OF
MIDTOWN SQUARE
A CONDOMINIUM

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Grantor:

MIDTOWN SQUARE CONDOMINIUM ASSOCIATION, INC.,

State College Borough, Centre County, Pennsylvania

Grantee:

MIDTOWN SQUARE CONDOMINIUM ASSOCIATION, INC.,

State College Borough, Centre County, Pennsylvania

BYLAWS, AS AMENDED

OF

MIDTOWN SQUARE, A CONDOMINIUM

ARTICLE I

Introductory Provisions

- 1.1. Applicability. These Bylaws, as amended, provide for the governance of the Association pursuant to the requirements of Section 3306 of the Uniform Condominium Act (the Act) with respect to the Condominium created by the recording of the Declaration in and among land records of the office of Recorder of Deeds of Centre County in Miscellaneous Book Vol. 200 at Page 1033, and as the same may have been or may be amended from time to time.
- 1.2. <u>Definitions</u>. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these Bylaws pertain or, if not defined therein, the meanings specified or used for such terms in the Act.
- 1.3. <u>Compliance</u>. Pursuant to the provisions of the Act, every Unit Owner and all Persons entitled to occupy a Unit shall comply with these Bylaws.

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

ARTICLE II

Executive Board

2.1. Number and Qualifications. The affairs of Midtown Square Condominium Association (hereinafter "Association") shall be governed by an Executive Board. The initial Executive Board shall consist of three (3) persons who shall be designated by the Declarants. The initial Executive Board members shall be Albert F. Williams, President, Jeanne L. Williams, Secretary and Donald E. Coyne, Treasurer, who shall serve no longer than one hundred eighty (180) days after seventy-five (75%) percent of the Units have been sold by the Declarants of the Condominium and shall have been paid for and the title closed. Not later than sixty (60) days after conveyance of twenty-five (25%) percent of the Units to Unit Owners other than the Declarants, not less than twenty-five (25%) percent of the members of the Executive Board shall be elected by Unit Owners other than the Declarants. Not later than sixty (60) days after conveyance of fifty (50%) percent of the Units to Unit Owners other than the Declarants, not less than thirty-three and one-third (33 1/3%) percent of the members of the Executive Board shall be elected by Unit Owners other than the Declarants. However, any of the Declarants, individually or jointly, shall also qualify as "Unit Owners other than the Declarants" to the extent they have purchased Units at fair market value from Declarants or have contributed or paid fair market value to Midtown Square Associates. After the period of Declarant control has terminated, the Executive Board shall be composed of three (3) persons, all of whom shall be Unit Owners and at least one (1) of whom shall reside in his/her Residential Unit in the Condominium at the time of election. Any officer of a corporate Unit Owner shall be eligible to serve on the Executive Board. All of the Members of the Executive Board except the Initial Executive Board shall be elected by the Association. 2.2. <u>Powers and Duties</u>. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts or things except as otherwise reserved for the 112 West Foster Avenue Owner(s) in the Declaration or which by the Declaration or by these Bylaws may not be delegated to the Executive Board by the Association. Such powers and duties of the Executive Board shall include but shall not be limited to the following:

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- (a) Operation, care, upkeep and maintenance of the Common Elements, Limited Commercial-Office Elements, Limited Residential Elements, Limited Residential and Commercial-Office Elements, Limited 112 West Foster Avenue Elements and Limited Commercial-Office and 112 West Foster Avenue Elements;
- (b) Determination of the Common Expenses, Limited Commercial-Office Expenses, Limited Residential Expenses, Limited Residential and Commercial-Office Expenses, Limited 112 West Foster Avenue Expenses and Limited Commercial-Office and 112 West Foster Avenue Expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property. The Executive Board shall have the right to make a final determination of any claim or dispute by a Unit Owner rather than the Common Elements, and such determination shall be final, conclusive and binding.
- (c) Collection of Common Expenses, Limited Commercial-Office Expenses, Limited Residential Expenses, Limited Residential and Commercial-Office Expenses, Limited 112 West Foster Avenue Expenses, and Limited Commercial-Office and 112 West Foster Avenue Expenses from the Unit Owners, including, without limitation, an amount for working capital of the Condominium and for a contingency reserve fund from Unit Owners, and to make up any deficit in such Funds for any prior year. The Executive Board may designate an agent for the purpose of collecting such expenses and for the purpose of making disbursements therefrom on behalf of the Executive Board.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements, Limited Commercial-Office Elements,

Limited Residential Elements, Limited Residential and Commercial-Office Elements, Limited 112 West Foster Avenue Elements and Limited Commercial-Office and 112 West Foster Avenue Elements.

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- (e) Except as provided in the Declaration, adoption and amendment of rules and regulations covering the details of the operation and use of Property including, without limitation, minimum standards for floor covering and/or standards governing interior window coverings.
- (f) Except as provided in the Declaration, making of repairs, additions, and improvements to or alterations of the Property and repairs to and restoration of the Property, in accordance with other provisions of these Bylaws after damage or destruction by fire or other casualty or as a result of eminent domain proceedings.
- (g) The Executive Board shall have the power to enforce obligations of the Association, to allocate expenses and surpluses, and to do anything and everything else necessary and proper for the sound management of the Condominium, including the right to levy fines, bring lawsuits to enforce the provisions of the Declaration, the Bylaws, and the rules and regulations promulgated by the Executive Board. Any Unit Owner determined to be in violation of the Declaration, the Bylaws or the rules and regulations promulgated by the Executive Board, shall pay all attorney's fees and cos:s incurred by the Executive Board in the enforcement of the same against the Unit Owners and any fine levied by the Executive Board, provided that the fine for a single violation may not, under any circumstances, exceed \$10.00. For each day a violation continues after notice it shall be considered a separate violation. Any fine so levied is to be considered as a Limited Common Expense to be levied against the particular Unit Owner involved, and collection may be enforced by the Executive Board in the same manner as the Executive Board is entitled to enforce collection of Common Expenses.
- (h) The Executive Board may employ a managing agent and/or manager for the Condominium at a compensation to be established by the Executive Board, to perform such duties and services as the Executive Board shall authorize, including but

not limited to the duties granted to the Executive Board as set forth above. The Executive Board may delegate to the manager or managing agent such powers as may be necessary to carry out the functions of the Executive Board.

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- (i) The Executive Board shall have the right to establish rules and regulations governing the use of all parking and landscaped storage areas, except for those as otherwise reserved in the Declaration and for the 112 West Foster Avenue Unit.
- 2.3. <u>Election and Term of Office</u>. The election of the Executive Board and the terms of office of the Executive Board Members shall be in accordance with the procedures set forth in Section 2.1. above.

