



TABLE OF CONTENTS

	Page
ARTICLE I	
SUBMISSION; DEFINED TERMS .....	
	1
Section 1.1 <u>Declarant; Property; County; Name</u> .....	1
Section 1.2 <u>Easements and Licenses</u> .....	1
Section 1.3 <u>Defined Terms</u> .....	1
ARTICLE II	
ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND COMMON EXPENSE LIABILITIES; UNIT IDENTIFICATION AND BOUNDARIES; MAINTENANCE RESPONSIBILITIES .....	
	2
Section 2.1 <u>Percentage Interests</u> .....	2
Section 2.2 <u>Unit Boundaries</u> .....	2
Section 2.3 <u>Maintenance Responsibilities</u> .....	3
Section 2.4 <u>Relocation of Unit Boundaries; Subdivision and Conversion of Units</u> .....	3
ARTICLE III	
ALLOCATION AND RESTRICTION OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS .....	
	3
Section 3.1 <u>Limited Common Elements</u> .....	3
Section 3.2 <u>Designation of Reserved Common Elements</u> .....	3
ARTICLE IV	
EASEMENTS .....	
	4
Section 4.1 <u>Additional Easements</u> .....	4
ARTICLE V	
AMENDMENT OF DECLARATION .....	
	4
Section 5.1 <u>Amendment Generally</u> .....	4
Section 5.2 <u>Rights of Secured Lenders</u> .....	4
ARTICLE VI	
OPTION TO WITHDRAW REAL ESTATE .....	
	5
ARTICLE VII	
CONVERTIBLE REAL ESTATE .....	
	5
Section 7.1 <u>Reservation</u> .....	5
Section 7.2 <u>Assurances</u> .....	5

ARTICLE VIII

USE RESTRICTIONS..... 6

Section 8.1 Use and Occupancy of Units and Common Elements ..... 6

Section 8.2 Rules and Regulations..... 9

ARTICLE IX

PERMITTED MORTGAGES..... 9

Section 9.1 Permitted Mortgages ..... 9

ARTICLE X

LEASING..... 10

ARTICLE XI

BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT..... 10

Section 11.1 Monthly Payments..... 10

Section 11.2 Subordination of Certain Charges ..... 10

Section 11.3 Surplus ..... 10

Section 11.4 Assignment of Income Rights ..... 10

ARTICLE XII

RIGHTS OF PERMITTED MORTGAGEES ..... 11

Section 12.1 Reports and Notices..... 11

ARTICLE XIII

DECLARANT'S RIGHTS ..... 12

Section 13.1. Control..... 12

ARTICLE XIV

LIMITATION OF LIABILITY ..... 12

Section 14.1 Standard of Conduct ..... 12

Section 14.2 Good Faith Reliance ..... 12

Section 14.3 Limited Liability..... 13

Section 14.4 Indemnification ..... 13

Section 14.5 D & O Insurance..... 14

ARTICLE XV

MERGER AND CONSOLIDATION ..... 14

Section 15.1 Reservation ..... 14

**DECLARATION  
CHESTNUT GROVE II CONDOMINIUM**

**ARTICLE I  
SUBMISSION; DEFINED TERMS**

Section 1.1 Declarant; Property; County; Name. E & E CHESTNUT DEVELOPERS LLC, a Pennsylvania limited liability company ("Declarant"), owner in fee simple of the Real Estate described in Exhibit "A" attached hereto, located in Franklin Township, Butler County, Pennsylvania, hereby submits the Real Estate, including all easements, rights and appurtenances thereunto belonging and the Buildings and improvements erected or to be erected thereon (collectively, the "Property") to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pa. C.S. §3101 *et seq.* (the "Act"), and hereby creates with respect to the Property a flexible condominium, to be known as "CHESTNUT GROVE II CONDOMINIUM" (the "Condominium").

Section 1.2 Easements and Licenses. Included among the easements, rights and appurtenances referred to in Section 1.1 above are the following recorded easements and licenses, and the Real Estate is hereby submitted to the Act:

Section 1.3 Defined Terms.

