

EXHIBIT "VII"

AMENDED AND RESTATED BYLAWS

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LAUREL HILLS NORTH CONDOMINIUM I
UNIT OWNERS' ASSOCIATION

EAST PENNSBORO TOWNSHIP

CUMBERLAND COUNTY, PENNSYLVANIA

THIS AMENDED AND RESTATED BYLAWS, made this 19th day of October, 1990, by the undersigned persons constituting all of the members of the first Executive Board of Laurel Hills North Condominium I Unit Owners' Association.

ARTICLE I

PLAN OF OWNERSHIP

Section 1. Condominium Submission. The Project, known as Laurel Hills North Condominium I (hereinafter called "Condominium"), located in East Pennsboro Township, Cumberland County, Pennsylvania, has been submitted to the Pennsylvania Uniform Condominium Act by the Declaration (specifically including throughout the Amended and Restated Declaration) to which the Bylaws are appended as a part, and shall be governed by said Declaration and the Bylaws.

Section 2. Applicability. The provisions of these Bylaws are applicable to the Condominium, the Buildings and all improvements and structures heretofore or hereafter constructed thereon, including Units, Common Elements, Limited Common Elements and Reserved Common Elements, if any, hereinafter constructed on Convertible Real Estate, as well as all easements, rights or appurtenances thereto belonging and the use, occupancy, sale, lease and all other transfer thereof. All owners of any freehold or leasehold interest, all occupants or users of the premises, and the agents and servants of any of them are subject to the provisions of the Declaration, Plats and Plans-Site Plan (specifically including throughout First Amendment to Plats and Plans-Site Plan), Bylaws and Rules and Regulations issued from time to time governing the details of the use and operation of the Property and all applicable laws of the Commonwealth of Pennsylvania.

Section 3. Personal Application. All present and future Unit Owners, tenants, future tenants, their guests, licensees, servants, agents, employees, and any other person or persons that shall be permitted to use the facilities of the Condominium, shall be subject to these Bylaws and to the Rules and Regulations issued by the Executive Board. Acquisition, rental or occupancy of any of the Units in the Condominium shall constitute an acknowledgment that the said Unit Owner or occupant has accepted and ratified these Bylaws, the provisions of the Declaration and the Rules and Regulations of the Executive Board and will comply with them.

ARTICLE II

UNIT OWNERS' ASSOCIATION

Section 1. Composition. There is hereby constituted the Unit Owners'

Association (hereinafter called the "Association"), which shall be comprised at all times exclusively of the Units Owners or, following termination of the Condominium, of all former Unit Owners entitled to distribution of proceeds under the Act, their heirs, successors and assigns. The Association as hereby created shall be an unincorporated association. Declarant or the Unit Owners may organize as a profit or non-profit corporation by amending these Bylaws.

Section 2. Powers of Unit Owners' Association. The Association shall have the specific power granted in Section 3302 of the Uniform Condominium Act, 68 Pa.C.S.A. 3302.

Section 3. Voting and Proxies.

A. Multiple Owners of Units. If only one of the multiple Owners of a Unit is present at a meeting of the Association, he is entitled to cast all of the votes allocated to that Unit. If more than one of the multiple Owners are present, the votes allocated to that Unit may be cast only in accordance with their unanimous agreement. There is unanimous agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

B. Proxies. Votes allocated to a Unit may be cast pursuant to a written proxy duly executed by a Unit Owner. If 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 Owner or Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over the meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one (1) year after its date unless it specifies a shorter term.

C. Cumulative and Class Voting. There shall be no cumulative or class voting permitted.

D. Units Owned by Association. No votes allocated to a Unit owned by the Association may be cast.

Section 4. Principal Office. The principal office of the Association and the Executive Board shall be located initially at 744 Wertzville Road, East Pennsboro Township, Enola, Pennsylvania, but thereafter, may be located at such other suitable and convenient place or places as shall be permitted by law and designated by the Executive Board.

Section 5. Meetings.

A. Annual Meeting. An annual meeting of the Association shall be held each year during the last three (3) months of the calendar year. The meeting shall be held at a time and place designated by the Executive Board. Any officer of the Executive Board shall cause written notice to be hand-delivered or sent prepaid by United States mail, to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner of the annual meeting. Said notice shall be not less than ten (10) days nor more than sixty (60) days in advance of the annual meeting. The notice of any annual meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendments to the Declaration or Bylaws.

