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Article I

Introductory Provisions

1.1 **Applicability.** These By-Laws provide for the governance of the Association pursuant to Section 3306 of the Act with respect to the Condominium created by the recording of the Declaration among the land records of York County in Deed Book 1020, pages 320 through 354 as the same may be amended from time to time.

1.2 **Definitions.** Capitalized terms used in this document shall have the same meanings as like terms defined in the Declarations to which these By-Laws pertain or, if not defined in the Declaration, the meanings defined in the Act.

1.3 **Compliance.** Pursuant to the provisions of the Act, every Unit Owner and all Persons entitled to occupy a Unit shall comply with these By-Laws.

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

Article II

The Association

2.1 **Composition.** The Association is organized as an unincorporated association. The Association consists of all of the Unit Owners acting as a group in accordance with the Act, the Declaration and these By-Laws. The Association shall have the responsibility of administering the Condominium, establishing the means and the methods of collecting assessments and charges, arranging for the management of the Condominium and performing all other acts that may be required or permitted to be performed by the Association according to the Act and the Declaration. These responsibilities are performed by the Executive Committee and or the Managing Agent as more particularly set forth in these By-Laws.

2.2 **Annual Meetings.** The Annual Meeting shall be held on the third Saturday in September of each year, unless otherwise scheduled by the Executive Committee. At such annual meetings the Executive Committee shall be elected by the unit owners in accordance with the requirements of these By-Laws and the Declaration. Such other business as may properly come before the meeting may also be transacted.

2.3 **Place of Meetings.** Meetings of the Association shall be held at the office of the

Association or at such other place convenient to the Unit Owners as may be designated by the Executive Committee.

2.4 Special Meetings.

(a) Petition or Resolution. The President shall call a special meeting of the Association if so directed by resolution of the Executive Committee or upon a petition signed and presented to the Secretary by Unit Owners of not less than thirty percent (30%) of the total Percentage Interests. The notice of any special meeting shall state the date, time, place and purpose of the meeting. The meeting shall be held within forty five (45) days after the receipt by the President of the resolution or petition; however, if the purpose includes the possible rejection of a budget or capital expenditure, the meeting shall be held within fifteen (15) days after receipt of the resolution by the President. Only the business stated in the Notice of Special Meeting shall be conducted at that special meeting.

2.5 Notice Of Meetings. The Secretary shall give notice to each Unit Owner of each annual or regularly scheduled meeting of the Association at least twenty (20) but not more than sixty (60) days prior to such meeting; and of each special meeting at least ten (10) but not more than forty five (45) days prior to such meeting. The notice shall state the date, time, place and purpose of such meeting and shall be served in the manner specified in these By-Laws.

2.6 Adjournment of Meetings. At any meeting of the Association, regardless of whether a quorum is present, the Unit Owners may adjourn the meeting to a time not less than forty eight (48) hours after the time for which the original meeting was called.

2.7 Voting.

(a) Percentage. Voting at all meetings of the Association shall be on a percentage basis. The percentage of the vote to which each Unit Owner is entitled shall be the Percentage Interest assigned to his Unit in the Declaration, normally a fraction of one over the total number of Units in the Association.

(b) Entitlement. Each Unit Owner, or the designated Proxy for that Unit Owner, shall have the entitlement to vote at all meetings of the Association. When a Unit is owned by more than one Person, the Person who shall be entitled to cast the vote of such Unit shall be the Person named in a certificate executed by all of the owners of such Unit and filed with the Secretary. This certificate shall be valid until revoked by a subsequent certificate executed in the same manner. In the absence of such Person from the meeting, the Person who shall be entitled to cast the vote of such Unit shall be the Person owning such Unit who is present. If more than one Person owning such Unit is present, then such vote shall be cast only in accordance with their unanimous agreement pursuant to Section 3310(a) of the Act. There shall be deemed unanimous agreement if any one of the

multiple Unit Owners casts the votes allocated to that Unit without protest being promptly made to the Person presiding over the meeting by any of the other owners of the Unit.

(c) **Approval and Majority.** Subject to the requirements of the Act, wherever the approval or disapproval of a Unit Owner is required by the Act, the Declaration, or these By-Laws, such approval or disapproval shall be made only by the Person entitled to cast the vote of such Unit at any meeting of the Association. A majority vote, in person or by proxy, at a meeting at which a quorum is present is required to adopt resolutions, unless a higher vote is required. By specified percentage of Unit Owners means the Unit Owners owning such Percentage Interests in total.