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

- (a) When the term of the appointed Executive Board members has passed in accordance with the provisions of Article II, Section 2.1. of these Bylaws, three (3) members of the Executive Board shall be elected by the Unit Owners. All members shall be elected for one-year terms. The appointed members of the Executive Board shall hold office until their respective successors have been elected by the Unit Owners. Cumulative voting shall be utilized in all such election.
- (b) At any vote for membership on the Executive Board, each Unit Owner, including the Declarants, shall vote for each position to be filled in accordance with the provisions of Article III of these Bylaws. At any meeting for election of membership to the Executive Board, any eligible person may be nominated. If more than twice the number of candidates to be elected at such meeting are nominated, then and in such event there shall be two ballots. At the end of the first ballot, the field of nominees shall be reduced so that there are no more than twice as many candidates running as there are positions to be filled, with those candidates receiving the fewest number of votes being eliminated. A second ballot shall be held, and the candidates receiving the greatest number of votes shall serve on the Executive Board.
 - 2.4. Removal of Members of the Executive Board. At any duly held regular

or special meeting of the Association, any one or more Members of the Executive Board may be removed with or without cause by a Majority of the total votes of all Unit Owners in the Association, and a successor may then or thereafter be elected to fill the vacancy thus created. Any member of the Executive Board whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. This provision shall not apply to Executive Board members appointed by the Declarants under Article II, Sections 2.1. and 2.3. herein and Section 12.1. of the Declaration.

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- 2.5. Temporary vacancies. Temporary vacancies on the Executive Board caused by any reason shall be filled by a majority of the votes of the two (2) remaining members of the Executive Board at a special meeting of the Executive Board held for that purpose promptly after the occurrence of any such vacancy. The person so elected shall be a member of the Executive Board for the remainder of the term of the member whose vacancy he/she is filling or until his/her successor shall be elected.
- 2.6. Meeting of the Executive Board. The first meeting of the Executive Board following the first annual meeting of the Association shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Association at their annual meeting and no notice shall be necessary. Thereafter, regular meetings of the Executive Board may be held at such times and places as shall be determined from time to time by a majority of the members of the Executive Board. Notice of all regular meetings of the Executive Board shall be given to each member of the Executive Board and to each Unit owner by mail or delivery to the Unit or other address sumbitted by the Owner for record purposes at least ten (10) days prior to the day of the meeting. No waiver of notice is necessary as to Unit Owners. Special meetings of the Executive Board may be called by any (1) member of the Executive Board on three (3) calendar days' notice to each member of the Executive Board given by mail or delivery to the Unit or other address of record submitted by the Executive Board member, which notice shall state the time, place and specific purpose of the

meeting. Notice to Unit Owners of special meetings of the Executive Board shall not be required. Any member of the Executive Board may, at any time, waive notice of any meeting of the Executive Board in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by a member of the Executive Board at any meeting of the Executive Board also shall constitute a waiver of notice of the time and place thereof.

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- 2.7. Quorum of the Executive Board. At regular meetings of the Executive Board, all members must be present to constitute a quorum for the transaction of business. At special meetings a majority of the Executive Board members must be present to constitute a quorum for the transaction of business. A majority vote of the members of the Executive Board is necessary in order to constitute valid action. If, at any meeting of the Executive Board there shall be less than a quorum present, the member(s) present shall adjourn the meeting to a new date and time. At any such reconvened meeting at which a quorum is present, any business which may have been transacted at the adjourned meeting may be transacted without further notice.
- 2.8. <u>Election</u>, <u>Duties of Officers</u>. Officers of the Executive Board shall be elected and shall have duties in accordance with the following:
- (a) At each annual organizational meeting of the Executive Board, the Executive Board shall elect a <u>President</u>, a <u>Secretary and a Treasurer</u> of the Association. The Secretary need not be a member of the Executive Board. All officers and members of the Executive Board, having the responsibility for handling funds of the Association, are to be bonded, at the expense of the Association, in such amounts as may be required by the Executive Board.
- (b) The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and the Executive Board, and shall have general powers and duties which are incident to the office of the president of a non-stock corporation, including, but not limited to, the power to appoint such committees from among the Unit Owners from time to time as he may in his discretion determine are appropriate to assist in the affairs of the Association.

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

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- (d) The Treasurer shall have the responsibility for the Association funds and securities and shall be responsible for the keeping of full and accurate records and books of account.
- (e) All agreements, contracts, leases, deeds, checks and other instruments of the Association shall be executed by any two (2) officers, or by such other person or persons as may be designated to do so by the Executive Board from time to time including any one (1) member of the Executive Board. Provided, however, that at least two (2) members of the Executive Board must execute all Certificates of Deposit and all other legal documents, applications and instruments regarding the savings and investment accounts of the Association.
- (f) Upon the affirmative vote of a majority of votes of the members of the Executive Board, any officer may be removed either with or without cause, and his successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for such purposes.
- (g) Upon death or resignation of an officer, his successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for such purpose.
- 2.9. Compensation of Executive Board Members and Officers. The President shall not receive any compensation for his services, except reimbursement for out-of-pocket expenses, but he may be compensated for services rendered in any other capacity. The Secretary and Treasurer may be reimbursed for out-of-pocket expenses and also may be compensated for their services if the Executive Board determines that such compensation is appropriate. With the exception of the foregoing, no Member of the Executive Board shall receive compensation for serving on the Executive Board.

ARTICLE III

Association

- 3.1. Composition. The Association is hereby organized on the date hereof as an unincorporated association. The Association shall consist of all of the Unit Owners acting as a group in accordance with the Uniform Condominium Act, the Declaration and these Bylaws. The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Uniform Condominium Act, the Declaration and these Bylaws. The foregoing responsibilities shall be performed by the Executive Board as more particularly set forth in these Bylaws.
- 3.2. <u>Annual Meetings</u>. After the first meeting is held in accordance with Article II, Section 2.3., succeeding annual meetings of the Association shall be held during either the last two weeks of August or the first two weeks of September. A meeting of the Association must be held at least once each year.
- 3.3. <u>Place Of Meeting</u>. The meetings of the Association shall be held at the principal office of the Association or at such other suitable place as may be designated by the Executive Board.
- 3.4. Special Meetings. It shall be the duty of the President to call a special meeting of the Association, if so directed by a resolution of the Executive Board or upon a petition signed and presented to the Secretary by Unit Owners owning not less than 33 1/3 (33 1/3%) percent of all interests in the Common Elements. The Notice of any special meeting shall state the time and place of such meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws. No business shall be transacted at a special meeting except as stated in the notice.
 - 3.5. Notice of Meetings. The Secretary shall give notice for each annual or

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

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- 3.6. Quorum Proxies. Except as otherwise provided herein, the presence in person or by proxy of Unit Owners owning more than one-half (1/2) of all interests in the Common Elements shall constitute a quorum at all meetings of the Association. If at any meeting of the Association there is not a quorum present, a majority in common interest of the Association who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the date on which the original meeting was called. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date unless it specifies a shorter term.
- 3.7. Conduct of Meeting. The order of business at the annual meeting of the Association or at any special meeting, as far as practicable, and in accordance with Section 3.3. of Article III of these Bylaws shall be:
 - (a) Calling of the roll and certifying of proxies.
 - (b) Proof of notice of meeting or waiver of notice.
 - (c) Reading and disposal of any unapproved minutes.
 - (d) Receiving reports of officers.

