

**PUBLIC OFFERING STATEMENT  
OF  
CENTRE HILLS VILLAS, A CONDOMINIUM**

NAME OF CONDOMINIUM: CENTRE HILLS VILLAS, A CONDOMINIUM

ADDRESS OF CONDOMINIUM: College Township, State College, Centre County,  
Pennsylvania

NAME AND ADDRESS OF DECLARANT: Kissinger Family, L.P.  
2300 S. Atherton Street  
State College, PA 16801

EFFECTIVE DATE OF PUBLIC  
OFFERING STATEMENT:

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THIS PUBLIC OFFERING STATEMENT IS BEING PRESENTED BY THE DECLARANT IN AN ATTEMPT TO DISCLOSE AND SUMMARIZE INFORMATION PERTINENT TO CONSIDERATION OF A PURCHASE OF A CONDOMINIUM UNIT AT CENTRE HILLS VILLAS. SINCE IT IS AN ABBREVIATED FORMAT, PROSPECTIVE PURCHASERS SHOULD ALSO REFER TO THE COMPLETE DOCUMENTS REFERRED TO IN THIS OFFERING STATEMENT FOR COMPLETE INFORMATION.

WITHIN FIFTEEN (15) DAYS AFTER RECEIPT OF A PUBLIC OFFERING STATEMENT A PURCHASER, BEFORE CONVEYANCE, MAY CANCEL ANY CONTRACT FOR PURCHASE OF A UNIT FROM DECLARANT.

IF DECLARANT FAILS TO PROVIDE A PUBLIC OFFERING STATEMENT TO A PURCHASER BEFORE CONVEYING A UNIT, THAT PURCHASER MAY RECOVER FROM DECLARANT DAMAGES AS PROVIDED IN SECTION 3406 (c) OF THE PENNSYLVANIA UNIFORM CONDOMINIUM ACT IN AN AMOUNT EQUAL TO 5% OF THE SALES PRICE FOR SUCH UNIT UP TO \$2,000.00, OR IN AN AMOUNT EQUAL TO THE ACTUAL DAMAGES SUFFERED BY THE PURCHASER, WHICHEVER IS GREATER.

IF A PUBLIC OFFERING STATEMENT IS RECEIVED BY THE PURCHASER MORE THAN FIFTEEN (15) DAYS BEFORE SIGNING A CONTRACT, HE CANNOT CANCEL THE CONTRACT.

**EVERY PERSPECTIVE PURCHASER SHOULD READ  
THIS BROCHURE CAREFULLY**

### **Format of this Brochure.**

This brochure consists of four separate sections. The first section, entitled "PUBLIC OFFERING STATEMENT", summarizes the significant features of Centre Hills Villas and presents additional information of interest to prospective purchasers. The other three sections include: (1) the proposed Declaration of Centre Hills Villas, (2) the proposed By-laws of Centre Hills Villas, and (3) the annual budget (proposed or actual as the case may be) of Centre Hills Villas. The Declaration and the By-laws are hereinafter referred to as the "Condominium Documents". If there is any variation between this Public Offering Statement and the Condominium Documents, the Condominium Documents will govern.

No person or sales agent or other representative of Declarant may orally modify the terms and conditions of the Condominium Documents or interpret their legal effect. All capitalized terms which are not defined in this Public Offering Statement have the meanings set forth in the Declaration or in the By-laws.

### **The Condominium Concept.**

The term "condominium" refers to a form of property ownership which, in effect, combines two older forms of ownership. A Condominium Unit Owner is at the same time both the sole owner of the portion of a building which encloses his/her quarters and one of many mutual owners (in legal terms, "tenants in common") of common facilities which service his/hers and other Units. Each Condominium Unit Owner owns a share, that is, an "undivided interest", in the common facilities which service his/hers and other Units. The ownership of a share of the common facilities gives each Unit Owner the right, subject to the terms of the Pennsylvania Uniform Condominium Act and of the Condominium Documents, to use and participate in the control of the common facilities with other Unit Owners and imposes upon each Unit Owner the obligation to share the expenses of operating and maintaining the common facilities. It is this coupling of the exclusive ownership of a Unit and the shared ownership of the common facilities which distinguishes condominium ownership from other forms of property ownership.

### **The Declarant.**

Centre Hills Villas is being built and created by Kissinger Family, L.P. The present business address of the Declarant is 2300 S. Atherton Street, State College, PA 16801.

### **A Brief Description of Centre Hills Villas.**

Centre Hills Villas is located in College Township, Centre County, Pennsylvania, on approximately 3.45 acres of land adjacent to Cliffside Drive.

The Condominium will consist of twelve (12) separate duplex residential units containing approximately 2,400 square feet of living space as well as a 440 square foot two-car garage, 1600 square foot basement, parking apron, deck and landscaped area.

Each Condominium Unit will contain at least three (3) bedrooms, three and one-half (3-1/2) bathrooms, diningroom, breakfast area, "Florida" room, great room, laundry, kitchen with appliances, fireplace, heat pump with air conditioning, and full service grounds maintenance, including snow removal.

Declarant's scheduled completion of the Units and all amenities is December 31, 2008.

Declarant anticipates marketing the Condominium Units to individual owners or investors. There are no restrictions on the number of Units which can be owned by any individual. Units may be leased for a period of not less than two ( 2 ) years, subject to Executive Board approval.

### **The Condominium Documents.**

The Condominium Documents are part of this brochure. The Declaration is the formal legal document which creates the Condominium. It establishes and expresses the existence of the Condominium, records the plans showing all Units, defines certain terms, and allocates the Units' Interests in the common facilities and common expenses and the votes at meetings of Unit Owners. In general, the Declaration may be amended only by a vote of 67% or more of the Unit Owners, subject, in certain instances, to the concurrence of the holders of mortgages encumbering the Units.

The By-laws are the governing documents setting forth the method of management of the Condominium. The Condominium, including common facilities, is to be managed by the Association of Unit Owners through an Executive Board.

The Declaration and the By-laws are very complex documents. Copies of these documents are attached for review by you and any legal counsel or other advisors you may elect to retain. Some of the significant features of the Declaration and By-laws are described below, but if there is any conflict between the description contained in the Public Offering Statement and the actual text of the Condominium Documents, the Condominium Documents will control.

Units may be used by the Unit Owners only for residential purposes, subject to Declarant's right to use one Unit for display and sales purposes. No Unit may be divided or subdivided into smaller Units, nor may any portion of any Unit be added to or incorporated into another Unit.

Under the Declaration the Executive Board may promulgate rules and regulations governing the use of the Condominium. Copies of the rules and regulations must be delivered to the Unit Owners. If at the date of delivery of this Public Offering Statement any rules and regulations have been enacted they are attached hereto. Such rules and regulations may govern among other things the use of facilities in the Property.

Unit Owners may place certain mortgages on their Units. Generally, a mortgage is permitted if it is given by the seller of the Unit or a financial institution. The Executive Board must be given notice of the name and address of each prospective mortgagee and the amount of the proposed mortgage before the mortgage or the obligation it secures are executed.

Each Unit Owner is solely responsible for the proper care and maintenance of his/her Unit. Maintenance of the common facilities is the responsibility of the Association.

The Association is comprised of all of the Unit Owners. The daily affairs of the Association are to be managed by the Executive Board, which will consist of three (3) persons. All initial members of the Executive Board shall be appointed by Declarant. Not later than sixty (60) days after conveyance of thirty-three and one-third ( $33\frac{1}{3}\%$ ) percent of the Units to Unit Owners other than a Declarant, not less than thirty-three and one-third ( $33\frac{1}{3}\%$ ) percent of the members of the Executive Board shall be elected by Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of sixty-six and two-thirds ( $66\frac{2}{3}\%$ ) percent of the Units to Unit Owners other than a Declarant, not less than sixty-six and two-thirds ( $66\frac{2}{3}\%$ ) percent of the members of the Executive Board shall be elected by Unit Owners other than the Declarant. The Declarant shall have the right to appoint any other officers and members of the Executive Board. This right shall terminate no later than one hundred eighty (180) days after seventy-five (75%) percent of the Units have been conveyed by Declarant to others. After the first meeting of the Association annual meetings of Unit Owners will take place during the same month in each succeeding year. Votes of Unit Owners will be allocated to Unit Owners in the same proportions as there are Percentage Interests (based on square footage ownership) pertaining to their Units. The Declarant will be

entitled to vote all votes allocated to the Units which he owns.

The Executive Board is required to meet at least two (2) times each year. Its responsibilities include the approval of capital expenditures, the establishment of a budget for each fiscal year and the assessment against each Unit Owner of the portion of the funds necessary to operate under such budget. A majority of all Unit Owners may, however, reject any budget by the Executive Board. Each Unit Owner's assessment shall be in proportion to his/her Percentage Interest with respect to Common Expenses and Limited Common Expenses. Assessments are made by the Executive Board and payable by the Unit Owners. If the amount assessed and collected by the Executive Board during any year is not sufficient to cover the actual Expenses, the Executive Board may make additional assessments for the fiscal year. Any assessment or bill which a Unit Owner does not pay, when due, becomes a lien against such Unit Owner's Unit, enforceable under the Act and in accordance with the By-laws, which provide for a late charge of 5% on each overdue assessment as well as interest at the rate of 15% per annum or such other rate as may be determined by the Executive Board.

The Executive Board elects its own officers and may employ a professional management agent for the Condominium on terms which the Executive Board may determine.

Prior to such time as the Executive Board is elected by the Unit Owners, Declarant will not cause the Association to enter into any management contract, employment contract or any other contract to which Declarant or an affiliate of Declarant are a party, or which cannot be cancelled by the Association without cause upon ninety (90) or fewer days' notice.

Copies of any contracts or leases to be signed by Purchasers at closing are attached hereto.

**Association Budget.**

If, as of the effective date of this Public Offering Statement, the Association has any balance sheet, the same is attached hereto. If no such balance sheet is attached, it is only because as of such date the Association has no balance sheet, having received no payments and having transacted no business. A Projected Budget for the Association for the twelve month period beginning on the date of the first conveyance to a Purchaser and thereafter is attached hereto as Exhibit "A". Such budget was prepared by Declarant based upon occupancy of a building throughout a one- year period. The Projected Budget includes a reserve for repairs and replacements. The Projected Budget provides no other reserves. The Projected Budget also sets forth the projected monthly expense assessments for

each type of Unit. Declarant will pay assessments for each Unit owned by Declarant in proportion to that Unit's share of the Condominium expenses as set forth in the Declaration and the By-laws. Any expenses paid or provided by the Declarant which may later constitute Common Expenses are identified on the Projected Budget as such. The Projected Budget assumes a factor for inflation at the rate of 5% per annum from the date of this Public Offering Statement.

A reserve fund will be established by a working capital contribution by all Unit purchasers in the amount equal to three months' assessments for each Unit to be paid at closing.

#### **Liens and Encumbrances.**

The Condominium is presently subject to an existing construction mortgage held by Omega Bank of State College, Pennsylvania (the "Bank"). The Condominium is subject to easements, reservations and restrictions of record as shown on the subdivision plan and condominium plan. There are no other liens or encumbrances affecting the Condominium as of the effective date of this Public Offering Statement. Upon the conveyance of a Unit to a purchaser, the Unit will be released from the Bank's construction mortgage.

Declarant shall not offer financing to purchasers.

#### **Warranties.**

No warranty is given with respect to the Units or common facilities or any appliance, apparatus, instrument, component or accessory (each of which is hereinafter called "Equipment"), but Declarant shall use his best efforts to obtain the standard warranty offered from the manufacturers of any Equipment, the benefits of which shall be available to and run directly to purchasers (with respect to Equipment installed on or in the common facilities). The standard warranties of Equipment manufacturers are expressly in lieu of any other warranties, express or implied, with respect to the Units or common facilities and Equipment, including by way of illustration and not limitation, implied warranties of merchantability and of fitness for a particular purpose. However, warranties are provided for Residential Units only to the extent required by Section 3411(b) of the Uniform Condominium Act.

All warranties relating to title to a Unit shall be only as contained in the deed of conveyance from seller to purchaser.

**Judgments and Lawsuits.**

There are no judgments against the Association and there are no lawsuits pending to which the Association is a party and there are no pending suits material to the Condominium of which the Declarant has any knowledge.

**Deposits.**

Any deposits made in connection with the purchase of a Unit shall be held in an escrow account in accordance with the provisions of Section 3408 of the Act. Any such deposit shall be returned to the purchaser if he/she cancels an agreement of sale pursuant to Section 3406 of the Act.

**Restraints on Alienations.**

There are no restraints on alienation of any portion of the Condominium. As noted above, however, a Unit Owner may not lease or sublease his/her Unit except as provided in the Declaration or give a mortgage on his/her Unit except as permitted by the Declaration.