1.3.1 Capitalized terms not otherwise defined herein or in the Plats and Plans shall have the meanings specified or used in the Act.

1.3.2 The following terms are used or defined in general terms in the Act and shall have specific meanings herein as follows:

a. "Association" means the Unit Owners' Association of the Condominium and shall be known as the "Chestnut Grove II Condominium Association."

b. "Building(s)" means any building(s) included in the Property.

c. "Condominium" means the Condominium described in Section 1.1 above.

d. "Convertible Real Estate" means the Real Estate described in Exhibit "D" attached, so long as Declarant's rights to create Units and/or Limited Common Elements therein continue to exist.

e. "Declarant" means the Declarant described in Section 1.1 above and all successors to any Special Declarant Rights.

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

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

h. "Limited Common Elements" means the Common Elements described as such in the Act, the skylights and porches as shown on the Plats and Plans, and all Common Elements that are subsequently assigned as Limited Common Elements pursuant to Section 3.1 hereof.

i. "Limited Common Expenses" means the Common Expenses incurred for maintenance, repair and/or replacement of certain Limited Common Elements which, pursuant to Section 2.3 of this Declaration, are to be assessed against the Units to which such Limited Common Elements are assigned.

j. "Plats and Plans" means the Plats and Plans attached hereto as Exhibit "F" and made a part hereof, as the same may be amended from time to time.

k. "Property" means the Property described in Section 1.1 above less such portions of the Withdrawable Real Estate as shall have been withdrawn from the Condominium.

l. "Withdrawable Real Estate" means the Real Estate described in Exhibit "E" attached, so long as Declarant's rights to withdraw such Real Estate from the Condominium continue to exist.

m. "Unit" means a Unit as described herein and in the Plats and Plans.

1.3.3 The following terms when used herein shall have the meanings set forth below:

a. "General Common Expenses" means Common Expenses excluding Limited Common Expenses.

b. "Percentage Interest" means the undivided ownership interest in the Common Elements appurtenant to each Unit as set forth in Exhibit "B" attached, as the same may be amended from time to time.

c. "Reserved Common Elements" means portions of the Common Elements which the Executive Board may designate as such from time to time pursuant to Section 3.2 hereof.

**ARTICLE II  
ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND  
COMMON EXPENSE LIABILITIES; UNIT IDENTIFICATION  
AND BOUNDARIES: MAINTENANCE RESPONSIBILITIES**

Section 2.1 Percentage Interests. Attached as Exhibit "B" hereto is a list of all Units by their Identifying Numbers and the Percentage Interest appurtenant to each Unit. Since all units are equal in size, the Percentage Interest is determined by dividing the number of units by 100. The Percentage Interest shall determine the portion of the votes in the Association and the share of Common Expense Liability appurtenant to each Unit.

Section 2.2 Unit Boundaries. Each Unit consists of the space within the following boundaries:

a. Upper and Lower (Horizontal) Boundaries: The upper and lower boundaries of the Unit shall be the following boundaries extended to intersections with the vertical boundaries:

(1) **Upper Boundary:** The horizontal plane of the upper surface of the plasterboard ceiling of the highest finished story of the Unit.

(2) **Lower Boundary:** The horizontal plane of the top surface of the unfinished concrete floor slab.

b. **Vertical Boundaries:** The vertical boundaries of the Unit shall be the vertical planes, extended to intersections with each other and with the upper and lower boundaries, of the exterior Unit-side surface of the exterior walls which do not separate the Unit from any other Unit, and of the Unit-side surface of the party walls which separate the Unit from other Units.

c. Each Unit shall include the items within the boundaries as described in Paragraphs (1) and (3) of §3202 of the Act and shall have the benefit of the use of all Limited Common Elements described in §3202 of the Act, or designated on the Plans, as being allocated to such Unit.

**Section 2.3 Maintenance Responsibilities.** Notwithstanding the ownership of the various portions of the Common Elements and the Units by virtue of the foregoing boundary descriptions, the Units and Common Elements shall be maintained and repaired by each Unit Owner and by the Association in accordance with the provisions of §3307 of the Act, except as expressly set forth to the contrary herein. All Common Expenses associated with the maintenance, repair and replacement of a Limited Common Element including a porch and a Reserved Common Element.

