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**Revised Declaration
of
Colonial Court,
A Condominium**

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF CENTRE)

On this Day:

OCT 04 2000

I hereby CERTIFY that this document is
Recorded in Record Book 1185 Page 892
in the Recorder of Deeds Office of Centre
County, Pennsylvania. IN WITNESS
WHEREOF, I have hereunto
set my hand and official seal.

Joseph L. Davidson

Joseph L. Davidson
Centre County Recorder of Deeds



ENTERED FOR RECORD
JOSEPH L. DAVIDSON
RECORDER OF DEEDS
CENTRE COUNTY
OCT 4 PM 4 54

October 3, 2000

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REVISED DECLARATION OF COLONIAL COURT,
A CONDOMINIUM

ARTICLE I DESCRIPTION OF PROPERTY AND GOVERNANCE

The property, Colonial Court, submitted to the condominium form of ownership under the Pennsylvania Uniform Condominium Act 68 Pa C.S. Section 3101 et seq. ("the Act"), is described in *Centre County Plat Book 45* at page 107 (originally at *Centre County Plat Book 42* at page 124). The tract of land known as Colonial Court is also legally described in Exhibit A, which is attached to the Declaration and is a part of it.

The Property consists of the land and the Units and the Common Elements as defined in Article 2.2 herein.

The name under which the business, operation and affairs of the Property shall be managed on behalf of the Unit Owners shall be the Colonial Court Condominium Association ("the Association"). All Unit Owners shall automatically be members of the Association.

The Unit Owners shall elect the Executive Board of the Association ("the Board") which shall manage the business, operation and affairs of the Association on behalf of the Unit Owners and in compliance with and subject to the provisions of the Act, this Declaration, the Bylaws, the Rules and Regulations of the Association, and any amendments thereto.

The 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 Unit Owners in the Act or in the Declaration, or which in accordance with the Declaration or the Bylaws may not be delegated to the Board by the Association.

ARTICLE II DEFINITIONS

The following terms shall have the meanings herein ascribed to them unless the context clearly indicates otherwise.

2.1 Capitalized Terms

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

2.2 Defined Terms

The following terms, some of which are used or defined in general terms in the Act, shall have specific meanings herein as follows:

Act

"Act" (the Act) refers to the Pennsylvania Uniform Condominium Act 68 Pa C.S. Section 3101 et seq.

Amendment

"Amendment" means any amendment to the Declaration or other Condominium Documents made in accordance with Article V hereof and Article VI of the Bylaws.

Association

"Association" means the Unit Owners' Association of the Condominium and shall be known as the Colonial Court Condominium Association.

Association Insurance Policy

"Association insurance policy" means an insurance policy purchased by the Board on behalf of and for the benefit of each Unit Owner and his/her Permitted Mortgagee according to his/her Percentage Interest.

Buildings

"Buildings" means the fifteen (15) individual structures erected on the Property located at Colonial Court, State College, Pennsylvania, shown on the Plats and Plans.

Bylaws

"Bylaws" means such governing regulations as are adopted pursuant to the Act for the regulation and management of the Property, including any Amendments to the Bylaws.

Board

"Board" means the Executive Board of the Colonial Court Condominium Association. See also *Executive Board*.

Capital Expenditures

"Capital Expenditures" means funds expended for (a) major repairs or replacements of Common Elements that extend their useful lives or service periods, or for (b) Capital Improvements. Only Capital Expenditures for (a) may be paid for out of Reserve funds.

Capital Improvements

"Capital Improvements" means new facilities intended to become Common Elements, or new additions to existing Common Elements, or alterations or improvements to existing Common Elements that change their use or function. Capital Improvements may not be paid for out of Reserve funds.

Common Elements

"Common Elements" means all portions of the Property other than the Units and the Limited Common Elements, and shall include, but not be limited to:

- (a) the land on which the Buildings are located;

- (b) all land lying inside the perimeter fence, including the lawns, meadow areas, and mulched areas in which utility boxes are located. Mulched areas adjoining Units are dealt with in Bylaw XIII;
- (c) the private circular drive serving all Units; the entry wall and signs; the post box and concrete base; and all concrete elements including walkways (Unit to sidewalk), sidewalks, and curbs; all swales and stormwater detention areas;
- (d) driveways, Parking Areas and associated barriers or curbs. These Common Elements are Limited Common Elements insofar as their use is restricted to the Unit Owners whose Units are adjacent, but they are Common Elements for purposes of maintenance, repair, and replacement;
- (e) all common services and utilities provided for the use of all Unit Owners, including all the facilities necessary to bring all utilities to each Unit;

These facilities include sewer and drain lines, the water meter, if any, water mains and plumbing serving the property, gas lines, electricity cables and wiring, telephone wires and equipment, and cable television lines insofar as the Colonial Court Condominium Association and not the service providers (utility and telephone companies, etc.) is responsible for these items;

- (f) all apparatus and installations existing for common use or benefit of the Association as a whole, including the outdoor security light posts and wiring to the posts (but not the lamps or bulbs); the detention area to the rear of Units 132, 136 and 140; the stone wall adjacent to Units 124 and 128, and the perimeter fencing;
- (g) the items listed on Table 1, *Unit-related Common Elements*, which is made a part of the Declaration by this reference.

Common Expenses

"Common Expenses" means expenditures made or liabilities incurred by or on behalf of the Association excluding Limited Common Expenses. Common Expenses include expenses for the management, administration, operation, and maintenance of the Property and all related services to Unit Owners, and annual contributions to the Reserve fund for future major repairs and replacements of Common Elements.

Common Expense Assessment

"Common Expense Assessment" means a Unit Owner's proportionate share of the Common Expenses.

Common Expense Liability

"Common Expense Liability" means the liability for Common Expenses allocated to each Unit in accordance with its respective Percentage Interest.

Condominium

"Condominium" means, for the purposes of this Declaration, Colonial Court as set forth in *Centre County Plat Book 45* at page 107 including land, Buildings, and improvements wherein an individual

Unit Owner in fee simple is entitled to the exclusive ownership and possession of his/her Unit, an exclusive easement for the use of the Limited Common Elements appurtenant to his/her Unit, and an undivided interest in the Common Elements and facilities of the entire Property included in this Declaration.

Condominium Documents

"Condominium Documents" means the Declaration of Condominium, the Bylaws, the Declaration Plan, and the Rules and Regulations promulgated by the Board from time to time, and any and all exhibits, schedules and Amendments to any of them.

Declaration

"Declaration" or ("Declaration of Condominium") means this document, as amended from time to time. (The original Declaration appears in *Record Book* Vol. 649 at pages 361 - 389, Office of the Recorder of Deeds of Centre County, Pennsylvania.)

Declaration Plan

"Declaration Plan" means the plan recorded in *Centre County Plat Book 45* at page 107 (originally recorded at *Centre County Plat Book 42* at page 124, Office of the Recorder of Deeds of Centre County, Pennsylvania).

Executive Board

"Executive Board" (or "Board") means the Board of natural individuals of the number stated in the Bylaws all of whom shall be Unit Owners and who shall maintain their primary residence in Colonial Court, who shall manage the business, operation and affairs of the Association on behalf of the Unit Owners and in compliance with and subject to the provisions of the Act, the Declaration, the Bylaws, any Rules and Regulations, and any Amendments thereto.

General Common Expenses

"General Common Expenses" is a synonym for "Common Expenses."

Initial Working-capital Contribution

"Initial Working-capital Contribution" means the one-time assessment paid by each purchaser of a Unit at the time of purchase.

Limited Common Elements

"Limited Common Elements" means those portions of the Common Elements allocated to the exclusive use of a Unit as listed on Table 2, *Unit-related Limited Common Elements*, which is made a part of the Declaration by this reference.

Limited Common Expenses

"Limited Common Expenses" means the expenses charged to a Unit Owner relating to the Limited Common Elements assigned to that Unit Owner at the time the expenses were incurred, as set forth in Table 2, *Unit-Related Limited Common Elements*, and in Bylaw Article XII, *Maintenance of Units and Infrastructure*.

Majority of the Unit Owners

"Majority" or "Majority of the Unit Owners" means the Owners of more than 50% in the aggregate of the Undivided Ownership Interest in the Common Elements, tabulated according to votes so based and assigned in Exhibit B, attached. Thus, a "Majority vote" means at least eight (8) votes, being a majority of all fifteen (15) possible votes in the Association.

Operating Funds

"Operating Funds" means the funds used to pay for all Association expenses except Reserve-related expenditures.

Parking Areas

"Parking Areas" refers to the asphalt Parking Areas centrally located between pairs of Units and shared by those Units. Parking Areas are Limited Common Elements for the purposes of use and Common Elements for the purposes of maintenance, repair and replacement.

Percentage Interest

"Percentage Interest" means the percentage of Undivided Ownership Interest of each Unit in the Common Elements as set forth in Exhibit B attached. It determines the Unit Owners' portion of votes in the Association, Common Expense Liability, and Surpluses.

Permitted Mortgage

"Permitted Mortgage" means a first mortgage to the seller of a Unit. A holder of a Permitted Mortgage is referred to herein as a "Permitted Mortgagee."

Person

"Person" means a natural individual, a partnership, an association, a trustee, or other legal entity.

Plats and Plans

"Plats and Plans" means the plan Recorded in *Centre County Plat Book 45*, at page 107.

Property

"Property" means and includes the Land, the Units, all improvements thereon owned in fee simple, and all easements, rights and appurtenances belonging thereto and as further described in Article I of this Declaration.

Recorded

"Recorded" means that an instrument has been duly entered into the records in the Office of the Recorder of Deeds of Centre County, Pennsylvania.

Reserve

"Reserve" (or "Reserve fund(s)") refers to money set aside for future major repairs and replacements of existing Common Elements that extend their useful lives or service periods. (Reserve funds are kept separate from Operating Funds and cannot be spent on operating expenses without special requirements being met. Nor may Reserve funds be used to pay for Capital Improvements.)

Resident

"Resident" means either the Owner of a Unit residing in his/her Unit, or the occupant of a Unit residing in the Unit under the terms of a written lease that has been approved by the Board and signed by the Unit Owner.

Rules and Regulations

"Rules and Regulations" means such Rules and Regulations as are promulgated by the Board from time to time with respect to the use and enjoyment of the Property.

Special Assessment

"Special Assessment" means an assessment to pay for expenditures that have not been budgeted for or, if budgeted for, are higher than anticipated or to make up any deficit in Operating or Reserve funds.

Surplus Funds

"Surplus funds" (or Surplus(es)) means any amounts accumulated from assessments for Common Expenses in excess of the amount required for actual Common Expenses.

Undivided Ownership Interest

"Undivided Ownership Interest" means ownership in the common property that is inseparable and cannot be divided or severed.

Unit

"Unit" means a single family dwelling residence (interior and exterior) as described herein, designed and intended for independent private use and designated as a Unit by the Declaration Plan. A Unit shall include its assigned proportionate undivided interest in the Common Elements, and shall include all of the rights, privileges, immunities and obligations attached thereto as is provided and referred to herein.

Unit Boundary

The "Unit Boundary" is defined to lie immediately behind the interior surface of the brick veneer and the vinyl siding, and immediately behind the interior surface of the roofing, and lies at the exterior surface of the basement walls and the base slab-on-grade of each independent residential structure. This definition shall not alter the maintenance, operation, repair and replacement responsibilities set forth in Tables 1, 2, and 3.

Unit Designation

"Unit Designation" means the number, letter or combination thereof designating a Unit in the Plats and Plans (*Centre County Plat Book 45*, page 107).

Unit Expenses

"Unit Expenses" means the expenses, charges and fees associated with the maintenance, operation, repair, and replacement of the Unit that are to be paid by the Unit Owner.

Unit expenses shall include, but not be limited to, electricity, heat, air conditioning and telephone, as set forth with more particularity in Article XI of the Bylaws. Unit expenses also include all costs associated with the maintenance, operation, repair and replacement of items listed in Table 3, *Excluded Items*, which is made a part of the Declaration by this reference.

Unit Owner

"Unit Owner" means the Person or Persons owning a Unit in fee simple.

Unit-related Common Elements

"Unit-related Common Elements" means the items listed in Table 1, a part of this Declaration.

Unit-Related Limited Common Elements

"Unit-Related Limited Common Elements" means the items listed in Table 2, a part of this Declaration.

Unit-related Excluded Items

"Unit-Related Excluded Items" means the items listed in Table 3, a part of this Declaration.

Working Capital

"Working Capital" means unexpended funds in the Association's Operating account.

**ARTICLE III USE AND PERCENTAGE INTEREST ALLOCATION;
MAINTENANCE RESPONSIBILITIES**

3.1 Use and Percentage Interest Allocation

The Condominium consists of Units for residential use.

Attached as Exhibit B hereto is a list of all Units by their identifying numbers, the Percentage Interest appurtenant to each Unit, and the vote so based and assigned. The Percentage Interest shall determine the portion of the votes in the Association and the share of Common Expense Liability and respective Surpluses appurtenant to each Unit.

3.2 Maintenance, Repair and Replacement Responsibilities — the Association

The maintenance and repair of Common Elements and Limited Common Elements and the making of additions or improvements thereto shall be carried out by the Association in accordance with this Declaration, the Bylaws and any Amendments thereto, and Section 3307 of the Act.

3.2.1 General Responsibilities

The Association shall be responsible for ensuring that the following main tasks, or sets of activities, are carried out for Common Elements (Table 1 of the Declaration), Limited Common Elements

(Table 2 of the Declaration), and all Common Elements listed in the definition of Common Elements in Article 2.2 above:

- (a) maintenance (including minor repairs)
- (b) operation
- (c) repairs (major repairs)
- (d) replacement.

The first two are ongoing activities. In the case of Common Elements, the costs shall be charged as Common Expenses and paid for out of the Association's annual operating budget.

The latter two activities are intermittent. In the case of Common Elements, the costs shall be charged as Common Expenses and shall be paid for out of the Association's Reserve fund. If necessary, a Special Assessment shall be made.

All expenses associated with the maintenance (other than normal maintenance), repair and replacement of Limited Common Elements shall be assessed as Limited Common Expenses against the Unit or Units of which such Limited Common Elements are a part, with the following exceptions:

- (1) expenses associated with the maintenance, operation, repair and replacement of shared driveways, shared Parking Area, and associated barriers and curbs. These expenses shall be assessed as Common Expenses.
- (2) expenses relating to normal exterior maintenance. "Normal exterior maintenance" shall be as defined in Bylaw XII (*Maintenance of Units and Infrastructure*), and the allocation of the related expenses shall be as set forth in Bylaw XII.

3.2.2 Quality and Character of Repairs and Replacements

All repairs and replacements shall be of the same or similar quality and craftsmanship and, to the extent practicable, similar in character to the original construction or installation that existed before the repairs or replacements became necessary. Repairs and replacements may be done using contemporary technology and building materials, but shall be executed so that the generally uniform architectural style of the Condominium is maintained.

3.2.3 Specific Responsibilities for Common Elements

The Association shall be responsible for the maintenance, replacement and repair of all Common Elements, as listed in the definition of Common Elements in Article 2.2 above and the Unit-related Common Elements listed in Table 1 of the Declaration. Maintenance responsibilities are set out in Article XII (*Maintenance of Units and Infrastructure*) and Article XIII (*Landscaping*) of the Bylaws.

In particular, the Association shall be responsible for the following:

- (a) The maintenance, repair and replacement of all exterior paving, including both concrete and asphalt.
- (b) The removal of snow from exterior paving, both concrete and asphalt but excluding the sidewalk next to the circular drive.

Any snow removal cost associated with Colonial Court, a public street lying in the Borough of State College, shall be assessed as a Common Expense.

- (c) Subject to the landscaping exclusions set forth in Bylaw XIII, the landscaping maintenance of all areas, including all plantings (trees, shrubs, hedges, lawn, and meadows) within the perimeter fence;
- (d) All drainage within the perimeter fence, including swales, all exterior drains and detention areas.