**Insurance Coverage.**

The Act requires that the Executive Board and the Association obtain and maintain insurance coverage for the Condominium as follows:

(1) Hazard insurance against all risks of physical loss commonly insured against. Such insurance shall cover common facilities, but not individual Unit structures, improvements and betterments installed by Unit Owners. SUCH INDIVIDUAL UNIT STRUCTURES, IMPROVEMENTS AND BETTERMENTS ARE NOT COVERED BY THIS INSURANCE AND EACH UNIT OWNER SHOULD MAINTAIN SEPARATE INSURANCE FOR SUCH PROPERTY. The Association's hazard insurance must be in an amount equal to the full insurable replacement value of the property insured, exclusive of land, excavations, foundations and similar items. All proceeds of this policy will be payable to the Association.

(2) Comprehensive liability insurance insuring Unit Owners (in their capacities as Unit Owners), members of the Executive Board and any management agent against any liability to the public or to the Unit Owner, their tenants or invitees. The initial limits of liability shall be \$1,000,000.00 Combined Single Limit. EACH UNIT OWNER SHOULD MAINTAIN HIS/HER OWN LIABILITY INSURANCE FOR HIS/HER OWN UNIT.

The Association may carry such other policies of insurance it deems appropriate to protect the Association or Unit Owners. In the event that the building is damaged or destroyed, such damage or destruction shall be repaired by the Association, using the available proceeds of insurance, unless the Condominium is terminated as provided in the By-laws and as provided in Section 3312(g) of the Act. See Exhibit "B" attached hereto and made a part hereof.

**Fees and Charges.**

Except for the Unit assessments referred to in the Declaration and the By-laws, Declarant does not expect to cause or have any other charges imposed upon the Unit Owners for the use of Common Elements and Limited Common Elements or other facilities related to the Condominium.

**Reserves.**

Reserves for capital expenditures have been provided in the attached Projected Budget of the Association.

**Completion of Improvements.**

Declarant has completed financial arrangements for completion of all improvements labeled "MUST BE BUILT" pursuant to Section 3414 of the Act (relating to Declarant's obligation to complete and restore).

**Unusual Characteristics and Features.**

The Condominium may be said to have unusual characteristics in that the Condominium Units are one-half (½) of a duplex structure and are joined solely by the party wall and are not joined by common roofs or other structural connections, but are self-contained individual dwelling Units with the exception of the party wall.

**Structural Components.**

All structural components will be new with a useful life as hereinafter set forth:

<u>Component or Utility Installation</u>	<u>Useful Life</u>	<u>Replacement Cost</u>
Roofing	25 years	\$ 6,000.00
Decks	10 years	\$ 2,000.00
Siding, Fascia, Soffit, Gutter	20 years	\$ 2,400.00
Plumbing, Electrical and HVAC Systems	25 years	\$30,000.00
Bearing Walls	50 years	\$24,000.00



# CENTRE HILLS VILLAS CONDOMINIUM ASSOCIATION BUDGET

## CENTRE HILLS VILLAS CONDO ASSOCIATION BUDGET

<u>A. Maintenance</u>	<u>Centre Hills Villas Annual</u>	<u>Centre Hills Villas Per Unit/Per Month</u>
1. Lawn/Landscape	\$13,400.00	\$ 93.06
2. Snow Removal	\$ 6,366.00	\$ 44.21
3. Insurance	\$ 3,682.00	\$ 25.57
4. Electric (site lighting)	\$ 4,800.00	\$ 33.34
5. Legal/Accounting	\$ 1,000.00	\$ 6.94
<i>Maintenance Subtotal</i>	<u>\$29,248.00</u>	<u>\$ 203.12</u>
 <u>B. Reserves</u>		
1. Roofing (30 years)	\$ 2,400.00	\$ 16.67
2. Decks (12 years)	\$ 2,000.00	\$ 13.89
3. Siding, Fascia, Soffit, Gutter (20 years)	\$ 1,200.00	\$ 8.34
4. Painting (5 years)	\$ 1,500.00	\$ 10.42
5. Street, Curbing, Sidewalks, Driveways (15 years)	\$ 3,000.00	\$ 20.84
6. Site Lighting (10 years)	\$ 1,000.00	\$ 6.95
<i>Reserves Subtotal</i>	<u>\$11,100.00</u>	<u>\$ 77.11</u>
 <u>C. Management Fee</u>	<u>\$ 3,187.84</u>	<u>\$ 22.14</u>
 GRAND TOTAL	 \$43,535.84	 \$ 302.37

EXHIBIT "A"

## **INSURANCE COVERAGE**

1. The property is covered by a special multi-peril insurance coverage package (condominium package policy). The coverage insures against all risks to the building. There is also liability coverage in the minimum amount of \$1,000,000.00 combined bodily injury liability and property damage liability.
2. The insuring company for all of the insurance above is currently scheduled to be Erie Insurance Company.
3. The cost of the special multi-perils package is \$3,682.00 per year.
4. A copy of the insurance coverage as contained in the insurance policy is obtainable from the Declarant.

**EXHIBIT "B"**

93-3  
56.50

**DECLARATION OF CONDOMINIUM  
FOR  
CENTRE HILLS VILLAS**

**A Condominium**

**ARTICLE I**

**SUBMISSION**



R 01985-0712 Apr 18, 2007  
KISSINGER FAMILY LP  
KISSINGER FAMILY LP  
04-18-2007  
15:50:02  
DECO 23 pgs  
RECORDER OF DEEDS

KISSINGER FAMILY, L.P. ("Declarant") is the owner in fee simple of certain real estate described on Exhibit "A" attached hereto and made a part hereof, situate in College Township, Centre County, Pennsylvania, having acquired title thereto by deeds recorded in Centre County Record Bk. 1073 at Page 597, hereby submits the real estate together with all easements, rights and appurtenances belonging thereto and the buildings and improvements erected or to be erected thereon (collectively hereinafter referred to as "Property") to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pa. C.S. § 3101, et seq. (the "Act"), and hereby creates with respect to the Property a condominium to be known as Centre Hills Villas (the "Condominium").

**ARTICLE II**

**DEFINITIONS**

The following terms shall have the meanings herein ascribed to them unless the context clearly indicates otherwise:

2.1 **Capitalized Terms.** Capitalized terms not otherwise defined herein or in the Plats and Plans shall have the meaning 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) "Amendment" shall mean that amendment to the Declaration or other condominium documents made in accordance with Article VI hereof.

(b) "Association" means the Unit Owners' Association of the Condominium and shall be known as the "Centre Hills Villas Condominium Association."

(c) "Buildings" means the six (6) individual structures erected on the Property located at Centre Hills Villas, State College, Pennsylvania, shown on the Plats and Plans and containing the Units.

(d) "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.

(e) "Common Elements" means all portions of the Property other than the Units and the Limited Common Elements, and shall include, but not be limited to: (i) the land on which the buildings are located and those portions of the buildings as are not included in any Unit; (ii) the yards; (iii) roadways, entry signs, all central services and utilities; (iv) all apparatus and installations existing for common use; (v) the foundations, structural parts, supports, main walls, roof, roof decks, sidewalks, planters, parking aprons and landscaping; (vi) all other elements of each building necessary or convenient to its existence, management, operation, maintenance and safety, and normally in common use; and (vii) such area and facilities as are so designated in the Declaration Plan.

(f) "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, refuse removal, grounds-keeping and maintenance repair and replacement of Common Elements.

(g) "Common Expense Liability" means the liability for Common Expenses allocated to each Unit in accordance with its respective Percentage Interest.

(h) "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.

(i) "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, any and all exhibits, schedules and amendments to any of them.

(j) "Declarant" means the Declarant described in Article I above and all successors to any Special Declarant Rights.

(k) "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.

(l) "Limited Common Elements" means those portions of the Common Elements allocated to the exclusive use of a Unit pursuant to Section 3209 of the Act or those portions of fixtures lying partially within and partially outside the designated boundaries of a Unit which serve only that Unit including, but not limited to, chutes, flues, ducts, wires, conduits, bearing walls and bearing columns pursuant to Section 3202(2) of the Act.

(m) "Limited 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.

(n) "Majority of the Unit Owners" means the Owners of more than 50% in the aggregate in interest of the undivided ownership of the Common Elements as specified in the Declaration.

(o) "Percentage Interest" means the undivided ownership interest appurtenant to each Unit in the Common Elements as set forth in Exhibit "D" attached, share of all votes of the Unit Owners, and share of Common Expense Liability and surpluses.

(p) "Person" means a natural individual, corporation, partnership, association, trustee or other legal entity.

(q) "Plats and Plans" means the Plats and Plans attached hereto as Exhibit " C " and made a part hereof, as the same may be amended from time to time.

(r) "Property" means and includes the Land, the Building, all improvements thereon owned in fee simple, and all easements, rights and appurtenances belonging thereto and as further described in Article I of this Declaration.

(s) "Resident" means any occupant of a Unit either residing on the Property or occupying a Unit under written lease from a Unit Owner.

(t) "Rules and Regulations" means such Rules and Regulations as are promulgated by the Executive Board from time to time with respect to the use and enjoyment of the Property.

(u) "Unit" means a single family residence (interior and exterior) as described herein, designated and intended for independent private use and designation as a Unit by the Declaration Plan, and the same shall include its assigned proportionate undivided interest in the Common Elements, and shall include all of the rights, privileges, immunities and obligations attached thereto as is provided and referred to herein. Unit number means the number, letter or combination thereof designating a Unit in the Plats and Plans.

(v) "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 XV of the By-Laws.

(w) "Unit Owner" means the person or persons owning a Unit in fee simple including the Declarants.

### ARTICLE III

#### ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND COMMON EXPENSE LIABILITIES; UNIT IDENTIFICATION AND BOUNDARIES; MAINTENANCE RESPONSIBILITIES

3.1 Percentage Interests. Attached as Exhibit "D" 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 shall determine the portion of the votes in the Association and the share of Common Expense Liability and Limited Commercial Expense Liability or Limited Residential Expense Liability and respective surpluses appurtenant to each Unit.

3.2 Unit Boundaries. Each residential Building shall consist of two (2) independent residential Units and attached driveways and patio areas. Each Unit shall consist of one (1) the independent residential unit with its attached driveway and patio area.

3.3 Maintenance Responsibilities. Notwithstanding the ownership of the various portions of the Common Elements, the Units, including sidewalks and paving aprons, by virtue of the foregoing description shall be maintained and repaired, including full responsibility for snow removal from all sidewalks, driveways and parking aprons, by the Association subject to further exceptions as expressly set forth herein.

The Association shall be responsible for the maintenance of lawns and landscape plantings subject to further exceptions as expressly set forth herein.

All Common Expenses associated with the maintenance, repair and replacement of a Limited Common Element other than a driveway or patio area shall be assessed as a Limited Expense allocated to the Unit or Units to which such Limited Common Element was assigned at the time the expense was incurred and in the same proportion as the respective Percentage Interest of all such Units. Ordinary maintenance and repair of any Limited Common Elements shall be the responsibility of the Association.

Common Expenses for the repair, maintenance or replacement of Common Elements shall be the responsibility of the Association with the cost to be charged as a Common Expense. Included as Common Expenses shall be structural repairs and/or replacement and future maintenance of internal driveway, Unit access way, patio and parking areas including, but not limited to, the cost

of snow removal.

Stormwater Management Requirements. All swales and stormwater detention areas are hereby declared to become an Element and shall be maintained by the Condominium Association. Repairs or maintenance to the Common Elements, the Units, sidewalks, driveways, parking aprons, lawns and landscaping caused by, or as the result of, the negligence or abuse of the Unit Owners shall be assessed by the Association to the negligent or abusive Unit Owner. Such assessments shall be collectible by the Association as hereinafter provided.

3.4 Relocation of Unit Boundaries. No relocation of Unit Boundaries shall be permitted.

#### ARTICLE IV

##### DESIGNATION OF 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 V

##### EASEMENTS

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

5.1 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 within the Property.

5.2 Utility Easements. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant, 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 or Additional Property. The easements created in this Section 5.2 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, Common Elements and Limited Common Elements. Notwithstanding the foregoing provisions of this Section 5.2, 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.

5.3 Declarant's Easement to Correct Drainage. Declarant reserves an easement on, over and under those portions of the Common Elements not located within the Building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Section 5.3 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 restore the affected property as closely to its original condition as practicable.

## ARTICLE VI

### AMENDMENT OF DECLARATION

6.1 Amendment Generally. This Declaration may be amended only in accordance with the procedures specified in Section 3219 of the Act, the other Sections of the Act referred to in Section 3219 thereof, and the express provisions of this Declaration.

