

ST. DAVIDS PARK CONDOMINIUM ASSOCIATION
DECLARATION OF BYLAWS

THE UNDERSIGNED, CONSTITUTING ALL OF THE MEMBERS OF THE ST. DAVIDS PARK CONDOMINIUM ASSOCIATION, AN INCORPORATED ASSOCIATION ("THE ASSOCIATION") COMPRIZED OF THE OWNERS OF ALL UNITS IN ST. DAVIDS PARK CONDOMINTIUM, CREATED PURSUANT TO A DECLARATION OF CONDOMINTUM RECORDED OR INTENDED TO BE RECORDED IN THE DELAWARE COUNTY, PENNSYLVANIA RECORDER OF DEEDS OFFICE (THE "DECLARATION"), HEREBY ADOPT THE FOLLOWING AS THE BYLAWS OF THE ASSOCIATION:

ARTICLE I

GENERAL PROVISIONS

1. DEFINITIONS. All of the defined terms herein shall, unless specifically defined herein, have the same meanings as are set forth in the Pennsylvania Uniform Condominium Act, Act of July 2, 1980 (Act No. 32 of 1980, 68 P.S. Sections 3101, et seq) (hereinafter referred to as the "Act") which Act is hereby incorporated herein by reference.

2. ADMINISTRATION OF THE PROPERTY. The administration of the Property and the operation, regulation and management of the Association shall be governed by these Bylaws, as the same may from time to time be amended pursuant to the Act and the provisions hereof which shall constitute the governing regulations for the regulation and management of the Property and the Association.

3. PERSONS BOUND. All present and future owners, mortgagees, lessees and occupants of the Units and the Common Elements, and their agents and employees, and any other person or entity who or which may use the facilities of the Property, are subject to and bound by the provisions of the Declaration, the Declaration Plan ("Plan") these Bylaws and the Rules in force pursuant to Section 4 of this Article I, (collectively referred to herein as the "Condominium Documents", as each of the foregoing may be amended from time to time, and the deeds of such Units, and the acceptance of a deed, mortgage or other conveyance relating to any Unit, or the entering into a lease relating a Unit, or the act of such occupancy or use of such facilities of the Property, shall constitute an agreement to be subject to the Condominium Documents and to be so bound and as an acceptance and ratification of the Condominium Documents then in effect and of the provisions of any such deed to such Unit. Notwithstanding anything to the contrary contained herein, no obligation shall be imposed on any mortgagee unless such obligation is expressly and lawfully imposed on a mortgagee by the Act, the Declaration and Corrective Amendment thereto, the Amended Declaration Plan or to the Bylaws.

4. RULES AND REGULATIONS. The Executive Board may from time to time promulgate "Rules and Regulations" governing the details of the use and operations of the Property, the Common Elements and the Units. The Executive Board may amend such rules and regulations from time to time. The foregoing powers of the Executive Board are subject to the right of the Majority of Unit Owners, by a resolution duly adopted at any meeting of the Unit Owners to change such Rules and Regulations. Copies of any such amendments or changes shall in each case be promptly furnished to the Executive Board to each Unit Owner. Without limiting the foregoing, the Executive Board shall have the power to promulgate reasonable Rules and Regulations, governing the use of the garage and governing the ownership and enjoyment of pets on the Property, which Rules and Regulations may require the registration of all pets and the payment of a reasonable fee to cover additional maintenance costs incurred by the Executive Board on account of such pets, and Rules and Regulations governing the decoration of Limited Common Elements.

5. Office. The Executive Board shall maintain an office at the Property or at such other place in the vicinity of the Property as the Executive Board may determine. All costs related to the maintenance of such office shall be Common Expenses.

ARTICLE II

UNIT OWNERS

1. MEMBERSHIP IN THE ASSOCIATION OF UNIT OWNERS. The association shall commence operation upon the effective date of the Declaration. Every person who acquires title to a Unit shall automatically become a member of the Association and shall continue to be a member of the Association at all times that he has legal title to such Unit. Membership in the Association is an incident of ownership of a Unit and may not be resigned, terminated or transferred other than by transfer of title to the Unit to which such membership is appurtenant. Transfer of title to a Unit shall automatically constitute transfer of membership in the Association, but the Association may treat the transferor Unit Owner as the membership of the Association for all purposes hereunder until the Association or the Executive Board has actual notice of the execution and delivery of a deed by the transferor to the transferee.

2. ANNUAL MEETING OF UNIT OWNERS. The first annual meeting of the Unit Owners shall be called by the President of the Executive Board promptly following the earlier of (i) the date at which title to 75 percent in number of the Units shall have been conveyed by Declarant to persons other than the Declarant, (ii) five (5) years after the effective date of these Bylaws, or (iii) such earlier date designated by the Declarant. The Secretary shall thereupon give at least thirty (30) days written notice thereof to all Unit Owners, and such meeting shall be held within ninety (90) days after the earlier of the dates specified in the preceding sentence, on the date specified in such notice.

Thereafter annual meetings shall be called by the President and held on the first day of March in each year if a business day, and if not, then on the next succeeding business day. At such annual meetings the Unit Owners shall elect by ballot members of the Executive Board, pursuant to and subject to the limitations of Section 4 of Article III, and may transact such other business as may properly come before the meeting.

3. SPECIAL MEETINGS OF THE UNIT OWNERS. After the first annual meeting shall have been held, the President shall promptly call a special meeting of the Unit Owners when so directed by a resolution of the Executive Board or by a petition signed by Unit Owners having percentage Interests aggregating 25 percent or more, specifying in each case the purpose of such special meeting. Meetings so requested shall be held not later than forty-five (45) days or earlier than twenty (20) days after such request is received. No business shall be transacted at such special meeting other than as specified in the notice thereof

4. NOTICE OF MEETING OF THE UNIT OWNERS. The Secretary shall (except as provided in Section 2 of Article X) give notice of each annual and each special meeting of the Unit Owners to the Unit Owners in accordance with the provisions of Section 2 of Article XII, at least ten (10) and not more than thirty (30) days prior to the meeting date. The notice shall specify the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws which is to be considered at such meeting.

5. PLACE OF MEETING. Meetings of the Unit Owners shall be held at the Property or at such other suitable place in the vicinity of the Property convenient to the Unit Owners as may be specified by the Executive Board in the notice thereof

6. VOTING. At any meeting of the Unit Owners, each Unit Owner shall have the same number of votes as the percentages of ownership in the Common Elements appurtenant to his Unit, as set forth in the Declaration, (disregarding decimal points), for an aggregate of 10,000,000 votes. The persons or entities from time to time entitled to exercise the voting rights appurtenant to the Units shall be those shown at the time of reference on a voting list to be continuously maintained by the Secretary, which list shall be closed for each meeting at the close of business on the business day next preceding the meeting date. The list shall reflect the Percentage Interests (as the same may from time to time be adjusted pursuant to Section 2 of Article X) appurtenant to and the owners of record of each Unit, except in the cases where the purchaser of a Unit exhibits to the Secretary a fully executed agreement of sale in which the right to vote pending settlement is placed in the purchaser, in which case the purchaser shall be known as the Unit Owner entitled to vote.

7. PROXIES. Unit Owners may cast their votes at all meetings either in person or by proxy. Proxies may be given only to another Unit Owner, or the Declarant and shall be in writing and dated, shall be delivered to the Secretary prior to the appointed time of the meeting and shall be revocable at any time only by the grantor of such proxy and only by written notice received by the Secretary or by actual notice of revocation received by the person presiding over a meeting of Unit Owners. Unless an earlier date is specified in the proxy, a proxy shall terminate automatically one year after its date.

