

BY-LAWS
OF
DAYLESFORD LAKE
CONDOMINIUM ASSOCIATION

Duane, Morris & Heckscher
One Franklin Plaza
Philadelphia, Pennsylvania 19102

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DAYLESFORD LAKE CONDOMINIUM ASSOCIATION
BY-LAWS

ARTICLE I
Name and Address

SECTION 1.01. Name. The name of this association shall be DAYLESFORD LAKE CONDOMINIUM ASSOCIATION (the "Association").

SECTION 1.02. Address. The office of the Association shall be at the place to be designated by the Executive Board, subject to change upon notice to the members of the Association.

ARTICLE II
Applicability

SECTION 2.01. Applicability. These By-Laws shall be applicable to the Association. All present and future owners and tenants, their guests, licensees, servants, agents, employees and any other person or persons that shall be permitted to use the Common Elements described in the Declaration of Condominium of Daylesford Lake, a condominium (the "Declaration") which Declaration creates Daylesford Lake, a condominium, (the "Condominium"), shall be subject to these By-Laws and to the rules and regulations as may be issued by the Executive Board of the Association from time to time to govern the conduct of its members. Ownership, rental or occupancy of any of the Units in the Condominium shall be conclusively deemed to mean that said owner, tenant or occupant has accepted and ratified these By-Laws and the rules and regulations of the Association and will comply with them.

SECTION 2.02. Interpretation. In the event of a conflict of interpretation between the provisions set forth in these By-Laws and the Declaration, the Declaration shall govern. In the event that the Internal Revenue Code is hereafter amended or changed, both the Declaration and these By-Laws shall be interpreted in such a manner as to conform to the provisions of the Internal Revenue Code with respect to non-profit entities, it being the intention to preserve the lawful status of the Association as a bona-fide non-profit entity. Any capitalized term used herein which is not defined herein shall have the meaning ascribed to it in the Declaration.

ARTICLE III
Purpose

SECTION 3.01. Association Purposes. The purpose of the Association is to maintain, regulate and administer the Common Elements (except as otherwise provided in the Declaration), for the use, benefit and enjoyment of the owners and lawful occupiers of the Units in the Condominium. In addition thereto, the

Association is to provide for the orderly economical management and maintenance of the Common Elements and to provide for the collection of such revenue as necessary to effectuate the maintenance of these facilities and other such facilities as may be established for the Unit Owners. This Association does not contemplate pecuniary gain or profit to its members.

ARTICLE IV Definitions

SECTION 4.01. Unless it is plainly evident from the context that a different meaning is intended, the terms used herein shall have the same meanings as provided in the Declaration.

ARTICLE V Membership

SECTION 5.01. Membership. Membership in the Association shall be limited to the Owners or co-owners of a Unit in the Condominium as provided in the Declaration.

SECTION 5.02. Affirmative Vote. Except as otherwise provided herein, in the Declaration or in the Act, all decisions shall require for passage, the affirmative vote of at least a majority of the votes of the members in good standing and entitled to vote in attendance at a meeting having present, in person or by proxy, the quorum required in Section 5.05 hereof. Cumulative voting shall not be permitted.

SECTION 5.03. Membership List. Not less than thirty (30) days prior to the date of the annual or any special meeting of the Association, the Secretary shall compile and maintain at the principal office of the Association, an updated list of members and their last known post office addresses. Such lists shall also show opposite each member's name the address of the Unit owned by such member. The list shall be revised by the Secretary to reflect changes in ownership of Units occurring prior to the date of such annual or special meeting. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same during regular business hours up to the date of such annual or special meeting. The Secretary shall also keep current and retain custody of the Minute Book of the Association, containing the minutes of all annual and special meetings of the Association and all resolutions of the Executive Board.

SECTION 5.04. Proxies and Mail Ballots. Votes may be cast in person, by mail ballot or by written proxy. Proxies and mail ballots, to be valid, must be duly executed by the Unit Owner as the appropriate person whose name appears on a certificate on file with the Condominium Association and must be received by the Secretary no later than 4:00 p.m. of the day

prior to the date of the meeting for which the proxy or mail ballot is specified to be effective.

