

Harvitz
13-8
38.10

**AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
INDEPENDENCE PLACE - A PLANNED COMMUNITY**

THIS AMENDMENT made this 10th day of March, 2005, by
BXAL, INC, (hereinafter "Declarant") and EASTERN COMMUNITIES, L.P., t/d/b/a FINE
LINE HOMES, (hereinafter "Fine Line") witnesses that:

A. By Amended and Restated Declaration of Covenants, Conditions and Restrictions dated August 21, 2002, and recorded September 6, 2002 in the Office of the Recorder of Deeds of Centre County in Record Book 1408, page 1057, (the "Declaration"), Declarant submitted certain real property as described therein (the "Property") to certain covenants, conditions and restrictions as set forth therein, for the purpose of creating a planning residential community known as "Independence Place."

B. In Paragraph 2.2 of the Declaration, the Declarant reserved to itself the right to develop the property in Phases, and upon completion of road improvements, infrastructure and Common Elements as necessary to enable the lawful transfer of Lots within each Phase, to subject the same to the terms and provisions of the Declaration;

C. By deed dated January 13, 2005 and recorded in the Office of the Recorder of Deeds of Centre County at Deed Book Volume 1781, page 771, Declarant conveyed to Fine Line all of the lots within said Phase II.

D. By this Amendment Declarant and Fine Line desire provide notification of the addition of Phase II as a Completed Phase pursuant Paragraphs 2.2 and 2.3 of the Declaration.

NOW, THEREFORE, the Declarant hereby declares as follows:

1. The property described in Exhibit "A" attached hereto (referred to herein as "Phase II") shall be held, sold, conveyed, occupied, developed, and redeveloped subject to the terms of the Declaration, including without limitation the easements, restrictions, covenants and conditions as set forth therein.

2. Attached hereto as Exhibit "B" is a Certificate executed by Keller Engineers, Inc. confirming that all improvements within Phase II have been substantial completed in accordance with the descriptions set forth in the Declaration, the Plat and the Public Offering Statement so as to permit use thereof for its intended purposes.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed the day and year first above written, by their proper officers, and the corporate seal affixed pursuant to a resolution duly adopted by its Board of Directors.

[Corporate Seal]

BXAL, INC.

ATTEST:

Pamela J. Palt
SECRETARY

By: Pamela J. Palt
PRESIDENT

EASTERN COMMUNITIES, L.P., t/d/b/a
FINE LINE HOMES

By: J. A. [Signature]
Vice President



RECORD BK-1805 PG-27
RECORDED ON THE INDICATED
DATE & TIME IN THE ABOVE BOOK & PAGE
INST #

001835

2005 MAR 29 P 1:31

CENTRE COUNTY RECORDER OF DEEDS

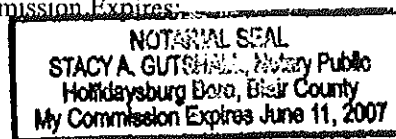
[Signature]

COMMONWEALTH OF PENNSYLVANIA)
)
 COUNTY OF BLAIR)

I, Stacy A. Gutshall, a Notary Public in and for the said County, in the State aforesaid, do hereby certify that Pamela J. Patt personally appeared before me this day, and they acknowledged and swore that she is the President and Secretary, of BXAL, Inc. that she signed, sealed and delivered the said instrument as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and notarial seal this 16th day of March, 2005.

Stacy A. Gutshall
 Notary Public
 My Commission Expires:



COMMONWEALTH OF PENNSYLVANIA)
)
 COUNTY OF Dauphin)

I, Barbara F. Heichel, a Notary Public in and for the said County, in the State aforesaid, do hereby certify that John A. Kerschner personally appeared before me this day, and they acknowledged and swore that he is the Vice President of Fine Line Homes, Inc. ~~EASTERN COMMUNITIES, L.P.~~, ~~General partner of Eastern Communities L.P., trading and doing business as Fine Line Home~~, and that he signed, sealed and delivered the said instrument as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and notarial seal this 17th day of March, 2005.

Barbara F. Heichel
 Notary Public
 My Commission Expires:

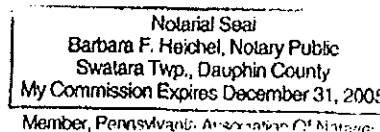


EXHIBIT A

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

TRACT NO. 1

ALL that certain messuage, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 120 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING on the easterly side of Washington Avenue at the southwest corner of Lot 120 and the northwest corner of Lot 121; thence North $34^{\circ} 51' 57''$ West 72.53 feet to a point; thence North $07^{\circ} 27' 28''$ West 13.52 feet to a point; thence around the arc of a curve with a radius of 40.00 feet, central angle of $32^{\circ} 03' 07''$, 22.38 feet to a point; thence North $55^{\circ} 08' 03''$ East 98.48 feet to a point; thence South $34^{\circ} 51' 57''$ East 67.00 feet to a point; thence continuing South $34^{\circ} 51' 57''$ East 43.00 feet to a point; thence South $55^{\circ} 08' 03''$ 113.00 feet to a point and the place of beginning.

CONTAINING 12,203 square feet.

TRACT NO. 2

ALL that certain messuage, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 121 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING at a point on the easterly side of Washington Avenue being the northwest corner of Lot 121 and the southwest corner of Lot 120, thence North $55^{\circ} 08' 03''$ East 113.00 feet to a point; thence South $34^{\circ} 51' 57''$ East 44.00 feet to a point; thence continuing South $34^{\circ} 51' 57''$ East 53.00 feet to a point; thence South $55^{\circ} 08' 03''$ West 113.00 feet to a point; thence North $34^{\circ} 51' 57''$ West 97 feet to the point and place of beginning.

CONTAINING 10,961 square feet.

TRACT NO. 3

ALL that certain messuage, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 122 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages

102-104, and more fully bounded and described as follows to wit:

BEGINNING at a point on the easterly side of Washington Avenue being the northwest corner of Lot 122 and the southwest corner of Lot 121, thence North 55° 08' 03" East 113.00 feet to a point; thence South 34° 51' 57" East 34.00 feet to a point; thence continuing South 34° 51' 57" East 58.00 feet to a point; thence South 55° 08' 03" West 113.00 feet to a point; thence North 34° 51' 57" West 92 feet to the point and place of beginning.

CONTAINING 10,396 square feet.

TRACT NO. 4

ALL that certain messuage, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 123 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING at a point on the easterly side of Washington Avenue being the northwest corner of Lot 123 and the southwest corner of Lot 122, thence North 55° 08' 03" East 113.00 feet to a point; thence South 34° 51' 57" East 87.00 feet to a point; thence South 55° 08' 03" West 113.00 feet to a point; thence North 34° 51' 57" West 87 feet to the point and place of beginning.

CONTAINING 9,831 square feet.

TRACT NO. 5

ALL that certain messuage, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 124 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING at a point on the easterly side of Washington Avenue being the northwest corner of Lot 124 and the southwest corner of Lot 123, thence North 55° 08' 03" East 113.00 feet to a point; thence South 34° 51' 57" East 87.00 feet to a point; thence South 55° 08' 03" West 113.00 feet to a point; thence North 34° 51' 57" West 87 feet to the point and place of beginning.

CONTAINING 9,831.

TRACT NO. 6

ALL that certain messuage, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 125 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING on the easterly side of Washington Avenue at the southwest corner of Lot 124 and the northwest corner of Lot 125; thence North 55° 08' 03" East 113 feet to a point; thence South 34° 51' 57" East 65.85 feet to a point; thence South 52° 21' 08" West 71.14 feet to a point; thence around the arc of a curve with a radius of 40.00 feet, central angle of 92° 46' 55", 64.77 feet to a point; thence North 34° 51' 57" West 29.35 feet to a point and the place of beginning.

CONTAINING 7,367 square feet.

TRACT NO. 7

ALL that certain messuage, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 126 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING on the southerly side of Independence Avenue at the northwest corner of Lot 126 and the northeast corner of Lot 127; thence around the arc of a curve with a radius of 62.00 feet, central angle of 20° 28' 05", 22.15 feet to a point; thence North 52° 21' 08" East 68.69 feet to a point; thence South 37° 38' 52" East 76.00 feet to a point; thence South 52° 21' 08" West 110.00 feet to a point; thence North 37° 38' 52" West 41.64 feet to a point; thence North 10° 29' 44" East 43.02 to a point and the place of beginning.

CONTAINING 8,089 square feet.

TRACT NO. 8

ALL that certain messuage, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 127 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING on the southerly side of Independence Avenue at the northeast corner of Lot 127 and the northwest corner of Lot 126; thence South 10° 29' 44" East 43.02 feet to a point; thence South 37° 38' 52" East 41.64 feet to a point; thence South 52° 21' 08" West 124.86 feet to a point; thence North 37° 30' 29" West 89.53 feet to a point; thence North 55° 08' 03" East 102.24 feet to a point; thence North 12° 24' 22" East 21.25 feet to

a point; thence around the arc of a curve with a radius of 62.00 feet, central angle of 29° 36' 29", 32.04 feet to a point and the place of beginning.

CONTAINING 11,455 square feet.

TRACT NO. 9

ALL that certain message, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 128 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING on the westerly side of Washington Avenue at the southeast corner of Lot 128 and the northwest corner of Lot 127; thence South 12° 24' 22" West 21.25 feet to a point; thence South 55° 08' 03" West 102.24 feet to a point; thence North 37° 30' 29" West 80.09 feet to a point; thence North 55° 08' 03" East 105.10 feet to a point; thence South 34° 51' 57" East 23.53 feet to a point; thence around the arc of a curve with a radius of 62.00 feet, central angle of 42° 42' 21", 46.21 feet to a point and the place of beginning.

CONTAINING 8,602 square feet.

TRACT NO. 10

ALL that certain message, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 129 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING at a point on the westerly side of Washington Avenue being the northeast corner of Lot 129 and the southeast corner of Lot 130, thence South 34° 51' 57" East 87.50 feet to a point; thence South 55° 08' 03" West 105.10 feet to a point; thence North 37° 30' 29" West 87.59 feet to a point; thence North 55° 08' 03" East 109.14 feet to the point and place of beginning.

CONTAINING 9,373 square feet.

TRACT NO. 11

ALL that certain messuage, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 130 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING at a point on the westerly side of Washington Avenue being the northeast corner of Lot 130 and the southeast corner of Lot 131, thence South 34° 51' 57" East 72.50 feet to a point; thence South 55° 08' 03" West 109.14 feet to a point; thence North 37° 30' 29" West 72.58 feet to a point; thence North 55° 08' 03" East 112.49 feet to the point and place of beginning.

CONTAINING 8,034 square feet.

TRACT NO. 12

ALL that certain messuage, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 131 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING at a point on the westerly side of Washington Avenue being the northeast corner of Lot 131 and the southeast corner of Lot 132, thence South 34° 51' 57" East 95.00 feet to a point; thence South 55° 08' 03" West 113.18 feet to a point; thence North 37° 30' 29" West 95.10 feet to a point; thence North 55° 08' 03" East 117.56 feet to the point and place of beginning.

CONTAINING 10,960 square feet.

TRACT NO. 13

ALL that certain messuage, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 132 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING at a point on the westerly side of Washington Avenue being the northeast corner of Lot 132 and the southeast corner of Lot 133, thence South 34° 51' 57" East 95.00 feet to a point; thence South 55° 08' 03" West 117.56 feet to a point; thence North

37° 30' 29" West 95.10 feet to a point; thence North 55° 08' 03" East 121.95 feet to the point and place of beginning.

CONTAINING 11,377 square feet.

TRACT NO. 14

ALL that certain messuage, tenement, and tract of land situate in College Township, County of Centre and Commonwealth of Pennsylvania, being known as Lot 133 on the Final Subdivision and Land Development Plan, Phase II, Independence Place, prepared by Keller Engineers, Inc., Hollidaysburg, Pennsylvania, recorded in Centre County Plat Book 70, Pages 102-104, and more fully bounded and described as follows to wit:

BEGINNING on the westerly side of Washington Avenue at the southeast corner of Lot 133 and the northeast corner of Lot 132; thence South 55° 08' 03" West 121.95 feet to a point; thence North 37° 30' 29" West 128.96 feet to a point; thence North 55° 08' 03" East 116.26 feet to a point; thence around the arc of a curve with a radius of 40.00 feet, central angle of 30° 46' 35", 21.49 feet to a point; thence South 61° 25' 52" East 13.42 feet to a point; thence South 34° 51' 57" East 96.35 feet to a point and the place of beginning.

CONTAINING 15,896.00 square feet.

**CERTIFICATE OF SUBSTANTIAL COMPLETION OF PHASE II
OF INDEPENDENCE PLACE A PLANNED COMMUNITY**

The undersigned, a licensed professional engineer in the Commonwealth of Pennsylvania
(License no. PE031106E) hereby certifies that all road improvements, infrastructure and
common elements as depicted in the Plans for Phases II of Independence Place attached hereto
have been substantially completed in accordance with the descriptions set forth in said Plans, so
as to permit use thereof for its intended use.

Keller Engineers

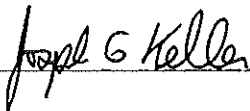


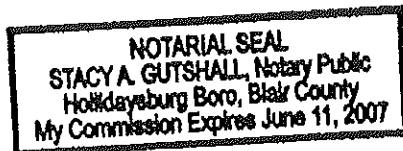
Exhibit "B"

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ~~CENTRE~~ *Blair*)

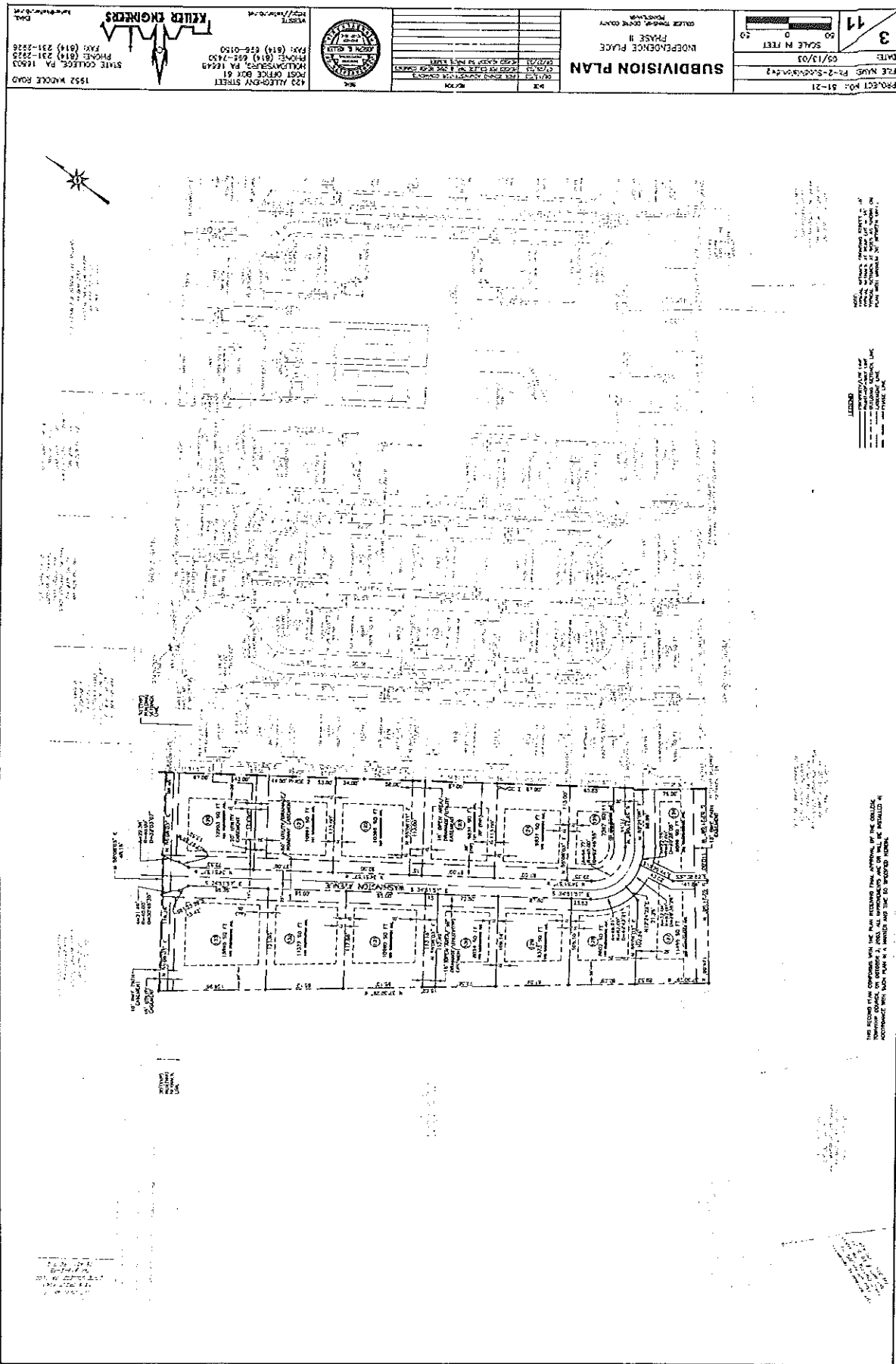
On this, the 10th day of March, 2005, before me a Notary Public, the undersigned officer, personally appeared Joseph Keller, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes contained therein.