**Section 2.4 Relocation of Unit Boundaries; Subdivision and Conversion of Units.** Relocation of boundaries between Units and subdivision or conversion of Units will not be permitted except Declarant's rights under Articles VI and VII.

**ARTICLE III  
ALLOCATION AND RESTRICTION OF  
COMMON ELEMENTS AND LIMITED COMMON ELEMENTS**

**Section 3.1 Limited Common Elements.** The porches which are attached to Units, as shown on the Plats and Plans, are Limited Common Elements appurtenant to the Units they serve. An Owner may enclose the porch attached to their Unit in accordance with plans and specifications approved by the Declarant.

**Section 3.2 Designation of Reserved Common Elements.** Reserved Common Elements are those parts of the Common Elements which the Executive Board may designate from time to time for use by less than all of the Unit Owners. Included in the Reserved Common Elements shall be the driveways for each individual Unit

**ARTICLE IV  
EASEMENTS**

Section 4.1 Additional Easements. In addition to and in supplementation of the easements provided for by §§3216, 3217 and 3218 of the Act, the following easements are hereby created:

4.1.1 Offices and Models. Declarant shall have the right to maintain sales offices, management offices and models throughout the Property. Declarant reserves the right to place one or more models, management offices and sales offices on any portion of the Common Elements in such manner, of such size and in such locations as Declarant deems appropriate. Declarant may from time to time relocate models, management offices and sales offices to different locations within the Common Elements. Declarant shall have the right to remove any such models, management offices and/or sales offices from the Common Elements at any time up to thirty (30) days after Declarant ceases to be a Unit Owner. Declarant may have signs offering Units for sale within the Common Elements.

4.1.2 Utility Easements. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this Section 4.1.2 shall include, without limitation, rights of Declarant, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 4.1.2, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

**ARTICLE V  
AMENDMENT OF DECLARATION**

Section 5.1 Amendment Generally. This Declaration may be amended only in accordance with the procedures specified in Section 3219 of the Act, the other Sections of the Act referred to in Section 3219 thereof and the express provisions of this Declaration.

Section 5.2 Rights of Secured Lenders. Subject to the limitations imposed by Section 3221 of the Act and except as set forth below, no amendment of this Declaration may be made without the prior written approval of all record holders of first mortgages on Units if and to the extent that such approval is required by the Act. Such approval shall not be required with respect to any Amendment pursuant to Articles VI or VII below. In addition, any published requirement of the Federal National Mortgage Association, or its successors (collectively "FNMA") or of the Federal Home Loan Mortgage Corporation, or its successors (collectively "FHLMC") with respect to approval of amendments to the Declaration by holders of mortgages on Units shall be complied with if, at the time such amendment is submitted to the Unit Owners for their approval, one or more mortgages on Units is held by whichever of FNMA or FHLMC imposes such requirement and the Executive Board has been notified in writing that a mortgage is held by the entity imposing such requirement.

**ARTICLE VI  
OPTION TO WITHDRAW REAL ESTATE**

Declarant hereby explicitly reserves an option, until the seventh (7<sup>th</sup>) anniversary of the recording of this Declaration, to withdraw Withdrawable Real Estate from the Condominium from time to time in compliance with Section 3212 of the Act, without the consent of any Unit Owner or holder of a mortgage on any Unit. This option to withdraw may be terminated prior to such anniversary only upon the filing of an amendment to this Declaration by the Declarant. Declarant expressly reserves the right to withdraw any or all portions of the Withdrawable Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other real estate be withdrawn, added or converted, except as set forth in Section 3212 of the Act; provided, however, that the Withdrawable Real Estate shall not exceed the area described as such on Exhibit "E" hereto. There are no other limitations on this option to withdraw the Withdrawable Real Estate from the Condominium.