SECTION 5.05. Quorum. Except as otherwise provided in these By-Laws, the presence in person, by mail ballot or by proxy of thirty (30%) percent of the members of the Association shall constitute a quorum at the beginning of any annual or special meeting of members. If any meeting of members cannot be organized because a quorum has not attended, the members present, either in person, by mail ballot or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

SECTION 5.06. Actions Without Meeting. Any action which, under any provision of these By-Laws, may be taken at a meeting of members, may be taken without a meeting if authorized by a writing signed by the members entitled to vote by the required percentage for that particular matter and filed with the Secretary of the Association.

ARTICLE VI Meetings of Members

SECTION 6.01. Place of Annual and Special 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 Executive Board and designated in the notices of such meetings.

SECTION 6.02. Date of Annual Meetings. Annual meetings of the members of the Association shall be held in June of each year or such other date as shall be fixed by the Executive Board. At each annual meeting there shall be elected by a ballot of a majority of the members present at the meeting in person or by proxy and entitled to vote, the members of the Executive Board of the Association in accordance with the provisions of Article VII of these By-Laws. The members may also transact such other business as may properly come before the meeting.

SECTION 6.03. Notice of Annual Meetings. The Secretary shall mail notices of annual meetings to each member of the Association and all eligible holders, guarantors and insurers of mortgages on the Units, directed to his/its last known post office address as shown on the records of the Association, by regular mail, postage prepaid. Such notice shall be mailed not less than ten (10) nor more than sixty (60) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof, the items on the agenda, including the general nature of any proposed amendment to the Declaration or these By-Laws. In lieu of mailing notice as herein provided, such notice may be delivered by hand to the members or left at their residence in their absence.

SECTION 6.04. Special Meeting. It shall be the duty of the President to call a special meeting of the members of the Association (a) for the purpose of holding elections of members of the Executive Board pursuant to the terms of Section 10.04 of the Declaration; (b) whenever he is directed to do so by resolution of the Executive Board; or (c) upon presentation to the Secretary of a petition, stating the specific purposes of such meeting, signed by thirty (30%) percent of the members entitled to vote at such meeting.

SECTION 6.05. Notice of Special Meetings. The Secretary shall mail notice of such special meeting to each member of the Association in the manner provided in Section 6.03 hereof. In lieu of mailing notice as herein provided, such notice may be delivered by hand to a member or left at his residence in his absence. Such notice shall state the same items required by Section 6.03 hereof for notices of annual meetings. No business shall be transacted at any special meeting except as stated in the notice thereof unless by consent of two-thirds (2/3) of the members present, either in person or by proxy. Notices of meetings shall be given to the Declarant as provided in Section 10.04(d) of the Declaration.

SECTION 6.06. Order of Business. The order of business at all meetings of the members of the Association shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and Approval of minutes of preceding meeting.
- (d) Reports of officers and committees.
- (e) Election of members of the Executive Board, if applicable to such meeting.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

ARTICLE VII
Executive Board

SECTION 7.01. Number of Executives. Except for the initial Executive Board consisting of three (3) Executives appointed by the Declarant and replaced as provided in Section 10.04 of the Declaration, the affairs of the Association shall be governed by an Executive Board consisting of five (5) Executives

all of whom shall be residents of the Commonwealth of Pennsylvania. The initial Executives or their successors shall serve until their successors take office. The Declarant shall be permitted to appoint and reappoint Executives or their successors as it may be entitled to do under the Declaration without the necessity of obtaining resignations. As to those Executives nominated or appointed by the Declarant, this shall specifically modify Section 7.04 hereof. Upon the replacement of all Declarant-appointed Executives pursuant to Section 10.04 of the Declaration, the Executive Board shall be comprised of five (5) Owners (or as to Units owned by a corporation, an officer, director or agent duly appointed by the corporation to serve on the corporation's behalf) elected by the Owners present in person or by proxy at a meeting of the Association.