8. FORM AND OWNERSHIP. In cases where a partnership, corporation or association is, or more than one fiduciary or tenants-in-common, joint tenants or tenants in the entireties are, the Unit Owner, such Unit Owner shall designate one or more partner, corporate officer, associate, fiduciary or co-owner as those entitled to exercise the voting rights appurtenant to the Unit, which designation shall be reflected on such voting list and shall be controlling until canceled or superseded by such Unit Owner. If only one co-owner of Unit which is subject to multiple ownership is present or represented by proxy at any meeting of the Association, such co-owner or the holder of his proxy shall be entitled to cast at such meeting all votes appurtenant to such Unit. All of the votes allocated to a Unit must be voted unanimously and if the owners of a Unit or the designees of the owners of a Unit are unable to agree upon how such votes shall be cast on a particular question, such votes may not be cast and the owners of such Unit shall be deemed to be present at such meeting for the purposes of determining the presence of a quorum only, but for the purposes of determining the result of the vote on such question shall not be deemed to be present or voting at the meeting. If any proposal being voted upon by the Association requires the unanimous consent of the Unit Owners, all votes not voted pursuant to the preceding sentence shall be deemed to have been voted in favor of such proposal. Where a Unit is held in a fiduciary capacity, the fiduciary rather than the beneficiary shall be entitled to exercise the appurtenant voting rights. The voting list shall be kept at the Property and may be inspected during regular business hours by any Unit Owner or purchaser, and shall be produced and kept open to like inspection throughout each meeting of the Unit Owners.

9. QUORUM. The presence at a meeting in person or by proxy of the owners of one-half (1/2) in number of all Units shall constitute the presence of a quorum. If less than a quorum is present at any meeting, a majority of such Unit Owners present in person or by proxy may adjourn the meeting, in which event notice of the adjourned shall be given in the manner provided in Section 4 of this Article II. If a quorum is not present at such adjourned meeting, the Unit Owners may adjourn the meeting a second time, and the notice of a third meeting shall be given aforesaid. At such third meeting of subsequent adjourned meeting, the Unit Owners present in person or by proxy, entitled to cast, in the aggregate, at least ten percent (10%) of the votes shall automatically constitute a quorum.

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10. ACTS OF THE ASSOCIATION. Except as otherwise required by the Act, the Declaration or these By-laws, acts of the Association shall require the affirmative vote, at a meeting at which a quorum is present, of more than one-half of all votes entitled to be cast at such meeting.

11. POWERS OF THE ASSOCIATION. The Unit Owners Association shall have all of the powers set forth in Section 3302 of the Act.

ARTICLE III

THE EXECUTIVE BOARD

1. NUMBER AND QUALIFICATION. The business, operation and affairs of the Property and of the Association shall be managed on behalf of the Unit Owners by a board of five (5) natural individuals, all of whom are residents of Pennsylvania who have attained legal majority and at least four (4) of whom are Unit Owners, in compliance with and subject to the Act, the Declaration and these Bylaws. Such board is herein and in the Declaration called the "Executive Board". Notwithstanding the foregoing, however until the first annual meeting of Unit Owners is held, the members of the Executive Board shall not be required to be Unit Owners.

2. POWERS AND DUTIES. Subject to the limitations and restrictions contained in Section 3302 (b) of the Act in the Declaration or herein, the Executive Board shall on behalf of the Unit Owners have all powers and duties necessary to administer and manage the business, operation and affairs of the Property and of the Association. Such powers and duties of the Executive Board include, but are not limited to the following:

- a) The operation, maintenance, repair, improvement and replacement of the Common Elements;
- b) The determination of the Common Expenses, and Limited Common Expenses (including garage expenses) ;
- c) The collection, assessment and payment of the Common Expenses and Limited Common Expenses (including garage expenses)
- d) The promulgation distribution and enforcement of the Rules and Regulations, subject to the provisions of Section 4 of Article I of these Bylaws;

- e) The power to engage and dismiss employees and to appoint and dismiss agents (including a professional managing agent) which the Executive Board deems necessary for the management of the business, operation and affairs of the Property and of the Association; to define their duties and fix their compensation, and to delegate such powers and duties of the Executive Board as it shall authorize and direct.
- f) The power to enter into and perform under contracts and any amendments hereto or replacements thereof, deeds, leases and other written instruments or documents on behalf of the Association and to authorize the execution and delivery thereof by its officers or assistant officers;
- g) The opening and maintaining of bank accounts on behalf of the Association and designating the signatures therefor;
- h) The power to purchase, hold, sell, convey, mortgage of lease any one or more Units on behalf of the Association or its designee pursuant to the Act or these Bylaws.
- i) To bring, prosecute, defend and settle litigation for and against itself, the Association and the Property, and to pay any adverse judgment entered therein, provided that it shall make no settlement which results in a liability against the Executive Board, the Association or the Property in excess of \$10,000 without the prior approval of a Majority of Unit Owners.
- j) The obtaining of insurance pursuant to the Act or the Declaration.
- k) To repair and restore the Property following damage or destruction or a permanent taking by the power or a power in the nature of eminent domain or by an action or deed in lieu of condemnation, as provided herein;
- l) To own, purchase, lease, hold and sell or otherwise dispose of, on behalf of the Unit Owners, items of personal property necessary to or convenient in the management of the business and affairs of the Association and the Executive [Board?] and in the-operation and management of the Property, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies;
- m) To keep adequate books and records as required by the Act or these Bylaws and to deliver to purchasers of Units (other than to those persons who purchase Units from the Declarant) the certificate required by Section 3407 of the Act, for the preparation of which certificates the Executive Board may charge a reasonable, uniform fee.

- n) The power to borrow money on the credit of the Association to obtain funds for any expenditure which shall be made by the Executive Board or Association.
- o) All powers granted to the Executive Board pursuant to Section 3303 of the Act.

The Executive Board may appoint various committees composed of members of the Executive Board and/or Unit Owners to make recommendations to the Executive Board with respect to the exercise of powers and duties conferred upon the Executive Board by the Act, the Declaration or these Bylaws.

The Executive Board shall employ a professional managing agent at a compensation from time to time established by the Executive Board, to perform such duties and services as the Executive Board shall authorize and direct. The Executive Board shall enter into a written agreement with the managing agent with respect to his duties, responsibilities and compensation. Each such agreement shall (i) be for an initial term of not longer than one (1) year, (ii) be renewable by the parties for renewal terms of not longer than one (1) year each, (iii) be terminable by the Executive Board for cause (and without payment of any termination fee) upon thirty (30) days written notice and (iv) terminable by either party without cause (and without payment of any termination fee) upon ninety (90) days or less written notice, but any change in the managing agent or amendment to this paragraph for the purpose of allowing the Association to engage in self-management of the Property must have the consent of the holders of all permitted Mortgagees.

3. FIRST MEMBERS OF THE EXECUTIVE BOARD.

- a) The members of the "First Executive Board" shall be those persons designated by the Declarant. Except as set forth in Paragraph (b) below, the members of the First Executive Board, or their respective successors, if any, from time to time designated by Declarant shall serve until the first annual meeting of Unit Owners.
- b) The President shall call a special meeting of the Unit Owners to be held not later than sixty (60) days after the title of 25 percent in number of the Units have been conveyed to persons other than Declarant, at which time the Unit Owners other than Declarant shall elect two (2) Unit Owners as members of the Executive Board, who shall serve until the first annual meeting of the Association and who shall replace two members previously appointed by Declarant. If any such elected member shall resign, be removed, die, become incapacitated or shall no longer be a Unit Owner, the vacancy on the Executive Board thus created shall be filled by a vote of Unit Owners other than Declarant at a special meeting of the Unit Owners to be held within forty-five (45) days after such vacancy occurs.