6.2 Rights of Secured Lenders. Subject to the limitations imposed by Section 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 or if and to the extent that any Amendment would have the effect of (a) termination or abandoning the Condominium (except for termination or abandonment as a result of a taking of all of the Units by eminent domain); (b) abandoning, encumbering, selling or transferring the Common Elements; (c) partitioning or subdividing any Unit or the Common

Elements except as expressly permitted herein; or (d) changing the Percentage Interests of any Unit Owners. Such approval *shall not be required with respect to any Amendment pursuant to Article VII below*. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed to be a transfer within the meaning of this Section.

## 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. No Unit may be added to, or incorporated into, another Unit without first amending the Declaration to show the changes in the Units to be affected thereby.

(b) Residential Use. Each Unit is hereby restricted to residential use by the Unit Owner thereof, his tenants, his immediate family, guests and invitees. Each of the Units is intended for independent use and shall be used only as a residence and for the purposes incidental to such use. No Unit may be used for any commercial or professional purpose whatsoever with the exception that Declarant shall have the right to use any Unit owned by him for models, sales and administrative offices. Except as set forth herein no industry, business, trade or profession of any kind, be it commercial, religious, educational or otherwise, *may be conducted, maintained or permitted* in the Units.

(c) Structural Integrity. 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 Unit Owner and subject to this Declaration and the By-Laws and approval of the Executive Board.

(d) Use With Care. No Unit Owner shall do or permit any act which is illegal or in violation of any law, statute, ordinance, rule or regulation of any local, state or federal government or agency having jurisdiction. No Unit Owner shall do or permit any act which would jeopardize the soundness or safety of the Property, or of any part of it, or impair any easement or appurtenance

or any rights of others without the unanimous consent of the Unit Owners affected thereby.

(e) Use of Common Elements. The Common Elements shall be used only for the furnishing of the services of facilities for which they are reasonably suited and which are incidents of the use and occupancy of the Units.

(f) 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 Section 3307 of the Act and of this Declaration which shall be recorded as the same may be duly amended from time to time.

(g) 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 in the Common Elements.

(h) Aesthetics. Each Unit Owner shall maintain the exterior and interior of his Unit in good condition, order and repair, at his own expense subject to provisions of 3.3 herein. 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, satellite dish receiver or other structure, or any addition of any kind whatsoever, without prior written consent of the Executive Board.

(i) Displays, Hanging Objects. Unit Owner 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, canopy, shutter or radio or television antennas, satellite receiver dish or structure 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 not be subject to Amendment or modification by the Unit Owners.

(j) Pets. Each Unit Owner may keep within each Unit no more than two (2) domestic animals such as a dog, cat or bird. 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.

(k) 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.

(l) Leasing. A Unit Owner may lease his Unit (but not less than his entire Unit) at any time only under the conditions as herein stated:

(i) No Unit may be leased for transient or hotel purposes or for a term of less than two (2) years. Application may be made to the Executive Board to lease for less than two (2) years. Decision of the Executive Board as to such requests shall be binding;

(ii) No Unit may be leased without a written lease;

(iii) No Unit may be leased without a copy of such lease furnished to the Executive Board within ten (10) days after the execution thereof and be subject to said approval of the Executive Board;

(iv) No animals or pets will be permitted to any lessee; and

(v) Units shall be occupied by no more than the maximum number of persons permitted under law; and the right of any lessee of the Unit shall be subject to, and each such lessee shall be bound by, the covenants, conditions and restrictions set forth in the Declaration, By-Laws and rules and regulations and any default thereunder shall constitute a default under the lease; provided, however, that the foregoing shall not impose any direct liability on any lessee of a Unit to pay any Common Expense assessments on behalf of the Owner of that Unit.

(m) Insurance. All Units shall be insured in a minimum amount against fire and extended peril coverage, said minimum amount to be established on an annual basis by the Executive Board.

(n) 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.

(o) 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 constructed on the Property by the Declarant as set forth in the Declaration Plan.

(p) 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 his sole discretion or permitted by the Executive Board. There shall be no outside clotheslines permitted on the Property.

(q) 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.

(r) Access to Roads. Under no circumstances shall any Unit Owner's right of ingress or egress, or right of access to and from the private driveway servicing the Condominium, as well as to and from any public area, public roadside or over Common Elements, Common Areas and lands be impaired where the same has been designated for such use on the Declaration Plan.

(s) 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. 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: 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 Fifty (\$50.00) Dollars. 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.

(t) Stormwater Management Requirements. All swales and stormwater detention areas are hereby declared to become an Element and shall be maintained by the Condominium Association.

(u) Listing of Officers. On or before January 15<sup>th</sup> of each year, Executive Board shall provide to College Township a list, in writing, of the Condominium officers and their mailing addresses for that calendar year.

## ARTICLE VIII

### BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT

8.1 Monthly Payments. All Common Expense and Limited 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 Residential Unit Owners on a monthly basis (rather than on an annual basis payable in monthly installments) and shall be due and payable in advance, on the first day of each month, as determined by the Executive Board.

8.2 Subordination of Certain Charges. Any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to Sections 3302(a) (1), (11) and (12) of the Act, shall be subordinate to the lien of a Permitted Mortgage on a Unit.

8.3 Operating Reserves. At the time of purchase of all Units, Unit Owners shall deposit with the Association the equivalent of two (2) monthly installments, the amount of which is to be determined in accordance with Section 8.1. Said sums shall be used by the Association for purposes of providing operating funds for the Association and shall be non-refundable. Unit Owners shall subsequently be responsible for obtaining similar replacement deposits from their grantees, successors or assigns.

## ARTICLE IX

### RIGHTS OF PERMITTED MORTGAGEES

9.1 Reports and Notices. Upon the specific written request of a holder of a mortgage on

a Unit or its servicer to the Executive Board, the mortgagee shall be entitled to receive some or all of the following as designated in the request:

(a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Executive Board to the Owner of the Unit covered by the mortgage;

(b) Any audited or unaudited financial statements of the 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 Unit Owners to make any material amendment to this Declaration;

(e) Notice of substantial damage to or destruction of any Unit (the repair of which would cost in excess of \$1,000.00) or any part of the Common Elements (the repair of which would cost in excess of \$10,000.00);

(f) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any of the Property; and

(g) Notice of any default by the Owner of the Unit which is subject to the mortgage, where such default is not cured by the Unit Owner within thirty (30) days after the giving of notice by the Association to the Unit Owner of the existence of the default.

9.2 Content of Request. The request of a mortgagee or its servicer shall specify which of the above items it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Executive Board. The Executive Board need not inquire into the validity of any request made by a mortgagee hereunder.

9.3 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 X

### DECLARANT'S RIGHTS

Until the first meeting of the Association which shall be held within sixty (60) days after conveyance of seventy-five (75 %) percent of the Units to Unit Owners other than Declarant, or two (2) years after the recording of this Declaration, whichever shall first occur, Declarant shall have the right to appoint any and all officers and members of the Executive Board.

## ARTICLE XI

### LIMITATION OF LIABILITY

11.1 Limited Liability of the Executive Board. The Executive Board and its members in their capacity as members, officers and employees:

(a) Shall not be 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 the Buildings, 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.

11.2 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 11.2 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. 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.

11.3 Defense of Claims. 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 XII

### UNITS SUBJECT TO BY-LAWS, RULES AND REGULATIONS

All present and future Unit Owners, tenants, mortgagees and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, with those of the By-Laws, and with the duly promulgated rules and regulations adopted by the Executive Board, and with all Amendments of the same. Acceptance of a deed of conveyance or the acceptance of inheritance or the entering into a lease, or the entering into occupancy of the Unit, or the acquisition of title by foreclosure, judicial sale or order of court, shall constitute an agreement to be so bound, and that the aforementioned instruments are accepted and ratified by each such Unit Owner, tenant, occupant and mortgagee; and that all such provisions of the aforementioned instruments shall be deemed and taken to be covenants running with the land and shall bind every person at any time having any interest or estate in such Unit as though all such provisions were set forth in full in each and every deed, inheritance or lease, or any other relevant documents.

## ARTICLE XIII

### INTERPRETATION

Matters of dispute or disagreement between Unit Owners or matters which require interpretation of this Declaration or the By-Laws or the rules and regulations of the Executive Board shall be determined by the Executive Board, whose determination shall be binding and final on all Unit Owners.

ARTICLE XIV

SEVERABILITY

If any of the provisions of this Declaration or of the By-Laws or of the Act are held invalid, the validity of the remaining portion shall not be affected thereby.

ARTICLE XV

CAPTIONS

The captions set forth herein are inserted only as a matter of convenience and in no way define, limit or describe the scope of the Declaration, nor the intention of any provisions thereof.

ARTICLE XVI

CONFLICTS

This Declaration is set forth to comply with the requirements of the Act. In the event of any conflict between this Declaration and the provisions of the Act, the Act shall control.

IN WITNESS WHEREOF, the Declarants have hereunto caused the within Declaration to be executed on this 18<sup>th</sup> day of April, 2007.

KISSINGER FAMILY, L.P.

By: \_\_\_\_\_

Frederick Kissinger, Gen. Ptnr.

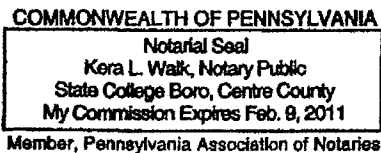
STATE OF PENNSYLVANIA     )  
                                                  ) SS:  
COUNTY OF CENTRE         )

On this, the 18 day of April, 2007, before me, the undersigned officer,  
personally appeared Frederick J. Kissinger, who acknowledged himself to be a General Partner of  
Kissinger Family, L.P., the foregoing limited partnership, and that he being authorized to do so  
executed the foregoing instrument for the purposes therein contained.

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

Kera L. Walk

My Commission Expires:



**BY-LAWS  
OF  
CENTRE HILLS VILLAS, A CONDOMINIUM**

**ARTICLE I**

Introductory Provisions

1.1. Applicability. These By-Laws provide for the governance of the Association pursuant to the requirements of Section 3306 of the Uniform Condominium Act (the "Act ") with respect to the Condominium created by the recording of the Declaration in and among land records of the office of Recorder of Deeds of Centre County in Record Book 985 at Page 712, and as the same may be amended from time to time.

1.2. Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these By-Laws pertain or, if not defined therein, the meanings specified or used for such terms in the Act.

1.3. Compliance. Pursuant to the provisions of the Act, every Unit Owner and all Persons entitled to occupy a Unit shall comply with these By-Laws.

1.4. Office. The office of the Condominium, the Association, and the Executive Board shall be located at the Property or at such other place as may be designated from time to time by the Executive Board.

**ARTICLE II**

Executive Board

2.1. Number and Qualifications. The affairs of Centre Hills Villas Condominium Association (hereinafter "Association") shall be governed by an Executive Board. The initial Executive Board members shall be Frederick J. Kissinger, President, Donald E. Coyne, Treasurer, and Terry J. Williams, Secretary, who shall serve no longer than one hundred eighty (180) days after seventy-five (75%) percent of the Units have been sold by the Declarants of the Condominium and shall have been paid for and the title closed. Not later than sixty (60) days after conveyance of thirty-three and one-third (33-1/3%) percent of the Units to Unit Owners other than the Declarants, not less than thirty-three and one-third (33-1/3%) percent of the members of the Executive Board shall be elected by Unit Owners other than the Declarants. Not later than sixty (60) days after conveyance of sixty-six and two-thirds (66-2/3%) percent of the Units to Unit Owners other than the Declarants, not less than sixty-six and two-thirds (66-2/3%) percent of the members of the Executive Board shall be elected by Unit Owners other than the Declarants. However, any of the Declarants, individually

or jointly, shall also qualify as "Unit Owners other than the Declarants" to the extent they have purchased Units at fair market value from Declarants or have contributed or paid fair market value to Centre Hills Villas. After the period of Declarant control has terminated, the Executive Board shall be composed of three (3) persons, all of whom shall be Unit Owners and at least one (1) of whom shall reside in his/her Residential Unit in the Condominium at the time of election. Any officer of a corporate Unit Owner shall be eligible to serve on the Executive Board. All of the members of the Executive Board except the initial Executive Board shall be elected by the Association.

2.2. Powers and Duties. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts or things except as otherwise reserved for the Owners in the Declaration or which by the Declaration by these By-Laws may not be delegated to the Executive Board by the Association. Such powers and duties of the Executive Board shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep and maintenance of the Common Elements and Limited Common Elements.

(b) Determination of the Common Expenses and Limited Common Expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property. The Executive Board shall have the right to make a final determination of any claim or dispute by a Unit Owner other than the Common Elements, and such determination shall be final, conclusive and binding.

