



Homeowners Association

October 4, 2005

Dear Resident,

The Main Street Homeowners Association Board of Directors voted to implement a Capital Improvement Fee which will become effective January 1, 2006. This fee will be imposed in accordance with Section §5302 (a) (12) of the Pennsylvania Uniform Planned Community Act ("UPCA"). In accordance with the UPCA, all proceeds from the fee will be used solely for Association Restricted purposes. This fee is not defined in our Declaration, but is an additional fee authorized by the Act.

The Capital Improvement Fee will be imposed and collected at the time of resale or transfer of a unit. The buyer will most likely pay the fee; however, as with all real estate transactions, it may be negotiated between the parties. The Capital Improvement Fee will not be imposed on any gratuitous transfer of a unit between the following family members: spouses, siblings, parent and child or grandparent and grandchild.

The Capital Improvement Fee will be \$300.00 upon resale or transfer of a unit. Accordingly, any resale or transfer of a unit that occurs on or after January 1, 2006, will be imposed the Capital Improvement Fee and said fee will be collected at time of settlement.

If you currently have your unit for sale, please advise your real estate agent, title insurance company and/or buyer of the Capital Improvement Fee. For all owners that do not currently have their unit for sale, please keep this letter with your important records in the event you sell your unit in the future.

Sincerely,

The Board of Directors of the
Main Street Homeowners Association

one or more planned communities or other incorporated or unincorporated associations.

(b) Restrictions on limitations in declaration.—Notwithstanding subsection (a), the declaration may not impose limitations on the power of the association to deal with declarants which are more restrictive than the limitations imposed on the power of the association to deal with other persons. Any exercise of a power under subsection (a)(7), (8) or (9) which would materially impair quiet enjoyment of a unit shall require the prior written approval of the owner of that unit.

(Nov. 30, 2004, P.L.1486, No.189, eff. 60 days)

2004 Amendment. Act 189 amended subsec. (a)(4), (6), (8), (12) and (17).

Cross References. Section 5302 is referred to in sections 5102, 5222, 5315 of this title.

§ 5303. Executive board members and officers.

(a) Powers and fiduciary status.—Except as provided in the declaration, in the bylaws, in subsection (b) or in other provisions of this subpart, the executive board may act in all instances on behalf of the association. 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 care, including reasonable inquiry, skill and diligence as a person of ordinary prudence would use under similar circumstances. In managing the association's reserve funds, the officers and members of the executive board shall have the power to invest the association's reserve funds in investments permissible by law for the investment of trust funds and shall be governed in the management of the association's reserve funds by 20 Pa.C.S. § 7203 (relating to prudent investor rule). In performing any 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:

- (1) One or more other officers or employees of the association whom the officer or executive board member reasonably believes to be reliable and competent in the matters presented.
- (2) 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 that person.
- (3) A committee of the executive board upon which the officer or executive board member does not serve, 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. The executive board and its members shall have no liability for exercising these powers provided they are exercised in good

faith, in the best interest of the association and with care in the manner set forth in this section.

(b) Limitation on authority.—The executive board may not act on behalf of the association to amend the declaration under section 5219 (relating to amendment of declaration), to terminate the planned community under section 5220 (relating to termination of planned community) or to elect members of the executive board or determine the qualifications, powers and duties or terms of office of executive board members under subsection (e), but the executive board may fill vacancies in its membership for the unexpired portion of any term. The executive board shall deliver to all unit owners copies of each budget approved by the executive board and notice of any capital expenditure approved by the executive board promptly after such approval. In addition to other rights conferred by the declaration, bylaws or this subpart, the unit owners, by majority or any larger vote specified in the declaration, may reject any budget or capital expenditure approved by the executive board within 30 days after approval.

(c) Status during period of declarant control.—

(1) Subject to subsection (d), the declaration may provide for a period of declarant control of the association during which a declarant or persons designated by the declarant may appoint and remove the officers and members of the executive board.

(2) Any period of declarant control extends from the date of the first conveyance of a unit to a person other than a declarant for a period of not more than:

- (i) seven years in the case of a flexible planned community containing convertible real estate or to which additional real estate may be added; and
- (ii) five years in the case of any other planned community.

(3) Regardless of the period provided in the declaration, a period of declarant control terminates no later than the earlier of:

- (i) sixty days after conveyance of 75% of the units which may be created to unit owners other than a declarant;
- (ii) two years after all declarants have ceased to offer units for sale in the ordinary course of business; or
- (iii) two years after any development right to add new units was last exercised.

(4) A declarant may voluntarily surrender the right to appoint and remove officers and members of the executive board before termination of that period. In that event the declarant may require, for the duration of the period of declarant control, that specified actions of the association or executive board, as described in a recorded instrument executed by the declarant, be approved by the declarant before they become effective.

(d) Election of members during transfer of declarant control.—Not later than 60 days after conveyance of 25% of the units which may be created to unit owners other than a declarant, at least one member and not less than 25% of the