B. Special Meetings. A special meeting of the Association for any purpose or purposes, unless otherwise prescribed by statute, may be called by any officer of the Executive Board and shall be called by any officer of the Executive Board if so directed by Resolution of the Executive Board or upon petition signed by forty (40%) percent of the votes of the Condominium and presented to the Secretary. Such petition shall state the purpose or purposes of the proposed special meeting. No business shall be transacted at the special meeting except as stated in the notice. Notice of the special meeting, to include the content of the notice, shall be the same as required for an annual meeting.

Section 6. Quorum. A quorum of the Association shall be deemed present throughout any meeting of the Association if persons entitled to cast thirty (30%) percent of the votes which may be cast for election of the Executive Board are present in person or by proxy at the beginning of the meeting.

Section 7. Association Action. Acts of the Association, including election of members of the Executive Board, except as otherwise specifically provided, shall require the approval of fifty (50%) percent of the votes entitled to be cast by Unit Owners present in person or by proxy at the meeting of the Association at which a quorum is present.

Section 8. Order of Business. The order of business at the annual meeting of the Association shall be as follows:

- A. Calling of the roll and certification of proxies.
- B. Proof of notice of meeting or waiver of notice.
- C. Reading and approval of any unapproved minutes.
- D. Receiving reports of officers.
- E. Receiving reports of committees, if any.
- F. Election of inspector of election, if necessary.
- G. Election of Executive Board members, if necessary.
- H. Old business.
- I. New business.
- J. Adjournment.

At all meetings of the Association Roberts' Rules of Order (Revised) shall be followed.

Section 9. Voting Strength. With respect to the affairs of the Condominium, including the election of the Executive Board members, each Unit shall have the number of votes equal to such Owner or Owners' percentage of ownership of the Common Elements as set forth in Schedule "B" of the Declaration, as the same may be modified from time to time.

ARTICLE III

EXECUTIVE BOARD

Section 1. Number of Members. The affairs of the Association shall be governed by the Executive Board comprised of three (3) members, initially. The original three (3) members of the Executive Board and their offices are as follows: Donald E. Meske - President; Beverly A. Simpson - Secretary/Treasurer; and Gerry W. Simpson - Member.

As specified in Article XII of the Declaration, sixty (60) days after conveyance of twenty-five (25%) percent of the Units to Unit Owners other than Declarant, not less than twenty-five (25%) percent of the Executive Board shall be elected by Unit Owners other than Declarant. Upon the happening of the foregoing event, the Executive Board will be increased by one (1) member to be elected by Unit Owners other than Declarant. Not later than sixty (60) days after the conveyance of fifty (50%) percent of the Units to Unit Owners other than Declarant, not less than thirty-three and one-third (33 1/3%) percent of the members of the Executive Board shall be elected by Unit Owners other than Declarant. Upon the happening of this event, the Executive Board shall be increased to six (6) members, and a total of two (2) shall be elected by Unit Owners other than Declarant and Declarant shall appoint or reappoint the other four (4) members. Not later than the earlier of (i) five (5) years from the date of the recording of the Declaration, April 6, 1989, or (ii) one hundred twenty (120) days after seventy-five (75%) percent of the Units are conveyed to Unit Owners other than Declarant, all members of the Executive Board shall resign and the Unit Owners (including Declarant to the extent of Units owned by Declarant) shall elect a new five (5) member Executive Board, at least a majority of whom must be Unit Owners. In determining whether the period of Declarant's control has terminated or whether Unit Owners other than Declarant are entitled to elect members of the Executive Board, the percentage of Units conveyed shall be that percentage which would have been conveyed if all Units Declarant has built or reserved the right to build in the Declaration were included in the Condominium.

The first members of the Executive Board as appointed by Declarant or their successors, shall serve until all members of the Executive Board are required to resign and a new five (5) member Executive Board is elected, as provided above.

Section 2. Election and Term of Office. So long as Declarant shall have the right to designate three (3) or four (4) members of the Executive Board, as set forth in the preceding Section, all elected members of the Executive Board shall serve a term of one (1) year and shall be elected by the Association at the annual meeting of the Association. Upon resignation of all members of the Executive Board, as set forth in the preceding Section, the five (5) new members of the Executive Board shall be elected for staggered terms. Two (2) members shall be elected for three (3) year terms, two (2) members shall be elected for two (2) year terms and one (1) member shall be elected for a one (1) year term. After the initial election, all terms shall be for three (3) years. All members elected to the Executive Board shall serve until his successor is duly elected or until his death, removal or resignation. An Executive Board member may serve an unlimited number of terms.

Section 3. Compensation. No member of the Executive Board shall receive compensation for his services as a member of the Executive Board, except as provided in Article IV, Section 5 hereof.

