

BY-LAWS
OF
PARKSIDE TOWNHOUSES CONDOMINIUM ASSOCIATION

PURSUANT TO THE PROVISIONS OF THE
PENNSYLVANIA UNIFORM CONDOMINIUM ACT, 68 Pa. C.S.
SECTION 3101 et seq.

F. R. Martsolf, Esquire
MARTSOLF & BRATTON
125 State Street
P.O. Box 12106
Harrisburg, PA 17108-2106

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BY-LAWS
OF
PARKSIDE TOWNHOUSES CONDOMINIUM ASSOCIATION

THESE BY-LAWS are adopted this _____ day of _____, 1989, by the following individuals, Barry Newhart, Julius Goldfarb, and Ken J. Otterman, all of whom constitute the first members of the Executive Board of Parkside Townhouses Condominium Association.

BY-LAWS

ARTICLE I

INTRODUCTORY PROVISIONS

Section 1.1. Applicability. These By-Laws provide for the governance of the Parkside Townhouses Condominium Association (the "Association") pursuant to the requirements of Section 3306 of the Act with respect to the Condominium created by the recording of the Declaration among the land records of York County.

Section 1.2. Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these By-Laws pertain or, if not defined therein, the meanings specified or used for such terms in the Act.

Section 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.

Section 1.4. Principal Office. The principal office of Parkside Townhouses Condominium Association and of the Executive Board shall be located at 2316 Dairy Road, Lancaster, Lancaster County, 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 1.5. Administration. The administration and management of the Association and the Property and the actions of the Executive Board and the Association shall be governed by the By-Laws and the Declaration. All present and future Unit Owners, tenants, or their licensees, customers, guests, servants, agents, employees and any other person or persons that shall be permitted to use the property shall be subject to the By-Laws and to the Rules and Regulations made and promulgated by the Executive Board. Acquisition, rental or occupancy of any Unit shall be conclusively deemed to mean that the Unit Owner, tenant or occupant has accepted and ratified the By-Laws and the Rules and Regulations of the Executive Board and will comply with them.

Section 1.6. Incorporation of Statutory Law. Except as expressly provided herein, in the Declaration, or in the Act, the Association shall be governed by the provisions of the Non-Profit Corporation Law of 1972 of the Commonwealth of Pennsylvania, 15 Pa.C.S. §7701, et seq., as amended from time to time (the "Corporation Law"). The "Board of Directors" described therein shall be referred to herein and in the Declaration as the "Executive Board".

ARTICLE II

THE EXECUTIVE BOARD

Section 2.1. Management of the Property, Number and Qualification. An Executive Board shall manage the business, operation and affairs of the Association and the Property on behalf of the Association in compliance with and subject to the provisions of the Act, these By-Laws and the Declaration. The Executive Board shall consist of at least three natural individuals, each of whom shall be at least twenty-one (21) years of age. More individuals may be selected as deemed necessary by the Declarant during the period said Declarant is entitled to select a majority of the Executive Board; otherwise, the Unit Owner may choose to elect additional members provided that a resolution calling for such additional members is passed by Unit Owners holding in excess of sixty-seven percent (67%) of the votes cast at any annual or special meeting of Unit Owners duly called. A person need not be a Unit Owner to qualify for membership on the Executive Board.

Section 2.2. Term. The first members of the Executive Board shall be Barry Newhart, Julius Goldfarb, and Ken J. Otterman, and they shall serve until sixty (60) days after

twenty-five percent (25%) of the Units shown on the Declaration Plan, as the same may be amended from time to time, have been sold by the Declarant, been paid for and title closed, or until seven (7) years after the date of recording of the Declaration, whichever shall first occur. The Declarant may appoint and remove the officers and members of the Executive Board until the time set forth above except in instances when election of the members during transfer of the Declarant's control is made mandatory by Section 3303 of the Act or the provisions hereof. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units to Unit Owners other than the Declarant, not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units to Unit Owners other than the Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant.

Section 2.3. Election and Term of Office. The first meeting of the Association shall be held on call by the Executive Board no later than one (1) year after the date of the recording of the Declaration. Said meeting shall be considered to be the first annual meeting of the Association. The members of the Executive Board appointed by the Declarant shall continue to act until the occurrence of the events provided in Section 2.2 hereof. At any election of the Executive Board, each Unit Owner, including the Declarant to the extent that the Declarant is still a Unit Owner, shall have the right to vote in accordance with the provisions of these By-Laws for each position to be filled. If at any election of Executive Board members, more than twice the number of candidates to be elected are nominated, there shall be two ballots for membership. At the end of the first ballot, the field of nominees shall be reduced so that there are no more than twice as many candidates running as there are positions to be filled, with those receiving the lowest number of votes being eliminated. A second ballot shall be held, and on the second ballot, those receiving the greatest number of votes will be elected. If there are not more than twice the number of nominees as there are positions to be filled, then there shall be one ballot with those receiving the highest number of votes being elected to membership on the Executive Board. If the candidates are being elected for varying periods of years, the candidates polling the highest votes will be considered elected for the longest number of years. After the first annual meeting of the Association, succeeding annual meetings shall be held during the same month of each succeeding year. At each annual meeting, members of the Executive Board shall be elected by ballot of the Unit Owners in accordance with these By-Laws. At such time

specified in Article XII, Section 12.1(c) of the Declaration, the members of the Executive Board and the place vacated by the Declarant's representatives shall be filled by the remaining members of the Executive Board as herein provided for the unexpired portion of the term. Notwithstanding any other provisions hereof, the Declarant may, from time to time, replace any of the members of the Executive board which it has appointed pursuant to Article II hereof.

Section 2.4. Removal of Members of the Executive Board. At any duly held regular or special meeting of the Association, any one or more members of the Executive Board may be removed, with or without cause, by a majority of the Unit Owners present and voting, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Executive Board whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. This removal power is conditioned upon the Declarant's control as set forth in Article II hereof.

Section 2.5. Vacancies. Vacancies in the Executive Board caused by any reason shall be filled by a vote of majority of the remaining members of the Executive Board at a special meeting of the Executive Board held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall be a member of the Executive Board for the remainder of the term of the member whose term he is filling and until his successor is elected. Vacancies must be filled within thirty (30) days. In the event of a deadlock by the Executive Board in filling any such vacancy, the Executive Board may call a special meeting of the Association, upon at least ten (10) days written notice, at which such vacancy shall be filled.

Section 2.6. Organizational Meeting. The first or organizational meeting of each newly elected Executive Board shall be held immediately upon adjournment of the meeting of the Association at which they were elected and at the same place where the meeting of the Association was held, provided a quorum is present. If a quorum of the Executive Board is not then present, such first or organizational meeting shall be held as soon thereafter as may be practicable provided notice is given to each member of the Executive Board as set forth in Section 2.7 of this Article II or unless waived as provided in Section 2.7 of this Article II.