(d) **Executive Committee.** At each election for members of the Executive Committee, 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 receiving the greatest number of votes cast in such election shall be elected. Except as noted in sections 2.4, 3.4, and 3.5(b), if the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast votes to which such Unit or Units are entitled. No votes allocated to a Unit owned by the Association may be cast. There shall be no cumulative or class voting.

2.8 **Proxies.** A vote may be cast in person or by proxy. If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of votes by the other owners of the Unit through a duly executed proxy. Such proxy may be granted by any Unit Owner only in favor of another Unit Owner, a holder of a mortgage on a Unit, the Executive Committee, the Declarant, or other natural person. Proxies shall be executed in writing, shall be valid only for the particular meeting and permitted adjournments designated in the proxy, and must be filed with the Secretary at least two (2) hours before the appointed time of the meeting. Such proxy shall be deemed revoked only upon the actual receipt by the Secretary of written notice of revocation from the grantor(s) of the proxy. No proxy shall be valid for a period in excess of one year after its execution. A proxy is void if it is not dated or purports to be revocable without notice.

2.9 **Quorum.**

(a) **Definition.** Except as set forth below, the presence in person or by proxy of Unit Owners of twenty percent (20%) or more of the total Percentage Interests at the beginning of a meeting shall constitute a quorum at all meetings of the Association.

(b) **Lack.** If a meeting is adjourned due to lack of quorum, the quorum at the subsequent adjourned meeting shall be reduced to fifteen percent (15%) or more of the total Percentage Interests present in person or by proxy.

2.10 Conduct of Meetings. The President normally presides over all meetings of the Association. The Secretary shall keep the minutes of meetings and record in a minute book all resolutions adopted and all transactions occurring at such meetings. The President may appoint a person to serve as Parliamentarian at any meeting of the Association. The most current edition of *Roberts Rules of Order, Newly Revised* shall govern the conduct of all meetings of the Association when not in conflict with the Act, the Declaration, or these By-Laws.

Article III **Executive Committee**

3.1 Powers and Duties. The Executive Committee shall have all of the powers and duties granted by the Act, the Declaration, and these By-Laws.

3.2 Number and Qualifications. The affairs of the Association shall be governed by an Executive Committee comprised of five (5) persons, each the sole owner or co-owner of record of a Unit. If a corporation or partnership is a Unit Owner, any officer of the corporation or partnership is eligible to serve as an Executive Committee member so long as the individual remains an officer of the corporation or partnership.

3.3 Terms of Office. Members of the Executive Committee elected solely by Unit Owners shall hold office for a period of two (2) years and until their respective successors have been elected, subject to removal according to Section 3.5 (below). At the first Annual Meeting two directors shall be elected for one year, and three directors for two years.

3.4 Nomination. Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Executive Committee. Those nominated must be present at the meeting and shall have the right to decline nomination.

3.5 Removal or Resignation of Members of the Executive Committee.

(a) Removal by Unit Owners. At any regular or special meeting of the Association duly called and subject to the notice requirements set forth below, any one or more member(s) of the Executive Committee may, with or without cause, be removed by Unit Owners entitled to cast a majority of all votes in the Association. A successor must then and there be elected to fill the vacancy thus created for the remainder of the term of the member(s) being replaced.

(b) Notice. Any Unit Owner proposing removal of a Committee member shall give written notice to the Secretary. Any Committee member whose removal has been proposed by a Unit Owner shall be given at least twenty (20) 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.

(c) Resignation. Any member of the Executive Committee may resign at any time and shall be deemed to have resigned upon transfer of title to his Unit if, as a result of such transfer, such member has no ownership interest in any Unit.

3.6 Vacancies. Vacancies on the Executive Committee caused by any reason other than removal by Unit Owners shall be filled by a vote of the majority of remaining members of the Committee, even though they may be less than a quorum. Any member so elected shall be a member of the Committee until the next Annual Meeting at which time a successor shall be elected to fill the remainder of the term.

3.7 Organizational Meeting. The Organizational Meeting of the Executive Committee shall be held immediately following and at the same location as the Annual Meeting. No notice shall be necessary to the newly elected members of the Committee in order to legally constitute such meeting, providing a majority of the whole Committee is present at the meeting.

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

3.9 Special Meetings. Special meetings of the Executive Committee shall be called by the President on at least three (3) business days' notice to each member, by mail, telephone, or in person. Such notice shall state the date, time, place and purpose of the meeting. Special meetings of the Committee may be called by the President or the Secretary, in the same manner, on written request of at least two (2) members of the Committee.