SECTION 7.02. Term of Executives. Except as is provided in Section 10.04 of the Declaration, all Executives shall be elected to serve for terms of two (2) years, with two (2) Executives being elected in one year and three (3) Executives being elected in the next year, and shall continue to hold office until their successors are elected.

SECTION 7.03. Nominations to Executive Board. Except as provided for in Section 7.01 hereof, Owners may be nominated for election to the Executive Board in one of the following ways:

(a) An Executive shall be deemed to have been nominated for the next election for reelection to that position by his signifying his intention to seek re-election in writing addressed to the Executive Board.

(b) An Owner who is not an Executive and who desires to run for election to that position shall be deemed to have been nominated for election as an Executive upon his filing with the Executive Board a written petition of nomination bearing the genuine signature of such Unit Owner and one other Unit Owner.

(c) Nominations of Owners may be made from the floor of the meeting at which an election is held.

SECTION 7.04. Vacancy on Executive Board. Except as provided in Section 10.04 of the Declaration and Section 7.01 hereof with respect to Declarant-appointed Executives, if the office of any Executive shall become vacant by reason of his death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Executives, at a special meeting duly called for such purpose, shall choose a successor, who shall hold office until the end of the term for which he was appointed at time shall occur his reelection or the election of his successor. In the event that there shall be a deadlock in the voting for a successor, the three (3) Executives with the longest continuous terms on the Executive Board shall select a successor.

The person so elected shall serve for the unexpired term in respect to which such vacancy occurred.

SECTION 7.05. Removal of Executives. Subject to the right of the Declarant to nominate and elect Executives as set forth in Section 10.04 of the Declaration, Executives may be removed with or without cause, by a majority vote of the Owners at any special meeting of the Association of which notice has been properly given as provided in these By-Laws, provided that the same notice of the special meeting has also been given to the entire Executive Board and any individual Executive whose removal is to be considered at the special meeting.

SECTION 7.06. Organizational Meeting of the Executive Board. No later than twenty (20) days following the First Election Meeting, the Transitional Meeting and each annual meeting of the Association, the Executive Board shall hold a regular meeting for purpose of organization, election of officers and transaction of other business. Notice of this meeting shall be given to all Executives in accordance with Section 7.08 hereof except for the initial meeting which shall be called by the person receiving the highest number of votes.

SECTION 7.07. Place of Meetings. All meetings of the Executive Board shall be held at the principal office of the Association, or at any other place or places designated at any time by resolution of the Executive Board or by written consent of all Executives.

SECTION 7.08. Regular Executive Board Meetings. Regular meetings of the Executive Board may be held at such time and place permitted by law as from time to time may be determined by the Executive Board. Notice of regular meetings of the Executive Board shall be given to each Executive personally, by telegram, telephone or by United States mail, with postage prepaid, directed to him at his last known post office address as the same appears on the records of the Condominium Association, at least five (5) and not more than thirty (30) days before the date appointed for such meeting. This notice shall state the date, time and place of such meeting and the purpose thereof.

SECTION 7.09. Special Executive Board Meetings. Special meetings of the Executive Board may be called by the President of the Association on three (3) days written notice to each Executive, given in the same manner as provided in Section 7.08 hereof. Special meetings of the Executive Board shall be called by the President or the Secretary in like manner upon the written request of any three (3) Executives.

SECTION 7.10. Waiver of Notice. Before any meeting of the Executive Board, whether regular or special, any Executive may waive, in writing, notice of the meeting and the waiver shall be deemed equivalent to the giving of the required notice. All

written waivers shall be filed with the records of the Association or made a part of the minutes of the meeting. Attendance by an Executive at any meeting of the Executive Board shall likewise constitute a waiver by him of such notice. If all Executives are present at any meeting of the Executive Board, no notice of the meeting shall be required and any business may be transacted at this meeting except as prohibited by law or these By-Laws.