Section 4. Resignation and Removal. Any member of the Executive Board may resign from the Executive Board at any time by written notice to the Executive Board. Any member (other than members designated by Declarant, who may be removed and replaced by Declarant at any time and from time to time) may be removed from the Executive Board with or without cause by the affirmative vote of the members of the Association entitled to cast at least seventy-five (75%) percent of the votes of all members of the Association at an annual meeting or special meeting of the Association duly called and held for such purpose. If a member of the Executive Board who is also a Unit Owner shall cease being a Unit Owner, such member shall be removed from the Executive Board, except that this provision shall not apply to members of the Executive Board designated or appointed by Declarant.

Section 5. Filling Vacancies. Any vacancy or vacancies on the Executive Board caused by death, resignation, removal from office or otherwise, may be filled by the remaining members of the Executive Board at a special meeting duly called for that purpose, the successor to serve the balance of the term so filled; provided, however, that vacancies occurring during the term of members designated or appointed by Declarant shall be filled by Declarant.

Section 6. Annual Meeting. The Executive Board shall hold an annual meeting within ten (10) days following the annual meeting of the Association for the purpose of electing officers of the Association and for any other purpose which may be required or permitted by law, these Bylaws or the Declaration.

Section 7. Regular Meeting. The Executive Board may hold regular meetings at such time and place as shall be designated by a majority of the Executive Board. Such meetings shall be held at least once every three (3) months and there shall be a meeting of the Executive Board at least thirty (30) days prior to the annual meeting of the Association at which meeting of the Executive Board the budget for the Association shall be adopted for the forthcoming year, subject to approval of the Unit Owners.

Section 8. Special Meeting. Special meetings of the Executive Board may be called by the President and shall be called upon written request of any two (2) members of the Executive Board. The President shall call such meetings not less than five (5) days nor more than ten (10) days after receipt of such request and shall designate the time and place of such meeting. No business shall be transacted at the meeting other than as specified in the notice thereof.

Section 9. Notices. Written notice of the meetings of the Executive Board shall be given to each member of the Executive Board at least five (5) days but not more than ten (10) days prior to each regular meeting or adjournment thereof and at least three (3) days but not more than seven (7) days prior to each special meeting.

Section 10. Waiver of Notice. Before or after any meeting of the Executive Board, whether regular or special, any member may, in writing, waive notice of such meeting. Attendance by a member at any meeting of the Executive Board shall likewise constitute a waiver by him of such notice. If all members are present at any meeting of the Executive Board, no notice of such meeting shall be required and any business may be transacted at such meeting except as prohibited by law, these Bylaws and the Declaration.

Section 11. Quorum. A quorum is deemed present throughout any meeting of the Executive Board if one-half (1/2) of the members of the Board are present at the beginning of the meeting. If at any meeting of the Executive Board, there are less than a quorum present, the members present may adjourn the meeting from time to time, and at any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called may be transacted without further notice to any member.

Section 12. Voting. At all regular and special meetings of the Executive Board, each member shall be entitled to cast one (1) vote and a majority vote of the Executive Board at any meeting at which a quorum is present shall bind the Executive Board, except as otherwise provided herein.

Section 13. Action by Consent. If all members of the Executive Board shall consent in writing to any action to be taken by the Executive Board, such action shall be as valid an action of the Executive Board as though it has been authorized at a meeting of the Executive Board.

Section 14. Report of the Executive Board. The Executive Board shall present at each annual meeting, and when called for by a vote of the Association at any special meeting of the Association, a full and clear statement of the business and condition of the Condominium.

Section 15. Fidelity Bonds. The Executive Board shall require all officers, agents and employees, if any, of the Association handling or responsible for funds to furnish adequate fidelity bonds in an amount sufficient to cover the maximum funds that will be in the custody of the Association at any time while the bond is in force. The fidelity bond must include a provision which requires ten (10) days prior written notice to the Association before the bond can be cancelled or substantially modified for any reason. The same notice must also be given by each Permitted Mortgagee or its servicer.

ARTICLE IV

OFFICERS OF THE ASSOCIATION

Section 1. Principal Officers. The principal officers of the Association shall be President, Secretary and Treasurer. The President shall be a member of the Executive Board, but the Secretary and Treasurer need not be members of the Executive Board. An officer may succeed himself without limitation and an officer except the President may hold more than one office simultaneously.

Section 2. Election and Term. The principal officers of the Association shall be elected annually by the Executive Board at its annual meeting and they shall hold office for a term of one (1) year and until their respective successors are elected. The Executive Board may appoint such other officers as it deems necessary who shall serve at the pleasure of the Executive Board.

