform each of the undertakings to be performed by Unit Owners; and agreeing that the persons acting as directors and officers of the Association entering into such Condominium Management Agreement have not breached any of their duties to the Association. It is specifically recognized that P. Jules Patt and Pamela J. Patt own a financial interest in The Summit at Shiloh Limited Partnership and that the persons comprising the initial Executive Board of the Association have been designated by P. Jules Patt and Pamela J. Patt. Such circumstances shall not and cannot be construed as a breach of their duties and obligations to the Association or Unit Owners, nor as possible grounds to invalidate the Condominium Management Agreement in whole or in part.

ARTICLE XIV BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

- 14.1 Annual Assessments. All Common Expense assessments made in order to meet the requirements of the Association's annual budget shall be deemed to be adopted and assessed against the Unit Owners on an annual basis payable in monthly installments in advance on the first day of each month. Special assessments shall be due and payable in one or more monthly installments, in advance, on the first day of each month, as determined by the Executive Board. Insurance costs of the Association shall be assessed as part of Common Expenses.
- 14.2 Subordination of Certain Charges. Any fees, late charges, fines and interest which may be levied by the Executive Board pursuant to §§ 3302(1)(10), (11) and (12) of the Act and that have not been reduced to liens against a Unit at the time of recordation of a Posted Mortgage, shall be subordinate to the lien of a Posted Mortgage on a Unit.
- 14.3 Working Capital Fund. At the closing for the initial transfer of title from the Declarant to a non-Declarant purchaser of each Unit, the Association shall collect from such purchasers an amount equal to two (2) months (calculated pursuant to the then current Association budget) installments of estimated Common Expenses assessed against the Unit transferred, which monies shall be deposited into an initial working capital fund under control of the Association. At the time of transfer of control of the Association by the Declarant, the Declarant shall pay such sums attributable to unsold Units to the Association (which shall deposited such funds into a segregated account) and may be reimbursed by purchasers of such Units when unsold Units are sold. While Declarant controls the Association, it cannot use any of the working capital funds to defray its expenses, reserve contributions, or construction costs or to make up any budget deficits. No Unit Owner is entitled to a refund of these monies by the Association upon the subsequent conveyance of his Unit or otherwise. Such payments do not constitute advance payment of regular assessments.
- 14.4 Accounting. On or before the 1st day of April each calendar year commencing after the recordation of this Declaration of Condominium, the Executive Board shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the annual budget or assessments and leases owned or managed by the Executive Board on behalf of the Association, and showing the net excess or deficit of income over expenditures plus reserves.

- 14.5 Further Assurances. If any annual budget proves inadequate for any reason including nonpayment of any Unit Owner's assessments, or any nonrecurring Common Expense or any Common Expense not set forth in the annual budget as adopted, the Executive Board may at any time levy further assessments according to each Unit Owner's Percentage Interest in the Common Elements. Such further monthly assessments shall be payable over such time as the Executive Board determines. The Executive Board shall serve notice of such further assessments on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessments shall become effective as determined by the Executive Board.
- 14.6 Acceleration. If a Unit Owner is in default in the payment of the aforesaid charges or monthly installments of assessments for sixty (60) days, the Executive Board may, in addition to all other remedies in the Act or Declaration contained, accelerate all other charges and monthly installments of assessments to become due for the next twelve (12) months on the basis of the budget for the calendar year in which such default occurs; provided, however, a foreclosing Posted Mortgagee shall be entitled to automatic subordination of such assessments in excess of the amounts given priority over mortgage liens in the Act.
- 14.7 Collection Charges. Any delinquent Owner shall also be obligated to pay (i) all expenses of the Executive Board, including reasonable attorney's fees, incurred in the collection of the delinquent assessments by legal proceedings or otherwise, and (ii) any amounts paid by the Executive Boards for taxes or on account of superior liens or otherwise to protect its liens, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessments and shall be collectible as such, subject to Paragraph 14.3, above.
- 14.8 Confession of Judgment IN ORDER TO EXPEDITE THE EXECUTIVE BOARD'S COLLECTION OF ANY DELINQUENT ASSESSMENT, EACH UNIT OWNER (BY THE ACCEPTANCE OF THE DEED TO HIS UNIT SHALL BE DEEMED TO HAVE APPOINTED ANY ONE OR MORE EXECUTIVE BOARD MEMBERS THE ATTORNEY-IN-FACT FOR SUCH UNIT OWNER IN ANY COURT OF COMPETENT JURISDICTION IN PENNSYLVANIA, FOR ANY SUCH UNPAID ASSESSMENT(S), WHICH APPOINTMENT (BEING FOR SECURITY) SHALL BE IRREVOCABLE; AND FOR SO DOING A COPY OF THIS ARTICLE XIV AND SAID DEED, BOTH VERIFIED BY AFFIDAVIT, SHALL BE IRREVOCABLE; AND FOR SO DOING A COPY OF THIS ARTICLE XIV AND SAID DEED, BOTH VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT. THE AUTHORITY GRANTED HEREIN TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY EXERCISE THEREOF BUT SHALL CONTINUE FROM TIME TO TIME AT ALL TIMES UNTIL THE DECLARATION SHALL BE TERMINATED.
- 14.8 Surplus. The budget of the Association shall segregate Limited Common Expenses from General Common Expenses and surplus shall be credited and applied as provided in \S 3313 of the Act.

ARTICLE XV INSURANCE

- 15.1 **Generally.** The Executive Board shall acquire and pay for insurance as required by the Act in addition to and subject to the following:
 - a) Such insurance as the Executive Board deems advisable in the operation, and for the protection, of the Common Elements and the Units, including, without limitation, flood insurance to the extent appropriate and available..
 - b) The amount of property insurance obtained pursuant to the Act shall be equal to the full insurable replacement value of the property (including land, foundations, excavations or other items that are usually excluded from coverage) without deduction for depreciation. Full insurable value replacement cost coverage is to be assured by either (i) a Guaranteed Replacement Cost Endorsement (pursuant to which the insurer agrees to replace the insurable property regardless of the cost) and an Agreed Amount Endorsement (which waives the requirement for coinsurance) if a coinsurance clause is included, or (ii) a Replacement Cost Endorsement (pursuant to which the insurer agrees to pay up to 100% of the property's insurable replacement cost, but no more) and an Agreed Amount Endorsement if a coinsurance is included. It shall insure against all risks of direct physical loss commonly and covered by the standard "all risk" endorsement, if available, and such other risks as FNMA, FHLMC or the Federal Housing Administration (or successors) may require by reason of their holding one or more Posted Mortgages. If an "all risk" endorsement is not available, a "broad form" policy will be obtained. Such insurance polic(ies) may, at the option of the Executive Board, contain a "deductible" provision in an amount to be determined by the Board but not to exceed (unless a higher amount is required by Pennsylvania law) the lesser of the maximum sum permitted by the then applicable FNMA or FHLMC regulations (or their successors), \$10,000 or one (1%) percent of the policy face amount.
 - c) Each Unit Owner and the Executive Board hereby waives and releases any and all claims he or it may have against any other Unit Owner, the Association, the Executive Board, and members thereof, the Declarant and their respective employees and agents, for damage to the Common Elements, the Units, or to any personal property located in the Units or Common Elements, caused by fire or other casualty or any act or omission of any such party to the extent that such damage is covered by fire or other form of hazard insurance.
 - d) If the act or omission of a Unit Owner, or of a member of his family, a household pet, guest, occupant or visitor of such Unit Owner, shall cause damage to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Executive Board, to the extent such payment is not waived or released under the provisions of subparagraph (c) above.

- e) Any release or waiver referred to in subparagraph (c) and (d) hereof shall be valid only if such release or waiver does not affect the right of the insured under the applicable insurance policy to recover thereunder. The Unit Owners and the Executive Board, with regard to the insurance carried by each of them, shall use their best efforts to see that their insurance carriers agree that such release or waiver does not affect their rights to recover.
- f) If the Executive Board fails within sixty (60) days of an insured loss to initiate a claim for damages recoverable under the property insurance policy(ies) obtained pursuant to the Act, the holder of any Posted Mortgage may initiate such a claim on behalf of the Board. The Executive Board shall from time to time at such times as it shall deem appropriate, cause an appraisal of the property to be made for the purpose of determining the current full insurable replacement value of the insured property, without considering depreciation, and the Board shall change the amount of property insurance on the property to the amount of the then current full insurable replacement value of the property, without considering depreciation, and the Board shall change the amount of hazard insurance on the Property to the amount of the then current full insurable replacement value of the Property as determined by the appraisal.
- g) The Association's property insurance shall cover fixtures, equipment, and other personal property and supplies of the Association and fixtures, equipment and other personal property within the Units as of the date of the initial sale of the Unit by the Declarant, whether or not part of the Common Elements. Each Unit Owner, other than the Declarant, shall notify the Board in writing of any additions, alterations or improvements to his Units and he shall be responsible for any deficiency in the insurance loss recovery resulting from his failure so to notify the Association. The Board shall use its reasonable efforts to obtain insurance on any such additions, alterations and improvements if such Unit Owner requests to do so and if such Unit Owner shall make arrangements satisfactory to the Board to reimburse it for any additional premiums attributable thereto; and in the absence of insurance on such additions, alterations or improvements, the Board shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements.
- h) Comprehensive general liability and property damage insurance as required by the Act shall be in such limits as the Board shall deem desirable provided that such limit shall not be less than One Million (\$1,000,000.00) Dollars per occurrence, for personal injury and/or property damage, insuring the Association, the Board members, the managing agent, if any, and their respective agents and employees, and the Units Owners from any liability to the public or to the Units Owners, their tenants or invitees, relating in any way to the ownership and/or use of the property or any part thereof. The policy shall cover bodily injury and property damage that results from the operation, maintenance or use of the Condominium's Common Elements, and any legal liability that results from lawsuits related to employment contracts in which the Association is a party. If a policy does not include "severability of interest" in its terms, it must include a specific endorsement to preclude the insurer's denial of a Unit Owner's claim because of negligent acts of the Association or of other Unit Owners.

- i) The Board may obtain such other forms of insurance as the Board shall elect to effect including Board Members and officers liability insurance and such Workmen's Compensation insurance as may be necessary to comply with applicable laws.
- j) The Association shall obtain blanket fidelity insurance to protect against dishonest acts on the part of Board members, officers, agents, employees, volunteers and all others who handle, or are responsible for handling, funds of the Association. Such bond or bonds of insurance shall name the Association as an obligee or insured and shall be in the amount as the Board deems appropriate, but not less than the greater of: (i) the maximum funds that will be in the custody of the Association or its agents at any time, or (ii) the sum of three (3) months' Common Expense assessments against all Units, plus the amount of the Association's reserve funds equal to 150% of the then current Common Expense budget or such higher amount as the Board deems appropriate. Such insurance shall contain a waiver of defense based upon the exclusion of persons who serve without compensation from the definition of "employce" or other appropriate provisions to assure coverage of such persons. Any managing agent shall be required to maintain its own insurance with the same coverage as set forth above.
- k) Except as otherwise provided in this Declaration, premiums for all insurance obtained or maintained by the Board, fees and expenses of the insurance trustee, if any, and the cost of any appraisal which the Board deems advisable in connection with any insurance, shall be Common Expenses.
- l) The Board shall use its best efforts to secure policies providing that the policies cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual Unit Owners or any officer or employee of the Board or managing agent, without prior demand in writing that the Board or managing agent, as the case may be, cure the defect within a reasonable period of time thereafter in which to cure the same. Association policies shall provide that the policy will be primary, even if a Unit Owner has other insurance that covers the same loss. The policy must require the insurer to notify in writing the Association, any Insurance Trustee and each mortgagee named in a mortgage clause at least ten (10) days before it cancels or substantially changes coverage.
- m) Insurance coverage on the furnishings and other items of personal property belonging to a Unit Owner and insurance for his personal liability to the extent not covered by insurance maintained by the Board shall be the responsibility of each such Unit Owner.
- n) All physical damage insurance policies purchased by the Executive Board shall be for the benefit of and name as insured the Association for the use and benefit of the Unit Owners and their Posted Mortgagees, as their interests may appear, and shall provide that, with respect to any single loss, if the proceeds thereof exceed \$250,000, then all such proceeds shall be paid in trust to such lending institution in the vicinity of State College, Pennsylvania with trust powers as may be designated by the Executive Board (which trustee is herein referred to as the "Insurance Trustee") and the policy loss payable provisions shall provide that such proceeds are payable to the Insurance Trustee as trustee

for each Unit Owner and each Unit's mortgagees. If such proceeds do not exceed \$250,000, then the policy loss payee provision shall provide that all such proceeds shall be paid to the Executive Board to be applied pursuant to the Act as trustee for each Unit Owner and each Unit's mortgagees. If proceeds are payable to the Insurance Trustee, the Executive Board shall enter into an Insurance Trust Agreement with the Insurance Trustee which may provide that the Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form of contents of the policies, the correctness of any amount received on account of the proceeds of any insurance policies nor the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in this Declaration and the Act, for the benefit of the insureds and their beneficiaries thereunder.

(o) The name of the insured under each policy required pursuant to this Article XV shall be stated inform and substance similar to the following:

The Summit at Shiloh Condominium Owners Association, for the use and benefit of the individual owners, or their authorized representatives, of the Condominium Units contained in The Summit at Shiloh Condominiums.

15.2 Repair and Reconstruction After Fire or Other Casualty.

(a) When Repair and Reconstruction are Required. Except as otherwise provided in subparagraph (d) of this Section 15.2, in the event of damage to or destruction of the Buildings or any part thereof as a result of fire or other casualty, the Executive Board, under direction of the Insurance Trustee if an Insurance Trustee is required, shall arrange for and supervise the prompt repair and restoration of the Buildings, as required by the Act. Notwithstanding the foregoing, each Unit Owner shall have the rights to supervise the redecorating of his own Unit.

(b) Procedure for Reconstruction and Repair.

- (i) Cost Estimates. Immediately after a fire or other casualty causing damage to the Buildings, the Executive Board shall obtain reliable and reasonably detailed estimates of the cost of repairing and restoring the Buildings as required by the Act to a condition as good as existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Executive Board or Insurance Trustee (if any) determines to be necessary.
- (ii) Assessments. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of the reconstruction and repair the funds for the repayment of the costs thereof are insufficient, the amount necessary to complete such restoration and repair may be obtained from the appropriate reserve for replacement funds and/or shall be deemed a Common Expense (and/or Limited Expense) and special monthly assessments therefor shall be levied. The funds shall be paid out of the General Common Expense fund, one or more of the Limited Expense funds, or both,

depending on whether or not the source of the shortfall can be properly determined in the opinion of the Executive Board. If such source cannot be properly determined, then the shortfall shall be allocated among the funds referred to above in proportion to the relative costs of restoration in each of the categories. Costs of restoration of a Unit to the extent required to be done by the Executive Board shall be paid out of the General Common Expense Fund unless the shortfall is due to failure of the Unit Owner to notify the Association of improvements made to his Unit, in which event the shortfall so caused shall be assessed against the particular Unit Owner. Unit Owners may apply the proceeds from their individual property insurance policies, if any, to the share of such Common Expense or Limited Expense, or both, as may be assessed to them. The Executive Board shall be responsible for restoring the Property only to substantially the same condition as it was immediately prior to the damage, and each Unit Owner shall personally assume the additional expense of any improvements to his Unit which he desires to restore it beyond such condition.

(iii) *Plans and Specifications*. Any such reconstruction or repair shall be substantially in accordance with the construction of the Property as it existed immediately prior to such casualty.