Section 2.7. Meetings of the Executive Board. The first meeting of the Executive Board following the first annual meeting of the Association shall be held within ten (10) days following such annual meeting at such time and place as shall be fixed by the Executive Board and no notice shall be necessary. Regular

meetings of the Executive Board, before or after the first annual meeting of the Association, may be held at such time and place as shall be determined from time to time by a majority of the members of the Executive Board, but at least two meetings shall be held each year. Notice of regular meetings of the Executive Board shall be given to each Executive Board member by the Secretary or President by mail or telegram at least ten (10) days prior to the date of the meeting. Special meetings of the Executive Board shall be called by the President or the Secretary in like manner of on like notice promptly following the written request of at least three members of the Executive Board. Any member of the Executive Board may, in writing, waive notice of any regular or special meeting of the Executive Board and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by members of the Executive Board at any meeting of the Executive Board shall constitute his waiver of notice of the meeting. All meetings of the Executive Board shall be open to the attendance by the Unit Owners.

Section 2.8. Quorum of the Executive Board. At all meetings of the Executive Board, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Executive Board. If at any meeting of the Executive Board there shall be less than a quorum present, the majority of those present may adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice.

Section 2.9. Compensation of Executive Board Member. No member of the Executive Board shall receive any compensation for acting as an Executive Board member. However, the Executive Board members shall be reimbursed for out-of-pocket expenses and may be compensated for services rendered to or for the condominium in any other capacity, and shall be indemnified as provided in the Declaration.

Section 2.10. Action by Executive Board Without a Meeting. Any action which may be authorized may be taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all the Executive Board members, which writing or writings shall be filed with or entered upon the records of the Executive Board.

Section 2.11. Powers, Authority and Duties. The Executive Board shall have and exercise all lawful powers, authority and duties necessary for the proper conduct and the administration,

management and operation of affairs of the Association and the Property, and may do or cause to be done all such other lawful acts and things as are not by law, by the By-Laws and the Declaration or otherwise, directed or required to be done or exercised by the Association, or by others. In the performance of its duties as the administering body of the Association and the Property, the Executive Board shall have powers, authority and duties set forth in the Act, Corporate Law and the Declaration, including, but not limited to the following:

(a) Operation of the Property. The operation, management Maintenance, renewal, replacement, repair, care, cleaning, upkeep, protection and surveillance of the Association and the Property, and all other property, real or personal, of the Executive Board held for the benefit of the Association.

(b) Preparation of Budget. The preparation and adoption of an annual budget for the next succeeding fiscal year which shall include, but not be limited to, a provision to establish and maintain an adequate reserve fund for the replacement of the Common Elements. The total amount of such budget or estimate shall be assessed against all of the Units and the respective Unit Owners thereof in the same proportion as their respective undivided Common Interests in the Common Elements as set forth in the Declaration. The proportionate amounts thus found applicable to each Unit shall be payable by the Unit Owner to the Executive Board in twelve equal monthly installments on the first day of each month of each year. On or before the due date of the first monthly installment, the Executive Board shall prepare and deliver or mail to each Unit Owner and person holding a first mortgage upon a Unit a statement showing the amount hereof and the amount assessed against such Unit for the entire fiscal year, and shall not be obligated to give notice of any subsequent accruing monthly payments for such fiscal year; and the omission of notice of such installment shall not relieve such Unit Owner from his obligation to pay such monthly installments promptly when and as they become due and payable. The omission of the Executive Board to fix the Assessments for the next fiscal year shall not be deemed a waiver or a modification in any respect of the provisions of the By-Laws or of the other Documents, or a release of the Unit Owners from the obligations to pay the Assessments, or any installment thereof for any such year, but the Assessment fixed for the preceding fiscal year shall continue until a new Assessment is fixed.

(c) Increases in Assessments. To adjust or increase the amount of any annual Assessment for Common Expenses and monthly installments thereof, and to levy and collect in addition thereto, Special Assessments for Common Expenses in such amounts as the Executive Board may deem proper, whenever the Executive Board is of the opinion it is necessary to do so in order to meet increased operating or maintenance costs, or additional capital expenses, or because of emergencies; provided, however, that all such increased or Special Assessments shall be made or levied against all Unit Owners and the Units owned by them equally.

(d) Expenditures. To use and expend any sum collected from such Assessments for the operation, management, maintenance, renewal, replacement, repair, care, cleaning, upkeep, surveillance and protection of the Property and all of the real and personal property of the Executive Board held for the benefit of the Unit Owners. No expenditures for capital improvements of \$10,000.00 for any one item shall be made by the Executive Board without the affirmative vote of the Association or their Voting Representatives representing a majority of the total votes at an annual meeting or special meeting called for that purpose at which a quorum was present. In the event there shall be any Common Profits remaining at the end of each fiscal year, then the same shall be credited in the same proportions as their respective Common Interest therein to the next monthly installments due from the Unit Owners under the current fiscal year's budget, until exhausted.

(e) Employment of Manager. To employ a professional Managing Agent (herein called the "Manager") to manage the Property. The Manager shall be subject to the control of the Executive Board at all times. The Executive Board shall have the power to fix the Manager's compensation and to set forth and define the details of the Manager's powers and duties; provided, however, that any agreement with the Manager shall be in writing and shall provide that it may be terminated for cause on thirty (30) days' written notice. The compensation of the Manager shall be paid by the Executive Board as part of the Common Expenses.

(f) Taxes, Water and Sewer Costs. To pay all taxes and assessments levied or assessed against any property of the Executive Board held for the benefit of the Association, exclusive of any taxes or assessments levied against any Unit or otherwise properly chargeable to the Unit Owner or Unit Owners thereof.

Taxes and assessments (if any) which may be levied against the Property as a whole before separate assessments for each Unit are made as provided by Section 3314 of the Act shall be paid by the Executive Board and shall be included in the budget and paid by the Unit Owners as a Common Expense. All liens against the Common Elements of any nature including taxes and special assessments levied by governmental authorities shall be paid by the Executive Board and shall be assessed by the Executive Board against the Unit or Units in accordance with their respective Common Interests or to the Common Expense account, whichever in the judgment of the Executive Board is appropriate.

The cost of electricity for common facilities (other than as supplied to individual Units) which are assessed, levied and charged against the Property as a whole shall be paid by the Executive Board as a Common Expense.

The costs of water or sewer which are provided and separately metered to individual Units shall be billed to those Units; the costs of water or sewer which are provided to Buildings and are not separately metered to Units within those Buildings shall be assessed by the Executive Board against the Units in such Buildings in proportion to their respective Common Interests. The costs of water or sewer for common facilities (and not supplied to Units) shall be paid by the Executive Board and shall be included in the budget and paid by the Executive Board as a Common Expense.