Decorating of the Common Elements shall be under the control of and the discretion of the Board. Expenses for decorating the Common Elements shall be assessed by the Board as Common Expenses.

3.2.4 Damage by Negligent Acts

If due to the negligent act or omission of a Unit Owner or a resident, or of a family member, guest, employee or agent of such Unit Owner or resident, damage shall be caused to the Common Elements or Limited Common Elements or to a Unit or Units owned by others, or maintenance, repairs and replacements shall be required that would otherwise be a Common Expense or Limited Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board.

3.3 Maintenance, Repair and Replacement Responsibilities — Unit Owners

3.3.1 Unit (Other than Limited Common Elements)

Except as otherwise provided in Articles 3.2.1 and 3.3.2 and in the relevant Bylaws, the Owners of each Unit shall, at their own expense, be responsible for maintaining, repairing and replacing all portions of their Unit as are separate and private to them.

The Board shall be responsible for such maintenance, repairs and replacements as may be required for the bringing of all utilities to the Unit, as part of the Common Expenses.

Unit Owners shall be responsible for maintaining, repairing, and replacing refrigerators, ranges, dishwashers and other kitchen appliances, lighting fixtures, HVAC systems, other electrical or electronic appliances or devices, and any item listed on Table 3 of the Declaration, at their own expense.

Unit Owners shall furnish and be responsible for and at their own expense, all of the interior decorating within their own Unit, including re-painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings.

3.3.2 Limited Common Elements

Limited Common Elements are identified in Table 2 of the Declaration.

Normal annual maintenance of Limited Common Elements shall be carried out as described in Article XII of the Bylaws.

The Board shall consult with any Unit Owner(s) whose Limited Common Elements are deemed to be in need of maintenance other than normal annual maintenance, or are in need of repair or replacement. Subject to the Board's approval, the Unit Owner may take any action needed. Otherwise, the Board shall obtain cost estimates and shall take any action needed.

Regardless of whether the necessary action is taken by the Unit Owner or by the Board, the Limited Common Elements shall be maintained so that they conform in appearance and quality at least to the standards of the original Limited Common Elements or to the standards of a high quality residential development. The costs of maintenance other than normal annual maintenance and the costs of repair and replacement shall be borne by the Unit Owner.

ARTICLE IV EASEMENTS

In addition to and in supplementation of the easements provided for in Section 3216 of the Act, the following easements are hereby created:

4.1 Utility Easements

The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property.

The easements created in this Article 4.1 shall include, without limitation, the rights of the Association, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units, Common Elements, Limited Common Elements, and Unit-related Excluded Items.

Notwithstanding the foregoing provisions of this Article 4.1, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located within substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit, or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

4.2 Easement to Correct Drainage

The Association reserves an easement on, over and under those portions of the Common Elements not located within the Units for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Article 4.2 expressly includes the right to cut any trees, bushes or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Association shall restore the affected property as closely to its original condition as practicable.

4.3 Unit Owners and Board

- (a) Each Unit Owner, as needed, shall have an easement in common with all other affected Unit Owners to have, use and repair, or to have repaired or replaced, as necessary, all pipes, wires, cables, conduits, public utility lines, and other elements in any way located or forming any part of the Common Elements.
- (b) The Board shall have the right to reasonable access to each Unit for purposes of providing maintenance, repair and replacement of Common Elements as necessary.

Requests for entry to a Unit shall be made in advance, and such entry shall be at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

- (c) All repair work contemplated by this Article shall be performed solely through the Board; provided, however, that nothing contained herein shall be construed to prevent the levying of a charge on one or more Unit Owners for work performed in relation to the easements provided and referred to herein.
- (d) All such easements shall run with the land and inure to the benefit of and be binding upon the Board, each Unit Owner and each mortgagee, lessee, occupant, or other Person having any interest in any Unit or Common Elements.
- (e) If the work performed was necessitated by a negligent act or omission then, under Article 3.2.4 above, the Unit Owner shall pay for such damage and such maintenance repairs and replacements as may be determined by the Board.

4.4 Encroachments

If any portion of a Unit or Common Element encroaches upon any Unit, a valid easement for the encroachment and the maintenance of same, so long as it stands, shall and does exist. In the event a Building is partially or totally destroyed and then rebuilt, encroachments aforesaid may continue as part of any restoration.

ARTICLE V AMENDMENT OF DECLARATION

5.1 Amendment Generally

This Declaration may be amended only in accordance with the procedures specified in Section 3219 of the Act, the other Sections of the Act referred to in Section 3219 thereof, and the express provisions of this Declaration. Where the Act requires a vote or the agreement of Unit Owners holding at least 67% of the votes in the Association, this percentage shall be taken to mean 10 out of the 15 possible votes in the Colonial Court Condominium Association.

5.2 Rights of Permitted Mortgagees

Subject to the limitations imposed by Section 3221 of the Act and except as set forth below, no Amendment of this Declaration may be made without the prior written approval of all Permitted Mortgagees if and to the extent that approval is required by the Act or if and to the extent that any amendment would have the effect of:

- (a) terminating or abandoning the Condominium (except for termination or abandonment as a result of a taking of all Units by eminent domain);
- (b) abandoning, encumbering, selling or transferring the Common Elements;
- (c) partitioning or subdividing any Unit or the Common Elements except as expressly permitted herein; or
- (d) changing the Percentage Interests of any Unit Owners.

Such approval shall not be required with respect to any Amendment pertaining to Article VI below.

The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed to be a transfer within the meaning of this Article 5.2.

ARTICLE VI USE RESTRICTIONS

6.1 Use and Occupancy of Units and Common Elements

The uses of the Property and the purposes for which each of the Units therein, the Common Elements, and the Limited Common Elements are intended shall be in accordance with the following provisions.

6.1.1 Subdivision

No Unit may be divided or subdivided into a smaller Unit or into two or more separate Units.

6.1.2 Residential Use

Each Unit is hereby restricted to residential use by the Unit Owner thereof, his/her tenants, his/her immediate family, guests and invitees.

Each of the Units is intended for independent use and shall be used only as a residence and for the purposes incidental to such use. No Unit may be used for any commercial or professional purpose whatsoever. Except as set forth herein no industry, business, trade or profession of any kind, be it commercial, religious, educational or otherwise, may be conducted, maintained or permitted in the Units.

6.1.3 Structural Integrity

Interior partitions or interior walls may be moved or openings may be made thereto at the sole risk and expense of the Unit Owner and subject to this Declaration and the Bylaws. Provided that no Common Element or Limited Common Element is involved, it is not necessary to seek approval from the Board; however, nothing may be done to the interior of a Unit that would impair the structural integrity of the Unit. The Board and the Association shall bear no liability for the changes, or the consequences of changes, made by Unit Owners to the interiors of their Units.

Unit Owners wishing to make alterations that involve the exterior of their Unit (and thus Common Elements, such as roof and exterior walls, or Limited Common Elements, such as windows) shall comply with the requirements set out in Article 6.1.7 below and Bylaw Article VII, *Exterior Alterations*. In determining whether to permit such changes, the Board shall comply with Article 7.16 below.

6.1.4 Use With Care

No Unit Owner shall do or permit any act that is illegal or in violation of any law, statute, ordinance, rule or regulation of any local, state or federal government or agency having jurisdiction.

No Unit Owner shall do or permit any act that would jeopardize the soundness or safety of the Property, or of any part of it, or impair any easement or appurtenance or any rights of others without the unanimous consent of the Unit Owners affected thereby.

No Unit Owner shall do or maintain any activity in any Unit or upon any Common Elements which will increase the rate of insurance on the Property or result in the cancellation of insurance thereon.

6.1.5 Nuisances and Quiet Enjoyment

No noxious or offensive activity shall be carried on in or around any Unit or on any Common Element, nor shall anything be done thereon, either willfully or negligently, which may be or may become a nuisance to other Unit Owners or occupants.

No Unit Owner may carry on any use or practice, or permit any use or practice to be carried on, that is a source of annoyance or unreasonably interferes with the quiet enjoyment of other Unit Owners or occupants.

6.1.6 Use of Common Elements

The Common Elements shall be used only for the furnishing of the services of facilities for which they are reasonably suited and which are incidents of the use and occupancy of the Units.

Unit Owners and their tenants, immediate family and guests may use the Common Elements in accordance with the purposes for which the Common Elements are intended without hindering or encroaching upon the lawful rights of other Unit Owners, and subject to the provisions hereof, the Bylaws, and Rules and Regulations.

6.1.7 Exterior Appearance and Alterations

The general intention is to keep the exterior appearance of all the Units unchanged from the way they were originally designed and built, and to ensure that any alterations or modifications have minimal impact on the exterior appearance of the Units, are of high quality, and enhance the value of the Property.

Unit Owners shall not paint, decorate or otherwise alter or modify in any way the outside of their Units, or install anywhere on the outside of their Units or in or on any of the Common Elements or Limited Common Elements any canopy, awning, shutter, covering, radio or television antenna, satellite dish receiver or other structure, or any addition of any kind whatsoever without the prior written consent of the Board.

No radio or television antennas, satellite receivers or other structures, or any wires shall be attached to or hung from the exterior of a Unit, unless permitted by the Telecommunications Act of 1996 or subsequent Federal Communications Commission rules or regulations and approved by the Board in writing prior to any installation. The Unit Owner shall be responsible for ensuring that any such equipment and its installation comply with all relevant legislation.

Any satellite dish receiver or similar equipment shall be no larger than one meter (39.37 inches) and preferably less than 24 inches in diameter, and shall be located in the least obtrusive location that permits reception of a signal of acceptable quality. Such equipment must be properly sealed into the roof so that the installation is completely waterproof.

(See also Article 7.16, below, and Article VII of the Bylaws with regard to alterations.)

6.1.8 Displays, Hanging Objects, Signs

Unit Owners shall not cause or permit anything to be displayed or hung on the outside of windows or placed on the outside walls or roofs of any of the Units or in or on any of the Common Elements or Limited Common Elements without the prior written consent of the Board.

Political signs up to 4.5 square feet in size may be erected up to 30 days prior to an election and must be removed no later than three days after the election. No more than one sign per candidate shall be permitted.

One temporary sign advertising a Unit for sale shall be permitted. It shall be removed as soon as the title transfers. Such a sign shall not be illuminated.

6.1.9 Exposure of Objects

No clothing, sheets, blankets, or any other articles may be hung or exposed in or on any part of the Common Elements or Limited Common Elements.

6.1.10 Other Structures

No trailer, tent, storage facility, or any temporary structure may be maintained on the Property.

6.1.11 Fences and Clotheslines

No fences, walls or similar structures shall be erected or maintained on the Property, except as permitted by the Board. No outside clotheslines shall be permitted on the Property.

6.2 Pets

Each Unit Owner may keep within each Unit no more than two (2) domestic animals such as a dog, cat or bird. No other animals of any kind shall be raised, bred or kept in a Unit or in the Common Elements or elsewhere on the Property.

Unit Owners shall house their pets indoors and shall comply with all local ordinances and regulations and with any Rules and Regulations adopted by the Board.

6.3 Parking and Access to Roads

The Board shall have the right to establish Rules and Regulations governing the use of the circular drive serving the Condominium, all driveways serving individual Units, and the shared Parking Areas serving individual Units for parking or turnaround purposes.

6.3.1 Motor Vehicles

No motor vehicle other than a private passenger type normally used for daily transportation shall be stored or parked on the circular drive serving the Condominium, or on the driveways serving individual Units, or on the Parking Areas serving individual Units, or on any other Common Element.

This provision does not apply to commercial vehicles, including trailers, on the Property for purposes of providing goods or services to Unit Owners for periods of less than one day. No such vehicle may remain on the Property overnight.

No other vehicles including, but not limited to, motor homes, trailers, boats, dump trucks, or commercial vehicles may be parked or stored anywhere on the circular driveway, or on driveways serving individual Units, or on Parking Areas, or on any other Common Element except as allowed for in Article X of the Bylaws.

Parking is subject to the requirements set out in Article X of the Bylaws.

6.3.2 Access to Roads

Under no circumstances shall any Unit Owner's right of ingress or egress, or right of access to and from the circular drive servicing the Condominium, as well as to and from any public area, public

roadside or over Common Elements be impaired where the same has been designated for such use on the Declaration Plan.

6.3.3 *Circular Drive*

The circular drive extending from the terminus of Colonial Court, a public street of the Borough of State College, through the Condominium, is a paved, private drive. All maintenance costs, including snow removal, as well as structural repairs including reconstruction of the circular drive, shall be the responsibility of the Association and assessed as a Common Expense.

6.4 **Leasing**

A Unit Owner may lease his/her Unit (but not less than his/her entire Unit) at any time only under the conditions as herein stated:

- (a) No Unit may be leased for a term of less than two (2) years. Application may be made to the Board to lease for less than two (2) years. The decision of the Board as to such requests shall be binding.
- (b) A Unit Owner shall not lease his/her Unit to any Person except with the approval and consent of the Board, which approval and consent shall not be unreasonably withheld.
- (c) Units (whether leased or Owner occupied) shall be occupied by no more than the maximum number of persons permitted under the law.
- (d) Lessees are prohibited from subleasing, assigning, or otherwise conveying the lessee's interest and rights thereunder to any other Person or entity.
- (e) Lessees shall not be permitted to keep animals or pets.
- (f) The rights of any lessee of the Unit shall be subject to, and each such lessee shall be bound by, and the Association may enforce against the lessee the covenants, conditions and restrictions set forth in the Declaration, Bylaws and Rules and Regulations, and a default thereunder shall constitute a default under the lease; provided, however, that the foregoing shall not impose any direct liability on any lessee of a Unit to pay any Common Expense assessments on behalf of the Owner of that Unit.

The Board shall have the power to terminate such lease, to bring summary proceedings to evict the tenant in the name of the lessor thereunder, and/or to sue for specific performance of the lease provisions, in the event of a default by the lessee in the performance of such lease.

- (g) No Unit may be leased without a written lease.
- (h) Such lease for the Unit shall contain provisions (c) through (f) above.
- (i) An unexecuted copy of such lease for the Unit containing the name(s) and address(es) of the prospective lessee(s) shall be submitted to the Board no later than fourteen (14) days prior to the intended execution thereof by the lessee(s) and the Unit Owner.

- (j) The Board may establish a standard-form lease addendum to be used by all Unit Owners. Whether it does so or not, the lease shall conform to the requirements set out in this Declaration and the execution of the lease shall be subject to the Board's approval.
- (k) The Board shall make available to the lessee(s) a copy of the Association's Declaration, Bylaws, and Rules and Regulations no later than ten (10) days prior to the intended date of execution of the lease.
- (l) The Unit Owner shall obtain from the lessee an acknowledgment in writing that he/she has received and read the Declaration, Bylaws, and Rules and Regulations and shall supply the Board with a copy of such acknowledgment before the Board shall approve the lease.

6.5 Enforcement of Restrictions

The Board shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of these restrictions, as described in Articles 7.14 and 7.15 below.

ARTICLE VII BOARD POWERS AND DUTIES

The Board shall have and shall exercise the powers and shall perform the duties necessary for the administration of the affairs of the Condominium in accordance with the Act, the Declaration, the Bylaws, and the Rules and Regulations and may do all such acts or things except as otherwise reserved for the Unit Owners in the Act or in the Declaration, or which in accordance with the Declaration or the Bylaws may not be delegated to the Board by the Association.

The powers and duties of the Board shall include, but shall not be limited to, the following.

7.1 Operation

The Board shall provide for the operation, care, upkeep and maintenance of the Common Elements and Limited Common Elements, pay the cost of services rendered to the Condominium for which the Association is liable, and incur expenditures subject to the restrictions stated in Bylaw 4.8, *Limitations on Borrowing and Expenditures*.

7.2 Budget

The Board shall prepare and adopt an annual budget, on the basis of which the Board shall fix the amount of the annual assessment to be contributed by each Unit to the Common Expenses of the Association, as described in Article IV of the Bylaws.