3.10 Waiver of Notice. Any member of the Committee may at any time, in writing, waive notice of any meeting of the Executive Committee. Such waiver is deemed the equivalent of the giving of such notice. Attendance by a member at a meeting of the Committee constitutes waiver of notice by him of the meeting. If all members are present for any meeting of the Executive Committee, no notice shall be required and any business may be transacted.

3.11 Quorum of the Executive Committee. At all meetings of the Executive Committee a majority of the members constitutes a quorum for the transaction of business, and a majority vote at meetings where a quorum is present constitutes the decision of the Executive Committee. One or more members of the Committee may participate in and be counted for quorum purposes at any meeting by means of conference telephone or similar means of communication by which all

persons participating in the meeting can hear each other.

3.12 Compensation. Members of the Executive Committee shall serve without compensation, but may be reimbursed for reasonable expenses incurred in the performance of his duties.

3.13 Conduct of Meetings. The President shall normally preside at all meetings of the Executive Committee. The Secretary shall keep the minutes of meetings and record in a minute book all resolutions adopted and all transactions occurring at such meetings. The most current edition of *Roberts Rules of Order, Newly Revised* shall govern the conduct of all meetings of the Executive Committee when not in conflict with the Act, the Declaration, or these By-Laws.

3.14 Action Without Meeting. Any action by the Executive Committee required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Committee, individually or collectively, consent in writing to such action. This written consent shall be filed with the minutes of the proceedings of the Executive Committee.

3.15 Validity of Contracts with Interested Committee Members. No contract or other transaction between the Association and one or more of the members of the Executive Committee, or between the Association and any corporation, firm, or association in which one or more of the Committee members are officers or directors, is void or voidable if the member or members are present at any meeting of the Executive Committee which authorized or approved the contract or transaction, or because his or their votes are counted, if the following circumstances exist:

- (a) The fact that a member of the Executive Committee is also an officer or director, or has a financial interest, is known and disclosed to the Executive Committee and is noted in the minutes. Furthermore, the Executive Committee authorizes, approves, and or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of the interested member; 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.

3.16 Limited Liability of the Executive Committee. The Executive Committee, and its members in their capacity as members, officers and employees:

- (a) Shall not be liable for the failure of any service to be obtained by the Committee and paid for by the Association, or for injury or damage to Persons or property caused by the elements, another Unit Owner, or Person on the Property, or resulting from electricity, gas, water, rain, dust or other which may leak or flow from the outside or from any part of any Building or any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless in each such instance the injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Executive Committee;

- (b) Shall not be liable to the Unit Owners as a result of the performance of the Executive Committee duties for any mistake in judgement, negligence or otherwise, except for the Executive Committee members' duties;
- (c) Shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Committee or the Association in the performance of the Committee members' duties;
- (d) Shall not be liable to a Unit Owner, or a Unit Owner's tenants, employees, agents, customers or guests for loss or damage caused by theft of or damage to personal property left by the Unit Owner, or his tenants, employees, agents, customers or guests in a Unit or in the Common Elements or Limited Common Elements, except for the Committee member's own willful misconduct or gross negligence;
- (e) Shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for the Committee member's own willful misconduct or gross negligence in the performance of their duties; and
- (f) Shall have no personal liability arising out of the use, misuse or condition of the Buildings, or which might in any other way be assessed against or imputed to the Executive Committee members as a result of or by virtue of their performance of their duties, except for the Committee member's own willful misconduct or gross negligence.

3.17 Indemnification. Each member of the Executive Committee in his or her capacity as a Committee member, officer, or both, shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred or imposed by them in connection with any proceeding in which they may become involved by reason of their being or having been a member and/or officer of the Executive Committee, or any settlement of any such proceeding, whether or not they are a Committee member, officer or both at the time the expenses are incurred, except in such cases where the Committee member/officer is judged guilty of willful misconduct or gross negligence in the performance of their duties; provided that in the event of a settlement this indemnification shall apply only if and when the Executive Committee (with the affected member(s) abstaining if they are then a member of the Committee) approves such settlement and reimbursement as being in the best interests of the Association. The indemnification by the Unit Owners described in this Section shall be paid for by the Association on behalf of the Unit Owners and shall constitute a Common Expense, assessed and collected as such. The right of indemnification shall not be deemed exclusive of any other rights to which a Committee member and or officer may be entitled as a matter of law, or agreement, or by vote of the Unit Owners, or otherwise.

Article IV Officers

4.1 Designation. The principle officers of the Association are the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Committee. The Committee may appoint an assistant secretary, an assistant treasurer and such other officers as in its judgement may be necessary. The President and the Vice-President shall be members of the Executive Committee. The other officers may, but need not be Unit Owners or members of the Committee. An officer other than the President may hold more than one office.