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

Stacy A. Gutshall
Notary Public



"SEE MAP IN DRAWER"



**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
INDEPENDENCE PLACE - A PLANNED COMMUNITY**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter "Covenants") is made and entered into this 21st day of August, 2002 by BXAL, INC, a Pennsylvania Business Corporation with offices at Allegheny Street, Hollidaysburg, Pennsylvania, referred to herein as the "Declarant".

WITNESSETH:

WHEREAS, the Declarant is the owner of a certain parcel of real property situate in College Township, Centre County, Pennsylvania as more particularly described in Exhibit A, attached hereto, (the "Property") upon which it intends to develop a planned residential community (the "Community"); and

WHEREAS, Declarant desires to subject the Property to the within covenants, conditions and restriction for the purpose of protecting the enhancing the value, desirability and attractiveness of the Property;

NOW, THEREFORE, the Declarant hereby declares that all of the Property described in Exhibit A attached hereto shall be held, sold, conveyed, occupied, developed, and redeveloped subject to the following easements, restrictions, covenants and conditions, for the purpose of protecting the value and desirability of, and which shall run with, the Property and shall be binding upon on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner and Occupant thereof.

**ARTICLE I
Definitions**

1.1 For the purposes hereof, the following terms shall have the following meanings unless the context in which the same is used clearly indicates otherwise:

(a) "Association" shall mean and refer to the Independence Place Homeowners Association, Inc. a Pennsylvania non-profit corporation. This is the Declaration of Covenants, Conditions and Restrictions to which the Articles of Incorporation (hereinafter referred to as the "Articles") and By-Laws (hereinafter referred to as the "By-laws") of the Association make reference. Copies of the Articles of Incorporation and By-laws are attached hereto and made a part hereof as Exhibits B and C, respectively.

SEE MAP "EXHIBIT D" IN MAP DRAWER

(b) "*Board of Directors*" shall mean the board of directors of the Association as duly elected in accordance with the Association's By-laws.

(c) "*Common Areas*" shall include all Common Land and Common Improvements as hereinafter defined.

(d) "*Common Land*" shall include all real property maintained for the common use and enjoyment of the Owners in which they have a right of easement of use, including, but not limited to all land described as "Common Land" on Exhibit "D" attached hereto and incorporated herein by this reference.

(e) "*Common Improvements*" shall include all facilities, utilities and other improvements found or located on Common Land, including, but not limited to landscape features, entry features, directional graphic system, clubhouse, pool, recreational areas, drainage, bicycle paths, sidewalks, roads, project lighting other similar improvements for the common benefit of Owners.

(f) "*Common Expenses*" sometimes referred to herein as "Common Charges" shall be those expenses incurred or to be incurred by the Association in the performance of its duties or powers as required and authorized by this Declaration.

(g) "*Completed Phase*" shall mean and refer to a Phase in the development of the Property in which all streets, infrastructure and Common Areas have been completed as necessary to enable the Declarant to lawfully transfer the Lots described therein to third parties.

(h) "*Declaration*" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions.

(i) "*Declarant*" shall mean and refer to BXAL, Inc.

(j) "*Lot*" shall mean and refer to any plot of land (excluding Common Areas) within any Completed Phase as shown upon a recorded and approved final development plan of the Property attached (or subsequently annexed) to this Declaration as Exhibit "D".

(k) "*Lot Improvements*" shall mean any building, fence, wall, road, parking lot, parking structure or other structure, or any improvement located on any Lot.

(l) "*Maintenance Assessment*" shall mean a charge for the maintenance of the open space areas, detention pond, orchards, pedestrian amenities, clubhouse, pool and other Common Areas located on the Property, determined in accordance with Article VIII of this Declaration.

(m) "*Occupant*" shall mean a lessee, sublessee or licensee of any Owner who is entitled to occupy any space within any Building with the permission of such Owner.

(n) "*Owner*" shall mean and refer to any persons or entities (including the Declarant) that are the record owners of fee simple title to any Lot.

(o) "*Phase*" shall mean a phase in the development of the Property as more specifically described in Section 2.2 of this Agreement.

(p) "*Property*" shall mean and refer to that certain real property described in Article II and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

(q) "*Rules and Regulations*" shall mean the Rules and Regulations adopted by the Association.

ARTICLE II *Subject Property*

2.1 *General Declaration.* Declarant hereby declares that all of that real property located in the Township of College, County of Centre, Commonwealth of Pennsylvania, and more particularly described in Exhibit "A" (the "Property") is, and shall be, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part, subject to this Declaration. All of the covenants, conditions and restrictions set forth herein are declared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale of said real property and are established for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property and every part thereof. All of said covenants, conditions and restrictions shall run with the Property for all purposes and shall be binding upon and inure to the benefit of Declarant and all Owners and their successors in interest as set forth in this Declaration.

2.2 *Development of the Property in Phases.* It is the stated intention of the Declarant to develop the Property in various phases, with the terms and conditions of the within Declaration being applicable to each Phase as it is completed. The initial Completed Phase (referred to herein as "Phase 1") is described in Exhibit "D" attached to this Declaration. Declarant shall have the right to add additional Phases to the subject Property only upon the substantial completion of construction of road improvements, infrastructure and Common Elements as depicted in the Plats, and as necessary to enable the lawful transfer of Lots within such Phase. Until such additional Phases are added to the Planned Community, the Declarant shall be required to pay all real estate taxes, assessments and other expenses related to such additional phases. No third-party guaranty, bond, escrow, letter of credit or other mechanism is presently in place to assure completion of such improvements.

Any additional phase, improvement or facility will be deemed to be completed upon the recording of a certificate executed by an independent registered surveyor, architect or professional engineer stating that the additional phase, improvement or facility is substantially completed in accordance with the descriptions set forth in this Declaration and Plat and his

public offering statement and so as to permit use of such portion of the additional phase, improvement or facility for its intended use. Upon the substantial completion of each additional Phase, Declarant shall record an amendment of Exhibit "D" describing the additional Lots and Common Areas included within such Completed Phase, and upon such recordation the provisions of this Declaration shall apply to such Completed Phase as if it were originally covered by this Declaration.

2.3 Notice of Addition to Land. The notice of addition of real property referred to in Section 2.2 shall contain at least the following provisions:

(a) a reference to this Declaration stating the date of recording and the book or books of the records of Centre County, Pennsylvania, and the page numbers where this Declaration is recorded.

(b) a statement that the provisions of this Declaration, or some specified part thereof, shall apply to such added real property.

(c) A legal description of such added real property;

(d) Such other or different covenants, conditions, and restrictions as Declarant shall, in its discretion, specify to regulate and control the use, occupancy and improvements of such added real property.

ARTICLE III *Architectural Control*

3.1 Approval of Plans Required. No improvements shall be erected, placed, altered, maintained or permitted to remain on any Lot by any Owner, nor shall any subdivision, platting or re-platting of any Lot be made until final plans and specifications shall have been submitted to and approved in writing by the Board of Directors of the Association. Such final plans and specifications shall be submitted in duplicate under the authorized signature of the Owner of the Lot or the authorized agent thereof. Such plans and specifications shall be in such form and shall contain such information as may be required by the Association but shall in any event contain a site development plan of the Lot, showing the nature, grading scheme, kind, shape, composition and location of all structures with respect to the particular Lot (including proposed front, rear and side setback lines), and with respect to structures on adjoining Lots, and location of any driveways on the Lot.

3.2 Approval. The Board of Directors of the Association may approve plans and specifications as submitted, or as altered or amended, or it may grant its approval to the same subject to the specific conditions. Upon approval or conditional approval of any plans and specifications submitted, a copy of such plans and specifications, together with any conditions shall be deposited for permanent record with the Committee, and a copy of such plans and

specifications, bearing such approval together with any conditions, shall be returned to the applicant submitting the same.

3.3 *Completion of Work.* Any improvement commenced pursuant hereto shall be completed within nine (9) months from the date of commencement of such work, except for so long as such completion is rendered impossible, or unless work upon the proposed improvements would impose a great hardship upon the Owner due to strike, fire, national emergency, natural disaster, or other supervening force beyond the control of Owner. The Association may, upon written request made and received prior to the expiration of the nine(9) month period, extend the period of time within which work must be completed. Failure to comply with this Section 3.3 shall constitute a breach of this Declaration and subject the party in breach to the enforcement procedures set forth in Article X.

3.4 *Waiver of Liability.* Neither the Board of Directors of the Association nor the Declarant shall be liable for any damage, loss, or prejudice suffered or claimed by any person on account of:

- (a) The approval or disapproval of any plans, drawings, and specifications, whether or not in any way defective;
- (b) The construction of any improvement, or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; or
- (c) The development of any Lot within the Community;

3.5 *Construction without Approval.* If any Lot Improvements shall be erected, placed, or maintained upon any Lot, or any new use commenced upon any Lot, other than in accordance with the written approval by the Board of Directors of the Association pursuant to the provisions of this Article III, such alteration, erection, placement, maintenance, or use shall be deemed to have been undertaken in violation of this Declaration, and upon written notice from the Board of Directors, any such Lot Improvement so altered, erected, placed maintained, or used upon any Lot in violation of this Declaration shall be removed or altered so as to conform to this Declaration, and any such use shall cease or be amended so as to conform to this Declaration. Should such removal or alteration or cessation or amendment or use not be accomplished within thirty (30) days after receipt of such notice, then the party in breach of this Declaration shall be subject to the enforcement procedures set forth in Article X.

ARTICLE IV *Easements*

4.1 *Easement for Use of Common Areas.* Subject to the limitations hereafter provided, every Owner and Occupant shall have a right and easement of enjoyment in and to the Common Areas that shall be appurtenant and shall pass with the title to every Lot.

4.2 *Limitation of Rights.* The Owner's and Occupant's rights granted in section 4.1 shall be subject to and limited by the following:

(a) The right of the Declarant to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility;

(b) Limited in that each Owner and Occupant shall have rights only in those Common Area granted pursuant to these Covenants for which the Owner shall pay any portion of the Common Expenses related thereto.

(c) Subject to each Owner's and Occupant's responsibility to pay all Common Expenses assessed (either annual or special) against that Owner's or Occupant's Lot or Lot Improvements pursuant to the further terms of this Declaration.

4.3 *Owner's Easements.* Subject to the limits of Section 4.2 above, every Owner, his respective successors and assigns shall have the following perpetual easements with respect to the Property.

(a) A nonexclusive easement for ingress and egress to its Lot over, across and through the Common Areas on the private roadways constructed for such use purposes; and

(b) A perpetual easement in common with the Owners of all other Lots to use all pipes, wires, cables, public utility lines, and other Common Area serving its Lot; and

(c) A perpetual and nonexclusive easement in, over, and through the Common Areas and to use the entrance ways, bike paths, walks and other Common Improvements within the Property subject of the right of the Association to promulgate Rules and Regulations for the use and enjoyment thereof.

4.4 *Easements in Favor of the Association.* The Association or the appropriate utility, their successors, and assigns, shall have the following perpetual easements with respect to the Property:

(a) A perpetual and exclusive easement for the maintenance of any Common Areas, which may presently or hereafter encroach upon a Lot; and

(b) The Association shall have a perpetual and nonexclusive right of access to each Lot (i) to inspect same for the purpose of verifying conformance with these Covenants, and any Rules and Regulations promulgated by the Association, to remedy any violation set forth in these Covenants or in any Rule or Regulation of the Association, and (iii) to perform any operations required in connection with the maintenance, repairs or replacements of or to the Common Areas, or any equipment, facilities, or fixtures

affecting or serving other Lot(s) or the Common Areas; provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner or Occupant. In case of emergency, such right of entry shall be immediate, whether the Owner or Occupant is present at the time or not; and

(c) A perpetual, blanket, and nonexclusive easement in, upon, over, under, across, and through the Common Areas for surface water runoff and drainage caused by natural forces and elements, grading, and/or improvements located upon the Property. No individual Owner or Occupant shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Property; and

(d) A perpetual, blanket and nonexclusive easement in, upon, over, across, and through the Common Areas for the purpose of the installation, maintenance, repair, service, and replacement of all sewer, water, power, and telephone pipes, lines, mains, conduits, waters, poles, transformers, meters, and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the Property and the Lots, which easement shall be for the benefit of any governmental agency or utility company or other entity that requires same for the purpose of furnishing one or more of the foregoing services.

ARTICLE V *The Association*

5.1 *Membership.* Every Owner, including the Declarant, as long as it owns all or any part of the Property subject to this Declaration, shall be a member of the Association, provided that such person or entity who holds such interest only as security for the performance of an obligation shall not be a member. When one or more persons or entities hold title to any part of the Property, all such persons or entities shall be members, with their respective voting power being as set forth in the Articles. Membership shall be appurtenant to, and may not be separated from, the ownership of any Property.

5.2 *Voting.* The Association shall have two (2) classes of voting membership:

(a) *Class A.* Except for the Declarant (which shall initially be a Class B member) the Class A members shall be all of the Owners of the Lots. Each Class A member shall be entitled to one (1) vote per Lot for each Lot owned by it in all proceedings in which action shall be taken by the members of the Association. The vote of any Class A member comprised of two (2) or more persons in any combination, shall be cast as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per lot owned by them.