The Board shall send written notice of the monthly assessment to Unit Owners in advance of each calendar year.

The Board shall amend the budget as necessary, subject to the provisions of the Declaration and the Bylaws, and in particular, Bylaw 4.8, *Limitations on Borrowing and Expenditures*.

7.3 Collection of Expenses

The Board shall collect payment from Unit Owners for their share of Common Expenses, any Limited Common Expenses for which they are responsible, and any Special Assessments. Such expenses are a lien upon the Unit.

The Board shall have the right to make a final determination of any claim or dispute by a Unit Owner regarding Common Expenses, Limited Common Expenses, and Special Assessments, and such determination shall be final, conclusive and binding.

The Unit Owner shall also be liable for all expenses including reasonable attorney's fees incurred in collecting said unpaid Common Expenses, Limited Common Expenses, and Special Assessments.

The 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 Act.

The Board may designate an agent for the purpose of collecting such expenses and making disbursements therefrom on behalf of the Board.

7.4 Bank Accounts

The Board shall establish bank accounts for the Association.

7.5 Reserve Fund(s)

The Board shall create Reserve funds, which funds shall be used for major repairs or replacement of Common Elements, and shall assess the Unit Owners for contributions to the Reserve funds in accordance with their Percentage Interest.

At least annually, following the annual maintenance inspection of the Property (Article 7.17 below), the Board shall review the Reserve Fund Study, update it as necessary or cause it to be updated, and adjust the assessment for Reserves as necessary to ensure that the Reserves are adequately funded. (See also Article 8.5 below.)

7.6 Association Loans

The Board shall borrow money on behalf of the Association subject to the restrictions stated in Bylaw 4.8, *Limitations on Borrowing and Expenditures*.

7.7 Assignment of Income Rights

The Board may assign the Association's rights to future income as described in Article 8.7 below.

7.8 Financial Records

The Board shall keep the books of the Association, or cause them to be kept, with detailed accounts of the receipts and expenditures affecting the Condominium and segregated records for the Operating and Reserve funds.

The Board shall, at a minimum, review a current reconciliation of the Association's Operating and Reserve accounts, and the current year's actual revenues and expenses compared to the current year's budget, on at least a quarterly basis. (See also Article 8.10 below.)

7.9 Insurance

The Board shall maintain the insurance required by Article IX below and Article VIII of the Bylaws, *Insurance*.

7.10 Investment

The Board shall invest the funds of the Condominium in federally insured instruments of deposit (such as certificates of deposit), money market instruments (such as money market certificates of deposit and treasury bills); investment-grade tax-free municipal bonds, or other instruments of equivalent or greater security, but specifically excluding common or preferred stocks, in such amounts and for such terms as the Board deems appropriate, and properly account for any and all such funds so invested.

7.11 Employment of a Managing Agent

The Board may employ a managing agent or manager for the Condominium upon such terms and compensation as the Board deems fit, to perform such duties and services as the Board shall authorize including, but not limited to, the following:

All of the duties listed in the Act, the Declaration and these Bylaws; provided, however, where a managing agent does not have the power to act under the Act, the Declaration or these Bylaws, such duties shall be performed as advisory to the Board. The Board may delegate to the managing agent all of the powers granted to the Board by the Act, the Declaration, and these Bylaws other than the following powers:

- to adopt the annual budget and any amendment thereto or to assess any Common Expenses;
- to adopt, repeal or amend Rules and Regulations;
- to designate signatories on Association bank accounts; and
- to borrow money on behalf of the Association.

Any contract with the managing agent must provide that it may be terminated. The term of any such contract may not exceed one year. In addition, the contract shall provide that it may be terminated by either party without cause and without payment of a termination fee upon advance written notice of 90 days or more.

7.12 Employment of Personnel

The Board shall engage the services of any persons it deems necessary for the operation, repair, maintenance, and management of the Property or in connection with any duty, responsibility or right of the Board, see that their duties are properly performed, and remove such personnel at any time.

7.13 Establishment of Committees

With the approval of the Board, the President shall appoint committees of the Board and delegate to such committees the Board's authority to carry out certain duties, subject to the approval and control of the Board.

7.14 Rules and Regulations

Except as provided in the Declaration, the Board shall adopt and amend Rules and Regulations regarding the operation and the use of the Property. In particular, the Board has the power to draft and adopt Rules and Regulations with regard to the use and enjoyment of the Units and the Common Elements and parking.

After adoption of such Rules and Regulations or any amendments to them, the Board shall promptly distribute copies to all Unit Owners.

Any Rule or Regulation may be revoked or changed by a Majority vote of all the votes in the Association, cast in person or by proxy at a special meeting of the Association called for that purpose.

7.15 Enforcement Powers

The Board shall enforce obligations of the Association, allocate expenses and Surpluses, and do anything and everything else necessary and proper for the sound management of the Condominium.

The Board shall have the right to bring suit to enforce the provisions of the Declaration, the Bylaws, and the Rules and Regulations and shall institute, maintain, and defend proceedings and actions brought on behalf of or against the Association.

The Board shall have the power to issue a "cease and desist" request to a Unit Owner, his/her family, tenants, guests, employees, or agents whose actions are inconsistent with the provisions of the Act, the Declaration, the Bylaws, or the Rules and Regulations.

The Board shall have the power to levy administrative charges for violations of the provisions of the Act, the Declaration, the Bylaws, or the Rules and Regulations. Prior to the imposition of any administrative charge, the Board shall give the offending Unit Owner written notice of the offense, requesting the Unit Owner to cease the offending activity, stating the correction that is necessary, and providing the Unit Owner with an opportunity to be heard.

Any Unit Owner found to be in such violation shall pay all attorneys' fees and costs incurred by the Board in the enforcement of the provisions. The offending Unit Owner shall also pay any charge levied by the Board, provided that the charge for a single violation shall not, under any circumstances, exceed fifty dollars (\$50).

Subject to the Board's discretion, each day that a violation continues shall constitute a separate violation. Any charge so levied shall be treated as a Limited Common Expense to be charged to the Unit Owner involved. Collection may be enforced by the Board in the same manner as for the collection of Common Expenses.

Any charges, interest, and legal fees incurred in connection with either the collection of any sums due the Association by a Unit Owner or the enforcement of the provisions of the Declaration, the Bylaws, and Rules and Regulations constitute liens under the Act.

7.16 Communication

The Board shall send out notices of meetings as prescribed in the Bylaws.

The Board shall keep Unit Owners informed of significant or non-routine Board decisions by promptly disseminating pertinent information to all Unit Owners. In particular, the Board shall promptly inform Unit Owners in writing of any Capital Expenditure decisions it makes. Minutes of all Board meetings shall be made available to Unit Owners who request them.

The Board shall disseminate any Rules and Regulations and any changes the Board approves prior to the time that they become effective.

If any Unit Owner seeks permission to make any change to a Common Element or to a Limited Common Element that would affect the Common Expenses paid by all Unit Owners, or would noticeably alter the external appearance of his/her Unit, or would encroach upon the lawns, the Board may choose to withhold permission. If the Board wishes to grant permission, it shall first seek approval in advance from all Unit Owners, as follows:

The Board shall notify all Unit Owners in writing (hand delivery, e-mail, facsimile, or United States first-class mail) of any such request. The Board shall supply all necessary information and shall ask for approval of the proposed change, to be given either in writing or at a special meeting called for the purpose. If a special meeting is to be held, notice of such meeting shall be sent in accordance with the Bylaws.

The approval of a Majority of all the votes in the Association shall be necessary before such permission is granted.

7.17 Maintenance, Repair and Replacement

At least annually, the Board shall cause a reasonably competent and diligent visual inspection to be conducted of the Unit-related and the visible infrastructure-related Common Elements. The Board shall identify and develop a strategy for maintenance and adjust the budget and the Reserve Fund Study accordingly, or shall cause these things to be done, in accordance with the Declaration and Bylaws, and in particular Bylaw XII.

Limited Common Elements shall be included in the visual inspection and their maintenance undertaken as provided for in the Declaration and Bylaws.

7.18 Landscaping

At least annually, the Board shall cause a reasonably competent and diligent visual inspection to be conducted of the landscaping of the Property, including the condition of all lawn and grassy areas, all perimeter trees, and all plantings within the perimeter of the Property that are the Association's responsibility. The Board shall identify and develop a strategy for landscape maintenance and shall adjust the Budget accordingly, or shall cause these things to be done.

Landscaping maintenance shall be carried out in accordance with Article XIII of the Bylaws.

7.19 Contracting for Repairs

The Board shall contract for maintenance, repairs, replacements, additions and improvements to, or alteration of, the Property, in accordance with the Act, the Declaration and Bylaws. The Board shall contract for repairs to and restoration of the Property after damage or destruction by fire or other casualty or as a result of eminent domain proceedings in accordance with the Act, the Declaration, and the Bylaws.

ARTICLE VIII FINANCIAL MANAGEMENT

8.1 Monthly Payments for Common Expenses

The total amount of the estimated funds required to pay the Common Expenses of the Condominium set forth in the annual budget adopted by the Board for the fiscal year shall be assessed against each Unit in proportion to its respective Percentage Interest, and shall be a lien against each Unit as of the first day of the fiscal year to which the annual budget applies.

All Common Expense Assessments made in order to meet the requirements of the Association's annual budget shall be payable in equal monthly installments in advance on the first day of each month.

If the sale of a Unit closes on the first day of the month, the purchaser of the Unit shall be responsible for paying that month's installment to the Association. If the sale of a Unit closes on the second or a subsequent day of the month, the seller of the Unit shall be responsible for paying that month's installment to the Association.

8.2 Limited Common Expenses

Any expenses incurred by the Board for the maintenance (other than normal maintenance), repair and replacement of Limited Common Elements shall be assessed as Limited Common Expenses, against the Unit Owner(s) involved, in accordance with Articles 3.2.1 and 3.3.2 above.

The associated costs shall be assessed promptly against the Unit Owner(s) involved and shall be payable in one or more monthly assessments, as the Board may determine. Such assessments shall be due and payable on the first day of each month and shall be a lien against each Unit as provided in the Act and the Declaration.

8.3 Special Assessments

If the Association's Reserve or Operating Funds are deemed to be inadequate for any reason, the Board may levy a Special Assessment against the Unit Owners for the Common Expenses according to their respective Percentage Interests. The Board shall notify all Unit Owners of such Special Assessment in writing, stating the amount and the reasons for the assessment.

Such Special Assessment 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 shall be obligated to pay the amount of such monthly assessments. Such assessments shall be a lien against each Unit.

8.4 Acceleration

If a Unit Owner is in default in the payment of charges or monthly installments of assessments for thirty (30) days, the Board may, in addition to all other remedies contained in the Act or the Declaration, accelerate all other charges and monthly installments of assessments to become due for

the next twelve (12) months on the basis of the budget for the calendar year in which such default occurs; provided, however, that a foreclosing Permitted Mortgagee shall be entitled to automatic subordination of such sums in excess of the amounts given priority in lien or payment over mortgage liens in the Act.

8.5 Reserves

The Board shall build up and maintain reasonable Reserves for future major repairs and replacement of existing Common Elements that extend their useful lives or service periods. These funds are designated as the Association's Reserve funds, and they shall be segregated from the Association's Operating Funds. The Board shall review the adequacy of the Reserve funds at least annually and adjust assessments accordingly.

Interest earned on Reserve funds shall be paid into the Reserve.

Reserve funds shall not be used to pay for any Capital Improvements. (Capital Expenditures pertaining to Capital Improvements shall be funded by Special Assessments, or by loans, or by some other permissible means.)

The Board may authorize the temporary transfer of money from the Reserve to the Association's Operating fund to meet short-term cash-flow requirements or other expenses, provided the Board has made a written finding, recorded in the Board's minutes, stating the reasons that the transfer is needed, and describing when and how the money will be repaid to the Reserve fund.

The transferred funds shall be restored to the Reserve fund within six months of the date of the initial transfer. If necessary, the Board shall levy a Special Assessment to recover the full amount of the expended funds within this time limit.

8.6 Surpluses

Any amounts accumulated from assessments for Common Expenses in excess of the amount required for actual Common Expenses shall be held by the Association to pay for future Common Expenses unless the Board decides to add such funds to the Reserve.

8.7 Assignment of Income Rights

The Association may assign its rights to future income, including payments made on account of assessments for Common Expenses, solely to secure a loan obtained by the Association for major repairs or replacements or Capital Improvements to the Common Elements, subject to the following conditions:

- (a) Any such assignment of income shall be approved in advance by a vote of at least two-thirds (2/3) of the total votes in the Association, cast in person or by proxy, at an annual meeting or at a special meeting duly called and held for such purpose;
- (b) The vote on the assignment of income for a particular loan shall be conducted separately from a vote to approve that loan; and

(c) Such loan complies with the restrictions set out in Bylaw 4.8.1.

8.8 Rejection of Budget or Capital Expenditures

Anything herein to the contrary notwithstanding, the Association, by a Majority of the total votes of all Unit Owners in the Association, may reject any budget or Capital Expenditure approved by the Board within 30 days after approval by the Board, at a Special Meeting of the Association called for that purpose, to be held within the 30-day timeframe.

8.9 Initial Working-Capital Contribution

At the time of purchase of all Units, Unit Owners shall deposit with the Association the equivalent of two (2) monthly installments, calculated at the monthly installment rate prevailing at the time that the sale closes.

Said sums shall be used by the Association as Working Capital and shall be non-refundable. Unit Owners shall subsequently be responsible for obtaining similar deposits for the Association from their grantees, successors or assigns at the time of transfer.

8.10 Accounts; Audits/Reviews; Access

All books and records of the Association shall be kept in accordance with good and accepted accounting practices. They shall be audited or reviewed at least once every third year by an independent certified public accountant (CPA) retained by the Board, starting with an audit or a review in 2002 of the 2001 books and records.

The Board may choose to obtain external bookkeeping services. If such services are provided under the supervision of a CPA, then it shall not be necessary for an audit or a review to be conducted so long as the supervision of the bookkeeping by a CPA continues. The requirement for an audit or a review at least every third year shall take effect again as soon as such supervision ceases.

Each Unit Owner shall be permitted to examine the books of account, including any audited statement, of the Association during regular business hours at the time and in the manner set by the Board.

8.11 Subordination of Certain Charges

Any fees, charges, late charges, and interest that may be levied by the Board pursuant to Sections 3302 (a) (10), (11), and (12) of the Act shall be subordinate to the lien of a Permitted Mortgage on a Unit.

8.12 Payment Obligations

Each Unit Owner shall pay the expenses assessed or billed by the Board pursuant to the provisions of this Article VIII.

No Unit Owner may exempt himself/herself from liability for his/her contribution toward such expenses by waiver of the use or enjoyment of any of the Common Elements or Limited Common Elements, or by abandonment of his/her Unit.

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/her 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 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, further that the Association's lien for Common Expenses shall be limited to those legally collectible.

ARTICLE IX INSURANCE

9.1 Authority

On behalf of and for the benefit of the Association, the Board shall obtain and maintain property and liability insurance for the Property under such terms and for such amounts as it shall deem necessary and in accordance with the requirements of Section 3312 of the Act, the Declaration, and Article VIII of the Bylaws.

The insurance premiums, costs of appraisals, and any fees and expenses related to the insurance trustee, if any, shall be Common Expenses.

The proceeds payable pursuant to the Association's policies shall be paid directly to the Executive Board as insurance trustee or to an insurance trustee appointed by the Board, for the benefit of each Unit Owner and his/her Permitted Mortgagee according to his/her Percentage Interest.

All insurance policies shall provide that the Board or its appointed insurance trustee shall hold and disburse all payments received on account of loss or damage covered by such policy for repairs and restorations as provided in the Act, the Declaration, and the Bylaws.