(c) Disbursement of Construction Funds.

- (i) Construction Fund and Disbursement. The proceeds of insurance collected on account of casualty, and the sums received by the Executive Board or Insurance Trustee from collections of assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:
 - (A) If the estimated cost of reconstruction and repair is less that \$250,000, then the construction fund shall be disbursed in payment of such costs upon order of the Executive Board;
 - (B) If the estimated costs of reconstruction and repair is \$250,000 or more, then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in Pennsylvania and employed by the Insurance Trustee to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other persons who have rendered services or furnished materials in connection with the work and stating that: (a) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and materials furnished; (b) there is no other outstanding indebtedness known to such architect for the services and material described; and (c) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such

certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested, taking into account retainage.

- (ii) Surplus. It shall be presumed that the first monies disbursed in pay of the cost of reconstruction and repair shall be from insurance proceeds and, if there is a balance in the construction fund after the payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be used first to reimburse Unit Owners for sums paid to cover shortfalls under subparagraph b(ii) above in proportion to the sums so paid until full reimbursement and any remaining balance shall be divided among all Unit Owners in proportion to their Percentage Interests and shall be distributed in accordance with the priority of interests at law or in equity in each Unit.
- (iii) Certificate. The Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice-President, and the Secretary, certifying (i) whether the damaged Property is required to be reconstructed and repaired; (ii) the name of the payee and the amount to be paid with respect to any disbursement from any construction fund or whether surplus funds to be distributed are less than the assessment paid by the Unit Owners; and (iii) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the Insurance Trustee promptly after request.
- (iv) When Reconstruction Is Not Required. In the event of insubstantial damage to the Common Elements and if the Executive Board shall elect not to repair the same or in the event there is to be no repair or replacement pursuant to § 3312(g) of the Act, then in either such event any insurance proceeds received on account of such damage shall be expended and/or distributed in accordance with § 3312 of the Act. If the Condominium shall be terminated pursuant to §3320 of the Act, the provisions of § 3320 of the Act shall apply.

ARTICLE XVI LIMITATION OF LIABILITY

- 16.1 Fiduciary Duty. In the performance of their duties, the officers and members of the Executive Board shall stand in a fiduciary relation to the Association and shall perform their duties, including duties as members of any committee of the Board upon which they may serve, in good faith, in a manner they reasonably believe to be in the best interests of the Association and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.
- 16.2 Good Faith Reliance. In performing his duties, an officer or Executive Board member shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- (a) one or more officers or employees of the Association whom the officer or Executive Board member reasonably believes to be reliable and competent in the matters presented.
- (b) counsel, public accountants or other persons as to matters which the officer or Executive Board member reasonably believes to be within the professional or expert competence of such person.
- (c) a committee of the Executive Board upon which he does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the officer or Executive Board member reasonably believes to merit confidence.

An officer or Executive Board member shall not be considered to be acting in good faith if he has knowledge concerning the matter in question which would cause his reliance to be unwarranted.

- 16.3 Limited Liability of the Executive Board. The Executive Board, and its members in their capacity as members, officers and employees:
 - (a) Shall not be personally liable for the failure of any service to be obtained by the Executive Board and paid for by the Association, or for injury or damage to persons or property caused by the elements or by another Unit Owner or Person on the Property, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from the outside or from any part of the Building, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless in each such instance such injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Executive Board;
 - (b) Shall not be liable to the Unit Owners as a result of the performance of the Executive Board members' duties for any mistake of judgment, negligence or otherwise, except for the Executive Board members' own willful misconduct or gross negligence;
 - (c) Shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Executive Board or the Association in the performance of the Executive Board members' duties;
 - (d) Shall not be liable to a Unit Owner, or such Unit Owner's tenants, employees, agents, customers or guests, for loss or damage caused by theft or damage to personal property left by such Unit Owner or his tenants, employees, agents, customers or guests in a Unit, or in or on the Common Elements or elsewhere on the Property, except for the Executive Board members' own willful misconduct or gross negligence;
 - (e) Shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for the Executive Board members' own willful misconduct or gross negligence in the performance of their duties; and

- (f) Shall have no personal liability arising out of the use, misuse or condition of any Building, or which might in any other way be assessed against or imputed to the Executive Board members, as a result or by virtue of their performance of their duties, except for the Executive Board members' own willful misconduct or gross negligence.
- 16.4 Indemnification. Each member of the Executive Board, in his capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association; and provided further that indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Executive Board member and/or officer has no reasonable cause to believe his conduct was unlawful. The indemnification by the Unit Owners set forth in this Section 16.4 shall be paid by the Association on behalf of the Unit Owners as such costs are incurred, either prior or subsequent to resolution of any such proceeding and shall constitute a Common Expense and shall be assessed and collectible as such. In the event any Executive Board member or officer receives any payment hereunder and is later determined not to be entitled to indemnification, he shall promptly repay such sums to the Association. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.
- 16.5 **Defense of Claim**. Complaints brought against the Association, the Executive Board or the officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice thereof to the Unit Owners and the holders of any mortgages on Units and such complaints shall be defended by the Association. The Unit Owners and the holders of mortgages on Units shall have no right to participate in such defense other than through the Association.

ARTICLE XVII DECLARANT'S RIGHTS

17.1 Control.

(a) Until the 60th day after conveyance of fifty (50%) percent of the Units to Unit Owners other than Declarant, Declarant shall have the right to appoint and remove any and all officers and members of the Executive Board. Declarant may not unilaterally remove any members of the Executive Board elected by Unit Owners other than Declarant.

- (b) Not later than 60 days after conveyance of fifty (50%) percent of the Units to Units Owners other than Declarant, two (2) of the five members of the Executive Board shall be elected by Unit Owners other than Declarant.
- (c) Not later than the earlier of (i) seven years after the date of recording of this Declaration, or (ii) 180 days after seventy five (75%) percent of the Units have been conveyed to Unit Owners other than Declarant, all remaining Declarant appointed members of the Executive Board shall resign, and the Unit Owners (including the Declarant to the extent of Units owned by Declarant) shall elect a new five member Executive Board.

ARTICLE XVIII CONVERTIBLE REAL ESTATE

- 18.1 Reservation. Declarant hereby explicitly reserves an option, until the seventy (7th) anniversary of the recording of this Declaration, to convert all or any portion of the Convertible Real Estate to Units from time to time in compliance with §3211 of the Act without the consent of any Unit Owner or mortgagee. This option to convert may be terminated prior to such anniversary only upon the filing of an amendment to this Declaration by the Declarant. Declarant expressly reserves the right to convert any or all portions of the Convertible Real Estate ay any time, at different times, in any order, without limitation and without any requirement that any other real estate be converted, added or withdrawn, provided, however, that the convertible Real Estate shall not exceed the area(s) shown on the Declaration Plan and described as such on Exhibit A-2 attached hereto. There are no other limitations on the option to convert Convertible Real Estate.
- 18.2 Assurances. The Declarant hereby provides the following assurance with respect to the Convertible real Estate:
 - (a) If the Convertible Real Estate is converted, the Buildings on the Convertible Real Estate will be located approximately as set forth on the Declaration Plan attached hereto.
 - (b) At such time as the Convertible Real Estate is completely converted, the maximum number of Units in the Convertible Real Estate will be no more than fifty one (51).
 - (c) The Building identified on the Declaration Plan as Multi-Family Buildings No. and 3 will be compatible in quality, size, materials, architectural style and structure type of the Buildings designated as Multi-Family Buildings No. 1, and all Units therein will be compatible in quality, size, materials, architectural style and structure type with the other Units located within Multi-Family Buildings No. 1.

No assurances are made as to any other improvements to be made or created in the Convertible Real Estate. In the event additional Units are added to the Condominium, the Percentage Interests of all Units (including any new Units) will be reallocated in the same manner as the Percentage Interests for the original Units as set forth in Article.

- 18.3 Financial Contribution. For such period of time as Declarant has the right to convert any of the Convertible Real Estate into Units, Declarant shall be required to make a financial contribution toward the Common Expenses as follows:
 - a) for such period of time as Declarant has the right to convert Building No. 2 into Units, Declarant shall make a contribution to the Association equal to 32% of the Common Expenses.
 - b) for such period of time as Declarant has the right to convert Building No. 3 into Units, Declarant shall make a contribution to the Association equal to 27% of the Common Expenses.

ARTICLE XIX AMENDMENT OF DECLARATION

19.1 Amendment Generally.

- (a) This Declaration may be amended only in accordance with the procedures specified in § 3219 of the Act, the other Sections of the Act referred to in § 3219 thereof and the express provisions of this Declaration.
- (b) No action to challenge the validity of an amendment adopted by the Association pursuant to this Section may be brought more than one (1) year after the amendment is recorded.
- (c) Every amendment to the Declaration must be recorded in Centre County, Pennsylvania is the same records as are maintained for the recording of deeds of real property. An amendment is effective only on recordation.
- 19.2 Rights of Posted Mortgagees. Subject to the limitations imposed by § 3221 of the Act and except as set forth below, no amendment of this Declaration may be made without the prior written approval of all record holders of first mortgages on Units if and to the extent that approval is required by the Act. Approval of holders of first lien Posted Mortgages on Units representing at least 67% of all votes is required if and to the extent that such amendment would have the effect of terminating or abandoning the Condominium (except for termination or abandonment as a result of substantial destruction or a taking by eminent domain.

Amendments of a material nature to the declaration or Bylaws must be agreed to by Unit Owners representing at least 67% of the total allocated votes of the Association. In addition, approval must be obtained from first lien mortgage holders representing at least 51% of the votes of Units that are subject to mortgages held by Posted Mortgagees. A change to any of the provisions or requirements in the declaration or the Bylaws governing the following would be considered material: voting rights; assessment liens, the priority of assessment liens or increases in assessment that raise previously assessed amounts by more than 25%; reductions in reserves

for maintenance, repair and replacement of Common Elements; responsibility for maintenance and repairs; reallocation of interests in the general or Limited Common elements or rights to their use; redefinition of Unit boundaries; convertibility of Units into Common Elements or vice verse; expansion or contraction of the Condominium; hazardous fidelity insurance requirements; the imposition of restrictions on the leasing of Units; imposition of restrictions of a Unit Owners' rights to sell or transfer his or her Unit; a decision by the Association to establish self-management; restoration or repair of the Buildings (after damage or partial condemnation) in a manner other than that specified herein; any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or, any provisions that expressly benefit mortgage holders, insurers or guarantors. Termination of the legal status of the condominium for reasons other than substantial destruction or condemnation of the Property shall not be effectuated without the approval of holders of Posted Mortgages that represent at least 67% of the votes of the mortgaged Units.

19.3 Rights of Declarant. No change, modification or amendment which adversely affects the rights, privileges or obligations of the Declarant which are granted in this Declaration, the Bylaws or the Act shall be effective without the prior written consent of the Declarant, until such time as the Declarant owns five (5) or fewer Units.

ARTICLE XX TIMESHARES

20.1 Limitation. No Units may be owned in any time-share estates.

IN WITNESS WHEREOF, the said Declarant has executed these presents on this 18^{+1} day of October, 2006.

THE SUMMIT AT SHILOH LIMITED PARTNERSHIP, by its General Partner, The Summit at Shiloh, LLC.

By:

P. Jules Patt, Member

Pamala I Patt Manul

| COMMONWEALTH OF PENNSYLVANIA) | | | | |
|-------------------------------|---|---|-----|--|
| |) | S | SS. | |
| COUNTY OF BLAIR | ١ | | | |

The undersigned, a Notary Public in and for the said County, in the State aforesaid, do hereby certify that P. Jules Patt and Pamela J. Patt, being the sole members of The Summit at Shiloh, LLC., personally appeared before me this day, and they acknowledged and swore that they signed, sealed and delivered the said instrument as their free and voluntary act and deed for the uses and purposes therein set forth and that the statements therein contained are true.

Given under my hand and notarial seal this 18th day of Otober, 2006.

My Commission Expires:

NOTARIAL SEAL STACY A. GUTSHALL, Notary Public Holldsysburg Boro, Blair County My Commission Expires June 11, 2007

#321652v6

EXHIBIT A-1

DESCRIPTION OF REAL ESTATE LEGAL DESCRIPTION FOR INDEPENDENCE PLACE PHASE IV PROJECT NUMBER 51-34 DATE: FEBRUARY 2005

All that certain piece or parcel of ground, lying and being situate in College Township, Centre County, Pennsylvania, being more particularly bounded and described as follows:

Beginning at an iron pin on the northerly right-of-way line of Dreibelbis Road (T-363), said pin being at the common corner with Lot 76R of Independence Place Phase I Subdivision as recorded in Centre County Plot Book 60 at pages 114 through 126, also in Plot Book 62 at page 64, and in Plot Book 63 at page 180; thence along said Lot 76R NORTH 37 DEGREES 38 MINUTES 52 SECONDS WEST 76.00 FEET to a point on the southerly right-of-way line of Independence Avenue; thence through said Independence Avenue right-of-way NORTH 34 DEGREES 52 MINUTES 45 SECONDS WEST 11.01 FEET to a point in the centerline of said Independence Avenue; thence along said centerline NORTH 52 DEGREES 21 MINUTES 08 SECONDS EAST 316.88 FEET to a point; thence along the same with a curve turning to the left, said curve having a RADIUS of 52.00 FEET, an ARC LENGTH of 38.37 FEET, a DELTA of 42 DEGREES 16 MINUTES 39 SECONDS, and a CHORD of NORTH 31 DEGREES 12 MINUTES 48 SECONDS EAST 37.51 FEET to a point; thence leaving Independence Avenue and along a portion of Independence Place Phase IIIB Subdivision NORTH 52 DEGREES 21 MINUTES 08 SECONDS EAST 156.26 FEET to a point; thence along same NORTH 34 DEGREES 52 MINUTES 45 SECONDS WEST 401.89 FEET to a point in the centerline of Constitution Avenue; thence along said Constitution Avenue centerline SOUTH 55 DEGREES 08 MINUTES 03 SECONDS WEST 506.88 FEET to a point; thence through said Constitution Avenue right-of-way NORTH 34 DEGREES 54 MINUTES 19 SECONDS WEST 11.00 FEET to a point on the northerly right-of-way line of said Constitution Avenue at the common corner with Lot 69R of said Independence Place Phase I; thence along said Lot 69R NORTH 34 DEGREES 51 MINUTES 57 SECONDS WEST 76.00 FEET to an iron pin on the southerly right-of-way line of Trout Road (T-365); thence along said Trout Road (T-365) right-of-way line NORTH 55 DEGREES 08 MINUTES 03 SECONDS EAST 779.99 FEET to a point at the corner of another portion of said Independence Place Phase I; thence along said Independence Place Phase I SOUTH 38 DEGREES 09 MINUTES 29 SECONDS EAST 204.44 FEET to a point; thence along same SOUTH 39 DEGREES 50 MINUTES 20 SECONDS EAST 361.61 FEET to a point on the northerly right-of-way line of Dreibelbis Road (T-363); thence along said Dreibelbis Road right-of-way line SOUTH 51 DEGREES 00 MINUTES 42 SECONDS WEST 419.34 FEET to a point; thence along same SOUTH 52 DEGREES 21 MINUTES 08 SECONDS WEST 401.50 FEET to a point; which is the point and place of beginning, having an area of 5.946 Acres.

Being a portion of Tract No. 2 in deed of P. Jules & Pamela J. Patt to BXAL, Inc. dated October 27, 1999, and recorded in Centre County Record Book 1123 at page 166, and being all of Lot 1 and a portion of the adjacent land to the northeast on the Subdivision Plan of Independence Place Phase III-A recorded in Centre County Plot Book 70 at pages 177-180.