(g) Hire Employees. To employ and dismiss such clerks, workmen, janitors, watchmen and other personnel, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Executive Board may from time to time be necessary for the proper operation and maintenance of the Association and the Property, except the portions thereof required to be maintained by Unit Owners.

(h) Collection of Delinquencies. To collect delinquent levies or Assessments made by the Executive Board against any Units and the respective Unit Owners thereof, and interest at such rate shall be set by the Executive Board with the current rate hereby set at fifteen percent (15%) per annum, together with such costs and expenses incurred in connection therewith, including, but not limited to, filing fees, court costs and reasonable attorneys' fees whether by suit or otherwise, and to abate nuisances and

enforce observances of the Rules and Regulations relating to the Association and the Property, by injunction or such other legal action or means as the Executive Board may deem necessary or appropriate.

(i) Legal Counsel, etc. To employ or retain legal counsel, engineers and accountants, and to fix their compensation, whenever such professional advice or services may be deemed necessary by the Executive Board for any proper purposes, including but not limited to those hereinbefore or hereinafter referred to in the By-Laws or the Declaration.

(j) Operating Accounts. To cause such operating accounts, and escrow and other accounts, if any, to be established and opened as the Executive Board may deem appropriate from time to time and as may be consistent with good accounting practices.

(k) Audits and Books of Account.

(1) To cause a complete audit of the books and accounts of the Association to be made by a competent certified public accountant at the end of each fiscal year, and at such other time or times as may be deemed necessary. The Executive Board shall also prepare at the end of each fiscal year and furnish to all Unit Owners a report of the business and affairs of the Association, showing its transactions and reflecting fully and accurately its financial condition.

(2) To keep detailed books of account, in chronological order, of the receipts and expenditures affecting the Association and the Property and its administration, and specifying the amount of the Common Expenses, Common Receipts and Common Profits and the portions thereof attributable to each Unit.

(l) Rules and Regulations. To make, promulgate and enforce compliance with such reasonable rules and regulations (herein called "Rules and Regulations") relative to the operation, use and occupancy of the Units, the Common Elements and other portions of the Property and to amend the same from time to time as the Executive Board shall deem necessary or appropriate, which Rules and Regulations when approved by appropriate resolutions shall be binding on the Unit Owners, and the tenants and occupants of Units. A copy of such Rules and Regulations and copies of any amendments thereof shall be delivered or mailed to each Unit Owner promptly upon the adoption thereof.

(m) Insurance. To procure and maintain the insurance and keep the Property insured as provided in Section 14.1 of the Declaration. The Executive Board shall review the insurance requirements and limits thereof at least once a year. The Executive Board shall pay the premiums on the aforementioned policies as Common Expenses. In the event the amount of any premium on such insurance shall be increased above the normal premium because of a particular use of, or hazard or risk in a Unit, then the Unit Owner of such Unit shall be solely liable for the increase, and the increase shall not constitute a Common Expense.

(n) Prosecution of Eminent Domain Proceedings. To prosecute all proceedings with respect to the taking, injury or destruction by eminent domain of the Common Elements or any part thereof, or any part of the Property, provided, however, that the Executive Board shall not compromise any claim without the affirmative vote of Unit Owners or their Voting Representatives representing at least sixty-seven percent (67%) of the total outstanding votes of the Association at an annual meeting or special meeting thereof called for that purpose. The Executive Board shall give notice to each Unit Owner and the first mortgagee of each Unit of any such proceedings and each Unit Owner shall be entitled to participate in any such proceedings. The Executive Board shall also determine whether it shall be appropriate to apply any sums payable with respect to such taking, injury or destruction to the repair or replacement of the Common Elements or Property injured or destroyed as a result thereof and shall distribute any sums not so applied as provided in Article V of the By-Laws.

(o) Purchase of Units. In order to protect the Executive Board's right to collect unpaid Assessments which are a charge against a Unit, it shall have the right to purchase, on behalf of the Association, at sheriff's sale any Unit in Parkside Townhouses Condominium provided that action shall be authorized by the affirmative vote of a majority of the members of the Executive Board. The Executive Board shall also have the power to purchase a Unit for use by a superintendent employed by the Executive Board and to purchase, hold, lease, sublet, sell, convey and mortgage such Unit acquired pursuant to the provisions of the preceding sentence. The Executive Board may borrow all or part of the funds necessary to effect any such purchase. Payment of the purchase price shall be made from the Common Receipts and any income from any resale, mortgage or lease shall be deemed to constitute Common Receipts.

(p) Lease or License of Common Elements. To lease or license the use of Common Elements in a manner not inconsistent with the rights of the Unit Owners, including, but not limited to, leases of portions of the Common Elements to the Declarant.

(q) Designation of Title Holder. To designate a nominee for the purpose of acquiring title to any Unit and/or to designate and enter into a trust agreement with two or more members of the Executive Board to act as trustees on behalf of the Executive Board and Association for the purpose of holding title to any Units purchased by the Executive Board in trust for the Executive Board and the Association and/or to execute mortgages and leases as such trustees.

(r) Leases. To enforce the provisions regarding leases as provided in Article VIII of the By-Laws.

(s) Personal Property. To acquire, hold and lease in the name of the Executive Board, the Executive Board's nominee, or the trustees appointed by the Executive Board pursuant to Paragraph (r) of this Section 2.11, for the benefit of the Association, tangible and intangible personal property and to dispose of the same by sale or otherwise. The beneficial interest in such personal property shall be in the Unit Owners and shall be deemed part of the Common Elements and shall not be transferable except as part of the transfer of title to the Unit. The transferer of title to a Unit shall transfer to the grantee ownership of the grantor's share of the beneficial interest in such personal property.

(t) Additions and Improvements.

(1) Subject to the provisions of the Declaration, the Executive Board shall have the right to make or cause to be made such alterations, additions and improvements to the Common Elements as in the Executive Board's opinion may be beneficial and necessary. The Executive Board may require the consent in writing before undertaking such work of such Unit Owners and the holders of first mortgages thereon, whose rights, in the sole opinion of the Executive Board, may be prejudiced by such alterations, additions or improvements.

(2) When, in the sole opinion of the Executive Board, the alteration, addition or improvement is general in character the costs therefore shall be assessed as Common Expenses.

(3) When, in the sole opinion of the Executive Board, the alteration, addition or improvement is exclusively or substantially exclusively for the benefit of one or more Unit Owners, the costs including future maintenance shall be assessed against such Unit Owner or Unit Owners in such proportion as the Executive Board shall determine is fair and equitable.