Section 3. Resignation, Removal and Vacancies. Any officer may be removed with or without cause at any regular meeting of the Executive Board, or at any special meeting called for that purpose, upon the affirmative vote for removal of all of the

other members of the Executive Board. Any officer may resign at any time by written notice to the Executive Board, such resignation to become effective at the next Executive Board meeting. Any Executive Board member who resigns or who is removed from the Executive Board shall also be deemed to have resigned or have been removed from any office he may have held. If any office becomes vacant for any reason, the vacancy shall be filled by the Executive Board, the successor to serve the balance of the term so filled.

Section 4. Duties of Officers.

A. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and the Executive Board. He shall have general and active management of the business of the Condominium and shall see that all order and resolutions of the Executive Board are carried into effect. He shall have the power to execute and deliver deeds, contracts and other instruments in the name of and on behalf of the Association, except as when such documents are required and permitted by law to be otherwise executed and except when the execution thereof shall be delegated by the Executive Board to another officer or agent of the Association.

B. Secretary. The Secretary shall, if he is a member of the Executive Board, in the absence or the disability of the President, perform the duties and exercise the power of the President and shall perform such other duties as the Executive Board may prescribe. If neither the President nor the Secretary is able to act, the Executive Board shall appoint a member of the Executive Board to do so on an interim basis. The Secretary shall attend all sessions of the Executive Board and all meetings of the Association and record or cause to be recorded all votes and the minutes of all proceedings in a book to be kept by him for that purpose and shall perform like duties for committees when required. He shall give, or cause to be given, notice of all meetings of the Association, the Executive Board and committees and shall perform such other duties as may be prescribed by the Executive Board. The Secretary shall compile and keep up-to-date at the principal office of the Association, a complete list of Unit Owners and their last known post office address. This list shall be opened to inspection to all Unit Owners and other persons lawfully entitled to inspect the same at reasonable hours. The Secretary shall also keep current and retain custody of the Minute Book of the Association, containing minutes of all the annual and special meetings of the Association and all sessions of the Executive Board including resolutions.

C. Treasurer. The Treasurer shall have custody of all funds and securities. The Treasurer shall have responsibility for the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements and books belonging to the Association and to deposit all monies, checks and other valuable effects of the Association in the name and to the credit of the Association in such depositories as may from time to time be designated by the Executive Board. He shall disburse the funds of the Association as may from time to time be ordered by the Executive Board or by the President, making proper vouchers for such disbursements, and shall render to the President and the Executive Board at the regular meetings of the Executive Board or whenever they or either of them shall require, an account of this transaction as Treasurer and of the financial condition of the Association. If required by the Executive Board, he shall give a fidelity bond, the premium thereof to be considered a

Common Expense, in such sum and with such surety or sureties as shall be satisfactory to the Executive Board for the faithful performance of the duties of this office and for the restoration, in case of his death, resignation, retirement or removal from office, all books, papers, vouchers, money and other property of whatever kind in his possession or under his control.

D. Other Offices. Any other officer designated by the Executive Board shall have such duties as may be determined by the Executive Board.

Section 5. Compensation. The officers shall receive no compensation unless such compensation is approved by seventy-five (75%) percent vote of the members of the Association present and voting at an annual or special meeting. Officers shall be entitled to be reimbursed for all expenses reasonably incurred in the discharge of their duties. Any such compensation or reimbursement of expenses shall be a Common Expense.

Section 6. Liability of Executive Board and Officers. Members of the Executive Board and officers of the Association:

A. Shall not be liable to the Unit Owners as a result of their activities as such members or officers for any mistakes of judgment, negligent or otherwise, except for their willful misconduct or gross negligence;

B. Shall have no personal liability in contract to the Unit Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such member or officer;

C. Shall have no personal liability in tort to a Unit Owner or any other person or entity directly or imputed, by virtue of acts performed by them or for them, in their capacity as such member or officer;

D. Shall have no personal liability arising out of the use, misuse or condition of the Property, or for which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such member or officer.

Section 7. Indemnification of the Executive Board and Officers. The Association shall indemnify and hold harmless every Executive Board member and officer of the Association, his heirs and personal representatives, from and against any and all personal liability and all expenses including counsel fees, incurred or imposed, arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, to which he may be or be threatened to be made a party by reason of his being or having been an Executive Board member or officer of the Association, excepting to the extent that such liability or expense shall be attributable to his gross negligence or willful misconduct. In the event of a settlement, such indemnification shall be provided only if the Executive Board shall have approved such settlement. Such right of indemnification shall not be exclusive of other rights to which such Executive Board member or officer may be entitled. All indemnification paid by the Association and any cost or expenses incurred by the Executive Board or the Association in connection herewith shall be deemed to be a Common Expense; provided, however, that nothing in this Section shall be deemed to obligate the Association to indemnify any Unit Owner who is or has been a member of the Executive Board or officer of the Association with respect to any duty or obligations assumed or liability incurred by him under and by virtue of his membership in the Association or his ownership of a Unit.