4. ELECTION AND TERM OF OFFICE. At the first annual meeting of Unit Owners the members of the Executive Board appointed by Declarant shall resign and the Unit Owners (including Declarant) shall elect five (5) persons to serve on the Executive Board, who shall be elected to serve until their respective successors are elected. Nominations for the Executive Board may be made from the floor at the annual meeting of Unit Owners or at any special meeting held for that purpose. At the first annual meeting, the nominees receiving the three highest number of votes shall be elected to serve a two year term and the next two highest vote recipients shall be elected to serve a one year term. At each subsequent annual meeting, elections shall be held to fill the vacancies on the Executive Board caused by the current expiration of the terms of office of members of the Executive Board, and all persons so elected shall be elected for two year terms. If at any annual meeting more persons are nominated to serve on the Executive Board than there are positions to be filled, each Unit Owner shall be entitled to vote for no more candidates than the number of positions to be filled (but such voting shall be noncumulative) and the candidates receiving the highest number of votes shall be declared elected. If only five persons are nominated to serve on the Executive Board at the first annual meeting, the length of term of the persons so nominated and elected (three for two years and two for one year) shall be determined by lot.

Until the first annual meeting of Unit Owners, the number of members of the Executive Board shall not be changed. The members of the Executive Board designated by the Declarant shall have the same rights and duties as any elected member of the Executive Board, including the right to hold office.

5. REMOVAL OF MEMBERS OF THE EXECUTIVE BOARD. At any regular or special meeting of Unit Owners, any one or more of the members of the Executive Board (other than members designated by the Declarant under Paragraph 3 (a) of this Article III, who may be removed and replaced by the Declarant at any time and from time to time) may be removed with or without cause by the affirmative vote of Unit Owners (other than the Declarant) entitled to vote more than 50% of the votes allocable to Units owned by persons other than the Declarant, and a successor may then or thereafter be elected by a Majority of Unit Owners to fill the balance of the term of the members of Executive Board so removed. Any member of the Executive Board whose removal has been proposed by any Unit Owner shall be given an opportunity to be heard at the meeting.

6. VACANCIES. Vacancies in the Executive Board (other than vacancies occurring prior to the first annual meeting of Unit Owners, which shall be filled in accordance with Paragraphs 3(a) or 3(b) of this Article III, as applicable) caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by a vote of a majority of the remaining members of the Executive Board, even though less than a quorum, promptly after the occurrence thereof, and each person so elected shall be a member of the Executive Board for the remainder of the term so filled.

7. ORGANIZATION MEETING OF THE EXECUTIVE BOARD. Subject to the provisions of Section 3 hereof an organization meeting of the Executive Board shall be called by the President and held within ten (10) business days following each annual meeting of the Unit Owners, at such time and place as the newly elected members of the Executive Board shall determine, for the purposes of organization, election of officers and such other business as may be brought before the meeting.

8. MEETINGS OF THE EXECUTIVE BOARD. Regular meetings of the Executive Board shall be called by the President, and special meetings of the Executive Board may be called by the President or by two or more members of the Executive Board, and held on notice by letter or telegram, mailed, or delivered not later than three days prior to the meeting date, specifying the time, place and purposes of the meeting. No business may be transacted at a special meeting called by members of the Executive Board other than as specified in the notice thereof unless all members attend or waive notice, but at regular meetings called by the President, the Executive Board may transact all business within the authority of the Executive Board. The president shall call no fewer than three regular meetings of the Executive Board during the period between the organizational meeting of the Executive Board and the next annual meeting of the Association, unless each member of the Executive Board waives in writing the requirement to hold a particular meeting. One such meeting of the Executive Board shall be held during the month of December for the purpose of adopting a budget for the following calendar year, which meeting may not be waived by members of the Executive Board.

9. PLACE OF MEETINGS. Meetings of the Executive Board shall be held at the Property or at such other place in the vicinity of the Property as the Executive Board may specify

10. WAIVER OF NOTICE. Any notice of any meeting of the Executive Board may be waived by any member thereof in writing prior to, at, or subsequent to the meeting, and attendance at the meeting shall constitute a waiver of notice thereof.

11. Effect of Presence at Meetings of the Executive Board. Any member of the Executive Board present at any meeting thereof shall be deemed to have assented to any action taken thereat unless his dissent is entered on the minutes thereof or unless he shall file his written dissent with the Secretary at or immediately following the adjournment thereof provided that no member may so dissent from any action for which he voted at the meeting.

12. QUORUM. A majority of the members in office shall constitute a quorum at any meeting of the Executive Board, and the act of a majority of the members at a meeting at which a quorum is present at the beginning of such meeting shall be the acts of the Executive Board. If less than a quorum is present at the beginning of any meeting, a majority of those present may adjourn the meeting from time to time, and at any adjourned meeting at which a quorum is present any business may be transacted which could have been transacted at the meeting originally called without further notice.

13. ACTION BY WRITTEN CONSENT. The members of the Executive Board may act by unanimous written consent in lieu of a meeting.

14. PARTICIPATION IN MEETINGS BY COMMUNICATIONS EQUIPMENT. One or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting of the Executive Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

15. COMPENSATION OF MEMBERS OF THE EXECUTIVE BOARD. No member of the Executive Board shall be compensated for acting as such, unless such compensation shall be approved in advance by a Majority of Unit Owners.

16. ATTENDANCE BY UNIT OWNERS. Unit Owners who are not members of the Executive Board shall have the right to receive notice of and to attend meetings of the Executive Board. The Secretary shall give Unit Owners notice, once each year, of the scheduled time and place of all proposed regular meetings of the Executive Board, including the annual budget meeting of the Executive Board. The Secretary shall post, at least 48 hours in advance, notice of the time and place for each special meeting of the Executive Board, in a conspicuous location within the Condominium Office. At each such meeting, the attending Unit Owners shall have the right to speak, but not the right to vote.

ARTICLE IV

OFFICERS

1. NUMBER AND QUALIFICATIONS. The officers of the Association and of the Executive Board shall include the President, Vice President, Treasurer and Secretary, and may include such other assistant officers as the Executive Board may from time to time determine. No two or more of the offices of President, Vice President, Treasurer or Secretary shall be filled concurrently by the same person. All officers and any assistant officers shall be chosen from among the members of the Executive Board.

2. **ELECTION, TERM AND REMOVAL.** The officers and any assistant officers shall be elected annually by the Executive Board at its organizational meeting, and shall serve until the next following organization meeting and until their successors are elected. Any officers may be removed at any time, with or without cause, by a majority in number of the members of the Executive Board. Any officer or assistant officer who resigns or is removed from the Executive Board shall be deemed to have simultaneously resigned as an officer or assistant officer.

3. **VACANCIES.** Any vacancy in any office by reason of death, resignation, removal or otherwise, shall be promptly filled by the Executive Board, the successor to serve the balance of the term so filled.

4. **ASSISTANT OFFICERS.** The Executive Board may from time to time appoint one or more assistant officers who shall serve at the pleasure of the Executive Board.

5. **PRESIDENT.** The President shall be the chief executive officer of the Association. He shall preside at all meetings of Unit Owners and of the Executive Board at which he is present and shall have all powers and duties customarily vested in chief executive officers, including the power to execute, acknowledge and deliver instruments on behalf of the Executive Board and the Association.

6. **VICE PRESIDENT.** The Vice President shall exercise the powers and duties of the President, in his absence or incapacity to act, and such other duties as the Executive Board or the President may impose.

7. **TREASURER.** The Treasurer shall be the chief financial officer of the Association. He shall have charge and custody of the funds of the Association. The Treasurer shall keep detailed books and records of all assets, liabilities, receipts and expenditures of the Executive Board and of the Association, including, without limitation, expenditures incurred, repair and replacement expenses of the Common Elements and any other expenses incurred. In accordance with the actions of the Executive Board assessing the Common Expenses, Limited Common Expenses (including Garage Expenses) against the appropriate Units and Unit Owners, he shall keep an accurate record of such assessments and of the payment thereof by each Unit Owner. He shall deposit the funds of the Association in its name in such depositories as the Executive Board may from time to time designate. He shall render to the Executive Board on request an accounting of all his transactions as Treasurer and of the financial condition of the Association and in general shall have the powers and duties customarily vested in chief financial officers. The Treasurer and any other employee or agent of the association of Unit Owners handling its funds shall furnish a bond, the cost of which shall be a Common Expense.