Nothing herein contained shall prevent the Unit Owners affected by such alteration, addition and improvement from agreeing in writing, either before or after the Assessment is made, to be assessed in different proportions.

(u) Fines. After notice and an opportunity to be heard, the Executive Board may levy a reasonable fine for violations of the Declaration, By-Laws and Rules and Regulations of the Unit Owner's Association as permitted by Section 3302(a)(11) of the Act.

(v) Incidental Powers. To exercise any other powers incidental and necessary to the accomplishment of the above.

Section 2.12. Limitation of Executive Board's Liability. The Executive Board and the members of the Executive Board in their capacity as board members and/or officers of the Board: (a) shall not be personally liable for the failure of any service to be obtained and paid for by the Executive Board hereunder, or for injury or damage to persons or property caused by the elements or by another Unit Owner or person on the Property, or resulting from electricity, water, wind, rain or dust which may leak or flow from the outside or from any parts of any Buildings or other improvements constructed on the Property or from any of their pipes, drains, conduits, appliances, or equipment, or from any other place unless caused by willful misconduct or gross negligence of the board members; (b) shall not be personally liable to the Unit Owners and/or Association as a result of the performance of their duties for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or gross negligence; (c) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Executive Board or the Association in the performance of their duties; (d) 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 them, except for their own individual willful misconduct or gross negligence in the performance of their duties or acts performed for them; and (e) shall have no

personal liability arising out of the use, misuse or condition of the Property of which might in any other way be chargeable against the Property, or which might in any other way be chargeable against or imputed to them as a result or by virtue of their performance of their duties except for their own individual willful misconduct or gross negligence.

Section 2.13. Indemnification of Executive Board Members. Each member of the Executive Board in his capacity as an Executive Board member and/or officer and his heirs, executors and administrators shall be indemnified by the Association/Unit Owners against all liabilities and expense, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement thereof, whether or not he is an Executive Board member and/or such officer at the time such expenses are incurred, except in such cases wherein the Executive Board member and/or officer is adjudged guilty of gross negligence or willful misconduct in the performance of his duties; provided that, in the event of a settlement, the indemnification shall apply only if and when the Executive Board (with the affected member abstaining) acting upon advice of legal counsel, approves such settlement and reimbursement as being in the best interest of the Unit Owners. The indemnification by the Association and Unit Owners set forth in this Section 2.13 of this Article II shall be paid by the Executive Board on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such rights to indemnification shall not be deemed exclusive of any rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or vote of Association or of the Executive Board or otherwise.

Section 2.14. Language Concerning Liability in Agreement. Every agreement, deed, lease, mortgage, instrument or other transaction entered into by the Executive Board on behalf of the Association shall provide that the Executive Board and the officers executing the same are acting only as agents for the Association and shall have no personal liability thereunder (except to the extent, if any, that they may also be Unit Owners at the time any such liability is assessed), that any claim by the other party or parties thereto in respect thereto or to the subject matter thereof shall be asserted against the Executive Board, which shall act on behalf of the Association in respect thereto, that any liability thereunder or in respect of the subject matter thereof shall be borne by those Persons who are Unit Owners at the time such liability is assessed by the

Executive by the Executive Board as a Common Expense, for which Assessment each such Unit Owner shall be liable only severally to the extent of his Common Interest in the Common Elements.

Section 2.15. Notice of Suit and Opportunity to Defend. Complaints brought against the Executive Board, or the officers, employees or agents thereof, in their respective capacities as such, or the Property as a whole, or the Unit Owners as a class or the Association, shall be directed to the Executive Board, which shall give written notice thereof promptly to the Unit Owners and to persons holding a first mortgage upon a Unit, and shall be defended by the Executive Board. The Unit Owners and such mortgages shall have no right to participate other than through the Executive Board in such defense.

ARTICLE III

OFFICERS OF THE ASSOCIATION

Section 3.1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant Treasurer, and assistant Secretary and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Executive Board. Any other officers may but need not be Unit Owners or members of the Executive Board. An officer may hold more than one office.

Section 3.2. Election of Officers. The officers of the Executive Board shall be elected annually by the Executive Board at the organization of each new Executive Board and shall hold office until their successors are elected or appointed by the Association and qualify.

Section 3.3. Duties of the President. The President shall be the Chief Executive Officer of the Executive Board and shall preside at all meetings of the Association and of the Executive Board. He shall have the general powers and duties usually vested in the officer of the President of a Pennsylvania business corporation including but not limited to, the power to appoint committees from and among the Unit Owners from time to time as he may deem appropriate to assist in the conduct of the affairs of the Executive Board.

Section 3.4. Duties of the Vice President. The Vice President shall perform all duties as shall be delegated to him by the President. He shall serve as Chairman of the respective committees which the President shall deem appropriate. The Vice President shall exercise the powers and perform the duties of the President in his absence or disability.

Section 3.5. Duties of the Secretary. The Secretary shall attend all meetings of the Executive Board and all meetings of the Association and shall record all votes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose. He shall have charge of the minute book and such records and papers as the Executive Board shall direct and perform all duties incident to the office of Secretary of a Pennsylvania business corporation including the sending of notices of meetings to the Unit Owners, the Executive Board and committees and such other duties as may be prescribed by the By-Laws or by the Executive Board or by the President. He shall keep at the Executive Board's office a record of the names and addresses of all Unit Owners and the information specified in Section 4.11 of Article IV of the By-Laws, as well as copies of the Declaration, the Declaration Plan, the By-Laws and the Rules and Regulations adopted by the Executive Board, all of which shall be available at the office of the Executive Board for inspection by Unit Owners or prospective Unit Owners during regular business hours. The Secretary shall keep or cause to be kept the register of holders of mortgages secured upon the Units.

Section 3.6. Duties of the Treasurer. The Treasurer shall have charge and custody of, and be responsible for, the funds and securities of the Executive Board and shall deposit all monies, checks and other valuable effects in the name and to the credit of the Executive Board in such depositories as may from time to time be designated by the Executive Board. He shall disburse the funds of the Executive Board as may from time to time be ordered by the Executive Board or by the President, making proper vouchers for such disbursements. He shall keep or cause to be kept full, complete and accurate accounts and records of all financial transactions of the Executive Board and shall submit or cause to be submitted to the Executive Board and the Unit Owners such reports thereof as the law, the Declaration, the Executive Board or the By-Laws may from time to time require. Such accounts and records shall include, without limitation, chronological listings of all Common Receipts and Expenses on account of the Common elements of each Unit, and any other expense incurred, the amount of each Assessment for Common Expenses and Assessments applicable to the Units, if any, and the amounts paid and the amounts due on such Assessments by the Unit Owners. Such records shall specify and itemize the maintenance,

repair and replacement expenses relating to the Common Elements and any other expenses incurred by the Executive Board. The foregoing financial records shall be kept at the Executive Board's office and shall be available there for inspection by Unit Owners' or prospective Unit Owners during regular business hours. He shall supply the information certificate required by Section 3407 of the Act for such fee as the Executive Board may determine.

