

BY-LAWS, RULES AND REGULATIONS
OF
RIDGEFIELD TERRACE CONDOMINIUM UNIT OWNERS' ASSOCIATION
(Pennsylvania No Stock Non-Profit Corporation)

ARTICLE 1. GENERAL

1.1 The Name: The name of the corporation shall be the RIDGEFIELD TERRACE CONDOMINIUM UNIT OWNERS' ASSOCIATION, a Condominium Homeowner's Association, a non-profit corporation, hereinafter referred to as "the Association".

1.2 The Principal Office: The principal office of the corporation shall be at or at such other place as may be subsequently designated by the Executive Board of Directors.

1.3 Identify: The By-Laws, Rules and Regulations are established pursuant to the Pennsylvania Uniform Condominium Act, Act No. 1800-82 found at 68 Pa. C.S.A. Section 3101 et seq., for the purpose of administering, operating and managing the RIDGEFIELD TERRACE CONDOMINIUM UNIT OWNERS' ASSOCIATION, a Condominium Homeowners' Association.

1.4 Definition: As used herein the term "Corporation" shall be the equivalent of Association, and all other words as used herein shall have the same definitions as attributed to them in the Declaration of Condominium of RIDGEFIELD TERRACE, a Condominium. If any definition in the Declaration conflicts with a definition in the Pennsylvania Statutes, the definition in the Declaration shall prevail and govern the interpretation of this document.

ARTICLE 2. MEMBERSHIP AND VOTING PROVISIONS

2.1 Membership: Membership in this Association shall be limited to owners of units in the condominium as described in the Articles of Incorporation of the Association, which may be in any one of the buildings already constructed or in any one of the buildings which may be constructed within the entire condominium complex. If unit ownership is vested in more than one person or entity, all of the persons or the entity owning a unit shall be eligible to hold office, attend meetings, etc.; but, as hereinafter indicated, the vote of a unit shall be cast by the "voting member". If unit ownership is vested in a corporation, the corporation may designate an individual officer or employee as its voting member. Developer, or their assignee, nominee, designee or successor, as an owner of unsold units, shall be deemed a member of this corporation.

2.2 Voting:

a. The owner of each unit shall be entitled to one (1) vote. If an owner owns more than one unit, he shall be entitled to one (1) vote for each unit owned. The vote of a unit shall not be divisible.

b. Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting in which a quorum shall be present, shall be binding upon all unit owners for all purposes, except where otherwise provided by law, in the Declaration, the Articles of Incorporation or in these By-Laws; and as used in these By-Laws, the Articles of Incorporation or the Declaration, the term "majority of the members" shall mean those unit owners having more than fifty (50%) percent of the total authorized votes of all unit owners present, in person or by proxy and voting at any meeting of the unit owners at which a quorum shall be present.

2.3 Quorum: Unless otherwise provided in these By-Laws, the presence in person or by proxy of a majority of unit owners shall constitute a quorum.

2.4 Proxies: Votes may be cast in person or by proxy. All proxies shall be in writing, signed by the person entitled to vote, and shall be filed with the Secretary of the Association, prior to, or at, the meeting at which they are to be used, and shall be only effective for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the first meeting for which it was given. Every proxy shall be revocable at any time, at the pleasure of the unit owner executing it. Where a unit is jointly owned by husband and wife, and they have not designated one of themselves as a voting member, a proxy must be signed by both, in order to designate a third party as proxy.

2.5 Designation of a Voting Member: If a unit is owned by one person, his right to vote shall be established by the record title to the unit. If a unit is owned by more than one person, the person entitled to cast the unit's vote shall be designated in a certificate to be filed with the secretary, signed by all of the record owners of the unit. If a unit is owned by a corporation, it shall designate the officer or employee entitled to cast the unit's vote, by executing a certificate to be filed with the Secretary of the Association, signed by its President or Vice-President, and attested to by its Secretary or Assistant Secretary. The person designated in such certificate shall be known as the voting member. If, for a unit owned by more than one person or by a corporation, such certificate is not on file with the secretary of the corporation, the vote of the unit shall not be counted in determining the presence of a quorum or for any purpose requiring approval of a person entitled to cast the vote for the unit, except as said unit is owned jointly by

husband and wife. Such certificates shall be valid until revoked or superseded by a subsequent certificate, or until a change occurs in the ownership of the unit. If a unit is owned jointly by husband and wife, the following provisions are applicable:

- a. They may, but they shall not be required to, designate a voting member;
- b. If they do not designate a voting member, and both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting;
- c. Where they do not designate a voting member, and only one is present at the meeting, the person present may cast the unit's vote.

2.6 Limitation on Right to Vote: Each member has an obligation to pay monthly maintenance assessment and may be obligated to pay a special assessment. The corporation has the responsibility and obligation to make and collect the assessments. If, at the time of any meeting of the membership, any member is more than thirty (30) days delinquent in the payment of any assessment, subject to the discretion of the Executive Board of Directors, he may not be entitled to vote until all assessments, whether general, special or regular, are paid in full. The Treasurer, or such other person or entity charged with the responsibility of collecting assessments, shall, at the commencement of any meeting, certify to the person conducting the meeting which units are current in the payment of all assessments are therefore eligible to vote.

ARTICLE 3. MEMBERSHIP AND MEETINGS

3.1 Place: All meetings of the membership shall be held at such place or places as shall be designated by the Executive Board and stated in the notice of the meeting.

3.2 Notices: It shall be the duty of the Secretary to send by regular mail or deliver a notice of each annual and special meeting to each owner and to post a copy of said notice in a conspicuous place on the property leased fourteen (14) days but not more than sixty (60) days prior to such meeting. Notice of any meeting shall list the time, place and purpose thereof. All notices shall be mailed to or served at the address of the owner as it appears on the books of the corporation. Proof of posting, delivery or mailing of the notice, shall be given by the person serving the notice if requested and shall deliver the post office certificate of mailing if requested.

3.3 Annual Meeting: The annual meeting for the purpose of electing directors and transacting any authorized business shall be held at 7:30 p.m. eastern standard time on the 1st day of September, of each year, or such other time as shall be selected by the Executive Board of Directors. At the annual meeting, the members shall elect an Executive Board by plurality vote (cumulative voting prohibitive), and shall transact such other business as may be properly brought before the meeting.