ARTICLE V

POWERS AND DUTIES OF EXECUTIVE BOARD

Section 1. Powers and Duties. The Executive Board shall have and execute all lawful powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts or things except as by law, the Declaration or these Bylaws are required to be performed by the Unit Owners. Such powers and duties of the Executive Board shall include, but shall not be limited to, the following:

A. To provide for the acquisition, construction, management, operation, care, upkeep, maintenance, improvement, renovation and replacement of Common Elements, Limited Common Elements and Reserved Common Elements, if any, except to the extent specifically imposed upon the individual Unit Owners.

B. Determination and payment of the Common Expenses of the Condominium. The Executive Board shall have the right to make final determination of any claim or dispute by Unit Owners as to whether any charge or expense applies against the Unit Owner rather than the Common Elements and such determination shall be final, conclusive and binding.

C. Establishment, maintenance and collection and disbursement from assessments and Common Charges received from the Unit Owners, including, without limitation, amount for working capital to meet operating expenses, a general operating reserve, a reserve fund for capital improvements and replacements and such special assessments as may become necessary to make upon any deficit in the Common Charges or assessments for any prior year. Executive Board may designate and compensate an agent or independent contractor for the purpose of collecting Common Charges and assessments and for the purpose of making disbursement therefrom on behalf of the Executive Board.

D. Employment and dismissal of personnel necessary for the maintenance and operation of the Common Elements and the Condominium.

E. Propose amendments to these Bylaws governing the operation and use of the Property, subject to the approval of sixty-seven (67%) percent of the Unit Owners present and voting at a duly called meeting.

F. Opening of bank accounts on behalf of the Condominium and designating the signatories required therefore.

G. Purchasing of Units at foreclosure or other judicial sales in the name of the Executive Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and accomplishing any and all actions necessary or incidental thereto.

H. Selling, leasing, mortgaging (but not voting the votes appurtenant thereto) or otherwise dealing with the Unit acquired by, and subleasing Units leased by, the Executive Board or its designee on behalf of all Unit Owners.

I. Making all repairs, additions and improvements to or alterations or restorations to the Condominium or to the Property in accordance with the provisions of the Declaration and these Bylaws including those necessitated by damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

J. The Executive Board shall have the power to enforce obligations of the Unit Owners, to allocate profits and expenses, and to do anything and everything else necessary to the property for the sound management of the Condominium, including the right to bring lawsuits to enforce the Bylaws promulgated by the Executive Board.

K. The Executive Board may, subject to the approval of sixty-seven (67%) percent of the Unit Owners, employ a managing agent or manager for the Condominium at a compensation to be established by the Executive Board, to perform such duties and services as the Executive Board shall authorize. The Executive Board may also employ any other employee or independent contractor to perform duties and services necessary to the operation and maintenance of the Condominium.

L. The Executive Board shall establish Rules and Regulations for the use of the Common Elements and the Reserved Common Elements.

M. The Executive Board shall have the power and duty to obtain and maintain insurance relating to the Condominium.

N. The Executive Board shall have the power and authority to do all acts and any and all things as are necessary or incidental to the implementation, enforcement, or furtherance of the terms and provisions of the Uniform Condominium Act, the Declaration and these Bylaws.

Section 2. Delegation of Power. The Executive Board shall not, without prior approval of sixty-seven (67%) percent of the Unit Owners, delegate any power to any person or managing agent.

ARTICLE VI

COMMON CHARGES, SPECIAL ASSESSMENTS AND RESERVES

Section 1. Common Charges.

A. Each Unit Owner shall pay to the Executive Board a monthly sum, herein referred to as "Common Charges", equal to one-twelfth of the Unit Owner's proportionate share of the sum required or established by the Executive Board to meet the annual Common Expenses and, if imposed by the Executive Board, to establish the operating reserve or a capital improvements or replacement reserve.

B. The Executive Board shall determine the amount of Common Charges annually but may do so more frequently should circumstances so require. Common Charge assessments shall be made at least annually and shall be based on a budget adopted at least annually by the Unit Owners' Association.

C. Written notice of Common Charges shall be sent to each Unit Owner. No Unit Owner may be exempted from liability for Common Charges or any Special Assessments by waiver of the use or enjoyment of any of the Common Elements or by abandonment of any Condominium Unit.