(c) Collection of Common Expenses and Limited Common Expenses from the Unit Owners, including, without limitation, an amount for working capital of the Condominium and for a contingency reserve fund from Unit Owners, and to make up any deficit in such funds for any prior year. The Executive Board may designate an agent for the purpose of collecting such expenses and for the purpose of making disbursements therefrom on behalf of the Executive Board.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements and Limited Common Elements.

(e) Except as provided in the Declaration, adoption and amendment of Rules and Regulations covering the details of the operation and use of Property.

(f) Except as provided in the Declaration, making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property, in accordance with other provisions of these By-Laws after damage or destruction by fire or other casualty or as a result of eminent domain proceedings.

(g) The Executive Board shall have the power to enforce obligations of the Association, to allocate expenses and surpluses, and to do anything and everything else necessary

and proper for the sound management of the Condominium, including the right to levy fines, bring lawsuits to enforce the provisions of the Declaration, the By-Laws, or the Rules and Regulations promulgated by the Executive Board. Any Unit Owner determined to be in violation of the Declaration, the By-Laws or the 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 Owners and any fine levied by the Executive Board, provided that the fine for a single violation may not, under any circumstances, exceed \$50.00. 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 Limited Common Expense to be levied against the 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 collection of Common Expense.

(h) The Executive Board may employ a managing agent and/or manager for the Condominium at a compensation to be established by the Executive Board, to perform such duties and services as the Executive Board shall authorize, including, but not limited to, the duties granted to the Executive Board as set forth above. The Executive Board may delegate to the manager or managing agent such powers as may be necessary to carry out the functions of the Executive Board.

(i) The Executive Board shall have the right to establish rules and regulations governing the use of all parking, driveway and walkway areas.

2.3. Election and Term of Office. The election of the Executive Board and the terms of office of the Executive Board members shall be in accordance with the procedures set forth in Section 2.1. above.

The first meeting of the Executive Board in which three members other than Declarants (in their capacities as Declarants) shall serve shall be considered the first annual meeting of the Association.

(a) When the term of the appointed Executive Board members has passed in accordance with the provisions of Article II, Section 2.1. of these By-Laws, three members of the Executive Board shall be elected by the Unit Owners. All members shall be elected for one-year terms. The appointed members of the Executive Board shall hold office until their respective successors have been elected by the Unit Owners. Cumulative voting shall be utilized in all such election.

(b) At any vote for membership on the Executive Board, each Unit Owner, including the Declarants, shall vote for each position to be filled in accordance with the provisions of Article III of these By-Laws. At any meeting for election of membership to the Executive Board, any eligible person may be nominated. If more than twice the number of candidates to be elected at such meeting are nominated, then and in such event there shall be two ballots. At the end of the first ballot, the field of nominees shall be reduced so that there are no more than twice as many candidates running as there are positions to be filled, with those candidates receiving the fewest number of votes

being eliminated. A second ballot shall be held, and the candidates receiving the greatest number of votes shall serve on the Executive Board.

2.4. Removal of Members of the Executive Board. At any duly held regular or special meeting of the Association, any one or more members of the Executive Board may be removed with or without cause by a Majority of the total votes of all Unit Owners in the Association, and a successor may then or thereafter be elected to fill the vacancy thus created. Any member of the Executive Board whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. This provision shall not apply to Executive Board members appointed by the Declarants under Article II, Sections 2.1. and 2.3. herein and Article X of the Declaration.

2.5. Temporary Vacancies. Temporary vacancies on the Executive Board caused by any reason shall be filled by a majority of the votes of the two remaining members of the Executive Board at a special meeting of the Executive Board held for that purpose promptly after the occurrence of any such vacancy. The person so elected shall be a member of the Executive Board for the remainder of the term of the member whose vacancy he/she is filling or until his/her successor shall be elected.

2.6. Meeting of the Executive Board. The first meeting of the Executive Board following the first annual meeting of the Association shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Association at their annual meeting and no notice shall be necessary. Thereafter, regular meetings of the Executive Board may be held at such times and places as shall be determined from time to time by a majority of the members of the Executive Board, but at least two (2) meetings shall be held each year. Notice of all meetings of the Executive Board shall be given to each member of the Executive Board and each Unit Owner by mail or delivery to the Unit or other address submitted by the Owner at least ten (10) days prior to the day of the meeting. Special meetings of the Executive Board may be called by the President on five (5) calendar days notice to each member of the Executive Board given by mail or delivery to the Unit or other address submitted by the Owner, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or the Secretary in like manner and on like notice on the written request of at least one (1) member of the Executive Board. Any member of the Executive Board may, at any time, waive notice of any meeting of the Executive Board in writing and such waiver shall be deemed equivalent to the giving of notice. No waiver of such notice is necessary as to Unit Owners. Actual attendance by a member of the Executive Board at any meeting of the Executive Board shall constitute a waiver of notice of the time and place thereof.

2.7. Quorum of the Executive Board. At meetings of the Executive Board all members must be present to constitute a quorum for the transaction of business. A majority vote of the members of the Executive Board is necessary in order to constitute valid action. If at any meeting of the Executive Board there shall be less than a quorum present, they shall adjourn the meeting to a new quorum is present, at the adjourned date. At any such reconvened meeting at which a any business which may have been transacted meeting may be transacted without further notice



2.8. Election, Duties of Officers. Officers of the Executive Board shall be elected and shall have duties in accordance with the following:

(a) At each annual organizational meeting of the Executive Board, the Executive Board shall elect a President, a Secretary, and a Treasurer of the Association. The Secretary need not be a member of the Executive Board. All officers and members of the Executive Board, having the responsibility for handling funds of the Association, are to be bonded at the expense of the Association in such amounts as may be required by the Executive Board.

(b) The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and the Executive Board, and shall have general powers and duties which are incident to the office of the president of a non-stock corporation including, but not limited to, the power to appoint such committees from among the Unit Owners from time to time as he may, in his discretion, determine are appropriate to assist in the affairs of the Association.

(c) The Secretary shall keep the minutes of all meetings of the Association and the Executive Board, and shall have charge of such books and records as the Executive Board may direct. The Secretary shall, in general, perform all of the duties incident to the office of a secretary of a non-stock corporation.

(d) The Treasurer shall have the responsibility for the Association funds and securities and shall be responsible for the keeping of full and accurate records and books of account.

(e) All agreements, contracts, leases, deeds, checks and other instruments of the Association shall be executed by any two officers or by such other person or persons as may be designated by the Executive Board.

(f) Upon the affirmative vote of a majority of votes of the members of the Executive Board, any officer may be removed either with or without cause and his successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for such purposes.

(g) Upon death or resignation of an officer, his successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for such purpose.

2.9. Compensation of Executive Board Members and Officers. The President shall not receive any compensation for his services, except reimbursement for out-of-pocket expenses, but he may be compensated for services rendered in any other capacity. The Secretary and Treasurer may be reimbursed for out-of-pocket expenses and also may be compensated for their services if the Executive Board determines that such compensation is appropriate. With the exception of the foregoing, no member of the Executive Board shall receive compensation for serving on the Executive Board.

## ARTICLE III

### Association

3.1. Composition. The Association is hereby organized on the date hereof as an unincorporated association. The Association shall consist of all of the Unit Owners acting as a group in accordance with the Uniform Condominium Act, the Declaration and these By-Laws. The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Uniform Condominium Act, the Declaration and these By-Laws. The foregoing responsibilities shall be performed by the Executive Board as more particularly set forth in these By-Laws.

3.2. Annual Meetings. After the first meeting is held in accordance with Article II, Section 2.3., succeeding annual meetings of the Association shall be held during the same month in each succeeding year. Meetings of the Association must be held at least once each year.

3.3. Place of Meeting. The meetings of the Association shall be held at the principal office of the Association or at such other suitable place as may be designated by the Executive Board.

3.4. Special Meetings. It shall be the duty of the President to call a special meeting of the Association, if so directed by a resolution of the Executive Board or upon a petition signed and presented to the Secretary by Unit Owners owning not less than thirty-three and one-third (33-1/3%) percent of all interests in the Common Elements. The notice of any special meeting shall state the time and place of such meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or By-Laws. No business shall be transacted at a special meeting except as stated in the notice.

3.5. Notice of Meetings. The Secretary shall give notice for each annual or special meeting of the Association at least ten (10) but no more than sixty-two (62) calendar days prior to such meeting, stating the purpose thereof, as well as the time and place where it is to be held. Said notice shall be sent prepaid by United States mail or hand delivered to each Unit Owner of record at the Unit address or at any other address that such Unit Owner shall have designated by notice in writing to the Secretary. The mailing or delivery of notice of meeting in the manner herein provided shall be considered service of notice.

3.6. Quorum - Proxies. Except as otherwise provided herein, the presence in person or by proxy of Unit Owners owning more than seven-twelfths (7/12) of all interests in the Common Elements shall constitute a quorum at all meetings of the Association. If at any meeting of the Association there is not a quorum present, a majority in common interest of the Association who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than

48 hours from the date on which the original meeting was called. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one (1) year after its date unless it specifies a shorter term.

3.7. Conduct of Meeting. The order of business at the annual meeting of the Association or at any special meeting, as far as practicable, and in accordance with Section 3.3. of Article III of these By-Laws shall be:

- (a) Calling of the roll and certifying of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Receiving reports of officers.
- (e) Receiving reports of committees.
- (f) Election of inspector of elections, if necessary.
- (g) Election of Executive Board members, if necessary.
- (h) Old business.
- (i) New Business.
- (j) Adjournment.

3.8. Allocation of Votes. All elections, whenever required for any purpose, shall be conducted by allocating to each Unit Owner one (1) vote. The total number of votes assigned to all Unit Owners shall be twelve (12). A Unit Owner may not split the votes allocated to his/her Unit but must cast them as one block on any particular vote. At all meetings of the Association or the Executive Board, Roberts' Rules of Order (Revised) shall be followed.

3.9. Voting by Corporate and Multiple Owners. Duly authorized officers of corporate Unit Owners shall be entitled to vote. If only one of the multiple Owners of a Unit is present at a meeting of the Association, he/she is entitled to cast all the votes allocated to that Unit. If more than one of the multiple Owners are present, the votes allocated to that Unit may be cast only in accordance with their unanimous agreement unless the Declaration expressly provided otherwise. There is unanimous agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

3.10. Majority of Votes. A vote of a majority of the votes cast at a meeting at which a quorum is present shall be binding upon all Unit Owners for all purposes except wherein by the Declaration, these By-Laws, or other by-law, a higher percentage of votes is required.

## ARTICLE IV

### Common Expenses; Budget

4.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board: provided, however, that the first fiscal year shall begin upon the recordation of the Declaration.

4.2. Preparation and Approval of Budget.

4.2.1. On or before the first day of November of each year (or sixty days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the costs of maintenance, management, operation, repair and replacement of the Common Elements and Limited Common Elements, including the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses or Limited Common Expenses by the Uniform Condominium Act, the Declaration, these By-Laws or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements.

4.2.2. On or before the next succeeding fifth day of November (or fifty-five days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall make the budget available for inspection at the Association office and shall send to each Unit Owner a copy of the budget in a reasonably itemized form. Such budget shall constitute the basis for determining each Residential Unit Owners' assessments for General Common Expenses, and Limited Residential Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Section 4.8. below.

4.2.3. The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.

4.3. Assessment and Payment of Common Expenses and Limited Common Expenses.

4.3.1. General Common Expenses and Limited Common Expenses. The Executive Board shall calculate the monthly assessments for General Common Expenses and Limited Common Expenses against each Unit Owner by multiplying (a) the total amount of the estimated funds required for the operation of the Common Elements and Limited Common Elements set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any income expected to be received from sources other than Common Expense assessments and Limited

Common Expense assessments or from the operation of the Elements to which the Expenses pertain, by (b) the Percentage Interest (expressed in decimal form) allocated to such Unit, and dividing the resultant product by (c) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been adopted and assessed against the Unit Owners on a monthly basis and not on an annual basis and shall be payable in monthly installments, to be due and payable on the first day of each calendar month and shall be a lien against each Owner's Unit as provided in the Act and Declaration.

4.3.2. Notice. Within ninety (90) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each record holder of a mortgage on a Unit who has registered an address with the Secretary, an itemized accounting of the Expenses incurred and the funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to Common Expenses and Limited Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed against the Unit Owners according to their respective Percentage Interests and shall be payable in one or more monthly assessments as the Executive Board may determine.