Section 3.7. Resignation and Removal. Any officer of the Executive Board may resign at any time by written notice to the Executive Board, such resignation to become effective at the next Executive Board meeting. Any member of the Executive Board who resigns or is removed as a member of the Executive Board shall also be deemed to have resigned or been removed, ipso facto, from any Executive Board office he may have held. Any officer of the Executive Board may be removed from his office at any time, by majority vote of the Executive Board whenever in the best judgment of the members of the Executive Board the interests of the Association will be best served thereby, or vote of the Unit Owners with or without cause, in the same manner as set forth for the removal of members of the Executive Board in Section 2.4 of Article II of the By-Laws.

Section 3.8. Filling Vacancies. Vacancies caused by resignation or removal of any officer shall be filled by a majority vote of the other members of the Executive Board as set forth in Article II hereof.

Section 3.9. Execution of Instruments. No agreement, contract, check, deed, lease, mortgage or other instrument shall be binding upon the Executive Board and the Association unless signed by two officers of the Executive Board, except as such power may be otherwise delegated to the Manager as provided in Section 2.11(e) of Article II of the By-Laws.

ARTICLE IV

ASSOCIATION

Section 4.1. Place of Meetings. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the By-Laws or the Executive Board and designated in the notices of such meetings.

Section 4.2. Annual Meetings. The first annual meeting of the Association shall be held as provided in Article II, Section 2.3, above, and at least annually thereafter.

At the annual meeting, the Unit Owners and the Declarant shall elect the members of the Executive Board unless such action is taken pursuant to the provisions of Section 4.7 of Article IV. The Association also may conduct whatever other business may be required or permitted by law, the Declaration or the By-Laws, to be done by a vote of the Unit Owners. The Treasurer of the Executive Board shall present at each annual meeting an audit of the Common Expenses, Common Receipts and Common Profits, and the allocation thereof to each Unit Owner, and the Treasurer shall report on any changes expected for the current fiscal year. Such audit shall be delivered to all Unit Owners not less than ten (10) days prior to the annual meeting.

Section 4.3. Special Meetings. It shall be the duty of the President to call a special meeting of the Association, if so directed by a resolution of the Executive Board or upon petition signed and presented to the Secretary not less than thirty-three and one-third percent (33 1/3%) in the aggregate of all Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4.4. Notices. Notice of meetings of the Association shall be in writing. The Secretary of the Executive Board shall give or cause to be given to the Unit Owners and all members of the Executive Board any notice permitted or required by the Declaration or the By-Laws either by hand delivery, or mailing United States Postal Service first class mail addressed to the Unit Owner at such address as the Unit Owner may from time to time specify in writing to the Secretary. This notice shall be deemed given if placed in the Unit Owner's mailbox by hand or when the notice has been duly deposited in a receptacle therefore maintained by the United States Postal Service, postage prepaid. Notice of meetings need not be given to any Unit Owner who personally, or by his Voting Representative, signs a waiver of notice whether before or after the meeting. The attendance at a meeting of any Unit Owner, or his Voting Representative, without protesting prior to the conclusion of the meeting the lack of proper notice of such meeting, shall constitute a waiver of notice of the meeting by such Unit Owner. If there are co-owners (except for Husband and Wife) of record of Unit, notice shall be

addressed to all of them, but need be sent or delivered only to their Unit or to one other address designated in writing by them in accordance with the provisions of this Section 4.4.

Notices of the annual and special meetings of the Association shall specify the date, time and location of the meeting, as well as the matters which will be the subject of discussion or vote at such meeting. All notices for the annual meetings shall be given to the Unit Owners at least ten (10) days, but not more than twenty (20) days, prior to such meeting. Notices for special meetings shall be given to the Unit Owners at least fifteen (15) days, but not more than twenty-five (25) days, prior to such meeting. Notices for postponed meetings shall be given at least ten (10) days, but no more than twenty (20) days, prior to the date of the rescheduled meeting.

Section 4.5. Record Date. For the purpose of determining the Unit Owners entitled to notice of any meeting of the Association, or any adjournment thereof, or for the purpose of any other action, the Executive Board shall fix in advance a date as the record date for such determination. Such date shall not be more than thirty (30) days nor less than twenty-five (25) days before the date of the meeting. If no record date is fixed, then the date shall be deemed to be the twenty-fifth day before the date of the meeting.

Section 4.6. Adjournment of Meetings. If at any meeting of the Association, a quorum is not present, Unit Owners entitled to case a majority of the votes represented at such meeting may adjourn the meeting to the time not less than forty-eight (48) hours after the time for which the original meeting was called.

Section 4.7. Quorum. Except as set forth below, the presence in person or by proxy of Unit Owners of twenty (20%) percent or more of the aggregate Percentage Interests at the commencement of a meeting shall constitute a quorum at all meetings of the Association. If a meeting is adjourned pursuant to Section 4.6 above, the quorum at such second meeting shall be deemed present throughout any meeting of the Association if persons entitled to cast ten percent (10%) of the votes which may be cast for the election of the Executive Board are present in person or by proxy at the beginning of the meeting.

Section 4.8. Voting. Voting at all meetings of the Association shall be on the basis of one (1) vote for each unit. Where the ownership of a Unit is 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 or, in the absence of such named 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 to be unanimous agreement if any one of the multiple owners casts the votes allocated to the Unit without protest being made promptly to the Person presiding over the meeting by any of the other Owners of the Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of the Act, whenever the approval or disapproval of a Unit Owner is required by the Act, the Declaration or these By-Laws, such approval or disapproval shall be made only by the Person who would be entitled to cast the vote of such Unit at any meeting of the Association. Except with respect to election of members of the Executive Board and except where a greater number is required by the Act, the Declaration or these By-Laws, the owners of more than fifty percent (50%) of the aggregate Percentage Interests in the Condominium voting in person or by proxy at one time at a duly convened meeting at which a quorum is present is required to adopt decisions at any meeting of the Association. Any specified percentage of the Unit Owners means the Unit Owners owing such Percentage Interests in the aggregate. In all elections for Executive Board members, each Unit Owner shall be entitled to cast for the vacancy to be filled at such election the number of votes allocated to the Unit or Units owned by such Unit Owners as provided in the Declaration. Those candidates for election receiving the greatest number of votes cast in such elections shall be elected and, if Executive Board members are being elected to the longest terms. 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 the 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.