8. SECRETARY. The Secretary shall be responsible for giving any requisite notice to Unit Owners and to members of the Executive Board and for keeping the minutes of all meetings of the Association and of the Executive Board. He shall maintain records containing the calls, notices, waivers of notice and minutes of all meetings of the Association and of the Executive Board, all proxies to vote at meetings of the Association and all written consents of the Executive Board, and he shall maintain the voting list required by Section 6 of Article II, a list if all holders of first Mortgages and a list of all addresses submitted for notice purposes pursuant to the Declaration or these Bylaws. The Secretary shall be the custodian of all the books and records of the Association other than those whose custody is placed herein in the Treasurer and in general shall have the powers and duties customarily vested in Secretaries.

9. COMPENSATION OF THE OFFICERS. No officer or assistant officer of the Association shall be compensated for acting as such, unless such compensation shall be approved in advance by a Majority of Unit Owners. Expenses incurred by any officer or assistant officer shall be reimbursed, but any unusual expenses must be approved by the Executive Board.

10. EXECUTION OF INSTRUMENTS. No agreement, deed, lease or other instrument shall be binding upon the Association unless entered into on its behalf by the Executive Board and signed by two officers of the Association or by one officer and by one assistant officer or other person designated by the Executive Board, provided that one of the officers so signing must be either the President or Vice President, except that any certificate delivered pursuant to Section 3407 of the Act may be executed on behalf of the Association by any one of the officers.

The President or Vice President shall have the authority to prepare, execute, certify and record any duly adopted amendments to the Declaration on behalf of the Association provided, however, that the execution of such amendment shall be attested by either the Secretary or the Treasurer of the Association.

ARTICLE V

LIABILITY AND INDEMNIFICATION

1. LIABILITY OF MEMBERS OF THE EXECUTIVE BOARD AND OFFICERS. Excepted as provided in Paragraph 3303(a) of the Act to the contrary, the members of the Executive Board and the officers and assistant officers of the Association (i) shall not be liable to the Unit Owners as a result of their activities as such for any mistake of judgement, negligence or otherwise, except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such;

(iii) shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed for them, in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse or condition of the Property, or which might in any other way be assessed or imputed to them as a result or by virtue of their capacity as such.

2. **INDEMNIFICATION BY UNIT OWNERS.** Subject to the provisions of Section 1 above, the Unit Owners shall indemnify and hold harmless any person, his heirs and personal representatives, from and against any and all personal liability, and all expenses, including reasonable counsel fees, incurred, imposed or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Unit Owners or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Executive Board or an officer or an assistant officer of the Association other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith, provided, in the case of any settlement, that the Executive Board shall have approved the settlement, which approval shall not be unreasonably withheld or delayed. Such rights of indemnification shall not be deemed exclusive of any other rights to which such persons may be entitled as a matter of law or agreement or vote of Unit Owners or of the Executive Board, or otherwise. The indemnification by the Unit Owners set forth in this Section shall be effective, with respect to claims for which such indemnification is applicable, if the underlying basis for such claim arose during the period of service of the person to be indemnified as a member of the Executive Board or as an officer or assistant officer of the Association, notwithstanding that at the time of such claim is made, adjudicated or settled and indemnification is requested, such person is no longer a member of the Executive Board, an officer or assistant officer of the Association or a Unit Owner. The indemnification by the Unit Owners set forth in this Section shall be paid by the Executive Board on behalf of the Unit Owners, shall constitute a Common Expense and shall be assessed and collectible as such.

3. **LIABILITIES OF UNIT OWNERS.** The Unit Owners and any lessees or sublessees of a Unit shall be jointly and severally liable for liabilities arising out of their own conduct or arising out of the ownership, occupancy, use, misuse or condition of that Unit (except when the result of the condition affecting all or parts of the Property).

4. **LANGUAGE CONCERNING LIABILITY IN AGREEMENTS.** Every agreement, deed, lease or other instrument entered into by the Executive Board on behalf of the Association shall provide that the Executive Board and the officers or assistant officers executing the same are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except to the extent, if any, that they may also be Unit Owners at the time any such liability is assessed).

5. COST OF SUIT IN ACTIONS BROUGHT BY ONE OR MORE UNIT OWNERS ON BEHALF OF ALL UNIT OWNERS. If any action is brought by one or more but less than all Unit Owners on behalf of all Unit Owners and recovery is had, the plaintiff's expenses, including reasonable counsel fees, shall be a Common Expense, but only to the extent that such expenses are less than the amount recovered on behalf of the Association. If however, such action is brought against the Association or otherwise against all other Unit Owners or against the Executive Board, the officers, assistant officers, employees or agents thereof; in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all of the Unit Owners, the plaintiff's expenses, including counsel fees, shall not be charged to or borne by the other Unit Owners, as Common Expense or otherwise.

6. NOTICE OF SUIT AND OPPORTUNITY TO DEFEND. Complaints brought against the Association or the Executive Board or the officers, assistant officers, employees or agents thereof, in their respective capacities as such, or the Property as a whole, shall be directed to the Executive Board, which, if such claims are not adequately covered by insurance maintained by the Association and are for an amount in excess of \$10,000, shall promptly give written notice thereof to the Unit Owners and the holders of any first Mortgages. All complaints so brought shall be defended by the Executive Board, and the Unit Owners and such holders shall have no right to participate in such defense other than through the Executive Board. Complaints against one or more but less than all Unit Owners or Units alleging liabilities covered by Section 3 of this Article shall be directed to such Unit owners, who shall promptly give written notice thereof to the Executive Board and to the holders of any first Mortgages affecting such Units, and shall be defended by such Unit Owners at their expense.

ARTICLE VI

COMMON EXPENSES AND ASSESSMENTS

1. FISCAL YEAR. The fiscal year of the Association shall be the calendar year.

2. DETERMINATION OF COMMON EXPENSES, LIMITED COMMON EXPENSES AND GARAGE EXPENSES. Subject to the rights of the Unit owners as set forth in paragraph 3303(b) of the Act, the Executive Board shall, during December of each year at the Executive Board's annual budget meeting, determine, by resolution duly adopted, the estimated Common Expenses, Limited Common Expenses (including Garage Expenses), if any, for the ensuing fiscal year, which determination shall be reflected in an appropriate budget, and the Common Expenses, and Limited Common Expenses incurred and the income, if any, known and anticipated to be received during the then-current fiscal year. Any income received during the fiscal year Units (such as, but not limited to rent from the Units owned by the Association) shall, to the extent not required to be used to pay any Common

Expenses incurred during such fiscal year, be employed by the Executive Board during the immediately following fiscal year in order to reduce the assessments for Common Expenses required to be made during such following fiscal year. Such determinations of expenses and budgets shall include, without limitation, such amounts as the Executive Board deems proper to provide adequate working capital, a general operating reserve and reserves for replacements, casualty losses in excess of insurance coverage, litigation, uncollectible assessments, contingencies and the like. The reserve for maintenance, repair or replacement of those portions of the Common Elements which require periodic replacement shall be separately maintained on the Association's books and shall be funded at least annually out of the regular assessments for Common Expenses. The Executive Board may also, by resolution duly adopted, make interim determinations of anticipated Common Expenses, and Limited Common Expenses between such regular annual determinations, to the extent it from time to time may deem-necessary, and adopt revised budgets accordingly. The adoption of any such revised budget shall not require a special budget meeting of the Executive Board, but maybe enacted at any regular meeting of the Executive Board.