4.3.3. Reserves. The Executive Board shall build up and maintain reasonable reserves for working capital with respect to the Common Elements and the Limited Common Elements. Extraordinary Expenses relating to each and/or all of the above not originally included in the annual budget which may become necessary during the fiscal year and may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, the Executive Board may at any time levy further assessments against the Unit Owners for the Common Expenses or Limited Common Expenses according to their respective Percentage Interests and shall be payable in one or more monthly assessments as the Executive Board may determine.

4.4. Further Assessments. The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to Sections 4.3.1., 4.3.2. or 4.3.3. or otherwise as permitted or required by the Act, the Declaration and these By-Laws by a statement in writing giving the amount and reasons therefor, and such further assessments shall, unless otherwise specified in the notice, become effective with the next monthly assessment which is due more than ten (10) days after the delivery of such notice of further assessments. All Unit Owners so assessed shall be obligated to pay the amount of such monthly assessments. Such assessments shall be a lien as of the effective date as set forth in the preceding Sections 4.3.1. through 4.3.3.

4.5. Initial Budget. At or prior to the time of assessment of Common Expenses or Limited Common Expenses, the Executive Board shall adopt the budget, as described in this Article, for the period commencing on the date the Executive Board determines that assessments shall begin and ending on the last day of the fiscal year during which such commencement date occurs. Assessments shall be levied and become a lien against the Units during such period as is provided in Section 4.4. above.

4.6. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive

Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner or a Unit Owner's obligation to pay his/her allocable share of the Expenses, as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

4.7. Accounts; Audits. All books and records of the Association shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once each year by an independent accountant retained by the Executive Board.

4.8. Rejection of Budget; Limitations on Expenditures and Borrowing. Anything herein to the contrary notwithstanding, the Association, by majority vote of all votes in the Association, may reject any budget or capital expenditure approved by the Executive Board. The power of the Executive Board to incur expenses, debts or borrow money on behalf of the Association is subject to the requirement that the consent of Unit owners entitled to cast at least two-thirds (2/3) of the votes in the Association must be obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws to (i) incur expenses which would cause the aggregate amount of all expenses in the budget to be exceeded by more than five (5%) percent of such aggregate amount, or (ii) to incur debts or borrow money which would cause the aggregate amount of all debts and loans of the Association then outstanding to exceed five (5%) percent of such aggregate amount.

4.9. Payment of Common Expenses and Limited Common Expenses. Each Unit Owner shall pay the Expenses assessed or billed by the Executive Board pursuant to the provisions of this Article IV. No Unit Owner may exempt himself/herself from liability for his/her contribution toward such Expenses by waiver of the use or enjoyment of any of the Common Elements or Limited Common Elements, or by abandonment of his/her Unit. No Unit Owner shall be liable for the payment of any part of the Expenses assessed or billed against his/her Unit subsequent to the date of recordation of a conveyance by him/her in fee of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments or billings assessed or billed against the selling Unit Owner's Unit up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments or billings against the selling Unit Owner within ten (10) days following a written request therefor to the Executive Board or managing agent; and provided, further, that in accordance with Section 3315(b)(2) of the Act, the Association's lien for Common Expenses shall be divested by a judicial sale of the Unit:

(a) As to unpaid Common Expense assessments made under Section 3314(b) (relating to assessments for Common Expenses) that come due during the six (6) months immediately preceding institution of an action to enforce collection of a lien against a Unit by a judicial sale, only to the extent that the six (6) months unpaid assessments are paid out of the

proceeds of the sale.

(b) As to unpaid Common Expense assessments made under Section 3314(b), other than the six (6) months assessments referred to in subparagraph (i), in the full amount of these unpaid assessments, whether or not the proceeds of the judicial sale are adequate to pay these assessments. To the extent the proceeds of the sale are sufficient to pay some or all of these additional assessments, after satisfaction in full of the costs of the judicial sale, and the liens and encumbrances of the types described in paragraph 4.3.1. and the unpaid Common Expense assessments that come due during the six (6) month period described in subparagraph (a), they shall be paid before any remaining proceeds may be paid to any other claimant, including the prior owner of the Unit .

4.10. Collection of Assessments. The Executive Board or the managing agent, at the request of the Executive Board, shall take prompt action to collect any assessments or bills for Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the date for payment thereof. Any assessment or bill not paid within five (5) days after its due date shall accrue a late charge in the amount of five (5%) percent of the overdue assessment or bill in addition to interest at the rate of fifteen (15%) percent per annum or such rate as may otherwise be determined by the Executive Board.

4.11. Statement of Common Expenses. The Executive Board shall promptly provide any Unit Owner, contract purchaser or proposed mortgagee so requesting the same in writing with a written statement of all unpaid assessments or bills for Common Expenses or Limited Common Expenses. The Executive Board may impose a reasonable charge for the preparation of such statement to cover the cost of its preparation.

## ARTICLE V

### Compliance and Default

5.1. Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these By-Laws, the Rules and Regulations and the Act, as any of the same may be amended from time to time. In addition to the remedies provided in the Act and the Declaration, a default by a Unit Owner shall entitle the Association, acting through its Executive Board or through the managing agent, to the following relief:

(a) Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his/her act, neglect, or carelessness or the act, neglect or carelessness of his/her tenants, guests, invitees or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by the insurance company of its rights of

subrogation.

(b) Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the Court.

(c) No Waiver of Rights. The failure of the Association, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these By-Laws, the Executive Board Rules and Regulations or the Uniform Condominium Act shall not constitute a waiver of the right of the Association, the Executive Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Board or any Unit Owner pursuant to any term, provisions, covenant or condition of the Declaration, these By-Laws, the Rules and Regulations or the Uniform Condominium Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these By-Laws, the Rules and Regulations or the Uniform Condominium Act or at law or in equity.

(d) Abating and Enjoining Violations by Unit Owners. The violation of any of the Executive Board Rules and Regulations adopted by the Executive Board, the breach of any By-Law contained herein or the breach of any provision of the Declaration or the Uniform Condominium Act shall give the Executive Board the right, in addition to any other rights: (a) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

## ARTICLE VI

### Amendments

6.1. Amendments to By-Laws. These By-Laws may be modified or amended only by vote of Unit Owners entitled to cast a majority of the votes in the Association, except as otherwise expressly set forth herein or in the Act: provided, however, that until the date on which all Board members appointed by Declarants voluntarily resign or are required to resign pursuant to provisions of the Declaration or these By-Laws, these By-Laws may not be amended without the consent in writing of Declarants. Additionally, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of these By-Laws that is defective, missing or inconsistent with any other provision hereof, or with the Act or the Declaration, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part



of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

6.2. Approval of Mortgagees. These By-Laws contain provisions concerning various rights and interests of record holders of mortgages on Units. Such provisions in these By-Laws are to be construed as covenants for the protection of such holders on which they may rely in making loans secured by such mortgages. Accordingly, no amendment or modification of these By-Laws impairing or affecting such rights, priorities, remedies or interests of such a holder shall be adopted without the prior written consent of such holders who have registered an address with the Secretary.

6.3. Amendments to the Declaration. Any two officers or Executive Board members of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

## ARTICLE VII

### Alterations, Decorating, Maintenance and Repair

7.1. Responsibility for Maintenance of Units. Each Unit Owner shall furnish and be responsible for, and at his/her own expense, all of the maintenance, repairs and replacements within his/her Unit and Limited Common Elements as defined in the Declaration; provided, however, that such maintenance, repairs and replacements as may be required for the bringing of all utilities to the Unit shall be furnished by the Executive Board as part of the Common Expenses. Maintenance, repairs and replacements of the refrigerators, ranges, dishwashers and other kitchen appliances and lighting fixtures, HVAC equipment and other electrical appliances of any Unit Owner shall be at the expense of such Unit Owner. Each Unit Owner shall be responsible for the repair and replacement of all windows of his/her Unit.

7.2. Damage by Negligent Acts. If due to the negligent act or omission of a Unit Owner or of a Resident or of a member of the family or of a guest or invitee of such Unit Owner or Resident, damage shall be caused to the Common Elements or Limited Common Elements or to a Unit or Units owned by others, or maintenance, repairs and replacements shall be required which would otherwise be a Common Expense or Limited 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.

7.3. Maintenance of Driveway and Parking Areas. To the extent that any Unit or Units shall be connected to adjoining parking areas or driveway affecting or serving other Units, the Common Elements or Limited Common Elements, then the use thereof by the individual Unit Owners shall be subject to the control of the Executive Board. The authorized representatives of the Executive Board, or of the manager or managing agent for the Buildings, shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance, repairs or replacements of or to the Common Elements or Limited Common Elements, or any equipment,

facilities or fixtures affecting or serving other Units or the Common Elements or Limited Common Elements.

7.4. Decorating and Maintenance of Units and Common Elements. Each Unit Owner shall furnish and be responsible for and at his/her own expense, all of the decorating within his/her own Unit, including re-painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings, which constitute the exterior boundaries of his/her Unit, and such Unit Owner shall maintain the interior surfaces in good condition at his/her sole expense as may be required from time to time, which said maintenance and use shall be subject to the control of the Executive Board. The surfaces of all windows forming part of the perimeter wall of a Unit shall be cleaned or washed at the expense of each respective Unit Owner. Decorating of the Common Elements shall be under the control of and the discretion of the Executive Board. Expenses for decorating, maintenance, repair and replacement of the Common Elements shall be assessed by the Executive Board as Common Expenses.

7.5. Alterations. No alteration of any Unit, Common Element or Limited Common Element, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Executive Board. In addition, plans prepared and certified by an architect or professional engineer duly registered or licensed in Pennsylvania must be provided to the Executive Board for such work. Such plans must demonstrate to the satisfaction of the Executive Board that such alterations, additions or improvements will not diminish the structural integrity of the Units in any way whatsoever. The plans shall be otherwise subject to the approval of the Executive Board, not to be unreasonably withheld, and any Unit Owner causing work to be done and his/her contractor doing said work must produce evidence of adequate liability and property insurance for the protection of the Association including, but not limited to, the following:

- (a) Small claims under Workers' or Workmen's Compensation, disability benefit and other similar employee benefit acts;
- (b) Claims for damages because of bodily injury, occupational sickness or disease, or death of his/her employees;
- (c) Claims for damages because of bodily injury, sickness or disease, or death of any person other than his/her employees;
- (d) Claims for damages insured by usual personal injury liability coverage which are sustained by (i) any person as a result of an offense directly or indirectly related to the employment of such person by the contractor, or (ii) by any other persons;
- (e) Claims for damages, other than to the work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom; and

(f) Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance, or use of any motor vehicle; (i) all contracts for such work must be "no-lien contracts", and (ii) all necessary permits must be obtained. All the above terms must be submitted to the Executive Board prior to undertaking such work in accordance with Article XIII hereof. The work must be carried out expeditiously and in a reasonable manner to minimize noise and interference with the use and enjoyment of the building and the Common Elements by the Unit Owners and Residents of the Condominium. The Executive Board shall have the right to require the Unit Owner and/or a contractor to furnish bonds covering the faithful performance of the contract and the payment of all obligations arising thereunder. The requirements set forth in this Section shall also apply to Sections 7.1.(c) of the Declaration and Article XIII of these By-Laws.

7.6. Payments by the Executive Board. All payment vouchers of the Executive Board shall be approved by the President or Treasurer of the Executive Board.

## ARTICLE VIII

### Insurance

8.1. Insurance Provided by the Executive Board. The Executive Board, for the benefit of and on behalf of the Unit Owners, shall contract for, shall pay the premiums therefor as Common Expenses, and shall maintain at all times the following insurance:

(a) Fire insurance in an amount equal to the full insurable replacement value of the Property without deduction for depreciation with an endorsement for extended coverage, or such other fire and casualty insurance as the Executive Board may maintain providing equal or greater protection for the Unit Owners and their mortgagees, if any. All such insurance shall include a separate loss payment endorsement in favor the holders of any mortgages permitted hereunder modified to make the loss payable provisions in favor of such holders of mortgages subject and subordinate to the loss payment provisions in favor of the Executive Board. Said agreement shall provide that the Executive Board shall hold and disburse all payments received on account of loss or damage covered by such policy for repairs and restorations as provided in the Pennsylvania Uniform Condominium Act and in this Article. Said insurance may, in the discretion of the Executive Board, contain a "deductible" provision in an amount determined by the Executive Board but not to exceed Five Thousand (\$5,000.00) Dollars. The Executive Board shall periodically order an appraisal of the Property to be made for the purpose of determining the current value of the Property, and the scope and amount of all fire insurance policies shall be reviewed yearly and may be increased in its discretion in order to maintain coverage in the amount of the current full insurable replacement value of the Property as hereinabove required. The Executive Board may appoint an insurance trustee subject to approval by the holders of five (5) or more mortgages permitted hereunder to serve as an insurance trustee for the purpose of receiving insurance payments hereunder.