(b) *Class B.* The Class B member shall be the Declarant. The Class B Member shall be entitled to five (5) votes per Lot for each Lot owned by it in all proceedings in which action shall be taken by Members of the Association.

(c) *Conversion of Class B Membership.* The Class B membership in the Association shall cease and be converted to Class A membership in the Association on the seventh (7th) anniversary of the date of this Declaration or at such earlier time as the number of votes entitled to be cast by the Class A Members of the Association equals to or exceeds the total number of votes entitled to be cast by the Class B Members of the Association.

ARTICLE VI

Regulation and Operation of Uses

6.1 *Permitted Uses.* Use of each Lot shall be restricted to residential purposes in accordance with the Zoning Ordinances of College Township, or other applicable laws and regulations.

6.2 *Restrictions on Use.* The Property is subject to all covenants, restrictions, and easements of record and to the following restrictions:

(a) There shall be no obstruction of the Common Areas without the prior consent of the Association, as appropriate. The use by Owners or Occupants of any designated area that is part of the Common Areas shall be uniformly prescribed by the Association, as appropriate.

(b) No portion of the Common Areas or other portion of the Property shall be used or maintained for the dumping of rubbish or debris.

(c) No exterior loudspeakers shall be permitted nor shall unshielded floodlights be installed without the permission of the Association, as appropriate.

(d) In order to provide for an orderly procedure in the case of title or lease transfers and to assist in the maintenance of a current roster of Owners and Occupants, the Owner of a Lot shall give the Association timely notice of its intent to list its Lot or Lot Improvements for sale or lease and, prior to the closing of title or the commencement of the term of the lease, shall notify the Association of the names, and addresses of the purchasers or Occupants. Notwithstanding the above, a sale or lease of a Lot shall not require the permission of the Association.

(e) No noxious or offensive activities shall be carried on, in, or upon the Common elements or in any Lot, nor shall anything be done therein either willfully or negligently that may be or become an annoyance or nuisance to the Owners or Occupants.

(f) No unlawful use shall be made of any Lot; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(g) The Association shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of the above restrictions and shall have the right to bring suits both in law and in equity to enforce the Rules and Regulations.

6.3 *Repair of Buildings.* No building or structure upon any Lot shall be permitted to fall into disrepair, and each such building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished.

6.4 *Utility Lines and Antennas.* No sewer, drainage, or utility lines or wires or other devices for the communication or transmission of electric current, power, or signals, including telephone, television, microwave, or radio signals, shall be constructed, placed, or maintained anywhere in or upon any portion of the subject property other than within buildings or structures, unless the same shall be contained in conduits or cables constructed, placed, or maintained underground or concealed in or under buildings or other structures. No antenna for the transmission or reception of telephone, television, microwave, or radio signals shall be placed on any lot within the subject property unless the consent of the Association shall first be obtained. Nothing contained herein shall be deemed to forbid the erection or use of temporary power or telephone facilities incidental to the construction or repair of buildings on the subject property.

ARTICLE VII *Maintenance*

7.1 *Administration of Common Areas.* The administration and management of the Common Areas and any other common facilities shall be by the Association in accordance with the provisions of these Covenants and of any other agreements, documents, amendments, or supplements to the foregoing that may be duly adopted.

7.2 *Condition of Property.* The Owner or Occupant of any Lot shall at all times keep it and the buildings, improvements, and appurtenances thereon in a safe and clean condition and comply, at its own expense, in all respects with all applicable governmental, health, fire and safety ordinances, regulations, requirements, and directives, and the Owner and Occupant shall at regular and frequent intervals remove at its own expense any rubbish of any character whatsoever that may accumulate upon such Lot.

7.3 Maintenance and Repair of Lots.

(a) Each Owner shall be responsible for the maintenance and repair of all Lot Improvements on his Lot. Such maintenance and repair shall include, without limitation,

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(i) Maintenance of all parking areas, driveways, and walkways in a clean and safe condition, including the paving and repairing or resurfacing of such areas when necessary with the type of material originally installed thereon or such substitute therefor as shall, in all respects, be equal thereto in quality, appearance, and durability; the removal of debris and waste material and the washing and sweeping of paved areas; the painting and repainting of striping markers and directional signals as required;

(ii) Cleaning, maintenance, and relamping of any external lighting fixtures, except such fixtures as may be the property of any public utility or government body; and

(iii) Performance of all necessary maintenance of all landscaping, including the trimming, watering, and fertilization of all grass, groundcover, shrubs, or trees; the removal of dead or waste materials; the replacement of any dead or diseased grass, groundcover, shrubs, or trees.

All said Lot Improvements shall be maintained in a manner consistent with the standards as set forth in Maintenance Standards as may be promulgated by the Association.

(b) If, in the opinion of the Association, any Owner fails to perform the duties imposed by the preceding sentences, the Association after fifteen (15) days written notice to Owner to remedy the condition in question, shall have the right, through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint, and restore the Lot or such Lot Improvements, and the cost thereof shall be a binding personal obligation of such Owner as well as a lien (enforceable in the same manner as a mortgage) by the Association, due and payable to the Association, upon the Lot in question.

(c) Nothing contained herein shall preclude an Owner or Occupant from recovering from any person liable therefor, damages to which such Owner or Occupant might be entitled for any act or omission to act requiring an expenditure by the Owner or Occupant for the maintenance and repair of the parking area, driveway, walkway, and/or landscaping on its Lot.

7.4 Remedies for Failure to Maintain and Repair.

(a) *Remedies.* If any Owner or Occupant shall fail to perform the maintenance and repair required by Section 7.3(b) then the Association, after fifteen days prior written notice to such delinquent Owner or Occupant shall have the right, but not the obligation, to perform such maintenance and repair and to charge the delinquent Owner with costs of such assessment or such work, together with interest thereon at the rate of twelve percent (12%) per annum from the date of the Association's advancement of funds for such payment or such work to the date of reimbursement of the Association by Owner. If the delinquent Owner shall fail to reimburse the Association for such costs within ten days

after demand therefore; the Association may, at any time within two years after such advance, file for record in the Office of Recorder of Deeds of Centre County, Pennsylvania, a claim of lien signed by Declarant for the amount of such charge together with interest thereon. The lien created by this section shall be effective to establish a lien against the interest of the delinquent Owner in its lot together with interest at twelve percent (12%) per annum on the amount of such advance from the date thereof, in addition to recording fees, cost of title search obtained in connection with such lien or the foreclosure thereof, and obtained in connection with such lien or the foreclosure thereof, and court costs and reasonable attorney's fees that may be incurred in the enforcement of such a lien.

(b) *Foreclosure of Lien.* Subject to the provisions of Article XV, such a lien, when so established against the Lot described in said claim, shall be prior or superior to any right, title, interest, lien, or claim that may be or may have been acquired in or attached to the real property interests subject to the lien subsequent to the time of filing such claim for record. Such lien shall be for the benefit of the Association and may be enforced and foreclosed in a like manner as a real estate mortgage is foreclosed in the Commonwealth of Pennsylvania, but without redemption.

(c) *Cure.* If a default for which a notice of claim of lien was filed is cured, the Association, shall file or record a rescission of such notice, upon payment by the defaulting Owner of the costs of preparing and filing or recording such rescission, and other reasonable costs, interest, or fees that have been incurred.

(d) *Nonexclusive Remedy.* The foregoing lien and the rights to foreclose thereunder shall be in addition to, and not in substitution for, all other rights and remedies that any party may have hereunder and by law, including any suit to recover a money judgment for unpaid assessments. If any Owner shall fail to perform such maintenance and repair and, notwithstanding such failure, the Association should fail to exercise its rights and remedies hereunder, then any other Owner, after fifteen (15) days prior written notice to Declarant and such delinquent Owner, shall have the right, but not the obligation, to perform such maintenance and repair and shall have the same rights and remedies with respect thereto as are provided herein to the Association.

7.5 Public Utilities. The Association reserves the sole right to grant consents for the construction and operation of public utilities, including, but not limited to, rapid transit, freight railways, poles or lines for electricity, telephone, or telegraph, above or below ground conduits, and gas pipes in and upon any and all streets now existing or hereafter established upon which any portion of the Property may now or hereafter front or abut. The Association reserves the exclusive right to grant consents and to petition the proper authorities for any and all street improvements, such as grading, seeding, tree planting, sidewalks, paving, and sewer and water installation, whether it be on the surface or subsurface, which in the opinion of the Association are necessary on or to the Property. The Association reserves the exclusive right to approve above-ground utility lines across the subject property or any portion thereof on a temporary basis for the purpose of construction, and such lines shall be permitted when required by a government

agency. Notwithstanding the provisions of this Section, the construction and operation of public utilities in rights-of-way dedicated to the public must be approved by the appropriate governmental authority.

ARTICLE VIII

Common Areas Assessments

8.1 *Covenant to Pay Assessments.* The Declarant, for each Lot owned by it within the Property, hereby covenants, and each Owner, by acceptance of a deed hereafter conveying such Lot to him, whether or not so expressed in the deed or other conveyance, shall be deemed to have covenanted and agreed to pay to the Association the following Assessments: (1) Annual Assessments; and (2) Special Assessments. Each Assessment, together with interest at the rate of twelve (12%) percent per annum accruing from the due date until payment is made, and the costs of collection thereof and reasonable attorneys' fees, shall be a charge on, and a continuing lien upon each Lot against which an Assessment is made, which lien shall be enforceable in accordance with the provisions of Pennsylvania law. Each Assessment, together with interest, costs and fees as above set forth, shall also be a personal obligation of the Owner as of the date of imposition of the Assessment.

8.2 *Purpose of Assessment.* The Assessments levied by the Association shall be used exclusively for promoting the health, safety and welfare of residents of the Property, and in particular for the improvement, operation and maintenance of the Common Areas, including (i) the private streets, open area, Clubhouse, pool, tennis courts, basketball courts, bike paths and storm water drainage systems and detention pond and (ii) insurance thereon (including ancillary coverage for the Association, its officers, directors, employees and agents and (iii) reasonable management fees incurred in the operation of the Association.

8.3 *Period of Assessments.* Each Assessment shall be levied for each of those calendar years (each of which is hereinafter referred to as an "Assessment Year") during which this Declaration is in effect; provided, however, that the first Assessment Year shall commence on the first day of the month following the conveyance of the first Lot within the Property and shall terminate on the thirty first (31st) day of December next succeeding such date. Not more than one annual assessment will be levied against a Lot in any Assessment Year.

8.4 *Annual Assessments: Maximum Permissible Annual Assessment; Adoption by the Board.*

(a) *Maximum Permissible Annual Assessment Defined.* The Maximum Permissible Annual Assessment (the "Maximum Permissible Annual Assessment") is defined to mean the maximum Annual Assessment which may be imposed by the Board of Directors of the Association against any Lot for any Assessment year without the prior approval of the Members of the Association. For the first, second and third Assessment Years the Maximum Permissible Annual Assessment shall be \$240.00. However, if the first Assessment Year commences on a date other than January 1, the Maximum

Permissible Annual Assessment for the first Assessment Year shall equal the product obtained by multiplying (1) Two Hundred Forty Dollars (\$240.00) by (2) a fraction, the numerator of which shall equal (a) the number of full calendar months in the first Assessment year, and the denominator of which shall equal (b) the number twelve (12). Thereafter, the Declarant has warranted that until such time as Declarant's control of the planned community has terminated (the date on which Declarant's Class B Voting rights are converted to Class A voting rights as set forth in Section 5.2(c) of this Agreement) the assessment will not increase at a rate greater than eight percent (8%) per year. Following the said transfer of Declarant control, there shall be no Maximum Permissible Annual Assessment.

(b) *Power of Board of Directors to Fix Annual Assessment.* For any Assessment Year the Board of Directors may fix the Annual Assessment against each Lot at an amount less than or equal to the Maximum Permissible Annual Assessment without the necessity of a vote of the membership of the Association. For any Assessment Year the Board of Directors may fix the Annual Assessment against each Lot at an amount greater than the Maximum Permissible Annual Assessment only upon the affirmative vote of two-thirds (2/3) of each class the Members of the Association who are voting, in person or by proxy, at a meeting called for such purpose in accordance with and subject to the quorum requirements set forth in Section 8.7.

(c) *Adoption by Board of Directors; Notice of Assessments.* The Annual Assessment for the first Assessment Year shall be the Maximum Permissible Annual Assessment applicable to the first Assessment Year; provided, however, that the Board of Directors may by timely resolution reduce, in whole or in part, the Annual Assessment applicable to said first Assessment Year. Thereafter, by the first day of November prior to the commencement of each Assessment Year, the Board of Directors shall adopt a budget for the Association for such Assessment Year setting forth for such Assessment Year: (i) the aggregate amount of the Annual Assessment to be imposed upon all Lots (subject to the approval of the Members if required pursuant to Section 8.7); (ii) the Aggregate Amount of any Special Assessments to be imposed on all Lots (subject to the prior approval of the Members if required pursuant to Section 8.7); and (iii) the proportionate amount of the Assessments to be imposed against each Lot. At that time the Board of Directors shall also prepare a roster of the Lots and Owners thereof and the Assessments applicable thereto, which shall be kept in the offices of the Association and shall be open to inspection by any Owner. By the first day of December prior to the commencement of such Assessment Year, the Association shall mail to each Owner a copy of the Budget, which shall constitute notice of the Assessments imposed against each such Owner and his respective Lot. Such Notice shall be given as required by Section 8.7. The officer of the Association charged with such mailing shall certify the date of mailing on the records of the Association. The Association's failure to take such action within the times or in the manner specified above shall not invalidate such action if taken later. Until such action is taken with respect to any Assessment Year, however, the Annual Assessment applicable to an Owner and his Lot for such Assessment Year shall be presumed to be the Annual Assessment applicable to the preceding Assessment Year,

and each Member or Owner shall be bound to pay such Annual Assessment on the due date or in such installments as were applicable in the preceding Assessment Year. However, no Special Assessment may be presumed to be imposed in any Assessment year by virtue of the fact that a Special Assessment was imposed in the prior Assessment Year.

8.5 Special Assessments .

(a) In addition to Annual Assessments, the Board of Directors may impose in any Assessment Year a Special Assessment, applicable to the Assessment Year only, for the purpose of defraying, in whole or in part, the cost of construction, repair or replacement of any capital improvement located within the Common Areas, including fixtures and personal property related thereto, provided that such Special Assessment shall first be approved by not less than two-thirds (2/3) of the votes of each Class of the Members of the Association who are voting, in person or by proxy, at a meeting called for such purposes in accordance with and subject to the quorum requirement sets forth in Section 8.7

(b) Not later than thirty (30) days before the date fixed for imposition of a Special Assessment (whether following required affirmative vote of the members, or otherwise) written Notice of the imposition of such Special Assessment shall be mailed to the Members as required by Section 8.7. The officer of the Association charged with such mailing shall certify the date of mailing in the records of the Association. Notice of the imposition of a Special Assessment may be combined with the notice of the Annual Assessment and given in accordance with Section 8.7.

8.6 Uniform Rate of Assessment.

(a) Except as otherwise provided in Section 8.6(b), any Assessments levied for any Assessment Year shall be levied at a uniform rate for all Lots.