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3. ASSESSMENT OF COMMON EXPENSES, LIMITED COMMON EXPENSES AND GARAGE EXPENSES TO UNIT OWNERS. The Executive Board shall, promptly following the adoption of each annual budget, by resolution duly adopted, assess against each Unit the share chargeable to that Unit, on the basis of the proportionate share of liability-for the Common Expenses so determined. Limited Common Expenses (including Garage Expenses) shall be assessed, by resolution duly adopted, against the Unit Owners served by appropriate Limited Common Elements, as set forth in the Declaration. All such assessments shall be in writing and, together with a copy of the annual budget, on or before December 31 to each affected Unit Owner in the same manner as is provided in the case of given notices pursuant to these Bylaws. The Unit Owners shall be severally and not jointly liable for the payment of assessment, but with respect to the portion thereof so payable in respect of a given Unit, the Unit Owners and any lessees or sublessees thereof shall be jointly and severally liable thereof. Such assessments shall be annual assessments (that is, they shall be for Common Expenses, and Limited Common Expenses anticipated for an entire fiscal year) and shall be payable by the Unit Owners in equal monthly installments of one-twelfth (1/12) of the annual assessment, commencing on the next January 125th and on the 15th of every month thereafter. Assessments and any installments thereof together with interest thereon at the lower of the rate of 12% per annum or the maximum legal rate permitted to be charged therefor from date which is ten (10) days after the date on which payment is due, shall, until fully paid, constitute a charge against each Unit. Interest shall accrue only on the installments which are ten (10) or more days delinquent, as aforesaid. The Unit Owners liability for any assessments under this Article VI shall not be abated due to any interruption in his right of occupancy of his Unit, or any interruption in the delivery of any services to the Unit Owners or his Unit or for any other reason whatsoever, except as otherwise specifically set forth in this Article VI.

4. **COLLECTION OF DELINQUENT ASSESSMENTS.** It shall be the obligation of the Executive Board to take prompt action to collect assessments for Common Expenses and Limited Common Expenses and for any expenses incurred on advances made by the Executive Board under Sections 7 and 8 of Article XII of these Bylaws, together with accrued interest as aforesaid, which remain unpaid after 30 days from the date on which they became due and payable or from the date incurred or advanced, as the case may be. Any such delinquent assessment together with such accrued interest may be enforced by suit by the Executive Board acting on behalf of the association, including without limitation the delinquent Unit Owner, in an action in assumpsit, which suit when filed shall refer to the Act, to the Unit against which the assessment is made and to the delinquent Unit Owner. Any judgement against a Unit Owner shall be enforceable in the same manner as is otherwise provided by law. The delinquent Unit Owner shall be obligated to pay (i) all expenses of the Association, including reasonable attorney's fees, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, and (ii) any amounts paid by the Association for taxes or on account of superior liens or otherwise to protect its lien, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such.

5. **POWER TO CONFESS JUDGEMENT TO COLLECT DELINQUENT ASSESSMENTS.** As a means of enforcing the obligation of the Unit Owners to pay all assessments levied pursuant to the Declaration and this Code, the Executive Board shall have the right and power to obtain a judgement or judgements for delinquent assessments by confession against the Unit Owner against whom such delinquent assessments have been levied. Accordingly, each Unit Owner, by his acceptance of the deed to his unit, shall be deemed to have appointed any one or more members of the Executive Board to confess a judgement against such Unit Owner in any court of competent jurisdiction in the Commonwealth of Pennsylvania for any delinquent assessment or assessments, for the purpose of which a copy of this section 3 and a copy of the Unit Owner' deed to his Unit (both verified by the affidavit of any member of the Executive Board) shall be sufficient warrant. The authority herein granted to confess judgement shall not be exhausted by any exercise thereof but shall continue and be effective at all times with respect to each and every delinquent assessment. Such authority to confess judgement and the aforesaid appointment of attorneys-in-fact, being for security, shall be irrevocable.

The Executive Board shall not exercise its right to obtain a judgement by confession against any institutional lender who has acquired title to a Unit by foreclosure sale or deed in lieu of foreclosure, nor shall such right be exercised against any Unit Owner except after the Executive Board shall have given the delinquent Unit Owner at least five (5) days notice of its intention so to do.

6. **LIEN FOR DELINQUENT ASSESSMENTS.** The Association shall have a lien for delinquent assessments of Common Expenses, and Limited Common Expenses against the Unit against which such delinquent assessments were levied, in accordance with the provisions of said Section 3315 of the Act; provided, however, that the Association shall not institute any action to foreclose upon such lien unless the Association shall first have given at least ten (10) days written notice of its intention to do so (including a statement of the aggregate amount of all then-delinquent assessments against the Unit) to the holder of any first Mortgage encumbering such Unit of which first Mortgage the Association has actual notice and the address of such holder.

7. **REASSESSMENT OF UNCOLLECTIBLE ASSESSMENTS.** In all cases where all or part of any assessments for Common Expenses, Limited Common Expenses and for any expenses of and advances by the Executive Board pursuant to section 7 and 8 of Article XII of these Bylaws cannot be promptly collected from the person, or entities liable therefor under these Bylaws, the Executive Board may reassess the same as Common Expense without prejudice to its rights of collection against such persons or entities.

8. **WORKING CAPITAL CONTRIBUTION.** Each person who purchases a Unit from the Declarant shall, at the time of the conveyance of such Unit to such purchaser, contribute as working capital for the Association an amount equal to two times the monthly installment of Common Expenses assessed against such Unit on account of the first twelve month period of operation of the Property. Such amount shall constitute non-refundable capital contribution to the Association, to be used to pay start-up expenses of the Association, to prepay certain expenses of the Association (such as insurance premiums) and to provide an initial reserve against unanticipated expenses, and shall not be credited as an advance payment of Common Expenses.

9. **ACCOUNTING.** On or before the annual meeting of each calendar year, the Executive Board shall supply to all Unit Owners an itemized accounting of the maintenance expenses for the preceding calendar year actually collected pursuant to the estimate provided, and showing the net amount over or under the actual expenditure, plus reserves. Any amount accumulated in excess of the amount required for actual expenses. shall upon the election of the majority of ownership in the common elements to the next monthly installments due from the unit owners under the current year's estimate, until exhausted, or be returned to the unit owner; or be placed into the reserve account for ultimate repair or replacement of the common elements; and any net shortage shall be added according to each owner's percentage of ownership in the common elements to the installments due in the succeeding six (6) months after rendering the accounting.

10. RESERVE FUND. The executive Board shall build up and maintain a reasonable reserve for contingencies and replacements. Unusual expenditures not originally included in the annual estimate which may become necessary during the year shall be charged first against such reserve. In the event the Internal Revenue Service does not recognize the reserve fund as tax-exempt, all Federal State of Local taxes which become due as a result of the maintenance of said fund shall be paid therefrom.

ARTICLE VII

USE AND MAINTENANCE OF THE PROPERTY

1. USE OF PROPERTY. The Property shall be used only in the manner and subject to the restrictions set forth in the Declaration and Rules and Regulations.