9.2 Insurance Coverage

The Board shall, to the extent reasonably available, obtain and maintain insurance coverage for the Property as follows and as further specified in Article VIII of the Bylaws:

- (a) Property insurance against all risks of direct physical loss commonly insured against. The Association's property insurance shall be in an amount equal to the full insurable replacement value of the property insured without deduction for depreciation but excluding land, excavations, foundations, and other items normally excluded from coverage.
- (b) Comprehensive general liability insurance. The Association's policy shall insure Unit Owners (in their capacities as Unit Owners), members of the Board, and any management agent against any liability to the public or to the Unit Owner, their tenants or guests.
- (c) Directors and Officers (D & O) liability insurance. The Association shall insure the Board members, the officers, and the managing agent (at the discretion of the Board) and members of

Board-appointed committees for claims arising out of the management, operation, or maintenance of the Property.

- (d) Fidelity insurance. The Association shall obtain blanket fidelity insurance to protect against dishonest acts on the part of anyone who handles Association funds.

The Association may carry such other policies of insurance as it deems appropriate to protect the Association or Unit Owners.

Each Unit Owner is required to obtain and maintain his/her own personal liability insurance for his/her own Unit. Note that the Association's general liability insurance shall not cover claims arising in connection with that portion of the property used and occupied exclusively by a particular Unit Owner.

Besides the requirement to obtain personal liability insurance, each Unit Owner may obtain other personal insurance at his/her own expense but may not exercise that right in such a way as to decrease the proceeds that the Association may realize under any insurance policy it may have in force on the Property at any particular time.

ARTICLE X RIGHTS OF PERMITTED MORTGAGEES

Upon the specific written request of a Permitted Mortgagee or its servicer to the Board, the mortgagee shall be entitled to receive some or all of the following as designated in the request:

- (a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Board to the Owner of the Unit covered by the mortgage;
- (b) Any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Unit Owners;
- (c) Copies of notices of meetings of the Unit Owners and the right to designate a representative to attend such meetings;
- (d) Notices of the decision of the Unit Owners to make any material Amendment to this Declaration;
- (e) Notice of substantial damage to or destruction of any Unit (the repair of which would cost in excess of \$1,000.00) or any part of the Common Elements (the repair of which would cost in excess of \$10,000.00).
- (f) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any of the Property; and
- (g) Notice of any default by the Owner of the Unit which is subject to the mortgage, where such default is not cured by the Unit Owner within thirty (30) days after the giving of notice by the Association to the Unit Owner of the existence of the default.

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

ARTICLE XI LIMITATION OF LIABILITY

11.1 Standard of Conduct

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

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

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

11.2 Good Faith Reliance

In performing his/her duties, an officer or Board member shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- (a) One or more other officers or employees of the Association whom the officer or Board member reasonably believes to be reliable and competent in the matters presented.
- (b) Counsel, public accountants or other persons as to matters which the officer or Board member reasonably believes to be within the professional or expert competence of such person.
- (c) A committee of the Board upon which he/she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the officer or Board member reasonably believes to merit confidence.

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

11.3 Limited Liability

No Board member or officer, in his/her capacity as such, shall be personally liable for monetary damages for any action taken, or any failure to take any action, unless he/she has breached or failed

to perform the duties of his/her office under the standards described above; provided, however, that the provisions of this Article 11.3 shall not apply to the responsibility or liability of a Board member or officer pursuant to any criminal statute, or to the liability of a Board member or officer for the payment of taxes pursuant to local, state, or federal law.

11.4 Indemnification

To the extent permitted under Pennsylvania law, each member of the Board, in his/her capacity as a Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his/her being or having been a member and/or officer of the Board, or any settlement of any such proceeding, whether or not he/she is a Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Board member and/or officer is adjudged to be in breach of the standards of conduct described above;

provided that, in the event of a settlement, this indemnification shall apply only if and when the Board (with the affected member abstaining if he/she is then a Board member) approves such settlement and reimbursement as being in the best interests of the Association; and

provided further that, indemnification hereunder with respect to any criminal action or proceeding is permitted only if such Board member and/or officer had no reasonable cause to believe his/her conduct was unlawful.

The indemnification by the Unit Owners set forth in this Article 11.4 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such.

Such right of indemnification shall not be deemed exclusive of any other rights to which such Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

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

11.5 Limitation of Association Liabilities

The Association shall not be liable to any Unit Owner or occupant of any Unit for any failure of water supply or other services to be obtained by the Association or paid for by the Association, or for injury or damage to person or property caused by the elements of nature or, in the absence of negligence, resulting from electricity, gas, water, rain, dust, sand, sewage, snow, or ice which may leak or flow from any portion of the Common Elements or from any wire, pipe, drain, conduit, appliance, or equipment.

The Association shall not be liable to the Owner of any Unit or occupant of any Unit, in their capacity as Owner or occupant, for loss or damage by theft or otherwise, of articles which may be stored upon any of the Common Elements.

No abatement in Common Expense assessments shall be claimed or allowed for inconvenience or discomfort arising

- (a) from the maintenance, repair or replacement of Common Elements or Limited Common Elements;
- (b) from any action taken by the Association to comply with any law or other governmental authority; or
- (c) for the dispossession of a Unit Owner or occupant of any Unit by reason of fire or other casualty, except to the extent covered by the Association's insurance policy.

11.6 Directors & Officers (D & O) Insurance

As provided in Article 9.2 (c) above, the Board shall obtain insurance to satisfy the indemnification obligation of the Association and all Unit Owners set forth in Section 11.4 above, if and to the extent available at reasonable cost.

11.7 Defense of Claims

Complaints brought against the Association, the Board or the officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Board. The Board shall promptly give written notice thereof to the Unit Owners and the holders of any mortgages on Units, and such complaints shall be defended by the Association. The Unit Owners and the holders of mortgages on Units shall have no right to participate in such defense other than through the Association.

ARTICLE XII UNITS SUBJECT TO CONDOMINIUM DOCUMENTS

All present and future Unit Owners, tenants, mortgagees, occupants, guests, and employees of Units shall be subject to and shall comply with the provisions of this Declaration, the Bylaws, and the Rules and Regulations, and with all Amendments of the same.

Acceptance of a deed of conveyance or the acceptance of inheritance or the entering into a lease, or the entering into occupancy of the Unit, or the acquisition of title by foreclosure, judicial sale or order of court, shall constitute an agreement to be so bound. Further, such actions shall signify

- (a) that the aforementioned instruments are accepted and ratified by each such Unit Owner, tenant, occupant and mortgagee; and
- (b) that all such provisions of the aforementioned instruments shall be deemed and taken to be covenants running with the land,

and shall bind every person at any time having any interest or estate in such Unit as though all such provisions were set forth in full in each and every deed, inheritance or lease, or any other relevant documents.

ARTICLE XIII MISCELLANEOUS

13.1 Interpretation

Matters of dispute or disagreement between Unit Owners or matters which require interpretation of this Declaration or the Bylaws or the Rules and Regulations shall be determined by the Board, whose determination shall be binding and final on all Unit Owners.

The Bylaws are subordinate to the Declaration, and the Declaration is subordinate to the Act. Rules and Regulations are subordinate to the Bylaws, the Declaration, and the Act.

13.2 Severability

If any of the provisions of this Declaration or of the Bylaws or of the Act are held invalid, the validity of the remaining portion shall not be affected thereby.

Failure to comply with the requirements set forth herein or in the Bylaws or Rules and Regulations shall in no way invalidate otherwise proper actions of the Association and the Board.

13.3 Captions

The captions set forth herein are inserted only as a matter of convenience and in no way define, limit or describe the scope of the Declaration, nor the intention of any provisions thereof.

13.4 Conflicts

This Declaration is set forth to comply with the requirements of the Act. In the event of any conflict between this Declaration and the provisions of the Act, the Act shall control.

IN WITNESS WHEREOF, the President and the Secretary of the Board have hereunto caused this amended Declaration to be executed on this 3rd day of October, 2000.

(Signed) Gerald P. Gearhart Betty D. Walker

Gerald P. Gearhart
President

Betty D. Walker
Past President

COMMONWEALTH OF PENNSYLVANIA

)

: SS

COUNTY OF CENTRE

)

On this 3 day of October, 2000, before me, a notary public, the undersigned officer, personally appeared Gerald R. Gearhart, who acknowledged himself/herself to be the President and Betty D. Walker, who acknowledged himself/herself to be the Past President of Colonial Court Condominium Association, and that ~~he~~/she/they, as such Gerald and Betty, being authorized so to do, executed the foregoing indenture for the purposes therein contained, by signing the name of the Association by himself/herself as President officer and Board member
Past President
officer Board member

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal.

My Commission Expires:

[Signature]
 Notary Public

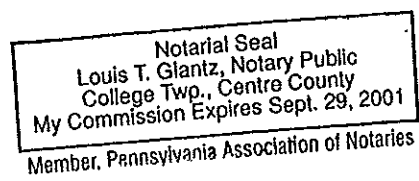


EXHIBIT A
COLONIAL COURT
LEGAL DESCRIPTION OF LAND

All that certain tract of land situated in College Township, Centre County, Pennsylvania; being a tract of land known as Colonial Court as shown on the Colonial Court Preliminary and Final Subdivision Plan, Tax Parcel 19-6-1, dated February 19, 1990 by Uni-Tec, Inc., State College, Pennsylvania and recorded in Plat Book 42, Page 124,* being bounded and described as follows:

Beginning at an iron pin, being an easterly corner of lands owned now or formerly by Lee L. and Carolyn M. Lowrey (D.B. 462, Page 94) and lying in a westerly right-of-way of Branch Road S.R. 3011 (50' R/W), thence along the Branch Road right-of-way, S 21° 11' 00" E, 198.36 feet to an iron pin, thence continuing along said right-of-way along a curve to the right having a chord bearing of S 13° 21' 03" E, a chord distance of 194.84 feet, a radius of 714.87 feet, and an arc distance of 195.45 feet to an iron pin lying in said right-of-way and being a northerly corner of lands owned now or formerly by Gordon D. Kissinger (D.B. 118, Page 113 and D.B. 271, Page 157), thence along the Kissinger lands, S 38° 54' 29" W, 312.56 feet to an iron pin, thence continuing along said lands, S 85° 40' 19" W, 223.56 feet to an iron pin, being a westerly corner of the Kissinger lands and lying in an easterly line of lands owned now or formerly by Gary J. and Jill E. Augustson (D.B. 442, Page 1124) and lying in an easterly line of the Borough, of State College and College Township line, thence along said line and along lands owned now or formerly by Tom S. III and Elizabeth R. Mabin (D.B. 467, Page 1010) and lands owned now or formerly by Steven and Lisa Hackman (D.E. 402, Page 135) and lands owned now or formerly by Charles R. and Mary Lou Snitger (D.B. 409, Page 322) and lands owned now or formerly by Harry L. and Barbara A. Robins (D.B. 442, Page 266) and lands owned now or formerly by Scott S. and Paula P. Healy (D.B. 432, Page 166), N 04° 19' 41" W, 515.00 feet to an iron pin, being a northerly corner of the Healy lands and being a southerly corner of lands owned now or formerly by Daniel E. and Kathryn A. LaMorte (D.B. 420, Page 820), thence along the LaMorte lands and lands owned now or formerly by Elwood and Ruth Ann Williams (D.B. 433, Page 1084) and along the Colonial Court right-of-way (60' R/W), N 60° 55' 11" E, 133.34 feet to a point lying in the center of Colonial Court, thence continuing along the Colonial Court right-of-way and along lands owned now or formerly by Michael T. Kerr and Elizabeth Woods (D.B. 443, Page 539) and along the Lowrey lands, N 75° 57' 00" E, 231.84 feet to an iron pin, being the place of beginning; containing 4.97 acres.

Said lands are subject to a 50 foot utility and stormwater detention easement along its street frontage along Branch Road and a 30 foot utility and access easement traversing through said lands, and a 20 foot drainage and sewer easement traversing through its eastern boundaries, and a 15 foot permanent easement traversing through its southeasterly boundary.

**Subsequently in Plat Book 45, Page 107.*

EXHIBIT B
COLONIAL COURT
PERCENTAGE INTERESTS

The voting right and the percentage of Undivided Ownership Interest of each Unit in the Common Elements of Colonial Court Condominium are assigned on the basis of equality, as set out in the table below.

<u>Unit Number</u>	<u>Votes per Unit</u>	<u>Percentage Interest*</u>
1	1	6.67%
2	1	6.67%
3	1	6.67%
4	1	6.67%
5	1	6.67%
6	1	6.67%
7	1	6.67%
8	1	6.67%
9	1	6.67%
10	1	6.67%
11	1	6.67%
12	1	6.67%
13	1	6.67%
14	1	6.67%
15	<u>1</u>	<u>6.67%</u>
Total	15	100%

*Percentage of Undivided Ownership Interest of each Unit in the Common Elements

TABLES

Table 1: Unit-Related Common Elements

(Board takes action; Board pays for maintenance, repair, and replacement
out of Association funds or Special Assessments)

1. Chimney, caps and flashing
2. Roofing (shingles, sheathing, ice and water shields, flashing)
3. Gutters, downspouts, fascia, soffit and soffit vents, and related items, including exterior drainage, including that within the basement entrances
4. Vinyl siding and attachment J-molds, etc.; openings & flaps, etc.
5. Brick veneer: bricks, mortar, ties, flashings, vents, openings (for pipes to go through, etc.)
6. Basement walls and base slab-on-grade only insofar as their load-bearing function is concerned. That is, if a basement wall collapsed or the slab failed, the Board would pay. In all other respects, the Unit Owner is fully responsible for the basement walls and the basement floor/base slab. Where vinyl siding or brick veneer are involved, 4. and 5. above apply.
7. Exterior person-door frames
8. Garage door frames
9. Security light in lawn but not the lamp or bulb
10. Caulking and sealing around windows and doors (frame/exterior only)
11. Exterior exposed wooden construction (decks, railings, stairs, support posts, etc.)
12. Retaining walls, stairs, metal railings, and other exterior construction at front door, garage and basement entrances, and any exterior steps located away from the house.

Table 2: Unit-Related Limited Common Elements

(Board takes action; Unit Owner pays for repair and replacement)*

1. Windows (glass, frames and screens)
2. Skylights**
3. Exterior doors (person doors and garage doors, including garage door openers)
4. Window wells

5. Land below decks
6. Patios (i.e., paved or otherwise floored area outside and adjacent to the Unit, exclusive of decks)
7. All exterior lights except for the security light in the lawn.
- * The Association will conduct an annual inspection and maintenance program for Limited Common Elements, as specified in Bylaw Article XII, *Maintenance of Units and Infrastructure*. All costs associated with Limited Common Elements other than the cost of the normal exterior maintenance specified in Bylaw XII are to be borne by the Unit Owner.
- ** Any damage due to the presence of skylights in a Unit is that Unit Owner's responsibility.

Table 3: Unit-Related Excluded Items

(Owner takes action and pays; Board upholds standards as appropriate)

1. Flagpoles, sockets and flags
2. Lawn sprinkler systems
3. Hot tubs and similar items
4. Screen doors, awnings and trellises
5. Satellite dishes and antennas
6. HVAC systems, including the externally located portion
7. All structural components not specifically included as Common Elements in Table 1, *Unit-Related Common Elements* or in Table 2, *Unit-Related Limited Common Elements*.
8. Any exterior item added, or any alteration made to an exterior item, by a Unit Owner for which Board permission is required and which is not listed on Table 1 or Table 2.

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Angela

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Hart

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Revised Bylaws
of
Colonial Court,
A Condominium

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF CENTRE)

On this Day:

OCT 04 2000

I hereby CERTIFY that this document is
Recorded in Record Book 1185 Page 850
in the Recorder of Deeds Office of Centre
County, Pennsylvania. IN WITNESS
WHEREOF, I have hereunto
set my hand and official seal.