**ARTICLE VII  
CONVERTIBLE REAL ESTATE**

Section 7.1 Reservation. Declarant hereby explicitly reserves an option, until the seventh (7<sup>th</sup>) anniversary of the recording of this Declaration, to convert all or any portion of the Convertible Real Estate to Units, Limited Common Elements or any combination thereof from time to time in compliance with Section 3211 of the Act, without the consent of any Unit Owner or holder of a mortgage on any Unit. This option to convert may be terminated prior to such anniversary only upon the filing of an amendment to this Declaration by the Declarant. Declarant expressly reserves the right to convert any or all portions of the Convertible Real Estate at any time, at different times, in any order, without limitation and without any requirement that any other real estate be converted, added or withdrawn; provided, however, that the Convertible Real Estate shall not exceed the area described as such on Exhibit "D" hereto. There are no other limitations on this option to convert Convertible Real Estate.

Section 7.2 Assurances. If the Convertible Real Estate is converted, the Buildings on the Convertible Real Estate will be located approximately as shown on the Plats and Plans. At such time as the Convertible Real Estate is completely converted, the maximum number of Units in the Convertible Real Estate as an aggregate will be no more than ten (10) Units per acre. The maximum percentage of the aggregate land and floor area of all Units that may be created within the Convertible Real Estate and that may be occupied by Units not restricted exclusively to residential use, if such Convertible Real Estate is converted, is five percent (5%). Any Buildings to be renovated or constructed within the Convertible Real Estate and Units therein shall be compatible in quality, size, materials and architectural style with the Buildings and Units on other portions of the Property. All restrictions in this Declaration affecting use, occupancy and alienation of Units shall apply to Units created within the Convertible Real Estate. No assurances are made as to any other improvements and Limited Common Elements to be made or created in the Convertible Real Estate, nor the proportion of Limited Common Elements to Units therein. The reallocation of Percentage Interests in the Convertible Real Estate and the Property shall be computed as required by Section 2.1 above.



**ARTICLE VIII  
USE RESTRICTIONS**

Section 8.1 Use and Occupancy of Units and Common Elements. The occupancy and use of the Units and Common Elements shall be subject to the following restrictions:

8.1.1 **Unit Uses.** Except as otherwise specifically provided in this Declaration, no unit shall be used for any purpose other than that of a residence for individuals living together as a single housekeeping unit, and uses customarily incidental thereto, provided, however, that no unit may be used as a group home, commercial foster home, fraternity or sorority house, or any similar type of lodging, care or treatment facility. Notwithstanding the foregoing: (i) an occupant maintaining a personal or professional library, keeping personal business or professional records or accounts, conducting personal business (provided that such use does not involve customers, employees, licensees or invitees coming to the unit), making professional telephone calls or conducting correspondence, in or from a unit is engaging in a use expressly declared customarily incidental to residential use and is not in violation if these restrictions; (ii) it shall be permissible for the Declarant to maintain, during the period of its sale or rental of units, one or more Units as sales and rental models and offices, and for storage and maintenance purposes; and (iii) one or more Units may be maintained for the use of the Association in fulfilling its responsibilities.

8.1.2 **Common Area Uses.** The Common Areas (except the Limited Common Areas) shall be used in common by Unit owners and occupants and their agents, servants, customers, invitees and licensees, in accordance with the purposes for which they are intended, reasonably suited and capable, and as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of Units. Unless expressly provided otherwise herein, no Common Areas shall be used for any purposes other than the health, safety, welfare, convenience, comfort, recreation or enjoyment of Unit owners and occupants.

8.1.3 **Limited Common Area Uses.** Those portions of the Common Areas described herein and shown on the Drawings as Limited Common Areas shall be used and possessed exclusively by the Unit owners and occupants of the Unit or Units served by the same, as specified in this Declaration and the Act.

8.1.4 **Visible Areas.** Nothing shall be caused or permitted to be hung or displayed on the outside or inside of windows (except inoffensive drapes, curtains, or louvered blinds) or placed on the outside walls of a building or otherwise outside of a Unit, or any part thereof, and no sign, awning, canopy, shutter or television or citizens' band or other radio antenna or transmitter, or any other device or ornament, shall be affixed to or placed upon the exterior walls or roof or any part thereof, or in, on, or over a patio or balcony, unless authorized by the Executive Board.