- (e) Receiving reports of committees.
- (f) Election of inspector of elections, if necessary.
- (g) Election of Executive Board Members, if necessary.
- (h) Old business.
- (i) New Business.
- (i) Adjournment.
- 3.8. Allocation of Votes. All elections, whenever required for any purpose, shall be conducted by allocating to each Unit Owner the number of votes (which may include fractions) reflecting his interest in ownership of the Common Elements as set forth in the Declaration, Exhibit "C". The total number of votes assigned to all Unit Owners shall be approximately 100. A Unit Owner may not split the votes allocated to his/her Unit but must cast them as one block on any particular vote. At all meetings of the Association or of the Executive Board, Roberts' Rules of Order (Revised) shall be followed.
- 3.9. Voting by Corporate and Multiple Owners. Duly authorized officers of corporate Unit Owners shall be entitled to vote. If only one of the multiple Owners of a Unit is present at a meeting of the Association, he is entitled to cast all the votes allocated to that Unit. If more than one of the multiple Owners are present, the votes allocated to that Unit may be cast only in accordance with their unanimous agreement unless the Declaration expressly provided otherwise. There is unanimous agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.
- 3.10. <u>Majority of Votes</u>. A vote of a majority of the votes cast at a meeting at which a quorum is present shall be binding upon all Unit Owners for all purposes except wherein by the Declaration, these Bylaws, or other bylaw, a higher percentage of votes is required.

ARTICLE IV

Common Expenses; Budget

- 4.1. <u>Fiscal Year</u>. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board; provided, however, that the first fiscal year shall begin upon the recordation of the Declaration.
 - 4.2. Preparation and Approval of Budget.

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- 4.2.1. On or before the first day of November of each year (or sixty (60) days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the costs of maintenance, management, operation, repair and replacement of the Common Elements, Limited Commercial-Office Elements, Limited Residential Elements, Limited Residential and Commercial-Office Elements and Limited Commercial-Office and 112 West Foster Avenue Elements, including the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses, Limited Commercial-Office Expenses, Limited Residential Expenses, Limited Residential and Commercial-Office Expenses and Limited Commercial-Office and 112 West Foster Avenue Expenses by the Uniform Condominium Act, the Declaration, these Bylaws or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies. and replacements.
- 4.2.2. On or before the next succeeding fifth day of November (or fifty-five (55) days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall make the budget available for inspection at the association office and shall send to each Unit Owner a copy of the budget in a

reasonably itemized form. Such budget shall constitute the basis for determining each Residential Unit Owners' assessments for General Common Expenses, and Limited Residential Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Section 4.8. below.

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- 4.2.3. The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.
- 4.3. Assessment and Payment of Common Expenses, Limited Residential

 Expenses, Limited Commercial-Office Expenses, Limited Residential and

 Commercial-Office Expenses and Limited Commercial-Office and 112 West Foster

 Avenue Expenses.
- 4.3.1. General Common Expenses and Limited Expenses. The Executive Board shall calculate the monthly assessments for General Common Expenses and Limited Expenses against each Unit Owner by multiplying (a) the total amount of the estimated funds required for the operation of the Common Elements and Limited Expenses set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any income expected to be received from sources other than Common Expense assessments and Limited Expense assessments or from the operation of the Elements to which the Expenses pertain, by (b) the Percentage Interest (expressed in decimal form) allocated to such Unit, and dividing the resultant product by (c) the number of calendar months in such fiscal year. Such assessments shall be deemed to have been adopted and assessed against the Unit Owners on a monthly basis and not on an annual basis and shall be payable in monthly installments, to be due and payable on the first day of each calendar month and shall be a lien against each Owner's Unit as provided in the Act and the Declaration.
- 4.3.2. <u>Notice</u>. Within ninety (90) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner and to each record holder of a mortgage on a Unit who has registered an address with the Secretary, an itemized accounting of the Expenses incurred and the funds received during such fiscal

year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to Common Expenses, Limited Residential Expenses, Limited Commercial-Office Expenses, Limited Residential and Commercial-Office Expenses, and Limited Commercial-Office and 112 West Foster Avenue Expenses, after application of such reserves as the Executive Board may determine, shall be assessed against the Unit Owners according to their respective Percentage Interests and shall be payable in one or more monthly assessments as the Executive Board may determine.

- 4.3.3. Reserves. The Executive Board shall build up and maintain reasonable reserves for working capital with respect to the Common Elements, the Limited Residential Elements, the Limited Commercial-Office Elements, the Limited Residential and Commercial-Office Elements, the Limited Commercial-Office and 112 West Foster Avenue Elements. Extraordinary Expenses, relating to each and/or all of the above not originally included in the annual budget which may become necessary during the fiscal year and may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, the Executive Board may at any time levy further assessments against the Unit Owners for the Common Expenses, Limited Residential Expenses, Limited Commercial-Office Expenses, Limited Residential and Commercial-Office Expenses and Limited Commercial-Office and 112 West Foster Avenue Expenses according to their respective Percentage Interests and shall be payable in one or more monthly assessments as the Executive Board may determine.
- 4.4. Further Assessments. The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to Sections 4.3.1., 4.3.2. or 4.3.3. or otherwise as permitted or required by the Act, the Declaration and these Bylaws by a statement in writing giving the amount and reasons therefor, and such further assessments shall, unless otherwise specified in the notice, become effective with the next monthly assessment which is due more than ten (10) days after the delivery of such notice of further assessments. All Unit Owners so assessed shall be obligated to pay the amount of such monthly assessments. Such assessments shall be a lien as of the effective date as set forth in the preceding Sections 4.3.1. through 4.3.3.

