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HAZEL M. PETERS
RECORDER OF DEEDS
CENTRE COUNTY

312

BYLAWS

*the Act?
rules & regulations?
plats & plans?*

STONY POINTE CONDOMINIUM

Recorded in Centre County Recorders Office
in Rec Book 982 Page 709 This 5 Day of
MAR AD 19 98 Witness my hand & seal of
Office. *Hazel M. Peters* Recorder

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BYLAWS OF
STONY POINTE
CONDOMINIUM ASSOCIATION

ARTICLE I

INTRODUCTORY PROVISIONS

Section 1.01. Applicability. These bylaws provide for the governance of the Association pursuant to the requirements of Section 3306 of the Act (68 Pa.C.S. 3101, et seq.) with respect to the Condominium created by the recording of the Declaration among the land records of Centre County in Record Book Vol. _____ at Page _____.

Section 1.02. Definitions. Capitalized terms used herein without definition shall have the meanings specified for these terms in the Declaration to which these Bylaws pertain or, if not defined therein, the meanings specified or used for these terms in the Act.

Section 1.03. Compliance. Pursuant to the provisions of the Act, every Unit owner and all Persons entitled to occupy a Unit shall comply with these Bylaws.

Section 1.04. Office. The office of the Condominium, the Association and the Executive Board shall be located on the Property or at such other place as may be designated from time to time by the Executive Board.

ARTICLE II

THE ASSOCIATION

Section 2.01. Composition. The Association shall consist of all of the Unit owners acting as a group in accordance with the Act, the Declaration and these Bylaws. The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Association pursuant to the Act and the Declaration. The foregoing responsibilities shall be performed by the Executive Board, managing agent, as more particularly set forth in these Bylaws.

Section 2.02. Annual Meetings. The annual meetings of the Association shall be held on the third Tuesday of June of each year unless this date occurs on a holiday, in which event the meeting shall be held on the succeeding Tuesday. At the annual meetings, the Executive Board shall be elected by ballot of the Unit owners in accordance with the requirements of paragraph 3.03 of these Bylaws (subject to Article X of the Declaration) and any other business as may properly come before the meeting may be transacted.

Section 2.03. Place of Meetings. All meetings of the membership shall be held at such place or places as shall be

designated by the Executive Board and stated in the notice of the meeting.

Section 2.04. Special Meetings. Special meetings of the members for any purpose, unless otherwise prescribed by statute, may be called by the president or shall be called by the president or secretary at their request, in writing, of a majority of the Executive Board of Directors or at the request, in writing, of voting members representing 40% of the total number of Units. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subject stated in the notice of the meeting.

Section 2.05. Adjourned Meeting. If any meeting of members cannot be organized because a quorum is not present, either in person or by proxy, the meeting shall be adjourned from time to time until a quorum is present.

Section 2.06. Minutes of Meetings. The minutes of all meetings of Unit owners shall be kept in a book available for inspection by Unit owners or their authorized representative and board members at any reasonable time. The Association shall retain these minutes for a period of not less than three (3) years.

Section 2.07. Notice of Meetings. The secretary shall give to each Unit owner a notice of each annual or regularly scheduled meeting of the Association at least twenty (20) but

not more than forty (40) days, and each special meeting of the Unit owners at least ten (10) but not more than forty (40) days, prior to meeting, stating the time, place and purpose thereof. The giving of a notice of meeting in the manner provided in this paragraph and paragraph 8.01 of these Bylaws shall be considered service of notice. Notice of any meeting may be waived if done in writing by all Unit Owners prior to or during any said meeting.