Property also being more fully shown on a Plat of Survey of Summit at Shiloh as prepared by Keller Engineers, Inc, indexed as project number 51-34, dated December 15, 2004, last revised January 10, 2005.

Property is subject to any and all easements and right-of-ways as more fully appear on the above referenced Plat of Survey.

EXHIBIT A-2

DECLARATION PLAN

EXHIBIT A-3 ALLOCATION OF PERCENTAGE INTERESTS

Summit @ Shiloh Square Footages and Percentage of Total

<u>Phase I</u>

| Building #1 | sq. ft. | % of Building #1 | % of Total | |
|-------------|---------|------------------|------------|-------------|
| Unit 1.1 | 1269 | 3.96% | 2.54% | |
| Unit 1.2 | 1344 | 4.19% | 2.69% | |
| Unit 1.3 | 1353 | 4.22% | 2.70% | |
| Unit 1.4 | 1303 | 4.07% | 2.60% | |
| Unit 1.5 | 1312 | 4.09% | 2.62% | |
| Unit 1.6 | 1413 | 4.41% | 2.82% | |
| Unit 1.7 | 1405 | 4.38% | 2.81% | |
| Unit 1.8 | 1275 | 3.98% | 2.55% | |
| Unit 2.1 | 1269 | 3.96% | 2.54% | |
| Unit 2.2 | 1265 | 3.95% | 2.53% | |
| Unit 2.3 | 1280 | 3.99% | 2.56% | |
| Unit 2.4 | 1303 | 4.07% | 2.60% | |
| Unit 2.5 | 1312 | 4.09% | 2.62% | |
| Unit 2.6 | 1413 | 4.41% | 2.82% | |
| Unit 2.7 | 1405 | 4.38% | 2.81% | |
| Unit 2.8 | 1275 | 3.98% | 2.55% | |
| Unit 3.1 | 1360 | 4.24% | 2.72% | |
| Unit 3.2 | 1344 | 4.19% | 2.69% | |
| Unit 3.3 | 1353 | 4.22% | 2.70% | |
| Unit 3.4 | 1303 | 4.09% | 2.60% | |
| Unit 3.5 | 1312 | 4.09% | 2.62% | |
| Unit 3.6 | 1413 | 4.41% | 2.82% | |
| Unit 3.7 | 1405 | 4.38% | 2.81% | |
| Unit 3.8 | 1364 | 4.26% | 2.73% | |
| | ,,,,, | | 2.7070 | 64.04% |
| Villas | sq. ft. | % of Villas | % | |
| 1 | 1500 | 8.33% | 3.00% | |
| 2 | 1500 | 8,33% | 3.00% | |
| 3 | 1500 | 8.33% | 3.00% | |
| 4 | 1500 | 8.33% | 3.00% | |
| 5 | 1500 | 8.33% | 3.00% | |
| 6 | 1500 | 8.33% | 3.00% | |
| 7 | 1500 | 8.33% | 3.00% | 1 4 |
| 8 | 1500 | 8.33% | 3.00% | |
| 9 | 1500 | 8.33% | 3.00% | |
| 10 | 1500 | 8.33% | 3.00% | |
| 11 | 1500 | 8.33% | 3.00% | |
| 12 | 1500 | 8.33% | 3.00% | |
| | | 5070 | 0.0070 | A H + + + + |
| TOTAL | | | | 35.96% |
| IOIAL | | | | 100.00% |

Total Sq. Ft. 50,050

EXHIBIT A-4

CONDOMINIUM MANAGEMENT AGREEMENT

CONDOMINIUM MANAGEMENT AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of 2006, by and between THE SUMMIT AT SHILOH CONDOMINIUM ASSOCIATION, an unincorporated association, hereinafter called "Association," and KEYSTONE HOSPITALITY GROUP, INC., hereinafter called the "Keystone."

WITNESSETH:

WHEREAS, Keystone is engaged in the business of providing management and related maintenance services in connection with retirement villages; and

WHEREAS, Association is the operating entity of The Summit at Shiloh Condominiums (the "Condominium") located in College Township, Centre County, Pennsylvania; and

WHEREAS, the Association desires to assure all Condominium Unit Owners of the services of Keystone for the management, supervision and maintenance of the Condominium;

WHEREAS, authority is granted in the Declaration and By-laws of the Association to enter into a contract providing for the management, supervision and maintenance of the Condominium:

NOW, THEREFORE, in consideration of the premises and other good and valuable considerations, receipt of which is hereby acknowledged, and in further consideration of the mutual covenants and agreements hereinafter contained to be performed by each party in favor of the other, Association and Keystone agree as follows:

- 1. **Definitions in Declaration.** The definitions set forth in the Declaration and in the Exhibits thereto are incorporated herein by reference and made a part hereof, and, unless the context otherwise requires, such definitions shall prevail.
- 2. Engagement. Association hereby employs Keystone as the exclusive manager of the Association, and Keystone hereby accepts such employment for the consideration hereinafter recited, for the period and upon the terms and conditions hereinafter set forth. By the execution of this Agreement, Keystone assumes and undertakes to perform, carry out and administer all management and maintenance responsibilities imposed upon Association as set forth in its By-laws and the Declaration.
- 3. Term. The term of this Agreement will commence on the first day of the month in which the Declarant closes on the purchase of the first Condominium Unit and will end five (5) years from the date thereof; provided, however, this Agreement may be sooner terminated as follows:

- (a) by the Association, while the same is controlled by Developer, upon sixty (60) days' written notice to Keystone;
- (b) by Association, pursuant to §3305 of the Pennsylvania Condominium Act, as it from time to time may be amended;
- (c) by either party as a result of the other party's default, upon the non-defaulting party giving the defaulting party written notice of such default, by certified mail, return receipt requested, and the defaulting party's failure to cure such default within sixty (60) days after receipt of such notice;
 - (d) by Keystone, upon not less than sixty (60) days' written notice to Association; or
 - (e) by written agreement of both parties.
- 4. Compensation. As a net fee for the services to be performed hereunder, Association shall pay to Keystone an amount equal to five (5%) percent of all Association Fees collected by the Managing Agent from Unit Owners under the terms of the Declaration. Such compensation shall commence during the month after the month of the first conveyance of a Unit in the Condominium, and shall be payable on or before the fifteenth (15) day of each month, based upon amounts received by Keystone during the preceding month.
- 5. Duties. Keystone assumes and agrees to supervise and direct, for Association, such duties as are necessary to manage and maintain the Condominium, which duties shall be performed subject to the review, supervision, direction and control of Association's Board of Directors. Without limiting the generality of the foregoing, Keystone shall provide consultation, advice, guidance, managerial and maintenance services as, when and if needed, or as otherwise specified herein to do and accomplish the following:

A. In General.

- (1) Daily and at all other appropriate times, to take actions necessary to comply with any and all federal, state, country, or municipal laws, ordinances or orders pertaining to the Condominium; provided, however, that Keystone shall not take any such action without notifying the Board, if time permits, and shall not take any such action so long as Association is contesting, or has affirmed its intentions to contest, any such law, ordinance, or order.
- (2) Daily and at all other appropriate times, to select, hire and compensate such employees and agents of the Association as deemed necessary by the Managing Agent, all of whom shall be employees and agents of the Association.
- (3) Annually and at all other appropriate times, to review and make recommendations concerning insurance coverage and obtain and keep in force all forms of insurance needed to adequately protect the Association, its members and their mortgages. Such insurance shall include, without limitation; workmen's compensation; public

liability; fire and extended coverage; and burglary and theft. All of the various types of insurance coverage required shall be placed with such companies in such amounts and with such beneficial interests appearing therein as shall be acceptable to the Association and to the mortgages.

(4) At all appropriate times, to cause prompt investigations and written reporting as to all accidents or claims for damage relating to the management, operation and maintenance of the Condominium including any damage or destruction to the Condominium, the estimated cost of repair, and to cooperate with and make any and all reports required by any insurance company in connection herewith.

B. Financial.

- (1) Monthly and at all other appropriate times, to cause collection, receipt and acknowledgment, in Association's name, of all assessments and charges due from Unit Owners, and, in the event of default in payment of same, to take such legal action, in Association "s name, as may be necessary to enforce any and all Association rights against the defaulting unit owner, tenant, other person or party; and at least monthly, to furnish Association with an itemized list of all delinquent accounts.
- (2) Annually, to prepare a proposed annual operating budget not less than sixty (60) days before the beginning of each fiscal year, setting forth an itemized statement of anticipated receipts and disbursements for the forthcoming fiscal year, based upon the previous year's experience, the general condition of the Common Elements and the objectives for the ensuing year and to submit to the Board wage rate recommendations for the forthcoming year.
- (3) At all times, to cause the Association to keep and maintain a complete and current set of books and records for Association, which records shall be subject to examination at all reasonable hours.
- (4) At all appropriate times, supervise disbursements as Association funds for:
 - (a) Salaries and other compensation payable to employees of Association; and
 - (b) costs and expenses incurred in connection with Keystone's duties under this Agreement.
- (5) At appropriate times, supervise disbursements of Association funds for: (a) salaries and other compensation payable to employees of Association; and (b) costs and expenses incurred in connection with Management (c) company's duties under this Agreement.
- (6) Daily and at all other appropriate times, to maintain separate custodial bank account(s) or Association in institution(s) insured by the F.D.I.C. or F.S.L.I.C.

- (7) At all appropriate times, to cause the filing of proper payroll tax forms, income m forms and other governmental reporting.
- (8) Keystone shall cooperate with the certified public accountant of the Association in the audit and certification of such report, in the audit of books of account of the condominium, and in the preparation of federal income and other tax returns.

C. Administrative.

- (1) Daily and at all other appropriate times, to negotiate or assist Association in negotiating contracts and orders for such equipment, tools, appliances, materials, supplies and services as are necessary in the opinion of Keystone, provided that Keystone may not spend more than Five Thousand and No/100 Dollars (\$5,000.00) for the purchase of any particular item or service without the prior written approval of at least one Director.
- (2) Daily and at all other appropriate times, to prepare and forward by mail or otherwise, all correspondence, including but not limited to, letters, reports and notices, as may be reasonably requested by the Board.
- (3) At all appropriate times, to cause the supervision of moving of unit owners either into or out of the Condominium and to arrange the dates of movement to insure a minimum of disturbance and inconvenience to other unit owners and their guests.
- (4) At all appropriate times, to accept applications and references, on an exclusive basis, from all prospective purchasers and to facilitate transfers of Units from one owner to another.
- (5) Annually, to prepare for and coordinate the annual meeting of the Association.
- (6) Monthly and at all other appropriate times, to attend all regular meetings of the Board of Directors and such other meetings as are deemed necessary by the Board.
- (7) Monthly and at all other appropriate times, to cause the preparation, maintenance, duplication and distribution of the minutes of Association meetings with the cooperation of the Secretary of the Association.
- (8) At all appropriate times, to coordinate the disposition of written requests for information and services concerning or relevant to the property and facilities and the performance of the Association's policy decision, or interpretation of covenants, easements, restrictions, and the by-laws.

D. Maintenance.

(1) Daily and at all other appropriate times, to supervise the hiring of one or more persons necessary to provide maintenance services for the common elements of

the Condominium to the extent of Association's obligations therefore under the Declaration and By-laws and to insure that the Condominium Property is maintained in a first-rate condition and state of repair; such maintenance personnel shall, in every instance, be in the employ of the Association, and not Keystone.

(2) Daily and at all other appropriate times, to cause the development and implementation of preventive maintenance standards.

All such services performed by Keystone shall be done as Association's agent, and all obligations or expenses incurred in the performance of Keystone's duties and obligations shall be for the account of, and on behalf of, and at the expense of, Association. Keystone shall not be obligated to make any advance to or for Association's account or to pay any sum, except out of funds held or provided by Association or its members, nor shall Keystone be obligated to incur any liability or obligation on account of Association without assurance that the necessary funds for the discharge thereof will be provided. Upon request, Association shall promptly pay or reimburse Keystone for all actual costs incurred by Keystone, for time spent in performing its duties undertaken in this Agreement, but not including salaries of the officers and directors of Management including salaries of the officers and directors of Keystone. The fees to be paid and costs to be reimbursed to Keystone shall at all times be subject to prior approval by the Board.

- 6. Insurance; Indemnification. It is understood and agreed that the public liability insurance carried and maintained by Association shall be extended to and shall cover Keystone, its agents and employees. Association shall hold Keystone harmless from any and all liability arising out of the performance by Keystone of its duties hereunder unless the liability arises from the negligence of manager.
- 7. Access to Condominiums. Keystone shall have access to the Condominium at all reasonable times as may be necessary for the maintenance, repair or replacement of any improvements contained therein or accessible therefrom, or for the making of emergency repairs therein necessary to prevent damage to the same.
- 8. Assignment and Delegation. Keystone may assign this Agreement upon not less than ninety (90) days written notice to the Association. Upon receipt of such notice, the Association may, at its option, terminate this Agreement, effective upon the date same is assigned by Keystone. Notwithstanding anything to the contrary herein, Keystone may delegate, with the prior written consent of the Executive Board of the Association (which consent shall not be unreasonably withheld) any or all of the duties hereunder, so long as the responsibility for the compliance with this Agreement remains with Keystone.
- 9. **Personal Liability.** This Agreement has been executed on behalf of Association and Keystone by their respective officers solely in their respective capacities, and no officer, director, agent, employee or attorney of Association or Keystone shall have any personal liability hereunder as to any person.
- 10. Non-Contemplated Events. Neither party shall be held liable for failure to comply with any of the terms of this Agreement when such failure has been caused solely by fire, labor

dispute, strike, war, insurrection, government restrictions, force majeure, or act of God beyond the control and without fault on the part of the party involved, provided such party uses due diligence to remedy such default. Circumstances are likely to arise from time to time which may require that budgets be exceeded, and Keystone shall not be liable for budget overruns.

- 11. Relationship. The parties hereto hereby acknowledge that Keystone is affiliated with the Developer of the Condominium.
- 12. Attorney's Fees. In the event of any litigation by and between any of the parties hereto concerning the subject matter of this Agreement, it is agreed that the prevailing party, or parties, shall be entitled to recover attorney's fees and costs (appellate or otherwise) from the non-prevailing party or parties.
- 13. **Notices.** Any required notices to Association shall be directed to Association at the following address:

The Summit at Shiloh Condominium Association c/o P. Jules Patt 522 Allegheny Street Hollidaysburg, PA

Keystone Hospitality Group, Inc. 522 Allegheny Street Hollidaysburg, PA

- 14. Governing Law. The interpretation, validity and performance of this Agreement shall be governed by the laws of the State of Pennsylvania. Venue with respect to any litigation shall be Centre County, Pennsylvania.
- 15. Headings. Captions and paragraph headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement.
- 16. Binding Effect. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.
- 17. Entire Agreement. This is the entire agreement between the parties hereto and all prior and contemporaneous agreements, understandings or representations are merged herewith. This Agreement may be modified and amended only by a writing signed by all parties hereto. The invalidity of any one of the provisions contained in this Agreement shall in no way affect any other provision of this Agreement, which other provision shall remain in full force and effect throughout the term of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers and their respective corporate seals to be hereunto affixed as to the day and year first above written.