3.4 Special Meetings: Special meetings of the members for any purpose, unless otherwise prescribed by statute, may be called by the President or shall be called by the President or Secretary at their request, in writing, of a majority of the Executive Board of Directors or at the request, in writing, of voting members representing 40 percent of the total number of units. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subject stated in the notice of the meeting.

3.5 Adjourned Meeting: If any meeting of members cannot be organized because a quorum is not present, either in person or by proxy, the meeting shall be adjourned from time to time, until a quorum is present.

3.6 Order of Business: The order of business at the annual member's meetings in as far as practical and other members' meetings, shall be:

- a. Called to order by President.
- b. Calling of the roll and certifying of proxies, if any.
- c. Proof of notice of the meeting or waiver of notice.
- d. Reading and disposal of any unapproved minutes.
- e. Reports of officers.
- f. Reports of committees. *LANDSCAPE, PHYSICAL PLANOT, SOCIAL*
- g. Appointment of inspectors of election.
- h. Determination of number of directors.
- i. Election of directors.
- j. Unfinished business.
- k. New business.
- l. Adjournment.

3.7 MINUTES OF MEETINGS: The minutes of all meetings of unit owners shall be kept in a book available for inspection by unit owners or their authorized representative and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than three (3) years.

ARTICLE 4. DIRECTORS

4.1 MEMBERSHIP: The affairs of the Association shall be managed by an Executive Board of Directors of not less than three (3) nor more than ten (10) directors, the exact number to be determined from time to time upon a majority vote of the membership. All directors shall be unit owners or spouses of unit owners; or, in the case of a partnership unit owners shall be members or employees (or their spouses) of such partnerships; or in the case of corporate unit owners, shall be directors, officers, stockholders or employees (or their spouses), of such corporation; or in the case of a fiduciary unit owner, shall be fiduciaries or their beneficiaries (or directors, officers, stockholders or employees of a corporate fiduciary (or their spouses), or their corporate beneficiary, or partners or employees (or their spouses) of a partnership fiduciary. No director shall continue to serve on the Board after he ceases to be a unit owner or an interested party in a unit owner as specified in the preceding sentence. The above provisions to this subsection shall not apply to directors elected by the Developer in accordance with subsections hereinafter set out.

4.2 ELECTION OF DIRECTORS: Election of directors shall be conducted in the following manner:

a. Election of directors shall be held at the annual members' meeting.

b. A nominating committee of five members may be appointed by the Executive Board of Directors not less than thirty (30) days prior to the annual members' meeting.

The committee shall nominate one (1) person for each director then serving. Nominations for additional directorships created at the meeting shall be made from the floor and other nominations may be made from the floor.

NOMINATING
COMMITTEE

c. The election shall be by ballot (unless dispensed with by unanimous consent), and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

d. At any time after a majority of the Executive Board is elected by members other than the Developer of the condominium, at any duly convened regular or special meeting of the members at which a quorum is present, any one or more of the directors may be removed, with or without cause, by the affirmative vote of the voting members casting not less than two-thirds of the total votes present at said meeting. A successor may then and there be elected to fill any vacancy created. Should the membership fail to elect a successor, the Executive Board may fill the vacancy in the manner provided below.

e. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining directors, though less than a quorum, shall choose a successor who shall hold office for the balance of the unexpired term of office. The election held for the purpose of filling such vacancy may be held at any regular or special meeting of the Executive Board. The Developer or any person who is a unit owner may be an officer and/or director.

f. Disqualification and Resignation of Directors. Any director may resign at any time by sending written notice of such resignation to the office of the corporation, addressed to the President or Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the organizational meeting of any newly elected Executive Board, more than three (3) consecutive absences, unless excused

by the resolution of the Executive Board, shall automatically constitute a resignation from the Executive Board. The transfer by a director of title to this unit shall, effective as of the date of title transfer, automatically constitute a resignation from the Executive Board. No member shall continue to serve on the Executive Board should he be more than thirty (30) days delinquent in the payment of any assessment. Such delinquency, shall automatically constitute a resignation from the Executive Board. All these regulations are self-operating and shall become effective immediately, upon the happening of the event or the passage of the time provided for herein.

g. Until a majority of the directors are elected by the members other than the Developer of the condominium, neither the first directors of the Association or any directors replacing them nor any directors named by the Developer, shall be subject to removal by members other than the Developer. The first director and directors replacing them, may be removed by the Developer.

4.3 TERM: Vacancies of the Executive Board of Directors caused by the expiration of a director's term shall be filled by electing new Executive Board members. The term of each director's service shall extend until the next annual meeting of the members subsequently until a successor is duly elected and qualified, or until he is removed in the manner elsewhere provided, and provided that the first Executive Board shall serve in accordance with the subsection 4.17, hereinafter set out.

4.4 ORGANIZATIONAL MEETING: The organizational meeting of a newly elected Executive Board of Directors shall be held immediately after their selection within ten (10) days of their election, at such place and time as shall be fixed by the directors at the

meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

4.5 REGULAR MEETINGS: Regular meetings of the Executive Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph, and shall be transmitted at least three (3) days prior to the meeting. Regular meetings of the Executive Board of Directors shall be open to all unit owners, and notice of such meetings shall be posted conspicuously at the condominium forty-eight (48) hours in advance for the attention of the members of the Association, except in the event of an emergency. Notice of any meeting where assessments against unit owners are to be considered for any reason, shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

4.6 SPECIAL MEETINGS: Special meetings of the Executive Board of Directors may be called by the President, or, in his absence, by the Vice-President, and must be called by the President and Secretary at the written request of one-third of the directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting, and shall be transmitted in less than three (3) days prior to the meeting. Special meetings of the Executive Board of Directors shall be open to all unit owners, and notice of a special meeting shall be posted conspicuously at the condominium property forty-eight (48) hours in advance for the attention of the members of the Association, except in the event of an emergency. Notice of any meeting where assessments against unit

owners are to be considered for any reason, shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

4.7 WAIVER OF NOTICE: Any director may waive notice of meeting before or after the meeting and that waiver shall be deemed equivalent to the giving of notice. Attendance by any director at a meeting shall constitute a waiver of notice of such meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is unlawfully called.