Section 4.9. 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 in favor of only another Unit Owner, a holder of a mortgage on a Unit or the Declarant. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by

the Person presiding over the meeting 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 the execution thereof. A proxy is void if it is not dated or purports to be revocable without notice.

Section 4.10. Actions of Unit Owners Without a Meeting. Any action required or permitted to be taken by vote of the Unit Owners may be taken without a meeting by the written consent, stating the action so taken, of at least that number of Unit Owners or their Voting Representatives whose votes would otherwise have been sufficient to take the action if a meeting had been held at which all Unit Owners or their Voting Representatives were present.

Section 4.11. List of Unit Owners. The Secretary of the Executive Board shall compile and keep up-to-date, at the principal office of the Executive Board, a complete list of the Unit Owners and their last known post office addresses. Such list shall also show opposite each Unit Owner's name the Unit Designation of the Unit or Units owned by him, the percentage of Common Interest in the Common Elements assigned to the Unit or Units owned by him, the number of votes which the Unit Owner is entitled to vote at meetings of the Unit Owners and the Voting Representative, if any. This list shall be open to inspection by all Unit Owners and other persons lawfully entitled to inspect the same during regular business hours.

Section 4.12. Order of Business. The order of business at the annual meeting of the Association shall be:

- (a) Calling the roll and certifying the proxies;
- (b) Proof of notice of the meeting or certification as to waiver;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of the officers;
- (e) Reports of the Executive Board;
- (f) Reports of the Committee;
- (g) Selection and appointment of inspectors of election if necessary;
- (h) Election of members of the Executive Board if necessary;

- (i) Old business;
- (j) New business;
- (k) Adjournment.

The order of business at all other meetings of the Association shall as far as practical conform to the order of business at the annual meeting insofar as the special purposes of the meeting will permit.

ARTICLE V

EMINENT DOMAIN

Section 5.1. General Rule. If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Declaration, the award must compensate the Unit Owner for his Unit and its Common Element interest, whether or not any Common Element interest is acquired. Upon acquisition, unless the decree otherwise provided, that Unit's entire Common Element interest, votes in the Association and Common Expense liability are automatically reallocated to the remaining units in proportion to the respective interests, votes and liabilities of those units before the taking, and the Executive Board shall promptly prepare, execute and record an amendment to the Declaration reflecting the allocations. Any remnant of a Unit remaining after part of a Unit is taken under this Section is thereafter a Common Element.

Section 5.2. Acquisition of Part of a Unit. Except as provided in Section 5.1, if part of a Unit is acquired by eminent domain, the award must compensate the Unit Owner for the reduction in value of the Unit and its Common Element interest. Upon acquisition:

(a) that Unit's Common Element interest, votes in the Association and Common Expense liability are reduced in proportion to the reduction in the size of the Unit, or on any other basis specified in the Declaration; and

(b) the portion of Common Element interest, votes and common expense liability divested from the partially acquired unit are automatically reallocated to that Unit and the remaining Units in a proportion to the respective

interests, votes and liabilities of those Units before taking, with the partially acquired unit participating in the reallocation on the basis of its reduced interest, votes and liabilities.

Section 5.3. Acquisition of Part of Common Elements. If a part of the Common Elements is acquired by eminent domain, the award must be paid to the Executive Board. The Executive Board shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the Unit Owners in proportion to their respective Common Element interest before the taking, but the portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the owners of the units to which that Limited Common Element was allocated at the time of acquisition, or in any manner the Declaration provides.

ARTICLE VI

LEASE OF UNITS

Section 6.1. Lease of Units. Upon written approval of the Executive Board, any Unit Owner may lease his Unit provided (i) that a fully conformed copy of said lease or renewal thereof shall be delivered to the Executive Board within ten (10) days of its execution; (ii) that such lease shall be consistent with and by its terms specifically subject to the provisions of the Declaration, By-Laws and other Condominium Documents, as the same may be amended from time to time; and (iii) that the Executive Board shall have the power to terminate such lease and/or bring summary proceedings to evict the tenant in the name of the lessor thereunder, in the event of a default by the tenant in the performance of such lease.

Notwithstanding anything to the contrary herein, the provisions of this Article VI shall not be applicable to a judicial sale of any Unit, not to a voluntary conveyance to a mortgagee in lieu of foreclosure, nor to any sale or lease by any mortgagee after such mortgagee shall have acquired titled to a Unit pursuant to a foreclosure of its mortgage or by virtue of a deed in lieu of foreclosure, nor to the Declarant until after the Declarant has initially conveyed or disposed of all eighty-two (82) Units in Parkside Townhouses Condominium.

ARTICLE VII

AMENDMENTS TO BY-LAWS

Section 7.1. Proposal. Amendment to the By-Laws shall be proposed by either the Executive Board or by Unit Owners of all such interests having Common Interests in the Common Elements aggregating at least twenty-five percent (25%). The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon.

Section 7.2. Vote Required. Except as otherwise provided in the Declaration, the affirmative vote of Unit Owners of their Voting Representatives representing at least sixty-seven percent (67%) of the total outstanding votes of the Unit Owners shall be required to amend the By-Laws; provided, however, that if such amendment would affect the Declarant's ability to sell or lease Units owned by the Declarant, such amendment shall require the written approval of the Declarant, and if such amendment would affect in any way the rights of the holders of any first mortgages on any of the Units as set forth in the By-Laws, any such amendment shall also require the written approval of seventy-five percent (75%) of the holders of such first mortgage (based upon one vote for each first mortgage owned).

Section 7.3. Effective Date. All amendments to the By-Laws made as hereinabove provided shall be evidenced by a written instrument, executed and acknowledged by the President and attested by the Secretary of the Executive Board, which shall contain a certification that the amendment was approved in accordance with the provisions of this Article VII. Such instrument shall be recorded and the amendment to the By-Laws shall become effective on the date upon which such instrument shall have been recorded. Copies of such instrument shall be sent to each Unit Owner in the manner provided in the By-Laws for the giving of notices to Unit Owners, but the same shall not constitute a condition precedent to the effectiveness of such amendment.

ARTICLE VIII

PARLIAMENTARY RULES

Section 8.1. Parliamentary Rules. Roberts Rules of Order (latest edition) shall govern the conduct of proceedings of the Unit Owners and the Executive Board.

ARTICLE IX

COMMON EXPENSES; BUDGETS

Section 9.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board; provided, however, that the first fiscal year shall begin upon the recordation of the Declaration.

Section 9.2. Preparation and Approval of Budget.

(a) Adoption of Annual Budget. On or before the first day of November of each year (or sixty [60] days before the beginning of the fiscal year if the fiscal year is other than the calendar year), the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Executive Board to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Act, the Declaration, these By-Laws or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements.