Section 2.08. Voting. Voting at all meetings of the Association shall be on a percentage basis and the percentages of the vote to which each Unit owner is entitled shall be the Percentage Interest assigned to his Unit in the Declaration. If the owner of a Unit is a corporation, joint venture, partnership or unincorporated association, the person who shall be entitled to cast the vote for the Unit shall be the person named in, a certificate executed by such entity pursuant to its, governing documents. If the owner of a Unit is a trust, the trustee or trustees shall be deemed to be the owner for voting purposes. When the ownership of a Unit is in more than one person, the person who shall be entitled to cast the vote of this Unit shall be the person named in a certificate executed by all of the owners of the Unit and filed with the secretary or, in the absence of such named person, the person who shall be entitled to cast the vote of the Unit shall be the person owning such Unit who is present. If more than one person owning such Unit

is present, then the vote shall be cast only in accordance with their unanimous agreement pursuant to Section 3310(a) of the Act. There shall be deemed to be unanimous agreement if any one of the multiple owners casts the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Unit. The certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of the Act, whenever the approval or disapproval of a Unit owner is required by the Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Unit at any meeting of the Association. Except with respect to election of members of the Executive Board and except where a greater number is required by the Act, the Declaration or these Bylaws, the owners of more than 50 percent of the aggregate Percentage Interests in the Condominium voting in person or by proxy at one time at a duly convened meeting at which a quorum is present is required to adopt decisions at any meeting of the Association. Any specified percentage of the Unit owners means the Unit owners owning such Percentage Interests in the aggregate. In all elections for Executive Board members, each Unit owner shall be entitled to cast for each vacancy to be filled at such election the number of votes allocated to the Unit or Units owned by such Unit owner as provided in the Declaration. Those candidates for

election receiving the greatest number of votes cast in such elections shall be elected and, if Executive Board members are being elected to unequal terms, the candidates receiving the highest number of votes shall be elected to the longest terms. There shall be no cumulative class voting.

Section 2.09. Proxies. Votes may be cast in person or by proxy. All proxies shall be in writing, signed by the person entitled to vote, and shall be filed with the secretary of the Association prior to or at the meeting at which they are to be used, and shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Unit owner executing it.

Section 2.10. Limitation on Right to Vote. Each member has an obligation to pay monthly maintenance assessment and may be obligated to pay a special assessment. If at the time of any meeting of the membership any member is more than thirty (30) days delinquent in the payment of any assessment they may be ruled not entitled to vote by the meeting president until the assessments are paid in full.

Section 2.11. Quorum. Except as set forth below, the presence in person or by proxy of Unit owners of 50 percent or more of the aggregate Percentage Interests at the commencement of

a meeting shall constitute a quorum at all meetings of the Unit Owners Association. If a meeting is adjourned pursuant to Section 2.05 above, the quorum at such second meeting shall be deemed present throughout any meeting of the Association if persons entitled to cast 50 percent of the votes which may be cast for the election of the Executive Board are present in person or by proxy at the beginning of the meeting.

Section 2.12. Conduct of Meetings. The president (or in his absence, the vice president) shall preside over all meetings of the Association and 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. 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. ?

ARTICLE III

EXECUTIVE BOARD

Section 3.01. Number and Qualification. The affairs of the Association shall be governed by an Executive Board. The Executive Board shall be composed of three (3) natural persons, all of whom shall be separate Unit owners or representatives thereof or designees of the Declarant (as respectfully provided for in Section 10.01 of the Declaration).

Section 3.02. Delegation of Powers and Managing Agent.

The Executive Board may employ for the Condominium a

at a compensation established by the Executive Board. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including, but not limited to, all of the duties listed in the Act, the Declaration and these Bylaws; provided, however, when 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 Executive Board. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration and these Bylaws other than the following powers:

- a. To adopt the annual budget and any amendment thereto or to assess any Common Expenses;
- b. To adopt, repeal or amend rules and regulations;
- c. To designate signatories on Association bank accounts;
- d. To borrow money on behalf of the Association;
- e. To designate Reserved Common Elements;
- f. To allocate Limited Common Elements.

Section 3.03. Election and Term of Office.

- a. At the annual meetings of the Association, subject to Article X of the Declaration, the election of members of the Executive Board shall be held. The term of office of any Executive Board member to be elected shall last until the next annual meeting. The members of the Executive Board shall hold office until the earlier to occur of the election of their respective

successors or their death, adjudication of incompetency, removal or resignation. An Executive Board member may serve an unlimited number of terms and may succeed himself.