Joseph L. Davidson
Joseph L. Davidson
Centre County Recorder of Deeds



ENTERED FOR RECORD
JOSEPH L. DAVIDSON
RECORDER OF DEEDS
CENTRE COUNTY
OCT 4 PM 4 52

October 3, 2000

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REVISED BYLAWS OF COLONIAL COURT,
A CONDOMINIUM

ARTICLE I INTRODUCTORY PROVISIONS

1.1 Applicability

These Bylaws are adopted in compliance with and subject to, the Uniform Condominium Act (the Act) and the provisions of the Declaration that established Colonial Court, A Condominium (recorded in *Record Book* Vol. 649 at pages 361 - 389, Office of the Recorder of Deeds of Centre County) and the Revised Declaration (recorded in *Record Book* Vol. --- at pages --- - ---, Office of the Recorder of Deeds of Centre County). These Bylaws supersede the Bylaws recorded in *Record Book* Vol. 649 at pages 390 - 433, Office of the Recorder of Deeds of Centre County.

1.2 Association Intent

The Colonial Court Condominium Association seeks to operate the Condominium as a neighborly adult community, maintained in such a way as to insure the continuing desirability and value of the Property as a whole.

1.3 Definitions

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.

1.4 Compliance

Pursuant to the provisions of the Act, every Unit Owner and all Persons entitled to occupy a Unit shall comply with these Bylaws.

1.5 Office

The office of the Condominium, the Association, and the Board shall be located at the Property or at such other place in the State College area, Pennsylvania, as may be designated from time to time by the Board.

ARTICLE II THE ASSOCIATION

2.1 Composition

The Association is organized 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, these Bylaws, and any Rules and Regulations.

Any Unit Owner, upon acquiring title to his/her Unit, shall automatically become a member of the Association and shall remain a member until such time as his/her ownership of such Unit ceases, at which time his/her membership in the Association shall automatically cease.

The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management and maintenance of the Condominium, and performing all of the other acts that may be required or permitted to be performed by the Association in accordance with the Uniform Condominium Act, the Declaration, these Bylaws and any Rules and Regulations. The foregoing responsibilities shall be performed by the Board on behalf of the Association as more particularly set forth in these Bylaws.

2.2 Annual Meetings

Meetings of the Association shall be held at least once each year. The annual meeting shall be held on the first Tuesday in October each year unless such date shall occur on a holiday, in which event the meeting shall be held on the succeeding Monday.

At such annual meetings the Board shall be elected by ballot of the Unit Owners in accordance with the procedures stated in Article III below, and such other business as may properly come before the meeting may be transacted.

2.3 Place of Meetings

The meetings of the Association shall be held at such suitable place in the State College area, Pennsylvania, as may be designated by the Board.

2.4 Special Meetings

The President shall call a special meeting of the Association if so directed by the Board or upon a written request to the Secretary signed by Unit Owners owning not less than thirty-three and one-third percent (33 1/3%) of all interests in the Common Elements. Such meeting shall be held within forty-five (45) days after receipt by the President of such resolution or petition.

Any requests for special meetings shall state the precise purpose of the meeting.

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 and Bylaws.

No business shall be transacted at a special meeting except as stated in the notice.

2.5 Notice of Meetings

The Secretary shall give notice for each annual or special meeting of the Association at least ten (10) days but no more than sixty (60) calendar days prior to such meeting, stating the date, time, place, and items on the agenda, including, without limitation, any proposed budget or assessment changes, the general nature of any proposed Amendment to the Bylaws or Declaration, and any proposal to remove a Board member.

Such notice shall be sent prepaid by United States first-class mail or hand delivered to each Unit Owner of record at the Unit address or at any other mailing address that such Unit Owner shall have designated in writing to the Secretary or by facsimile for which receipt is acknowledged by the Unit Owner to whom it is sent. The mailing or hand delivery or facsimile transmission of notice of meeting or in the manner herein provided shall be considered service of notice. If in the future laws are changed to permit electronic notice in addition to facsimile, such notice shall be acceptable.

Notice of any informal meetings held for information-sharing and discussion purposes at which no binding vote will be taken shall be provided at least ten (10) days in advance of such meetings. Such notice shall be sent by whatever method is convenient (including facsimile and e-mail) 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 notice shall state the date, time, and place of meeting, and items on the agenda for the meeting.

2.6 Quorum - Proxies

2.6.1 Quorum

Except as otherwise provided herein, the presence in person or by proxy of Unit Owners owning eight-fifteenths (53.36%) of all interests in the Common Elements shall constitute a quorum at all meetings of the Association. Thus, the Owners of at least eight Units, either in person or by proxy, must be present to achieve a quorum.

A quorum shall be deemed to be present throughout a meeting of the Association until adjournment if persons entitled to cast at least 53.36% of the votes are present in person or by proxy (i.e., eight (8) votes) at the beginning of such meeting.

If at any meeting of the Association a quorum is not present, Unit Owners entitled to cast a majority of the votes represented at such meeting may adjourn the meeting to a time not less than forty-eight hours after the time for which the original meeting was called.

2.6.2 Proxies

At all meetings of Members, the votes allocated to a Unit may be cast in person or pursuant to a proxy or proxies duly executed by the Unit Owner, or in cases where the Unit Owner is more than one person, by or on behalf of all such persons. Such proxy may be granted to any Unit Owner in favor of another Unit Owner only.

No such proxy shall be revocable except by actual notice to the officer presiding over the meeting, given by the Unit Owner, or any of such persons constituting the Unit Owner, that it be revoked.

Any proxy must be executed in writing and must be signed by the Unit Owner(s) granting the proxy and filed with the Secretary before the appointed time of the meeting. Any proxy shall be void if it is not dated, if the proxy purports to be revocable without notice, or if the signature of the person executing the proxy has not been witnessed by a person who shall sign his/her full name and address.

A proxy shall terminate automatically upon the final adjournment of the first meeting held on or after the date of the proxy, but shall remain in effect during any recess or temporary adjournment of the meeting.

See Exhibit A, attached, for the Association Proxy Form.

2.7 Conduct of Association Meetings

The President (or in the President's absence, the Vice President) shall preside over all meetings of the Association. The Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat.

Order of Business: the order of business at the annual meeting of the Association or at any special meeting, as far as is practicable and in accordance with 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 Board members
- (h) Old business
- (i) New business
- (j) Adjournment

The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these Bylaws, or the Act.

All votes shall be tallied by the President, with verification by another Unit Owner who is not a member of the Board and who is not running for office.

2.8 Allocation of Votes

As shown in Exhibit B of the Declaration, one vote is assigned to each Unit on the basis of its undivided interest in the Common Elements. Thus, the total number of votes assigned to all Unit Owners shall be fifteen (15). This vote may be exercised with regard to any Association matter subjected to a vote.

2.9 Voting by Multiple Owners

Regardless of whether a Unit is owned by one Person or by more than one Person, each Unit is assigned one vote, as shown in Exhibit B of the Declaration. The vote of the Unit on each matter subjected to voting shall not be divided.

If only one of the multiple Owners of a Unit is present at an Association meeting, he/she is entitled to cast the vote allocated to that Unit on each matter subjected to a vote.

If more than one of the multiple Owners of a Unit is present, the votes allocated to that Unit shall be cast in accordance with their unanimous agreement. Such agreement shall be conclusively presumed unless the vote is contested forthwith by any of the other Unit Owners to the person presiding over the meeting.

In the event that multiple Unit Owners cannot agree on how the vote for their Unit shall be cast, then that vote shall be denied regardless of whether the vote, an objection to the vote, or a contrary vote is exercised in person or by proxy. The contested vote shall not be counted either for or against any motion on the floor.

2.10 Majority of Votes

The outcome determined by a simple majority of the votes cast at a meeting at which a quorum is present in person or by proxy at the beginning of the meeting shall be binding upon all Unit Owners for all purposes except in cases where the Act, the Declaration, or the Bylaws require a higher percentage of votes.

If the vote of one Unit is denied as set out in Bylaw 2.9, then where a Majority vote of all the votes in the Association is required, a majority shall still mean at least eight (8) votes and a two-thirds (2/3) majority shall still mean at least ten (10) votes. If the votes of two or more Units are denied, then a majority shall mean at least seven (7) votes and a two-thirds (2/3) majority shall mean at least nine (9) votes.

For matters that require unanimity under Section 3219 of the Act, denied votes shall not be considered, and unanimity shall be required among all Units whose votes have not been denied.

ARTICLE III BOARD, ASSOCIATION OFFICERS, AND COMMITTEES

3.1 Number and Qualifications

The affairs of the Colonial Court Condominium Association shall be governed by an Executive Board. The Board shall be composed of three (3) natural persons, all of whom shall be Unit Owners and who shall maintain their primary residence in Colonial Court. Board membership shall terminate if a Board member ceases to be a Unit Owner or ceases to reside in his/her Unit.

All members of the Board shall be elected by the Association. Where two (2) or more persons jointly own and reside in a Unit, any one person may be designated by the Unit Owners as eligible to serve on the Board in any one capacity. (That is, co-holders of one position shall not be permitted.)

Only one Unit Owner from any one Unit shall serve at the same time on the Board in a voting capacity. (That is, two Unit Owners from the same Unit cannot simultaneously hold any two of the positions of President, Vice President or Treasurer. But one Unit Owner could be elected to one of these voting positions while another Unit Owner from the same Unit could simultaneously be elected Secretary (a non-voting position), or could serve on a committee.)

3.2 Term of Office

The qualifications of nominees for the Board shall be in accordance with the criteria set forth in Bylaw 3.1 above. Members of the Board shall be elected at the annual meeting of the Association to serve until their successors have been elected.

The members of the Board shall hold office until the earlier to occur of the election of their respective successors or their death, adjudication of incompetence, removal, or resignation.

A Board member may serve an unlimited number of terms and may succeed himself/herself.

The Board shall consist of a President, a Vice President, and a Treasurer. A Secretary shall also be elected who will serve the Association as a non-voting officer of the Association with the exception so noted in Bylaw 3.6 below.

The President shall be elected for a one calendar year term, commencing on January 1st following his/her election at the annual meeting of the Association.

The Vice President shall be elected for a one calendar year term, commencing on January 1st following his/her election at the annual meeting of the Association. The Vice President shall be nominated by a nominating committee for the position of President at the annual meeting of the Association following the year of his/her election as Vice President.

The Treasurer shall be elected for a two calendar-year term, commencing on January 1st following his/her election at the annual meeting of the Association.

The Secretary shall be elected for a two calendar-year term, commencing on January 1st following his/her election at the annual meeting of the Association.

At any vote for membership on the Board, each Unit Owner shall vote for each position to be filled in accordance with the provisions of Article III of the Bylaws.

3.3 Nominations

Nomination for election to the Board shall be made by a Nominating Committee. Nominations may be in order of the succession of residency in the Association, but the committee may nominate any eligible person. Nominations may also be made from the floor at the annual meeting of members.

The Nominating Committee shall consist of a chairman, who shall be a member of the Board, and two (2) other members of the Association who may or may not be Board members. The three members of the Nominating Committee shall represent three different Units.

The Nominating Committee shall be appointed by the Board at least three months prior to each annual meeting of the Members, to serve until the close of that annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine but shall nominate at least one candidate for each position to be filled.

Nominations shall be seconded by an Owner from a different Unit than the Unit whose Owner is being nominated and from a different Unit than the Unit whose Owner is making the nomination.

3.4 Election

If more than one member has been nominated for any position, the election to the Board shall be by secret written ballot. At such election, the members or their proxies may cast one vote for each of the positions to be filled. The person receiving the largest number of votes for each position shall be elected to that position. Cumulative voting shall not be permitted.

3.5 Removal of Members of the Board

Any one or more members of the Board may be removed with or without cause, and his/her successor elected at a meeting of the Association at which a quorum is present, by a Majority vote of all the votes in the Association, cast in person or by proxy.

Any Unit Owner proposing removal of a Board member shall give notice thereof in writing to the Secretary. Any member whose removal has been proposed by a Unit Owner shall be given at least ten (10) days' notice by the Secretary of the date, time, place, and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Board may resign at any time and shall be deemed to have resigned upon transfer of title of his/her Unit.

3.6 Vacancies

Vacancies occurring on the Board by reason of the removal of a Board member by a vote of the Association shall be filled by the Association at an annual meeting or at a special meeting called for that purpose as described in Bylaw 2.4.

Vacancies on the Board caused by any reason other than removal by the Association shall be filled by a majority of the votes of the two (2) remaining members of the Board and the Secretary at a meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, and for this purpose the Secretary shall become a voting member of the Board.

The person so elected shall be a member of the Board for the remainder of the term of the member whose vacancy he/she is filling or until his/her successor shall be elected.

In the event that the vacancy is that of the Secretary, a majority of the three (3) voting members of the Board shall fill the vacancy. That person so elected to be Secretary shall fulfill the term of the Secretary whose vacancy he/she is filling or until his/her successor shall be elected.

Any officer shall cease to be an officer at such time as he/she ceases to be either a Unit Owner or a resident of the Condominium.

3.7 Meetings of the Board

Regular meetings of the 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 Board.

3.7.1 Notice

Notification of regular Board meetings may be made to Board members by the President (or the Vice President acting on behalf of the President when he/she is not available) via any one of the following methods of communication: letter by first-class mail or hand delivery to the Unit, telephone call, e-

mail transmission, or facsimile. In the latter two (2) cases, an acknowledgment of receipt shall be requested.

Notification shall be made on five (5) business days' notice and shall state the date, time, place, and purpose of the meeting.

Unit Owners shall be notified of Board meetings at which decisions will be made in like manner as Board members but with no requirement for a receipt, or by the posting of a notice if a means of displaying notices becomes available in the Condominium.

No notice shall be required if regular meetings are held at a regularly scheduled time fixed in advance by the Board and made known to Unit Owners.

Emergency meetings may be held without notice provided that a meeting with notice to reaffirm any action is held within 30 days.

3.7.2 Meetings

At least one (1) Board meeting shall be held in each quarter of each fiscal year.

Special meetings of the Board shall be called in like manner and on like notice as regular meetings on the written request of at least one (1) member of the Board.

The President shall preside over all meetings of the Board. The Secretary shall keep copies of all notifications, resolutions adopted by the Board, and minutes of all transactions and proceedings occurring at such meetings. The minutes of the meetings shall be retained in the Board's records, and copies shall be distributed to Board members and shall be made available to Unit Owners who request them.

Board members may adjourn into executive session to discuss sensitive topics such as member discipline, personnel, or litigation matters. The minutes need reflect only the general nature of the matters discussed in executive session.

Unit Owners shall be permitted to attend Board meetings as observers (i.e., they may listen but not speak) except when the Board adjourns into executive session.

The Board shall present at each annual meeting of the Association, and when called for by vote of the Association at any special meeting of the Association, a statement on the operative and financial condition of the Condominium.

The then current edition of *Robert's Rules of Order* shall govern the conduct of the meetings of the Board when not in conflict with the Condominium Documents or the Act.

3.8 Quorum of the Board

At all meetings of the Board a majority of the members shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Board. Each member shall have one vote.

If at any meeting of the Board less than a quorum is present, those present shall adjourn the meeting to a new date. 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.

In the event that any member of the Board is away and unable to attend a meeting of the Board in person, that member may participate in the meeting by means of a conference telephone call or by any means of communication by which all persons participating in the meeting are able to hear one another. Such participation shall constitute presence in person at the meeting, and the Association shall pay for any telecommunication costs incurred.

Proxies shall not be used in meetings of the Board.

3.9 Duties of Officers

3.9.1 President

The President of the Board shall be the chief executive officer of the Association and shall preside at all meetings of the Association and the Board, and shall have general powers and duties which are incident to the office of the president of a non-stock corporation. Subject to the Board's approval, the President shall appoint such committees from among the Unit Owners from time to time as he/she may, in his/her discretion, determine are appropriate to assist in the affairs of the Association.

The President shall see that orders and resolutions of the Board are carried out, shall sign all written instruments other than checks (which may be signed by any one or two officers of the Association of whom the President may or may not be one) on behalf of the Association and shall perform such other duties as may be required by the Board.

The President shall cease holding such office at such time as the President ceases to be a member of the Board.

3.9.2 Vice President

The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint the Treasurer to act in the place of the President, on an interim basis. In such eventuality, the Secretary shall become a voting member of the Board until the President or Vice President is able to resume his/her duties.