(b) Comprehensive general liability insurance including medical payments insurance insuring Unit Owners (in their capacity as Unit Owners), members of the Executive Board and any manager of the Property against any liability to the public or to the Unit Owners, Residents or invitees, relating in any way to the ownership and/or use of the Property and any part thereof. Limits of liability shall be at least \$1,000,000.00 Combined Single Limit for death or personal injury or property damage in any one occurrence. The scope and account of coverage of all liability insurance policies shall be reviewed at least once each year by the Executive Board and may be increased at its discretion.

(c) Such Worker's Compensation insurance as applicable laws may require.

(d) Such other insurance as the Executive Board in its discretion may deem to be desirable.

8.2. Specifications for Insurance. All insurance shall be obtained in accordance with the following provisions:

(a) All policies shall be written with an insurance carrier licensed to do business in the Commonwealth of Pennsylvania and holding a rating of "A" or higher as rated by Best's Insurance Reports, or by an equivalent rating agency in the event Best's Insurance Reports cease to be issued.

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

(c) In no event shall the insurance coverage obtained and maintained by the Executive Board hereunder be brought into contribution with insurance maintained by individual Unit Owners or their mortgages.

(d) Each Unit Owner may maintain additional insurance at his/her own expense; provided, however, that (i) such policies shall contain waivers of subrogation, and (ii) no Unit Owner shall be entitled to exercise his/her right to maintain insurance coverage in such a way as to decrease the proceeds which the Executive Board, on behalf of the Association, may realize under any insurance policy which the Executive Board may have in force on the Property at any particular time.

(e) Each Unit Owner shall be required to notify the Executive Board of all alterations, additions and improvements made by him/her to his/her Unit or Limited Common Elements, the value of which is in excess of One Thousand (\$1,000.00) Dollars.

(f) The Executive Board shall have the power to require all Unit Owners to maintain such types of insurance as the Executive Board may reasonably require with the type of insurance companies specified hereinabove.

(g) Any Unit Owner who maintains individual insurance policies covering any portion of the Property other than personal property belonging to such Unit Owner shall be required to file a copy of such individual policy or policies with the Executive Board within thirty (30) days after purchase of such insurance.

(h) The Executive Board shall be required to make every effort to secure and maintain insurance policies covering the Property that will provide the following:

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

(ii) That the insurance policies issued to the Executive Board on behalf of the Unit Owners and covering the Property cannot be cancelled, invalidated or suspended owing to the conduct of any one or more Unit Owners and in no event can cancellation, invalidation or suspension for any reason other than nonpayment be effected without at least thirty (30) days' prior written notice to each Unit Owner and all mortgage holders;

(iii) That all policies covering the Property cannot be cancelled, invalidated or suspended owing to the conduct of any officer, member or employee of the Executive Board or any manager of the Property without prior demand in writing that the Executive board cure the defect within a reasonable period of time; and

(iv) That any "No Other Insurance" clause in the Executive Board insurance policies exclude individual Unit Owners' policies from consideration.

(i) The periodic and annual insurance reviews which the Executive Board is required to conduct, as provided hereinabove, shall include an appraisal of the improvements to the Property performed by a real estate appraiser acceptable to the insurance carrier or carriers issuing the policies maintained by the Executive Board.

## ARTICLE IX

### Repair or Reconstruction

#### 9.1. Damage or Destruction.

(a) Repair. Except as otherwise provided by law, in the Declaration or herein, damage to or destruction of the Building or any other improvements constructed on the Property shall be promptly repaired and restored by the Executive Board using the insurance proceeds received by the Executive Board or the insurance trustee for such purpose. The Unit Owners directly affected thereby shall be liable for any deficiency in such proceeds in proportion to their respective Percentage Interests except that if and to the extent that such deficiency exists solely by reason of

a "deductible" provision in the insurance policy or policies held by the Executive Board, such deficiency shall be borne by all of the Unit Owners as a Common Expense. Unit Owners may apply the proceeds from their individual fire insurance policies, if any, to the share of such Expense for which they are liable. The Executive Board shall be responsible only for restoring the Building to substantially the same condition as it was immediately prior to the damage or destruction, and each Unit Owner shall personally assume the additional expense of any improvements to his/her Unit which he/she desires to restore beyond such condition. If any changes are made in the basic construction of any restored Unit, Common Elements and Limited Common Elements, the Executive Board shall record an amended Declaration Plan reflecting such change.

9.2. Eminent Domain. A taking of, injury of, or destruction of part or all of the Property by the power, or a power in the nature, of eminent domain or by an action or deed in lieu of Condemnation, shall be considered to be included in the term "damage or destruction" for purposes of this Article, and the proceeds of the eminent domain taking shall be treated in the same manner as insurance proceeds. Whenever all or part of the Common Elements or Limited Common Elements shall be taken, injured or destroyed by eminent domain, each Unit Owner so affected shall be entitled to notice thereof and shall participate in the proceedings incident thereto, but in any proceedings for the determination of damages, damage for such taking of or injury to or destruction of the condominium as a whole shall be determined and a separate determination of damage to each Unit Owner's interest shall not be made.

## ARTICLE X

### Common Expenses

10.1. Payment of Common Expenses and Limited Common Expenses. All Unit Owners shall be obligated to pay on a monthly basis the Common Expenses and Limited Common Expenses as assessed by the Executive Board pursuant to the authority granted to the Executive Board under these By-Laws. At its option, the Executive Board may authorize the Common Expenses to be collected by a mortgagee of one or more Units or by any other servicing agent.

10.2. Collection of Assessments. The Executive Board shall take prompt action to collect any Common Expenses or Limited Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from due date of payment thereof.

10.3. Default in Payment of Common Expenses. Any assessment or bill not paid within five (5) days after its due date shall accrue a late charge in the amount of five (5%) percent of the amount overdue in addition to interest at the rate of fifteen (15%) percent per annum or such rate as may otherwise be determined by the Executive Board, together with all expenses including reasonable attorney's fees incurred in collecting said unpaid Common Expenses. The Executive Board shall have the right and duty to recover such expenses, together with such interest and costs in an action to recover the same brought against the Unit Owner as provided in the Pennsylvania Uniform Condominium Act.

## ARTICLE XI

### Parking Areas

11.1. Parking Areas. Each Unit shall have an adjoining parking area. The parking area shall constitute a Limited Common Element for the exclusive use of the Owner of such Unit. Such Limited Common Elements may not be reallocated or assigned and such Limited Common Elements shall otherwise be included in and be transferred as a part of a conveyance or lease of the Unit Owner's interest in his/her Unit. Any repairs, replacements or maintenance to or with respect to said parking area shall be a Limited Common Expense except those caused by the sole negligence of the Unit Owner to which such Limited Common Element is assigned or the tenant or invitee of such Unit Owner using such assigned Limited Common Element, which shall be the expense of such Unit Owner.

11.2. Cliffside Drive Parking. Parking on Cliffside Drive shall be regulated by College Township Municipal Ordinance.

## ARTICLE XII

### Additions, Alterations or Improvements by the Executive Board

12.1. Common Elements. Whenever, in the judgment of the Executive Board, Common Elements shall require additions, alterations or improvements costing in excess of Five Thousand (\$5,000.00) Dollars, said alterations or improvements shall not be made unless they have been approved by a Majority of the votes allocated to Unit Owners present and voting at a meeting of the Association at which a quorum is present. When said approval has been obtained, all Unit Owners shall be liable for the cost thereof as a Common Expense. In the event of any emergency which could cause damage to the Building or any part thereof, the Executive Board may expend sums not in excess of Ten Thousand (\$10,000.00) Dollars to protect the Building and the judgment of the Executive Board shall be final, conclusive and binding.

12.2. Limited Common Elements. Whenever, in the judgment of the Executive Board, Limited Common Elements shall require additions, alterations or improvements costing in excess of Five Thousand (\$5,000.00) Dollars, said alterations or improvements shall not be made unless they have been approved by a Majority of the votes allocated to Residential Unit Owners present and voting at a meeting of the Association at which a quorum is present. When said approval has been obtained, all Residential Unit Owners shall be assessed for the cost thereof as a Limited Common Expense. In the event of an emergency which could cause damage to the Building or any part thereof, the Executive Board may expend sums not in excess of Ten Thousand (\$10,000.00) Dollars to protect the Building and the judgment of the Executive Board shall be final, conclusive and binding.

## ARTICLE XIII

### Additions, Alterations or Improvements by the Unit Owners

No Unit Owner shall make any structural addition, structural partition or wall changer or structural alteration or improvement in or to his/her Unit without prior written consent of the Executive Board and the mortgagee of said Unit. Unit Owners shall also comply with the additional requirements set forth in detail in Section 7.5. above. The Executive Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in any such Unit Owner's Unit within sixty (60) days after such request.

## ARTICLE XIV

### Right of Access

Each Unit Owner shall grant a right of access to his/her Unit to the manager and/or the managing agent and/or any other person authorized by the Executive Board for the purpose of making inspections and for the purpose of correcting any condition originating in his/her Unit and threatening another Unit or Common Element or Limited Element or for the purpose of performing necessary installations, alterations or repairs to the utility or mechanical services in his/her Unit. In accordance with the Declaration, requests for entry are to be made in advance and such entry is to be at a time reasonably convenient to the Unit Owner, and in case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

## ARTICLE XV

### Payment for Utilities

15.1. Electricity shall be supplied to the Condominium by the public utility servicing the area. Each Unit shall be separately metered and separately billed for electricity consumed in lighting the Unit and in operating the various machinery, appliances and devices located therein.

15.2. Electricity consumed in lighting the Common Elements shall be separately metered and billed to the Association and treated as a Common Expense.

15.3. Water consumed by the Association in the maintenance of the Common Elements shall be billed to the Association and be treated as a Common Expense.

15.4 All other utilities shall be separately metered and separately billed to the Unit Owners.



## ARTICLE XV

### Miscellaneous

16.1. Notices. All notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, postage prepaid (or otherwise as the Act may permit), (i) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary, or if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Association, the Executive Board or to the managing agent, at the principal office of the managing agent or at such other address as shall be designated by notice in writing to the Unit owners pursuant to this Section. If a Unit is owned by more than one Person, each such Person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

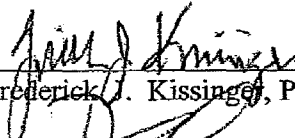
16.2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision thereof.


16.3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires.

16.4. Severability. If any provisions of the By-Laws of Centre Hills Villas, A Condominium, or any section, sentence, clause, phrase or word or the application thereof in any circumstances be judicially held in conflict with the laws of the Commonwealth of Pennsylvania, then the said laws shall be deemed controlling and the validity of the remainder of the By-Laws and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

16.5. Effective Date. These By-Laws shall become effective immediately.

Established and adopted by the First Members of the Executive Board this 18 day of April, 2007.

  
\_\_\_\_\_  
Frederick J. Kissinger, President

  
\_\_\_\_\_  
Donald E. Coyne, Treasurer

  
\_\_\_\_\_  
Terry J. Williams, Secretary

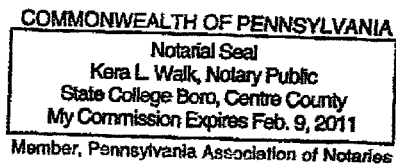
STATE OF PENNSYLVANIA )  
 ) SS:  
COUNTY OF CENTRE )

On this, the 18<sup>th</sup> day of April, 2007, before me, the undersigned officer, personally appeared Frederick J. Kissinger, Donald E. Coyne and Terry J. Williams, who acknowledged themselves to be the First Members of the Executive Board of Centre Hills Villas, A Condominium, and that they as such Members, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing their names as the First Members of the Board.

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

Kera L Walk

My Commission Expires:





100 Erie Insurance Place  
Erie, PA 16530

## REVISED DECLARATIONS

ERIE INSURANCE EXCHANGE  
ULTRASURE POLICY

AGENT	ITEM 2. POLICY PERIOD	POLICY NUMBER
AA7968 FIRST AFFILIATED INS	10/31/09 TO 10/31/10	Q46 3170225 H
ITEM 1. NAMED INSURED AND ADDRESS		ITEM 3. OTHER INTEREST
CENTRE HILLS VILLAS A CONDO ASSOC C/O KISSINGER FAMILY LTD PO BOX 4000 STATE COLLEGE PA 16804-4000		

POLICY PERIOD BEGINS AND ENDS AT 12.01 A.M. STANDARD TIME AT THE STATED ADDRESS OF THE NAMED INSURED.