- b. Persons qualified to be members of the Executive Board may be nominated for election only as follows:

Nominations will be submitted from the floor at the meeting at which the election is held for each vacancy on the Executive Board.

Section 3.04. Removal or Resignation of Members of the Executive Board. Except with respect to members designated by Declarant, at any regular or special meeting of the Association duly called, any one or more of the members of the Executive Board may be removed with or without cause by Unit owners entitled to cast a majority of all votes in the Association and a successor may then and there be elected to fill the vacancy thus created. Any Unit owner proposing removal of a board member shall give notice thereof 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 time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Executive Board may resign at any time and shall be deemed to have resigned upon transfer of legal title to his Unit. Declarant shall have the right to remove and replace any or all members appointed by Declarant at

any time and from time to time until the required resignation date specified in paragraph 14.01 of the Declaration.

Section 3.05. Vacancies. Except as set forth in paragraph 3.04 above with respect to members appointed by Declarant, vacancies in the Executive Board caused by any reason other than the removal of a member by a vote of the Unit owner shall be filled by a vote of a majority of the remaining members at a special meeting of the Executive Board held for such purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Executive Board for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association at which such seat is to be filled upon expiration of the term of his predecessor. In the case of multiple vacancies, the member receiving the greatest number of votes shall be elected for the longest term.

Section 3.06. Organization Meeting. The first meeting of the Executive Board following each annual meeting of the Association shall be held within twenty (20) days thereafter at such time and place as shall be fixed by the president (even if he is the outgoing president) at the meeting at which such Executive Board shall have been elected, and no notice shall be necessary to the newly elected members of the Executive Board in

order legally to constitute such meeting, if a majority of the Executive Board members shall be present at such meeting.

Section 3.07. Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time by a majority of the members, but such meeting shall be held at least once every three (3) months during each fiscal year. Notice of regular meetings of the Executive Board shall be given to each member, by mail or telephone, at least ten (10) business days prior to the day named for such meeting.

Section 3.08. Special Meetings. Special meetings of the Executive Board may be called by the president on at least five (5) business days' notice to each member, given by mail or telephone. The notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the president or secretary in like manner and on like notice on the written request of at least three (3) members of the Executive Board.

Section 3.09. Waiver of Executive Board Notice. Any member at any time, in writing, may waive notice of any meeting of the Executive Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of any meeting of the Executive Board shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all members are present at any meeting of the Executive Board, no notice

shall be required and any business may be transacted at such meeting.

Section 3.10. Quorum of the Executive Board. At all meetings of the Executive Board, 66 2/3% 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 Executive Board. If at any meeting of the Executive Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. one or more members of the Executive Board may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

Section 3.11. Compensation. No member of the Executive Board shall receive any compensation from the Association for acting as such, but may be reimbursed for any expenses incurred in the performance of his duties.

Section 3.12. Conduct of Meetings. The president shall preside over all meetings of the Executive Board and the secretary shall keep a minute book of the Executive Board meetings, recording therein all resolutions adopted by the

Executive Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of order shall govern the conduct of the meetings of the Executive Board if and to the extent not in conflict with the Declaration, these Bylaws or the Act.

Section 3.13. Action without Meeting. Any action by the Executive Board required or permitted to be taken at any meeting may be taken without a meeting or a meeting held by conference telephone if all of the members of the Executive Board shall individually or collectively consent in writing to such action. Any written consent shall be filed with the minutes of the proceedings of the Executive Board.

Section 3.14. Validity of Contracts with Interested Executive Board Members. No contract or other transaction between the Association and one or more of its Executive Board members or between the Association and any corporation, firm or association in which one or more of the Executive Board members are directors or officers, or are financially interested, shall be void or voidable because such Executive Board member or members are present at any meeting of the Executive Board which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exist:

- a. The fact that an Executive Board member is also such a director or officer or has such financial interest is

disclosed or known to the Executive Board and is noted in the minutes thereof, and the Executive Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Executive Board member or members; or

- b. The contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

Section 3.15. The Executive Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts except such acts which by law, the Declaration, or by these Bylaws, may not be delegated to the Executive Board of Directors by the Unit owners. Such powers and duties of the Board of Directors shall include, without limitation, (except as limited elsewhere herein), the following:

- a. Operation, care, upkeep and maintenance of the Common Elements.
- b. Determination of the expenses required for the operation of the Condominium Association.
- c. Collection of the assessments for Common Expenses from Unit owners required to pay the same.
- d. Employment and dismissal of personnel necessary for the maintenance and operation of Common Elements.