2. MAINTENANCE AND REPAIR OF THE PROPERTY.

a. All maintenance of and repair to any Unit, structural or nonstructural, ordinary or extraordinary (other than maintenance of and repairs to any Common Elements contained therein) shall be made by the Owners of such Unit. Heating, cooling electrical and mechanical apparatus which serves only a single Unit (including, but not limited to, the heating, ventilating and air conditioning systems and any appliances, such as dishwashers, clothes washers and dryers, garbage disposals, trash compactors, refrigerator-freezers, ranges and ovens, and any other appliances within any Unit) shall be the responsibility of the owner of that Unit from the point at which such apparatus connects with pipes, wires, conduits or other apparatus serving any other portion of the Property (even if that point of connection is the vertical boundary of the immediately adjacent Unit), which shall be considered part of the Common Elements.

b. Except as provided in Paragraph (c) below, all maintenance (including snow removal, landscaping and groundskeeping), repairs and replacements necessary to keep the Common Elements, whether located inside or outside individual Units, in a good and orderly state of repair and cleanliness shall be made by the Executive Board and charged to all Unit Owners as a Common Expense

c. All maintenance of a Limited Common Element other than as relates to garage parking stall be performed by and at the expense of the Unit or Unit Owners to whose Unit such Limited Common Element is allocated. All expenses to the underground parking garage shall be assessed in accordance with Section 15 F of the Declaration, as amended.

d) Each Unit Owner shall keep his Unit (and, except as provided in paragraph (c) above, Limited Common Element, allocated to his Unit if any), in a good and orderly state of repair and cleanliness, and may alter, renovate and improve the interior of his Unit in any manner, structurally or nonstructurally, he may choose so long as such alteration, renovation and improvement does not damage, impair or infringe upon the property or rights of any other Unit Owner, provided that no "structural" change may be made to any Unit or Limited Common Element without in each instance the written consent of the Executive Board having first been obtained.

e) Notice of violation of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction relating to any portion of the Property shall be complied with by the Executive Board and shall be charged as a Common Expense if the notice of violation pertains to the Common Elements or any portion thereof; and if and to the extent the notice of violation relates to any particular Unit(s), or Limited Common Elements, the owner(s) of such Unit(s) or those liable for the expense of such Limited Common Elements shall be responsible for correcting the condition at his (or their) own expense.

3. **LIABILITY OF UNIT OWNERS FOR DAMAGE CAUSED TO COMMON ELEMENTS.** Each Unit Owner shall be liable to the Association for all damage to any of the Common Elements whether within or without his Unit, and to any fixture or personal property contained within the Common Elements, caused by the act, omission or negligence of the Unit Owner, his Family, domestic employees, lessees or occupants of his Unit, to the extent not covered by the proceeds of any insurance carried by the Association.

4. **INCREASE IN INSURANCE COST.** No Unit Owner shall use or permit the use of his Unit or of the Common Elements so as to cause an increase in the rate of insurance held by the Association on the Property, to the extent, occasioned by the use, misuse, occupancy or abandonment of his Unit.

5. **RIGHT OF ACCESS TO UNITS, COSTS, INJUNCTION.** In accordance with Section 10D of the Declaration, the Unit Owner's Association, Executive Board, and governmental authorities and utility companies shall have a right of access to each Unit to (i) inspect the Unit; (ii) remove, correct or abate violations of the Act, the Condominium Documents or of law, or of any rules, regulations, orders, decrees or requirements of any governmental or quasi-governmental body or agency or board of fire underwriters; (iii) make repairs to the Unit if such repairs are reasonably necessary for public safety or to prevent damage to other Units or to the Common Elements; and (iv) maintain, repair or replace the Common Elements contained therein or elsewhere on the Property to which access can be had therefrom. The costs of removing, correcting or abating any such violations, of making such repairs to Units, and the costs of the Association in enforcing its rights hereunder (including reasonable counsel fees) shall be paid by the Unit Owner to the Association on demand. Requests for access shall be made in advance, except in cases of emergency when such rights of access shall be immediate, whether the Unit Owner is present or not.

6. ADDITIONS, ALTERATIONS OR IMPROVEMENTS TO UNITS. No Unit Owner shall make or permit any addition, alteration or improvement in or to his Unit or Limited Common Element allocated thereto which would adversely affect the structural integrity of the Property or of any part thereof. No Unit Owner shall make or permit any other structural change, addition, alteration or improvement in or to his Unit without the prior written consent of the Executive Board, which shall not be unreasonably withheld unless the proposed change, addition, alteration or improvement would be visible from outside the Unit, in which event the Executive Board may withhold its consent in its absolute discretion, and, if such change so consented to would result in rendering inaccurate the description of that Unit or Limited Common Element on the Plan, it shall not be undertaken until the Plan has been duly amended. All costs in connection with the preparation and recording of such amendment (which shall be done by counsel acceptable to the Executive Board) shall be borne by the Unit Owner requesting such consent;

7. MAINTENANCE, REPAIRS, ADDITIONS, ALTERATIONS, REPLACEMENTS OR IMPROVEMENTS TO THE COMMON ELEMENTS. Except as otherwise provided in these Bylaws, the Executive Board may, pursuant to resolution duly adopted and subject to the rights of the Unit Owners, to reject any budget or capital expenditures as provided in Section 3303 (b) of the Act, cause to be effected any additions, alterations, improvements maintenance and repairs to the Common Elements it deems necessary or desirable, provided that in each case where the cost of any single item of addition, alteration, improvement or non-essential maintenance or repair is estimated by the Council to exceed \$10,000 it shall have received the prior approval by resolution duly adopted at any meeting of the Unit Owners. If such item of addition, alteration, improvement or non-essential maintenance or repair, if made, would be the basis for a Limited common Expense, only those Unit Owners who would be subject to assessment for such Limited Common Expense shall have the right to vote on the resolution for approval, and the Unit Owners not so subject shall, for purposes of ascertaining such approval, be deemed to be present at the meeting at which such resolution is considered for the purposes of obtaining the necessary quorum, but not for the purpose of determining the number of votes required to approve, such resolution.

ARTICLE VIII

INSURANCE; DAMAGE OR DESTRUCTION BY CASUALTY OR CONDEMNATION

1. INSURANCE. The Executive Board shall be required to obtain and maintain on behalf of the Association (to the extent obtainable) the following insurance:
 - a. "All-risks" casualty insurance in the form generally provided in Southeastern, Pennsylvania, for similar properties, insuring the entire Property (including all Units, Common Elements and fixtures and appliances including in each Unit on the date of the first sale thereof by Declarant and replacement thereof, but excluding furniture and other personal property supplied or installed by Unit Owners, the holders of

Mortgages, and each person who has entered into a binding agreement to purchase a Unit, as there respective interests may appear in an amount equal to the full replacement value of Buildings without deduction for depreciation (the "Replacement value") and with an "agreed amount" endorsement; such insurance shall cover, among other things, additional living expenses of the Unit Owners during any reconstruction period, in such amounts as the Executive Board may deem reasonable. Each such policy shall be in the name of the Association, for the use and benefit of the Unit Owners. Each policy shall contain a standard mortgagee clause in favor of the holders of Mortgages which shall provide that the loss, if any, shall be paid to such mortgagees as their interests may appear, subject, however, to the loss payment provisions in favor of the Association and the insurance Trustee (as defined below), as hereinafter more fully set forth. Each such policy of insurance shall contain a "deductible" provision in an amount determined by the Executive Board, but in any event not greater than \$30,000.

b. Workmen's compensation insurance, to the extent required by law, covering persons employed by the Association.

c. Comprehensive general liability insurance, including medical payments insurance, with such limits as the Executive Board may from time to time determine, but not less than \$1,000,000 for death or injury to any one person, \$1,000,000 for death or injuries in any single occurrence, covering each member of the Executive Board, the managing agent and any other persons employed by the Executive Board, the managing agent and other persons employed by the Executive Board or the Association, if any, the Association and each Unit Owner, his family, tenants, agents or servants.

d. Fidelity coverage against dishonest acts on the part of any person (including without limitation, members of the Executive Board, officers, assistant officers, agents, employees and volunteers), responsible for handling funds belonging to or administered by the Executive Board or Association. Such insurance or fidelity bond shall name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one-half (1/2) of the Association's estimated operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

e. Policies of Executive Board Member and Officer's Liability Insurance, if reasonably obtainable, insuring the members and officers of the Executive Board against personal liability arising in connection with the performance of their duties.

f. Private Garage Keepers Liability Insurance if such insurance is determined by the Executive Board to be necessary or desirable.

g. Such other insurance as the Executive Board may in the exercise of reasonable business judgement determine to be necessary, including, without limitation, insurance to provide funds to enable the Association and the Unit Owners to pay any amounts required to satisfy the indemnification obligations of the Association and Unit Owners pursuant to Section 2 of Article V above.