The Vice President shall also perform such other duties as may be required of him/her by the Board. The Vice President shall cease holding such office at such time as he/she ceases to be a member of the Board.

3.9.3 Treasurer

The Treasurer shall be responsible for the safekeeping of Association funds and securities, and shall keep, or cause to be kept, full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data.

The Treasurer shall receive and deposit all moneys in the name of the Board, the Association, or the managing agent, in such depositories as may from time to time be designated by the Board and shall disburse such funds as directed by the Board, and shall perform such other duties as may be required by the Board.

With the approval of the Board, the Treasurer may delegate some or all of these activities to one or more agents approved by the Board.

3.9.4 Secretary

The Secretary shall attend all meetings of the Board and the Association and shall record the voting and the minutes of all proceedings in a book to be kept by him/her for that purpose.

He/she shall serve notice of meetings of the Association and the Board and shall perform such other duties as may be prescribed by the Board.

The Secretary shall compile and keep current a complete record of the Unit Owners and their last known post office addresses.

The Secretary shall also keep current and retain custody of the minutes book of the proceedings of the Association, the Board, and committees.

The Secretary shall, upon request, provide any Person, or cause to be provided to any Person entitled thereto a written statement or certification of the information required to be provided by the Association.

With the approval of the Board, the Secretary may delegate some or all of these activities to another officer of the Board or one or more agents approved by the Board.

3.10 Compensation of Board Officers

The President shall not receive any compensation for his/her services, except reimbursement for out-of-pocket expenses, but he/she may be compensated for services rendered in any other capacity.

The Vice President shall not receive any compensation for his/her services, except reimbursement for out-of-pocket expenses, but he/she may be compensated for services rendered in any other capacity.

The Secretary shall not receive any compensation for his/her services, except reimbursement for out-of-pocket expenses, but he/she may be compensated for services rendered in any other capacity.

The Treasurer shall be reimbursed for out-of-pocket expenses and may be compensated for his/her services as Treasurer if the Association determines that such compensation is appropriate.

3.11 Execution of Instruments

All agreements, contracts, deeds, leases, checks, and other instruments of the Association for expenditures or obligations of three thousand dollars (\$3,000) or less shall be executed by any one Board member or officer of the Association. All such instruments for expenditures or obligations of

more than three thousand dollars (\$3,000) shall be executed by any two Board members or officers of the Association. The agreement with any bank shall at all times indicate such requirements.

The signatures of any two Board members or officers of the Association shall be required for the withdrawal of funds from the Association's Reserve bank account.

3.12 Committees of Unit Owners

The Board may establish:

- a standing maintenance committee to deal with all maintenance matters for the Property except landscaping, in accordance with Article XII of the Bylaws;
- a standing landscaping committee to deal with all landscaping matters in accordance with Article XIII of the Bylaws; and
- *ad hoc* committees as needs arise.

Each committee shall report to the President and shall carry out its duties and exercise its powers and authority in the manner provided for in the Bylaws and the Rules and Regulations or as instructed by the Board.

3.13 Records

The records of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member upon reasonable notice to the Secretary. The Declaration and the Bylaws of the Association and any Rules and Regulations shall be available for inspection during reasonable business hours by any Member. Copies of the Declaration, Bylaws, and Rules and Regulations shall be made available at a reasonable cost.

ARTICLE IV COMMON EXPENSES; BUDGET

4.1 Fiscal Year

The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board.

4.2 Preparation and Dissemination of Budget

4.2.1 Preliminary Budget

The Board shall prepare a preliminary annual budget containing an estimate of the total amount considered necessary to pay the costs during the ensuing fiscal year for the items listed in Bylaw 4.2.2.

This budget shall be presented to members at the Association's annual meeting in October. With the exception of planned Reserve expenditures, any specific budget item that exceeds five thousand

dollars (\$5,000) shall be voted on in accordance with Bylaw 4.8.2. Otherwise, the preliminary budget shall not be voted on.

4.2.2 Finalization and Adoption of Budget

On or before the first day of November of each year (or sixty days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Board shall finalize and adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the costs during the ensuing fiscal year for:

- the management and administration of the Property;
- the operation, maintenance, and repair of the Property;
- the rendering to the Unit Owners of all related services; and
- an annual contribution to the Reserve for major future repairs and replacement of Common Elements that extend their useful lives or service periods. Reserve funds are to be segregated from Operating Funds.

Such costs may include:

- wages,
- materials,
- insurance premiums,
- services,
- supplies,
- and other expenses

that may be declared to be Common Expenses by the Act, the Declaration, these Bylaws, or a resolution of the Board.

The budget shall include such reasonable amounts for Working Capital as the Board considers necessary to provide for operating contingencies (such as unanticipated operating expenses).

4.2.3 Dissemination of Budget Information

On or before the next succeeding fifth day of November (or fifty-five days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Board shall send each Unit Owner a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses and the amount of the monthly assessment.

If there is any significant difference between the preliminary budget presented at the annual meeting and the budget sent to Unit Owners in November, the Board shall attach an explanation of the differences.

Such budget shall constitute the basis for determining each Unit Owner's assessments for Common Expenses and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Article 8.8 of the Declaration.

If amendments to the budget become necessary, the Board shall make the necessary amendments in compliance with the Declaration and the Bylaws, and in particular Bylaw 4.8.2.

4.2.4 Budget in Effect Even if Deadline Not Met

The 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.

4.2.5 Notice of Annual Expenses and Funds

Within ninety (90) days after the end of each fiscal year, the Board shall prepare and deliver to each Unit Owner and to each Permitted Mortgagee who has registered an address with the Secretary, an itemized accounting of the Common Expenses incurred and the funds received during such fiscal year less expenditures actually incurred and sums paid into Reserves.

4.3 Calculation of Assessments

4.3.1 Calculation of Monthly Assessments for Common Expenses

The total amount of the Common Expenses of the Condominium set forth in the Annual Budget shall be assessed against each Unit in proportion to its respective Percentage Interest, and shall be a lien against each Unit as of the first day of the fiscal year to which the Annual Budget applies as provided in the Act and the Declaration.

The Board shall calculate the monthly assessments for Common Expenses against each Unit by multiplying

- (a) the total amount of the estimated funds required for the operation of the Property (i.e., Operating Funds) and for major future repair and replacement of Common Elements (i.e., Reserve Funds) set forth in the budget adopted by the Board for the fiscal year in question, after deducting any known Surplus if the Board so decides, by
- (b) the Percentage Interest (expressed in decimal form) allocated to such Unit, and dividing the resulting product by
- (c) the number of calendar months in such fiscal year.

Such assessments shall be deemed to have been adopted and assessed on an annual basis payable in monthly installments, and shall be due and payable on the first day of each calendar month.

Any net shortage with regard to Common Expenses 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 Board may determine.

4.3.2 Limited Common Expenses

Limited Common Expenses shall be determined and assessed as set forth in Article 8.2 of the Declaration.

4.4 Effect of Failure to Prepare or Adopt Budget

The failure or delay of the 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/her allocable share of the Common Expenses. 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 has been adopted.

4.5 Collection of Assessments

In accordance with Article 7.3 of the Declaration the Board, or the managing agent at the request of the Board, shall take prompt action to collect any assessments or bills for Common Expenses, Limited Common Expenses and Special Assessments due from any Unit Owner which remain unpaid for more than thirty (30) days from the date on which payment is due.

Any assessment or bill not paid within five (5) days after its due date shall accrue a late charge in the amount of five percent (5%) of the overdue assessment or bill, in addition to interest at the rate of fifteen percent (15%) per annum or such rate as may otherwise be determined by the Board.

At its option, the Board may authorize the Common Expenses to be collected by a mortgagee of one or more Units or by any other servicing agent.

4.6 Statement of Common Expenses

The 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 or Limited Common Expenses due from such Unit Owner.

The Board may impose a reasonable charge for the preparation of such statement to cover the cost of its preparation to the extent permitted by the Act.

4.7 Notice of Capital Expenditures

The Board shall deliver to all Unit Owners notice of any Capital Expenditure approved by the Board promptly after each such approval.

4.8 Limitations on Borrowing and Expenditures

4.8.1 *Borrowing and Assignment of Income Rights*

Borrowing. If the Board wishes to borrow a sum exceeding ten percent (10%) of the current annual budget or exceeding five thousand dollars (\$5,000), whichever sum is the greater, the Board must obtain in advance the approval of at least two-thirds (2/3) of all the votes in the Association, cast in person or by proxy, at a meeting duly called and held for such purpose.

Assignment of Income Rights for purposes of securing a loan: Refer to Article 8.7 of the Declaration.

4.8.2 Expenditures

The Treasurer shall prepare a written memorandum of, and the Board shall approve, all expenses, charges, and costs of the maintenance, repair and replacement of the Common Elements, and any other expenses, charges, or costs that the Board may incur or expend pursuant thereto.

Reserve Fund Expenditures

Planned Reserve fund expenditures for maintenance, repair and replacement of the Common Elements due in the upcoming fiscal year shall be included in the budget and identified as such.

Non-Reserve-Fund Expenditures

Except for Reserve fund expenditures, the Board shall obtain the approval of the Unit Owners entitled to cast two-thirds (2/3) of the total votes of the Association before agreeing to, committing to, or making any expenditure exceeding ten percent (10%) of the current annual budget or exceeding five thousand dollars (\$5,000) whichever sum is the greater, with the exception of legal settlements.

When the required approval for such a non-Reserve-fund expenditure has been obtained, all Unit Owners shall be liable for the cost thereof as a Common Expense.

Approval at annual meeting. If the Board proposes a non-Reserve-fund expenditure exceeding five thousand dollars (\$5,000) in the preliminary budget presented at the annual meeting, such budget item shall be voted on. Approval shall require at least two-thirds (2/3) of all the votes in the Association, cast in person or by proxy at the annual meeting.

Approval at special meeting. If such an expenditure was not included in the preliminary budget presented at the annual meeting and therefore has not been voted on, the Board shall call a special meeting to seek the necessary approval. Approval shall require at least two-thirds (2/3) of all the votes in the Association, cast in person or by proxy, at the special meeting.

Emergency expenditures

In the event of any emergency where failure to act could create a risk to persons or could result in damage or additional damage to the Property, the Board may spend up to ten thousand dollars (\$10,000) to protect the Property without seeking approval in advance from Unit Owners, and the judgment of the Board shall be final, conclusive, and binding.

ARTICLE V COMPLIANCE AND DEFAULT

In accordance with Article XII of the Declaration, each Unit Owner and each resident shall be governed by, and shall comply with, all of the terms of the Declaration, these Bylaws, the Rules and Regulations, and the Act, and any Amendments of the same.

5.1 Enforcement Powers

Refer to Article 7.15 of the Declaration.

5.2 Relief

In addition to the remedies provided in the Act, the Declaration, and elsewhere in these Bylaws, a default by a Unit Owner shall entitle the Association, acting through the Board or through the managing agent, to the following relief:

5.2.1 *Additional Liability*

Each Unit Owner shall be liable for the expenses of all maintenance, repair or replacement rendered necessary by his/her act, neglect, or carelessness or the act, neglect or carelessness of his/her family, tenants, guests, employees, agents, contractors, or licensees.

Such liability shall apply to damage caused to the Common Elements or Limited Common Elements or to a Unit or Units owned by others resulting in maintenance, repairs, and replacements that would otherwise be a Common Expense or a Limited Common Expense assigned to another Unit Owner (or Owners). A Unit Owner found to be liable shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board.

5.2.2 *Costs and Attorney's Fees*

In any proceeding 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.

5.2.3 *No Waiver of Rights*

The failure of the Association, the Board, or a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents or the Act shall not constitute a waiver of the right of the Association, the 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 Board, or any Unit Owner pursuant to any term, provisions, covenant or condition of the Condominium Documents or the 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 the party exercising the same be precluded from exercising such other privileges as may be granted to such party by the Condominium Documents or the Act or at law or in equity.

ARTICLE VI AMENDMENT OF BYLAWS

6.1 Amendments of Bylaws

These Bylaws may be modified or amended only by vote of Unit Owners entitled to cast a Majority of all the votes in the Association, except as otherwise expressly set forth herein or in the Act.

Additionally, if any Amendment is necessary in the judgment of the 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 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 Board of an opinion from independent legal counsel to the effect that the proposed Amendment is permitted by the terms of this sentence.

The Board shall give prompt written notice of any such corrective Amendments to the Unit Owners.

6.2. Rights of Permitted Mortgagees

These Bylaws contain provisions concerning various rights and interests of Permitted Mortgagees. Such provisions in these Bylaws are to be construed as covenants for the protection of such mortgagees 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 mortgagees shall be adopted without the prior written notification of such mortgagees who have registered an address with the Secretary.

6.3 Amendments to the Declaration

Any two officers or Board members of the Association may prepare, execute, certify and record Amendments to the Declaration and/or Bylaws on behalf of the Association.

ARTICLE VII EXTERIOR ALTERATIONS

7.1 Approvals

In accordance with Section 6.1.7 of the Declaration, Unit Owners shall not alter or modify in any way the outside of their Units or any Common Elements without the prior written permission of the Board. Further, under Article 7.16 of the Declaration, prior approval of the Majority of the Unit Owners must be obtained for certain changes before the Board may grant permission to the Unit Owner to proceed. Additional requirements must be met in the case of structural alterations as set out in this Bylaw.

The Unit Owner shall obtain the prior written approval of the Board before making any structural alterations to the roof or external walls of any Unit, or to any other Unit-related Common Element or Limited Common Element, or any significant additions or improvements thereto. The Board shall answer any written request by a Unit Owner for such approval within sixty (60) days of receiving such a request.

The Unit Owner shall also obtain the prior written approval of the Permitted Mortgagee before making such structural alterations.

7.2 Board Approval of Plans

To give the Board a clear understanding of what they wish to do, Unit Owners must initially submit a reasonably detailed drawing or sketch, showing the proposed dimensions, together with a written description of the materials the Unit Owner wishes to use and a statement as to who would be performing the work and how much it is expected to cost.

If the proposed alterations are such that the Board deems it necessary to review professionally prepared plans, the Unit Owner shall provide the Board with plans prepared and certified by an architect or professional engineer duly registered or licensed in Pennsylvania. Such plans shall be subject to the approval of the Board; such approval shall not be unreasonably withheld.

The Unit Owner shall be responsible for obtaining any permits necessary and for supplying copies to the Board.

7.3 Unit Owner's Liability

When any Unit Owner causes work to be done on the interior or the exterior of a Unit and his/her contractor does such work, the Association shall bear no liability.

The Unit Owner shall bear sole responsibility for making certain that all related and necessary insurance is in place, in particular Workers' Compensation and liability and property damage insurance. The Unit Owner shall ensure that any contract he/she signs includes waivers of all liens ("no-lien contracts") and indemnification of the Board and the Association from liability arising in connection with the performance of the work.

If the alterations affecting the Common Elements or Limited Common Elements are other than minor (i.e., will cost more than \$1,000), the Unit Owner shall obtain a written contract from the contractor that he/she has engaged and shall supply a copy of the contract to the Board for its approval before work commences.

The 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.

7.4 Performance of work

The work must be carried out expeditiously and in a manner that minimizes noise and interference with the use and enjoyment of the Common Elements by the Unit Owners and residents of the Condominium.

ARTICLE VIII INSURANCE

8.1 Property Insurance

The Board, on behalf of and for the benefit of and Unit Owners shall obtain and maintain insurance coverage as set forth in Article IX of the Declaration and as further described in these Bylaws.

The Property shall be insured against risks of physical damage to the extent reasonably available as follows.

8.1.1 Property Coverage

The Property shall be insured in an amount equal to the full insurable value replacement cost without deduction for depreciation, based upon the cost of replacing all Units and Common Elements

(exclusive of excavations, foundations and other items normally excluded from property policies) and all improvements utilizing contemporary technology and building materials that are of the same quality and craftsmanship. The policy shall cover all the improvements and alterations made to the Property including those made to a Unit by a Unit Owner at his/her own expense that are part of the Building or structure.