- 4.5. <u>Initial Budget</u>. At or prior to the time assessment of Common Expenses, Limited Residential Expenses, Limited Commercial-Office Expenses and Limited Residential and Commercial-Office Expenses commences, the Executive Board shall adopt the budget, as described in this Article, for the period commencing on the date the Executive Board determines that assessments shall begin and ending on the last day of the fiscal year during which such commencement date occurs. Assessments shall be levied and become a lien against the Units during such period as is provided in Section 4.4. above.
- 4.6. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Expenses, as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.
- 4.7. Accounts; Audits. All books and records of the Association shall be kept in accordance with good and accepted accounting practices. Upon written demand by any three (3) Unit Owners followed by the majority approval of all votes entitled to be cast by Unit Owners, an audit by an independent accountant shall be conducted of the financial books and records of the Association for the fiscal year most recently completed. Normally an audit by an independent accountant shall not be required, although the Executive Board at any time may have an audit conducted.
- 4.8. Rejection of Budget; Limitations on Expenditures and Borrowing.

 Anything herein to the contrary notwithstanding, the Association, by majority vote of all votes in the Association, may reject any budget or capital expenditure approved by the Executive Board. The power of the Executive Board to incur expenses, debts or borrow money on behalf of the Association is subject to the requirement that the consent of Unit Owners entitled to cast at least two-thirds (2/3) of the votes in the Association must be obtained at a meeting duly called and held for such purpose in

accordance with the provisions of these Bylaws to (i) incur expenses which would cause the aggregate amount of all expenses in the budget to be exceeded by more than five (5%) percent of such aggregate amount or (ii) to incur debts or borrow money which would cause the aggregate amount of all debts and loans of the Association then outstanding to exceed five (5%) percent of such aggregate amount.

- 4.9. Payment of Common Expenses, Limited Commercial-Office Expenses, <u>Limited Residential Expenses</u>, <u>Limited Residential and Commercial-Office Expenses</u> and Limited Commercial-Office and 112 West Foster Avenue Expenses. Each Unit Owner shall pay the Expenses assessed or billed by the Executive Board pursuant to the provisions of this Article IV. No Unit Owner may exempt himself from liability for his/her contribution toward such Expenses by waiver of the use or enjoyment of any of the Common Elements, Limited Commercial Elements, Limited Residential Elements, Limited Residential and Commercial-Office Elements or Limited Commercial-Office and 112 West Foster Avenue Elements or by abandonment of his/her Unit, except as otherwise provided in the Declaration for withdrawable real estate. No Unit Owner shall be liable for the payment of any part of the Expenses assessed or billed against his/her Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments or billings assessed or billed against the selling Unit Owner's Unit up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments of billings against the selling Unit Owner within ten (10) days following a written request therefor to the Executive Board or Managing Agent; and provided further that in accordance with Section 3315(b)(2) of the Act, the Association's lien for Common Expenses shall be divested by a judicial sale of the Unit:
- (i) As to unpaid Common Expense assessments made under Section 3314(b) (relating to assessments for Common Expenses) that come due during the six (6)

months immediately preceding institution of an action to enforce collection of a lien against a Unit by a judicial sale, only to the extent that the six (6) months unpaid assessments are paid out of the proceeds of the sale.

- (ii) As to unpaid Common Expense assessments made under Section 3314(b) other than the six (6) months assessments referred to in subparagraph (i), in the full amount of these unpaid assessments, whether or not the proceeds of the judicial sale are adequate to pay these assessments. To the extent the proceeds of the sale are sufficient to pay some or all of these additional assessments, after satisfaction in full of the costs of the judicial sale, and the liens and encumbrances of the types described in paragraph (1) and the unpaid Common Expense assessments that come due during the six-month period described in subparagraph (i), they shall be paid before any remaining proceeds may be paid to any other claimant, including the prior owner of the Unit.
- 4.10. Collection of Assessments. The Executive Board or the Managing Agent, at the request of the Executive Board, shall take prompt action to collect any assessments or bills for Expenses, due from any Unit Owner which remain unpaid for more than thirty (30) days from the date for payment thereof. Any assessment or bill not paid within five (5) days after its due date shall accrue a late charge in the amount of five (5%) percent of the overdue assessment or bill in addition to interest at the rate of fifteen (15%) percent per annum or such rate as may otherwise be determined by the Executive Board.
- 4.11. Statement of Common Expenses. The Executive Board shall promptly provide any Unit Owner, contract purchaser or proposed mortgagee so requesting the same in writing with a written statement of all unpaid assessments or bills for Common Expenses, Limited Commercial-Office Expenses, Limited Residential Expenses, Limited Residential and Commercial-Office Expenses and Limited Commercial-Office and 112 West Foster Avenue Expenses due from such Unit Owner(s). The Executive Board may impose a reasonable charge for the preparation of such statement to cover the cost of its preparation.

ARTICLE V

Compliance and Default

- 5.1. Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these Bylaws, the Rules and Regulations and the Act, as any of the same may be amended from time to time. In addition to the remedies provided in the Act and the Declaration, a default by a Unit Owner shall entitle the Association, acting through its Executive Board or through the Managing Agent, to the following relief:
- a. Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of his tenants, guests, invitees or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.
- b. <u>Costs and Attorney's Fees</u>. In any proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the Court.
- c. No Waiver of Rights. The failure of the Association, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws, the Executive Board Rules and Regulations or the Uniform Condominium Act shall not constitute a waiver of the right of the Association, the Executive Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Board or any Unit Owner pursuant to any

term, provision, covenant or condition of the Declaration, these Bylaws, the Rules and Regulations or the Uniform Condominium Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these Bylaws, the Rules and Regulations or the Uniform Condominium Act or at law or in equity.

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

ARTICLE VI

<u>Amendments</u>

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

or the Declaration, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence.

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- 6.2. Approval of Mortgagees. These Bylaws contain provisions concerning various rights and interests of record holders of mortgages on Units. Such provisions in these Bylaws are to be construed as covenants for the protection of such holders on which they may rely in making loans secured by such mortgages. Accordingly, no amendment or modification of these Bylaws impairing or affecting such rights, priorities, remedies or interests of such a holder shall be adopted without the prior written consent of such holders who have registered an address with the Secretary.
- 6.3. <u>Amendments to the Declaration</u>. Any two officers or Executive Board members of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE VII

Alterations, Decorating, Maintenance and Repair

- 7.1. Responsibility for Maintenance of Units. Each Unit Owner shall furnish and be responsible for and at his own expense, all of the maintenance, repairs and replacements within his Unit and Limited Common Elements as defined in the Declaration; provided, however, that such maintenance, repairs and replacements as may be required for the bringing of water and electricity to the Unit, shall be furnished by the Executive Board as part of the Common Expenses. Maintenance, repairs, and replacements of the refrigerators, ranges, dishwashers and other kitchen appliances and lighting fixtures, and other electrical appliances of any Unit Owner shall be at the expense of such Unit Owner. Each Unit Owner shall be responsible for the repair and replacement of all windows of his/her Unit.
 - 7.2. Damage by Negligent Acts. If due to the negligent act or omission of a