Section 2. Special Assessments. In addition to the Common Charges authorized above, the Executive Board may levy in any calendar year one (1) or more Special Assessments, applicable to that calendar year only and for the purpose of deferring, in whole or in part, the cost of any construction, reconstruction, improvement, unexpected repair or replacement of any capital improvement located on or in the Condominium Property, including the necessary fixtures and personal property related thereto, and for such other purposes as the Executive Board may consider necessary or appropriate.

Section 3. Reserve Fund. The Executive Board shall establish and maintain a Reserve Fund for the repair, restoration or replacement of the Common Elements and those Limited Common Elements that are the obligation of the Association to maintain. Two Hundred (\$200.00) Dollars of the Initial Fee shall be deposited in the Reserve Fund. Further, the Executive Board shall provide for the continuing funding of the Reserve Fund by means of the annual budget and shall collect such sums as part of the Common Charges. The Reserve Fund shall be held by the Executive Board in a segregated interest bearing account.

Section 4. Working Capital Fund. The Executive Board shall establish a Working Capital Fund to meet unforeseen expenditures or to purchase any additional equipment or services. One Hundred (\$100.00) Dollars of the Initial Fee shall be deposited in the Working Capital Fund. The Working Capital Fund shall be maintained as a segregated, interest bearing account fund by the Executive Board.

Section 5. Nonpayment of Common Charges or Assessments.

A. Any Common Charges or Assessments levied pursuant to the Declaration or these Bylaws or any installment thereof, which is not paid on the date when due, shall be delinquent and shall, together with interest thereon, and the cost of collection thereof, as hereinafter provided, shall become an Association lien against the Unit belonging to the Owner against whom such Common Charges or Assessment is levied. The Association lien may be foreclosed in a like manner as a mortgage on real estate. If an Assessment is payable in installments, the full amount of the Assessment becomes effective as a lien from the time the first installment thereof becomes due.

B. Any Common Charges or Assessments levied pursuant to the Declaration or these Bylaws, or any installment thereof, which is not paid within ten (10) days after it is due shall bear interest from the date due at a rate fixed by the Executive Board not to exceed fifteen (15%) percent per annum. If any Owner shall be in default in the payment of an installment of Common Charges or Assessments, the Executive Board may accelerate the remaining installments upon written notice to the Owner, and the

then-unpaid balance of the Common Charges or Assessments for the current year shall come due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Owner, or ten (10) days after mailing of such notice to the Owner by registered or certified mail, whichever shall first occur.

Section 6. Surplus Funds. Any surplus funds of the Association remaining after payment of Common Expenses and any prepayment of reserves shall be credited to Unit Owners to reduce their future Common Charges.

Section 7. Reserved Common Elements - Common Charges. Any Common Expenses associated with the maintenance, repair or replacement of a Reserved Common Element, if any, shall be assessed in equal shares against the Units benefiting.

Section 8. Reallocation. If Common Expense liabilities are reallocated, Common Charges and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense liabilities.

Section 9. Statement of Unpaid Assessments. The Association shall furnish to a Unit Owner, upon written request, a recordable statement setting forth the amount of unpaid assessments currently levied against his Unit. This statement shall be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Executive Board and every Unit Owner.

ARTICLE VII

ADDITIONS, ALTERATIONS OR IMPROVEMENTS

Section 1. Executive Board. Whenever, in the judgment of the Executive Board, Common Elements shall require additions, alterations or improvements costing in excess of \$10,000.00, said alternations or improvements shall not be made unless they have been approved by the Unit Owners at a meeting at which a quorum is present. When said approval has been obtained, all Unit Owners shall, if necessary, be assessed for the cost thereof as a special Assessment. In the event of an emergency which could cause damage to any Building or Buildings or any part or parts thereof, the Executive Board may expend sums in excess of \$10,000.00 to protect the Building or Buildings or part or parts thereof and the judgment of the Executive Board under those circumstances shall be final.

Section 2. Unit Owners. No Unit Owner shall make any structural additions, structural partition or wall change or structural alteration or improvement in or to his Unit without prior written consent of the Executive Board and, if required in the mortgage documents, the mortgagee of said Unit. This provision shall not be effective as to Declarant.

ARTICLE VIII

INSURANCE

Section 1. Insurance to be Carried by Association. Commencing not later than the time of the first conveyance of a Unit to a person other than Declarant, the Association shall maintain:

A. Property insurance on the Common Elements, Limited Common Elements, Reserved Common Elements, if any, and Units exclusive of improvements and betterments installed in Units by Unit Owners insuring against all risks of direct physical loss normally covered by the standard extended coverage endorsement and all other perils customarily included by the standard "all-risk" endorsement. The total amount of insurance after application of any deductible shall be one hundred (100%) percent of the actual replacement costs of the insured property exclusive of land, excavations, foundations and other items normally excluded from a property policy. The Association shall maintain a "master" insurance policy with premiums being paid as a Common Expense. The master policy must cover all of the Common Elements and Limited Common Elements that are normally included in such coverage. These Common Elements and Limited Common Elements shall include, but not limited to, fixtures, building service equipment and personal property and supplies belonging to the Association. The policy shall also cover fixtures, equipment and other personal property initially installed within each individual Unit. Said property insurance shall also provide the following special endorsements: (i) inflation guard endorsement; (ii) construction code endorsement; and (iii) demolition cost endorsements; (iv) contingent liability for operation of building laws endorsement; and (v) increased cost of construction endorsement.