4.2 Election of Officers. The officers of the Association shall be elected annually at the organizational meeting of each new Executive Committee and shall hold office at the pleasure of the Executive Committee.

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

4.4 President. The President shall be the chief executive officer of the Association, shall normally preside at all meetings of the Association and the Executive Committee, and shall 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. This includes without limit the power to appoint committees from time to time as the President in his or her discretion decide is appropriate to assist in the conduct of affairs of the Association. The President shall cease holding this office at the time he or she ceases to be a member of the Executive Committee.

4.5 Vice-President. The Vice-President shall take the place of the President and perform the duties of the President whenever the President is absent or unable to act. If neither the President nor the Vice-President is able to act, the Executive Committee shall appoint some other member of the Committee to act, on an interim basis, in the place of the President. The Vice-President shall also perform any other duties delegated or assigned by the President or the Committee. The Vice-President shall cease holding this office at such time as he or she ceases to be a member of the Committee.

4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Executive Committee, have charge of any books and papers that the Committee may direct, maintain a register noting the address to which all notices to Unit Owners and holders of mortgages on any Unit shall be delivered and, in general, perform all duties incident to the office of secretary of a corporation organized under the laws of Pennsylvania. The Secretary shall, upon written request, provide or cause to be provided to any entitled Person a written statement or certification of the information required to be provided by the Association by the Act and these

By-Laws. To the extent permitted by the Act, the Secretary may impose a reasonable charge for the preparation of any such statement, and/or certification, and reproduction of documents in order to cover the costs of preparation and reproduction. One or more of the Secretary's duties may be delegated to the Managing Agent by the Committee.

4.7 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, for the preparation of all financial data, and be responsible for the deposit of all monies in such financial institutions as the Committee may from time to time designate and, in general, perform all duties incident to the office of treasurer of a corporation organized under the laws of Pennsylvania. One or more of the Treasurer's duties may be delegated to the Managing Agent by the Committee.

4.8 Execution of Documents. All agreements, contracts, deeds, leases, and other instruments of the Association for expenditures or obligations in excess of One Thousand Dollars (\$1,000.00) must be executed by any two (2) officers of the Association. All instruments for expenditures or obligations of less than One Thousand Dollars (\$1,000.00) may be executed by any one (1) officer of the Association.

4.9 Compensation of Officers. No officer who is also a member of the Executive Committee may be compensated for acting as such officer, but may be reimbursed for reasonable out-of-pocket expenses incurred in the performance of his or her duties. However, the Secretary and the Treasurer may be compensated for their services if the Executive Committee determines such compensation is appropriate.

Article V

Common Expenses and Budgets

5.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Committee. However, the first fiscal year shall begin upon the recordation of the Declaration.

5.2 Preparation and Approval of Budget.

(a) Preparation. On or before the first day of November of each year, the Executive Committee shall prepare an annual budget for the Association. The budget shall contain an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements, those parts of the Units which it is the Committee's responsibility 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 By-Laws, or a resolution of the Association and which will be required during the coming fiscal year for the administration, operation, maintenance and repair of the Property, and rendering of related services to the Unit Owners. The budget shall also include those reasonable amounts the Committee 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) Distribution. On or before the 15th day of November of each year, the Committee shall make the budget available for inspection at the Association and within ten (10) business days of its adoption shall send to each Unit Owner a copy of the budget in a reasonably itemized form that shows the amount of the Common Expenses. The budget shall constitute the basis for determining each Unit Owner's assessment(s) for General Common and Limited Expenses of the Association and shall take effect at the beginning of the fiscal year for which it is adopted, subject to Section 5.8 below.

(c) Additional Real Estate. Within forty-five (45) days after the creation of Units on any Additional Real Estate the Executive Committee shall revise the budget to reflect changes in the General Common Expenses resulting from the addition, and to reflect the proportionate liability of all Units for the General Common Expenses for the remainder of the fiscal year in which such events occur. The amount of assessments attributable to each Unit afterward shall be the amount specified in the adjusted budget, until a new budget has been adopted by the Executive Committee.

(d) Reasonable Effort. The Executive Committee shall make reasonable efforts to meet the deadlines stated above, but compliance with these deadlines is not a condition precedent to the effectiveness of any budget.