Unit Owner or of a Resident or of a member of the family or of a guest or invitee of such Unit Owner or Resident, damage shall be caused to the Common Elements, Limited Common Elements, Limited Commercial-Office Elements, Limited Residential Elements, Limited Residential and Commercial-Office Elements, Limited 112 West Foster Avenue Elements, Limited Commercial-Office and 112 West Foster Avenue Elements or to a Unit or Units owned by others, or maintenance, repairs and replacements shall be required which would otherwise be a Common Expense, Limited Common Expense, Limited Residential Expense, Limited Residential and Commercial-Office Expense, Limited Residential Expense, Limited Residential Commercial-Office Expense, Limited 112 West Foster Avenue Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Executive Board.

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7.3. Maintenance of Equipment, Fixtures, etc. To the extent that equipment, facilities and fixtures within any Unit or Units shall be connected to similar equipment, facilities or fixture affecting or serving other Units, the Common Elements or the Limited Residential Elements, Limited Commercial-Office Elements, Limited Residential and Commercial-Office Elements or Limited Commercial-Office and 112 West Foster Avenue Elements then the use thereof by the individual Unit Owners shall be subject to the control of the Executive Board. The authorized representatives of the Executive Board, or of the manager or managing agent for the Buildings, shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance, repairs, or replacements of or to the Common Elements, Limited Common Elements, Limited Commercial-Office Elements, Limited Residential Elements, Limited Residential and Commercial-Office Elements or Limited Commercial-Office and 112 West Foster Avenue Elements or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements, Limited Common Elements, Limited Commercial-Office Elements, Limited Residential Elements, Limited Residential and Commercial-Office Elements or Limited Commercial-Office and 112 West Foster Avenue Elements.

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

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7.5. Alterations. No alterations of any Common Elements, Limited Residential Elements, Limited Commercial-Office Elements, Limited Residential and Commercial-Office Elements or Limited Commercial-Office and 112 West Foster Avenue Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Executive Board. In addition, (a) plans prepared and certified by an Architect or Professional Engineer duly registered or licensed in Pennsylvania must be provided to the Executive Board for such work. Such plans must demonstrate to the satisfaction of the Executive Board that such alterations, additions or improvements will not diminish the structural integrity of the building in any way whatsoever. The plans shall be otherwise subject to the approval of the Executive Board, not to be reasonably withheld, (b) any Unit Owner causing work to be done and his/her contractor doing said work must produce evidence of adequate liability and property insurance for the protection of the

Association, including but not limited to the following:

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- (i) small claims under Workers' or Workmen's Compensation, disability benefit and other similar employee benefit acts;
- (ii) claims for damages because of bodily injury, occupational sickness or disease, or death of his/her employees;
- (iii) claims for damages because of bodily injury, sickness or disease, or death of any person other than his/her employees;
- (iv) claims for damages insured by usual personal injury liability coverage which are sustained by (a) any person as a result of an offense directly or indirectly related to the employment of such person by the contractor, or (b) by any other persons;
- (v) claims for damages, other than to the work itself because of injury to or destruction of tangible property, including loss of use resulting therefrom; and
- (vi) claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance, or use of any motor vehicle, (c) all contracts for such work must be "no-lien contracts", and (d) all necessary permits must be obtained. All the above terms must be submitted to the Executive Board prior to undertaking such work in accordance with Article XIII hereof. The work must be carried out expeditiously and in a reasonable manner to minimize noise and interference with the use and enjoyment of the building and the Common Elements by the Unit Owners and Residents of the Condominium. The Executive Board shall have the right to require the Unit Owner and/or a contractor to furnish bonds covering the faithful performance of the contract and the payment of all obligations arising thereunder.

The requirements set forth in this Section shall also apply to Sections 3.4. and 8.1.(g) of the Declaration and Article XIII of these Bylaws.

As provided for in the Declaration, the Owner(s) of the 112 West Foster Avenue Unit(s) may change the appearance of the Limited 112 West Foster Avenue Elements and/or the exterior and interior appearance of their Unit(s) at his/her sole discretion

and without permission of the Association or the Executive Board.

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

ARTICLE VIII

Insurance

- 8.1. <u>Insurance</u>, <u>Provided by the Executive Board</u>. The Executive Board, for the benefit of and on behalf of the Unit Owners, shall contract for, shall pay the premiums therefor as Common Expenses, and shall maintain at all times the following insurance:
- (a) Fire insurance in an amount equal to the full insurable replacement value of the Property without deduction for depreciation, with an endorsement for extended coverage, or such other fire and casualty insurance as the Executive Board may maintain providing equal or greater protection for the Unit Owners and their mortgagees, if any. In the event the net proceeds of such insurance do not exceed One Hundred Thousand Dollars (\$100,000.00) such net proceeds shall be payable to the Executive Board on behalf of all Unit Owners and their respective mortgagees. In the event the net proceeds of such insurance exceeds One Hundred Thousand Dollars (\$100,000.00) such net proceeds shall be payable to any trustee or any successor trustee appoint by the Executive Board and approved by the holders of five (5) or more mortgages permitted hereunder (hereinafter referred to as the "Insurance Trustee"). All such insurance shall include a separate loss payment endorsement, in favor of the holders of any mortgages permitted hereunder modified to make the loss payable provisions in favor of such holders of mortgages subject and subordinate to the loss payment provisions in favor of the Executive Board, or the Insurance Trustee under an appropriate agreement. Said Agreement shall provide that the Executive Board or Insurance Trustee shall hold and disburse all payments received on account of loss or damage covered by such policy for repairs and restoration as provided in the

Pennsylvania Uniform Condominium Act and in this Article. Said insurance may, in the discretion of the Executive Board, contain a "deductible" provision in an amount determined by the Executive Board but not to exceed Five Thousand (\$5,000.00) Dollars. The Executive Board shall periodically order an appraisal of the Property to be made for the purpose of determining the current value of the Property, and the scope and amount of all fire insurance policies shall be reviewed yearly and may be increased in its discretion in order to maintain coverage in the amount of the current full insurable replacement value of the Property as hereinabove required.