THE INSURANCE APPLIES TO THOSE PREMISES DESCRIBED AS PER THE ATTACHED SUPPLEMENTAL DECLARATIONS. THIS IS SUBJECT TO ALL APPLICABLE TERMS OF THE POLICY AND ATTACHED FORMS AND ENDORSEMENTS

DEDUCTIBLE (PROPERTY PROTECTION ONLY)- \$ 1,000.

## COVERAGES:

PROPERTY PROTECTION - AS PER THE ATTACHED SUPPLEMENTAL DECLARATIONS

- |                                                               |         |
|---------------------------------------------------------------|---------|
| 1. BUILDINGS                                                  | \$ INCL |
| 2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS | \$      |
| 3. RENTAL INCOME PROTECTION                                   | \$ INCL |

## LIMITS OF INSURANCE

EACH OCCURRENCE LIMIT	\$ 1,000,000	\$ INCL
DAMAGE TO PREMISES		
RENTED TO YOU LIMIT	\$ 1,000,000 ANY ONE PREMISES	
MEDICAL EXPENSE LIMIT	\$ 5,000 ANY ONE PERSON	
PERSONAL & ADVERTISING INJURY LIMIT	\$ 1,000,000 ANY ONE PERSON OR ORGANIZATION	
GENERAL AGGREGATE LIMIT	\$ 2,000,000	
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$ INCL	

## OPTIONAL COVERAGES

- |                                                        |         |
|--------------------------------------------------------|---------|
| SEWER AND DRAIN BACK-UP                                | \$ INCL |
| DIRECTORS & OFFICERS LIABILITY COVERAGE - CONDOMINIUMS | \$ INCL |

\$1,000,000 EACH CLAIM/ \$2,000,000 AGGREGATE

4 UNITS/\$1,000 SELF INSURED RETENTION

RETROACTIVE DATE 10/31/2008

TOTAL ANNUAL PREMIUM - - - - - \$ 2,158.00

APPLICABLE FORMS - SEE SCHEDULE OF FORMS

## SUPPLEMENTAL DECLARATIONS

LOCATION OF PREMISES	LOCATION 1	BUILDING 1	OCCUPANCY/OPERATIONS
1943-1945 CLIFFSIDE DR, STATE COLLEGE, CENTRE CO, PA 16801			2 HABITATIONAL CONDOMINIUMS

INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

## PROPERTY PROTECTION

COVERAGES	AMOUNT OF INSURANCE
1. BUILDINGS	\$ 1,045,000
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS	
3. RENTAL INCOME PROTECTION    ACTUAL LOSS SUSTAINED	
OPTIONAL COVERAGES	
SEWER AND DRAIN BACKUP - \$ 500 DED	\$ 5,000

Q46 3170225

CONTINUED ON NEXT PAGE



100 Erie Insurance Place  
Erie, PA 16530

**ERIE INSURANCE EXCHANGE  
ULTRASURE POLICY**

**REVISED DECLARATIONS**

AGENT	ITEM 2. POLICY PERIOD	POLICY NUMBER
AA7968 FIRST AFFILIATED INS	10/31/09 TO 10/31/10	Q46 3170225 H
ITEM 1. NAMED INSURED AND ADDRESS	ITEM 3. OTHER INTEREST	
CENTRE HILLS VILLAS A CONDO ASSOC C/O KISSINGER FAMILY LTD PO BOX 4000 STATE COLLEGE PA 16804-4000		

**SUPPLEMENTAL DECLARATIONS**

LOCATION OF PREMISES	LOCATION 1	BUILDING 2	OCCUPANCY/OPERATIONS
1949-1951 CLIFFSIDE DR, STATE COLLEGE, CENTRE CO, PA 16801			2 HABITATIONAL CONDOMINIUMS

INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

**PROPERTY PROTECTION**

COVERAGES	AMOUNT OF INSURANCE
1. BUILDINGS	\$ 806,000
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS	
3. RENTAL INCOME PROTECTION	ACTUAL LOSS SUSTAINED
<b>OPTIONAL COVERAGES</b>	
SEWER AND DRAIN BACKUP - \$ 500 DED	\$ 5,000

00463

(SEE REVERSE SIDE) RETURNED PAYMENT FEES WILL BE ADDED TO YOUR ACCOUNT

AP1

10/22/09

## SCHEDULE OF FORMS

FORM NUMBER	EDITION DATE	DESCRIPTION
UF2645	01/09 *	IMPORTANT NOTICE TO POLICYHOLDERS - ULTRASURE FOR PROPERTY OWNERS REVISIONS
ULS	02/02	ULTRASURE PACKAGE POLICY FOR PROPERTY OWNERS
SU0001	01/09 *	ULTRASURE FOR PROPERTY OWNERS COMMERCIAL PROPERTY COVERAGE PART
SU0003	04/08	ULTRASURE FOR PROPERTY OWNERS EXTRA LIABILITY COVERAGES
GU112	04/06	ULTRASURE FOR PROPERTY OWNERS COMMERCIAL PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT
UF4110	01/08	IMPORTANT NOTICE TO POLICYHOLDERS - TERRORISM COVERAGE - PROPERTY
UF4111	01/08	IMPORTANT NOTICE TO POLICYHOLDERS - TERRORISM COVERAGE - LIABILITY
UF2862	03/09 *	IMPORTANT NOTICE - ULTRASURE FOR PROPERTY OWNERS FORMS REVISION - SUMMARY OF CHANGES
IL0246	09/07	PENNSYLVANIA CHANGES-CANCELLATION AND NONRENEWAL
GU44	03/01	PENNSYLVANIA AMENDATORY ENDORSEMENT
IL0985*	01/08	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
GU32	03/01	EXCLUSION - LEAD LIABILITY
UF8705*	06/96	IMPORTANT NOTICE - NO FLOOD COVERAGE
UF4810	03/08	IMPORTANT NOTICE - POLICY SERVICE FEES
ULOY	03/01	COVERAGE FOR PUNITIVE DAMAGES (IN,PA)

Q46 3170225

CONTINUED ON NEXT PAGE



**Erie Insurance**

100 Erie Insurance Place  
Erie, PA 16530

**ERIE INSURANCE EXCHANGE  
ULTRASURE POLICY**

**REVISED DECLARATIONS**

AGENT	ITEM 2. POLICY PERIOD	POLICY NUMBER
AA7968 FIRST AFFILIATED INS	10/31/09 TO 10/31/10	Q46 3170225 H
ITEM 1. NAMED INSURED AND ADDRESS		ITEM 3. OTHER INTEREST
CENTRE HILLS VILLAS A CONDO ASSOC C/O KISSINGER FAMILY LTD PO BOX 4000 STATE COLLEGE PA 16804-4000		

**SCHEDULE OF FORMS (CONTINUED)**

FORM NUMBER	EDITION DATE	DESCRIPTION
GU30	03/01	AMENDMENT OF POLICY - TWO OR MORE COVERAGE PARTS
GU51	03/01	PENNSYLVANIA AMENDATORY ENDORSEMENT
ULQN	04/06	EXCLUSION - PROFESSIONAL LIABILITY
CG0001	12/07 *	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG0099	11/85	CHANGES IN GENERAL LIABILITY FORMS FOR COMMERCIAL PACKAGE POLICIES
CG2147	12/07 *	EMPLOYMENT - RELATED PRACTICES EXCLUSION
IL0910	07/02	PENNSYLVANIA NOTICE
IL0021	09/08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
IL0952	01/08	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
CG2170	01/08	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
CG2167	12/04 *	FUNGUS OR BACTERIA EXCLUSION
UF8385	03/95 *	IMPORTANT NOTICE
CG2196	03/05 *	SILICA OR SILICA - RELATED DUST EXCLUSION
GU136	03/09 *	AMENDMENT OF MOBILE EQUIPMENT DEFINITION
IL0017	11/98 *	COMMON POLICY CONDITIONS
ULJV	02/02	SEWER AND DRAIN BACK-UP COVERAGE
CG2004	11/85	ADDITIONAL INSURED - CONDOMINIUM UNIT OWNERS

00464

(SEE REVERSE SIDE) RETURNED PAYMENT FEES WILL BE ADDED TO YOUR ACCOUNT

AP1

10/22/09

**PROPERTY DESCRIPTION**  
**Centre Hills Villas**

**ALL** that certain tract of land situate within the Township of College, County of Centre, Commonwealth of Pennsylvania, being bounded and described, per a plan dated: October 23, 2006 by ELA Group, Inc.

**BEGINNING** at an iron pin set on the Northern Right-of-way boundary of Cliffside Drive, a public street having a Right-of-way width of 50' being a point approximately 670 feet from the intersection of Cliffside Drive with East Branch Road. Thence along lands now of formerly of Richard G. Kissinger and Frederick J. Kissinger the following two courses;

(1) North  $35^{\circ} 45' 48''$  East a distance of 65.50',

(2) North  $34^{\circ} 06' 51''$  East a distance of 433.14',

THENCE along lands now or formerly of Centre Hills Country Club the following two courses,

(1) South  $54^{\circ} 30' 12''$  East a distance of 198.29',

(2) South  $71^{\circ} 24' 43''$  East a distance of 534.86',

THENCE along lands now or formerly of Kissinger Family Limited Partnership the following two courses,

(1) South  $73^{\circ} 19' 40''$  West a distance of 164.84',

(2) by a tangent curve having the following values,

Radius	375.00'
Length	152.32'
Delta	$20^{\circ} 43' 52''$
Chord Bearing	N $85^{\circ} 11' 36''$ E
Chord Length	154.21', to a point at the terminus of the existing public right-of-way of Cliffside Drive.

THENCE along the right-of-way of Cliffside Drive, a public street the following courses,

(1) North  $82^{\circ} 56' 28''$  West a distance of 204.00',

**EXHIBIT "A"**

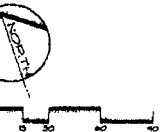


(2) by a tangent curve having the following values,

Radius	625.00'
Length	316.34'
Delta	29° 00' 00"
Chord Bearing	S 82° 33' 32" W
Chord Length	312.98',

(3) South 68° 03' 32" West a distance of 135.00' to the POINT OF BEGINNING,  
**CONTAINING: 3.45 Acres**, and being known as Centre County tax parcel 19-605-1B.

LINE AND SYMBOL LEGEND

[illegible][illegible]

NOTES

## A GENERAL NOTES

- [illegible]

## U. WILLY NOTES

- [illegible]

6. SURVEY, HARBOR MAPPING AND SITE LAYOUT WITHIN

- [illegible]

[illegible]

- [illegible]

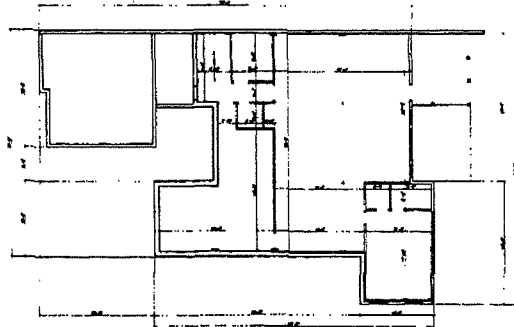
## PROPERTY OWNER/DEVELOPER DATA

CHINESE

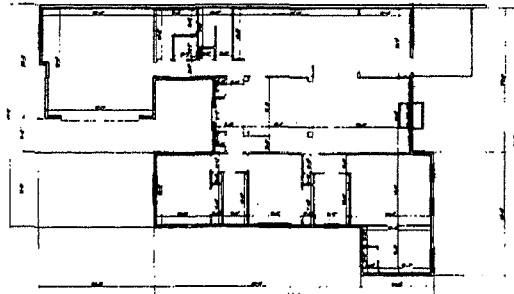
KISSINGER FAMILY LIMITED PARTNERSHIP  
C/O FREDERICK J. KISSINGER  
KISSINGER DISABILITY BROKER  
2300 SOUTH ATHERTON STREET  
STATE COLLEGE, PA 16801

## SITE DATA

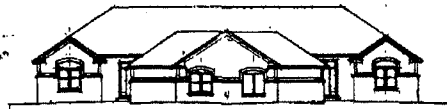
[illegible]



LOWER LEVEL FLOOR PLAN UNIT A



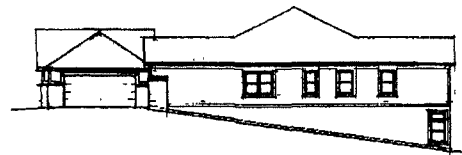
FIRST FLOOR PLAN UNIT A



FRONT ELEVATION UNIT A



FRONT ELEVATION UNIT B



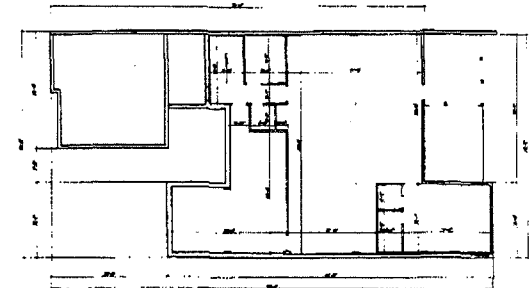
SIDE ELEVATION UNIT B



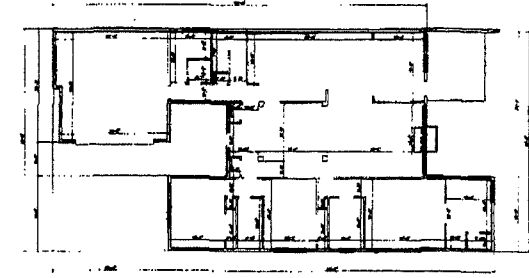
REAR ELEVATION UNIT B



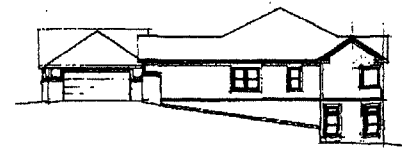
REAR ELEVATION UNIT A



LOWER LEVEL FLOOR PLAN UNIT B



FIRST FLOOR PLAN UNIT B



SIDE ELEVATION UNIT A

REVISIONS	
NO.	DATE

ALL DIMENSIONS, MATERIALS AND DATA CONTAINED HEREIN SHALL BE CONSIDERED PROVISIONAL. THE USER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND FOR VERIFYING THE ACCURACY OF ALL INFORMATION. THE USER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND FOR VERIFYING THE ACCURACY OF ALL INFORMATION.