5.3 Assessment and Payment of Common Expenses.

(a) General Common Expenses. The Executive Committee shall calculate the monthly assessments for General Common Expenses against each Unit by multiplying (A) the total amount of the estimated funds required for the operation of the Property for the fiscal year in question, after deducting any Limited Expenses from the income expected to be received from sources other than Common Expense Assessments, and the operation of Limited or Reserved Common Elements to which the Limited Expenses pertain by (B) the Percentage Interest (expressed in decimal form) allocated to each Unit, and dividing the result by (C) the number of calendar months in the fiscal year. Such assessments shall be deemed to have been adopted and assessed on a monthly basis, and not on an annual basis, payable in monthly installments due on the first of each calendar month, and shall be a lien on each Unit as provided in the Act and the Declaration. Within 120 days after the end of

each fiscal year, the Executive Committee shall prepare and deliver to each Unit Owner and to each holder of a mortgage on a Unit who has registered an address with the Secretary an itemized accounting of the Common Expenses and funds received during the 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 Committee 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 installments, as the Committee may determine.

(b) Reserves. The Executive Committee 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 against such reserves. If the reserves are deemed to be inadequate for any reason, including nonpayment of any Unit Owner's assessments, the Committee may at any time levy further assessments for General Common 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 Expense with regard to Limited Expenses (whichever is appropriate), and shall be payable in one or more monthly assessments as the Committee may determine.

5.4 Further Assessments. The Executive Committee shall serve notice on all Unit Owners of any further assessments as described in Section 5.3 or otherwise as permitted by the Act, the Declaration, and these By-Laws by a written statement giving the amount and the reasons for such further assessment. This further assessment shall, unless otherwise noted in the statement, become effective with the next monthly assessment which is due more than thirty (30) days after the delivery of the notice. The further assessments shall be a lien against the Unit as of the effective date described in Sub-Section 5.3.1.

5.5 Initial Budget. At or prior to the time assessment of Common Expenses begins, the Executive Committee shall adopt the budget, as described in this Article, for the period commencing on the date the Committee determines the assessments shall begin and ending on the last day of the fiscal year. Assessments shall be levied and become a lien against the Unit Owners during such period, as described in Section 5.3 above.

5.6 Effect of Failure to Prepare or Adopt a Budget. The failure or delay of the Executive Committee to prepare or adopt a budget does 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 described in this document and whenever such Expenses are determined. 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 is adopted.

5.7 Accounts and Audits. All sums collected by the Executive Committee with respect to assessments against Unit Owners or from any other source may be commingled into a single fund. All books and records of the Association shall be kept in accordance with good and accepted accounting practices, and shall be audited at least once every five (5) years by an independent accountant retained by the Committee.

5.8 Rejection of Budget; Limitation on Expenditures; Borrowing. The Association, by a majority vote of all votes in the Association, may reject any budget or capital expenditure approved by the Committee within thirty (30) days after approval by the Committee. The power of the Committee to expend funds, incur expenses, or borrow money on behalf of the Association is subject to the requirement of the consent of Unit Owners is obtained at any meeting called in accordance with the provisions of these By-Laws. This shall apply only to (A) expending funds or incurring expenses that are reasonably anticipated to cause the total amount of all expenses in the budget (including reserves) to be exceeded by more than 33.3% of such total amount after taking into account any protected increases in income, or (B) borrowing money so that the loans of the Association then outstanding would exceed 20% of such total amount.

5.9 Payment of Common Expenses. Each Unit Owner shall pay the Common Expenses assessed by the Executive Committee as directed in this Article. No Unit Owner may exempt themselves from liability for their contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of their Unit. No Unit Owner shall be liable for the parent of any part of the Common Expenses assessed against his or her Unit subsequent to the date of recordation of a conveyance by them 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 their 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 detailing the amount of unpaid assessments against the selling Unit Owner within ten (10) days following a written request to the Executive Committee or the Managing Agent. Such purchaser shall not be liable for, nor such Unit be subject to a lien for, any unpaid assessments in excess of the amount set forth in the statement. 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, except for claims of 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 mortgage Unit.

5.10 Collection of Assessments. The Executive Committee or the Managing Agent, at the request of the Committee, shall take prompt action to collect any assessments for Common Expenses due from any Unit which remain unpaid for more than five (5) days from the due date.