(b) Notwithstanding the requirement of Section 8.6(a), (i) no Assessment shall be levied against any Common Area, (ii) the Annual Assessment imposed against any Lot with owned by the Declarant as of the date of imposition may be reduced in whole so long as the Declarant is or becomes legally bound to the Association to reimburse it for any budgetary deficit or shortage that may arise during such period of time during which the Declarant elects to pay no Assessment.

8.7 Approval of Assessment by Members. If approval of any Assessment is required pursuant to Sections 8.4 or 8.5, then written notice of any meetings of Members of the Association called for the purpose of obtaining such approval shall be sent to all members not less than thirty (30) days, nor more the sixty (60) days in advance of such meeting. At the first meeting, the presence of the members in person or proxy, entitled to cast not less than seventy five (75%) percent of all the votes of each class of members entitled to be cast at the meeting shall be necessary and sufficient to constitute a quorum. If the required quorum is not present,

then the Board of Directors of the Association may adjourn the meeting and another meeting may be called subject to the same notice requirements, and the required quorum at such subsequent meeting shall be two-thirds (2/3) of the required quorum at the preceding meeting, provided that no subsequent meeting shall be held more than sixty (60) days following the date of the preceding meeting.

8.8 *Date of Imposition of Assessment.*

(a) *Annual Assessments.* For any Assessment Year the date of imposition of the Annual Assessment shall be the first day of the Assessment Year and such Annual Assessment shall be payable in four (4) equal quarterly installments.

(b) *Special Assessments.* For any Assessment Year the date of imposition of any Special Assessment shall be fixed in the resolution authorizing the Special Assessment, if such resolution is required pursuant to Section 8.5; provided, however that the date of imposition of a Special Assessment shall not abridge the time required for notice of such Special Assessment as set forth in Section 8.7. The date of imposition of a Special Assessment shall also be the date such Special Assessment is due and payable in full, except that the Board of Directors may provide that a Special Assessment may be payable in monthly, quarterly or semiannual installments.

8.9 *Nonpayment of Installments.* If any Assessment, or any installment thereof (if such Assessment was permitted to be paid in installments) is not paid promptly on the date when such Assessment (or installment thereof) was due, then the entire amount of the Assessment then outstanding and unpaid shall be immediately due and payable, and shall be delinquent and shall bear interest from the date of the delinquency at the rate of twelve (12%) percent per annum, whereupon the Association may bring an action at law against the Owner personally obligated to pay the same, or may enforce the lien for such Assessment as against such Owner's Lot in accordance with the provisions of Pennsylvania law applicable to the enforcement of liens; and in either case, there shall be added to and included in such Assessment all costs, fees and expenses incurred by the Association in connection with the claim for Assessments, including attorney's fees and expenses incurred in connection with the collection of such Assessments, and including the costs of preparing and filing any action or claim for lien by the Association or counsel acting on its behalf.

8.10 *Certificate as to Payment of Assessments.* The Association shall, upon written request at any time by any person liable for payment of any Assessments or installments thereof, or who holds any interest in a Lot against which an Assessment has been levied, deliver to such person a certificate signed by an officer of the Association, setting forth whether such Assessment or installment has been paid. Any such certificate so delivered shall be conclusive evidence of the payment of each Assessment or installment thereof therein stated to have been paid.

ARTICLE IX
Modification and Repeal

9.1 *Procedure.* This Declaration or any provision hereof, or any covenant, condition or restriction contained herein, may be terminated, extended, modified or otherwise amended, as to the whole of the Property or any portion thereof, with the written consent of the Owners of eighty (80%) percent of the Lots subject to these covenants, conditions and restrictions (excluding dedicated streets and Common Areas); provided, however, that no such termination, modification or other amendment shall be effective without the written approval of the Declarant.

9.2 *Governmental Regulation.* All valid governmental enactments, ordinances, and regulations are deemed to be a part of this Declaration, and to the extent they conflict with any provision, covenant, condition or restriction hereof, said conflicting governmental enactment, ordinance and regulation shall control and the provision, covenant, condition or restriction hereof in conflict therewith shall be deemed (i) amended to the extent necessary to bring it into conformity with said enactment, ordinance, or regulation while still preserving the intent and spirit of the provisions, covenant, condition or restriction; or (ii) stricken herefrom should no amendment conforming to the governmental enactment, ordinance, or regulation be capable of preserving the intent and spirit of said provision, covenant, condition or restriction.

ARTICLE X
Enforcement

10.1 *Abatement and Suit.* The Owner of each Lot shall be primarily liable and the Occupant, if any, secondarily liable for the violation or breach of any covenant, condition or restriction herein contained. Violation or breach of any covenant, condition or restriction herein contained shall give to the Association, following thirty (30) days written notice to the Owner or Occupant in question except in exigent circumstances, the right, privilege and license to enter upon the Lot where said violation or breach exists and to summarily abate and remove, or abate and remove, at the expense of the Owner or Occupant thereof, any improvement, structure, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions of these covenants, conditions or restrictions to enjoin or prevent them from doing so, to cause said violation to be remedied, or to recover damages for said violation. No such entry by the Association or its agents shall be deemed a trespass, and neither the Association nor its agents shall be subject to liability to the Owner or Occupant of said Lot for such entry and any action taken to remove a violation. The cost of any abatement, remedy or removal hereunder shall be a binding personal obligation of any Owner or Occupant in violation of any provision of this Declaration, as well as a lien (enforceable in the same manner as a mortgage) upon the Lot in question. The lien provided for in this section shall not be valid as against a bona fide mortgagee for value of the Lot in question unless a suit to enforce said lien shall have been filed in the Court of Common Pleas of Centre County, Pennsylvania prior to the recordation of the mortgage conveying or encumbering the Lot in question to such mortgagee.

10.2 *Right of Entry.* During reasonable hours and upon reasonable notice and subject to reasonable security requirements, the Association or its agents, shall have the right to enter upon and inspect any Lot and the Improvements thereon covered by this Declaration for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and neither the Association nor its agents shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

10.3 *Deemed to Constitute a Nuisance.* The result of every act or omission whereby any covenant, condition, or restriction herein contained is violated in whole or in part is hereby declared to be and to constitute a nuisance, and every remedy allowed by law or in equity against an Owner or Occupant either public or private shall be applicable against every such result and may be exercised by the Association.

10.4 *Failure to Enforce Is No Waiver.* The failure of the Association to enforce any requirement, restriction, or standard herein contained shall in no event be deemed to be a waiver of the right to do so thereafter or in other cases nor of the right to enforce any other restriction.

ARTICLE XI *No Partition*

Subject to the provisions of these covenants, the Common Areas shall remain undivided and no Owner(s) shall bring any action for partition or division thereof.

ARTICLE XII *Assignment*

Any and all of the rights, powers, and reservations of Declarant or the Association herein contained, may be assigned to any person, partnership, corporation or association that will assume the duties pertaining to such particular rights, powers and reservations assigned, and upon any such person, partnership, corporation, or association evidencing its consent in writing to accept such assignment and assume such duties, he or it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant or the Association herein. If at any time the Association ceases to exist and has not made such an assignment, a successor to the Association may be appointed in the same manner as this Declaration may be modified or amended under Section VII. Any assignment or appointment made under this Article shall be in reasonable form and recorded.

ARTICLE XIII

Constructive Notice and Acceptance

Every person or entity who now or hereafter owns, occupies, or acquires any right, title or interest in or to any portion of the subject Property is and shall be conclusively deemed to have consented and agreed to every covenant, conditions and restriction contained herein, whether or not any reference to this Declaration is contained in the instrument by which such person acquired an interest in the subject property.

ARTICLE XIV

Runs with the Land

All covenants, conditions, restrictions and agreements herein contained are made for the direct, mutual and reciprocal benefit of each and every Lot of the subject property; shall create mutual equitable servitudes upon each Lot in favor of every other Lot; shall create reciprocal rights and obligations between respective Owners and Occupants of all Lots and privity of contract and estate between all grantees, lessees and sublessees of said Lots, their heirs, successors, and assigns; and shall, as to the Owner and Occupant of each Lot, his heirs, successors and assigns, operate as covenants running with the land, for the benefit of all other Lots, except as provided herein.

ARTICLE XV

Rights of Mortgagees

The lien of the assessments provided for in this Declaration shall be subordinate to the lien of any mortgage. No breach of any covenant, condition or restriction herein contained, or any enforcement thereof, shall defeat or render invalid the lien of any mortgage now or hereafter executed upon the subject Property of a portion thereof, provided, however, that if any portion of said Property is sold under a foreclosure of any mortgage, any purchaser at such sale and its successors and assigns shall hold any and all Property so purchased subject to all covenants, conditions and restrictions contained in this Declaration.

ARTICLE XVI

Gender

The use of the masculine gender in these Covenants shall be deemed to refer to the feminine gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

ARTICLE XVI

Invalidity

The invalidity of any provisions of this Declaration shall not be deemed to impair or affect in any manner the validity or enforceability or affect the remainder of this Declaration, and in such event all of the other provisions of this Declaration shall continue in full force and as if such invalid provisions had never been included.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed the day and year first above written, by their proper officers, and the corporate seal affixed pursuant to a resolution duly adopted by its Board of Directors.

[Corporate Seal]

ATTEST:

SECRETARY

BXAL, INC.

By:

PRESIDENT

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF CENTRE

On this, the day SEP 6 2002 I hereby

CERTIFY that this document is Recorded in Record Book
1408 Page 1051 in the Recorder of Deeds Office of
Centre County, Pennsylvania.

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



Joseph L. Davidson
Joseph L. Davidson
Centre County
Recorder of Deeds

ENTERED FOR RECORD
2002 SEP 6 PM 12 57
JOSEPH L. DAVIDSON
RECORDER OF DEEDS
CENTRE COUNTY

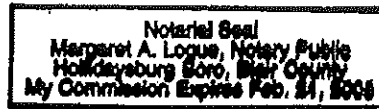
COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF CENTRE)

I, Margaret A. Logue, a Notary Public in and for the said County, in the State aforesaid, do hereby certify that Pamela J. Patt personally appeared before me this day, and they acknowledged and swore that she is the President and Secretary, of BXAL, Inc. that she signed, sealed and delivered the said instrument as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and notarial seal this 21st day of August, 2002.

Margaret A. Logue
Notary Public
My Commission Expires:



EXHIBITS

- Exhibit A: Boundary Description for Property
- Exhibit B: Articles of Incorporation of Homeowners' Association
- Exhibit C: By-laws of Homeowners' Association
- Exhibit D: Description of Completed Phase

EXHIBIT A

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

BEGINNING at a point at the southwest corner intersection of Shiloh Road and Dreibelbis Road right-of-way lines; thence along the northerly right-of-way line of Dreibelbis Road, South 52° 00' 42" West 756.43 feet to a point; thence along the same, South 52° 21' 08" West 1416.70 feet to a point; thence through lands of which this is a part, North 37° 30' 29" West 672.47 feet to a point on the southerly right-of-way line of Trout Road; thence along said southerly right-of-way line of Trout Road, North 55° 08' 03" East 2198.40 feet to a point at the southeast corner intersection of the Trout Road and Shiloh Road right-of-way lines; thence along the westerly right-of-way line of Shiloh Road, South 35° 09' 56" East 561.80 feet to the point and place of beginning and containing 31.023 acres.

BEING Tract No. 2, as more fully shown on an Easement Plan by Keller Engineers, Inc., of Hollidaysburg, Pennsylvania, dated December 4, 1997, last revised January 9, 1998 and indexed as Project Number 51-21 as set forth in Centre County Plat Book 55, Page 108.

EXHIBIT B

Microfilm No. _____ Filed with the Department of State on

Entity No. _____

Secretary of the Commonwealth**COMMONWEALTH OF PENNSYLVANIA****ARTICLES OF INCORPORATION - DOMESTIC NONPROFIT
CORPORATION**

In compliance with the requirements of 15 Pa. C.S. § 5306 (relating to articles of incorporation), the undersigned, desiring to incorporate a nonprofit corporation, state [states] that:

1. Name. The name of the corporation is: Independence Place Homeowners' Association (the "Association")

2. Address. The address of the Association's initial registered office in this Commonwealth is:

422 Allegheny Street Hollidaysburg PA 16648

The county of venue is: Blair

3. Organization. The Association is organized on a non-stock basis. It does not contemplate pecuniary gain or profit, incidental or otherwise.

4. Purposes and Operation. The Association is formed to provide for maintenance, preservation and architectural control of the residence lots and common areas within completed phases of a certain tract of property consisting of approximately 31 acres of land located in College Township, Centre County, Pennsylvania. In addition, the Association is formed for the following general purposes:

(A) To promote the health, safety and welfare of the residents within the above described property and any additions to the property as may be brought within the jurisdiction of this Association for this purpose;

(B) To perform all of the duties and obligations of the Association as set forth in the declaration of Covenants, Conditions and Restrictions (the "Declaration" applicable to the property and recorded or to be recorded in the Office of the Recorder of Deeds of Centre County, Pennsylvania;

(C) To fix, collect, and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection with the fixing, collection, and enforcement of the charges and assessments, as well as all other expenses necessary to conduct the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

(D) To acquire (by gift, purchase or otherwise) own, hold, improve, build on, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association;

(E) To borrow money, and, only with the assent of two-thirds of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for borrowed money or debts incurred;

(F) To dedicate, sell, or transfer all or any part of the common area to any public agency, authority, or utility for the purpose and subject to the conditions that are agreed to by the members; provided that no dedication or transfer shall be effective unless an instrument has been signed by two-thirds of each class of members agreeing to the dedication, sale, or transfer;

(G) To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and common area, provided that any merger, consolidation or annexation shall have the assent by vote of two-thirds of each class of members or the written consent of all of the members.

(H) To have and exercise any and all powers, rights, and privileges that a corporation organized under the Nonprofit Corporation Law of 1988 by law may now or in the future exercise.

5. **Membership.** Every person or entity who is a record owner of a fee or undivided fee interest in any Lot that is subject to the Declaration, including contract sellers, shall be a member of the Association. The foregoing is not intended to preclude persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment by the Association

6. Voting Rights. The Association shall have two (2) classes of voting membership:

(A) *Class A.* Except for the Declarant (which shall initially be a Class B member) the Class A members shall be all of the Owners of the Lots. Each Class A member shall be entitled to one (1) vote per Lot for each Lot owned by it in all proceedings in which action shall be taken by the members of the Association. The vote of any Class A member comprised of two (2) or more persons in any combination, shall be case as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per lot owned by them.

(B) *Class B.* The Class B member shall be the Declarant. The Class B Member shall be entitled to five (5) votes per Lot for each Lot owned by it in all proceedings in which action shall be taken by Members of the Association.

(C) *Conversion of Class B Membership.* The Class B membership in the Association shall cease and be converted to Class A membership in the Association on the seventh (7th) anniversary of the date of the Declaration or at such earlier time as the number of votes entitled to be case by the Class A Members of the Association equals to or exceeds the total number of votes entitled to be case by the Class B Members of the Association.