- e. Adoption and amendment of the rules and regulations covering the details of the operation and use of Condominium Property. The secretary of the Association shall be the party in charge of executing when passed, certifying and keeping a record of amendments.
- f. Maintaining bank accounts on behalf of the Association and the designation of signatories required therefor.
- g. Purchasing, leasing or other acquisition of Units in the name of the Association or its designee.
- h. Purchase of Units at foreclosure or other judicial sales in the name of the Association or its designee.
- i. Selling, leasing, mortgaging or otherwise dealing with Units acquired by, and subleasing Units leased by, the Association or its designee.
- j. Organization of corporations to act as designees of the Association in acquiring title to Units or leasing Units by the Association.
- k. Obtaining and reviewing insurance for the Condominium Property.
- l. Making repairs, additions and improvements to, or alterations of, the Condominium Property and repairs to and restoration of the Condominium Property, in accordance with the provisions of the Declaration, after damage or destruction by fire or other casualty,

or as a result of the condemnation or eminent domain proceedings.

- m. Enforcement of the obligations of the Unit owners, the allocation of profits and expenses, and the performance of anything and everything else necessary and proper for the sound management of the Condominium.
- n. Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of the Common Elements; provided, however, the consent of the Unit owners of at least two-thirds of the Units, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required for the borrowing of any sum in excess of \$1,000.
- o. Contracting for the management of the Condominium and the delegation to such manager such powers and duties of the Executive Board of Directors as the Board may deem appropriate in the circumstances, and contracting for the management or operation of portions of the Condominium Property susceptible to separate management or operation, and granting of concessions for the purpose of providing services to the Unit owners. As an exception to the foregoing, there shall be no delegation of powers and duties wherein:

1. The same are contrary to the statutes of the Commonwealth of Pennsylvania and are accordingly not susceptible of being delegated; and
 2. Those delegations and duties which may be required by the Declaration or by these Bylaws to have approval of the Executive Board of Directors of the Unit owner; and
 3. The delegation has a power and duty which by its very nature is a decision or fiduciary responsibility to be made by the Executive Board of Directors and is therefor not susceptible of delegating; and 4. may be contrary to the Declaration of Condominium or these Bylaws.
- p. Exercise of all powers specifically set forth in the Declaration, the article of the Association, these Bylaws and in the commonwealth of Pennsylvania, Uniform Condominium Act, and all powers incidental thereto.
- q. Suspending the right of any Unit owner to use any recreational facilities of the Condominium, if any have been constructed by the developers, so long as said Unit owners are delinquent in the payment of Common Expenses.
- r. Entering into and upon the units when necessary and with as little inconvenience to the owner as possible

in connection with such maintenance, care and preservation.

- s. Collecting delinquent assessment by suit or otherwise, abating nuisances and enjoining or seeking damages from the Unit owners for violations of these Bylaws under the terms and conditions of the Declaration.
- t. Acquiring and entering into agreements whereby it requires leaseholds, memberships and other possessory or use interests in lands or facilities, whether or not contiguous to the lands of the Condominium, intended to provide for the enjoyment, recreation or other use and benefit of the Unit owners, and declaring expenses in connection therewith to be Common Expenses, all in such form and in such manner as may be deemed; by the Board of Directors, to be in the best interest of the Association; and the participation and the acquisition of any interest in lands or facilities for the foregoing purpose, may be direct or indirect, meaning, without limiting the generality of the foregoing, by direct ownership of land or acquisition of stock in the corporation owning the land.
- u. Establish a maintenance fund which will be funded by monthly dues of the respective owners, and to be used for future capital removals.

Section 3.16. Special Executive Board Members. The Executive Board Members who will hold office and serve until the first annual meeting of the Association are as follows:

- 1.
- 2.
- 3.