R 01989-0044 Jun 05, 2007 SURMIT AT SHILOH LIMITED PARTNERSHIP

AMENDMENT TO DECLARATION OF CONDOMINIUM

THIS AMENDMENT made this 30 th day of May between THE SUMMIT AT SHILOH LIMITED PARTNERSHIP, a Pennsylvania limited partnership (hereinafter "Declarant"), WILLIAM H. STYERS and JOLENE S. STYERS, his wife (hereinafter "Styers"), and JAMES F. DINGER and SHELLY A. DINGER, his wife ("hereinafter "Dingers").

The background of this Amendment is as follows:

- By Declaration of Condominium dated October 1, 2006, and recorded November Α. 1, 2006 in the Office of the Recorder of Deeds of Centre County in Record Book 1975, page 777, (the "Declaration"), Declarant submitted certain real property as described therein (the "Property") to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pac's. § 3101 et seq. (the "Act"), and thereby created with respect to the Property a condominium, known as The Summit at Shiloh Condominiums (the "Condominium").
- Styers are the owners of Unit C of the said Condominium, having acquired the same by Deed from Declarant dated November 1, 2006 and recorded November 3, 2006 in Centre County Record Book 1976, page 13
- Dingers are the owners of Unit D of the said Condominium, having acquired the C. same by Deed from Declarant dated November 6, 2006 and recorded November 17, 2006 in Centre County Record Book 1976, page 833.
- Section 19.1 of the Declaration permits the amendment of the Declaration in accordance with Section 3219 of the Pennsylvania Uniform Condominium Act.
- By this Amendment Declarant, Dingers and Styers, being the owners of all units within the Condominium, desire to amend certain provisions of the Declaration as more specifically set forth herein.

NOW, THEREFORE, the Declarant hereby declares as follows:

- The term "Qualified Resident" as defined in Section 2.2 of the Declaration is hereby eliminated in its entirety.
 - 2. Section 7.3 of the Declaration is eliminated in its entirety.
 - 3. Except as amended herein, the terms of the Declaration are reaffirmed.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed the day and year first above written

THE SUMMIT AT SHILOH LIMITED PARTNERSHIP, by its General Partner, The Summit at Shiloh, LLC.

By: ___

Jules Pau, Member

By:

Pamela J. Patt, Member

William H. Sty

Jolene S. Styers

James F. Dinger

Shelly A. Dinger

| COMMONWEALTH OF PENNSYLVANIA | () | |
|------------------------------|----|-----|
| |) | SS. |
| COUNTY OF BLAIR |) | |

The undersigned, a Notary Public in and for the said County, in the State aforesaid, do hereby certify that P. Jules Patt and Pamela J. Patt, being the sole members of The Summit at Shiloh, LLC., personally appeared before me this day, and they acknowledged and swore that they signed, sealed and delivered the said instrument as their free and voluntary act and deed for the uses and purposes therein set forth and that the statements therein contained are true.

Given under my hand and notarial seal this 4 day of June , 2007.

NOTARIAL SEAL

STACY A GUTSHALL, Notary Public Holidayaburg Boro, Blair County
My Commission Expires June 11, 2007

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF \underline{Blair} O

The undersigned, a Notary Public in and for the said County, in the State aforesaid, do hereby certify that James F. Dinger and Shelly A. Dinger, personally appeared before me this day, and they acknowledged and swore that they signed, sealed and delivered the said instrument as their free and voluntary act and deed for the uses and purposes therein set forth and that the statements therein contained are true.

Given under my hand and notarial seal this 30th day of May, 2007

Nortry Public COMMONWEALTH OF PENNSYLVANIA

My Commission Expires:

Notarial Seal

Wendy A. Rossman, Notary Public Holidaysburg Boro, Blair County My Commission Expires Dec. 6, 2008

Membra: Pennsylvania Association Of Notaries

| COMMONWE | ALTH OF PENNS | YLVANIA) | | |
|--|---|---|---|--------------------------------------|
| COUNTY OF | Blair |) SS.) | | |
| hereby certify t day, and they a as their free and | hat William H. Stye cknowledged and sv | blic in and for the said ears and Jolene S. Styers, wore that they signed, so deed for the uses and pute. | , personally appeared alled and delivered | d before me this the said instrument |
| Given u | nder my hand and n | notarial seal this <u>30</u> 4d | ay of <u>May</u> | , 2007. |

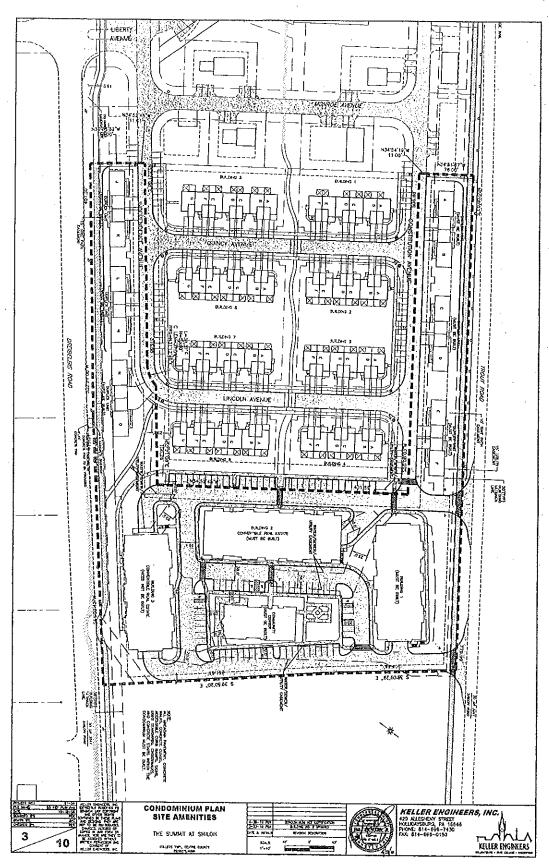
Notary Public

My Commission Expires:

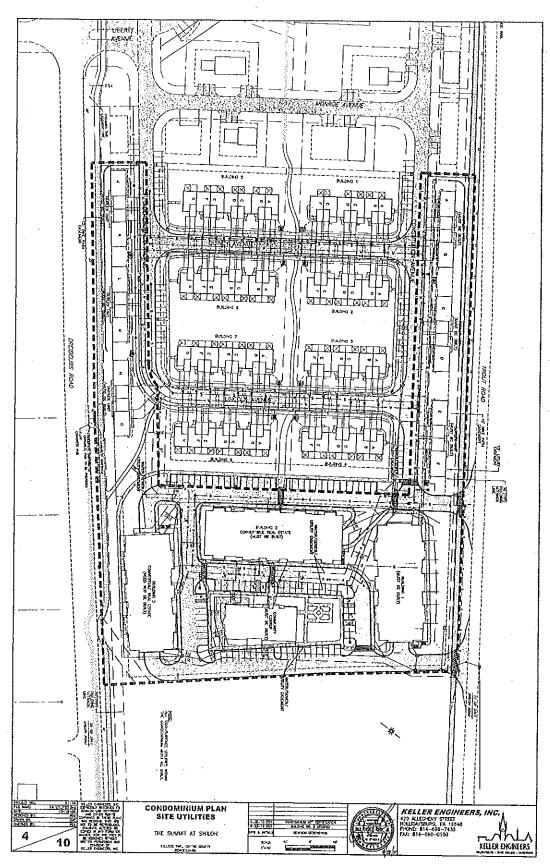
COMMONWEALTH OF PENNSYLVANIA

Notanal Seal Wendy A. Rossman, Notary Public Holidaysburg Boro, Blair County My Commission Expires Dec. 6, 2008

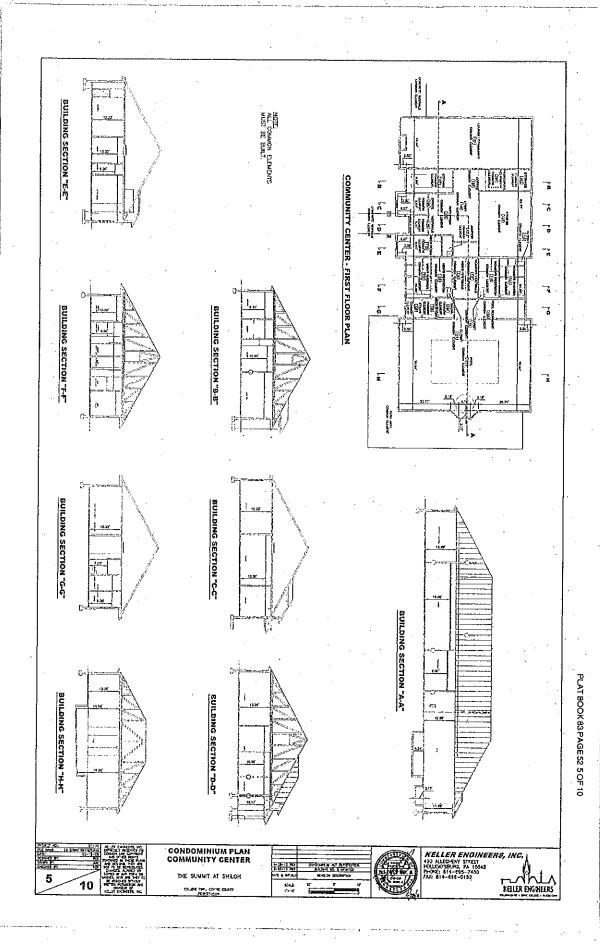
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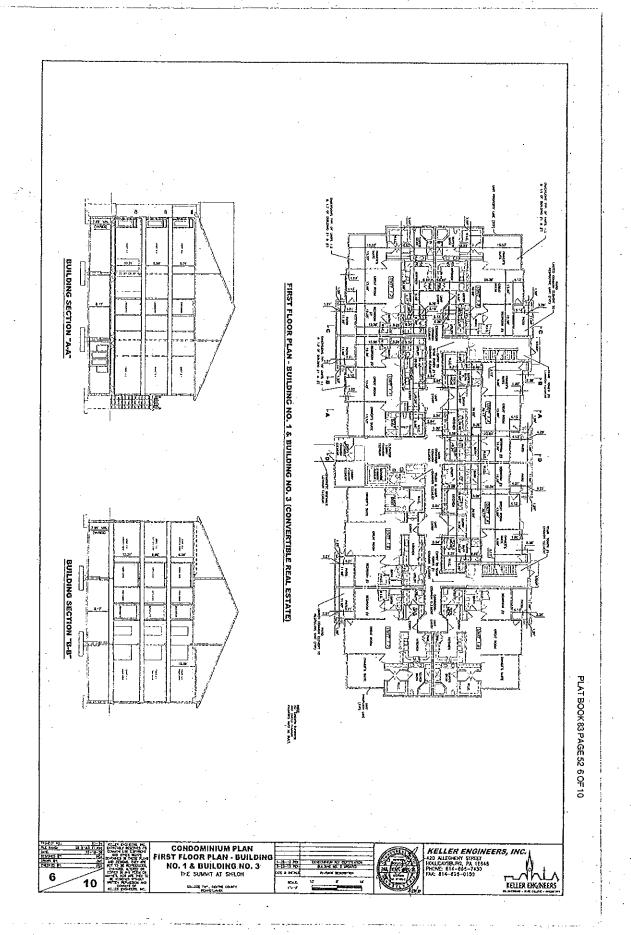
PLAT BOOK 83 PAGE 52 3 OF 10