Any assessment not paid within five (5) days after its due date shall accrue a late charge in the amount of ten percent (10%) of the overdue assessment in addition to interest at the rate of eighteen percent (18%) per annum or other such rate as may be determined by the Committee. The Committee shall also have the right, by giving five (5) days written notice to any Unit Owner who is in default in the payment of a monthly assessment, as previously described, to accelerate the due dates of monthly payments for the rest of the year and to collect the same as if they were presently due. *IN ORDER TO EXPEDITE THE COMMITTEE'S COLLECTION OF ANY ASSESSMENT, EACH UNIT OWNER (BY THE ACCEPTANCE OF THE DEED TO THEIR UNIT) SHALL BE DEEMED TO HAVE APPOINTED ANY ONE OR MORE OF THE MEMBERS OF THE EXECUTIVE COMMITTEE AS ATTORNEY-IN-FACT FOR SUCH UNIT OWNER TO CONFESS JUDGEMENT AGAINST SUCH UNIT OWNER IN ANY COURT OF COMPETENT JURISDICTION IN PENNSYLVANIA. FOR ANY SUCH ASSESSMENT(S), THIS APPOINTMENT (BEING FOR SECURITY) SHALL BE IRREVOCABLE, AND FOR SO DOING A COPY OF THIS SECTION (5.10) AND THE DEED, BOTH VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT. THE AUTHORITY GRANTED HEREIN TO CONFESS JUDGEMENT SHALL NOT BE DEEMED EXHAUSTED BY ANY EXERCISE THEREOF BUT SHALL BE CONTINUE FROM TIME TO TIME UNTIL THE REGULATIONS SHALL BE TERMINATED.*

5.11 Statement of Common Expenses. The Executive Committee shall promptly provide any Unit Owner, contract purchaser, or proposed mortgagee who so requests in writing a statement of all unpaid assessments for Common Expenses and Limited Expenses due from each Unit Owner as required by Section 3315(g) of the Act, or the certificate and documents required by the terms of Section 3407 of the Act. To the extent permitted by the Act, the Committee may impose a reasonable charge for the preparation of such statement and/or certificate and the reproduction of these documents to cover the costs of such preparation and reproduction.

ARTICLE VI Compliance and Default

6.1. Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Act, the Declaration, these Bylaws, and the Rules and Regulations, 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 Committee 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 or her act, neglect or carelessness or the act, neglect or carelessness of their 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 Committee. Such liability shall include any increase in casualty insurance premiums occasioned by the 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, if a default be established, the Association shall be entitled to recover the costs of such proceedings, and reasonable attorney's fees.

(c) **No Waiver of Rights.** The failure of the Association, the Executive Committee or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Act, the Declaration, these Bylaws, or the Rules and Regulations shall not constitute a waiver of the right of the Association, the Executive Committee or the Unit Owner to enforce such rights, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Committee, or any Unit Owner pursuant to any term, provision, covenant or condition of the Act, the Declaration, these Bylaws, or the Rules and Regulations in the future, 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 Act, the Declaration, these Bylaws, or the Rules and Regulations or at law or in equity.

(d) **Abating and Enjoining Violations by Unit Owners.** The violation of any of the Rules and Regulations adopted by the Executive Committee, the breach of any Bylaw contained herein or the breach of any provision of the Declaration or the Act shall give the Executive Committee the right, in addition to any other rights, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE VII

Insurance

7.1. **Power of Attorney.** The Association is hereby irrevocably appointed as attorney-in-fact for each Unit Owner and for each holder of a mortgage or other lien upon a Unit and for each owner of any other interest in the Property for the purpose of purchasing and maintaining insurance as set forth in Section 7.3 below including: the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of the releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such

purpose.

7.2. Insurance Trustee. The Executive Committee shall have the option, in its sole discretion, of naming as an insured, on behalf of the Association, an insurance Trustee with whom the Association has entered into an Insurance Trust Agreement. The duty of the Insurance Trustee shall be to receive, hold or otherwise properly dispose of, in accordance with Section 3312 of the Act, proceeds of insurance designated in the Insurance Trust Agreement in trust for Unit Owners and their Eligible Mortgagees as their interests may appear.

7.3. Types and Amounts. Commencing not later than the time of the conveyance of the first Unit to a Person other than the Declarant, the Association shall, to the extent reasonably available, obtain and maintain the types and amounts of insurance set forth below. Except as otherwise provided, the premiums for all such insurance policies shall be a Common Expense.