8.1.5 **Offensive Activities.** No noxious or offensive activity shall be carried on in any Unit, or upon the Common or Limited Common Areas, nor shall any be used in any way or for any purpose which may endanger the health of or unreasonably disturb any occupant.

8.1.6 **Vehicles.** The Board may promulgate rules and regulations restricting or prohibiting the parking of automobiles, inoperable vehicles, trucks, boats and recreational vehicles on the Common Areas, or parts thereof, and may enforce such regulations or restrictions by levying enforcement charges, having such vehicles towed away, or taking such other actions as it, in its sole discretion, deems appropriate.

8.1.7 **Signs.** No sign of any kind shall be displayed to the public view on the Condominium Property except: (a) on the Common Areas, signs regarding and regulating the use of



shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing by the Board or its designated representative, as to lawfulness and appropriateness, and as to harmony or design, color and location in relation to surrounding structures and topography. In the event the Board, or its designated representative, fails to approve or disapprove such plans and specifications within sixty (60) days after they have been submitted to it, approval will not be required and these provisions will be deemed to have been fully complied with. The above shall not apply to Declarant or its Designated Builders during new construction of units and both Declarant and Designated Builders shall not be required to obtain Board approval for the construction of new units.

8.1.15 Adult Community and Age Restrictions. All owners, tenants and residents of any Unit other than the Developer, agree by the acceptance of a deed to a Unit to be bound by the covenants and restrictions contained herein, together with any rules and regulations which may be promulgated by the Board together with the Bylaws of the Association. Each Unit shall be subject to the following restrictions on the age of owners, tenants and residents:

a. Each Unit shall have as a permanent resident therein, at least one (1) person who is 55 years of age or older.

b. For purposes of this Section, an occupant shall not be considered a permanent resident unless such occupant considers the Unit to be his legal residence and actually resides within the Unit for at least six (6) months during every calendar year, however, that a husband or wife, regardless of age, residing with his or her spouse may occupy such dwelling, so long as such spouse is of the age of 55 years or over. Further, no dwelling may be occupied by any child under the age of 19 years. In the event that an Owner of a lot dies, Testator and Testate, leaving as heirs one or more persons who do not qualify as to age, these restriction shall in no way be deemed to restrict the ownership of said Unit by the heirs, provided, however, that said heir or heirs, their successors or assigns, shall not reside in the dwelling Unit until he or she meets the age requirement together with such other requirements that may be contained herein. The foregoing is not intended to apply to a cohabiting surviving spouse who does not qualify as to age, it being the intent hereof that surviving cohabiting spouses shall be permitted to occupy such dwelling subsequent to the date the age qualified spouse dies.

c. The provisions of this section are intended to be consistent with the provisions of the Fair Housing Amendments Act of 1988, H.R. 1158-100 Congress second session (1988), it shall be enforced only to the extent that such enforcement is not inconsistent with such act.

d. No transfer, sale, gift, lease, assignment or grant of any lot or living unit shall be made by any Unit owner or any subsequent prospective purchaser or lessee until the existing owner who desires to transfer makes full disclosure to the Board in writing, of the name and address of the prospective purchaser or lessee, together with evidence that said prospective purchaser or lessee meets all qualifications set forth herein. Said owner intends to sell, transfer, give, lease, assign any unit, shall, before entering into any binding agreement for such with any prospective purchaser, grantee, lessee or assignee, submit the evidence in writing as aforesaid to the Board and such owner shall not execute said agreement without first obtaining the written consent of the Board, which approval cannot be unreasonably withheld. The Board must act within ten (10) days of the owner's submission to the Board. In the event Board does not act within the time set forth hereinabove, the Board will be deemed to have consented. In the event the Board withholds consent, the Board shall set forth the reasons for its denial in writing and present the same to the owner at the time the owner is informed of the Board's decision. If the owner is dissatisfied with the Board's decision, the owner may request a hearing before the Board, with or without legal counsel present, which hearing will be



insurance policy covering the Property and to provide such Permitted Mortgagee with a Certificate of Insurance showing that the Permitted Mortgagee's name has been so added. The lien of any purported mortgage, which does not comply with all the requirements of this Article IX, shall not attach to or affect the Property or any part thereof or interest therein and shall be of no force and effect as and to the extent that it purports to relate thereto. The Secretary shall maintain a register of such Permitted Mortgages, showing the names and addresses of the Permitted Mortgagees and the amount secured thereby.