No Unit Owner shall be permitted to participate in the adjustment of any loss, other than through the Association. The Executive Board may, at its sole option employ a public insurance adjuster, licensed in Pennsylvania, if the Executive Board determines that the employment of such an adjuster (either as a consultant to the Executive Board or as the Association's authorized representative) is likely to increase the net proceeds of insurance collected by the Association after deduction of the adjuster's fees, which fee shall be a Common Expense. All proceeds of property insurance shall be payable to the Insurance Trustee.

At least once every three (3) years, (and at more frequent intervals if the Executive Board deems it to be sound financial practice), The Executive Board shall cause an appraisal to be made by the Association's current or proposed casualty insurance company (by an appraiser satisfactory to such insurance carrier) to ascertain the Replacement Value, unless the policy of insurance carried pursuant to Paragraph (a) above guarantees payment of actual replacement cost; the cost, if any, of such appraisals shall be a Common Expense.

All policies of physical damage insurance shall, if available, contain the provisions required by Paragraph 3312(c) of the Act and shall provide that such policies may not be substantially modified without at least 30 days prior written notice to all of the insured and to the Executive Board. Duplicate originals of all policies of physical damage insurance and of all renewals thereof shall be delivered to the Executive Board and the Insurance Trustee, and duplicate originals of certificates or memoranda thereof, together with proof of payment of premiums, shall be delivered to all holders of permitted Mortgages, at least 10 days prior to the expiration of the then current policies.

Liability insurance shall include a "severability of interests" endorsement precluding the insurer from denying the claim of the Unit Owner because of the negligent act of the Executive Board or the Association, or any other Unit Owner. The Executive Board shall review the limits of liability insurance at least once each year, and the Executive Board may at any time and from time to time increase the limits of liability thereunder if it determines, in the exercise of reasonable business judgement, that such increase is necessary.

All insurance policies maintained by the Association shall be written with companies licensed to do business in Pennsylvania and having a rating of "AAA" or better in the most recent Best's Insurance Reports at the time such policies are written, or by a similar insurance rating service if Best's Insurance Report is no longer published.

Nothing contained herein shall prohibit any Unit owner from carrying such other insurance for his own benefit as he may desire, provided that all such policies shall be issued by companies authorized to do business in Pennsylvania and shall contain waivers of subrogation, and provided further that the liability of insurers issuing insurance obtained by the Executive Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Copies of all such insurance policies, other than those insuring only the personal property of a Unit Owner or against liability within his Unit, shall be submitted to the Executive Board for determination of the forgoing within 30 days after the same or any amendatory endorsement thereto has been received by each Unit Owner.

2. **INSURANCE TRUSTEE.** The Association shall enter into and at all times be party to an agreement (the "Insurance Trustee Agreement") with an insurance trustee (the "Insurance Trustee") concerning the receipt and application of the proceeds of policies of property insurance maintained by the Association. The Insurance Trustee shall be a bank savings bank, savings and loan association, building and loan association, or similar financial institution, whose activities are regulated by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation, whose principal office is in Philadelphia or a contiguous Pennsylvania county and which has capital and surplus, in the aggregate, of not less than \$25,000,000. The Insurance Trust Agreement shall provide that all proceeds of insurance paid to the Insurance Trustee shall be held and applied by the Insurance Trustee in accordance with the provisions of the Act and of these Bylaws. All fees payable to the Insurance Trustee pursuant to the Insurance Trust Agreement shall be a Common Expense.

3. **REPAIR AND RECONSTRUCTION.** In the event of the occurrence of any damage to or destruction of the Building or of the Common Elements such damage or destruction shall be repaired, and the proceeds of insurance shall be applied, in accordance with, and subject to the provisions of the Act.

The Executive Board shall give prompt written notice to all holders of first Mortgages upon the occurrence if substantially total destruction of the Property.

ARTICLE IX

SALE AND LEASING OF UNITS

1. **SALE OF UNITS.** there shall be no restriction on sale, conveyance or other transfer of any Unit, but the sale, conveyance or other transfer, (including, without limitation, mortgage and leases to the extent permissible) shall be subject to the Act, the Condominium Documents, and the provisions of the deed to the Unit. The seller shall comply with the requirements of Section 3407 of the Act.

2. LEASING OF UNITS. Subject to Section 20 of the Declaration and Section 3 of Article 1 and Section 1 of Article VII of these Bylaws, there shall be no restrictions on leasing of Units.

3. IMPOSITION OF RESTRICTIONS. Section 1 and 2 of this Article IX may not be amended so as to impose any more stringent restrictions on sale or leasing without an affirmative vote of the Unit Owners or units to which at least 90% of the votes in the Association are allocated.

ARTICLE X

OWNERSHIP OF UNITS BY THE ASSOCIATION

1. PURCHASE OF UNITS BY THE ASSOCIATION. Except as otherwise stated herein, the Executive Board may, on behalf of the Association, in its own name or in the name of its nominee, purchase or otherwise acquire and hold title to any Unit or any interest therein only as a result of an enforcement of its lien for assessments or as a result of execution upon a judgment obtained in order to collect a delinquent assessment. The Association may borrow all or part of the funds necessary to effect such purchase and may create a mortgage against the Unit to secure the borrowing. So long as the Association is the owner of any Unit so purchased it shall, in its own name or in the name of its nominee, have the power to hold, sell, convey, lease, mortgage as aforesaid and otherwise deal in and with the Unit, and in so doing it shall be acting on behalf of all other Unit Owners in accordance with their respective proportionate interest in the Common Elements as adjusted pursuant to Section 2 of this Article X. At no time may the Association in its own name or through its nominees, hold title to more than three (3) Units unless the acquisition of each Unit in excess of three (3) shall have been approved by a Majority of Unit Owners.

2. EFFECT OF OWNERSHIP OF UNITS BY THE ASSOCIATION. During the period when the Association has legal or beneficial title to a Unit; (i) the proportionate interest in the Common Elements of that Unit shall be deemed to be zero and the proportionate interest of all other units shall be deemed to be automatically adjusted to the nearest ten-thousandth of one percent, so as to allocate the interest of that Unit among all other Units proportionately, and to produce adjusted proportionate interests for all other Units totalling 100.0000%; (ii) all assessments for Common Expenses and Limited Common Expenses and all taxes, and municipal claims and charges assessed against the Unit shall be paid by the Executive Board and the amounts so paid together with other expenses of purchasing, holding, selling, conveying, mortgaging, leasing or otherwise dealing with the Unit shall constitute Common Expenses to be assigned against all other Unit Owners in accordance with such adjusted proportionate interests; (iii) the voting rights appurtenant to the Unit shall be suspended and may not be exercised or counted for quorum purposes; (iv) no notice of any meetings of Unit Owners or of the Executive Board or notices of assessments, budgets or the like need be given in respect of that Unit and (v) the rights and

obligations of Unit Owners in the event of a termination pursuant to the Declaration shall be construed, allocated and borne as if such Unit were not included in the Property and in accordance with such adjusted proportionate interests.