(b) Notice of Annual Budgets. Within five (5) business days after adoption of the budget, the Executive Board shall make the budget available for inspection at the Association office and shall send to each Unit Owner a copy of the budget in a reasonably itemized form that sets forth the amount of Common Expenses. Such budget shall constitute the basis for determining each Unit Owner's Assessments for Common Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Section 9.8 below.

(c) Delays. The Executive Board shall make reasonable efforts to meet the deadline set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.

Section 9.3. Assessment and Payment of Common Expenses.

(a) Common Expenses.

(i) Annual Assessments. The Executive Board shall calculate the monthly Assessments for Common Expenses against each Unit by multiplying (a) the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Executive Board for the fiscal year in question, by (b) the Percentage Interest (expressed in decimal form) allocated to such Unit, and dividing the resultant product by (c) the number of calendar months in such 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, shall be due and payable on the first day of each calendar month and shall be a lien against each Unit Owner's Unit as provided in the Act and the Declaration. Within ninety (90) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner an itemized accounting of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves.

(ii) Special Assessments. If the cash requirements estimated at the beginning of any fiscal year shall prove to be insufficient to cover the actual Common Expenses for such fiscal year for any reason (including by way of illustration and not limitation, any Unit Owner's nonpayment of his assessment), after application of such reserves as the Executive Board may determine, any net shortage with regard to Common Expenses shall be assessed promptly against the Unit Owners in accordance with their Percentage Interests and shall be payable in one (1) or more monthly assessments, as the Executive Board may determine.

(b) Reserves. The Executive Board shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged

first against such reserve, including non-payment of any Unit Owner's Assessments. The Executive Board may at any time levy further assessments for Common Expenses which shall be assessed against the Unit Owners according to their respective Percentage Interest with regard to Common Expenses, and shall be payable in one (1) or more monthly Assessments as the Executive Board may determine.

9.4. Further Assessments. The Executive Board shall serve notice on all Unit Owners of any further Assessments pursuant to Section 9.3(a), or 9.3(b) or otherwise as permitted or required by the Act, the Declaration and these By-Laws by a statement in writing giving the amount and reasons therefore, and such further Assessments shall, unless otherwise specified in the notice, become effective with the next monthly Assessment which is due more than ten (10) days after the delivery of such notice of further Assessments. All Unit Owners so assessed shall be obligated to pay the amount of such monthly Assessments. Such Assessments shall be a lien as of the effective date as set forth in Section 9.3(a).

9.5. Initial Budget. At or prior to the time assessment of Common Expenses commences, the Executive Board shall adopt the budget, as described in this Article, for the period commencing on the date the Executive Board determines that Assessments shall begin and ending on the last day of the fiscal year during which such commencement date occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as is provided in Section 9.3 above.

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

9.7. Accounts; Audits. All sums collected by the Executive Board with respect to Assessments against the 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 the same may be audited from time to time by an independent accountant retained by the Executive Board.

9.8. Rejection of Budget; Limitations on Expenditures. The Association, by a two-thirds (2/3) vote of all votes in the Association, may reject any budget or capital expenditure approved by the Executive Board, within thirty (30) days after approval by the Executive Board.

9.9. Payment of Common Expenses. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. Subject to Section 3315(b)(2) of the Act, each record holder of a mortgage on a Unit who comes into possession of a Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid Assessments or charges against such Unit which accrue prior to the time such holder comes into possession thereof, except for claims for a pro rata reallocation of such Assessments or charges to all Units including the mortgaged Unit.

9.10. Collection of Assessments. The Executive Board or the Managing Agent, at the request of the Executive Board, shall take prompt action to collect any Assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. Any Assessment not paid within five (5) days after its due date shall accrue a late charge in the amount of five percent (5%) of the overdue assessment in addition to interest at the rate of fifteen percent (15%) per annum or such other rate as may be determined by the Executive Board, shall constitute the personal liability of the Owner of the Unit so assessed and also shall, until fully paid, constitute a lien against such Unit pursuant to Section 3315 of the Act.

9.11. Statement of Common Expenses. The Executive Board shall promptly provide any Unit Owner, contract purchaser or proposed mortgagee so requesting the same in writing with a written statement of all unpaid Assessments for Common Expenses due from such Unit Owner as required by the terms of Section 3407 of the Act. To the extent permitted by the Act, the Executive Board may impose a reasonable charge for the preparation of such statement and/or certificate in order to cover the cost of such preparation.

9.12. Working Capital Fund. Upon the initial transfer of title from the Declarant to the purchaser of each Unit, the Association shall collect from such purchasers an amount equal to a minimum of four (4) months estimated Common Expense Liability, which monies shall be deposited into a Working Capital

Fund under control of the Association. No Unit Owner is entitled to a refund of these monies by the Association upon the subsequent conveyance of his Unit or otherwise.

9.13. Insurance Surcharge. If the insurance premiums or charges for any insurance procured by or at the direction of the Association is increased, or is established at a rate higher than would otherwise be the case, as the result of the act(s) or omission(s) of a particular Unit Owner or Owners, the Executive Board shall have the right, but shall have no obligation, to assess such Unit Owner or Owners for the amount of the additional insurance premium or charge resulting therefrom.

9.14. Utility Charges. All utilities currently provided to the Property (excluding telephone and cable television service, if any), will either be separately metered or billed to Unit Owners as part of the Common Expenses. Separately metered utilities shall be paid directly by the Unit Owner consuming the utility service. In the event a Unit Owner uses a disproportionate amount of any utility not separately metered, the Executive Board shall have the right, but shall have no obligation, to engage a Registered Professional Engineer or other qualified person to compute that Unit Owner's utility usage and to determine an equitable utility charge and to assess the Unit Owner based upon such usage.

9.15. Real Estate Taxes. In the event that, during any taxable period, real estate taxes are not separately assessed against each Unit Owners, but rather are assessed against the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with the assessed value of any Building in which the Unit is located. The Association shall endeavor in such case to cause the real estate taxes to be assessed at the lowest possible legal limit.

ARTICLE X

MAINTENANCE; REPAIRS; ALTERATIONS AND IMPROVEMENTS

10.1. Maintenance, Repair, Replacement and Other Common Expenses.

(a) By the Association. The Association shall be responsible for the maintenance, repair, and replacement (unless, if in the opinion of the Executive Board such expense was necessitated by the negligence, misuse or

neglect of a Unit Owner) of all of the Common Elements (including the Limited Common Elements), whether located inside or outside of the Units, the cost of which shall be charged to all Unit Owners as a Common Expense; provided, however, that each Unit Owner shall perform normal maintenance on any portion of the Common Elements which the Executive Board pursuant to the Rules and Regulations has given him permission to utilize, including without limitation the items enumerated in subsection (b).