SECTION 7.11. Quorum. At all duly convened meetings of the Executive Board, a majority of the Executives shall constitute a quorum for the transaction of business, except as otherwise expressly provided in these By-Laws or by law, and the acts of the majority of the Executives present at such meeting at which a quorum is present shall be the acts of the Executive Board. If at any meeting of the Executive Board, there shall be less than a quorum present, the Executive or Executives present may adjourn the meeting from time to time, and at 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 Executive.

SECTION 7.12. Consent in Writing. Any action by the Executive Board may be taken without a meeting if all of the Executives shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Executive Board. Such action by written consent shall have the same force and effect as a unanimous vote of the Executives.

SECTION 7.13. Fees and Compensations. No Executive shall receive any salary or compensation for his services as an Executive but the Executive may be reimbursed for expenses he incurs on behalf of the Association.

SECTION 7.14. Presiding Officer. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Executive Board, and shall serve a term of one (1) year.

SECTION 7.15. Records. The Executive Board shall cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Owners at annual meetings of the Association or at any special meeting where such statement is requested in writing by one-fourth (1/4) of the Owners entitled to vote.

SECTION 7.16. Powers and Duties. The Executive Board shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association and the operation and maintenance of the Condominium and may do or cause to be done all such other lawful acts and things as are now by law or by these By-Laws directed or required

to be done by members of the Association. In the performance of its duties as the administering body of the Association, in addition to those powers and duties set forth in the Act and the Declaration, the Executive Board shall have powers and duties including, but not limited to, the following:

(a) The duty to provide for the operation, maintenance, insurance, management, cleaning, sanitation, renewal, replacement, care and upkeep of the Common Elements (except as otherwise provided in the Declaration) and all property, real or personal, of the Association.

(b) The duty, consistent with law, to determine the Common Expenses and assess the same against the Owners in accordance with the provisions of the Declaration, these By-Laws and the Act.

(c) The duty to levy and collect, in addition to regular Assessments, or monthly charges for Common Expenses, Special Assessments in such amounts as the Executive Board deems proper, whenever the Executive Board is of the opinion that it is necessary to do so in order to meet increased operating or maintenance costs, or additional capital expenses, or because of emergencies.

(d) (1) The duty to use and expend any sums collected from such regular and special Assessments for the operation, maintenance, renewal, care and upkeep and protection of the Common Elements of the Association.

(2) The duty to provide for the maintenance and repair of the Common Elements. The Executive Board shall maintain the Common Elements at a condition at least equal to that which existed at the time of the conveyance of seventy-five (75%) percent of the Units to Owners other than the Declarant. The Executive Board shall maintain a reserve fund adequate for the periodic maintenance, repair and replacement of the Common Elements. The reserve fund shall be maintained out of regular Assessments for Common Expenses.

(3) The duty to use any Common Surplus for such purposes as the Executive Board may deem reasonable and necessary pursuant to its powers under the Declaration and these By-Laws.

(e) The duty to maintain blanket fidelity bonds for all Executives, officers and employees of the Association and all other persons or firms who handle or are responsible for funds of or administered by the Association. The total amount of fidelity bond coverage shall be adequate as determined by the best business judgment of the Executive Board but not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management firm employed by the Association, as the case may be, at any given time during the

term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three months' aggregate Assessments of the Association on all Units plus the reserve funds of the Association. Such fidelity bonds shall name the Association as an obligee; contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions; provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association, to any Insurance Trustee and to any servicer on behalf of the Federal National Mortgage Association. The premiums for such fidelity bonds shall be paid by the Association as part of the Common Expenses.

(f) The duty to pay all taxes and assessments levied or assessed against any property that may be owned by the Association, exclusive of any taxes or assessments levied against any Owner or otherwise properly chargeable to the Owner.

(g) The power to employ and dismiss such clerks, stenographers, workmen, gardeners, 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 Common Elements.