4.8 QUORUM: A quorum at director's meetings shall consist of a majority of the entire Executive Board of Directors. The acts approved by a majority of those present at a meeting in which a quorum was present shall constitute the acts of the Executive Board of Directors, except when approval by a greater number of directors is required by the Declaration, the Articles or these By-Laws.

4.9 ADJOURNED MEETINGS: If, at any meeting of the Executive Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business that might have been transacted at the meeting as originally called, may be transacted without further notice.

4.10 JOINDER IN MEETING BY APPROVAL OF MINUTES OR
CONSENT: The joinder or consent of a director in the action of a meeting by signing and concurring in the minutes of that meeting, or by executing a consent to a proposal, shall constitute the presence of that director for the purpose of determining a quorum and/or voting on a proposal.

4.11 PROXIES: Votes may be cast in person or by proxy. A proxy may be made by any director entitled to vote and shall be valid only for the specific meeting for which originally given and any lawfully adjourned meeting thereof and provided that the proxy holder is a director in good standing. In no event, shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be irrevocable at any time at the pleasure of the director executing it. A proxy must be in writing, signed by the director generating the proxy, and filed with the secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned.

4.12 PRESIDING OFFICER: The presiding officer of the director's meeting shall be the President of the Executive Board of Directors. In the absence of the president, the directors present shall designate one of their number to preside. The President, or in his absence, a majority of the Board of Directors, may appoint without vote, the attorney of the Association to act as Chairman to conduct the meeting.

4.13 ORDER OF BUSINESS: The order of business at director's meetings shall be:

- a. Calling the roll.
- b. Proof of due notice of meetings.
- c. Reading and disposal of any unapproved minutes.
- d. Report of officers and committees.
- e. Election of officers.
- f. Unfinished business.
- g. New business.

h. Adjournment.

4.14 MINUTES OF MEETINGS: The minutes of all meetings of the Executive Board of directors shall be kept in a book available for inspection by unit owners, or their authorized representative, and Board members at a reasonable time. The Association shall retain these minutes for a period of not less than three (3) years.

4.15 EXECUTIVE COMMITTEE: The Executive Board of Directors may, by resolution duly appointed, appoint an executive committee to consist of three (3) or more members of the Executive Board of Directors. Such executive committee shall have and may exercise all the powers of the Board of Directors and management of the business and affairs of the condominium and the project. During the intervals between the meetings of the Board of Directors insofar as may be permitted by law, except that the executive committee shall not have the power:

- a. To determine the common expenses required for the affairs of the condominium and the project.
- b. To determine the assessments payable by the unit owners to meet the common expenses of the condominium.
- c. To adopt or amend the rules and regulations covering the details of the operation and use of the condominium property.
- d. To exercise any of the powers set forth in subdivision (b), (e), (g), (h), (o), (p), (q), (r) and (w) of Article 5 hereinafter set out.

4.16 COMPENSATION: Directors shall not be entitled to any compensation for their services unless compensation is granted by a majority of the voting members at a membership meeting.

4.17 PROVISO: Notwithstanding anything to the contrary contained herein, the Board shall consist of no less than three directors during the period that Developer is entitled to appoint a majority of the directors, as hereinafter provided. The first Board as appointed by the Developer shall hold office and serve until provided. The first Board shall consist of:

Edward D. Walker.....President/Treasurer
P. Duane Walker.....Vice Pres./Secretary
Linda Lucas..... Assistant Secretary/Treasurer

The corporation shall have the right to appoint all members of the Board of Directors until unit owners other than the Corporation own twenty-five (25%) percent or more of the units that will be operated ultimately by the Association. When unit owners other than the Corporation own 25% or more of the units that will be operated ultimately by the Association, unit owners other than the Corporation shall be entitled to elect not less than 25% of the members of the Board of Directors. When unit owners other than the Corporation own 50% or more of the units that will be operated ultimately by the Association, the unit owners other than the Corporation, shall be entitled to elect not less than 33 1/3% of the members of the Board of Directors. In each case, the election shall not be later than sixty (60) days after the conveyance of the 25% of the units and 50% of the units respectively. In any event, the period of declarant control terminates not later than one hundred eighty (180) days after conveyance of 75% of the units that will be operated ultimately by the Association. The Corporation, however, is entitled to elect at least one (1)

member of the Board of Directors as long as the Developer holds for sale, in the ordinary course of business, any unit operated by the Association. Within sixty (60) days after the unit owners, other than Developer, are entitled to elect a member or members of the Board of Directors, the Association shall call, and give not less than thirty (30) days nor more than forty (40) days notice of a meeting of the unit owners to elect the members of the Board of Directors. The meeting may be called and notice given by any unit owner if the Association fails to do so. Directors appointed by the Corporation need not be unit owners.

4.18 RECALL: Subject to the provisions of the Uniform Condominium Act as previously cited, any member of the Board of Directors may be recalled and removed from office with or without cause by the voter agreement in writing by a majority of all unit owners. A special meeting of the unit owners to recall a member or members of the Board of Directors may be called by ten (10%) percent of the unit owners giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting.

ARTICLE 5. POWERS AND DUTIES OF EXECUTIVE BOARD OF DIRECTORS

5.1 In the event that Developer, in accordance with the privileges reserved herein, selects any person to serve on the Board, Developer shall have the absolute right, at any time, in his or its sole discretion, to replace such person with another person to serve on the Board. The Developer, his designated person, or any other person who is a unit owner may be an officer and/or director. Replacement of any director designated by the Developer, shall be made by written instrument delivered to any officer, which instrument shall specify the name of the

person designated as successor Director. The removal of any director and designation of his successor, shall become effective immediately upon delivery of such written instrument by Developer to any officer.