7.3.1. Hazard Insurance.

(a) Hazard insurance, with an endorsement for extended coverage, or such other fire and casualty insurance as the Executive Committee may determine provides equal or greater protection for the Unit Owners and their mortgagees, if any, in each case complying with the applicable requirements of Section 7.4. hereof. Such hazard insurance shall, if and to the extent reasonably available, provide coverage for the Common Elements (including the Limited Common Elements), including fixtures and building service equipment and common personal property and supplies belonging to the Association, and the Units. Such insurance shall, if so required by the Federal National Mortgage Association and if and to the extent reasonably available, also cover fixtures, equipment and other personal property inside a Unit if such fixtures, equipment or personal property are financed by a mortgage purchased by the Federal National Mortgage Association. If such insurance is so provided, the Association shall require such Unit Owner to pay the additional cost incurred by the Association in so insuring such Unit Owner's fixtures, equipment or other personal property. Such hazard insurance shall insure against all risks of direct physical loss commonly insured against. If such hazard insurance no longer becomes available in the future, the Association shall obtain such comparable insurance as is then available. The amount of any such hazard insurance obtained pursuant to this Section shall be equal to the full insurable replacement value of the insured property, without deduction for depreciation (i.e., one hundred percent (100%) of current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage, but including all Building service equipment), with an "agreed amount endorsement" or its equivalent, if available, or an "inflation guard endorsement," if available, and construction code endorsements, if applicable and to the extent required by the Federal National Mortgage Association.

- (b) Such hazard insurance shall afford protection against at least the following:
 - (1) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement;
 - (2) all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available;
 - (3) such other risks as the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation may require by reason of their holding one or more Eligible Mortgages.
- (c) Such hazard insurance policy may, at the option of the Association, contain a "deductible" provision in an amount to be determined by the Executive Committee but not less than Five Hundred Dollars (\$500.00).

7.3.2. Comprehensive Liability Insurance.

- (a) Comprehensive Liability Insurance policies, complying with the requirements of Section 7.4 hereof, insuring the Unit Owner, in their capacity as Unit Owners and Association members and any managing agent retained by the Association, against any liability to the public or to other Unit Owners, their tenants or invitees, relating in any way to the ownership, operation, maintenance and/or use of the Common Elements and any part thereof, the public ways of the project, any other areas under the Association's supervision, and commercial spaces owned by the Association whether or not leased to some third party.
- (b) Such insurance policies shall contain a "severability of interest endorsement" or equivalent coverage which precludes the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or another Unit Owner.
- (c) Limits of Liability shall be at least One Million Dollars (\$1,000,000.00) covering all claims for personal injury and/or property damage arising out of a single occurrence.
- (d) Coverage under this policy shall include legal liability arising out of lawsuits related to employment contracts of the Association.

7.3.3. Fidelity Bonds.

- (a) Fidelity bonds or insurance coverage shall be obtained against dishonest

acts on the part of such persons (including, by way of illustration and not limitation, Association members, officers, directors, trustees, managers, agents, employees and volunteers) handling or responsible for funds belonging to or administered by the Association. In the event the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such bonds or insurance coverage shall include officers, employees and agents of such management agent.

(b) Such fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount sufficient to cover the maximum funds that will be in the custody of the Association or its managing agent at any time while the bond is in force which is in no event less than the sum of three months' assessments on all Units in the Association, plus the Association's reserve funds.

(c) In connection with such coverage, an appropriate endorsement to such policy or bond in order to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(d) Such fidelity bond or insurance shall also:

(1) name the Association as an obligee;

(2) contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of employees, or similar terms or expression;

(3) provide that same may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the Association and all Eligible Mortgagees.

7.3.4. Indemnification Insurance. Insurance to satisfy the indemnification obligation of the Association and all Unit Owners set out in Section 3.17., if and to the extent available at the election of the Executive Committee shall be obtained.

7.3.5. Other Insurance. The Association may carry any other insurance it deems appropriate to protect the Association or the Unit Owners.

7.4. Required Provisions. Insurance obtained by the Association shall be in accordance with the following provisions:

(a) All policies shall be written with a company licensed to do business in the

Commonwealth of Pennsylvania and, for the Hazard Insurance Policy described in Section 7.1.1. hereof, such company must hold a rating of Class VI or better by Best's Insurance Reports (or a rating of Class V, provided it has general policy holder's rating of at least "A"), or by an equivalent rating bureau should Best's Insurance Reports cease to be issued.