Full insurable value replacement cost coverage is to be assured by either:

- (a) a Guaranteed Replacement Cost Endorsement (pursuant to which the insurer agrees to replace the insurable property regardless of the cost) and an Agreed Amount Endorsement (which waives the requirement for coinsurance) if a coinsurance clause is included, or
- (b) a Replacement Cost Endorsement (pursuant to which the insurer agrees to pay up to 100% of the property's insurable replacement cost, but no more) and an Agreed Amount Endorsement if a coinsurance clause is included.

8.1.2 Coverage of the Units

Such insurance shall encompass all Units and all Unit-related Common Elements and Limited Common Elements, as defined in Tables 1 and 2 of the Declaration. It shall cover all permanently installed fixtures, machinery, and equipment including the following:

- bathroom, laundry and kitchen equipment and major appliances;
- cabinets and fixtures including electrical fixtures;
- air-conditioning, heating and other equipment;
- floor and wall coverings; and
- improvements and alterations that are part of the Building or structure regardless of their ownership.

8.1.3 Coverage of the Property Infrastructure

For the rest of the Property (i.e., other than the Units), such insurance shall cover all infrastructure-related Common Elements defined as Common Elements in Article 2.2 of the Declaration.

8.1.4 Risks Insured Against

Such insurance shall afford protection against all risks of direct physical loss commonly insured against and covered by the standard "Special Form 3" endorsement (giving the broadest possible coverage), if available. If a "Special Form 3" endorsement is not available, a "broad form" policy shall be obtained.

Coverage shall include protection against

- (a) loss or damage by fire, vandalism, windstorm or hail, and other hazards covered by the standard "Special Form 3" endorsement (or by "broad form" if "Special Form 3" is not available);
- (b) such other risks as may customarily be covered with respect to projects similar in construction, location, and use as those on the Property; and
- (c) such other risks of physical damage as the Board may from time to time deem appropriate.

8.1.5 Mortgagees

Such insurance shall include a separate loss payment endorsement in favor of Permitted Mortgagees.

8.1.6 Certificates of Insurance

Such insurance coverage shall provide for the issuance of certificates of insurance to all Permitted Mortgagees of the Units, if requested.

8.1.7 Appraisals and Annual Review

The Board shall periodically order an appraisal of the Property to determine or confirm the current full insurable replacement value of the Property without considering depreciation. The Board shall ensure that an appraiser from the Association's insurance carrier views the Property, and especially the improvements to the Property, at least every third year for purposes of maintaining the current full insurable replacement value of the Property.

To maintain coverage in the amount of the current full insurable replacement value of the Property, the Board shall review the Association's property insurance at least annually. The Board may increase the scope and/or amount of insurance as necessary to maintain full insurable replacement value without considering depreciation.

8.2 Liability Insurance

The Board shall obtain and maintain comprehensive general liability insurance, including medical payments insurance, insuring Unit Owners (in their capacity as Unit Owners), members of the Board, and any manager or managing agent of the Property (at the discretion of the Board) against any liability to the public or to the Unit Owners, residents, tenants or guests, arising out of or in connection with the use, ownership, operation or maintenance of the Property and any part thereof.

8.2.1 Coverage

The policy shall cover bodily injury and property damage that results from the operation, maintenance or use of the Condominium's Common Elements, and any legal liability that results from lawsuits related to employment contracts in which the Association is a party.

If the policy does not include "severability of interest" in its terms, it must include a specific endorsement to preclude the insurer's denial of a Unit Owner's claim because of negligent acts of the Association or other Unit Owners.

The limits of liability shall be at least two million dollars (\$2,000,000) per occurrence for death or bodily injury and/or property damage.

The scope and amount of coverage of all liability insurance policies shall be reviewed at least annually by the Board and may be increased at its discretion.

8.2.2 Cross-liability

All liability insurance shall cover, to the extent such insurance is available, cross-liability claims of one insured against the other (i.e., the Association as a group, the Board, and each individual Unit

Owner) for bodily injury and property damage that results from the operation, maintenance, or use of the Common Elements.

8.3 Directors and Officers (D & O) Liability Insurance

As provided in Articles 9.2 (c) and 11.6 of the Declaration, the Board shall obtain and maintain a comprehensive general liability insurance policy insuring the Board members, the officers, and the manager or managing agent (at the discretion of the Board), and members of Board-appointed committees for claims arising out of or in connection with the management, operation or maintenance of any of the Property. Such policy shall insure these parties against any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith.

The amount of such insurance shall be not less than two million dollars (\$2,000,000) per occurrence.

8.4 Fidelity Insurance

The Board shall obtain blanket fidelity insurance to protect against dishonest acts on the part of Board members, officers, agents, volunteers, and all others who handle or are responsible for handling funds of the Association. Such insurance shall name the Association as the insured and shall be in an amount equal to one year's Common Expense Assessments against all Units plus the total amount of the Association Reserve funds, or as determined by the Board, or as required by Permitted Mortgagees.

8.5 Other Insurance

The Board shall obtain and maintain Workers' Compensation insurance where necessary to meet the requirements of law.

The Board shall obtain and maintain such other insurance as the Board at its discretion may deem to be desirable or as may be requested from time to time by a Majority of Unit Owners.

8.6 Other Specifications for Board-purchased Insurance

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 "A" 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) Each Unit Owner shall be an insured person under the policy with respect to liability arising out of his /her ownership of an undivided interest in the Common Elements or membership in the Association.
- (c) The name of the insured under each Association Insurance Policy shall be the Colonial Court Condominium Association.
- (d) Adjustments of losses shall be made by the Board or its authorized representative.

- (e) In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance maintained by individual Unit Owners or their mortgages.
- (f) No act or omission by any Unit Owner, unless acting within the scope of his/her authority on behalf of the Association, shall void the policy or be a condition to recovery under the policy.
- (g) The Board shall make every effort to secure and maintain insurance policies covering the Property that provide the following:
 - (1) A waiver of subrogation by the insurer as to any claims against the Board, any manager of the Property, the Unit Owners and members of their households and their respective servants, agents and guests.
 - (2) That the insurance policies issued to the 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 other than nonpayment be effected without at least thirty (30) days' prior written notice to each Unit Owner and all mortgage holders;
 - (3) That no policy covering the Property be canceled, invalidated or suspended owing to the conduct of any officer, member or employee of the Board or any manager of the Property without prior demand in writing that the Board cure the defect within a reasonable period of time; and
 - (4) That any "No Other Insurance" clause or similar clause in the Association insurance policies exclude individual Unit Owners' policies from consideration.

8.7 Deductible

The deductible, if any, on any policy of insurance purchased by the Board, shall be paid by the Association. However, if the Board determines that a claim is due to the negligence of a Unit Owner, that Unit Owner shall be responsible for paying the deductible. The amount of the deductible shall not exceed the greater of fifteen percent (15%) of the then-current annual budget and five thousand dollars (\$5,000).

8.8 Notice of Insurance Coverage

The Board shall promptly notify Unit Owners in writing of the procurement, subsequent changes, or termination of each insurance policy obtained on behalf of the Association or if a policy is not available through customary insurance industry sources or is obtainable only at a prohibitive cost. The Secretary shall send written notices in the same manner as a notice of an annual or special meeting of the Association.

8.9 Unit Owners' Insurance Responsibilities

In accordance with Article 9.2 of the Declaration, each Unit Owner is required to obtain and maintain his/her own personal liability insurance for his/her own Unit.

Each Unit Owner may obtain and maintain insurance at his/her own expense to insure against, for example, the risks covered by a standard Condominium Unit Owner's policy, such as loss or damage

to personal property in the Unit, personal living expenses, loss assessment, and the like; provided, however, that no Unit Owner shall be entitled to exercise his/her right to maintain insurance coverage in such a way as to decrease the proceeds which the Board, on behalf of the Association, may realize under any insurance policy which the Board may have in force on the Property at any particular time.

Each Unit Owner shall notify the Board in writing of all alterations, additions and improvements made by him/her to his/her Unit or its Limited Common Elements the value of which is in excess of five thousand dollars (\$5,000). The Unit Owner shall be responsible for any deficiency in any insurance loss recovery resulting from his/her failure so to notify the Association.

Each Unit Owner shall be responsible for reporting any and all claims in a timely fashion.

Each Unit Owner shall file a copy of his/her individual policy or policies (excluding policies restricted to personal property) with the Board within thirty (30) days after purchase of such insurance. The Board shall maintain the file of such copies.

ARTICLE IX REPAIR OR RECONSTRUCTION

9.1 Damage or Destruction

Except as otherwise provided by law, in the Declaration or herein, if any Unit, Common Elements, Limited Common Elements, and/or any other improvements constructed on the Property are damaged or destroyed as a result of fire or other casualty, the Board, under the direction of the insurance trustee if an insurance trustee is required, shall arrange for and supervise the prompt repair and restoration of the Unit, the Common Elements, Limited Common Elements, and/or other improvements, as required by the Act.

Any reconstruction or repair shall be done in accordance with the relevant building code requirements and may be done with contemporary building materials, utilizing updated construction systems and technology. The reconstruction or repair shall be at least to the extent of the replacement value of the Property destroyed or damaged, and as nearly as practicable to the character of the Building or improvement existing immediately prior to such casualty.

Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the redecorating of his/her own Unit.

9.1.1 Procedure for Reconstruction and Repair

- (a) **Cost Estimates.** Immediately after a casualty causing damage to the Property, the Board, under the direction of the insurance trustee if any, shall obtain reliable and detailed estimates of the cost of repairing and restoring the damaged Property as required by the Act to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board or the insurance trustee determines to be necessary.

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.

- (b) **Assessments.** If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the Reserve funds and/or shall be deemed a Common Expense and a Special Assessment against all Units therefor shall be levied. Unit Owners shall apply the proceeds from their individual property insurance policies, if any, to the share of such Expense for which they are liable.
- (c) **Plans and Specifications.** Any such reconstruction or repair shall be substantially in accordance with the original construction of the Property. If any changes are made in the basic construction of any restored Unit, Common Elements and Limited Common Elements, the Board shall record an amended Declaration Plan reflecting such change.

9.1.2 *Disbursements of Construction Funds*

- (a) **Construction Fund and Disbursement.** The proceeds of insurance collected on account of casualty, and the sums received by the Board or the insurance trustee from collections of assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction.
- (b) **Surplus.** It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds. If there is a balance in the construction fund after the payment of all the costs of the reconstruction and repair for which the fund is established, such balance shall be divided among all Unit Owners in proportion to their Common Expense Liabilities and shall be credited or distributed in accordance with the priority of interests at law or in equity in each Unit.
- (c) **Common Elements.** When the damage is to both Common Elements and Units, the insurance proceeds shall be applied first to the cost of repairing those portions of the Common Elements which enclose and service the Units, then to the costs of repairing the Units.
- (d) **Certificate.** The insurance trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary, certifying:
 - (1) whether the damaged Property is required to be reconstructed and repaired;
 - (2) the name of the payee and the amount to be paid with respect to disbursement from any construction fund or whether surplus funds to be distributed are less than the assessments paid by the Unit Owners; and
 - (3) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the insurance trustee promptly after request.

9.1.3 *When Reconstruction Is Not Required*

In the event of insubstantial damage to the Common Elements and if the Board elects not to repair the same, or in the event there is to be no repair or replacement pursuant to Section 3312 (g) of the

Act, then in either such event any insurance proceeds received on account of such damage shall be expended and/or distributed in accordance with Section 3312 of the Act. If the Condominium is to be terminated pursuant to Section 3220 of the Act, the provisions of Section 3220 of the Act shall apply.

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 or Limited Common 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 PARKING

Unit Owners are normally expected to have no more than two cars per Unit on the Property, and their cars shall normally be parked in their garages.

If Unit Owners' cars, or cars belonging to their guests, are parked for more than 24 hours on a shared driveway and Parking Area, the Unit Owner concerned shall then get the consent of the neighbor with whom he/she shares the driveway and Parking Area unless the affected neighbor is not in residence during the period that the car is so parked.

If Unit Owners' cars, or cars belonging to their guests, are parked for more than 72 hours on the circular drive serving the Condominium, the Unit Owner concerned shall then get permission from the President or a Board member for such parking to continue. Cars parked on the circular drive shall be parked in such a manner that they do not obstruct entry to or exit from any driveway.

Unit Owners may park recreational vehicles on the Property for up to two days solely for purposes of loading or cleaning such vehicles.

ARTICLE XI 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.

All water expenses shall be billed to the Association and treated as a Common Expense.

All other utilities shall be separately metered and separately billed to the Unit Owners.

ARTICLE XII MAINTENANCE OF UNITS AND INFRASTRUCTURE

In accordance with Articles 3.2 and 3.3 of the Declaration, responsibilities are as follows.

12.1 Allocation of Responsibilities

Responsibility for Common Elements. The Association is responsible for the maintenance, repair, and replacement of all Common Elements, whether Unit-related or infrastructure-related. The Board shall take the necessary action and shall pay the associated costs using the Association's Operating or Reserve funds or by means of Special Assessments or other funding, as appropriate.

Responsibility for Limited Common Elements. The Association is responsible for taking action on, or for causing action to be taken on, the maintenance, repair, and replacement of all Limited Common Elements. All costs associated with Limited Common Elements are to be borne by the Unit Owner, other than normal exterior maintenance costs.

Maintenance Responsibilities Lists follow (12.2 - Units and 12.3 - Infrastructure). These two lists show the specific responsibilities of the Association and of Unit Owners for maintenance, repair and replacement for all Common Elements and Limited Common Elements.

Responsibility for items not listed. Unit Owners are responsible for maintaining, repairing and replacing any Unit-related item not on the Maintenance Responsibilities Lists, including taking the necessary action and for paying for any maintenance, repairs or other work done for everything that lies inside the Unit Boundaries.

Landscaping. For landscaping responsibilities, see Article XIII of the Bylaws.

12:2 Maintenance Responsibilities List — for Units

Legend:

A. Association

O. Unit Owner

CE Common Element(s) (in accordance with Article 3.2 of the Revised Declaration.)

LCE Limited Common Element(s) (in accordance with Articles 3.2 and 3.3 of the Revised Declaration.)

Unit-related Items	CE/LCE	Who takes action/ what action	Who pays
1. Roof: shingles, sheathing, ice and water shields, flashing	CE	A. Inspect, repair and replace	A.
2. Gutters, downspouts, fascia, soffits and soffit vents and related items, including exterior drainage, including that within basement entrances	CE	A. Inspect, clean, repair, paint, caulk, replace	A.
3. Chimney, caps, and flashing	CE	A. Inspect, repair, caulk, replace O. Clean, interior repairs	A. Pays for inspection, repair, caulking, replacement O. Pays for cleaning and interior repairs
4. Windows (glass, frames and screens)	LCE	A. Inspect, seal and/or caulk around exterior frame O. Clean, repair, paint and replace windows and screens; all glass is Unit Owner's responsibility	A. Pays for inspection, caulking/sealing O. Pays for everything except inspection and caulking/sealing, including paying for any damage caused to anything arising from faulty or damaged windows.
5. Window wells	LCE	A. Inspect whole window well; seal and/or caulk around exterior frame O. Clean, repair, paint and replace windows and screens. All glazing is Unit Owner's responsibility	A. Pays for inspection, and caulking/sealing O. Pays for everything except inspection and caulking/sealing around exterior frame, including paying for any damage caused to anything arising from faulty or damaged windows.