5.2 The Executive Board of Directors shall have the powers and duties necessary for the administration of the affairs of the condominium, and may do all such acts except such acts which by law, the Declaration, or by these By Laws, may not be delegated to the Executive Board of Directors by the unit owners. Such powers and duties of the Board of Directors shall include, without limitation, (except as limited elsewhere herein), the following:

- a. Operation, care, upkeep and maintenance of the common elements.
- b. Determination of the expenses required for the operation of the Condominium Association.
- c. Collection of the assessments for common expenses from unit owners required to pay the same.
- d. Employment and dismissal of personnel or management company necessary for the maintenance and operation of common elements.
- e. Adoption and amendment of the rules and regulations covering the details of the operation and use of condominium property. The secretary of the Association shall be the party in charge of executing when passed, certifying and keeping a record of any amendments.
- f. Maintaining bank accounts on behalf of the Association and the designation of signatories required therefore.

g. Purchasing, leasing or other acquisition of units in the name of the Association or its designee.

h. Purchase of units at foreclosure or other judicial sales, in the name of the Association or its designee.

i. Selling, leasing, mortgaging, or otherwise dealing with units acquired by, and subleasing units leased by, the Association or its designee.

j. Organization of corporations to act as designees of the Association in acquiring title to units or leasing units by the Association.

k. Obtaining and reviewing insurance for the condominium property.

l. Making repairs, additions and improvements to, or alterations of, the condominium property and restoration of the condominium property, in accordance with the provisions of the Declaration, after damage or destruction by fire or other casualty, or as a result of the condemnation or eminent domain proceedings.

m. Enforcement of the obligations of the unit owners, the allocation of profits and expenses, and the performance of anything and everything else necessary and proper or the sound management of the condominium.

n. Purchasing or leasing a unit for use by a resident superintendent (if any).

o. Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep, and maintenance of the common elements; provided, however, the consent of the unit owners of at least two-thirds of the units, obtained at a

meeting duly called and held for such purpose in accordance with the provisions of these By Laws, shall be required for the borrowing of any sum in excess of \$500.

p. Contracting for the management of the condominium and the delegation to such manager such powers and duties of the Executive Board of Directors as the Board may deem appropriate in the circumstances, and contracting for the management or operation of portions of the condominium property susceptible to separate management or operation thereof, and granting of concessions for the purpose of providing services to the unit owners. As an exception to the foregoing, there shall be no delegation of powers and duties wherein:

1. The same are contrary to the statutes of the Commonwealth of Pennsylvania and are accordingly not susceptible of being delegated; and
2. Those delegations and duties which may be required by the Declaration by these By Laws to have approval of the Executive Board of Directors or the unit owner; and
3. The delegation has a power and duty which by its very nature is a decision or fiduciary responsibility to be made by the Executive Board of Directors and is therefore not susceptible delegating; and
4. May be contrary to the Declaration of Condominium or the By Laws.

q. Exercise of all powers specifically set forth in the Declaration, the Article of the Association, these By Laws, and in the Commonwealth of Pennsylvania, Uniform Condominium Act, and all powers incidental thereto.

r. Suspending the right of any unit owner to use any recreational facilities of the condominium, if any have been constructed by the Developer, so long as said owners are delinquent in the payment of common expenses.

s. Entering into and upon the units when necessary and with as little inconvenience to the owner as possible in connection with such maintenance, care and preservation.

t. Collecting delinquent assessment by suit or otherwise, abating nuisances, and enjoining or seeking damages from the unit owners for violations of these By Laws under the terms and conditions of the Declaration.

u. Acquiring and entering into agreements whereby it requires leaseholds, memberships and other possessory or use interests in lands or facilities, whether or not contiguous to the lands of the condominium, intended to provide for the enjoyment, recreation or other use and benefit of the unit owners, and declaring expenses in connection therewith to be common expenses, all in such form and in such manner as may be deemed, by the Board of Directors, to be in the best interest of the corporation; and the participation and the acquisition of any interest in lands or facilities for the foregoing purpose may be direct or indirect, meaning, without limiting the generality of the foregoing, by direct ownership of land or acquisition of stock in the corporation owning the land.

ARTICLE 6. OFFICERS

6.1 EXECUTIVE OFFICERS: The executive officers of the corporation shall be a President, Vice President, Secretary and Treasurer and Assistant Secretary/Treasurer; all of whom shall be elected annually by said Board. Any two of said officers may be united in one person, except that the President shall not also be the Secretary to the corporation.

6.2 APPOINTIVE OFFICERS: The Executive Board of Directors may appoint such other officers and agents as they deem necessary who shall hold office at the pleasure of the Board of Directors and have such authority and perform such duties from time to time as may be prescribed by said Board.

6.3 TERM: The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed, for cause, at any time by the affirmative vote of a majority of the whole Executive Board of Directors.

6.5 PRESIDENT: The President shall be the Chief Executive Officer of the corporation. Subject to the provisions of 4.11 hereinabove, the President shall preside at all meetings of owners and of the Board. He shall exercise the executive powers of the corporation, have general supervision over its affairs and other officers. He shall sign all written contracts, perform all the duties incident to his office and such other duties as may be delegated to him from time to time by the Board.

6.6 VICE-PRESIDENT: The Vice-President shall perform all duties of the President in the absence of the President and such other duties as may be required of him by the Board.

6.7 SECRETARY: The Secretary shall issue notices of all Board meetings and all meetings of owners; he shall attend and keep the minutes of the same; he shall have charge of all the books of the corporation as well as its records and papers, except those kept by the Treasurer. All minutes shall be kept in a businesslike manner and shall be available for inspection by owners and Board members at all reasonable times.

6.8 TREASURER: The Treasurer shall have the following duties:

- a. He shall have custody of the corporate funds and securities.
- b. He shall keep full and accurate accounts of the corporation's receipts and disbursements.
- c. He shall deposit all monies and all other valuable effects in the name of, and to the credit of, the corporation in such depositories as may be designated by the Board. The books shall reflect an account for each unit in the manner required by the Act.
- d. He shall disburse the funds of the corporation as may be ordered by the Board, making proper vouchers for such disbursements. He shall render an account of all his transactions as a Treasurer and of the financial condition of the corporation to the Board whenever it may require it.
- e. He shall collect all assessments and shall report promptly to the Board the status of collections.
- f. He shall maintain accounting records according to good accounting practices, which records shall be open to inspection by owners, or their authorized representatives at reasonable times. He shall render to owners or their authorized representatives, at least annually, a written summary of the corporation's fiscal activities.

g. He shall prepare the corporation's budget.