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- (b) Comprehensive general liability insurance including medical payments insurance insuring Unit Owners (in their capacity as Unit Owners), members of the Executive Board and any manager of the Property against any liability to the public or to the Unit Owners, Residents or invitees, relating in any way to the ownership and/or use of the Property and any part thereof. Limits of liability shall be at least Five Hundred Thousand Dollars (\$500,000.00) for death or personal injury to any one person, One Million Dollars (\$1,000,000.00) for death or personal injury in any single occurrence. The scope and account of coverage of all liability insurance policies shall be reviewed at least once each year by the Executive Board and may be increased at its discretion.
 - (c) Such Worker's Compensation insurance as applicable laws may require.
- (d) Such other insurance as the Executive Board in its discretion may deem to be desirable.
- 8.2. <u>Specifications for Insurance</u>. All insurance shall be obtained in accordance with the following provisions:
- (a) All policies shall be written with an insurance carrier licensed to do business in the Commonwealth of Pennsylvania and holding a rating of "AAA" or higher as rated by Best's Insurance Reports, or by an equivalent rating agency in the event Best's Insurance Reports cease to be issued.
- (b) Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Executive Board or its authorized representative.

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

- (d) Each Unit Owner may maintain additional insurance at his/her own expense; provided, however, that (i) such policies shall contain waivers of subrogation, and (ii) no Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the proceeds which the Executive Board, on behalf of the Association, may realize under any insurance policy which the Executive Board may have in force on the Property at any particular time.
- (e) Each Unit Owner shall be required to notify the Executive Board of all alterations, additions and improvements made by him/her to his/her Unit or Limited Common Elements, the value of which is in excess of One Thousand Dollars (\$1,000.00).
- (f) The Executive Board shall have the power to require all Unit Owners to maintain such types of insurance as the Executive Board may reasonably require with the type of insurance companies specified hereinabove.
- (g) Any Unit Owner who maintains individual insurance policies covering any portion of the Property other than personal property belonging to such Unit Owner shall be required to file a copy of such individual policy or policies with the Executive Board within thirty (30) days after purchase of such insurance.
- (h) The Executive Board shall be required to make every effort to secure and maintain insurance policies covering the Property that will provide the following:
- (i) A waiver of subrogation by the insurer as to any claims against the Executive Board, any manager of the Property, the Unit Owners and their respective servants, agents and guests;
- (ii) That the insurance policies issued to the Executive Board on behalf of the Unit Owners and covering the Property cannot be canceled, invalidated or suspended owing to the conduct of any one or more Unit Owners and in no event can cancellation, invalidation or suspension for any reason be effected without at least

- thirty (30) days' prior written notice to each Unit Owner and all mortgage holders;
- (iii) That all policies covering the Property cannot be canceled, invalidated or suspended owing to the conduct of any officer, member or employee of the Executive Board or any manager of the Property without prior demand in writing that the Executive Board cure the defect within a reasonable period of time; and
- (iv) That any "No Other Insurance" clause in the Executive Board insurance policies exclude individual Unit Owners' policies from consideration.
- (i) The periodic and annual insurance reviews which the Executive Board is required to conduct, as provided hereinabove, shall include an appraisal of the improvements to the Property performed by a real estate appraiser acceptable to the insurance carrier or carriers issuing the policies maintained by the Executive Board.

ARTICLE IX

Repair or Reconstruction

- 9.1. Damage or Destruction.
- (a) Repair. Except as otherwise provided by law, in the Declaration or herein, damage to or destruction of the Building or any other improvements constructed on the property shall be promptly repaired and restored by the Executive Board using the insurance proceeds received by the Executive Board or the Insurance Trustee for such purpose. The Unit Owners directly affected thereby shall be liable for any deficiency in such proceeds in proportion to their respective Percentage Interests except that if and to the extent that such deficiency exists solely by reason of a "deductible" provision in the insurance policy or policies held by the Executive Board, such deficiency shall be borne by all of the Unit Owners as a Common Expense. Unit Owners may apply the proceeds from their individual fire insurance policies, if any, to the share of such Expense for which they are liable. The Executive Board shall be responsible only for restoring the Building to substantially the same condition as it was immediately prior to the damage or destruction, and each Unit Owner shall personally assume the additional expense of any improvements to

his/her Unit which he/she desires to restore beyond such condition. If any changes are made in the basic construction of any restored Unit, Common Elements, Limited Commercial-Office Elements, Limited Residential Elements, Limited Residential Commercial-Office Elements, Limited 112 West Foster Avenue Elements, or Limited Commercial-Office and 112 West Foster Avenue Elements, the Executive Board shall record an amended Declaration Plan reflecting such changes.

- (b) <u>Termination</u>. Notwithstanding anything contained in this Article to the contrary, if:
- (i) there is substantially total destruction of the Building, the existence of which condition shall be conclusively determined by a unanimous vote of the Executive Board members rendered within thirty (30) days after the occurrence; or
- (ii) Unit Owners directly affected by such damage or destruction and entitled to cast seventy-five (75%) percent of the votes of all said Unit Owners directly affected thereby duly resolve, within sixty (60) days after receipt of at least three (3) contractors' bids and the final insurance adjustment, not to proceed with repair or restoration; then, and only in the event of either (b)(i) or (b)(ii) above having occurred, the salvage value of the property shall be subject to partition at the suit of any Unit Owner, in which event the net proceeds of sale, together with the net proceeds of insurance policies held by the Executive Board or the Insurance Trustee, shall be considered as one fund and shall be divided among all the unit Owners in proportion to their respective Percentage Interests, after discharging, out of the respective shares of Unit Owners, to the extent sufficient for the purpose, all liens against the Units of such Unit Owners.
- 9.2. Eminent Domain. A taking of, injury of, or destruction of part or all of the Property by the power, or a power in the nature, of eminent domain or by an action or deed in lieu of Condemnation, shall be considered to be included in the term "damage or destruction" for purposes of this Article, and the proceeds of the eminent domain taking shall be treated in the same manner as insurance proceeds. Whenever all or part of the Common Elements, Limited Common Elements, Limited

Commercial-Office Elements, Limited Residential Elements, Limited Residential and Commercial-Office Elements, Limited 112 West Foster Avenue Elements, or Limited Commercial-Office and 112 West Foster Avenue Elements shall be taken, injured or destroyed by eminent domain, each Unit Owner so affected shall be entitled to notice thereof and shall participate in the proceedings incident thereto, but in any proceedings for the determination of damages, damage for such taking of, injury to or destruction of the Condominium as a whole shall be determined and a separate determination of damage to each Unit Owner's interest shall not be made.