7. Board of Directors. The Affairs of the Association shall be managed by a Board of five (5) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the election of their successors are:

Name	Address
P. Jules Patt	411 Allegheny Street, Hollidaysburg, PA 16648
Pamela J. Patt	411 Allegheny Street, Hollidaysburg, PA 16648
Maggie Patt Biddle	411 Allegheny Street, Hollidaysburg, PA 16648
Steve Bice	411 Allegheny Street, Hollidaysburg, PA 16648
Susan R. Kingsley	411 Allegheny Street, Hollidaysburg, PA 16648

8. Limitation on Activities. None of the activities of the Association shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, nor shall the Association participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

Date: _____

EXHIBIT C**BYLAWS OF
INDEPENDENCE PLACE HOMEOWNERS ASSOCIATION****Article I
Name and Location**

1.01 The name of the corporation, referred to in these Bylaws as the "Association", is Independence Place Homeowners Association. The initial registered office of the Association shall be located at 422 Allegheny Street, Hollidaysburg, Pennsylvania, but meetings of members and directors may be held at other places within the Commonwealth of Pennsylvania that may be designated by the Board of Directors.

**Article II
Definitions**

2.01 "Association" shall mean and refer to Independence Place Homeowners Association, its successors and assigns.

2.02 "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions, and Restrictions, and additions to that property that may be brought within the jurisdiction of the Association.

2.03 "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

2.04 "Completed Phase" shall mean and refer to a phase in the development of the Property as described in the Declaration.

2.05 "Lot" shall mean and refer to any subdivided plot of land (excluding Common Areas) within any Completed Phase of the Property.

2.06 "Owner" shall mean and refer to any persons (including Declarant) that are either record owners of fee simple title to any Lot.

2.07 "Declarant" shall mean and refer to BXAL, Inc., its successors and assigns, if its successors and assigns.

2.08 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Properties, recorded in the Office of the Recorder of Deeds for the County of Centre, Commonwealth of Pennsylvania on _____, in Record Book _____ at Page _____.

2.09 "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Article III Meetings of Members

3.01 **Annual Meetings.** The first annual meeting of the members shall be held within one year from the date of incorporation of the Association. Subsequent regular annual meetings of the members shall be held on the same day of the same month of each year thereafter, at 1:00 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following that is not a legal holiday.

3.02 **Special Meetings.** Special meetings of the members may be called at any time by the President or by the Board of Directors, or on written request of the members who are entitled to vote one-fourth of all the votes of the membership.

3.03 **Notice of Meetings.** Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, at least fifteen days before the meeting to each member entitled to vote at the meeting, addressed to the member's address last appearing on the books of the Association, or supplied by the member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

3.04 **Quorum.** The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, a quorum shall not be present or represented at any meeting, the members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

3.05 **Proxies.** At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease on conveyance by the member of his or her Lot.

Article IV Selection and Term of Office of Directors

4.01 **Number.** The affairs of this Association shall be managed by a board of five (5) directors, who need not be members of the Association.

4.02 **Term of Office.** At the first annual meeting, the members shall elect two (2) directors for a term of three years, two (2) directors for a term of two years; and one (1) director for a term of one year; at each annual meeting thereafter the members shall elect two (2) directors for a term of two years.

4.03 **Removal.** Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a

director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

4.04 Compensation. No director shall receive compensation for any service he or she may render to the Association; however, any director may be reimbursed for actual expenses incurred in the performance of his or her duties.

4.05 Action Taken Without Meeting. The directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Article V Nomination and Election of Directors

5.01 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of the annual meeting until the close of the next annual meeting, and the appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. The nominations may be made from among members or non-members.

5.02 Election. Election to the Board of Directors shall be by secret written ballot. At the election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Article VI Meetings of Directors

6.01 Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at the place and hour that may be fixed from time to time by resolution of the Board. Should the meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day that is not a legal holiday.

6.02 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three days notice to each director.

6.03 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Article VII
Powers and Duties of Board of Directors

7.01 Powers. The Board of Directors shall have power to:

(1) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests on the Common Area and facilities, and establish penalties for the infraction of the rules and regulations;

(2) Suspend the voting rights and right to use the recreational facilities of a member during any period in which the member shall be in default in the payment of any assessment levied by the Association; these rights may also be suspended after notice and hearing, for a period not to exceed sixty days for infraction of published rules and regulations;

(3) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(4) Declare the office of a member of the Board of Directors to be vacant in the event the member shall be absent from the three consecutive regular meetings of the Board of Directors; and

(5) Employ a manager, an independent contractor, or other employees as they deem necessary, and prescribe their duties.

7.02 Duties. It shall be the duty of the Board of Directors to:

(1) Cause to be kept a complete record of all its acts and corporate affairs and present a statement of its acts and corporate affairs to the members at the annual meeting of the members, or at any special meeting when the statement is requested in writing by one-fourth of the members who are entitled to vote;

(2) Supervise all officers, agents, and employees of this Association, and see that their duties are properly performed;

(3) As more fully provided in the Declaration;

(a) Fix the amount of the annual assessment against each Lot at least thirty days in advance of each annual assessment period;

(b) Send written notice of each assessment to every Owner subject to assessment at least thirty days in advance of each annual assessment period; and

(c) Foreclose the lien against any property for which assessments are not paid within thirty days after due date or bring an action at law against the owner personally obligated to pay the assessments.

(4) Issue, or cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not any assessment has been paid; a reasonable charge may be made by the

Board for the issuance of these certificates; if a certificate states an assessment has been paid, the certificate shall be conclusive evidence of the payment;

(5) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(6) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(7) Cause the Common Area to be maintained.

Article VIII Officers and their Duties

8.01 Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and other officers as the Board may from time to time by resolution create.

8.02 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

8.03 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one year unless he or she shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

8.04 Special Appointments. The Board may elect other officers as the affairs of the Association may require, each of whom shall hold office for the period, have the authority, and perform the duties that the Board may, from time to time, determine.

8.05 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Resignation of an officer shall take effect on the date of receipt of the notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

8.06 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to fill a vacancy shall serve for the remainder of the term of the officer he or she replaces.

8.07 Multiple Offices . The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Paragraph 8.04 of this Article.

8.08 Duties. The duties of the officers are as follows:

(1) The president shall preside at all meetings of the Board of directors; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds, and other written instruments; and co-sign all checks and promissory notes.

(2) The vice-president shall act in the place and stead of the president in the event of his or her absence, inability, or refusal to act, and shall exercise and discharge all other duties as may be required of him or her by the Board.

(3) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring the seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; and perform all other duties as required by the Board.

(4) The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse the funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep property books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members within thirty days of completion.

Article IX Books and Records

10.01 The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

Article XI Assessments

11.01 As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments that are secured by a continuing lien on the property against which the assessment is made. Any assessments that are not paid when due shall be delinquent. If an assessment is not paid within thirty days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve (12%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the assessment or foreclose the lien against the property and interest, costs, and reasonable attorney's fees of the action shall be added to the amount of the assessment. No Owner may waive or otherwise escape liability for the assessments by non-use of the Common Area or abandonment of his or her Lot.

Article XII Amendments

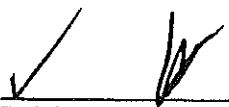
12.01 **Meetings.** These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

12.02 **Conflicts.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Article XIII
Miscellaneous

13.01 The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year; except that the first fiscal year shall begin on the date of incorporation.

We, being all of the directors of the Independence Place Homeowners Association, sign these Bylaws on _____, 2000.


P. Jules Patt (Chairman)


Pamela Patt

CERTIFICATION

_____, I, the undersigned, do certify:

THAT I am the duly elected and acting secretary of the Independence Place Homeowners Association, a Pennsylvania corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of the Association as duly adopted at a meeting of the Board of Directors of the Association, held on _____, 2000.

IN WITNESS WHEREOF, I subscribe my name on _____, 2000.


Secretary

EXHIBIT D

Description of Phase 1

See Attached

INDEPENDENCE PLACE

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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Huntz

000302

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter "Covenants") is made and entered into this 3rd day of October, 2000 by **BXAL, INC.**, a Pennsylvania Business Corporation with offices at Allegheny Street, Hollidaysburg, Pennsylvania, referred to herein as the "Declarant".

WITNESSETH:

WHEREAS, the Declarant is the owner of a certain parcel of real property situate in College Township, Centre County, Pennsylvania as more particularly described in Exhibit A, attached hereto, consisting of approximately 46.442 acres, (the "Property") upon which it intends to develop a planned residential community (the "Community"); and

WHEREAS, Declarant desires to subject the Property to the within covenants, conditions and restriction for the purpose of protecting the enhancing the value, desirability and attractiveness of the Property;

NOW, THEREFORE, the Declarant hereby declares that all of the Property described in Exhibit A attached hereto shall be held, sold, conveyed, occupied, developed, and redeveloped subject to the following easements, restrictions, covenants and conditions, for the purpose of protecting the value and desirability of, and which shall run with, the Property and shall be binding upon on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner and Occupant thereof.

ARTICLE I

Definitions

1.1 For the purposes hereof, the following terms shall have the following meanings unless the context in which the same is used clearly indicates otherwise:

(a) "*Association*" shall mean and refer to the Independence Place Homeowners Association, Inc. a Pennsylvania non-profit corporation. This is the Declaration of Covenants, Conditions and Restrictions to which the Articles of Incorporation (hereinafter referred to as the "Articles") and By-Laws (hereinafter referred to as the "By-laws") of the Association make reference. Copies of the Articles of Incorporation and By-laws are attached hereto and made a part hereof as Exhibits B and C, respectively.

(b) "*Board of Directors*" shall mean the board of directors of the Association as duly elected in accordance with the Association's By-laws.

(c) "*Common Areas*" shall include all Common Land and Common Improvements as hereinafter defined.

(d) "*Common Land*" shall include all real property maintained for the common use and enjoyment of the Owners in which they have a right of easement of use, including, but not limited to all land described as "Common Land" on Exhibit "D" attached hereto and incorporated herein by this reference.

(e) "*Common Improvements*" shall include all facilities, utilities and other improvements found or located on Common Land, including, but not limited to landscape features, entry features, directional graphic system, clubhouse, pool, recreational areas, drainage, bicycle paths, sidewalks, roads, project lighting other similar improvements for the common benefit of Owners.

(f) "*Common Expenses*" sometimes referred to herein as "Common Charges" shall be those expenses incurred or to be incurred by the Association in the performance of its duties or powers as required and authorized by this Declaration.

(g) "*Completed Phase*" shall mean and refer to a Phase in the development of the Property in which all streets, infrastructure and Common Areas have been completed as necessary to enable the Declarant to lawfully transfer the Lots described therein to third parties.

(h) "*Declaration*" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions.

(i) "*Declarant*" shall mean and refer to BXAL, Inc. .

(j) "*Lot*" shall mean and refer to any plot of land (excluding Common Areas) within any Completed Phase as shown upon a recorded and approved final development plan of the Property attached (or subsequently annexed) to this Declaration as Exhibit "D".

(k) "*Lot Improvements*" shall mean any building, fence, wall, road, parking lot, parking structure or other structure, or any improvement located on any Lot.

(l) "*Maintenance Assessment*" shall mean a charge for the maintenance of the open space areas, detention pond, orchards, pedestrian amenities, clubhouse, pool and other Common Areas located on the Property, determined in accordance with Article VIII of this Declaration.

(m) "*Occupant*" shall mean a lessee, sublessee or licensee of any Owner who is entitled to occupy any space within any Building with the permission of such Owner.

(n) "*Owner*" shall mean and refer to any persons or entities (including the Declarant) that are the record owners of fee simple title to any Lot.

(o) "*Phase*" shall mean a phase in the development of the Property as more specifically described in Section 2.2 of this Agreement.

(p) "*Property*" shall mean and refer to that certain real property described in Article II and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

(q) "*Rules and Regulations*" shall mean the Rules and Regulations adopted by the Association.

ARTICLE II *Subject Property*

2.1 General Declaration. Declarant hereby declares that all of that real property located in the Township of College, County of Centre, Commonwealth of Pennsylvania, and more particularly described in Exhibit "A" (the "Property") is, and shall be, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part, subject to this Declaration. All of the covenants, conditions and restrictions set forth herein are declared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale of said real property and are established for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property and every part thereof. All of said covenants, conditions and restrictions shall run with the Property for all purposes and shall be binding upon and inure to the benefit of Declarant and all Owners and their successors in interest as set forth in this Declaration.

2.2 Development of the Property in Phases. It is the stated intention of the Declarant to develop the Property in various phases, with the terms and conditions of the within Declaration being applicable to each Phase as it is completed. The initial Completed Phase (referred to herein as "Phase 1") is described in Exhibit "D" attached to this Declaration. Declarant shall have the right to add additional Phases to the subject Property only upon the completion of all construction of all road improvements and infrastructure as necessary to enable the lawful transfer of Lots within such Phase. Upon the completion of each additional Phase, Declarant shall record an amendment of Exhibit "D" describing the additional Lots and Common Areas included within such Completed Phase, and upon such recordation the provisions of this Declaration shall apply to such Completed Phase as if it were originally covered by this Declaration.

2.3 Addition of Other Property. Declarant may at any time during the pendency of this Declaration add all or a portion of any real property now or hereinafter owned by Declarant to the subject property, and upon recording of a notice of addition of real property containing at least the provisions of Section 2.3, the provisions of this Declaration specified in such notice shall apply to such added real property in the same manner as if it were originally covered by this Declaration. Thereafter, to the extent that this Declaration is made applicable thereto, the rights, powers and responsibilities of the Declarant and the Owners of Lots within such added real property shall be the same as in the case of the Property described in Exhibit "A".

2.4 Notice of Addition to Land. The notice of addition of real property referred to in Section 2.2 shall contain at least the following provisions:

(a) a reference to this Declaration stating the date of recording and the book or books of the records of Centre County, Pennsylvania, and the page numbers where this Declaration is recorded.

(b) a statement that the provisions of this Declaration, or some specified part thereof, shall apply to such added real property.

(c) A legal description of such added real property;

(d) Such other or different covenants, conditions, and restrictions as Declarant shall, in its discretion, specify to regulate and control the use, occupancy and improvements of such added real property.

ARTICLE III ***ARCHITECTURAL CONTROL***

3.1 Approval of Plans Required. No improvements shall be erected, placed, altered, maintained or permitted to remain on any Lot by any Owner, nor shall any subdivision, platting or re-platting of any Lot be made until final plans and specifications shall have been submitted to and approved in writing by the Board of Directors of the Association. Such final plans and specifications shall be submitted in duplicate under the authorized signature of the Owner of the Lot or the authorized agent thereof. Such plans and specifications shall be in such form and shall contain such information as may be required by the Association but shall in any event contain a site development plan of the Lot, showing the nature, grading scheme, kind, shape, composition and location of all structures with respect to the particular Lot (including proposed front, rear and side setback lines), and with respect to structures on adjoining Lots, and location of any driveways on the Lot.

3.2 Approval. The Board of Directors of the Association may approve plans and specifications as submitted, or as altered or amended, or it may grant its approval to the same subject to the specific conditions. Upon approval or conditional approval of any plans and specifications submitted, a copy of such plans and specifications, together with any conditions shall be deposited for permanent record with the Committee, and a copy of such plans and specifications, bearing such approval together with any conditions, shall be returned to the applicant submitting the same.

3.3 Completion of Work. Any improvement commenced pursuant hereto shall be completed within nine (9) months from the date of commencement of such work, except for so long as such completion is rendered impossible, or unless work upon the proposed improvements would impose a great hardship upon the Owner due to strike, fire, national emergency, natural disaster, or other supervening force beyond the control of Owner. The Association may, upon written request made and received prior to the expiration of the nine(9) month period, extend the period of time within which work must be completed. Failure to comply with this Section 3.3 shall constitute a breach of this Declaration and subject the party in breach to the enforcement procedures set forth in Article X.