6.9 ASSISTANT SECRETARY/TREASURER: She shall assist the Secretary/Treasurer in the performance of his duties.

6.10 INITIAL OFFICERS: The officers of the Association who will hold office and serve until the first election of officers by the Executive Board of Directors of the Association, following the first meeting of members, wherein a majority of directors are elected by unit owners, other than Developer, pursuant to the terms of the By Laws are as follows:

- a. Edward D. Walker.....President/Treasurer
- b. P. Duane Walker.....Vice Pres./Secretary
- c. Linda Lucas.....Assistant Secretary/Treasurer

6.11 COMPENSATION: Officers shall not receive compensation for their services as such, but this provision shall not preclude the Executive Board of Directors from employing a director or officer as an employee of the Association, if necessary, nor preclude the contracting with a director or officer for the management of the condominium or for any other service to be supplied by such officer or director.

6.12 RESIGNATION: Any director or officer may resign his post at any time by a written resignation, delivered to the President or Secretary, which shall take effect upon its receipt, unless a later date is specified in the resignation, in which event, the resignation shall be effective from such date. The acceptance of a resignation shall not be required to make it effective.

ARTICLE 7. FINANCES AND ASSESSMENTS

7.1 DEPOSITORIES: The funds of the corporation shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the

Board. Funds shall be withdrawn only upon checks and demands for money signed by such officer or officers as may be designated by the Board.

7.2 FISCAL YEAR: The fiscal year of the corporation shall begin on the first day of January of each year, provided, however, that the Board, whenever it deems advisable, is expressly authorized to change to a different fiscal year in accordance with the applicable provisions of the Internal Revenue Code.

7.3 DETERMINATION OF ASSESSMENTS:

a. The Executive Board of Directors shall fix and determine the sum or sums necessary and adequate to assess owners for their share of the common expenses set forth in the budget. The common expenses shall include expenses for the operation, maintenance, repair or replacement of common elements and limited common elements; costs of carrying out the powers and duties of the corporation, all insurance premiums and expenses, including fire insurance and extended coverage; and any other expenses designated as common expenses by the Board of the Directors. Funds for the payment of common expenses shall be assessed against owners as provided in the Declaration. Assessments shall be payable monthly in advance, and shall be due on the first day of each month unless otherwise ordered by the Board. Assessments shall be made against unit owners monthly, as aforesaid, in an amount not less than required to provide funds, in advance, for payment of all the anticipated current operating expenses, and for all of the unpaid operating expenses previously incurred. Special assessments, if necessary, shall be levied in the same manner as regular assessments and shall be payable in the manner determined by the Board. All funds due under these By Laws and the Declaration, are common expenses.

b. A copy of the proposed budget shall be mailed to owners not less than thirty (30) days prior to the Board meeting at which the budget will be considered, together with a notice of that meeting; the director's meeting at which the budget shall be considered, together with a notice of that meeting; and the director's meeting at which the budget shall be considered shall be open to all of the unit owners.

c. If an adopted budget requires assessment against unit owners in any fiscal or calendar year exceeding 110% of the assessment for the preceding year, the Board, upon written application of 10% of the unit owners to the Board, shall call a special meeting of the unit owners within thirty (30) days, upon not less than ten (10) days written notice to each unit owner. At the special meeting, unit owners shall consider and enact a budget. The adoption of the budget shall require a vote of not less than sixty-six and two-thirds ($66 \frac{2}{3}\%$) percent vote of all unit owners. The Executive Board of Directors may propose a budget to the unit owners at the special meeting of members, or in writing, and if the budget is approved by the unit owners by a vote of 66 and $\frac{2}{3}$ percent of the unit owners at the meeting, or by 66 and $\frac{2}{3}$ percent of all unit owners in writing, the budget shall be adopted. However, as long as the Developer is in control of the Executive Board of Directors, the Board shall not impose an assessment for any year greater than 110% of the prior fiscal or calendar year's assessment without approval of the majority of all unit owners. In determining whether assessments exceed 110% of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of condominium property, anticipated expenses by the Association which are not anticipated by or incurred on a regular or basis, or assessment or assessments to the condominium property, shall be excluded from the computation.

d. The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including if applicable, but not limited to those expenses normally anticipated. In addition to annual operating expenses, the budget shall include, if the Board of Directors so elects, reserve accounts for capital expenditures and deferred maintenance.

e. When the Board determines the amount of any assessment, the Treasurer shall mail or present to each owner, a statement of assessment. All assessments shall be paid to the Treasurer and, upon request, the Treasurer shall give a receipt for such payment received.

7.4 APPLICATION OF PAYMENTS AND COMMINGLING OF

FUNDS: All sums collected by the corporation from assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board. Any delinquent payment by an owner shall be applied to interest, costs, attorney's fees, other charges, expenses, advances and general or special assessments in such manner as the Board determines.

7.5 ACCELERATION OF ASSESSMENTS INSTALLMENTS UPON

DEFAULT: If a unit owner shall be in default for the payment of an installment on an assessment, the Executive Board of Directors may accelerate the remaining installments of the assessment upon notice to the unit owner, and the then unpaid balance of the assessment shall be due upon the date stated in the notice, but not less than five (5) days after the delivery of the notice to the unit owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur. Each unit owner hereby

enters a confession of judgment as follows: IN ORDER TO EXPEDITE THE EXECUTIVE BOARD'S COLLECTION OF ANY DELINQUENT ASSESSMENT, EACH UNIT OWNER (BY ACCEPTANCE OF THE DEED TO HIS UNIT) SHALL BE DEEMED TO HAVE APPOINTED ANY ONE OR MORE EXECUTIVE BOARD MEMBERS, THE ATTORNEY-IN-FACT FOR SUCH UNIT OWNER, TO CONFESS JUDGMENT AGAINST SUCH UNIT OWNER IN ANY COURT OF COMPETENT JURISDICTION IN PENNSYLVANIA, FOR ANY SUCH UNPAID ASSESSMENT(S), WHICH APPOINTMENT (BEING FOR SECURITY) SHALL BE IRREVOCABLE; AND FOR SO DOING A COPY OF THIS ARTICLE AND SAID DEED, BOTH VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT. THE AUTHORITY GRANTED HEREIN TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY EXERCISE THEREOF BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES UNTIL THE DECLARATION SHALL BE TERMINATED.