ARTICLE X

Common Expenses

- 10.1. Payment of Common Expenses, Limited Commercial-Office Expenses, Limited Residential Expenses, Limited Residential and Commercial-Office Expenses and Limited Commercial-Office and 112 West Foster Avenue Expenses. All Residential Unit Owners shall be obligated to pay, on a monthly basis, the Common Expenses, Limited Residential Expenses, Limited Commercial Office Expenses, Limited Residential and Commercial-Office Expenses, and Limited Commercial Office and 112 West Foster Avenue expenses assessed by the Executive Board pursuant to the authority granted to the Executive Board under these Bylaws. At its option, the Executive Board may authorize the Common Expenses to be collected by a mortgagee of one or more Units or by any other servicing agent.
- 10.2. <u>Collection of Assessments</u>. The Executive Board shall take prompt action to collect any Common Expenses, Limited Commercial-Office Expenses, Limited Residential Expenses, Limited Residential and Commercial-Office Expenses, or Limited Commercial-Office and 112 West Foster Avenue Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from due date of payment thereof.
- 10.3. <u>Default in Payment of Common Expenses</u>. Any assessment or bill not paid within five days after its due date shall accrue a late charge in the amount of five

(5%) percent of the amount overdue in addition to interest at the rate of fifteen (15%) percent per annum or such rate as may otherwise be determined by the Executive Board, together with all expenses including reasonable attorney's fees incurred in collecting said unpaid Common Expenses. The Executive Board shall have the right and duty to recover such expenses, together with such interest and costs in an action to recover the same brought against the Unit Owner as provided in the Pennsylvania Uniform Condominium Act.

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ARTICLE XI

Parking Spaces - Limited Common Elements

- ach Residential Unit Owner, as to be determined by the Declarants. The parking space shall constitute a Limited Common Element for the exclusive use of the Owner of such Unit. A reallocation of such Limited Common Elements may be made by a recorded assignment by the Unit Owners between or among whose Units the reallocation is made or by an amendment to the Declaration executed by those Unit Owners, and such Limited Common Elements shall otherwise be included in and be transferred as a part of a conveyance or lease of all of a Unit Owner's interest to his Unit. Any repairs, replacement or maintenance to or with respect to said parking space shall be a Limited Residential Expense except those caused by the sole negligence of the Residential Unit Owner to which such Limited Residential Element is assigned or the tenant or invitee of such Unit Owner using such assigned Limited Residential Element, which shall be the expense of such Unit Owner.
- 11.2. Reserved parking spaces shall be assigned to and among the Commercial-Office Unit owners for their exclusive use, as to be determined by Declarants at the time of closing. The parking spaces shall constitute Limited Common Elements for the exclusive use of the Owners of such Units in accordance with the assignment. A reallocation of such Limited Common Elements may be made by a recorded assignment by the Unit Owners between or among whose Units the

reallocation is made or by an amendment to the Declaration executed by those Unit Owners, and such Limited Common Elements shall otherwise be included in and be transferred as a part of a conveyance or lease of all of a Unit Owner's interest in and to his/her Unit. Any repairs, replacement or maintenance to or with respect to such parking spaces shall be a Limited Commercial-Office Expense except those caused by the sole negligence of a Commercial-Office Unit owner or the tenant or invitee of such Unit Owner using such assigned Limited Common Element, which shall be the expense of such Unit Owner.

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- 11.3. Six (6) reserved parking spaces directly to the rear of(southeast of) the 112 West Foster Avenue Unit(s) shall be assigned to the 112 West Foster Avenue Unit(s) Owner(s). These parking spaces shall constitute Limited Common Elements for the exclusive use of the Owner(s) of such Unit(s) in accordance with the assignment. A reallocation of such Limited Common Elements may be made by a recorded assignment by the Unit Owners between or among whose Units the reallocation is made or by an amendment to the Declaration executed by those Unit Owners, and such Limited Common Elements shall otherwise be included in and be transferred as a part of a conveyance or lease of all of a Unit Owner's interest in and to his/her Unit. Any repairs, replacement or maintenance to or with respect to such parking spaces shall be a Limited 112 West Foster Avenue Expense.
- 11.4 Except as otherwise limited or restricted in the Declaration, as amended, nothing in this Article XI of these Bylaws shall prohibit the reallocation or the leasing of parking spaces between or among Residential Unit Owners, Commercial-Office Unit Owners and the 112 West Foster Avenue Unit Owner(s). The Seventh Amendment to the Declaration of Condominium, as recorded in Centre County Record Book 961 at pages 870-877, includes the clarification of the rights and interests of Unit Owners relative to exclusive use of parking spaces. Among other things, the Amendment eliminates and revokes the original twenty (20) year and all other time limitations on the assignments of parking spaces and their exclusive use. Pursuant to the said Seventh Amendment, assignments of parking spaces are for an

unlimited term for the exclusive use of the Unit Owners of the respective Units, however each parking space shall remain a Limited Common Element. The attached "Exhibit E" -- Upper Parking Deck Parking Assignments and Basement Parking Assignments, consisting of two (2) pages, is incorporated herein and made a part hereof, and shows the numbers of the parking spaces and current assignments to Units as of the date of the First Amendment to Bylaws.

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ARTICLE XII

Additions, Alterations or Improvements by the Executive Board

- 12.1 <u>Common Elements</u>. Whenever, in the judgment of the Executive Board, Common Elements shall require additions, alterations or improvements costing in excess of Ten Thousand (\$10,000.00) Dollars, said alterations or improvements shall not be made unless they have been approved by a majority of the votes allocated to Unit Owners present and voting at a meeting of the Association at which a quorum is present. When said approval has been obtained, all Unit Owners shall be liable for the cost thereof as a Common Expense. In the event of any emergency which could cause damage to the Building or any part thereof, the Executive Board may expend sums not in excess of Twenty Thousand (\$20,000.00) Dollars to protect the Building and the judgment of the Executive Board shall be final, conclusive and binding.
- 12.2. <u>Limited Residential Elements</u>. Whenever, in the judgment of the Executive Board, Limited Residential Elements shall require additions, alterations or improvements costing in excess of Ten Thousand (\$10,000.00) Dollars, said alterations or improvements shall not be made unless they have been approved by a Majority of the votes allocated to Residential Unit Owners present and voting at a meeting of the Association at which a quorum is present. When said approval has been obtained, all Residential Unit Owners shall be assessed for the cost thereof as a Limited Residential Expense. In the event of an emergency which could cause damage to the Building or any part thereof, the Executive Board may expend sums not in excess of Twenty Thousand (\$20,000.00) Dollars to protect the Building and the

judgment of the Executive Board shall be final, conclusive and binding.