3.4 Waiver of Liability. Neither the Board of Directors of the Association nor the Declarant shall be liable for any damage, loss, or prejudice suffered or claimed by any person on account of:

(a) The approval or disapproval of any plans, drawings, and specifications, whether or not in any way defective;

(b) The construction of any improvement, or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; or

(c) The development of any Lot within the Community;

3.5 Construction without Approval. If any Lot Improvements shall be erected, placed, or maintained upon any Lot, or any new use commenced upon any Lot, other than in accordance with the approval by the Board of Directors of the Association pursuant to the provisions of this Article III, such alteration, erection, placement, maintenance, or use shall be deemed to have been undertaken in violation of this Declaration, and upon written notice from the Board of Directors, any such Lot Improvement so altered, erected, placed maintained, or used upon any Lot in violation of this Declaration shall be removed or altered so as to conform to this Declaration, and any such use shall cease or be amended so as to conform to this Declaration. Should such removal or alteration or cessation or amendment or use not be accomplished within thirty (30) days after receipt of such notice, then the party in breach of this Declaration shall be subject to the enforcement procedures set forth in Article X.

ARTICLE IV

EASEMENTS

4.1 *Easement for Use of Common Areas.* Subject to the limitations hereafter provided, every Owner and Occupant shall have a right and easement of enjoyment in and to the Common Areas that shall be appurtenant and shall pass with the title to every Lot.

4.2 *Limitation of Rights.* The Owner's and Occupant's rights granted in section 4.1 shall be subject to and limited by the following:

(a) The right of the Declarant to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility;

(b) Limited in that each Owner and Occupant shall have rights only in those Common Area granted pursuant to these Covenants for which the Owner shall pay any portion of the Common Expenses related thereto.

(c) Subject to each Owner's and Occupant's responsibility to pay all Common Expenses assessed (either annual or special) against that Owner's or Occupant's Lot or Lot Improvements pursuant to the further terms of this Declaration.

4.3 *Owner's Easements.* Subject to the limits of Section 4.2 above, every Owner, his respective successors and assigns shall have the following perpetual easements with respect to the Property.

(a) A nonexclusive easement for ingress and egress to its Lot over, across and through the Common Areas on the private roadways constructed for such use purposes; and

(b) A perpetual easement in common with the Owners of all other Lots to use all pipes, wires, cables, public utility lines, and other Common Area serving its Lot; and

(c) A perpetual and nonexclusive easement in, over, and through the Common Areas and to use the entrance ways, bike paths, walks and other Common Improvements within the Property subject of the right of the Association to promulgate Rules and Regulations for the use and enjoyment thereof.

4.4 *Easements in Favor of the Association.* The Association or the appropriate utility, their successors, and assigns, shall have the following perpetual easements with respect to the Property:

(a) A perpetual and exclusive easement for the maintenance of any Common Areas, which may presently or hereafter encroach upon a Lot; and

(b) The Association shall have a perpetual and nonexclusive right of access to each Lot (i) to inspect same for the purpose of verifying conformance with these Covenants, and any Rules and Regulations promulgated by the Association, to remedy any violation set forth in these Covenants or in any Rule or Regulation of the Association, and (iii) to perform any operations required in connection with the maintenance, repairs or replacements of or to the Common Areas, or any equipment, facilities, or fixtures affecting or serving other Lot(s) or the Common Areas; provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner or Occupant. In case of emergency, such right of entry shall be immediate, whether the Owner or Occupant is present at the time or not; and

(c) A perpetual, blanket, and nonexclusive easement in, upon, over, under, across, and through the Common Areas for surface water runoff and drainage caused by natural forces and elements, grading, and/or improvements located upon the Property. No individual Owner or Occupant shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Property; and

(d) A perpetual, blanket and nonexclusive easement in, upon, over, across, and through the Common Areas for the purpose of the installation, maintenance, repair, service, and replacement of all sewer, water, power, and telephone pipes, lines, mains, conduits, waters, poles, transformers, meters, and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the Property and the Lots, which easement shall be for the benefit of any governmental agency or utility company or other entity that requires same for the purpose of furnishing one or more of the foregoing services.

ARTICLE V *THE ASSOCIATION*

5.1 Membership. Every Owner, including the Declarant, as long as it owns all or any part of the Property subject to this Declaration, shall be a member of the Association, provided that such person or entity who holds such interest only as security for the performance of an obligation shall not be a member. When one or more persons or entities hold title to any part of the Property, all such persons or entities shall be members, with their respective voting power being as set forth in the Articles. Membership shall be appurtenant to, and may not be separated from, the ownership of any Property.

5.2 *Voting.* The Association shall have two (2) classes of voting membership:

(a) *Class A.* Except for the Declarant (which shall initially be a Class B member) the Class A members shall be all of the Owners of the Lots. Each Class A member shall be entitled to one (1) vote per Lot for each Lot owned by it in all proceedings in which action shall be taken by the members of the Association. The vote of any Class A member comprised of two (2) or more persons in any combination, shall be case as the several constituents may determine, but in no event shall all such constituents cast more than one(1) vote per lot owned by them.

(b) *Class B.* The Class B member shall be the Declarant. The Class B Member shall be entitled to five (5) votes per Lot for each Lot owned by it in all proceedings in which action shall be taken by Members of the Association.

(c) *Conversion of Class B Membership.* The Class B membership in the Association shall cease and be converted to Class A membership in the Association on the seventh (7th) anniversary of the date of this Declaration or at such earlier time as the number of votes entitled to be case by the Class A Members of the Association equals to or exceeds the total number of votes entitled to be case by the Class B Members of the Association.

ARTICLE VI

REGULATION OF OPERATIONS AND USES

6.1 *Permitted Uses.* Use of each Lot shall be restricted to residential purposes in accordance with the Zoning Ordinances of College Township, or other applicable laws and regulations.

6.2 *Restrictions on Use.* The Property is subject to all covenants, restrictions, and easements of record and to the following restrictions:

(a) There shall be no obstruction of the Common Areas without the prior consent of the Association, as appropriate. The use by Owners or Occupants of any designated area that is part of the Common Areas shall be uniformly prescribed by the Association, as appropriate.

(b) No portion of the Common Areas or other portion of the Property shall be used or maintained for the dumping of rubbish or debris.

(c) No exterior loudspeakers shall be permitted nor shall unshielded floodlights be installed without the permission of the Association, as appropriate.

(d) In order to provide for an orderly procedure in the case of title or lease transfers and to assist in the maintenance of a current roster of Owners and Occupants, the Owner of a Lot shall give the Association timely notice of its intent to list its Lot or Lot Improvements for sale or lease and, prior to the closing of title or the commencement of the term of the lease, shall notify the Association of the names, and addresses of the purchasers or Occupants. Notwithstanding the above, a sale or lease of a Lot shall not require the permission of the Association.

(e) No noxious or offensive activities shall be carried on, in, or upon the Common elements or in any Lot, nor shall anything be done therein either willfully or negligently that may be or become an annoyance or nuisance to the Owners or Occupants.

(f) No unlawful use shall be made of any Lot; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(g) The Association shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of the above restrictions and shall have the right to bring suits both in law and in equity to enforce the Rules and Regulations.

6.3 *Repair of Buildings.* No building or structure upon any Lot shall be permitted to fall into disrepair, and each such building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished.

6.4 *Utility Lines and Antennas.* No sewer, drainage, or utility lines or wires or other devices for the communication or transmission of electric current, power, or signals, including telephone, television, microwave, or radio signals, shall be constructed, placed, or maintained anywhere in or upon any portion of the subject property other than within buildings or structures, unless the same shall be contained in conduits or cables constructed, placed, or maintained underground or concealed in or under buildings or other structures. No antenna for the transmission or reception of telephone, television, microwave, or radio signals shall be placed on any lot within the subject property unless the consent of the Association shall first be obtained. Nothing contained herein shall be deemed to forbid the erection or use of temporary power or telephone facilities incidental to the construction or repair of buildings on the subject property.

ARTICLE VII
MAINTENANCE

7.1 Administration of Common Areas. The administration and management of the Common Areas and any other common facilities shall be by the Association in accordance with the provisions of these Covenants and of any other agreements, documents, amendments, or supplements to the foregoing that may be duly adopted.

7.2 Condition of Property. The Owner or Occupant of any Lot shall at all times keep it and the buildings, improvements, and appurtenances thereon in a safe and clean condition and comply, at its own expense, in all respects with all applicable governmental, health, fire and safety ordinances, regulations, requirements, and directives, and the Owner and Occupant shall at regular and frequent intervals remove at its own expense any rubbish of any character whatsoever that may accumulate upon such Lot.

7.3 Maintenance and Repair of Lots.

(a) Each Owner shall be responsible for the maintenance and repair of all Lot Improvements on his Lot. Such maintenance and repair shall include, without limitation,

(i) Maintenance of all parking areas, driveways, and walkways in a clean and safe condition, including the paving and repairing or resurfacing of such areas when necessary with the type of material originally installed thereon or such substitute therefor as shall, in all respects, be equal thereto in quality, appearance, and durability; the removal of debris and waste material and the washing and sweeping of paved areas; the painting and repainting of striping markers and directional signals as required;

(ii) Cleaning, maintenance, and relamping of any external lighting fixtures, except such fixtures as may be the property of any public utility or government body; and

(iii) Performance of all necessary maintenance of all landscaping, including the trimming, watering, and fertilization of all grass, groundcover, shrubs, or trees; the removal of dead or waste materials; the replacement of any dead or diseased grass, groundcover, shrubs, or trees.

All said Lot Improvements shall be maintained in a manner consistent with the standards as set forth in Maintenance Standards as may be promulgated by the Association.

(b) If, in the opinion of the Association, any Owner fails to perform the duties imposed by the preceding sentences, the Association after fifteen (15) days written notice to Owner to remedy the condition in question, shall have the right, through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint, and restore the Lot or such Lot Improvements, and the cost thereof shall be a binding personal obligation of such Owner as well as a lien (enforceable in the same manner as a mortgage) by the Association, due and payable to the Association, upon the Lot in question.

(c) Nothing contained herein shall preclude an Owner or Occupant from recovering from any person liability therefor, damages to which such Owner or Occupant might be entitled for any act or omission to act requiring an expenditure by the Owner or Occupant for the maintenance and repair of the parking area, driveway, walkway, and/or landscaping on its Lot.

7.4 Remedies for Failure to Maintain and Repair.

(a) *Remedies.* If any Owner or Occupant shall fail to perform the maintenance and repair required by Section 7.3(b) then the Association, after fifteen days prior written notice to such delinquent Owner or Occupant shall have the right, but not the obligation, to perform such maintenance and repair and to charge the delinquent Owner with costs of such assessment or such work, together with interest thereon at the rate of twelve percent (12%) per annum from the date of the Association's advancement of funds for such payment or such work to the date of reimbursement of the Association by Owner. If the delinquent Owner shall fail to reimburse the Association for such costs within ten days after demand therefor, the Association may, at any time within two years after such advance, file for record in the Office of Recorder of Deeds of Centre County, Pennsylvania, a claim of lien signed by Declarant for the amount of such charge together with interest thereon. The lien created by this section shall be effective to establish a lien against the interest of the delinquent Owner in its lot together with interest at twelve percent (12%) per annum on the amount of such advance from the date thereof, in addition to recording fees, cost of title search obtained in connection with such lien or the foreclosure thereof, and obtained in connection with such lien or the foreclosure thereof, and court costs and reasonable attorney's fees that may be incurred in the enforcement of such a lien.

(b) *Foreclosure of Lien.* Subject to the provisions of Article XV, such a lien, when so established against the Lot described in said claim, shall be prior or superior to any right, title, interest, lien, or claim that may be or may have been acquired in or attached to the real property interests subject to the lien subsequent to the time of filing such claim for record. Such lien shall be for the benefit of the Association and may be enforced and foreclosed in a like manner as a real estate mortgage is foreclosed in the Commonwealth of Pennsylvania,

but without redemption.

(c) *Cure.* If a default for which a notice of claim of lien was filed is cured, the Association, shall file or record a rescission of such notice, upon payment by the defaulting Owner of the costs of preparing and filing or recording such rescission, and other reasonable costs, interest, or fees that have been incurred.

(d) *Nonexclusive Remedy.* The foregoing lien and the rights to foreclose thereunder shall be in addition to, and not in substitution for, all other rights and remedies that any party may have hereunder and by law, including any suit to recover a money judgment for unpaid assessments. If any Owner shall fail to perform such maintenance and repair and, notwithstanding such failure, the Association should fail to exercise its rights and remedies hereunder, then any other Owner, after fifteen (15) days prior written notice to Declarant and such delinquent Owner, shall have the right, but not the obligation, to perform such maintenance and repair and shall have the same rights and remedies with respect thereto as are provided herein to the Association.

7.5 Public Utilities. The Association reserves the sole right to grant consents for the construction and operation of public utilities, including, but not limited to, rapid transit, freight railways, poles or lines for electricity, telephone, or telegraph, above or below ground conduits, and gas pipes in and upon any and all streets now existing or hereafter established upon which any portion of the Property may now or hereafter front or abut. The Association reserves the exclusive right to grant consents and to petition the proper authorities for any and all street improvements, such as grading, seeding, tree planting, sidewalks, paving, and sewer and water installation, whether it be on the surface or subsurface, which in the opinion of the Association are necessary on or to the Property. The Association reserves the exclusive right to approve above-ground utility lines across the subject property or any portion thereof on a temporary basis for the purpose of construction, and such lines shall be permitted when required by a government agency. Notwithstanding the provisions of this Section, the construction and operation of public utilities in rights-of-way dedicated to the public must be approved by the appropriate governmental authority.

VIII

COMMON AREA ASSESSMENTS

8.1 Covenant to Pay Assessments. The Declarant, for each Lot owned by it within the Property, hereby covenants, and each Owner, by acceptance of a deed hereafter conveying such Lot to him, whether or not so expressed in the deed or other conveyance, shall be deemed to have covenanted and agreed to pay to the Association the following Assessments: (1) Annual Assessments; and (2) Special Assessments. Each Assessment, together with interest at the rate of twelve (12%) percent per annum accruing from the due date until payment is made, and the costs

of collection thereof and reasonable attorneys' fees, shall be a charge on, and a continuing lien upon each Lot against which an Assessment is made, which lien shall be enforceable in accordance with the provisions of Pennsylvania law. Each Assessment, together with interest, costs and fees as above set forth, shall also be a personal obligation of the Owner as of the date of imposition of the Assessment.

8.2 Purpose of Assessment. The Assessments levied by the Association shall be used exclusively for promoting the health, safety and welfare of residents of the Property, and in particular for the improvement, operation and maintenance of the Common Areas, including (i) the private streets, open area, Clubhouse, pool, tennis courts, basketball courts, bike paths and storm water drainage systems and detention pond and (ii) insurance thereon (including ancillary coverage for the Association, its officers, directors, employees and agents and (iii) reasonable management fees incurred in the operation of the Association.