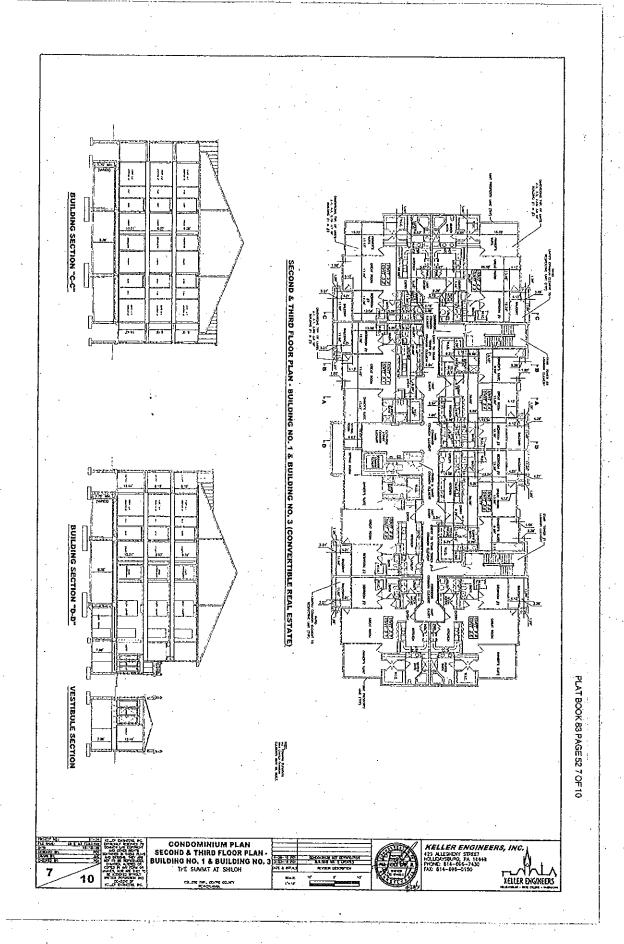


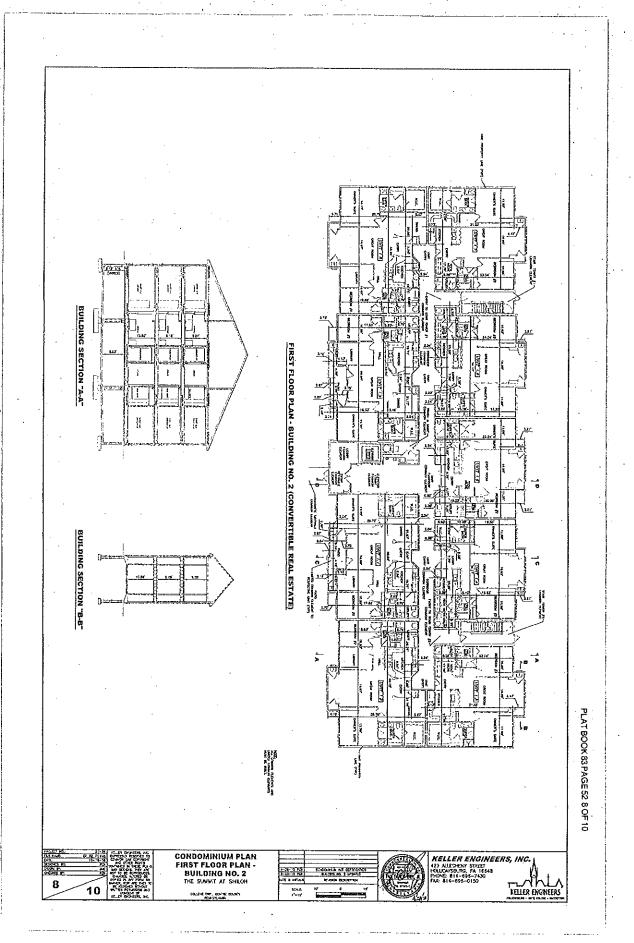
PLAT BOOK 83 PAGE 52 4 OF 10

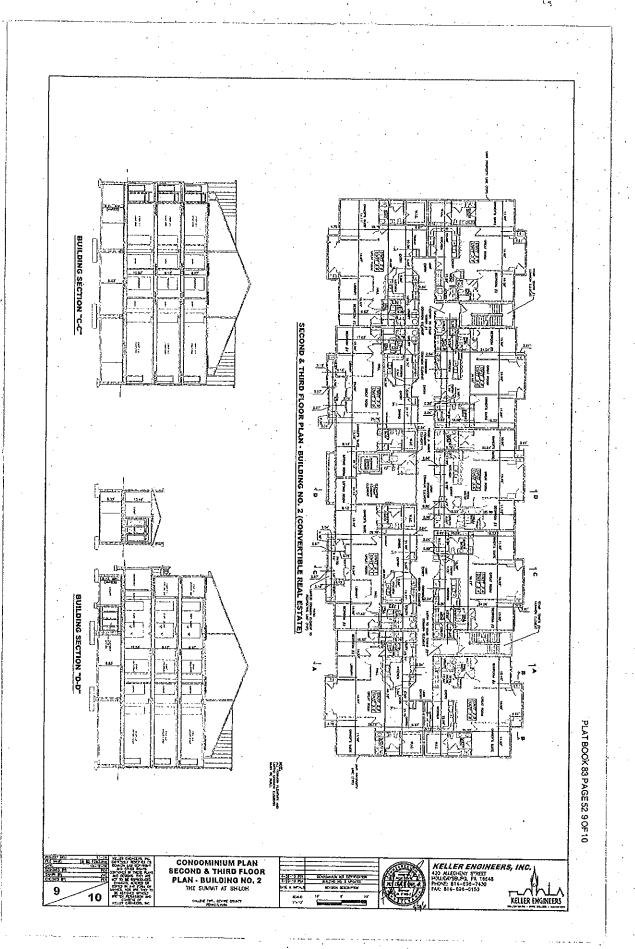


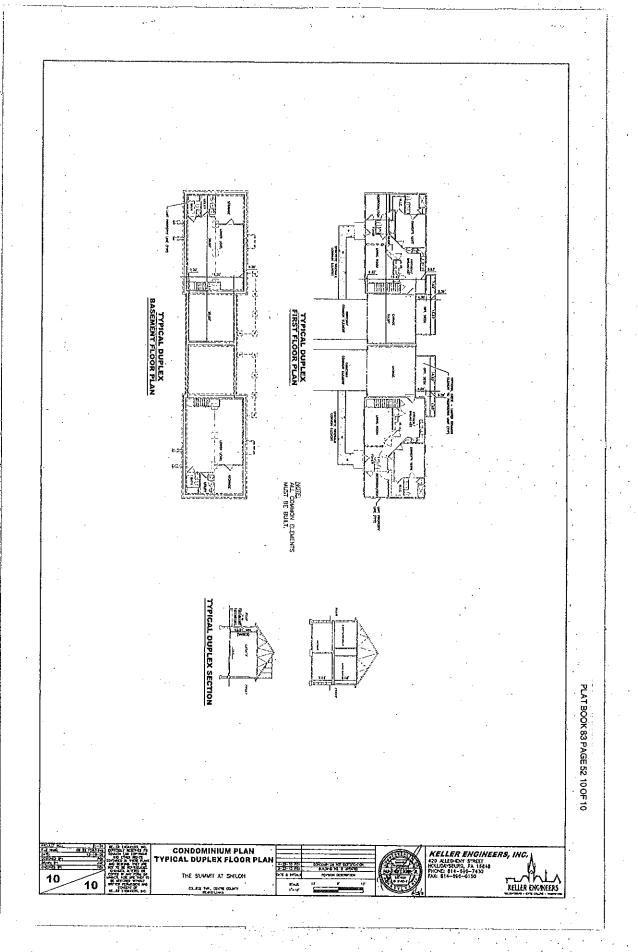
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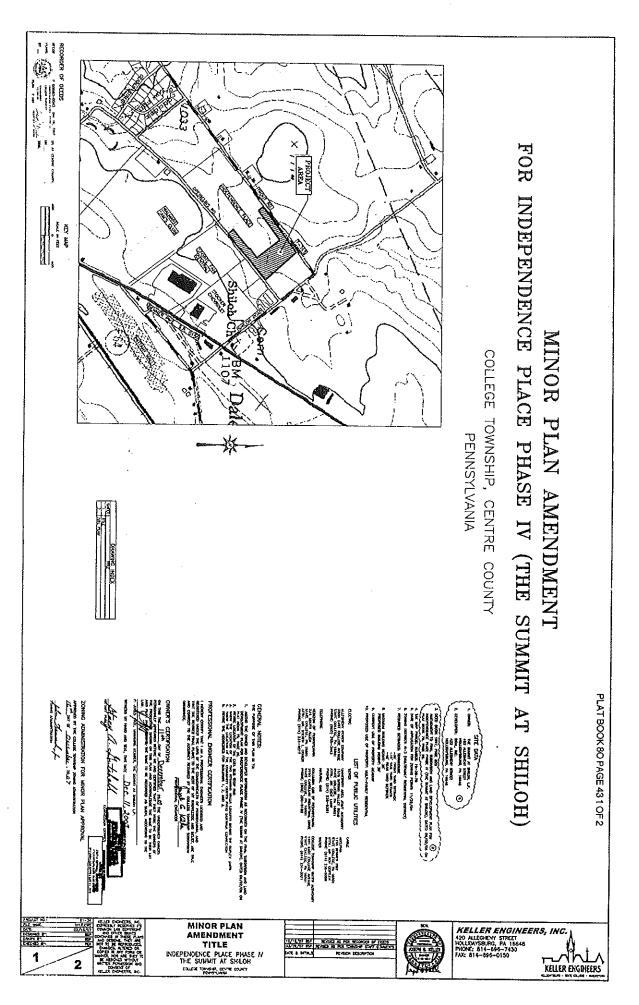


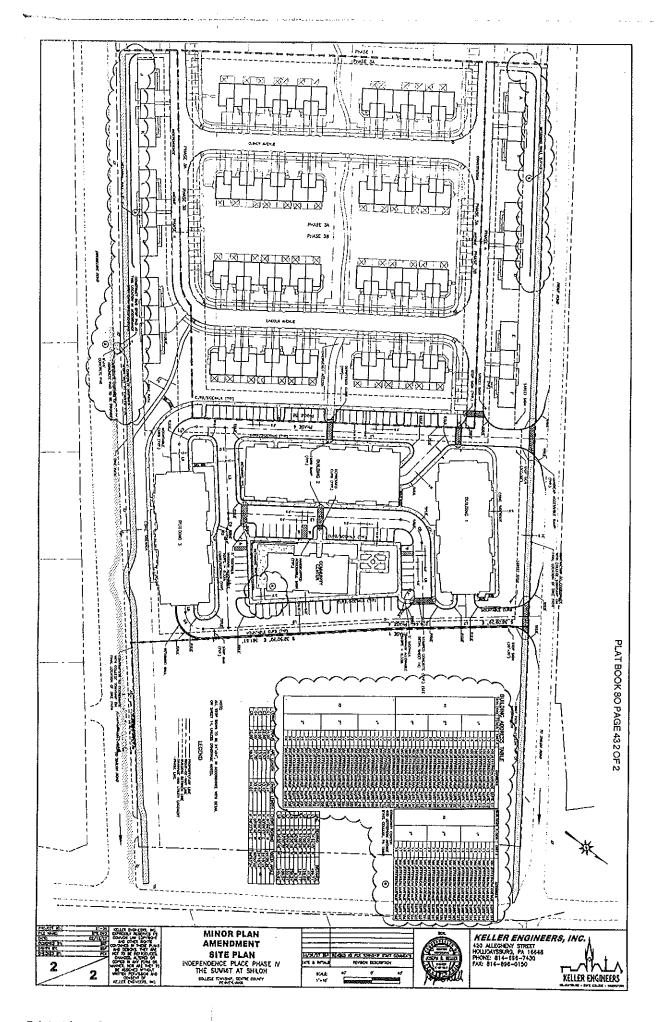


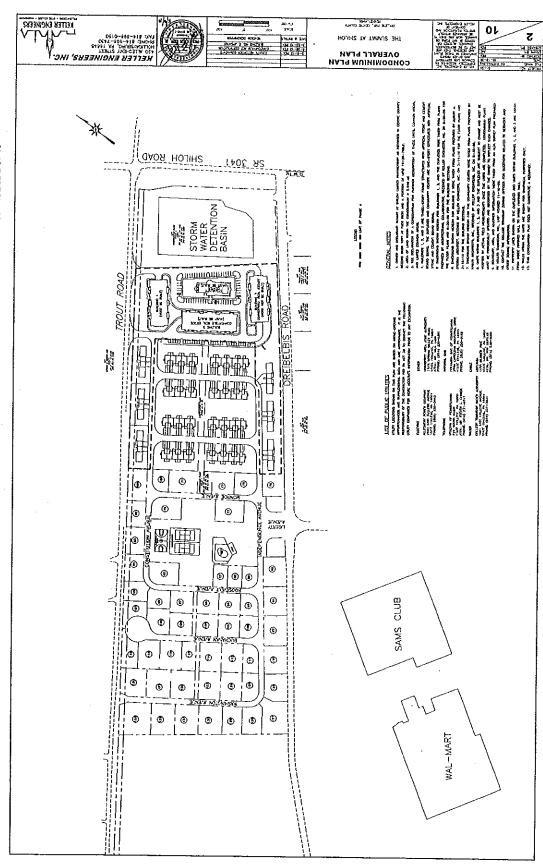












PLAT BOOK 83 PAGE 52 2 OF 10



R 02056-0222 May 07, 2010 SUMMIT AT SHILOH LIMITED PARTNERSHIP SUMMIT AT SHILOH LIMITED PARTNERSHIP

05-07-2010

14 pgs SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM

THIS AMENDMENT made this ictn day of March between THE SUMMIT AT SHILOH LIMITED PARTNERSHIP, a Pennsylvania limited partnership (hereinafter "Declarant").

The background of this Amendment is as follows:

- By Declaration of Condominium dated October 1, 2006, and recorded November 1, 2006 in the Office of the Recorder of Deeds of Centre County in Record Book 1975, page 777, (the "Declaration"), Declarant submitted certain real property as described therein (the "Property") to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pac's. § 3101 et seq. (the "Act"), and thereby created with respect to the Property a condominium, known as The Summit at Shiloh Condominiums (the "Condominium").
- The Declaration was amended by Amendment to Declaration of Condominium В. dated may 30, 2007 and recorded June 5, 2007 in the Office of the Recorder of Deeds of Centre County in Record Book 1989, page 44.
- Pursuant to Article XVIII of the Declaration, Declarant reserved an option to C. convert the to Units, Limited Common Elements or any combination thereof all or any portion of the Property designated as "Convertible Real Estate" as described in Exhibit A-2 to the Declaration, without the consent of any Unit Owner or holder of any mortgage on any Unit.
- Declarant now desires to convert to the Condominium the portions of the Property D. described in Exhibit A-2 attached hereto, and which is referred to herein as the "Converted Real
- All capitalized terms which are not defined herein shall have the meanings E. specified in Article II of the Declaration.
- Pursuant to the provisions of Article XVIII of the Declaration and of Section 3211 F. of the Act, Declarant declares that the Converted Real Estate, including all of the improvements erected thereon or to be erected thereon, are and shall be and constitute a part of the Condominium and of the property, and the Declaration is hereby amended as follows:
- The term "Declaration Plan" as defined in Section 2.2(o) of the Declaration shall 1. henceforth mean the Declaration Plan as attached to the Declaration as Exhibit A-2 and the Amendment to the Declaration Plan attached hereto as Exhibit 1. Exhibit 1 hereto identifies and delineates the Converted Real Estate as: Building 2.
 - There are 27 Units located on the Converted Real Estate. 2.

- In accordance with Article IV of the Declaration, the Percentage Interests 3. appurtenant to each Unit shall herceforth be as set forth in Exhibit A-3 attached hereto and made a part hereof, which Exhibit is hereby substituted for Exhibit A-3 which was attached to the Declaration and referred to in Article IV of the Declaration.
- Except as specifically amended hereby, the declaration remains in full force and 4. effect in accordance with its terms.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed the day and year first above written

> THE SUMMIT AT SHILOH LIMITED PARTNERSHIP, by its General Partner, The Summit at Shilgh, LLC.

P. Jules Patt, Member

COMMONWEALTH OF PENNSYLVANIA)

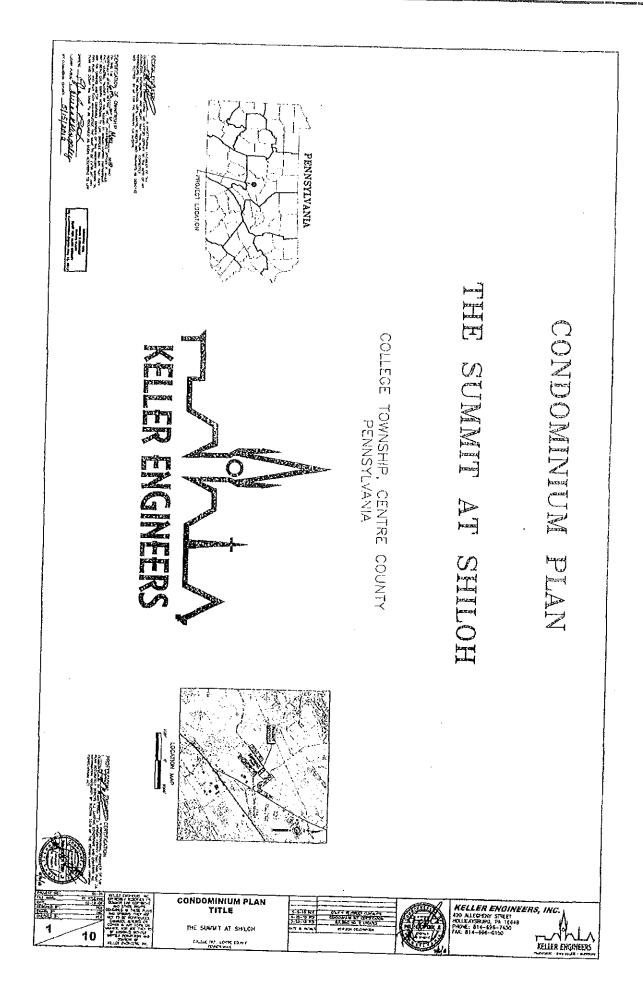
COUNTY OF BLAIR

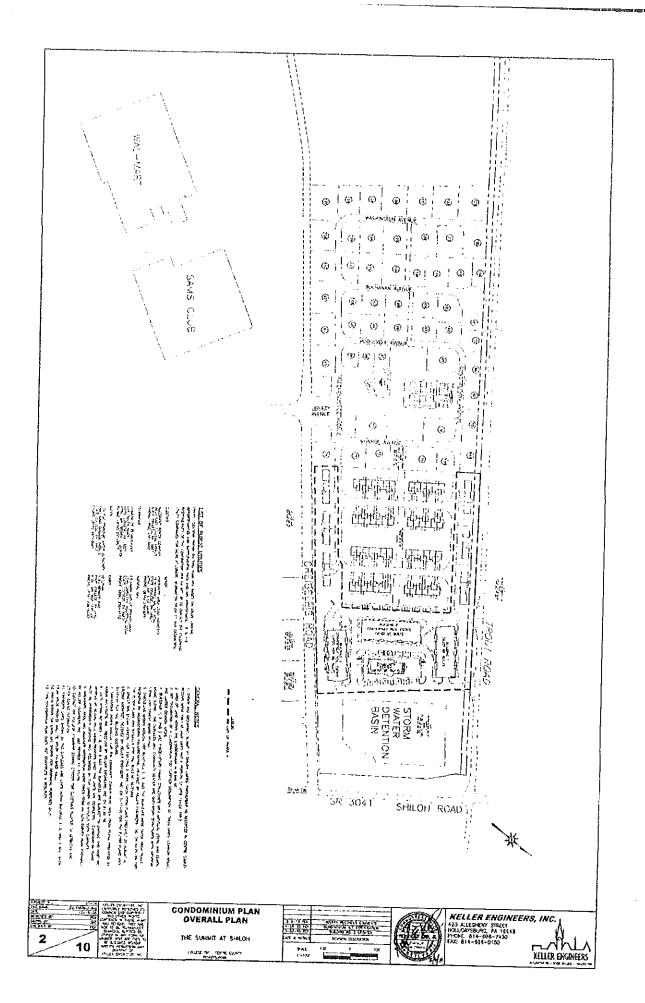
The undersigned, a Notary Public in and for the said County, in the State aforesaid, do hereby certify that P. Jules Patt, being the sole member of The Summit at Shiloh, LLC., personally appeared before me this day, and they acknowledged and swore that they signed, sealed and delivered the said instrument as their free and voluntary act and deed for the uses and purposes therein set forth and that the statements therein contained are true.