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- 12.3. <u>Limited Commercial-Office Elements</u>. Whenever, in the judgment of the Executive Board, Limited Commercial-Office Elements shall require additions, alterations or improvements costing in excess of Ten Thousand (\$10,000.00) Dollars, said alterations or improvements shall not be made unless they have been approved by a Majority of the votes allocated to Commercial-Office Unit Owners present and voting at a meeting of the Association at which a quorum is present. When said approval has been obtained, all Commercial-Office Unit Owners shall be assessed for the cost thereof as a Limited Commercial-Office Expense. In the event of an emergency which could cause damage to the Building or any part thereof, the Executive Board may expend sums not in excess of Twenty Thousand (\$20,000.00) Dollars to protect the Building and the judgment of the Executive Board shall be final, conclusive and binding.
- 12.4. <u>Limited 112 West Foster Avenue Elements</u>. All additions, alterations and improvements to the Limited 112 West Foster Avenue Elements shall be undertaken solely at the discretion of Albert F. Williams and/or Jeanne L. Williams, as Owners of the 112 West Foster Avenue Unit(s). The Executive Board shall have no authority to direct or order either exterior or interior changes to the Limited 112 West Foster Avenue Elements. At such time as Albert F. Williams and/or Jeanne L. Williams convey title to any portion or all of said Unit, the Executive Board shall be granted authority to act under similar terms and conditions as set forth in Sections 12.1 and 12.3. above.
- 12.5. Adjustments to Limitations. The spending limitations imposed upon the Executive Board in this Article XII. may be increased or reduced at any time upon recommendation of the Executive Board and approval by a majority of the votes of Unit Owners present and voting at a meeting of the Association at which a quorum is present.

ARTICLE XIII

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Additions, Alterations or Improvements by the Unit Owners

No Unit Owner shall make any structural addition, structural partition or wall change, or structural alteration or improvement in or to his Unit without prior written consent of the Executive Board and the mortgagee of said Unit except as otherwise expressly permitted hereby as to the combination of Units and as reserved and granted to the Owner(s) of the 112 West Foster Avenue Unit(s) as provided in the Declaration. Unit Owners shall also comply with the additional requirements set forth in detail in Section 7.5. above. The Executive Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within sixty (60) days after such request.

ARTICLE XIV

Right of Access

Each Unit Owner shall grant a right of access to his Unit to the manager and/or the managing agent and/or any other person authorized by the Executive Board for the purpose of making inspections and for the purpose of correcting any condition originating in his/her Unit and threatening another Unit or Common Element, Limited Commercial-Office Element, Limited Residential Element, Limited Residential and Commercial-Office Element, Limited 112 West Foster Avenue Element, or Limited Commercial-Office and 112 West Foster Avenue Element or for the purpose of performing necessary installations, alterations or repairs to the utility or mechanical services in his/her Unit or elsewhere in the Building within which the Unit is located. In accordance with the Declaration, non-emergency requests for entry are to be made in advance, and such entry is to be at a time reasonably convenient to the Unit Owner.

In the case of an emergency, such right of entry shall be immediate for all Units, whether the Unit Owner is present at the time. Each Unit Owner shall be responsible for and shall pay for locksmith and/or other repair and replacement services and costs arising from such emergency entry.

ARTICLE XV

Payment for Utilities

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

Electricity consumed in lighting the Common Elements and Limited Commercial Elements and in operating the various machinery, appliances and devices located therein and in heating and cooling the Common Elements and Limited Commercial Elements and for the heating of water therein shall be billed to the Association and treated as a Limited Common Expense.

Water consumed in each Residential Unit will be billed to the Association and treated as a Limited Residential Expense. Water consumed for the purposes of the Common Elements and sewer charges shall be billed to the Association and shall be treated as a Limited Residential Expense. The Commercial-Office Units and the 112 West Foster Avenue Unit(s) shall be separately metered for water, electrical and sewer use.

Telephone service provided to each Unit is to be billed to each Unit Owner. The lobby telephone utilized for intercommunication and security purposes shall be charged to the Association and treated as a Limited Residential Expense.

ARTICLE XVI

<u>Miscellaneous</u>

- 16.1. Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, postage prepaid (or otherwise as the Act may permit), (i) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Association, the Executive Board or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one Person, each such Person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.
- 16.2. <u>Captions</u>. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.
- 16.3. <u>Gender</u>. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.
- 16.4. Severability. If any provisions of the Bylaws of Midtown Square A Condominium or any section, sentence, clause, phrase or word or the application thereof in any circumstances be judicially held in conflict with the laws of the Commonwealth of Pennsylvania, then the said laws shall be deemed controlling and the validity of the remainder of the Bylaws and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

16.5. Effective Date. These Bylaws shall become effective immediately.

Established and adopted by the First Members of the Executive Board on the 12th day of May, 1987.

Albert F. Williams, President Jeanne L. Williams, Secretary Donald E. Coyne, Treasurer

First Amendment of Bylaws: Adopted by Midtown Square Condominium Association, Inc. on September 2, 1998

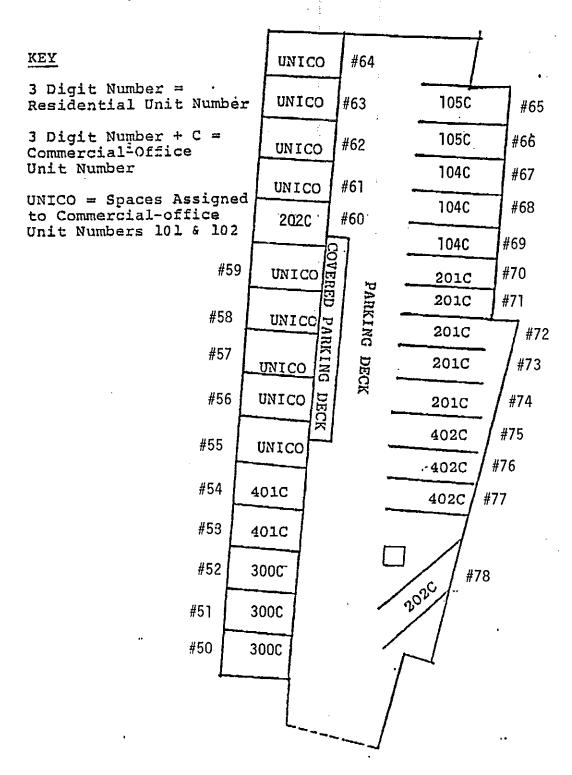
Wayne Hilinski, Secretary Midtown Square Condominium Association, Inc.

"EXHIBIT E" ATTACHED

MIDTOWN SQUARE - A CONDOMINIUM

UPPER PARKING DECK PARKING ASSIGNMENTS

PARKING SPACES, numbered 50-78



WEST FOSTER AVENUE ENTRANCE