## **ARTICLE X LEASING**

**Section 10.1 Leasing.** A Unit Owner may lease or sublease his Unit (but not less than his entire Unit) at any time and from time to time provided that (except for a lease or sublease made by (i) Declarant or (ii) a Permitted Mortgagee which is either in possession or is a purchaser at judicial sale): (1) no Unit may be leased or subleased for transient or hotel purposes or for an initial term of less than one (1) year; (2) no Unit may be leased or subleased without a written lease or sublease; (3) a copy of such lease or sublease shall be furnished to the Executive Board within ten (10) days after execution thereof; and (4) the rights of any lessee or sublessee of the Unit shall be subject to, and each such lessee or sublessee shall be bound by, the covenants, conditions and restrictions set forth in the Declaration, Bylaws and Rules and Regulations, and a default thereunder shall constitute a default under the lease or sublease; provided, however, that the foregoing shall not impose any direct liability on any lessee or sublessee of a Unit to pay any Common Expense assessments on behalf of the Owner of that Unit.

## **ARTICLE XI BUDGETS; COMMON EXPENSES; ASSESSMENTS AND ENFORCEMENT**

**Section 11.1 Monthly Payments.** All Common Expense assessments made in order to meet the requirements of the Association's annual budget shall be payable in equal monthly installments in advance on the first day of each month. Special assessments shall be due and payable in one or more monthly payments, in advance, on the first day of each month, as determined by the Executive Board.

**Section 11.2 Subordination of Certain Charges.** Any fees, charges, late charges, fines and interest which may be levied by the Executive Board pursuant to Sections 3302(a)(10), (11) and (12) of the Act, shall be subordinate to the lien of a Permitted Mortgage on a Unit.

**Section 11.3 Surplus.** The budget of the Association shall segregate Limited Common Expenses from General Common Expenses except as provided for in Section 2.3.. Any amounts accumulated from assessments for Limited Common Expenses and income from the operation of Limited Common Elements to which such Limited Common Expenses pertain in excess of the amount required for actual Limited Common Expenses shall be held by the Association as reserves for future Limited Common Expenses. Any amounts accumulated from assessments for General Common Expenses and income from the operation of the Common Elements to which such General Common Expenses pertain in excess of the amount required for actual General Common Expenses shall be held by the Association as reserves for future General Common Expenses.

**Section 11.4 Assignment of Income Rights.** The Association may assign its rights to future income, including payments made on account of assessments for General Common Expenses and Limited Common Expenses, to secure any loan obtained by the Association for

repairs, replacements or capital improvements to the Common Elements, provided that any such assignment is authorized by the vote of not less than 75% of the members of the Executive Board.

## ARTICLE XII RIGHTS OF PERMITTED MORTGAGEES

**Section 12.1 Reports and Notices.** Upon the specific written request of a holder of a mortgage on a Unit or its servicer to the Executive Board, the mortgagee shall be entitled to receive some or all of the following as designated in the request:

- a. Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Executive Board to the Owner of the Unit covered by the mortgage;
- b. Any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Unit Owners;
- c. Copies of notices of meetings of the Unit Owners and the right to designate a representative to attend such meetings;
- d. Notice of the decision of the Unit Owners to make any material amendment to this Declaration;
- e. Notice of substantial damage to or destruction of any Unit (the repair of which would cost in excess of \$1,000) or any part of the Common Elements (the repair of which would cost in excess of \$10,000);
- f. Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Property;
- g. Notice of any default by the owner of the Unit which is subject to the mortgage, where such default is not cured by the Unit Owner within thirty (30) days after the giving of notice by the Association to the Unit Owner of the existence of the default;
- h. The right to examine the books and records of the Executive Board at any reasonable time; or
- i. Notice of any decision by the Executive Board to terminate professional management and assume self-management of the Property.