Unit-related Items	CE/LCE	Who takes action/ what action	Who pays
6. Skylights	LCE	A. Inspect, caulk O. Repair, replace, clean. All glazing is Unit Owner's responsibility	A. Pays for inspection, caulking O. Pays for everything except inspection and caulking/sealing, including paying for any damage related to the presence of a skylight.
7. Brick veneer: bricks, mortar, ties, flashings, vents, openings (for pipes to go through, etc.)	CE	A. Inspect, repair, replace.	A.
8. Vinyl siding and attachment J-molds, etc., openings & flaps, etc., trim	CE	A. Inspect, <u>clean</u> , repair, paint trim, caulk, <u>replace</u>	A.
9. Exterior person - door frames	CE	A. Inspect, repair, paint, caulk, replace	A.
10. Exterior person - doors	LCE	A. Inspect, repair, caulk, paint, replace O. Clean	A. Pays for inspection, painting, and minor repair O. Pays for major repair and replacement
11. Exterior person - door locks	LCE	O. Repair and replace door locks	O.
12. Garage door frames	CE	A. Inspect, repair, caulk, paint, replace	A.
13. Garage doors	LCE	A. Inspect, repair, paint, caulk, seal, replace O. Clean	A. Pays for inspection, painting, and minor repair O. Pays for major repair and replacement
14. Garage-door openers	LCE	A. Inspect, do routine maintenance, repair, replace	A. Pays for inspection and routine maintenance O. Pays for repair and replacement

Unit-related Items	CE/LCE	Who takes action/ what action	Who pays
15. Exterior exposed wooden construction (decks, railing, stairs, support posts, etc.)	CE	A. Inspect, clean, repair, stain or paint, caulk, replace. O. Responsible for PROMPTLY reporting deterioration or damage to exterior exposed wooden construction, especially to support posts. <i>SEE Unit Owners' General Responsibilities, below.</i>	A. For exterior exposed wooden construction, pays for inspection, cleaning, repairs, staining or painting, caulking, and replacement. O. Pays all costs related to any enclosed areas built over support posts except the costs related to Common Elements. O. Also pays for limited Common Elements that are part of these enclosed areas as respectively described in this Maintenance Responsibilities List.
16. Patios (i.e., paved or otherwise floored area outside and adjacent to the Unit, exclusive of decks)	LCE	A. Inspect O. Repair and replace	A. Pays for inspection O. Pays for repair and replacement
17. Security light in lawn but not the lamp or bulbs.	CE	A. Inspect, repair, replace O. Repair and replace lamp and light bulbs.	A. Pays for inspection, repair, and replacement except for lamp and bulbs. O. Pays for repair and replacement of lamp and light bulbs.
18. All exterior lights except for the security light in lawn	LCE	A. Inspect	A. Pays for inspection O. Pays for repair and replacement
19. Retaining walls, stairs, metal railings, and other exterior construction at front door, garage and basement entrances, and any exterior steps located away from the house.	CE	A. Inspect, repair, stain or paint, caulk, replace	A.

12.3 Maintenance Responsibilities List — for Infrastructure

Infrastructure Items	CE/LCE	Who takes action/what action	Who pays
20. Circular drive, driveways, * Parking Areas, * curbs and the wooden barriers edging some driveways; all sidewalks and walkways (Unit to sidewalk)	CE (*CE for maintenance, repair and replacement purposes. LCE with regard to use.)	A. Inspect, patch, seal, stain as necessary, repair, replace A. Remove snow from circular drive, driveways, and parking aprons.	A. A.
21. Stone wall below Units 124 and 128	CE	A. Inspect, repair and replace	A.
22. Swales, drains, and the stormwater detention area to the rear of Units 132, 136 and 140	CE	A. Inspect, repair and replace	A.
23. Fence and fence posts	CE	A. Inspect, repair, replace	A.
24. The entry wall and signs; the post box and concrete base	CE	A. Repair, refinish, replace	A
25. Electrical: all the facilities necessary to enable electricity to be delivered to each Unit	CE	A. Repair and replace in concert with the service providers (utility companies, etc.)	A. Insofar as the Association and not the service provider is responsible for these items, pays for repair and replacement.
26. All exterior outlets and fixtures (electrical, plumbing-related, removal of radon, etc.)	LCE	O.	O.

Unit-related Items	CE/LCE	Who takes action/ what action	Who pays
27. Plumbing - all the facilities necessary to enable water and sewerage services to be delivered to each Unit.	CE	A. Repair and replace in concert with the service providers	A. Insofar as the Association and not the service provider is responsible for these items, pays for repair and replacement.
28. Telephone wires and equipment, and cable television lines - all the facilities necessary to enable telephone and cable-based services to be delivered to each Unit.	CE	A. Repair and replace in concert with the service providers	A. Insofar as the Association and not the service provider is responsible for these items, pay for repair and replacement.
29. Unit exteriors: Insect and pest control (wood-boring or stinging insects; animals)	CE	A. O. Insect and pest control in Unit interiors.	A. O. Pays for any damage caused by insects and pests other than damage caused to Common Elements.

12.4 Normal Exterior Maintenance

The Board shall be responsible for normal exterior maintenance which shall include the following:

- (a) An annual inspection will be made of Unit exteriors and all Common Elements.
- (b) As far as possible, minor maintenance and repairs of items listed in Bylaw 12.2 and 12.3 above will be done concurrently or immediately following inspection. (Examples of minor maintenance and repairs are the replacement of individual shingles, resealing of flashing, touch-up of paintwork, etc.)

Items in need of major repair or replacement are to be noted during the inspection.

- (c) Non-painted, exterior exposed woodwork (items 15 and 19) will be re-sealed as necessary.
- (d) Exterior paintwork (items 8, 9 10, 12, 13, and 19) will be repaired and re-painted as necessary.
- (e) At least once a year the condition of the circular drive, all sidewalks on the Property, driveways, Parking Areas, curbs, and drains will be inspected to assess the need for patching, sealing, repair, and cleaning, etc.
- (f) At least once a year the condition of the stone wall, fence and fence posts, and detention area will be inspected.

The work associated with (c) and (d) above may be carried out by a handyman or by a maintenance company contracted to do the work on an annual basis, at the discretion of the Board or of a maintenance committee appointed by the Board.

The work associated with (e) and (f) above may be initiated by an Association maintenance committee. If necessary, the work will be separately subcontracted.

The Board is responsible for taking appropriate action within a reasonable period of time in response to reports by Unit Owners of problems or in response to problems discovered during its annual inspection.

12.5 Unit Owners' Responsibilities

Article 3.3 of the Declaration sets out Unit Owners' responsibilities for maintenance. Additional responsibilities described below.

12.5.1 Prompt Notification

Unit Owners are responsible for promptly notifying the Board of any problem arising inside or outside their Unit relating to Common Elements that needs rapid attention in order to minimize or prevent damage. Especially important, a post supporting a deck or an enclosed area may deteriorate or be damaged suddenly. Prompt notification is vital.

12.5.2 Unit Owner Absences

Unit Owners who leave their Units unoccupied for periods of more than a week shall make arrangements to have their Units checked regularly, both internally and externally. Any problems associated with Common Elements shall be reported to the Board promptly.

Unit Owners shall ensure that they have taken adequate steps to prevent freezing of pipes during winter.

Expenses resulting from a Unit Owner's failure to provide for regular checking and failure to promptly notify the Board of problems associated with Common Elements shall be the responsibility of the Unit Owner and not the Association.

12.5.3 Minor Repairs Between Annual Inspections

If minor repairs of Limited Common Elements become necessary between annual inspections (e.g., a window starts sticking; or other minor problems occur that cause inconvenience rather than possible damage), Unit Owners may be asked to take action themselves as well as paying for such repairs.

12.5.4 Cleaning of Limited Common Elements

Unit Owners are responsible for the cleanliness of the Limited Common Elements serving their Units (e.g., window cleaning).

12.5.5 Excluded Items

Unit Owners are responsible for the maintenance, repair and replacement of any changes to their Units that they make, with Board permission, that impinge in any way on Common Elements. Refer to Table 3 of the Declaration for items that are specifically excluded from being treated as Common Elements.

ARTICLE XIII LANDSCAPING**13.1 Association's Responsibilities****13.1.1 Scope**

The Association is responsible for maintaining, at the Association's expense, the following landscaped areas ("common areas") and plantings:

- (a) lawns and the grassy areas around the periphery of the Property (meadows);
- (b) the mulched areas in which utility boxes and the Colonial Court brick wall and sign are located; the mulched area along the stone wall stretching between Units 124 and 128; the area around the Colonial Court mail boxes, and any areas not adjoining the Units that were included as part of the original landscaping plan for the Condominium;

- (c) all plantings (all trees, shrubs and hedges, grass, and any other plant materials) located in the areas described in (a) and (b) above except for those plantings that Unit Owners wish to maintain themselves. See Section 13.1.3 below;
- (d) all related drainage; and
- (e) the perimeter fence.

13.1.2 Landscape Maintenance

An inspection will be made regularly by the Board, or by a Landscape Committee appointed by the Board, to assess the condition of the items listed in 13.1.1 above, and to adjust maintenance practices as necessary.

Maintenance will include:

1. for item (a) - mowing, fertilizing, edging, and treating for insects, weeds, and other problems as necessary;
2. for item (b) - annual mulching;
3. for item (c) - fertilizing, treating for problems (weeds, insects, etc.) as necessary, and pruning and trimming of all plantings except for those that Unit Owners wish to maintain themselves. See Section 13.1.3 below;
4. for item (d) - any work that is necessary to maintain satisfactory drainage; and
5. for item (e) - repair and replacement of horizontal and vertical posts as necessary.

13.1.3 Plantings and Maintenance by Unit Owners in Common Areas

Any Unit Owner wishing to plant anything in the areas identified in 13.1.1 (a) and (b) above must obtain permission from the Board in advance.

If a Unit Owner wishes to spray, prune or fertilize plantings in the areas identified in 13.1.1 (a) and (b) that would otherwise be maintained by the Board, he/she will inform the Board in writing, identifying the trees, shrubs or other plantings in question and identifying the work that the Unit Owner chooses to do. Such work will be done at the Unit Owner's expense.

13.1.4 Trees

Specific policies regarding trees are as follows:

- (a) All dead or dying trees shall be removed by the Board at the Association's expense except for those planted in the areas adjoining Units for which Unit Owners are responsible (see 13.2.1 below).
- (b) If the Board decides to replace a removed tree, it shall do so at the Association's expense.
- (c) If the Board decides not to replace a removed tree, one or more Unit Owners may request permission to replace the tree at the Unit Owner's expense.

13.2 Unit Owners' Responsibilities

13.2.1 Scope

Unit Owners are responsible for the maintaining at their own expense the following landscaped areas and landscaping:

- (a) the mulched areas adjoining each Unit and all plantings, including any trees, in those areas;
- (b) any plantings by individual Unit Owners around their security light posts; and
- (c) any plantings made with Board permission in the lawns, the grassy areas, or the mulched areas containing utility boxes.

All of these items shall be subject to this bylaw and any Amendments to it, and to any Rules and Regulations approved by the Board.

13.2.2 Standards

Minimum standards for Unit Owner maintenance are as follows:

- (a) To conserve water, mulching shall be done at least annually.
- (b) Areas shall be kept as follows:
 - Beds shall be kept weed-free ;
 - Shrubs shall be kept trimmed;
 - Plants along the edge of the circular sidewalk shall be kept trimmed back so that they do not obstruct the sidewalk;
 - Diseased plants shall be treated or removed so as to prevent the spread of diseases;
 - Dead plant material shall be removed; and
 - Gardening equipment shall not be left out overnight.
- (c) Plantings or other, Board-approved screening shall be maintained around equipment such as heat pumps and propane tanks that are visible from the circular drive.
- (d) Plantings shall be such that they do not cause damage to the bricks, siding, and other Common Elements.

ARTICLE XIV SALE OF UNITS

This Article shall apply to the sale or transfer of a Unit whether for monetary consideration or by gift or will.

14.1 Information to be Supplied to the Purchaser

Under Section 3407(a) of the Act, a Unit Owner shall supply a purchaser, before execution of any contract for the sale of a Unit, with a copy of the Declaration, the Bylaws, and any Rules and Regulations of the Association.

The Unit Owner is also required to supply the purchaser with a certificate containing the information specified in Section 3407(a).

The Board or a duly designated agent or the managing agent is required to furnish copies of the Declaration, the Bylaws, and any Rules and Regulations and the certificate containing the necessary information within ten (10) days after a request by a Unit Owner.

The Board may impose reasonable charges for the preparation of resale certificates, and payment thereof shall be a prerequisite to the issuance of any such statement.

14.2 Information to the Board

Before the execution of any contract for the sale of a Unit, the Unit Owner shall:

- (a) notify the Board of his/her intention to sell;
- (b) notify the Board of the pending sale and supply the names and current addresses of the people who will be occupying the Unit;
- (c) supply the Board with a written acknowledgment signed by the purchaser(s) that he/she or they have received and read the Declaration, the Bylaws, and the Rules and Regulations of the Association; and
- (d) supply the Board with a copy of the proposed agreement of sale.

14.3 Initial Working-Capital Contribution

In accordance with Article 8.9 of the Declaration, the Unit Owner shall be responsible for obtaining the Initial Working-Capital Contribution from the purchaser on behalf of the Association.

14.4 Board Approval

The sale of a Unit shall be subject to the Board's approval; approval shall be withheld only if the Unit Owner wishing to sell is in arrears on any assessments or other charges imposed by the Board.

ARTICLE XV MISCELLANEOUS

15.1 Snow Removal Colonial Court

Any snow removal cost associated with Colonial Court, a public street lying in the Borough of State College, shall be assessed as a Common Expense.

15.2 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, the Declaration and the Bylaws may permit,

- (a) 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
- (b) if to the Association, the 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.

15.3 Captions

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.

15.4 Gender and Number

The use of the masculine and feminine genders in these Bylaws shall be deemed to include each other and the neuter gender, and the use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires.

15.5 Severability

If any provisions of the *Bylaws of Colonial Court, 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.

15.6 Effective Date

These revised Bylaws shall become effective immediately.

Established and adopted by the Colonial Court Condominium Association at its annual meeting on October 3, 2000.

(Signed) Gerald P. Gearhart Betty D. Walker

Gerald P. Gearhart
President

Betty D. Walker
Past President

COMMONWEALTH OF PENNSYLVANIA)

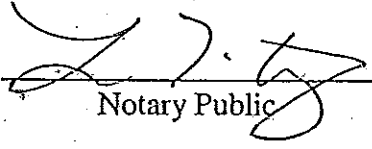
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COUNTY OF CENTRE)

On this 3 day of Oct, 2000, before me, a notary public, the undersigned officer, personally appeared Gerald P. Gearhart, who acknowledged himself/herself to be the President and Betty D. Walker, who acknowledged himself/herself to be the Past President of Colonial Court Condominium Association, and that ~~he/she~~ they, as such Gerald and Betty, being authorized so to do, executed the foregoing indenture for the purposes therein contained, by signing the name of the Association by himself/herself as President (Officer) and Past President (Officer Board member) Board member

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal.

My Commission Expires:


Notary Public

Notarial Seal
Louis T. Glantz, Notary Public
College Twp., Centre County
My Commission Expires Sept. 29, 2001

Member, Pennsylvania Association of Notaries

EXHIBIT A
BYLAWS

GENERAL PROXY FOR ONE MEETING

KNOW ALL PERSONS BY THESE PRESENTS, THAT I, _____, the undersigned, ~revoking any proxies heretofore given, hereby appoint and designate _____ as the true and lawful proxy of the undersigned, in the name, place, and stead of the undersigned, to cast the vote of the undersigned as the Owner of Unit ____ (#) Colonial Court Condominium, in any action or vote requiring the approval of the condominium Unit Owners at the time of the Annual Meeting of the Colonial Court Condominium Association to be held at Unit ____ (#) Colonial Court Condominium at ____ (time) on ____ (day) ____ (date).

The proxy is authorized to cast the vote for Unit ____ (#) Colonial Court Condominium in such manner as he/she in his/her sole discretion shall deem advisable.

This proxy shall expire at the termination of the Annual Meeting of the Unit Owners referred to above.

Signed this ____ day of ____ 20____

By _____
Signature

Print name here: _____

Witnessed by: _____
Signature

Print name here: _____

Address: _____