8.3 Period of Assessments. Each Assessment shall be levied for each of those calendar years (each of which is hereinafter referred to as an "Assessment Year") during which this Declaration is in effect; provided, however, that the first Assessment Year shall commence on the first day of the month following the conveyance of the first Lot within the Property and shall terminate on the thirty first (31st) day of December next succeeding such date. Not more than one annual assessment will be levied against a Lot in any Assessment Year.

8.4 Annual Assessments: Maximum Permissible Annual Assessment; Adoption by the Board.

(a) *Maximum Permissible Annual Assessment Defined.* The Maximum Permissible Annual Assessment (the "Maximum Permissible Annual Assessment") is defined to mean the maximum Annual Assessment which may be imposed by the Board of Directors of the Association against any Lot for any Assessment year without the prior approval of the Members of the Association. For the first, second and third Assessment Years the Maximum Permissible Annual Assessment shall be \$240.00. However, if the first Assessment Year commences on a date other than January 1, the Maximum Permissible Annual Assessment for the first Assessment Year shall equal the product obtained by multiplying (1) Two Hundred Forty Dollars (\$240.00) by (2) a fraction, the numerator of which shall equal (a) the number of full calendar months in the first Assessment year, and the denominator of which shall equal (b) the number twelve (12). Beginning with the fourth Assessment Year and thereafter for each successive Assessment Year the Maximum Permissible Annual Assessment shall be the greater of (i) Two Hundred Forty (\$240.00) Dollars or (ii) one hundred ten (110%) percent of the Annual Assessment for the previous Assessment Year.

(b) *Power of Board of Directors to Fix Annual Assessment.* For any Assessment Year the Board of Directors may fix the Annual Assessment against each Lot at an amount less than or equal to the Maximum Permissible Annual Assessment without the necessity of a vote of the membership of the Association. For any Assessment Year the Board of Directors may fix the Annual Assessment against each Lot at an amount greater than the Maximum Permissible Annual Assessment only upon the affirmative vote of two-thirds (2/3) of each class the Members of the Association who are voting, in person or by proxy, at a meeting called for such purpose in accordance with and subject to the quorum requirements set forth in Section 8.7.

(c) *Adoption by Board of Directors; Notice of Assessments.* The Annual Assessment for the first Assessment Year shall be the Maximum Permissible Annual Assessment applicable to the first Assessment Year; provided, however, that the Board of Directors may by timely resolution reduce, in whole or in part, the Annual Assessment applicable to said first Assessment Year. Thereafter, by the first day of November prior to the commencement of each Assessment Year, the Board of Directors shall adopt a budget for the Association for such Assessment Year setting forth for such Assessment Year: (i) the aggregate amount of the Annual Assessment to be imposed upon all Lots (subject to the approval of the Members if required pursuant to Section 8.7); (ii) the Aggregate Amount of any Special Assessments to be imposed on all Lots (subject to the prior approval of the Members if required pursuant to Section 8.7); and (iii) the proportionate amount of the Assessments to be imposed against each Lot. At that time the Board of Directors shall also prepare a roster of the Lots and Owners thereof and the Assessments applicable thereto, which shall be kept in the offices of the Association and shall be open to inspection by any Owner. By the first day of December prior to the commencement of such Assessment Year, the Association shall mail to each Owner a copy of the Budget, which shall constitute notice of the Assessments imposed against each such Owner and his respective Lot. Such Notice shall be given as required by Section 8.7. The officer of the Association charged with such mailing shall certify the date of mailing on the records of the Association. The Association's failure to take such action within the times or in the manner specified above shall not invalidate such action if taken later. Until such action is taken with respect to any Assessment Year, however, the Annual Assessment applicable to an Owner and his Lot for such Assessment Year shall be presumed to be the Annual Assessment applicable to the preceding Assessment Year, and each Member or Owner shall be bound to pay such Annual Assessment on the due date or in such installments as were applicable in the preceding Assessment Year. However, no Special Assessment may be presumed to be imposed in any Assessment year by virtue of the fact that a Special Assessment was imposed in the prior Assessment Year.

8.5 *Special Assessments.*

(a) In addition to Annual Assessments, the Board of Directors may impose in any Assessment Year a Special Assessment, applicable to the Assessment Year only, for the purpose of defraying, in whole or in part, the cost of construction, repair or replacement of any capital improvement located within the Common Areas, including fixtures and personal property related thereto, provided that such Special Assessment shall first be approved by not less than two-thirds (2/3) of the votes of each Class of the Members of the Association who are voting, in person or by proxy, at a meeting called for such purposes in accordance with and subject to the quorum requirement sets forth in Section 8.7

(b) Not later than thirty (30) days before the date fixed for imposition of a Special Assessment (whether following required affirmative vote of the members, or otherwise) written Notice of the imposition of such Special Assessment shall be mailed to the Members as required by Section 8.7. The officer of the Association charged with such mailing shall certify the date of mailing in the records of the Association. Notice of the imposition of a Special Assessment may be combined with the notice of the Annual Assessment and given in accordance with Section 8.7.

8.6 *Uniform Rate of Assessment.*

(a) Except as otherwise provided in Section 8.6(b), any Assessments levied for any Assessment Year shall be levied at a uniform rate for all Lots.

(b) Notwithstanding the requirement of Section 8.6(a), (i) no Assessment shall be levied against any Common Area, (ii) the Annual Assessment imposed against any Lot with owned by the Declarant as of the date of imposition may be reduced in whole so long as the Declarant is or becomes legally bound to the Association to reimburse it for any budgetary deficit or shortage that may arise during such period of time during which the Declarant elects to pay no Assessment.

8.7 *Approval of Assessment by Members.* If approval of any Assessment is required pursuant to Sections 8.4 or 8.5, then written notice of any meetings of Members of the Association called for the purpose of obtaining such approval shall be sent to all members not less than thirty (30) days, nor more the sixty (60) days in advance of such meeting. At the first meeting, the presence of the members in person or proxy, entitled to cast not less than seventy five (75%) percent of all the votes of each class of members entitled to be cast at the meeting shall be necessary and sufficient to constitute a quorum. If the required quorum is not present, then the Board of Directors of the Association may adjourn the meeting and another meeting may be called subject to the same notice requirements, and the required quorum at such subsequent meeting shall be two-thirds (2/3) of the

required quorum at the preceding meeting, provided that no subsequent meeting shall be held more than sixty (60) days following the date of the preceding meeting.

8.8 Date of Imposition of Assessment.

(a) *Annual Assessments.* For any Assessment Year the date of imposition of the Annual Assessment shall be the first day of the Assessment Year and such Annual Assessment shall be payable in twelve (12) equal monthly installments.

(b) *Special Assessments.* For any Assessment Year the date of imposition of any Special Assessment shall be fixed in the resolution authorizing the Special Assessment, if such resolution is required pursuant to Section 8.5; provided, however that the date of imposition of a Special Assessment shall not abridge the time required for notice of such Special Assessment as set forth in Section 8.7. The date of imposition of a Special Assessment shall also be the date such Special Assessment is due and payable in full, except that the Board of Directors may provide that a Special Assessment may be payable in monthly, quarterly or semiannual installments.

8.9 Nonpayment of Installments. If any Assessment, or any installment thereof (if such Assessment was permitted to be paid in installments) is not paid promptly on the date when such Assessment (or installment thereof) was due, then the entire amount of the Assessment then outstanding and unpaid shall be immediately due and payable, and shall be delinquent and shall bear interest from the date of the delinquency at the rate of twelve (12%) percent per annum, whereupon the Association may bring an action at law against the Owner personally obligated to pay the same, or may enforce the lien for such Assessment as against such Owner's Lot in accordance with the provisions of Pennsylvania law applicable to the enforcement of liens; and in either case, there shall be added to and included in such Assessment all costs, fees and expenses incurred by the Association in connection with the claim for Assessments, including attorney's fees and expenses incurred in connection with the collection of such Assessments, and including the costs of preparing and filing any action or claim for lien by the Association or counsel acting on its behalf.

8.10 Certificate as to Payment of Assessments. The Association shall, upon written request at any time by any person liable for payment of any Assessments or installments thereof, or who holds any interest in a Lot against which an Assessment has been levied, deliver to such person a certificate signed by an officer of the Association, setting forth whether such Assessment or installment has been paid. Any such certificate so delivered shall be conclusive evidence of the payment of each Assessment or installment thereof therein stated to have been paid.

ARTICLE IX

MODIFICATION AND REPEAL

9.1 *Procedure.* This Declaration or any provision hereof, or any covenant, condition or restriction contained herein, may be terminated, extended, modified or otherwise amended, as to the whole of the Property or any portion thereof, with the written consent of the Owners of eighty (80%) percent of the Lots subject to these covenants, conditions and restrictions (excluding dedicated streets and Common Areas); provided, however, that no such termination, modification or other amendment shall be effective without the written approval of the Declarant, which approval shall not be unreasonably withheld. Notification of any termination, extension, modification or amendment shall be provided to the Township of College, and if the termination, extension, modification, or amendment constitutes a major change to the master plan approved for the Penn State Research Park, the termination, extension, modification, or amendment shall not become effective unless or until approved by the Township of College. No such termination, extension, modification, or other amendment shall be effective if it conflicts with a valid governmental enactment, ordinance, or regulation and until a proper instrument in writing has been executed, acknowledged and recorded.

9.2 *Governmental Regulation.* All valid governmental enactments, ordinances, and regulations are deemed to be a part of this Declaration, and to the extent they conflict with any provision, covenant, condition or restriction hereof, said conflicting governmental enactment, ordinance and regulation shall control and the provision, covenant, condition or restriction hereof in conflict therewith shall be deemed (i) amended to the extent necessary to bring it into conformity with said enactment, ordinance, or regulation while still preserving the intent and spirit of the provisions, covenant, condition or restriction; or (ii) stricken herefrom should no amendment conforming to the governmental enactment, ordinance, or regulation be capable of preserving the intent and spirit of said provision, covenant, condition or restriction.

ARTICLE X

ENFORCEMENT

10.1 *Abatement and Suit.* The Owner of each Lot shall be primarily liable and the Occupant, if any, secondarily liable for the violation or breach of any covenant, condition or restriction herein contained. Violation or breach of any covenant, condition or restriction herein contained shall give to the Association, following thirty (30) days written notice to the Owner or Occupant in question except in exigent circumstances, the right, privilege and license to enter upon the Lot where said violation or breach exists and to summarily abate and remove, or abate and remove, at the expense of the Owner or Occupant thereof, any improvement, structure, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions of these covenants, conditions or restrictions to enjoin or prevent them from doing so, to cause said violation to be remedied, or to

recover damages for said violation. No such entry by the Association or its agents shall be deemed a trespass, and neither the Association nor its agents shall be subject to liability to the Owner or Occupant of said Lot for such entry and any action taken to remove a violation. The cost of any abatement, remedy or removal hereunder shall be a binding personal obligation of any Owner or Occupant in violation of any provision of this Declaration, as well as a lien (enforceable in the same manner as a mortgage) upon the Lot in question. The lien provided for in this section shall not be valid as against a bona fide purchaser or mortgagee for value of the Lot in question unless a suit to enforce said lien shall have been filed in the Court of Common Pleas of Centre County, Pennsylvania prior to the recordation of the deed or mortgage conveying or encumbering the Lot in question to such purchaser or mortgagee, respectively.

10.2 *Right of Entry.* During reasonable hours and upon reasonable notice and subject to reasonable security requirements, the Association or its agents, shall have the right to enter upon and inspect any Lot and the Improvements thereon covered by this Declaration for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and neither the Association nor its agents shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

10.3 *Deemed to Constitute a Nuisance.* The result of every act or omission whereby any covenant, condition, or restriction herein contained is violated in whole or in part is hereby declared to be and to constitute a nuisance, and every remedy allowed by law or in equity against an Owner or Occupant either public or private shall be applicable against every such result and may be exercised by the Association.

10.4 *Attorney's Fees.* In any legal or equitable proceeding for the enforcement of this Declaration or any provision hereof, whether it be an action for damages, declaratory relief or injunctive relief, or any other action, the losing party or parties shall pay the attorney's fees of the prevailing party or parties, in such reasonable amount as shall be fixed by the court in such proceedings, or in a separate action brought for such purpose. The prevailing party shall be entitled to said attorney's fees event though said proceeding is settled prior to judgment. All remedies provided herein or at law shall be cumulative and not exclusive.

10.5 *Failure to Enforce Is No Waiver.* The failure of the Association to enforce any requirement, restriction, or standard herein contained shall in no event be deemed to be a waiver of the right to do so thereafter or in other cases nor of the right to enforce any other restriction.

ARTICLE XI
NO PARTITION

Subject to the provisions of these covenants, the Common Areas shall remain undivided and no Owner(s) shall bring any action for partition or division thereof.

ARTICLE XII
ASSIGNMENT

Any and all of the rights, powers, and reservations of Declarant or the Association herein contained, may be assigned to any person, partnership, corporation or association that will assume the duties pertaining to such particular rights, powers and reservations assigned, and upon any such person, partnership, corporation, or association evidencing its consent in writing to accept such assignment and assume such duties, he or it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant or the Association herein. If at any time the Association ceases to exist and has not made such an assignment, a successor to the Association may be appointed in the same manner as this Declaration may be modified or amended under Section VII. Any assignment or appointment made under this Article shall be in reasonable form and recorded.

ARTICLE XIII
CONSTRUCTIVE NOTICE AND ACCEPTANCE

Every person or entity who now or hereafter owns, occupies, or acquires any right, title or interest in or to any portion of the subject Property is and shall be conclusively deemed to have consented and agreed to every covenant, conditions and restriction contained herein, whether or not any reference to this Declaration is contained in the instrument by which such person acquired an interest in the subject property.

ARTICLE XIV
RUNS WITH THE LAND

All covenants, conditions, restrictions and agreements herein contained are made for the direct, mutual and reciprocal benefit of each and every Lot of the subject property; shall create mutual equitable servitudes upon each Lot in favor of every other Lot; shall create reciprocal rights and obligations between respective Owners and Occupants of all Lots and privity of contract and estate between all grantees, lessees and sublessees of said Lots, their heirs, successors, and assigns; and shall, as to the Owner and Occupant of each Lot, his heirs, successors and assigns, operate as covenants running with the land, for the benefit of all other Lots, except as provided herein.

ARTICLE XV
RIGHTS OF MORTGAGEES

The lien of the assessments provided for in this Declaration shall be subordinate to the lien of any mortgage. No breach of any covenant, condition or restriction herein contained, or any enforcement thereof, shall defeat or render invalid the lien of any mortgage now or hereafter executed upon the subject Property of a portion thereof, provided, however, that if any portion of said Property is sold under a foreclosure of any mortgage, any purchaser at such sale and its successors and assigns shall hold any and all Property so purchased subject to all covenants, conditions and restrictions contained in this Declaration.

ARTICLE XVI
GENDER

The use of the masculine gender in these Covenants shall be deemed to refer to the feminine gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

ARTICLE XVI
INVALIDITY

The invalidity of any provisions of this Declaration shall not be deemed to impair or affect in any manner the validity or enforceability or affect the remainder of this Declaration, and in such event all of the other provisions of this Declaration shall continue in full force and as if such invalid provisions had never been included.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed the day and year first above written, by their proper officers, and the corporate seal affixed pursuant to a resolution duly adopted by its Board of Directors.