(h) The Executive Board shall enter into a contract for professional management of the Condominium and the Association at such price and upon such terms as shall be determined by the Executive Board, to perform such duties and services as the Executive Board may lawfully delegate. However, any such contract shall not be for a term in excess of two (2) years and shall provide for termination by either party with or without cause on ninety (90) days' written notice thereof to the other.

(i) The duty to collect delinquent Assessments and other charges made by the Association through the Executive Board against any Unit and the Owner thereof, together with such costs and expenses incurred in connection therewith, including, but not limited to, court costs and attorneys' fees, whether by suit or otherwise, to abate nuisance and enforce observance of the rules and regulations relating to the Condominium, by injunction or such other legal action or means as the Executive Board may deem necessary or appropriate.

(j) The power to employ or retain such counsel and consultants as may be deemed necessary by the Executive Board for any proper purposes of the Association, and to fix their compensation for professional advice or services such as, but not limited to, those hereinbefore or hereinafter referred to in these By-Laws.

(k) The duty 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 generally accepted accounting practices.

(l) The duty to adopt a budget for each fiscal year which shall contain estimates of the cost and expenses of the Association, including, but not limited to, the following items:

(i) Common Expense budget which shall include without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of the Common Elements and any and all other expenses related to the operations thereof including, but not limited to, common utility services, casualty and liability insurance, administrative and office expenses and reserves and the costs associated with the administration of the Condominium Association;

(ii) Any and all expenses incident to the maintenance and repair of any Limited Common Elements as defined herein;

(iii) Amounts to be credited or allocated for reserves for replacements of those Common Elements which require replacement, renovation or rehabilitation periodically. The Executive Board shall accumulate and maintain reasonable reserves for replacements; and

(iv) Proposed Assessment against each member for the fiscal year.

Copies of the budget adopted by the Executive Board and proposed Assessments due from the Owners in accordance with the budget shall be available for inspection for all Owners during regular business hours at the Association's office. If the budget is subsequently amended before the Assessments are made, a copy of the amended budget shall also be available for inspection. Nothing herein contained shall be construed as restricting the right of the Executive Board at any time and in its sole discretion to levy a special Assessment in the event that the budget as originally adopted shall appear to be insufficient to pay the costs of the operation or management of the Property or in the event of emergencies;

(m) The duty to make available for inspection for all members of the Association during regular business hours at the Association's office copies of the proposed budget and proposed Assessments. If the budget is subsequently amended before the Assessments are made, a copy of the amended budget shall also be available for inspection. Nothing herein contained shall be construed as restricting the right of the Executive Board to at any time in its sole discretion levy a Special Assessment or to

change regular Assessments in the event that the budget originally adopted shall appear to be insufficient to pay the costs of the operation and management of the Property, or in the event of emergencies.

(n) The duty to cause a review or audit of the books and accounts of the Association to be made by a competent independent public accountant at the end of each fiscal year, and at such other time or times as may be deemed necessary.

(o) The duty to maintain accounting records in accordance with generally accepted accounting principles.

(p) The power to make, and enforce compliance with, such reasonable rules and regulations relative to the operation, use and occupancy of the Common Elements and Limited Common Elements and Units including, but not limited to penalties to be levied for violations of these By-Laws, the Declaration and any rules and regulations as the Executive Board shall adopt, and to amend the same from time to time as and when approved by appropriate resolutions which shall be binding on the Owners and occupants of Units, their successors in title and assigns. A copy of such rules and regulations and copies of any amendments thereto shall be delivered or mailed to each Owner or occupant of a Unit promptly upon the adoption thereof.