- (b) Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Executive Committee or its authorized representative.
- (c) With respect to the insurance policies issued to the Association and covering all or any part of the Property, the Association shall endeavor to cause such policies to provide that:
 - (1) the enforceability of such policies is not affected by any waiver of subrogation as to any and all claims against the Association, any managing agent, the Unit Owners and their respective tenants, employees agents, customers, and guests, such subrogation being hereby waived;
 - (2) such policies cannot be canceled, invalidated or suspended by means of the conduct of any one or more Unit Owners, all defenses based upon co-insurance or acts of the insured being waived by the insurer, and in no event may cancellation, material modification, invalidation or suspension for any reason be effected without at least thirty (30) days' prior written notice to the Association, any Insurance Trustee, each Unit Owner and all holders of Eligible Mortgages whose names and addresses are on file with the insurer;
 - (3) such policies cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Association or of any managing agent without a prior demand in writing that the Association or any managing agent, as the case may be, cure the defect within a reasonable period of time;
 - (4) any "no other insurance" clause in such policies shall not prohibit Unit Owners from obtaining insurance on their individual Unit provided such insurance policy conforms with the requirements of this Article VII.
 - (5) the name of the insured under each policy required pursuant to this Article VII shall be stated in form and substance substantially as follows: "Plum Creek Village Condominium Association for the use and benefit of the individual owners of the Units contained in Plum Creek Village." The policies may alternatively be issued in the name of an authorized representative if the Association has entered into an Insurance Trust Agreement, or any successor to such Trustee, for the use and benefit of the individual owners, as provided for in Section 7.2 above.

(6) loss payable under each policy required pursuant to this Article VII shall be in favor of the Association or Insurance Trustee (if an Insurance Trustee has been appointed by the Executive Committee pursuant to Section 7.2), as a trustee for each Unit Owner and each such owner's Eligible Mortgagees as their interests may appear. Policies shall contain the standard mortgage clause, or equivalent endorsement (without contribution) or shall otherwise be endorsed to fully protect all Eligible Mortgagees' interests. If the Federal National Mortgage Association holds one or more Eligible Mortgages, the policies must name as mortgagee either the Federal National Mortgage Association or the servicer for the Eligible Mortgages it holds; such servicer's name shall be followed by the phrase "its successors and assigns."

(7) coverage may not be prejudiced by: (a) any act or negligence of one or more Owners of Units when such act or neglect is not within the control of the Association; or (b) any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control.

(8) all policies of property insurance shall provide that, despite any provisions giving the insurer the right to restore damage in lieu of a cash settlement, such options shall not be exercisable (a) without the prior written approval of the Executive committee (or any Insurance Trustee), or (b) when in conflict with the provisions of any Insurance Trust Agreement to which the Association may be a party or with any requirement of law.

(9) Insurance coverage obtained and maintained by the Association pursuant to the requirements of this Article VII may not be brought into contribution with insurance purchased by the Unit Owners or their mortgagees.

(10) Insurance coverage obtained and maintained by the Association pursuant to the requirements of this Article VII shall provide that no assessment may be made against Eligible Mortgagees or may become a lien on the mortgaged premises superior to the lien of any Eligible Mortgagees.

7.5. Unit Owner Insurance.

7.5.1 General Provisions. Each Unit Owner may obtain additional insurance at their own expense provided, however, that: (a) such policies shall not be invalidated by the waivers of subrogation contained in the Condominium Documents; and (b) no Unit Owner shall be entitled to exercise their right to maintain insurance coverage in such a way as to decrease the amount which the Association may realize under any insurance policy which

the Association may have in force on the Property at any particular time.

7.5.2 File Copies. Any Unit Owner who obtains individual insurance policies covering any portion of the Property, other than: (a) personal property belonging to such Owner; or (b) the individual Unit of such Owner, shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days after purchase of such insurance.

7.5.3 Requirements. The Executive committee shall have the power to require all Unit Owners to carry such types of insurance on their Units as the Executive Committee may reasonably require, including, without limitation, insurance on all portions of the Unit.

ARTICLE VIII Amendments

8.1. Amendments to Bylaws. Except as otherwise provided in any one or more of these Bylaws, the Declaration or the Act, the provisions of these Bylaws may be amended only by vote of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, cast in person or by proxy at a meeting duly held in accordance with the provisions of these Bylaws; provided, however, that if such amendment shall make any change which would have a material effect upon any of the rights, privileges, powers and options of the Declarant, such amendment shall require the joinder of the Declarant.

8.2. Approval of Mortgages. No amendment or modification of these Bylaws impairing or affecting the rights, priorities, remedies or interests of a first mortgage holder shall be adopted without the prior written consent of the requisite percentage of first mortgagees as set forth in the Declaration.

8.3. Amendments to the Declaration. The Declaration may be amended pursuant to the provisions of the Act and the Declaration. Any two (2) officers or Executive Committee members of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE IX Miscellaneous

9.1 Notices. All notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first class mail, postage prepaid (or otherwise as the Act 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 Executive Committee or to the Managing Agent at the principal office of the Managing Agent or such 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.

9.2 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.

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