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

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

**ARTICLE XIII  
DECLARANT'S RIGHTS**

**Section 13.1. Control.**

(a) Until the 60<sup>th</sup> day after conveyance of 25% of the Units to Unit Owners other than Declarant, Declarant shall have the right to appoint and remove any and all officers and members of the Executive Board. Declarant may not unilaterally remove any members of the Executive Board elected by Unit Owners other than Declarant.

(b) Not later than 60 days after conveyance of 25% of the Units to Unit Owners other than Declarant, one of the three members of the Executive Board shall be elected by Unit Owners other than Declarant.

(c) Not later than the earlier of (i) seven years after the date of the recording of this Declaration, or (ii) 180 days after 75% of the Units which may be constructed on the Property have been conveyed to Unit Owners other than Declarant, all members of the Executive Board shall resign, and the Unit Owners (including Declarant to the extent of Units owned by Declarant) shall elect a new five member Executive Board.

(d) In the event that the Chestnut Grove II Condominium Association is merged with Chestnut Grove Condominium Association, as provided for in Article XV, then Declarant shall relinquish the Declarant's rights in Section XIII(a) and (b).

**ARTICLE XIV  
LIMITATION OF LIABILITY**

**Section 14.1 Standard of Conduct.**

(a) In the performance of their duties, the officers and members of the Executive Board shall stand in a fiduciary relation to the Association and shall perform their duties, including duties as members of any committee of the Board upon which they may serve, in good faith, in a manner they reasonably believe to be in the best interests of the Association and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

(b) In discharging the duties of their respective positions, the Executive Board members and officers may, in considering the best interests of the Association, consider the effects of any action upon employees and upon suppliers of the Association and upon communities in which the Condominium is located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of the standards described above.

(c) Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as an Executive Board member or officer or any failure to take any action shall be presumed to be in the best interest of the Association.

**Section 14.2 Good Faith Reliance.** In performing his duties, an officer or Executive Board member shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(a) One or more other officers or employees of the Association whom the officer of Executive Board member reasonably believes to be reliable and competent in the matters presented.

(b) Counsel, public accountants or other persons as to matters which the officer or Executive Board member reasonably believes to be within the professional or expert competence of such person.

(c) A committee of the Executive Board upon which he does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the officer or Executive Board member reasonably believes to merit confidence.

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

**Section 14.3 Limited Liability.** No Executive Board member or officer, in his capacity as such, shall be personally liable for monetary damages for any action taken, or any failure to take any action, unless he has breached or failed to perform the duties of his office under the standards described above; provided, however, that the provisions of this Section 15.3 shall not apply to the responsibility or liability of an Executive Board member or officer pursuant to any criminal statute, or to the liability of an Executive Board member or officer for the payment of taxes pursuant to local, state, or federal law.

**Section 14.4 Indemnification.** To the extent permitted under Pennsylvania law, each member of the Executive Board, in his capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is adjudged to be in breach of the standards of conduct described above; provided that, in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining if he is then an Executive Board member) approves such settlement and reimbursement as being in the best interests of the Association; and provided further that, indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Executive Board member and/or officer had no reasonable cause to believe his conduct was unlawful. The indemnification by the Unit Owners set forth in this Section 15.4 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

To the extent permissible under Pennsylvania law, expenses incurred by an Executive Board member or officer in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon the request of the Executive Board member or officer, after the Association has received an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Association.



Section 14.5 D & O Insurance. The Executive Board shall obtain insurance to satisfy the indemnification obligation of the Association and all Unit Owners set forth in Section 15.2 above, if and to the extent available at reasonable cost.

#### ARTICLE XV MERGER AND CONSOLIDATION

Section 15.1 Reservation. Declarant hereby explicitly reserves an option, until the seventh (7<sup>th</sup>) anniversary of recording of this Declaration, to cause the Association to merge or consolidate with Chestnut Grove Condominium Association pursuant to Section 3223 of the Act.