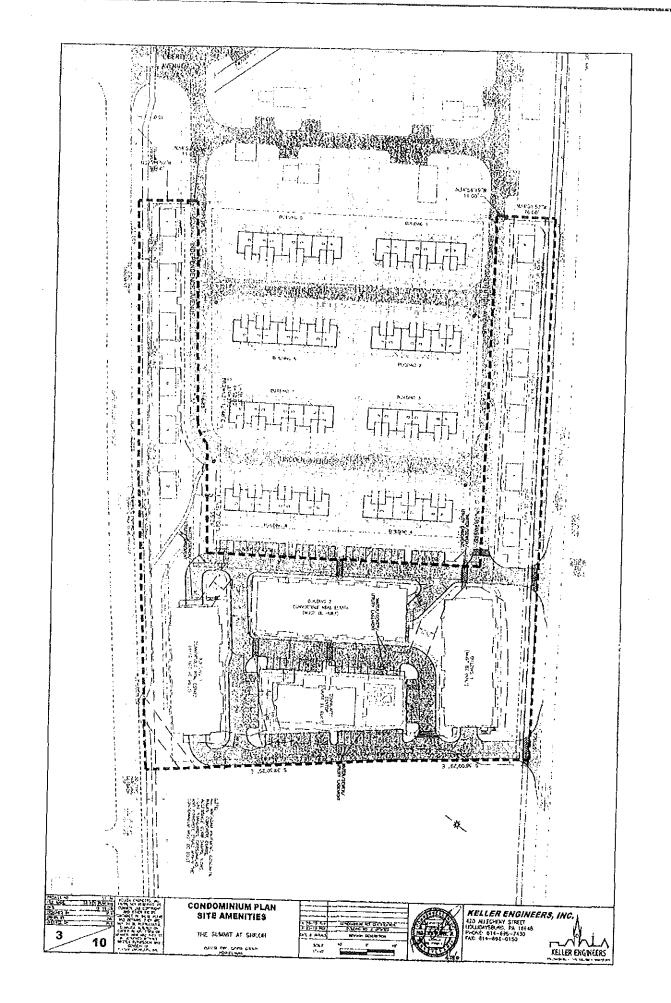
Given under my hand and notarial seal this 10th day of March, 2009.10 Mulakkingoleg Notary Public

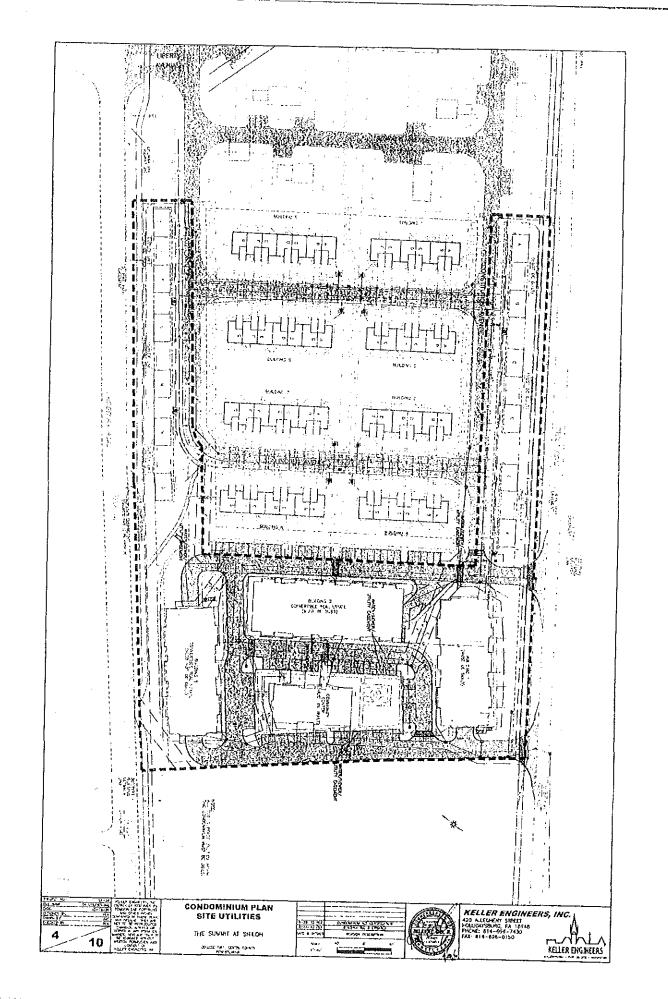
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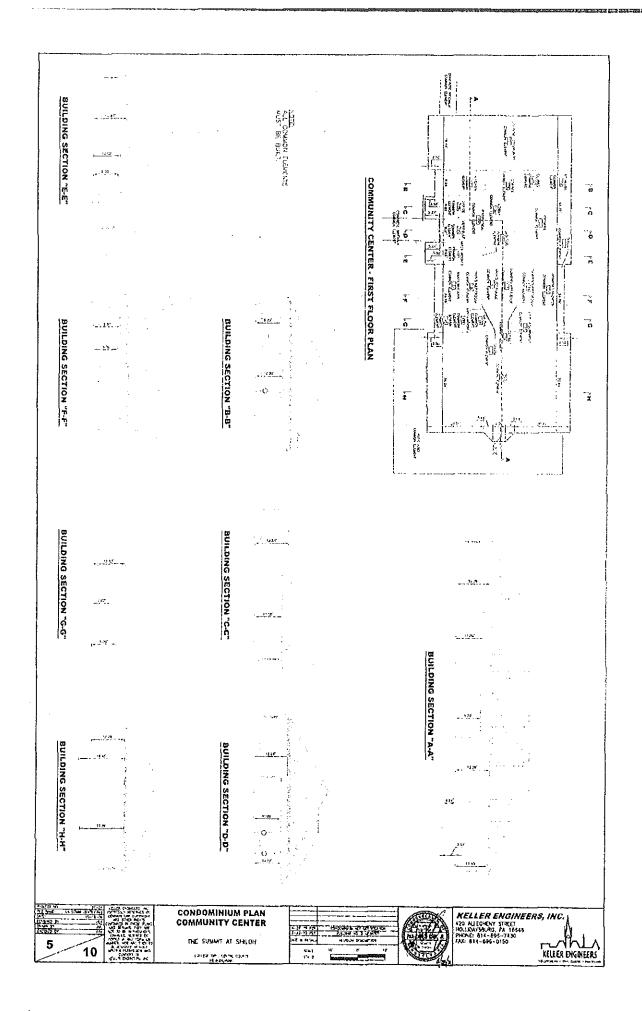
NOTARIAL SEAL BUSAN R KINGSLEY Notary Public BLAIR TWR BLAIR COUNTY ly Commission Expires May 15, 2012