(q) The duty to keep the Common Elements, fixtures, equipment and personal property owned by the Association and Units insured, as provided in the Declaration, for the benefit and protection of the Unit Owners and the Association. The Executive Board shall have the power to name as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall be given exclusive authority to negotiate losses under any policy providing property or liability insurance. The Association, by its Executive Board, shall be required to receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their first mortgagees, as their interests may appear, in accordance with the Declaration and the Act. The Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, shall have the power to act as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

(r) The duty to establish depositories for the Association with such bank or banks as shall be designated from

time to time by the Executive Board and in which monies of the Association shall be deposited. Withdrawal of monies shall be only by check signed by such persons as are authorized by the Executive Board. The Executive Board shall have the power to invest monies of the Association in such investments as the Executive Board shall deem to be reasonably prudent.

(s) The power to borrow and repay monies, giving notes, mortgages or other security, upon such term or terms as are deemed necessary.

(t) The power to sell, transfer or otherwise convey real and personal property owned by the Association by deed or bill of sale executed by the appropriate officers of the Association.

(u) The power to acquire by purchase, annexation, or lease real property, if, at any time in the future, it deems it to be proper and not inconsistent with the terms hereof to do so, provided that fifty-one (51%) percent of the members of the Association approve such acquisition.

(v) The power to acquire by purchase, gift, bequest, devise, sale or lease additional real or personal property to protect the Common Elements or additional Common Elements upon such term or terms as the Association deems necessary and proper.

(w) The power to employ professional counsel and receive advice from such persons and firms or corporations, such as, but not limited to, landscape architects, recreation experts, architects, planners, biologists, lawyers and accountants.

(x) The power to take all steps necessary to effectuate any merger of the Association with any other association as may be approved by vote of a majority of the members of both the Association and such other association.

(y) The power to do all things incidental and necessary to the accomplishment of the above.

The duties and powers imposed on the Executive Board by this Section 7.16 shall not be amended so as to reduce or eliminate any such duties or powers of the Executive Board without the affirmative vote of members of the Association entitled to vote holding at least eighty-five (85%) percent of the total votes in the Association.

ARTICLE VIII Officers

SECTION 8.01. Officers. The officers of the Association shall be a President, Secretary and Treasurer. The Secretary may be eligible to hold the office of Treasurer. The

President shall be an Executive. The Secretary and Treasurer need not be Executives.

SECTION 8.02. Election. The officers of the Association shall be elected annually by the Executive Board at the organizational meeting after each election of Executives and shall hold office until their successors are elected or appointed by the Executive Board, provided that each officer shall hold office at the pleasure of the Executive Board and may be removed either with or without cause, and his successor elected at any annual or special meeting of the Executive Board called for such purpose, upon the affirmative vote of a majority of the Executives. The Executive Board may, from time to time, appoint such other officers as in its judgment are necessary. Any officer may resign at any time by giving written notice to the Executive Board or to the President or Secretary of the Association. Any such resignation shall take effect as of the date of the receipt of such notice or any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 8.03. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these By-Laws for regular appointments to such office.

SECTION 8.04. President. The President shall be the chief executive officer of the Association 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 office of the President of a condominium association, including, but not limited to, the power to appoint ad hoc committees from among the members from time to time as he may deem appropriate to assist in the conduct of the affairs of the Association. The President shall be an ex-officio member of all standing committees, if any. He shall execute such deeds, contracts and other instruments, in the name and on behalf of the Association and under its corporate seal when a seal is required, except when such documents are required or permitted by law to be otherwise executed, and except when the signing and execution thereof shall be delegated by the Executive Board to another officer or agent of the Association.

SECTION 8.05. Secretary. The Secretary shall attend all meetings of the Executive Board and all meetings of the Association and record all votes and the minutes of all meetings and proceedings, including resolutions, in a Minute Book to be kept for that purpose, and shall perform the duties for any committees, when required. 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, including the sending of notice of meetings to the members of the Association, the Executive Board and committees,

and such other duties as may be prescribed by these By-Laws or by the Executive Board or the President. He shall also have custody of the corporate seal, and when authorized by the Executive Board, affix the same to any instrument requiring it and attest the same when appropriate. The Secretary shall keep, or cause to be kept, at the principal office of the Association, a membership register showing the following: (a) the names and addresses of all Executives; (b) the names of the Owners and their addresses; (c) the Unit(s) which each Owner owns; and (d) the number of Units held by each Owner.