B. Comprehensive general liability insurance, including medical payment insurance, in an amount determined by the Executive Board but not less than One Million (\$1,000,000.00) Dollars for bodily injury and property damage for any single occurrence.

Section 2. Other Insurance. The Association may carry any other insurance it deems appropriate to protect the Associates or the Unit Owners.

Section 3. Failure to Carry Required Insurance. If the insurance described in Section 1 is not maintained, the Association shall promptly cause notice of that fact to be hand-delivered or sent prepaid by United States Mail to all Unit Owners.

Section 4. Contents of Insurance Policy. Insurance policies carried pursuant to Section 1 hereof must provide that:

A. Each Unit Owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the Common Elements or membership in the Association.

B. The insurer waives its right of subrogation under the policy against any Unit Owner of the Condominium or members of the Unit Owners' household.

C. No act or omission of any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recover under the policy.

D. If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same property covered by the policy, the policy shall be primary insurance and not contributing with the other insurance.

Section 5. Proceeds From Property Insurance. Any loss covered by the property policy under Section 1-A shall be adjusted with the Association but the insurance proceeds for that loss shall be payable to the insurance trustee designated by the Executive Board for that purpose or otherwise to the Association and not to any mortgagee or beneficiary under a deed of trust or installment sales agreement. The insurance trustee for the Association shall hold any insurance proceeds in trust for the Unit Owners and lienholders as their interest may appear. Subject to the provisions of Section 7 hereof, the proceeds shall be distributed first for the repair or restoration of the damaged Common Elements, to include Limited Common Elements and Reserved Common Elements, if any, and Units and Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored or the Condominium is terminated.

Section 6. Unit Owner May Obtain Insurance. An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for his own benefit.

Section 7. Evidence and Cancellation of Insurance. Any insurer that has issued an insurance policy under this Article shall issue certificate or memoranda of insurance to the Association and, upon request to any Unit Owner, mortgagee or beneficiary under a deed of trust or installment sale agreement. The insurance may not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association, each Unit Owner and each mortgagee or beneficiary under a deed of trust or installment sale agreement to whom Certificates of Insurance have been mailed.

Section 8. Disposition of Insurance Proceeds.

A. Any portion of the Condominium damaged or destroyed shall be repaired or replaced promptly by the Association unless (1) the Condominium is terminated; (2) repair or replacement would be illegal under any state or local health safety statute or ordinance; or (3) eighty (80%) percent of the Unit Owners, including every Owner of a Unit which will not be rebuilt, vote not to rebuild.

B. If the entire Condominium is not repaired or replaced: (1) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium; (2) the insurance attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were assigned; and (3) the remainder of the proceeds shall be distributed to all Unit Owners in proportion to their Common Element interest.

If Unit Owners vote not to rebuild any Unit, that Unit's entire Common Element interest, votes in the Association and Common Expense liability are automatically reallocated upon the vote as if the Unit had been condemned pursuant to Section 3107(a) of the Act and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocation.

C. Notwithstanding the provisions of this Article, Section 3220 of the Act govern the distribution of insurance proceeds if the Condominium is terminated.

Section 9. Director and Officers Liability Insurance. To the extent available, the Executive Board may obtain and maintain a comprehensive general liability policy in such limits as the Executive Board may from time to time determine or in such limits as may be available, insuring the Executive Board members and officers of the Association from claims arising out of or in connection with the management, operating or maintenance of the Condominium, such policies shall insure the Executive Board members and officers against any mistakes of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith.

ARTICLE IX

USE RESTRICTIONS

Section 1. Use and Occupancy of Common Elements. The occupancy and use of the Unit and Common Elements, including Limited Common Elements, shall be subject to the use restrictions specified in Article VII of the Declaration.

Section 2. Executive Board Rules and Regulations. The Executive Board may from time to time promulgate Rules and Regulations, not in conflict with the provisions of the Declaration, concerning the use and enjoyment of the Property, subject to the right of the Association, to change such Executive Board Rules and Regulations. Copies of the then-current Executive Board Rules and Regulations and any amendments thereto shall be furnished to all Unit Owners and occupants by the Executive Board promptly after the adoption of such Executive Board Rules and Regulations or any amendments thereto.