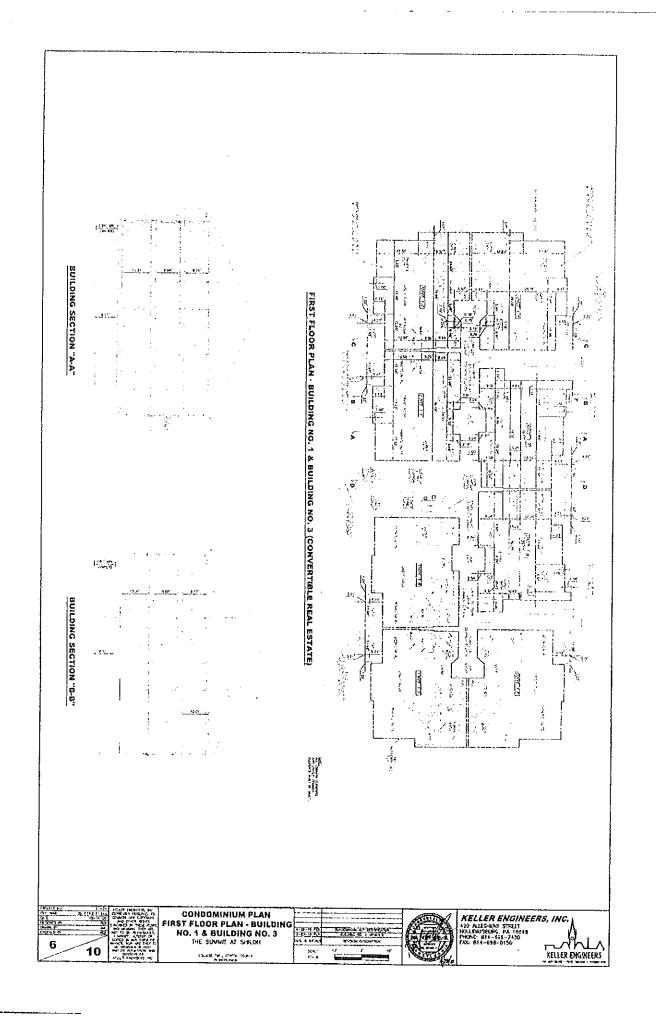


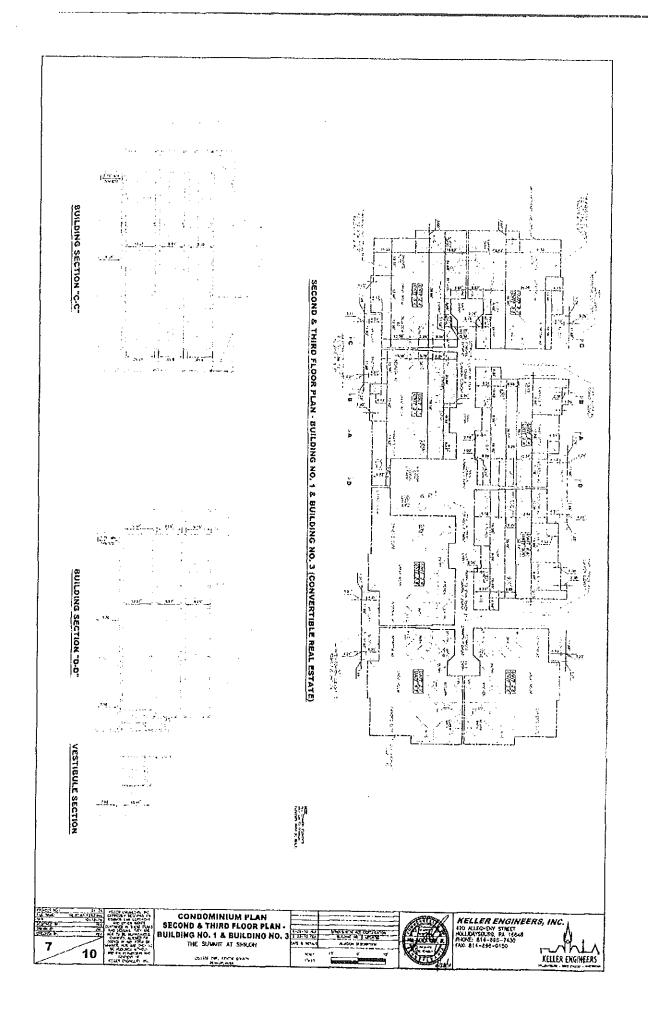


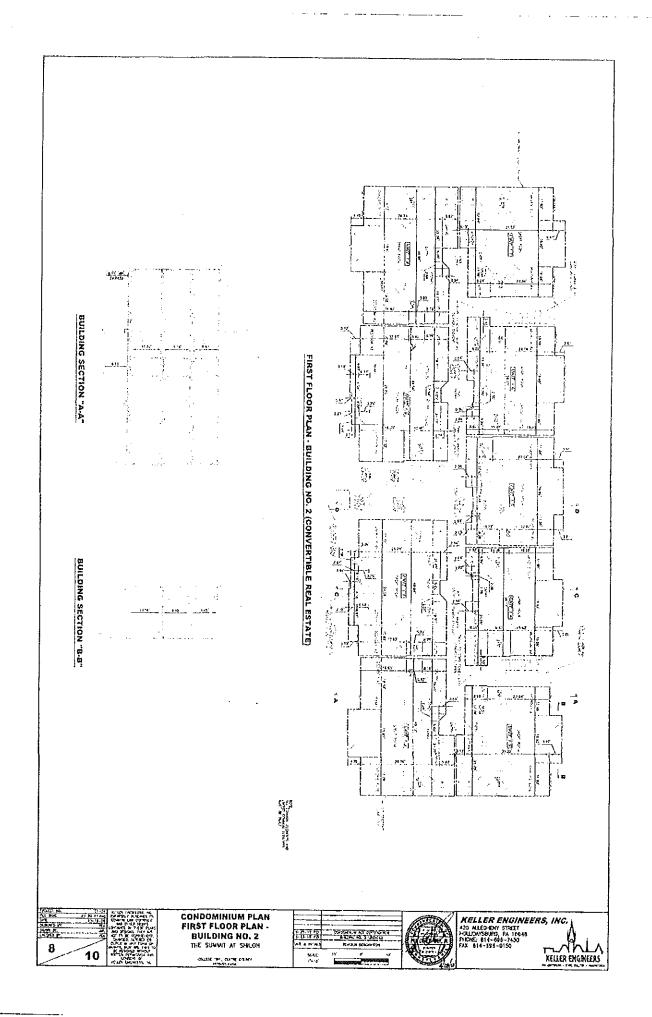


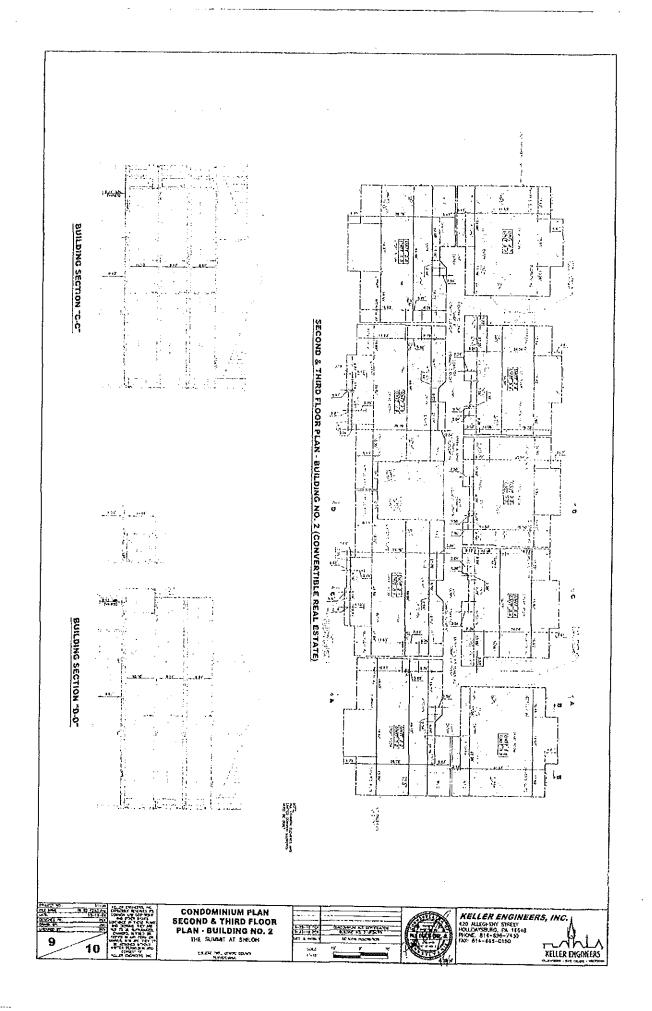












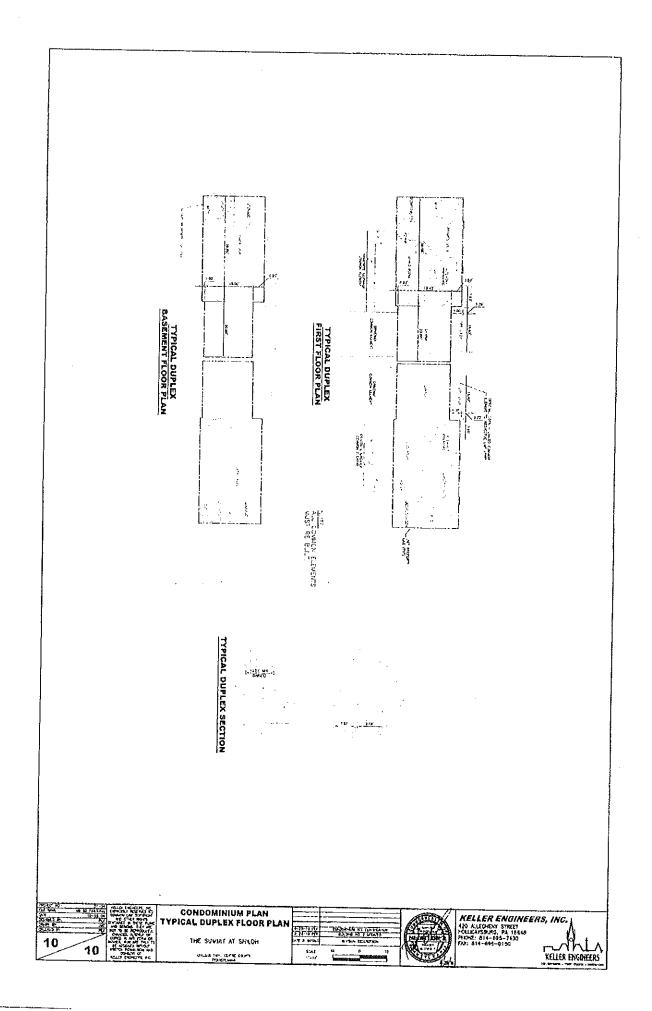


Exhibit A-3

Summit @ Shiloh Square Footages and Percentage of Total

Phase I

| Building #1 | sq. ft. | % of Building #1 | % of Total | |
|----------------------------|---------|------------------|------------|---------|
| Unit 1,1 | 1269 | 3.96% | 2.54% | |
| Unit 1.2 | 1344 | 4.19% | 2.69% | |
| Unit 1.3 | 1353 | 4.22% | 2.70% | |
| Unit 1.4 | 1303 | 4.07% | 2.60% | |
| Unit 1.5 | 1312 | 4.09% | 2.62% | |
| Unit 1.6 | 1413 | 4.41% | 2.82% | |
| Unit 1.7 | 1405 | 4.38% | 2.81% | |
| Unit 1.8 | 1275 | 3.98% | 2.55% | |
| Unit 2.1 | 1269 | 3.96% | 2.54% | |
| Unit 2.2 | 1265 | 3.95% | 2.53% | |
| Unit 2.3 | 1280 | 3.99% | 2.56% | |
| Unit 2.4 | 1303 | 4.07% | 2.60% | |
| Unit 2.5 | 1312 | 4.09% | 2.62% | |
| Unit 2.6 | 1413 | 4.41% | 2.82% | |
| Unit 2.7 | 1405 | 4.38% | 2.81% | |
| Unit 2.8 | 1275 | 3.98% | 2.55% | |
| Unit 3.1 | 1360 | 4.24% | 2.72% | |
| Unit 3.2 | 1344 | 4.19% | 2.69% | |
| Unit 3.3 | 1353 - | 4.22% | 2.70% | |
| Unit 3.4 | 1303 | 4.09% | 2.60% | |
| Unit 3.5 | 1312 | 4.09% | 2.62% | |
| Unit 3.6 | 1413 | 4.41% | 2.82% | |
| Unit 3.7 | 1405 | 4.38% | 2.81% | |
| Unit 3.8 | 1364 | 4.26% | 2.73% | |
| A | | | | 64.04% |
| Villas | sq. ft. | % of Villas | % | |
| 1 | 1500 | 8.33% | 3.00% | |
| 2 | 1500 | 8.33% | 3.00% | |
| 3 | 1500 | 8.33% | 3.00% | |
| 4 | 1500 | 8.33% | 3.00% | |
| 5 | 1500 | 8.33% | . 3.00% | |
| 6 | 1500 | 8.33% | 3.00% | |
| 7 | 1500 | 8.33% | 3.00% | |
| 8 | 1500 | 8.33% | 3.00% | |
| 9 | 1500 | - 8.33% | 3.00% | |
| 10 · | 1500 | 8.33% | 3.00% | |
| 11 | 1500 | 8.33% | 3.00% | |
| 12 | 1500 | 8.33% | 3.00% | |
| To | • | | | 35.96% |
| TOTAL | • | , | | 100.00% |

Total Sq. Ft. 50,050

Exhibit A-3

Summit @ Shiloh Square Footages and Percentage of Total 5/6/2010

Phase II

<u>Total</u>

| Building #2 | sq. ft. | % |
|-------------|---------|----------|
| Unit 1.1 | 1684 | 4.05% |
| Unit 1.2 | 1722 | 4.14% |
| Unit 1.3 | 1424 | 3.42% |
| Unit 1.4 | 1377 | 3.31% |
| Unit 1.5 | 1337 | 3.22% |
| Unit 1.6 | 1377 | 3.31% |
| Unit 1.7 | 1424 | 3.42% |
| Unit 1.8 | 1722 | 4.14% |
| Unit 1.9 | 1676 | 4.03% |
| Unit 2.1 | 1771 | 4.26% |
| Unit 2,2 | 1722 | 4.14% |
| Unit 2.3 | 1424 | 3.42% |
| Unit 2.4 | 1377 | 3.31% |
| Unit 2.5 | 1337 | 3.22% |
| Unit 2.6 | 1377 | 3.31% |
| Unit 2.7 | 1424 | 3.42% |
| Unit 2.8 | 1722 | 4.14% |
| Unit 2.9 | 1763 | 4.24% |
| Unit 3.1 | 1771 | 4.26% |
| Unit 3.2 | 1722 | 4.14% |
| Unit 3.3 | 1424 | 3.42% |
| Unit 3.4 | 1377 | 3.31% |
| Unit 3.5 | 1337 | 3.22% |
| Unit 3.6 | 1377 | 3.31% |
| Unit 3.7 | 1424 | 3.42% |
| Unit 3.8 | 1722 | 4.14% |
| Unit 3.9 | 1763 | 4.24% |
| | 41577 | .100.00% |

BYLAWS

OF

THE SUMMIT AT SHILOH

CONDOMINIUM ASSOCIATION ("Association")

ARTICLE I Introduction

- Section 1.01 Name of Association. The Association shall be known as "The Summit at Shiloh Condominium Association", a Pennsylvania corporation not-for-profit.
- Section 1.02 <u>Defined Terms</u>. Unless the context thereof clearly requires otherwise, capitalized terms used herein shall have the meanings attributed to such terms in the Declaration of Condominium (the "Declaration") establishing The Summit at Shiloh, a condominium (the "Condominium"), and in the Pennsylvania Uniform Condominium Act, 68 Pa. C.S. S 3101 ct seq. (the "Act").
- Section 1.03 <u>Applicability</u>. These Bylaws provide for the governance of the Association pursuant to the requirements of Section 3306 of the Act.

ARTICLE II Members of the Association

- Section 2.01 Membership in Association. Each Unit Owner, upon acquisition of an ownership interest in its Unit, shall automatically become a Member ("Member") of the Association. Such membership shall automatically terminate upon the sale or other disposition by a Unit Owner of the ownership interest in its Unit. Persons or entities who hold an interest in a Unit merely as security for the performance of an obligation shall not be Members.
- Section 2.02 <u>Voting Rights</u>. Each Member owning the entire ownership interest in a Unit shall be entitled to exercise that percentage of the total voting power of the Association which is equivalent to the Percentage Interest appurtenant to such Member's Unit. If the undivided ownership interest of a Unit is shared by two or more entities (including persons) each such entity shall be entitled to vote such proportion of the Percentage Interest appurtenant to such Unit as shall be equivalent to such entity's proportionate ownership interest in such Unit.

ARTICLE III Membership Meetings

- Section 3.01 Annual Meeting. The Members of the Association shall meet annually on or about January 15 as aunounced by the Executive Board for the purpose of electing directors as specified by Section 4.02 or for the transaction of such other business as may come before the meeting.
- Section 3.02 <u>Special Meetings</u>. Special meetings of the Members may be called by the Secretary. Special meetings shall be called by the Secretary upon receipt of a request for a meeting from at least two (2) Directors or ten percent (10%) of the Members.
- Section 3.03 Quorum; Adjournments. The presence of Members entitled to cast at least a majority of the votes that all Members are entitled to cast on a particular matter to be acted upon at a meeting of the Members shall be required in order to constitute a quorum for the purposes of consideration and action on the matter. Adjournments of any meeting of the Members may be taken, and those Members entitled to vote who attend a meeting called for the election of directors that has been previously adjourned for lack of a quorum, although less than a quorum as fixed in this Section, shall nevertheless constitute a quorum for the purpose of electing directors.
- Section 3.04 Notice. Written notice of every membership meeting shall be given to each Member at least five (5) days in advance of the meeting. Such notice shall indicate the location of the meeting, which shall be fixed by the Executive Board, and in the case of a special meeting, the matters to be considered at such meeting. A written waiver of notice signed by a Member shall be equivalent to the giving of notice, whether such waiver is received before, at, or after the meeting. Attendance at any meeting also shall constitute a waiver of notice.

ARTICLE IV Executive Board

- Section 4.01 <u>Authority</u>. The Executive Board is vested with the governance and management of the operations and affairs of the Association. The Executive Board shall administer, manage, preserve and protect the property of the Association. Subject to any restrictions set forth in the Act, the Declaration, the Articles of Incorporation, or elsewhere in these Bylaws, the Executive Board may take any action which is permitted or required to be taken by Directors of a nonprofit corporation under the laws of the United States or the Commonwealth of Pennsylvania.
- Section 4.02 Number, Appointment, Term. The Executive Board shall consist of a minimum of three persons and a maximum of five persons, the actual number of to be determined from time to time by the Members. Directors shall be elected by the Members at each annual meeting of the Members or at any special meeting called for that purpose. Each Director shall serve until the next annual meeting of the Members or until his or her successor is duly elected and qualified. Directors may serve any number of consecutive terms.

Section 4.03 <u>Vacancies</u>. Except as provided below, vacancies in the Executive Board, including vacancies resulting from an increase in the number of Directors, may be filled by a majority vote of the remaining members of the Executive Board though less than a quorum, or by a sole remaining Director. Each person so selected shall be a Director to serve for the balance of the unexpired term. In the event that a Director is an officer, director, employee or agent of a Member, such Member shall be entitled, in lieu of the procedure set forth above, to designate a replacement for such Director for the balance of such Director's unexpired term if such Director resigns, dies or is removed from the Executive Board as a result of action taken by the Members.

Section 4.04 <u>Compensation</u>. No compensation shall be paid to the members of the Executive Board for their services as Directors but, at the discretion of the Executive Board, they may be reimbursed for travel and actual expenses necessarily incurred by them in attending meetings and performing other duties on behalf of the Association.

Section 4.05 Meetings. The annual meeting of the Executive Board of the Association shall be in January of each year or at another time designated by the President. Regular meetings of the Executive Board shall be held at such times and in such places as the Executive Board may determine, or in the absence of such determination, as the President shall determine. The President may, and upon the written request of three (3) Directors shall, call a special meeting upon not less that five (5) days notice to all Directors. The meetings of the Executive Board shall be at such time and place as shall from time to time be fixed by the President.

Section 4.06 Quorum. At all meetings of the Executive Board, the presence of a majority of the Directors in office shall constitute a quorum. In addition to those Directors who are actually present at a meeting, Directors shall be deemed as present at such meeting if a telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time is used. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. A majority of the Directors present, whether or not a quorum exists, may adjourn any meeting of the Board to another time and place. Notice of any such adjourned meeting shall be given to the Directors who are not present at the time of adjournment.

Section 4.07 <u>Voting</u>. Each Director shall be entitled to one vote on each matter submitted to a vote of the Executive Board.

Section 4.08 Two-Thirds Approval. Any fundamental change in the Association as described in Chapter 59 of the Pennsylvania Nonprofit Association Law of 1988, 15 Pa. C.S.A. §5901 through §5989 (or the corresponding provisions of any future Pennsylvania law), including, without limitation, amendment of articles of incorporation, merger, consolidation, sale of all or substantially all assets, division, conversion, dissolution and winding-up, shall require the approval of a least two-thirds of the Directors of the Association.

Section 4.09 Committees. The Executive Board may establish such standing and ad hoc committees as the Executive Board may deem advisable in the administration and conduct of the affairs of the Association. Such committees appointed by the Executive Board shall advise and consult with the Executive Board and staff of the Association to the extent authorized. The Executive Board is authorized in its discretion to approve reimbursement for travel and actual expenses necessarily incurred by members of committees in attending committee meetings and in performing other official duties as such. The President shall appoint all chairpersons and members of the committees. The chairperson of each committee shall determine the date and place of all committee meetings. Each committee shall adopt its own rules of procedure.

Section 4.10 <u>Limitation on Power of Committees</u>. No such committee shall have any power or authority as to the following:

- (1) Amendment or repeal of any resolution of the Executive Board; or
- (2) Action on matters committed by these Bylaws or a resolution of the Executive Board to another Committee of the Executive Board.

Section 4.11 <u>Rules and Regulations</u>. Subject to the provisions of the Act, the Executive Board may adopt rules and regulations not inconsistent with the Declaration and these Bylaws for the administration and conduct of the affairs of the Association and may alter, amend or repeal any such rules or regulations adopted by it.

Section 4.12 Notices. Written notice of the time and place of all meetings of the Executive Board shall be sent to all Directors at least five (5) days in advance of the date thereof. Such notice shall set forth the time and place of the meeting. For special meetings, the notice shall state the general nature of the business to be transacted.

Section 4.13 Waiver of Notice. Whenever any notice whatsoever is required to be given under the provisions of applicable law, the Articles of Incorporation of this Association, or these Bylaws, a waiver of such notice in writing signed by the person or persons entitled to notice whether before or after the time stated in such waiver, will be deemed equivalent to the giving of such notice. Attendance at any meeting also shall constitute a waiver of notice.