FURTHER, IN THE EVENT OF DEFAULT AS HEREIN DESCRIBED, THE ASSOCIATION SHALL HAVE AS AN ALTERNATE REMEDY OR A REMEDY IN ADDITION TO THE ABOVE OR EITHER COMBINATION OF THE SAME, THE FOLLOWING CONFESSION OF JUDGMENT:

AND FURTHER, IT IS UNDERSTOOD AND AGREED BY RECEIPT OF THE DEED AND OF THE COPY OF THE DECLARATION AND THESE BY-LAWS THAT THE ACTION AS HEREINBEFORE SET OUT MAY BE BROUGHT AGAINST ANY RECORD TITLE OWNER IN THE CHAIN OF OWNERSHIP OF ANY UNIT AT ANY TIME OR AT ANY PLACE IN ORDER TO COLLECT THE MONIES OWING THE CAUSE OF THE

DEFAULT AND ANY DEFAULT SHALL BE DEEMED TO BE A LIEN ON THE PROPERTY FOR THE BENEFIT OF THE ASSOCIATION AS HEREINAFTER SET OUT.

7.6 FIDELITY BONDS: The Association may, in its discretion, obtain bonding of all officers and directors of the Association who control or disburse funds of the Association. If determined to be necessary, the Association shall bear the cost of any such bonding.

7.7 AUDIT: An audit of the accounts of the Association may be made from time to time, as directed by the Board of Directors. A copy of any audit report received as a result of an audit shall be furnished to each member of the Association not less than thirty (30) days after its receipt by the Board.

7.8 ACCOUNTING RECORDS AND REPORTS: The Association shall maintain accounting records in the condominium, according to good accounting practices. The records shall be open to inspection by unit owners or their authorized representatives at reasonable times, and written summaries of them, shall be supplied at least annually. Records shall include, but not be limited to:

- a. A record of all receipts and expenditures;
- b. An account for each unit designated;
- c. The name and current mailing address of the unit owner;
- d. The amount of each assessment;
- e. The dates and amounts in which the assessments become due;
- f. The amount paid upon the account; and

g. Balance due.

7.9 APPLICATION OF PAYMENT: All assessment payments by unit owners, shall be applied as provided herein and in the Declaration for his condominium.

ARTICLE 8. USE RESTRICTIONS

8.1 Except as herein provided with respect to the uses permitted by the Developer, the units herein are intended to be used as residential condominiums for the owner, his family, his heirs, successors and assigns, including persons to whom the member may have leased his unit, subject to all provisions with respect to use and occupancy and presence on the property applicable to the unit owner himself. No one may permit or suffer anything to be done or kept upon the property which will increase the rate of insurance on property or in the contents thereof, or which will obstruct or interfere with the rights of others or annoy them by unreasonable noises or otherwise, and no one may commit or permit any nuisance or commit or suffer any immoral or illegal act to be committed anywhere in or upon the property.

8.2 Each owner shall maintain his unit in good condition, order, and repair, at his own expense. No unit owner shall display, hang, store, or use anything whatsoever on his stoop or outside his unit other than as may be permitted in accordance with the rules and regulations established by the Executive Board. No member may paint, decorate, or otherwise alter or modify in any way the outside of his unit, or install any antenna for television reception, or any structure or addition of any kind whatsoever without the prior written consent of Council. Small satellite TV dishes are permitted with the prior written consent of the Executive Board or Developer who first must approve the location of the satellite TV dish installation.

8.3 Trash, garbage, and other waste shall be kept in sanitary containers and shall be disposed of in such manner as may be prescribed from time to time in rules and regulations established by the Executive Board. No articles or personal property belonging to any unit owner shall be stored in any portion of the common elements without the prior written consent of council.

8.4 No one may overload the electrical wiring in the building or operate any machinery, appliance, accessories, or equipment in such a manner as to cause, in the judgment of the Executive Board, any unreasonable disturbance, or make any alterations.

8.5 USES AND STRUCTURES: No unit or any part thereof shall be used for any purpose except as set forth herein, nor shall any business of any kind be conducted therein. No motor vehicle other than a private passenger type shall be parked in the parking area or parked on the property. No unit owner shall have any additional motor vehicles on the premises for purposes of service or hobby such as tearing down or putting together a motor vehicle other than changing the oil or washing the same. There shall be no storing of any old or junked or hobby type car on the premises. No business or trade of any kind or noxious or offensive activity shall be carried on in any Unit nor shall anything be done thereon which may be or become an annoyance or nuisance to the occupants of other units. No boat, trailer, tent, recreational vehicle, shack or other such structure shall be located, or erected or used on any part of the property, temporarily or permanently other than what has been constructed for use of unit owners by the Developer.

8.6 SIGNS: No sign of any kind shall be displayed to the public view on any unit except one temporary sign of not more than four square feet, advertising the property for sale or rent. No such sign shall be illuminated.

8.7 ANIMALS: No wild animals, such as snakes, lions, tigers, trained attack dogs or elephants, or domestic farm livestock or poultry of any kind shall be raised, bred or kept in any unit on the property except that dog, cat or other domesticated household pet may be kept, provided that it is not kept, bred or maintained for any commercial purpose and provided that no more than two (2) such pets (or one (1) large dog) may be kept in any such unit, and said pet(s) must be housed indoors, and conform to all local ordinances and regulations.

8.8 LANDSCAPING: The mulched area immediately in front of and behind each unit is available for additional plantings by the respective unit owners. Residents are free to plant flowers, small bushes, or flowering bushes in this area. Special consideration should be given to low growing plants that require little maintenance and are complimentary to other vegetation in the project. Residents that add plants to these areas are responsible for maintaining the same. The addition of plants outside this area must be presented to by the Association in writing for its approval.

8.9 NUISANCES: No noxious or offensive activity shall be carried on upon any unit, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. The decision as to whether any activity is noxious or offensive shall be decided exclusively by the governing body in such manner as it may elect to make such decision.

8.10 MAILBOXES: Mailboxes shall be retained as the same now are or, as designated by the Executive Board from time to time in the future. No unit owner shall keep or maintain a distinctive or different mailbox than as set forth herein.

8.11 CLOTHESLINES: No outdoor clotheslines.

8.12 FENCES: No fence of any kind, wall, hedge, or similar structure shall be placed, erected or maintained anywhere on the property without the written consent of the Executive Board, except that installed by the Developer.