ARTICLE X

AMENDMENT

Section 1. Number of Votes Required. Provisions of these Bylaws may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven (67%) percent of the votes of the Association are allocated.

Section 2. Recording Amendment to Bylaws. Any amendment to the Bylaws must be recorded in the Office of the Recorder of Deeds of Cumberland County and shall be indexed in the name of the Condominium in both the Grantor and Grantee index. The amendment shall be effective only upon recording.

Section 3. Officer Authorized to Execute Amendment. Amendments to the Bylaws required by this Article to be recorded by the Association shall be prepared, executed, recorded and certified by any officer of the Association.

ARTICLE XI

MISCELLANEOUS

Section 1. Separate Title and Taxation.

A. Title. Except as provided in Subsection B, each Unit, together with its Common Element interest constitutes for all purposes a separate parcel of real estate.

B. Taxation and Assessment. If there is a Unit Owner other than Declarant, each Unit together with its Common Element interest, but excluding its Common Element interest in Convertible Real Estate, shall be separately taxed and assessed, and each portion of any Convertible Real Estate shall be separately taxed and assessed.

Section 2. Utilities. Each Unit Owner shall pay for his own telephone, electricity, water, sewer and all the utilities which are separately metered or billed to each user by the respective utility companies. Utilities which are not separately metered or billed to Units and which are used in connection with the Common Elements, shall be treated as a part of the Common Expense.

Section 3. Eminent Domain. In the event of a taking of all or part of a Unit or Common Element, the provisions of Section 3107 of the Act shall govern.

Section 4. Association Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the provisions of Section 3407 of the Act. All financial and other records shall be made reasonably available for examination by any Unit Owner and his authorized agents.

Section 5. Annual Audit. The Association may at its first annual meeting and thereafter direct the Executive Board to submit the books, records and memoranda to an annual audit by a certified public accountant who shall audit the same and render a report thereon in writing to the Executive Board and the Association. The cost of said audit shall be a Common Expense.

Section 6. Officers Authorized to Execute Amendment of Declaration. Amendments to the Declaration, required by the Declaration to be recorded by the Association, shall be prepared, executed, recorded and certified by any officer of the Association.

Section 7. Termination of Condominium. Termination of the Condominium shall be in accordance with the provision of Section 3220 of the Act.

Section 8. Conflict. The Bylaws are subordinate and subject to all provisions of the Declaration and the provisions of the Act. All of the terms hereof except where clearly repugnant to the context, shall have the same meanings as they are defined to have in the Declaration or the Act. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between the Declaration and the Act, the provisions of the Act shall control.

Section 9. Severability. The provisions of these Bylaws shall be deemed independent and severable, and, the validity or unenforceability of any provision of portion thereof shall not affect the validity of enforceability of any other provision hereof.

Section 10. Waiver. No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been waived by reason of any failure or failures to enforce the same.

Section 11. Captions. The captions contained in these Bylaws are for convenience only and are not a part of the Bylaws and are not intended in any way to limit or enlarge the terms and provisions of the Bylaws.

Section 12. Gender. Wherever in these Bylaws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

Section 13. Effective Date. These Bylaws shall become effective when the Declaration and these Bylaws shall have been duly recorded.

IN WITNESS WHEREOF, the undersigned members of the Executive Board adopt the within as Bylaws the day and year first above written.

EXECUTIVE BOARD OF LAUREL HILLS NORTH
CONDOMINIUM I

Donald E. Meske
Donald E. Meske

Beverly A. Simpson
Beverly A. Simpson

Gerry W. Simpson
Gerry W. Simpson

RECORDED-OFFICE OF THE
RECORDER OF DEEDS
CUMBERLAND COUNTY-PA.
OCT 22 PM 3 23

ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF CUMBERLAND

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: ss:
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On this, the 19th day of October, 1990, ~~1989~~, before me, the undersigned officer, personally appeared DONALD E. MESKE, BEVERLY A. SIMPSON and GERRY W. SIMPSON, members of the Executive Board of Laurel Hills North Condominium I, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

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

Vickie R. Welker
Notary Public

NOTARIAL SEAL
Vickie R. Welker, Notary Public
Camp Hill Boro, Cumberland County
My Commission Expires March 4, 1991

State of Pennsylvania }
County of Cumberland } SS

Recorded in the office for the recording of Deeds
etc. in and for Cumberland County, Pa.
in Book 388 Vol. 843 Page 843

witness my hand and seal of office of
Carlisle, PA this 22nd day of Oct 1990