Section 4.14 <u>Directors' Justifiable Reliance on Certain Information</u>. A Director of this Association shall stand in a fiduciary relation to this Association and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Executive Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interest of this Association, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- (1) One or more officers or employees of this Association whom the Director reasonably believes to be reliable and competent in the matters presented;
- (2) Counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such persons; or
- (3) A committee of the Executive Board of the Association upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

Section 4.15 <u>Delegation of Powers, Managing Agent.</u> The Executive Board may employ for the Condominium a managing agent (the "Managing Agent") at a compensation established by the Executive Board. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including but not limited to, all of the duties listed in the Act, the Declaration and these Bylaws; provided, however, that if the Managing Agent does not have the power to act under the Act, the Declaration or these Bylaws, such duties shall be performed as advisory to the Executive Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration and these Bylaws other than the following powers:

- a. to adopt the annual budget and any amendment thereto or to assess any Common Expenses;
- b. to adopt, repeal or amend the Rules and Regulations;
- to designate signatories on Association bank accounts;
- d. to borrow money on behalf of the Association;
- e. to acquire and mortgage Units;
- f. to designate Reserved Common Elements; and
- g. to allocate Limited Common Elements.

ARTICLE V Officers

- Section 5.01 <u>Enumeration</u>. The officers of the Association shall be a President, such number of Vice Presidents (if any) as the Executive Board shall elect from time to time, a Secretary, a Treasurer, and such other officers as the Executive Board may from time to time designate.
- Section 5.02 Term of Office, Salary. Officers of the Association shall be elected by the Executive Board at each annual meeting of such Board or any special meeting of such Board called for that purpose. Each officer shall serve until the next annual meeting of the Executive Board or until his or her successor is duly elected and qualified. Each officer may receive compensation from the Association for his or her service as an officer in the discretion of the Executive Board.
- Section 5.03 <u>Vacancies</u>. Any vacancy in the office of the President, Secretary or Treasurer shall be filled by the Executive Board. The President may, however, temporarily fill vacancies in the office of Secretary or Treasurer or any other office designated by the Executive Board for the period ending upon the date when such vacancy is filled by the Executive Board.
- Section 5.04 <u>President</u>. The President shall preside at all meetings of the Executive Board and Members. The President shall be the chief executive officer of the Association and shall exercise general supervision of the affairs of the Association and shall conduct such affairs in accordance with the Act, the Declaration, the Articles of Incorporation and Bylaws of the Association and pursuant to the direction of the Executive Board.
- Section 5.05 <u>Vice President</u>. The Vice President or, if there shall be more than one, the Vice Presidents, in the order of their seniority unless otherwise specified by the Executive Board, shall have all of the powers and performance of the duties of the President during the President's absence or inability to act. Each Vice President shall also have such other powers and perform such other duties as shall be prescribed from time to time by the Executive Board or the President.
- Section 5.06 Secretary. The Secretary shall make or cause to be made minutes of all meetings of the Executive Board and Members. The Secretary shall be responsible for the timely mailing or delivery of all notices of meetings of the Executive Board, shall have custody of the corporate seal and shall affix it at the direction of the President, and, generally, will perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation or by these Bylaws, or which may be assigned from time to time by the Executive Board.
- Section 5.07 <u>Treasurer</u>. The Treasurer shall receive and disburse the funds of the Association under the direction of the Executive Board. The Treasurer shall have custody of all records and documents relating to the property of the Association, maintain property books of accounts which shall be open at all times to inspection by the Executive Board, shall render to

the Executive Board upon request a report of all activities executed as Treasurer and will perform in general all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation or by these Bylaws, or which may be assigned from time to time by the Executive Board.

- Section 5.08 Other Officers. All other officers of the Association shall have such responsibilities and perform such duties as may be prescribed by the Executive Board.
- Section 5.09 <u>Removal of Officers</u>. Any officer elected or appointed to office may be removed by the persons authorized under these Bylaws or the Association's Articles of Incorporation to elect or appoint such officers when ever in their judgment the best interests of this Association will be served.
- Section 5.10 <u>Bonds</u>. The Executive Board may in its discretion require the Treasurer and any other officer to give bond in such amount and with such surety or sureties as the Executive Board shall determine.

ARTICLE VI Finances of Association

Section 6.01 Preparation of Annual Budget. Each year on or before December 15, the Executive Board shall estimate the total amount necessary to pay the operating costs of the Association for the next calendar year together with a reasonable amount considered by the Executive Board to be necessary as a reserve for contingencies and replacements. These two categories of expenses shall be itemized to reflect Common Expenses and Limited Expenses. The Executive Board shall notify each Unit Owner in writing on or before December 31 of each year of the amount of each such estimate. These estimated costs shall then be assessed to the Unit Owners as Common Expenses or Limited Expenses, as the case may be, according to each Unit Owner's Percentage Interest. Such assessments shall be deemed to be assessed on a monthly basis and payable on the first day of each month of such year. On or before the date of each Annual Meeting, the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses and Limited Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Unit Owner's Percentage Interest to the next monthly installments due from Unit Owners under the current year's estimate, until exhausted, and any shortage shall be added according to each Unit Owner's Percentage Interest to the installments due in the succeeding 6 months after rendering the accounting.

Section 6.02 <u>Special Assessments, Extraordinary Expenditures</u>. If the Executive Board shall determine that any structural components of any Common Element, Limited Common Element or Unit or that any part of any Common Element requires immediate maintenance, repair, renovation or replacement in order to protect the health and safety of the Unit Owners and occupants or to preserve the essential nature and character of the Condominium or to otherwise

comply with the terms, covenants and conditions of the Ground Lease, and the expense of such maintenance, repair, renovation or replacement was not calculated into the budget for the current fiscal year, such expense shall be charged against the reserve for contingencies and replacements. If the reserve for contingencies and replacements if inadequate to meet such expense, the Executive Board shall levy a special assessment against all of the Units. The Executive Board shall serve written notice of such special assessment upon the Unit Owners by certified or registered mail. Such notice shall state the amount of the special assessment and the reasons therefor. The special assessment shall be payable in two monthly installments beginning with the first day of the month succeeding the date on which notice of the special assessment was sent.

Section 6.03 Budget for First Year. Upon the initial election of the Executive Board Directors by Unit Owners other than the Declarant, the Executive Board shall determine the operating expenses of the Association for the period commencing 30 days after such election and ending on December 31 of the calendar year in which such election occurs. Assessments shall be levied against, and paid by, the Unit Owners during this period as provided in Section 6.01 beginning with the first day of the month succeeding the date of such initial election.

Section 6.04 Failure to Prepare Annual Budget. The failure of the Association to prepare or deliver to the Unit Owners the Annual Budget shall not constitute a waiver or release in any manner of the obligations of the Unit Owners to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any Annual Budget, the Unit Owners shall continue

Section 6.05 <u>Books and records of Association</u>. The Association shall keep full and correct books of account and the same shall be open for inspection by any Unit Owner or its representative duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by such Unit Owner. Upon 10 days' notice to the Executive board and payment of a reasonable fee, and Unit Owner shall be furnished a statement of its account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

Section 6.06 <u>Annual Audit</u>. The books of the Association shall be audited once a year by the Executive Board and such audit shall be completed prior to each annual meeting. If requested by 2 members of the Executive Board or the Members entitled to exercise a majority of the voting power of the Association, such audit shall be made by a Certified Public Accountant.

Section 6.07 <u>Fiscal Year</u>. The fiscal year of the Association shall end on December 31 of each year, or on such other date as shall be fixed from time to time by the Executive Board.

ARTICLE VII Powers of the Association

Section 7.01 Generally. The Association, acting by and through the Executive Board, shall have all powers and duties granted in the Act, the Declaration and by these Bylaws, as shall be necessary to manage the Condominium.

Section 7.02 Common Expenses; Limited Expenses; Special Assessments. The Association shall have the power and duty to levy assessments against the Unit Owners for Common Expenses, Limited Expenses and otherwise as shall be necessary to operate the Condominium, maintain adequate reserves and comply at all times with the provisions of the Declaration,

Section 7.03 <u>Late Charges and Fees</u>. The Association may impose reasonable late charges and fees against any Unit Owner by reason of such Unit Owner's delinquent in the payment of any assessments levied by the Association. The Association may impose reasonable fines against any Unit Owner by reason of a default by such Unit Owner in the performance or observation of the terms, covenants and conditions on the part of such Unit Owner to be performed or observed contained in the declaration, the Rules and regulations or these Bylaws, provided that prior to the imposition of such fine, such Unit Owner shall have received notice of such default and shall have been granted an opportunity to be heard.

Section 7.04 <u>Association's Lien</u>. As provided in Section 3315 of the Act, the Association shall have a lien on each Unit for any assessment levied against such Unit or fine imposed against the Unit Owner of such Unit from the time of the assessment or fine shall have been levied. The Association may bring an action at law or in equity against the Unit Owner personally obligated to pay any assessment or fine, may foreclose its lien against such Unit or seek and obtain any other remedy provided at law or in equity. All legal costs and reasonable attorney's fees shall also be a continuing lien upon the Unit against which assessments were levied. The Association's lien shall be subject and subordinate to the lien of any Permitted Mortgage.

Section 7.05 <u>Association's Right to Enter Units</u>. The Executive Board Directors, the Officers of the Association and their agents may enter any Unit or Limited Common Element when such entry shall be necessary in conjunction with any maintenance, repair or replacement for which the Association shall be responsible. Such entry shall occur on weekdays between the hours of 8:00 a.m. and 5:00 p.m. and with as little inconvenience to the Unit Owners as is practicable and any damage caused thereby shall be repaired by the Association. In the event of any emergency originating in or threatening the structure of any Unit or Limited Common Element or the health or safety of any of the occupants of the Condominium, the Association may enter such Unit or Limited Common Element at any time, whether such Unit Owner shall be present or not, and take such action as shall be necessary to remedy the emergency.

Section 7.06 <u>Purchase, Sale, Mortgage and Lease of Real Property</u>. The Executive Board, by affirmative vote of the Directors then in office, shall cause the Association to acquire an interest in any real property, consistent with the provisions of the Declaration and these Bylaws, and to let, sublet, mortgage, pledge or in any way encumber the same, as shall be deemed beneficial to the operation of the Condominium.

ARTICLE VIII Execution of Documents

Section 8.01 <u>Authority to Execute</u>. All contracts and agreements authorized by the Executive Board of the Association, and all authorized checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money shall, unless otherwise directed by the Executive Board or required by law, be signed by the President, a Vice President, the Secretary or Treasurer. The Executive Board may, however, authorize the Secretary or any other officer to sign checks, drafts and orders for the payment of money singly without the necessity of countersignature. Each of the President, any Vice President and the Secretary shall be authorized to prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE IX Indemnification

Section 9.01 Mandatory Indemnification of Directors and Officers. The Association shall indemnify, to the fullest extent now or hereafter permitted by law, (including but limited to the indemnification provided by the Nonprofit Association Law of 1988, 15 Pa. C.S.A. §§ 5741 through 5748) each Director or officer (including each former Director or officer) of the Association who was or is made a party to or a witness in or is threatened to be made a party to or a witness in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a representative of the Association, or is or was serving at the request of the Association as a representative of another corporation, partnership, joint venture, trust or other enterprise against all expenses, (including attorneys' fees and disbursements), judgments, fines (including excise taxes and penalties) and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding.

Section 9.02 Mandatory Advancement of Expenses to Directors and Officers. The Association shall pay expenses (including attorneys' fees and disbursements) incurred by a Director or officer of the Association referred to in Section 9.01 hereof in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 9.01 hereof in advance of the final disposition of such action, suit or proceeding. The expenses incurred by such Director or officer shall be paid by the Association in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking by or on behalf of such Director or officer to repay all amounts advanced if it shall ultimately be determined that he or she is not entitled to be indemnified by the Association as provided in Section 9.04 hereof.

Section 9.03 <u>Permissive Indemnification and Advancement of Expenses</u>. The Association may, as determined by the Executive Board from time to time, indemnify to the fullest extent now or hereafter permitted by law, any person who was or is a party to or a witness in, or was otherwise involved in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was an authorized representative of the Association, both as to action in his or her official

capacity and as to action in another capacity while holding such office or position, against all expenses (including attorneys' fees and disbursements), judgments, fines (including excise taxes and penalties), and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding. The Association may, as determined by the Executive Board form time to time, pay expenses incurred by any such person by reason of his or her participation in an action, suit or proceeding referred to in this Section 9.03 in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Association as provided in Section 9.04 hereof.

Section 9.04 Scope of Indemnification. Indemnification under this Article shall not be made by the Association in any case where a court determines that indemnification for the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by the Nonprofit Association Law of 1988, 15 Pa. C.S.A §5746(b) (1991 Supp.), or any successor statute as in effect at the time of such alleged action or failure to take action.

Section 9.05 <u>Insurance</u>. The Association may purchase and maintain insurance on behalf of each Director and officer against any liability asserted against or incurred by such Director or officer in any capacity, or arising out of such Director's or officer's status as such, whether or not the Association would have the power to indemnify such Director or officer against such liability under the provisions of this Article.

Section 9.06 <u>Miscellaneous</u>. Each Director and officer of this Association shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article. The rights of indemnification and advancement or expenses provided by this Article shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any agreement, vote of disinterested Directors, statute or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the Association and shall inure to the benefit of the heirs, executors and administrators of such person. Indemnification and advancement of expenses under this Article shall be provided whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Association. Any repeal or modification of this Article by the Executive Board of the Association shall not adversely affect any right or protection existing at the time of such repeal or modification to which any person may be entitled under this Article.

Section 9.07 <u>Definition of Representative</u>. For the purposes of this Article, the term "representative" shall mean a trustee, officer, employee or agent of the Association or of any corporation controlled by the Association or a trustee, custodian, administrator, committee person or fiduciary of any employee benefit plan established and maintained by the Association or by any corporation controlled by the Association, or a person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the request of the Association.

ARTICLE X Personal Liability of Directors

Section 10.01 <u>Directors' Personal Liability</u>. A Director of the Association shall not be personally liable for monetary damages for any action taken, or any failure to take action unless:

- (1) The Director has breached or failed to perform the duties of his office; and
- (2) The breach or failure to perform constitutes willful misconduct or recklessness;

or applicable law prohibits the elimination or limitation of liability.

Section 10.02 <u>Preservation of Rights</u>. Any repeal or modification of this Article by the Association shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Director or former Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be a Director of the Association and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE XI Amendments to Bylanys

Section 11.01 By the Executive Board. The authority to adopt, amend and repeal Bylaws of the Association is vested in the Executive Board, subject to the power of the Members to change such action. The foregoing authority of the Executive Board may be exercised whether or not the Members have previously adopted, amended or repealed the same or any other Bylaw, but, subsequent to the initial organization meeting of the Executive Board, such authority may not be exercised with respect to any subject that is committed expressly to the Members by the provisions of the Nonprofit Association Law of 1988 of any successor statute.

Section 11.02 By the Members. In the case of the meeting of the Members to take action with respect to the Bylaws, written notice shall be given to each Member that the purpose, or one of the purposes, of the meeting is to consider the adoption, amendment or repeal of the Bylaws, and a copy of the proposed amendment or a summary of the changes to be effected thereby shall be included in or enclosed with the notice.

Section 11.03 <u>Effective Date</u>. Any change in the Bylaws shall take effect when adopted unless otherwise provided in the resolution effecting the change.

| 10 | Established and adopted by the I | irst Members of the Exe | cutive Board this |
|--------|----------------------------------|-------------------------|-------------------|
| day of | OCHODE (, 2006, | | |
| | | Q. Julio | 3-1-1-1-1 |
| | | f. July | 1700 |
| | | (Sec | refary) |