The maximum number of Units in Chestnut Grove Condominium is 64 Units. The Buildings to be constructed with the Chestnut Grove Condominium and the Units within the Buildings will be comparable in quantity, size, materials and architectural style with the buildings in the Condominium. All restrictions in this Declaration affecting use, occupancy and alienation of Units shall apply to units created within those Condominiums. The Limited Common Elements to be created will be of the same general types and sizes as those within the Condominium.

The foregoing assurances shall apply only in the event the merger or consolidation takes place.

Upon such merger or consolidation, the Percentage Interests at the time the merger or consolidation is effectuated will be decreased by reallocating all Percentage Interests in accordance with the original methods used under Section 2.1. There will be no other provisions in the agreement of merger which will materially change any rights, obligations or liabilities of the Unit Owners.

*[The remainder of this page has intentionally been left blank.]*

IN WITNESS WHEREOF, the said parties have caused their names to be signed on this  
2nd day of April, 2012. 3

ATTEST:

E & E CHESTNUT DEVELOPERS LLC

Karen D. McClanahan BY [Signature]  
Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

COMMONWEALTH OF PENNSYLVANIA

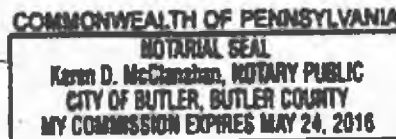
:  
: S.S.  
:

COUNTY OF

On this the 2nd day of April, 2012<sup>3</sup>, before me, a Notary Public,  
the undersigned officer, personally appeared Edward J Ethel known to me (or  
satisfactorily proven) to be the Manager of E & E CHESTNUT DEVELOPERS  
LLC and as such manager, being authorized to do so, acknowledged that he  
executed the foregoing instrument for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

Karen D. McClanahan  
Notary Public  
My Commission Expires





**EXHIBIT A**

**SUBMITTED REAL ESTATE**

**ALL THAT CERTAIN** lot or piece of ground situate in the Township of Franklin, County of Butler, Commonwealth of Pennsylvania, as shown on the Plats and Plans recorded at Plan Book Volume \_\_\_\_\_. Page \_\_\_\_\_.

**EXHIBIT "B"**

**SCHEDULE OF UNIT IDENTIFYING NUMBERS  
AND PERCENTAGE RENTS**

**Initial Condominium**

Unit	421	25%
Unit	422	25%
Unit	423	25%
Unit	424	25%

Percentage Interest will be recalculated upon additional units being created in the Convertible Real Estate by dividing 100 by the number of units. At full build-out, the percentage would be:

Unit	231	8.333%	Unit	241	8.333%
Unit	232	8.333%	Unit	242	8.333%
Unit	233	8.333%	Unit	243	8.333%
Unit	234	8.333%	Unit	244	8.333%
Unit	421	8.333%	Unit	471	8.333%
Unit	422	8.333%	Unit	472	8.333%
Unit	423	8.333%	Unit	473	8.333%
Unit	424	8.333%	Unit	474	8.333%
Unit	431	8.333%	Unit	481	8.333%
Unit	432	8.333%	Unit	482	8.333%
Unit	433	8.333%	Unit	483	8.333%
Unit	434	8.333%	Unit	484	8.333%
Unit	441	8.333%	Unit	491	8.333%
Unit	442	8.333%	Unit	492	8.333%
Unit	443	8.333%	Unit	493	8.333%
Unit	444	8.333%	Unit	494	8.333%
Unit	451	8.333%	Unit	501	8.333%
Unit	452	8.333%	Unit	502	8.333%
Unit	453	8.333%	Unit	503	8.333%
Unit	454	8.333%	Unit	504	8.333%
Unit	461	8.333%	Unit	511	8.333%
Unit	462	8.333%	Unit	512	8.333%
Unit	463	8.333%	Unit	513	8.333%
Unit	464	8.333%	Unit	514	8.333%

**EXHIBIT "C"**

**INTENTIONALLY OMITTED**







EXHIBIT "F"

**PLATS AND PLANS**

Shown on Plat recorded at Plan Book Volume \_\_\_\_\_, Page \_\_\_\_\_