(b) By the Unit Owner.

(1) Each Unit Owner shall keep his Unit and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit.

Appliances shall be deemed to include refrigerator, electric stove, dishwasher, garbage disposal, clothes washer and dryer, hot water heater and heating and air conditioning system. In addition, each Unit Owner shall be responsible for all damage to any other Units or to the Common Elements resulting from his failure or negligence to make any of the repairs required by this Section. Each Unit Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to the Executive Board or the Managing Agent any defect or need for repairs for which the Association is responsible.

(2) The Unit Owner of any Unit to which a Limited Common Element patio is appurtenant shall perform the normal maintenance for such Limited Common Element, including keeping it in a clean and sanitary condition, free and clear of snow, ice and any accumulation of water and shall also make all repairs thereto caused or permitted by his negligence, misuse or neglect. All structural repair or replacement shall be made by the Association as a Common Expense, as provided in subsection (a).

(3) Any Unit Owner permitted by the Executive Board to use a specific portion of the Common Elements for storage or who acquires a Limited Common Element or reserved Common Element for storage is responsible for the maintenance and care thereof and shall use same in a safe and sanitary manner.

(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality, but may be done with contemporary building materials and equipment. The method of approving payment vouchers for all repairs and replacements shall be determined by the Executive Board.

10.2. Additions, Alterations or Improvements by the Executive Board. Subject to Section 9.8 hereof, whenever in the judgment of the Executive Board the Common Elements shall require additions, alterations or improvements, the Executive Board shall proceed with such additions, alterations or improvements and shall assess all Unit owners benefited for the cost thereof as a Common Expense (or Limited Common Expense). Notwithstanding the foregoing, if, in the opinion of a majority of the members of the Executive Board, such additions, alterations and improvements are exclusively or substantially exclusively for the benefit of the Unit Owners requesting the same, such requesting Unit Owners shall be assessed therefore in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportion as may be determined by the Executive Board.

10.3. Additions, Alterations and Improvements by the Unit Owners. No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent of the Executive Board. No Unit Owner shall paint or alter the exterior of his Unit, including the doors and windows, nor shall any Unit Owner paint or alter the exterior of any Building, or Limited Common Element, without prior written consent of the Executive Board. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement in or to any Unit requires execution by the Association, and provided consent has been given by the Executive Board, then the application shall be executed on behalf of the Association, without however incurring any liability on the part of the contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having claim for injury to person or damage to property arising therefrom.

ARTICLE XI

COMPLIANCE AND DEFAULT

11.1. Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these By-Laws, the Rules and Regulations and the Act, as any of the same may be amended from time to time. In addition to the remedies provided in the Act and the Declaration, a default by a Unit Owner shall entitle the Association, acting through its Executive Board or the Managing Agent, to the following relief:

(a) Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of his tenants, guests, invitees or licensees, but only if and to the extent that such expense is not fully covered by the proceeds of insurance carried by the Association. Such liability shall include any increase in casualty insurance premiums occasioned by improper use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(b) Costs and Attorneys' Fees. In any proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees as may be determined by the court.

(c) No Waiver of Rights. The failure of the Association, the Executive Board or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these By-Laws, the Executive Board, Rules and Regulations or the Act shall not constitute a waiver of the right of the Association, the Executive Board or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Executive Board or any Unit Owner pursuant to any term, provision, covenant or condition of the Declaration, these By-Laws, the Rules and Regulations or the Act shall be deemed to be cumulative and the exercise of any one (1) or more thereof shall not be deemed to constitute an election

of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Declaration, these By-Laws, the Rules and Regulations or the Act or at law or in equity.

(d) Abating and Enjoining Violations by Unit Owners. The violations of any of the Rules and Regulations adopted by the Executive Board, the breach of any By-Law contained herein or the breach of any provision of the Declaration or the Act, shall give the Executive Board the right, in addition to any other rights: (a) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed guilty in any manner of trespass; and/or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

11.2. Disputes. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of this Declaration, the Plats and Plans, the By-Laws or the Rules and Regulations, the determination thereof by the Executive Board shall be final and binding on each and all such Unit Owners. The Executive Board shall have the authority to seek a declaratory judgment or other appropriate judicial relief or order to assist it in carrying out its responsibilities under this Section. All costs of obtaining such a judgment shall be borne by the disputants, or in the absence of disputants, by the Association as a Common Expense.

ARTICLE XII

MISCELLANEOUS

12.1. Failure of the Executive Board to Insist Upon Strict Performance Is No Waiver. The failure of the Executive Board to insist any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions in the Documents or Rules and Regulations, or to exercise any right or option therein contained, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, restriction, option or right, but such term, covenant, restriction, option or right shall remain in full force and effect. The receipt by the Executive Board of any payment of

Assessment from any Unit Owner with knowledge of the breach of any covenant of the Documents or Rules and Regulations shall not be deemed a waiver of such breach, and no waiver by the Executive Board of any provision or the Documents or the Rules and Regulations shall be deemed to have been made unless expressed in writing and signed by duly authorized officers of the Executive Board.

12.2. Captions. Captions used in the By-Laws and the table of contents, if any, are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of the Documents.

12.3. Gender, Singular, Plural. Whenever the context permits, the use of the plural shall include the singular, the singular shall include the plural and any gender shall be deemed to include all genders.

12.4. Severability. If any provision of the By-Laws or any section, sentence, clause, phrase or word, or the application thereof in any circumstances is judicially held to be in conflict with the laws of the Commonwealth of Pennsylvania, then the said laws shall be deemed controlling and the validity of the remainder of the By-Laws and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

Established and adopted by the First Members of the Executive Board this 14th day of March, 1989.

PARKSIDE TOWNHOUSES
CONDOMINIUM ASSOCIATION

By: Barry Newhart
Barry Newhart

By: Julius Goldfarb
Julius Goldfarb

By: Ken J. Otterman
Ken J. Otterman

DATE: March 14, 1989

COMMONWEALTH OF PENNSYLVANIA :
 :
COUNTY OF LANCASTER : SS.

On this, the 14th day of March, 1989,
before me a Notary Public, personally appeared Barry Newhart,
Julius Goldfarb, and Ken J. Otterman, who acknowledged themselves
to be all the members of the Executive Board of Parkside
Townhouses Condominium Association and acknowledged that they
adopted and executed the foregoing By-Laws for the purposes
therein contained.

Witness my hand and notarial seal the day and year
aforesaid.

Judy K. McCall
- Notary Public

My Commission Expires:

NOTARIAL SEAL
JUDY K. McCALL, Notary Public
EAST HEMPFIELD TOWNSHIP, LANCASTER CO., PA
My Commission Expires OCT. 20, 1992