ARTICLE XI

BOOKS, RECORDS AND REPORTS

1. MAINTENANCE OF BOOKS AND RECORDS. The Executive Board shall maintain or cause the proper officers or managing agent to maintain complete, accurate and current books and records adequate to reflect fully the operations, proceedings and financial condition of the Executive Board and the Association and the operation and condition of the Property. Such books and records shall include without limitation the books and records to be maintained by the Treasurer under Section 7 and the Secretary under Section 8 of Article IV of these Bylaws and the voting list and register of first Mortgages to be maintained by the Secretary under Section 6 of Article II and Section 1 of Article IX of these Bylaws, respectively.
2. ACCESS TO BOOKS AND RECORDS. Such books and records shall be kept at the Property or at such other location in the vicinity of the Property as the Executive Board may from time to time determine and shall, after reasonable written notice, be available for examination during regular business hours by the Unit Owners, by persons who have entered into binding written agreements to purchase Units, and by the holders of first Mortgages.
3. REPORTS. The Executive Board shall, within 60 days after the end of each fiscal year, provide each Unit Owner and the holder of each Mortgage which has requested it a report of receipts and disbursements of the Association for the year then ended, prepared from the books and records of an independent accounting firm. The annual reports may contain additional information and financial data and the Executive Board may provide special or periodic interim reports.

ARTICLE XII

MISCELLANEOUS

1. UTILITIES. If and to the extent any utility, such as (but not limited to) electricity, gas, water and sewer services, at any time is not or no longer individually metered to each Unit, the Association shall purchase such utilities and charge the cost thereof to the Unit Owners as a Common Expense; provided, the Association shall charge the Unit Owners at the same rate at which the Association purchases such services from the utility company or the municipal or public authority, as the case may be.

2. **NOTICES.** All notices hereunder shall be sent by first class mail, postage paid, addressed as follows: (i) to the Executive Board, at the Property or at such other address (including without limitation the address of any managing agent) as the Executive Board may from time to time designate by written notice to all Unit Owners and holders of first Mortgages; (ii) to the Association, in care of the Executive Board at its address as specified in clause (i) above; (iii) to the Unit Owners, at their respective addresses within the Property, or at such other addresses as they may from time to time designate by written notice to the Executive Board; and (iv) to the holders of first Mortgages, at their addresses on the register to be maintained pursuant to Section 1 of Article IX or at such other addresses as they may from time to time designate by written notice to the Executive Board. All notices of meetings of the Association or of the Executive Board which may be or are required to be given to Unit Owners may also be hand delivered to all or any Unit owner. All notices of change of address shall be deemed to have been given when received.
3. **EFFECTIVE DATE.** These Bylaws shall become effective when the Declaration and the Plan have been duly recorded in the Delaware County Recorder of Deeds Office and the Bylaws have been duly adopted by the Unit Owners Association.
4. **HEADINGS.** The headings herein are for purposes only and shall not affect the meaning or interpretation of these Bylaws.
5. **INVALIDITY.** If any provisions of these Bylaws are determined to be invalid, the determination shall not affect the validity or effect the remaining provisions hereof or of the Declaration, Plan, or Rules and Regulations, all of which shall continue in effect as if such invalid provisions had not been included herein.
6. **CONFLICTS.** The Act and the Declaration shall control in the case of any conflict between the provisions thereof and the provisions of these Bylaws. The Act, the Declaration and these Bylaws shall control in the case of any conflict between the provisions thereof and the provisions of the Rules and Regulations.
7. **NONCOMPLIANCE AND WAIVER.** Failure or any threatened failure to comply with these Bylaws, and the Rules, with the covenants, conditions and restrictions set forth in the Declaration or in the deed to each Unit or in the Plans, shall be grounds for an action for the recovery of damages (including the costs of the Executive Board taking any action necessary to correct or remedy any such failure, including reasonable counsel fees) or for injunctive relief or both, maintainable by any member of the Executive Board on behalf of the Executive Board or the Association, or in a proper case, by an aggrieved Unit Owner or by the holder of a first Mortgage aggrieved by any such noncompliance. The Executive Board shall have the right to do any work and take any steps necessary to correct or prevent any failure or threatened failure to so comply, with the right by itself or its agents or employees to enter any Unit at all reasonable times to do so; the expenses thereof, and of any action undertaken by the Executive Board pursuant to Section 5 of Article VII,

together in each case with interest at the lesser of 12% per annum or the legal rate then allowed, shall be promptly assessed by the Executive Board against the Unit Owner and shall be collectible and enforceable in accordance with the provisions of Article VI hereof. No restriction, condition, obligation or provision contained in this Act, any Condominium Document or in the deed to any Unit shall be deemed to have been abrogated or waived by reason of any failure, single or repeated, to enforce the same.

8. AVOIDANCE OF LIENS AND NOTICES OF LIENS AND SUITS. Each Unit Owner shall pay all municipal charges, claims, taxes or assessments against his Unit for which a lien could be filed before they shall become delinquent and prior to the time when any lien could attach, and shall, within five (5) days of receipt of notice or of actual knowledge of the attaching of any lien (other than the lien of a first Mortgage) or the filing of any suit other proceeding against his Unit, give the Executive Board written notice thereof. The Executive Board may, but shall not be obligated to, advance any sums necessary to prevent the attaching of any lien against any Unit, except the lien of first Mortgage, and any amount so advanced shall bear interest at the lesser of 12 percent per annum or the legal rate then allowed from the date made and shall be promptly assessed by the Executive Board against the Unit Owner and shall be collectible and enforceable in accordance with the provisions of Article VI hereof.

9. RELATION TO THE ACT. These bylaws shall be construed in accordance with the provisions of the Act, and in the event of any conflict between these Bylaws and the Act, the Act shall be deemed controlling

ARTICLE XIII

AMENDMENTS

1. AMENDMENTS TO THESE BYLAWS. Except as otherwise provided for herein or in the Act or the Declaration, these Bylaws may be amended from time to time by resolution duly adopted at any meeting of Unit Owners by the affirmative vote of a Majority of Unit Owners, provided that Declarant shall have the first consented in writing in the case of any amendment which would affect the rights of the Declarant to designate members of the Executive Board pursuant to Article III hereof so long as Declarant is the owner of any one or more Units not theretofore sold by Declarant to others, or would otherwise have a material affect upon any of the rights, powers, privileges or options afforded the Declarant hereby. Each such amendment shall be effective upon notice of its passage, together with a copy thereof being mailed or delivered to each Unit Owner, which mailing or delivery shall be effected no later than 10 days after the passage of the Amendment.

If the Executive Board, in the exercise of reasonable judgement, determines that it is necessary to amend or supplement any provision of these Bylaws which is ambiguous, defective or in conflict with the provisions of the Act, the Declaration or any other provision hereof or that such amendment or change is required in order that these Bylaws will satisfy the requirements of the Federal Home Loan Mortgage Corporation or Federal National Mortgage Association with respect to condominium projects, then the Executive Board may, at any time and from time to time, effect appropriate curative amendments without the approval of the Unit Owners or the holder of any lien affecting any portion of the Property, provided that the Executive Board shall have first received the opinion from the Association's independent legal counsel that the proposed amendment is permitted by the terms of this sentence.

ESTABLISHED AND ADOPTED by the undersigned, being all the members of the St. Davids Park Condominium Association, this 4th day of September, 198/.

ATTEST:

By Declarant: ~
ST. DAVIDS PARK ASSOCIATES ~

_____ By: _____ ~

_____ _____ ~

_____ _____ ~

By the First Executive Board: ~

_____ ~

_____ ~

_____ ~

_____ ~

_____ ~

AMENDMENT TO BYLAWS

Revises Article VIII, 1, d, to read as follows:

"Fidelity coverage against dishonest acts on the part of any person (including, without limitation, Members of the Executive Board, officers, assistant officers, agents, employees and volunteers) responsible for handling funds belonging to or administered by the Executive Board or Association. Such insurance or Fidelity bond shall name the Association as the named insured and shall be written in an amount fixed from time to time by the Executive Board. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serves without compensation shall be added if the policy would not otherwise cover volunteers."