When will 1st
annual meeting be
held?
who's in charge now?

ARTICLE IV

OFFICERS

Section 4.01. Designation. The principal officers of the Association shall be the president, vice president, the secretary/treasurer, all of whom shall be elected by the Executive Board. The president and vice president shall be members of the Executive Board. Any other officers may, but need not, be Unit owners or members of the Executive Board. An officer other than the president may hold more than one office.

Section 4.02. Appointive Officers. The Executive Board of Directors may appoint such other officers and agents as they deem necessary who shall hold office at the pleasure of the Board of Directors and have such authority and perform such duties from time to time as may be prescribed by said Board.

Section 4.03. Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Board and shall hold office at the pleasure of the Executive Board.

Section 4.04. Removal of Officers. Upon the affirmative vote of a majority of all members of the Executive Board, any officer may be removed, either with or without cause, and a successor may be elected at any meeting of the Executive Board called for this purpose.

Section 4.05. President. The president shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Executive Board and have all of the general powers and duties which are incident to the office of president of a corporation organized under the laws of Pennsylvania including without limitation the power to appoint committees from among the Unit owners from time to time as the president may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The president shall cease holding this office at such time as he ceases to be a member of the Executive Board.

Section 4.06. Vice President. The vice president shall perform all duties of the president in the absence of the president and such other duties as may be required of him by the Board.

Section 4.07. Secretary. The secretary shall keep the minutes of all meetings of the Association and of the Executive Board, have charge of such books and papers as the Executive Board may direct, maintain a register setting forth the place to which all notices to Unit owners and holders of mortgagees on any

Units hereunder shall be delivered and issue all notices of all meetings.

Section 4.08. Treasurer. The treasurer shall have the responsibility for the safekeeping of Association funds and securities, be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data, and be responsible for the deposit of all monies in the name of the Executive Board, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Executive Board, and collect all assessments and shall report promptly to the Board the status of collections.

Section 4.09. Initial Officers. The officers of the Association who will hold office and serve until the first election of officers by the Executors of the Association following the first meeting to wherein a majority of the directors are elected by other than developers, pursuant to the terms of these Bylaws as follows:

- a. President
- b. Vice President
- c. Secretary/Treasurer

Section 4.10. Compensation of Officer. An officer who is also a member of the Executive Board shall not receive any compensation from the Association for acting as an officer, but

may be reimbursed for any out-of-pocket expenses incurred in performing his duties.

ARTICLE V

COMMON EXPENSES AND BUDGETS

Section 5.01. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board; provided, however, that the first fiscal year shall begin upon the recordation of the Declaration.

Section 5.02. Preparation and Approval of Budget.

- a. On or before the first day of November, the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of Common Elements and those parts of the Units which it is the responsibility of the Executive Board to maintain, repair and replace, and the cost of 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 Association and which will be required during the ending fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit owners of all related

services. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. The budget shall segregate General Common Expenses and Limited Expenses.

- b. On or before the first of December, the Executive Board shall make the budget available for inspection at the Association and within ten (10) business days of such adoption shall send to each Unit owner a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Unit owners, assessments for General Common Expenses and Limited Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to paragraph 5.08 below.
- c. The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with these deadlines shall not be a condition precedent to the effectiveness of any budget.

Section 5.03. Assessment and Payment of Common Expenses.

- a. The Executive Board shall calculate the monthly assessments for General Common Expenses and Limited Common Expenses against each Unit by multiplying (1)

the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting any Limited Expenses and income expected to be received from sources other than Common Expense assessments and the operation of the Limited Common Elements to which the Limited Expenses pertain, by (2) the Percentage Interest (expressed in decimal form) allocated to such Unit, and dividing the resultant product by (3) the number of calendar months dividends received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to General Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit owners in accordance with their Percentage Interests and shall be payable in one or more monthly assessments, as the Executive Board may determine.

- b. Reserves. The Executive Board shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements.

Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If

the reserves are deemed to be inadequate for any reason, including nonpayment of any Unit owner's assessments, the Executive Board may at any time levy further assessments for General Common Expense and/or Limited Expense which shall be assessed against the Unit owners either according to their respective Percentage Interests with regard to General Common Expenses or in accordance with allocable shares of Limited Expenses with regard to Limited Expenses (whichever is appropriate), and shall be payable in one or more monthly assessments as the Executive Board may determine.

Section 5.04. Further Assessments. The Executive Board shall serve notice on all Unit owners of any further assessments pursuant to Section 5.03 or otherwise as permitted or required by the Act, the Declaration and these Bylaws by a statement in writing giving the amount and reasons therefor, and such further assessments shall, unless otherwise specified in, the notice, become effective with the next monthly assessment which is due more than ten (10) days after the delivery of such notice of further assessments. All Unit owners so assessed shall be obligated to pay the amount of such monthly assessments. Such assessments shall be a lien as of their effective date as set forth in the preceding Sections 5.03(a) and (b).

Section 5.05. Initial Budget. At or prior to the time assessment of Common Expenses commences, the Executive Board shall adopt the budget, as described in this Article, for the period commencing on the date the Executive Board determines that assessments shall begin and ending on the last day of the fiscal year during which such commencement date occurs. Assessments shall be levied and become a lien against the Unit owners during such period as provided in Section 5.03 above.

Section 5.06. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each unit owner shall continue to pay each monthly assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

Section 5.07. Accounts and Audits. All sums collected by the Executive Board with respect to assessments against the Unit owners or from any other source may be collected into a single fund. All books and records of the fund shall be kept in accordance with good and accepted accounting policies, and the same shall be audited at least once each year by an independent public accountant retained by the Executive Board.

Section 5.08. Budget and Expenditures. The Association, by a majority vote of all votes in the Association, may reject any budget or capital expenditure approved by the Executive Board, within thirty (30) days after approval by the Executive Board.

Section 5.09. Payment of Common Expenses. Each Unit owner shall pay the Common Expenses assessed by the Executive Board pursuant to the provisions of this Article V. No Unit owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Unit owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses 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 therefore; provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Unit owner within ten (10) days following a written request therefor to the Executive Board or Managing Agent and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth. Subject

to Section 3315(b)(2) of the Act, each record holder of a mortgage on a Unit who comes into possession of a Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such holder comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit.

Section 5 10. Collection of Assessments. The Executive Board or the managing Agent, at the request of the Executive Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. Any assessment not paid within ten (10) days after its due date shall accrue a late charge in the amount of 10% of the overdue assessment in addition to interest at the rate of 12% per annum or such other rate as may be determined by the Executive Board.

ARTICLE VI

COMPLIANCE AND DEFAULT

Section 6.01. Relief. Each Unit owner shall be governed by, and shall comply with, all of the terms of the Declaration, these Bylaws, Rules and Regulations and the Act, as any of the same may be amended from time to time. In addition to the

remedies provided in the Act and the Declaration, a default by a Unit owner shall entitle the Association, acting through its Executive Board or through the Managing Agent, to the following relief.

- a. Additional Liability. Each Unit owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or the act, neglect or carelessness of his tenants, guests, invitees or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Executive Board. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.
- b. Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a Unit owner, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorney's fees as may be determined by the court.
- c. No waiver of Rights. The failure of the Association, the Executive Board or of a Unit owner to enforce any right, provision, covenant or condition which may be

granted by the Declaration, these Bylaws, the Executive Board Rules and Regulations or the Act shall not constitute a waiver of the right of the Association, the Executive Board or the Unit owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Board or any Unit owner pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws, the Rules and Regulations or the Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these Bylaws, the Rules and Regulations or the Act, or at law or in equity.