8.13 EXECUTIVE BOARD REGULATIONS: The Executive Board may adopt such rules and regulations concerning use, occupancy or other matter, including provisions for reasonably limiting or suspending certain rights and/or privileges as it deems appropriate; and may alter such rules and regulations as from time to time it may determine.

8.14 RIGHTS OF THE EXECUTIVE BOARD: Violation of any rule or regulation of the Executive Board and/or any provision of the Declaration and/or hereof shall give the Executive Board or any representative acting in its behalf in addition to any other rights, the rights also:

a. To enter the unit in which, or in connection with, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing, person, creature, and/or condition that may exist therein contrary to the intent and meaning hereof without being guilty of trespass or wrong otherwise.

b. To enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

c. To levy as an assessment or charge as a common expense against any unit owner an amount equal to damages so sustained plus costs of suit and reasonable attorneys' fees by virtue of such unit owner's committing and/or permitting such violation upon finding thereof by the Executive Board.

8.15 EXECUTIVE BOARD MAINTENANCE: The Executive Board shall maintain, repair and replace items in or on the common elements when needed, wherever situate, except that in the event such maintenance, repair or replacement was caused by negligence or misuse of an unit owner, or of any other occupant of his unit, such expense shall be charged to such unit owner. Each unit owner shall maintain, repair and replace, at his own expense, all portions of his unit as are separate and private to it and him. Each unit owner shall be responsible for damage to any other unit and/or to any common elements caused intentionally, negligently, or by failure to properly take care of his own unit, whether or not the fault is in him personally and/or in any other occupant of his unit.

8.16 Anything herein or elsewhere to the contrary notwithstanding, the Developer shall have the right to utilize a portion of the clubhouse and/or a unit owned and constructed for use by the Declarant as a model or as a sales office for sale and promotion purposes including the sale and promotion of the property or projects other than the property and purposes and in such manner as the Developer deems it may reasonably require.

ARTICLE 9. ROSTER OF UNIT OWNERS AND MORTGAGEES

9.1 Each unit owner shall file with the Association a copy of the deed or other documents showing his ownership. The Association shall maintain such information in its

files. A unit owner who mortgages his unit shall notify the Association of the name and address of his MORTGAGEES, and in the event of fire and casualty or extended coverage insurance, shall file the name of his insurance carrier and of the agent for the company. The Association reserves the right, if necessary for any reason, to contact the mortgagee or insurance carrier.

ARTICLE 10. PARLIAMENTARY RULES

10.1 Robert's Rules of Order, latest edition, shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Article, or these By Laws.

ARTICLE 11. AMENDMENTS

Except as otherwise provided elsewhere, these By Laws may be amended in the following manner:

11.1 NOTICE: Notice of the subject matter for proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

11.2 ADOPTION: A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Executive Board of Directors, or by not less than one-third (1/3) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval, in writing, provided that approval is delivered to the Secretary at or prior to the meeting. The approvals must be either:

a. Not less than 66 2/3% of the entire membership of the Board of Directors and by not less than a majority of the entire membership of the association; or

b. By not less than 75% of the votes in the entire membership of the Association.

11.3 No By Laws shall be revised or amended by reference to its title or number only. Proposals to amend existing By Laws shall contain the full text of the By Laws to be amended; new words shall be inserted in the text underlined and the words to be deleted shall be drawn through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language:

"Substantial rewording of By Laws.

See By Law . . . for present text."

Non material errors or omissions in the By Law process shall not invalidate and otherwise properly promulgated amendment.

These By-Laws are understood to be automatically amended to cover the additional units and their percentage ownerships as it affects each and every right of voting as contained herein which may be caused by the Developer adding additional real estate or converting real estate or withdrawing real estate from the project. Any conflict herein with the Declaration of Condominium shall be interpreted in such manner that the Declaration shall prevail. No amendment shall be made that is in conflict with the Articles or the Declaration.

11.4 PROVISO:

a. No amendment may be adopted which would eliminate, modify,

prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer or mortgagee of units, without the consent of said Developer and mortgagee in each instance. Further, no amendment may be adopted which would in any way affect, eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer or mortgagee for the expansion of this project condominium by the additional real estate being added to the condominium, the converting of real estate to the condominium or the withdrawal of real estate to the condominium. Further, no amendment shall be made that is in conflict with the Articles or the Declaration.

b. Any amendment which would affect the surface water management system, including but not limited to, drainage easement and the water management portion of the common elements, must have the approval of the RIDGEFIELD TERRACE CONDOMINIUM UNIT OWNERS' ASSOCIATION.

ARTICLE 12. COMPLIANCE AND DEFAULT

12.1 VIOLATIONS: In the event of a violation (other than the nonpayment of an assessment), by an owner of any of the provisions of the Declaration, By Laws, Rules & Regulations, or the Act, the corporation, by direction of its Board, shall notify the owner of said breach by written notice, transmitted to the owner at his unit by certified mail. If such violation shall continue for a period of thirty (30) days from the date of mailing of the notice, the corporation shall have the right to treat such violation as an intentional, material, breach of the

Declaration, By Laws, Rules & Regulations, or the Act, and the corporation shall then, at its option, have the following elections:

- a. To commence an action in equity, to enforce performance on the part of the owner; or
- b. To commence an action at law to recover its damages; or
- c. To commence an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief. Upon finding by a court that the owner was in violation of any of the provisions of the above mentioned documents, the owner shall reimburse the corporation for its reasonable attorney's fees, incurred in bringing such action. Failure on the part of the corporation to commence an action at law or in equity within sixty (60) days from the date of the receipt of a written request, signed by an owner, sent to the Board, shall authorize any owner to bring action in equity or suit at law, relating to an alleged violation, in the manner provided for by the Act. Any violations which are deemed by the Board to be a hazard to public health or safety, may be corrected by the corporation immediately as an emergency matter. The cost thereof, shall be charged to the owner as a specific item, which shall, until paid in full, be a lien against his unit with the same force and effect as if the charge were made as part of the common expense.