[Corporate Seal]

ATTEST:

SECRETARY

BXAL, INC.

SEAL

BXAL, INC.

By

PRESIDENT

COUNTY OF CENTRE

I, Victoria P. Hassinger a Notary Public in and for the said County, in the State aforesaid, do hereby certify that Pamela J. Patt personally appeared before me this day, and she acknowledged and swore that she is the President and Secretary, of BXAL, Inc. that she signed, sealed and delivered the said instrument as her free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and notarial seal this 4th day of October, 2000.

Victoria Pfassinger
Notary Public

Notary Public

My Commission Expires:



EXHIBITS

- Exhibit A: Boundary Description for Property
- Exhibit B: Articles of Incorporation of Homeowners' Association
- Exhibit C: By-laws of Homeowners' Association
- Exhibit D: Description of Common Areas and Completed Phases

EXHIBIT A**TRACT NO. 1**

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

BEGINNING at a point on the northerly right-of-way line of Dreibelbis Road at the common corner with lands now or formerly of Brodie; thence along said Brodie and along a series of lots now or formerly of Koontz, Tressler, Berube, Chiang, Nolan, Truax, Mahen and Shellenberger, North $36^{\circ} 42' 39''$ West 833.01 feet to a point on the southerly right-of-way line of Trout Road; thence along said southerly right-of-way line of Trout Road, North $55^{\circ} 08' 03''$ East 831.00 feet to a point; thence through lands of which this is a part, South $37^{\circ} 30' 29''$ East 672.47 feet to a point on the northerly right-of-way line of Dreibelbis Road; thence along the said northerly right-of-way line of Dreibelbis Road, South $52^{\circ} 21' 08''$ West 113.78 feet to a point; thence along the same, South $43^{\circ} 08' 03''$ West 213.26 feet to a point; thence along the same, South $42^{\circ} 48' 23''$ West 378.11 feet to a point; thence along the same, South $43^{\circ} 14' 16''$ West 146.69 feet to the point and place of beginning and containing 14.282 acres.

BEING more fully shown on a Easement Plan by Keller Engineers, Inc., of Hollidaysburg, Pennsylvania, dated December 4, 1997, last revised January 9, 1998, and indexed as Project Number 51-21 as set forth in Centre County Plat Book 55, Page 108.

TRACT NO. 2

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

BEGINNING at a point at the southwest corner intersection of Shiloh Road and Dreibelbis Road right-of-way lines; thence along the northerly right-of-way line of Dreibelbis Road, South $52^{\circ} 00' 42''$ West 756.43 feet to a point; thence along the same, South $52^{\circ} 21' 08''$ West 1416.70 feet to a point; thence through lands of which this is a part, North $37^{\circ} 30' 29''$ West 672.47 feet to a point on the southerly right-of-way line of Trout Road; thence along said southerly right-of-way line of Trout Road, North $55^{\circ} 08' 03''$ East 2198.40 feet to a point at the southeast corner intersection of the Trout Road and Shiloh Road right-of-way lines; thence along the westerly right-of-way line of Shiloh Road, South $35^{\circ} 09' 56''$ East 561.80 feet to the point and place of beginning and containing 31.023 acres.

BEING more fully shown on an Easement Plan by Keller Engineers, Inc., of Hollidaysburg, Pennsylvania, dated December 4, 1997, last revised January 9, 1998 and indexed as Project Number 51-21 as set forth in Centre County Plat Book 55, Page 108.

EXHIBIT B

Microfilm No. _____ Filed with the Department of State on _____

Entity No. _____
Secretary of the Commonwealth**COMMONWEALTH OF PENNSYLVANIA****ARTICLES OF INCORPORATION - DOMESTIC NONPROFIT CORPORATION**

In compliance with the requirements of 15 Pa. C.S. § 5306 (relating to articles of incorporation), the undersigned, desiring to incorporate a nonprofit corporation, state [states] that:

1. **Name.** The name of the corporation is: Independence Place Homeowners' Association (the "Association")

2. **Address.** The address of the Association's initial registered office in this Commonwealth is:

422 Allegheny Street Hollidaysburg PA 16648

The county of venue is: Blair

3. **Organization.** The Association is organized on a non-stock basis. It does not contemplate pecuniary gain or profit, incidental or otherwise.

4. **Purposes and Operation.** The Association is formed to provide for maintenance, preservation and architectural control of the residence lots and common areas within completed phases of a certain tract of property consisting of 46.442 acres of land located in College Township, Centre County, Pennsylvania. In addition, the Association is formed for the following general purposes:

(A) To promote the health, safety and welfare of the residents within the above described property and any additions to the property as may be brought within the jurisdiction of this Association for this purpose;

(B) To perform all of the duties and obligations of the Association as set forth in the declaration of Covenants, Conditions and Restrictions (the "Declaration" applicable to the property and recorded or to be recorded in the Office of the Recorder of Deeds of Centre County, Pennsylvania;

(C) To fix, collect, and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection with the fixing, collection, and enforcement of the charges and assessments, as well as all other expenses necessary to conduct the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

(D) To acquire (by gift, purchase or otherwise) own, hold, improve, build on, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association;

(E) To borrow money, and, only with the assent of two-thirds of each class of member4s, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for borrowed money or debts incurred;

(F) To dedicate, sell, or transfer all or any part of the common area to any public agency, authority, or utility for the purpose and subject to the conditions that are agreed to by the members; provided that no dedication or transfer shall be effective unless an instrument has been signed by two-thirds of each class of members agreeing to the dedication, sale, or transfer;

(G) To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and common area, provided that any merger, consolidation or annexation shall have the assent by vote of two-thirds of each class of members or the written consent of all of the members.

(H) To have and exercise any and all powers, rights, and privileges that a corporation organized under the Nonprofit Corporation Law of 1988 by law may now or in the future exercise.

5. **Membership.** Every person or entity who is a record owner of a fee or undivided fee interest in any Lot that is subject to the Declaration, including contract sellers, shall be a member of the Association. The foregoing is not intended to preclude persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment by the Association

6. Voting Rights. The Association shall have two (2) classes of voting membership:

(A) *Class A.* Except for the Declarant (which shall initially be a Class B member) the Class A members shall be all of the Owners of the Lots. Each Class A member shall be entitled to one (1) vote per Lot for each Lot owned by it in all proceedings in which action shall be taken by the members of the Association. The vote of any Class A member comprised of two (2) or more persons in any combination, shall be case as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per lot owned by them.

(B) *Class B.* The Class B member shall be the Declarant. The Class B Member shall be entitled to five (5) votes per Lot for each Lot owned by it in all proceedings in which action shall be taken by Members of the Association.

(C) *Conversion of Class B Membership.* The Class B membership in the Association shall cease and be converted to Class A membership in the Association on the seventh (7th) anniversary of the date of the Declaration or at such earlier time as the number of votes entitled to be case by the Class A Members of the Association equals to or exceeds the total number of votes entitled to be case by the Class B Members of the Association.

7. Board of Directors. The Affairs of the Association shall be managed by a Board of five (5) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the election of their successors are:

Name	Address
<u>P. Jules Patt</u>	<u>422 Allegheny St., Hollidaysburg, PA 16648</u>
<u>Pamela J. Patt</u>	<u>422 Allegheny St., Hollidaysburg, PA 16648</u>
<u>Maggie Patt Biddle</u>	<u>422 Allegheny St., Hollidaysburg, PA 16648</u>
<u>Steve Bice</u>	<u>422 Allegheny St., Hollidaysburg, PA 16648</u>
<u>Susan R. Kingsley</u>	<u>422 Allegheny St., Hollidaysburg, PA 16648</u>

8. Limitation on Activities. None of the activities of the Association shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, nor shall the Association participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

Date: Oct. 4, 2000

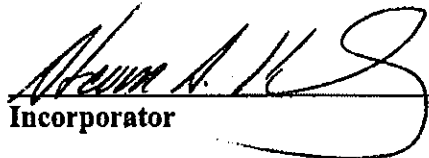

Incorporator

EXHIBIT C

**BYLAWS OF
INDEPENDENCE PLACE HOMEOWNERS ASSOCIATION**

**Article I
Name and Location**

1.01 The name of the corporation, referred to in these Bylaws as the "Association", is Independence Place Homeowners Association. The initial registered office of the Association shall be located at 422 Allegheny Street, Hollidaysburg, Pennsylvania, but meetings of members and directors may be held at other places within the Commonwealth of Pennsylvania that may be designated by the Board of Directors.

**Article II
Definitions**

2.01 "Association" shall mean and refer to Independence Place Homeowners Association, its successors and assigns.

2.02 "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions, and Restrictions, and additions to that property that may be brought within the jurisdiction of the Association.

2.03 "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

2.04 "Completed Phase" shall mean and refer to a phase in the development of the Property as described in the Declaration.

2.05 "Lot" shall mean and refer to any subdivided plot of land (excluding Common Areas) within any Completed Phase of the Property.

2.06 "Owner" shall mean and refer to any persons (including Declarant) that are either record owners of fee simple title to any Lot.

2.07 "Declarant" shall mean and refer to BXAL, Inc., its successors and assigns, if its successors and assigns.

2.08 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Properties, recorded in the Office of the Recorder of Deeds for the County of Centre, Commonwealth of Pennsylvania on _____, in Record Book _____ at Page _____.

2.09 "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Article III Meetings of Members

3.01 Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association. Subsequent regular annual meetings of the members shall be held on the same day of the same month of each year thereafter, at 1:00 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following that is not a legal holiday.

3.02 Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or on written request of the members who are entitled to vote one-fourth of all the votes of the membership.

3.03 Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, at least fifteen days before the meeting to each member entitled to vote at the meeting, addressed to the member's address last appearing on the books of the Association, or supplied by the member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

3.04 Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, a quorum shall not be present or represented at any meeting, the members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

3.05 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease on conveyance by the member of his or her Lot.

Article IV Selection and Term of Office of Directors

4.01 Number. The affairs of this Association shall be managed by a board of five (5) directors, who need not be members of the Association.

4.02 Term of Office. At the first annual meeting, the members shall elect two (2) directors for a term of three years, two (2) directors for a term of two years; and one (1) director for a term of one year; at each annual meeting thereafter the members shall elect two (2) directors for a term of two years.

4.03 Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

4.04 Compensation. No director shall receive compensation for any service he or she may render to the Association; however, any director may be reimbursed for actual expenses incurred in the performance of his or her duties.

4.05 Action Taken Without Meeting. The directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Article V Nomination and Election of Directors

5.01 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of the annual meeting until the close of the next annual meeting, and the appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. The nominations may be made from among members or non-members.

5.02 Election. Election to the Board of Directors shall be by secret written ballot. At the election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Article VI Meetings of Directors

6.01 Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at the place and hour that may be fixed from time to time by resolution of the Board. Should the meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day that is not a legal holiday.

6.02 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three days notice to each director.

6.03 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Article VII
Powers and Duties of Board of Directors

7.01 Powers. The Board of Directors shall have power to:

- (1) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests on the Common Area and facilities, and establish penalties for the infraction of the rules and regulations;
- (2) Suspend the voting rights and right to use the recreational facilities of a member during any period in which the member shall be in default in the payment of any assessment levied by the Association; these rights may also be suspended after notice and hearing, for a period not to exceed sixty days for infraction of published rules and regulations;
- (3) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (4) Declare the office of a member of the Board of Directors to be vacant in the event the member shall be absent from the three consecutive regular meetings of the Board of Directors; and
- (5) Employ a manager, an independent contractor, or other employees as they deem necessary, and prescribe their duties.

7.02 Duties. It shall be the duty of the Board of Directors to:

- (1) Cause to be kept a complete record of all its acts and corporate affairs and present a statement of its acts and corporate affairs to the members at the annual meeting of the members, or at any special meeting when the statement is requested in writing by one-fourth of the members who are entitled to vote;
- (2) Supervise all officers, agents, and employees of this Association, and see that their duties are properly performed;
- (3) As more fully provided in the Declaration;
 - (a) Fix the amount of the annual assessment against each Lot at least thirty days in advance of each annual assessment period;
 - (b) Send written notice of each assessment to every Owner subject to assessment at least thirty days in advance of each annual assessment period; and
 - (c) Foreclose the lien against any property for which assessments are not paid within thirty days after due date or bring an action at law against the owner personally obligated to pay the assessments.

- (4) Issue, or cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not any assessment has been paid; a reasonable charge may be made by the Board for the issuance of these certificates; if a certificate states an assessment has been paid, the certificate shall be conclusive evidence of the payment;
- (5) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (6) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (7) Cause the Common Area to be maintained.

Article VIII Officers and their Duties

8.01 Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and other officers as the Board may from time to time by resolution create.

8.02 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

8.03 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one year unless he or she shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

8.04 Special Appointments. The Board may elect other officers as the affairs of the Association may require, each of whom shall hold office for the period, have the authority, and perform the duties that the Board may, from time to time, determine.

8.05 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Resignation of an officer shall take effect on the date of receipt of the notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

8.06 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to fill a vacancy shall serve for the remainder of the term of the officer he or she replaces.

8.07 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Paragraph 8.04 of this Article.

8.08 Duties. The duties of the officers are as follows:

(1) The president shall preside at all meetings of the Board of directors; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds, and other written instruments; and co-sign all checks and promissory notes.

(2) The vice-president shall act in the place and stead of the president in the event of his or her absence, inability, or refusal to act, and shall exercise and discharge all other duties as may be required of him or her by the Board.

(3) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring the seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; and perform all other duties as required by the Board.

(4) The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse the funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep property books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members within thirty days of completion.

Article IX Books and Records

10.01 The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

Article XI Assessments

11.01 As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments that are secured by a continuing lien on the property against which the assessment is made. Any assessments that are not paid when due shall be delinquent. If an assessment is not paid within thirty days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve (12%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the assessment or foreclose the lien against the property and interest, costs, and reasonable attorney's fees of the action shall be added to the amount of the assessment. No Owner may waive or otherwise escape liability for the assessments by non-use of the Common Area or abandonment of his or her Lot.

**Article XII
Amendments**

12.01 **Meetings.** These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy .

12.02 **Conflicts.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**Article XIII
Miscellaneous**

13.01 The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year; except that the first fiscal year shall begin on the date of incorporation.

We, being all of the directors of the Independence Place Homeowners Association, sign these Bylaws on October 3, 2000.



P. Jules Patt (Chairman)

✓ 

Pamela Patt

CERTIFICATION

I, the undersigned, do certify:

THAT I am the duly elected and acting secretary of the Independence Place Homeowners Association, a Pennsylvania corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of the Association as duly adopted at a meeting of the Board of Directors of the Association, held on October 3, 2000.

IN WITNESS WHEREOF, I subscribe my name on October 3, 2000.

Secretary

Pamela J. Palt

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF CENTRE)

On this Day:

OCT 05 2000

I hereby CERTIFY that this document is
Recorded in Record Book 1195 Page 1017
in the Recorder of Deeds Office of Centre
County, Pennsylvania. IN WITNESS
WHEREOF, I have hereunto
set my hand and official seal.

Joseph L. Davidson
Joseph L. Davidson
Centre County Recorder of Deeds



ENTERED FOR RECORD
JOSEPH L. DAVIDSON
RECORDER OF DEEDS
CENTRE COUNTY
OCT 5 PM 1 41