- d. Abating and Enjoining violations by Unit owners. The violation of any of the Executive Board Rules and Regulations adopted by the Executive Board, the breach of any Bylaw contained herein, or the breach of any provision of the Declaration or the Act shall give the Executive Board the right, in addition to any other rights: (1) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit

owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner-or trespass; or (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE VII

AMENDMENTS

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

Section 7.01. Notice. Notice of the subject matter for proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

Section 7.02. Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Executive Board of Directors, or by not less than one-third (1/3) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval, in writing, provided that approval is delivered to the secretary at or prior to the meeting. The approvals must be either:

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

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

Section 7.03. No Bylaws shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and the words to be deleted shall be drawn through with hyphens. However, if the proposed change is so extensive that this procedure would hinder rather than assist the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but instead a notation must be inserted immediately preceding the proposed amendment in substantially the following language:

Substantial rewording of Bylaws. See Bylaw for present text. Non-material errors or omissions in the Bylaw process shall not invalidate and otherwise properly promulgated amendment.

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

Section 7.04. Provision.

- a. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the developers or mortgagees of Units without the consent of said developers and mortgagees in each instance. Further, no amendment may be adopted which would in any way affect, eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the developers or mortgagees for the expansion of this project Condominium by the additional real estate being added to the Condominium, the converting of real estate to the Condominium or the withdrawal of real estate to the Condominium. Further, no amendment shall be made that is in conflict with the Articles or the Declaration.
- b. Any amendment which would affect the water system, storm water management system, including, but not limited to, drainage easement and the water management portion of the Common Elements must have the approval of 200 Regent Court Condominium Association, the developers.

ARTICLE VIII

INDEMNIFICATION.

Section 8.01. Every director and officer of the Corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him in connection with any proceeding or settlement thereof in which he may become involved by reason of his being or having been a director or officer of the Association. This indemnification shall apply whether or not he is a director or officer at the time such liabilities or expenses are incurred, except in cases wherein the director or officer is adjudged guilty or willful misfeasance or malfeasance in the performance of his duties. In the event of a settlement, the indemnification established herein shall apply only when the Board approves such settlement and reimbursement. The foregoing right of indemnification shall be in addition to and not exclusive of any other rights of indemnification to which such director or officer may be entitled.

ARTICLE IX

LIABILITIES SURVIVE TERMINATION OF MEMBERSHIP

Section 9.01. The termination of membership in the Association shall not relieve or release any former owner or member of any liability or obligation incurred under or in any way connected with the Condominium during the period of ownership or membership or impair any rights or remedies which the Association may have against such former owner and member arising

out of, or which is in any way connected with, such ownership and membership.

ARTICLE X

LIMITATION OF LIABILITY

Section 10.01. Notwithstanding the duty of the Association to maintain or repair parts of the property, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements or other owners or persons.

ARTICLE XI

CONSTRUCTION

Section 11.01. Whenever the masculine, singular form of the pronoun is used by these Bylaws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the content so requires. Should any of the covenants herein imposed become unenforceable in law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in force and effect.

ARTICLE XII

CONFLICT

Section 12.01. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws or the Declaration of Condominium, the provisions of the Declaration shall prevail.

ARTICLE XIII

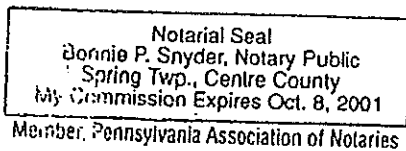
CAPTIONS

Section 13.01. 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 provisions hereof.

APPROVED and declared, as bylaws of Stony Pointe Condominium Association this 21st day of JANUARY, 1998.

IN WITNESS WHEREOF, the parties have caused these presents to be properly executed the day and year aforesaid.

ATTEST:



Donnie P. Snyder

Donald E. Slike (SEAL)
Donald E. Slike

John Curtin III (SEAL)
John Curtin III

Philip Bosak (SEAL)
Philip Bosak

A. Rex Mattern (SEAL)
A. Rex Mattern

Daniel L. Mattern (SEAL)
Daniel L. Mattern

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA)

) SS:

CENTRE COUNTY)

I John Curtin II, being duly sworn according to law, hereby depose and say that I am a Partner of Stony Pointe Condominium Association, and that I am authorized to make this affidavit; that I have read the foregoing Bylaws and that the personal knowledge, information and belief.

By: John Curtin II

Sworn to and subscribed
before me this 21st day
of JANUARY, 1998.

Bonnie P. Snyder
Notary Public