SECTION 8.06. Treasurer. The Treasurer shall have responsibility for the Association's funds and securities, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies, checks and other valuable effects 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, and shall render to the President and the Executives at the regular meetings of the Executive Board, or whenever they or either of them shall require, an account of his transactions as Treasurer and of the financial condition of the Association. Nothing shall prohibit functions of the Treasurer to be delegated to an agent or independent contractor of the Association provided such delegation is approved by resolution of the Executive Board. The delegation of such duties of the Treasurer shall not relieve the Treasurer from any responsibility related to overseeing and reviewing any duties performed by such agent.

SECTION 8.07. Compensation. The officers of the Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

ARTICLE IX Committees

SECTION 9.01. Committees. The Executive Board shall have the right to create such committees from time to time as the Executive Board shall deem appropriate and to delegate to such committees various duties and powers subject to the ultimate responsibility and authority of the Executive Board. Unless otherwise provided herein, each committee formed by the Executive Board shall consist of a Chairman and two (2) or more members and shall include an Executive, in addition to the President as ex-officio member, for Executive Board contact. Appointments of all committees and their members shall be announced by publication to the Owners and at the next meeting following such appointments.

ARTICLE X
Association Books and Records

SECTION 10.01. Association Books and Records. The Executive Board shall make available to the Owners, and to the holders, insurers or guarantors of first mortgages on any of the Units, current copies of the Declaration, these By-Laws, rules and regulations and the books, records and financial statements of the Association. For purposes of this paragraph, "available" shall mean available for inspection, upon request, during normal business hours at the office of the Association or such other location designated by the Executive Board. Any holder, insurer or guarantor of a first mortgage shall be entitled, upon written request, to an audited financial statement for the immediately preceding fiscal year, free of charge to the party so requesting (provided the cost of copies such requested financial statement may be assessed by the Association against the Owner of Unit against which the requesting party insures or guarantees a lien).

ARTICLE XI
Obsolescence

SECTION 11.01. Obsolescence. In the event that the Executive Board shall determine that any Common Elements or any other real or personal property of the Association are obsolete, the Executive Board may call for a vote by the Association membership to determine whether or not the said property should be demolished and/or replaced. In the event eighty (80%) percent of the Owners shall determine that the said property should be demolished and/or replaced, the costs thereof shall be assessed against all of the Owners according to their respective Common Element percentage interests.

SECTION 11.02. Construction Prohibition. In no event shall the Association be permitted to erect any residential dwelling or commercial unit which is not ancillary to the Common Elements.

ARTICLE XII
Amendments To By-Laws

SECTION 12.01. Amendments to By-Laws. Except as otherwise provided herein, these By-Laws may be amended from time to time by the affirmative vote, in person or by proxy, of the Owners representing at least fifty-one (51%) percent of the votes in the Association.

ARTICLE XIII
Termination

SECTION 13.01. Termination. In the event the Condominium is terminated in its entirety pursuant to the provisions of the Declaration and the Act, the Association shall

remain in existence until the distribution of assets, allocation of interests and/or all other aspects of the termination have been completed.

ARTICLE XIV
Miscellaneous

SECTION 14.01. Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Executive Board shall determine otherwise.

SECTION 14.02. Delegation of Authority. The Executive Board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and, unless so authorized by the Executive Board, no officer, agent or other person shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

SECTION 14.03. Inspection of By-Laws. The Association shall keep in its principal office the original or a copy of these By-Laws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members at all reasonable times during office hours.

SECTION 14.04. Membership Minutes. The membership register and minutes of proceedings of the Association and Executive Board shall be open to inspection upon demand of any Owners at any reasonable time during office hours of the Association, and for a purpose reasonably related to his interest in the Condominium.

SECTION 14.05. Construction. Number and gender, as used in these By-Laws, shall extend to and include both singular and plural and all genders as the context and construction requires.