CLIENT: KESSINGER FAMILY, L.P.  
2300 SOUTH ATLANTIC STREET  
STATE COLLEGE, PA 16801

PROJECT: CONDOMINIUM UNIT A  
CENTRE HILLS VILLAS  
COLLIER TOWNSHIP, CENTRE COUNTY

DESIGNER: MICHAEL C. HALUGA  
1100 OLYMPIA DRIVE  
STATE COLLEGE, PA 16801  
TEL: 814/938-1100  
FAX: 814/938-1101  
WWW.MCHALUGA.COM

SEAL

DRAWN: J. H. H. 11/11/11  
CHECKED: J. H. H. 11/11/11  
DATE: 11/11/11  
PROJECT: CENTRE HILLS VILLAS  
DRAWING NO.: 2 OF 2

**CENTRE HILLS VILLAS PERCENTAGE INTERESTS**

<b><u>Unit Number</u></b>	<b><u>Percentage</u></b>
1	8.34%
2	8.34%
3	8.34%
4	8.34%
5	8.34%
6	8.34%
7	8.34%
8	8.34%
9	8.34%
10	8.34%
11	8.34%
12	<u>8.34%</u>
TOTAL	100.00%

EXHIBIT "C"

# CENTRE HILLS VILLAS CONDOMINIUM ASSOCIATION BUDGET

## CENTRE HILLS VILLAS CONDO ASSOCIATION BUDGET

A. <u>Maintenance</u>	Centre Hills Villas <u>Annual</u>	Centre Hills Villas <u>Per Unit/Per Month</u>
1. Lawn/Landscape	\$13,400.00	\$ 93.06
2. Snow Removal	\$ 6,366.00	\$ 44.21
3. Insurance	\$ 3,682.00	\$ 25.57
4. Electric (site lighting)	\$ 4,800.00	\$ 33.34
5. Legal/Accounting	\$ 1,000.00	\$ 6.94
<i>Maintenance Subtotal</i>	<u>\$29,248.00</u>	<u>\$ 203.12</u>
 B. <u>Reserves</u>		
1. Roofing (30 years)	\$ 2,400.00	\$ 16.67
2. Decks (12 years)	\$ 2,000.00	\$ 13.89
3. Siding, Fascia, Soffit, Gutter (20 years)	\$ 1,200.00	\$ 8.34
4. Painting (5 years)	\$ 1,500.00	\$ 10.42
5. Street, Curbing, Sidewalks, Driveways (15 years)	\$ 3,000.00	\$ 20.84
6. Site Lighting (10 years)	\$ 1,000.00	\$ 6.95
<i>Reserves Subtotal</i>	<u>\$11,100.00</u>	<u>\$ 77.11</u>
 C. <u>Management Fee</u>	<u>\$ 3,187.84</u>	<u>\$ 22.14</u>
 GRAND TOTAL	<u>\$43,535.84</u>	<u>\$ 302.37</u>

EXHIBIT "A"

✓  
At end  
of year -  
will be about  
5K there

- Fred will front  
this \$ and get  
this back when  
funds avail  
- this is part of  
what you are selling  
when you sell.

commission per  
unit/month to  
run the units -  
goes to Deb.

Centre Hills Villas Condo

from Nov 1-08 thru Dec 10th 09

Recap

Condo Fees	4,800.00
Cap Fees	600.00
Interest Income	12.68
	5,412.68
Lawn & Snow	4,901.00
Allegheny Power	500.96
Total Expenses	5,401.96
Income Minus Expenses	10.72

3600 for this unit  
900 for other units + 300<sup>in</sup>  
for my DEC. 09  
2 mos cap fee

Election

Fred nominated Chris as  
Sec.

Dan 2nd

Chris accepted Sec.

Dan kept as Treasurer

Fred kept as President

(ADAM BRUMBAUGH)

Provide College Top the Cuts Board  
Officers + their mailing addresses

(separate)  
spent 4500<sup>00</sup> of his  
own developer money on  
fertilizer, reseeding, topsoil,  
enhance landscape

Retention basin is an easement  
on farmstead ~~he~~ wants that field  
to be pasture quality.

Tentative date  
6/12/10 11AM.

Kent & Stephanie Brethner  
2 children

Centre Hills Villas Condo  
Detail

		Condo Fees	Cap Fees
			600.00
December-08	Pine (Villas)	300.00	
January-Nov-09	Pine (Villas)	3,300.00	
September-09	Villas-to cover Bills	600.00	
December-09	Pine	300.00	
	Villas	300.00	
		4,800.00	600.00
December-09	Nardozza-Mowing	57.50	
January-09	Nardozza-Snow	258.00	
February-09	Nardozza-Snow	820.00	
May-09	Nardozza-Mowing/landscaping/Fertilize	1,170.00	
June-09	Nardozza-Mowing	320.00	
July-09	Nardozza-Mowing/Weeding/Spraying	1,004.00	
August-09	Nardozza-Mowing/Spraying	570.50	
September-09	Nardozza-Mowing/Spraying	541.00	
November-09	Nardozza-Mowing	160.00	
		4,901.00	
November-09	Allegheny Power	75.64	
December-09	Allegheny Power	57.05	
January-09	Allegheny Power	50.38	
February-09	Allegheny Power	49.86	
March-09	Allegheny Power	49.79	
April-09	Allegheny Power	25.17	
May-09	Allegheny Power	44.67	
June-09	Allegheny Power	17.16	
July-09	Allegheny Power	29.96	
August-09	Allegheny Power	18.98	
September-09	Allegheny Power	37.40	
October-09	Allegheny Power	7.75	
November-09	Allegheny Power	37.15	
		500.96	

Centre Hills Villas Condo  
Recap

	12/31/09	12/9/2010	Total
Condo Fees	5,100.00	14,100.00	19,200.00
Cap Fees	1,200.00	1,200.00	2,400.00
Interest Income	12.68	32.17	44.85
	6,312.68	15,332.17	21,644.85
Lawn	3,823.00	4,441.50	8,264.50
Snow	1,078.00	2,258.50	3,336.50
Allegheny Power	500.96	528.34	1,029.30
Tax Return		80.00	80.00
Insurance		2,139.00	2,139.00
Postage		11.44	11.44
Total Expenses	5,401.96	9,458.78	14,860.74
Income Minus Expenses	910.72	5,873.39	6,784.11
reserve/mo = 77.11 x 64			4,935.04
Operating Cash			1,849.07



## Expense paid by Centre Hills Villas (Not Condo Association)

Condo Insurance 10/31/08 to 10/31/09	2,377.00
Condo Insurance 10/31/09 to 10/31/10	2,158.00
Management Fee 2009	354.24
Management Fee 2010	1,062.72
	5,951.96

	12/31/09	12/31/2010	Total 2009&2010	2/22/2011		Total to date 2/22/2011
Condo Fees	5,100.00	14,100.00	19,200.00	2,100.00		
Cap Fees	1,200.00	1,200.00	2,400.00			
Interest Income	12.68	32.17	44.85	5.90		
	6,312.68	15,332.17	21,644.85	2,105.90		
Lawn	3,823.00	4,441.50	8,264.50			
Snow	1,078.00	2,258.50	3,336.50	1,628.50		
Allegheny Power	500.96	528.34	1,029.30	105.39		
Tax Return		80.00	80.00			
Insurance		2,139.00	2,139.00			
Postage		11.44	11.44			
Management Fee	445.35	1,081.67	1,527.02			
Total Expenses	5,847.31	10,540.45	16,387.76	1,733.89		
Income Minus Expenses	465.37	4,791.72	5,257.09	372.01		
reserve/mo = 77.11 x 64			4,935.04	616.88	5,551.92	Reserve
Operating Cash			322.05	-244.87	77.18	Operating Cash
					5,629.10	Total Cash

Centre Hills Villas Condo  
2011 Yearend Projection

	12/31/09	12/31/2010	10/26/2011	Total			
Condo Fees	5,100.00	14,100.00	12,000.00	31,200.00			
Cap Fees	1,200.00	1,200.00		2,400.00			
Interest Income	12.68	32.17	29.19	74.04			
Anticipated Revenue			2,405.95	2,405.95			
Total Income	6,312.68	15,332.17	14,435.14	36,079.99			
Lawn	3,823.00	4,441.50	3,335.00	11,599.50			
Snow	1,078.00	2,258.50	4,042.25	7,378.75			
Electric	500.96	528.34	265.41	1,294.71			
Tax Return		80.00	75.00	155.00			
Insurance		2,139.00		2,139.00			
Postage		11.44		11.44			
Management Fee	445.35	1,081.67		1,527.02			
Future Exp-Insurance			2,185.00	2,185.00			
Future Exp-Bookkeeping			600.00	600.00			
Future Exp-Driveway Seal			1,100.00	1,100.00			
Future Exp-Lawn Care			360.00	360.00			
Future Exp-Electric			75.00	75.00			
Future Exp-Snow			1,000.00	1,000.00			
Total Expenses	5,847.31	10,540.45	13,037.66	29,425.42			
Income Minus Expenses	465.37	4,791.72	1,397.48	6,654.57			
reserve/mo = 77.11 x 112				8,636.32		8,636.32	Reserve
Operating Cash				-1,981.75		-1,981.75	Operating Cash
						6,654.57	Total Cash
Or Driveway Seal from Reserve						7,536.32	Reserve
						-881.75	Operating Cash
						6,654.57	Total Cash

Centre Hills Villas Condo  
2011 Yearend Projection

	12/31/09	12/31/2010	10/26/2011	Total			
Condo Fees	5,100.00	14,100.00	12,000.00	31,200.00			
Cap Fees	1,200.00	1,200.00		2,400.00			
Interest Income	12.68	32.17	29.19	74.04			
Anticipated Revenue			2,405.95	2,405.95			
Total Income	6,312.68	15,332.17	14,435.14	36,079.99			
Lawn	3,823.00	4,441.50	3,335.00	11,599.50			
Snow	1,078.00	2,258.50	4,042.25	7,378.75			
Electric	500.96	528.34	265.41	1,294.71			
Tax Return		80.00	75.00	155.00			
Insurance		2,139.00		2,139.00			
Postage		11.44		11.44			
Management Fee	445.35	1,081.67		1,527.02			
Future Exp-Insurance			2,185.00 ✓	2,185.00			
Future Exp-Bookkeeping			600.00 ✓	600.00			
Future Exp-Driveway Seal			1,100.00 ✓	1,100.00			
Future Exp-Lawn Care			360.00 ✓	360.00			
Future Exp-Electric			75.00	75.00			
Future Exp-Snow			1,000.00	1,000.00			
Total Expenses	5,847.31	10,540.45	13,037.66	29,425.42			
Income Minus Expenses	465.37	4,791.72	1,397.48	6,654.57			
reserve/mo = 77.11 x 112				8,636.32		8,636.32	Reserve
Operating Cash				-1,981.75		-1,981.75	Operating Cash
						6,654.57	Total Cash
Or Driveway Seal from Reserve						7,536.32	Reserve
						-881.75	Operating Cash
						6,654.57	Total Cash