12.2 VIOLATIONS (MONETARY): In the event an owner of a condominium parcel does not pay any sums, charges or assessments required to be paid to the corporation within thirty (30) days from the due date, the corporation, acting on its own behalf or through its Executive Board of Directors or manager, acting on behalf of the corporation, may foreclose the lien encumbering the condominium parcel created by non-payment of required

monies in the same fashion as mortgage liens are foreclosed. The corporation shall be entitled to the appointment of a receiver if it so requests. The corporation shall have the right to bid in the condominium parcel at a foreclosure sale and to acquire, hold, mortgage and convey the same. In lieu of foreclosing its lien, the corporation may, through its Board of Directors or manager acting on behalf of the corporation, or on its own behalf, bring suit to recover a money judgment for any sums, charges or assessments required to be paid to the corporation without waiving its lien and securing the same. In any action either to foreclose its lien or to recover a money judgment, brought by or on behalf of the corporation against a condominium parcel owner, the losing defendant shall pay the cost thereof, together with a reasonable attorney's fee.

If the corporation becomes the owner of a condominium parcel by reason of its foreclosure, it shall offer said unit for sale and at such time as the sale is consummated, it shall deduct from such proceeds, all sums of money due it for monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including the reasonable attorney's fees, and any and all expenses incurred in the resale of the condominium parcel, which shall include, but not be limited to advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the condominium parcel in question. All monies remaining after deducting the foregoing items of expenses, shall be returned to the former owner of the condominium parcel in question.

12.3 NEGLIGENCE OR CARELESSNESS OF AN OWNER: Each owner shall be responsible for the expenses of any maintenance, repair, or replacement rendered necessary by his act, neglect or carelessness, or by the negligence of any member of his family, his or their quests, employees, agents, licensees, or lessees. Such liability shall be limited to the extent

that such expense is not met by the proceeds of insurance carried by the corporation. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by an insurance company as to its rights of subrogation. Cost of any maintenance, repair or replacement performed, pursuant to this section, shall be charged to said owner as a specific item, which shall, until paid in full, be a lien against his unit with the same force and effect as if the charges were a part of the common expenses.

12.4 COSTS AND ATTORNEY'S FEES: In any proceeding arising because of an alleged default by an owner, the prevailing party shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees as may be determined by the court.

12.5 NO WAIVER OF RIGHTS: The failure of the corporation or an owner to enforce any right, provision, covenant or condition which may be granted by the condominium document, shall not constitute a waiver of the right of the corporation or owner to enforce such right, provision, covenant or condition in the future.

12.6 ELECTION OF REMEDIES: All rights, remedies and privileges granted to the corporation or an owner pursuant to any terms, provisions, covenants or conditions of the condominium documents, shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude that the party thus exercising the same or from exercising such other additional rights, remedies or privileges as may be granted by the condominium documents.

12.7 GENERALLY: Each owner of a condominium parcel, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement

of nuisance, regardless of the harshness of the remedy utilized by the corporation and regardless of the availability of other adequate legal procedures. It is the intent of all owners of a condominium parcel to give to the corporation a method and procedure which will enable it at all times to operate on a businesslike basis, to collect those monies due and owing it from owners of condominium parcels, and to preserve each other's right to enjoy his unit, free from unreasonable restraint and nuisance.

ARTICLE 13. INDEMNIFICATION

13.1 Every director and officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or settlement thereof in which he may become involved, by reason of his being or having been a director or officer of the corporation. This indemnification shall apply whether or not he is a director or officer at the time such liabilities or expenses are incurred, except in cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. In the event of a settlement, the indemnification established herein shall apply only when the Board approves such settlement and reimbursement. The foregoing right of indemnification shall be in addition to and not exclusive of any other rights of indemnification to which such director or officer may be entitled.

ARTICLE 14. LIABILITIES SURVIVE TERMINATION OF MEMBERSHIP

14.1 The termination of membership in the corporation shall not relieve or release

any former owner or member from any liability or obligation incurred under or in any way connected with the condominium during the period of ownership and membership, or impair any rights or remedies which the corporation may have against such former owner and member, arising out of, or which is in any way connected with, such ownership and membership.

ARTICLE 15. LIMITATION OF LIABILITY

15.1 Notwithstanding the duty of the corporation to maintain or repair parts of the property, the corporation shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements, or other owners or persons.

ARTICLE 16. LIENS

16.1 PROTECTION OF PROPERTY: All liens against units, other than permitted mortgages, taxes or assessments, shall be satisfied or otherwise removed within thirty (30) days of the date the lien attaches. All taxes and special assessments shall be paid before becoming delinquent as provided in the condominium documents or By Laws, whichever is sooner.

16.2 NOTICE OF LIEN: An owner shall give notice to the corporation of every lien upon his unit, other than for permitted mortgages, taxes and special assessments, within five (5) days after the attachment of the said lien.

16.3 NOTICE OF SUIT: An owner shall give notice of the corporation of every suit or other proceeding which will or may effect title to his unit or any part of the property, such notices to be given within five (5) days after the owner receives notice thereof.

16.4 FAILURE TO COMPLY WITH THIS ARTICLE: Failure to comply with this article concerning lands shall not effect the validity of any judicial sale.

16.5 PERMITTED MORTGAGE REGISTER: The corporation shall maintain a register of all permitted mortgages, and at the request of a mortgagee, the corporation shall forward copies of all notices for unpaid assessments or violations served upon an owner to said mortgagee. If a register is maintained, the corporation may make such charge as it deems appropriate against the applicable unit for supplying the information provided herein.

ARTICLE 17. SEAL

17.1 The seal of the corporation shall have inscribed thereon the name of the corporation, the year of its organization, and the words, "nonprofit". Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

ARTICLE 18. CONSTRUCTION

18.1 Whenever the masculine, singular form of the pronoun is used by these By Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the content so requires. Should any of the covenants herein imposed be void or become

unenforceable in law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect.

ARTICLE 19. CONFLICT

19.1 If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these By Laws or the Declaration of Condominium, the provisions of the Declaration shall prevail.

ARTICLE 20. CAPTIONS

20.1 The captions herein are inserted only as a matter of convenience and for reference, and in no way, define, limit or described the scope of these By Laws or the intent of any provisions hereof.

APPROVED AND DECLARED, AS THE BY LAWS OF THE
RIDGEFIELD TERRACE CONDOMINIUM UNIT OWNERS' ASSOCIATION, this 16th day
of February, 2001.

ATTEST:

By: Linda Lucas
Secretary

RIDGEFIELD TERRACE CONDOMINIUM
UNIT OWNERS' ASSOCIATION

By: Edward D. Walker
President