

BY-LAWS AND COVENANTS FOR HERITAGE VILLAGE CONDOMINIUMS INC.**April 2006****ARTICLE I Membership**

Section 1. The members shall consist of all the Unit Owners of the property in accordance with the respective percentages of the ownership of the said Unit Owners in the common elements of the Property. Such respective percentages of ownership shall be determined in accordance with the provisions of the Declaration.

Section 2. Such membership shall be personal to each Unit Owner. It shall terminate upon a sale, transfer, or other disposition of his or her ownership interest in said Property, accomplished in accordance with the provisions of the Declaration, and thereupon, the membership shall automatically transfer to and be vested in the new owner succeeding to such ownership interest. There shall be no other arrangement for acquiring, having or transferring of membership.

ARTICLE II Meetings

Section 1. Meetings of the membership shall be at the Property or at such other place in Centre County, Pennsylvania, as may be determined by provisions herein and as specified in the Notice of Meeting.

Section 2. No later than sixty (60) days following the recording of deeds of conveyances aggregating interests of 75% or more in the common elements or January 1989, whichever shall first occur, the Declarant shall notify all Unit Owners and call the first meeting of the Unit Owners. The first annual meeting of the Unit Owners shall be held on or before the 30th day of May each year. At such annual meetings, there shall be elected by a ballot of the members, those members of the Executive Board then due to be elected in accordance with the provisions of Article III of

the By-Laws. The members shall also transact such other business as may concern the Association and/or the Property.

Section 3. It shall be the duty of the President to call a Special Meeting of the members as directed by resolution of the Executive Board or upon a petition signed by the owners of fifty (50%) percent of the ownership interest in the common elements. The notice of any Special Meeting shall state the time, place and purpose thereof. No Business shall be transacted at a Special Meeting except as stated in the notice unless with the consent of a majority of the members present, either in person or by proxy.

Section 4. It shall be the duty of the Secretary to electronically deliver, hand deliver or mail by United States Mail, postage prepaid, a notice not less than ten (10) days nor more than sixty (60) days before each annual or Special Meeting, stating the purpose, the time and place thereof to each member of record, and addressed to him at his Unit if occupied, and if not, then addressed to him at such place as is known to be a currently good address for him.

Section 5. The presence, either in person or by proxy, of the owners of thirty ((30%)Note:9 units) of the ownership interest in the common elements shall be required for and shall constitute a quorum for the transaction of business at all meetings of members. A Quorum present at the beginning of a meeting shall constitute a quorum for the whole meeting.

Section 6. If at any meeting of members, a quorum shall not be in attendance, those members who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time at which the original meeting was called.

Section 7. If any Unit Owner consists of more than one (1) person, the voting right of each Unit Owner shall not be divided but shall be

exercised only as the unit. In the event the Unit Owners cannot agree on their vote, the vote shall be lost and shall not be counted either for or against any motion on the floor. Declarant as described in the declaration may exercise the voting rights with respect to all units titled to the Declarant.

Section 8. The vote of any corporate, partnership or trust member may be cast on its behalf by any officer, partner, or trustee of such member and any such member may appoint its officer, partner, trustee or beneficiary, or any other member as its proxy. An individual member may appoint his or her spouse or another family member or agent as proxy. Each proxy must be filed in writing with the Secretary prior to the commencement of a meeting or at the time the proxies are called for. This writing must have a signature of the owner(s) being represented.

ARTICLE III Executive Board

Section 1. The business, operation and affairs of the Property and of the collectivity of Unit Owners shall be managed on behalf of the Unit Owners by a board of four (4) natural individuals, who are each residents of Pennsylvania and who may but need not be Unit Owners, in compliance with and subject to the Act, the Declaration, and the By-Laws. Such Board is herein, and in the declaration called the "Executive Board." Section 2. Powers and duties. Subject to the limitations and restrictions contained in the Act, the Declaration, and By-Laws, the Executive Board shall on behalf of the Unit Owners have all powers and duties necessary to administer and manage the business, operation and affairs of the Property, and of the collectivity of the Owners. Such powers and duties of the Executive Board include, by way of illustration, but are not limited to, the following:

(a.) The operation, maintenance, repair, improvement and replacement of the common elements and limited common elements;

- (b.) The power to estimate and adopt an annual operating budget and to make assessments against the Units and to provide for the collection of same from the Unit Owners according to their respective obligations;
- (c.) The promulgation, distribution, and enforcement of the Rules, subject to the right of a Majority of the Unit Owners to change any such rules;
- (d.) The Power to engage and dismiss employees and to Appoint and dismiss agents necessary for the management of Heritage Village Inc.'s condominiums.
- (e.) The power to enter into and perform under contracts and any amendments thereto or replacements thereof, deeds, leases and other written instruments or documents on behalf of the collectivity of Unit Owners and to authorize the execution and delivery thereof by its officers or assistant officers;
- (f.) The opening of bank accounts on behalf of the collectivity of Unit Owners and designate the signatures therefore;
- (g.) The board shall maintain insurance coverage for total replacement costs of the buildings, interior and exterior. Unit owners shall maintain liability and content insurance and provide proof of both to the board. If there is no proof provided to the board the board will obtain both and charge the owner.
- (h.) To bring, prosecute, defend and settle litigation for and against itself, the collectivity of Unit Owners and the Property, and to pay any adverse judgment entered therein, provided that it shall make no settlement which results in a liability against the Association, the collectivity of Unit Owners or the Property in excess of Five Hundred (\$500.00) Dollars without the prior approval of the majority of Unit Owners;
- (i.) To keep adequate books and records. Books and records to be provided the membership electronically quarterly. Including minutes, check

register, accounts payable, accounts receivable, and minutes for all transactions.

Section 3. First Members of the Executive Board. The Unit Owners shall, as January 1989, elect three (3) persons to serve on the Executive Board, one person for a term to expire at the annual meeting held in 1990, one (1) person for a term to expire at the annual meeting held in 1991, and one (1) person for a term to expire at the annual meeting held in 1992.

Section 4. Subsequent Election and Term of Office. Subject to the provisions of the preceding Section, at the first annual meeting of Unit Owners and at each annual meeting thereafter, starting in 1990, one (1) member of the Executive Board shall be elected to serve until the next succeeding annual meeting and until their respective successors are elected.

Section 5. Removal of Members of the Executive Board. At any regular or special meeting of Unit Owners, any one or more of the members of the Executive Board (other than members designated by Declarant under Section 3 of Article VIII of the Declaration, who may be removed and replaced by Declarant at any time and from time to time), may be removed with or without cause by a majority of Unit Owners and successors may then or thereafter be elected by a majority of Unit Owners to fill any vacancies 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.

Section 6. Vacancies. Vacancies in the Executive Board (other than vacancies in the term of the member to be designated by Declarant, which shall be filled by Declarant) caused by any reason other than the removal of a member thereof by vote of the Unit Owners, including without limitation by virtue of the expiration of Declarant's right to designate

members of the Executive Board, shall be filled by a vote of a majority of the remaining members of the Executive Board, even though less than a quorum, promptly after the occurrence thereof, and each person so elected shall be a member of the Executive Board the remainder of the term so filled.

Section 7. Organization Meeting of the Executive Board. At such organizational meeting, the Executive Board shall elect the following officers, whose duties shall be as follows:

(a.) A President, who shall be the chief executive officer of the Association and shall have general charge and supervision over, and responsibility for, the business and affairs of the Association. Unless otherwise directed by the Executive Board, all other officers shall be subject to the authority and supervision of the President. The President may enter into and execute in the name of the Association, contracts or other instruments in the regular course of business or if not in the regular course of business those which are authorized, generally or specifically, by the Executive Board. He shall have the general powers and duties of management usually vested in the office of the president of a corporation.

(b.) A Vice President who shall perform such duties and have such authority as from time to time may be delegated to him by the President, or by the Executive Board. In the event of the absence, death, inability, or refusal to act by the President, the Vice-President shall perform the duties and be vested with the authority of the President.

(c.) A Secretary who shall cause notices of all meetings to be served as prescribed by the By-laws and shall keep or cause to be kept the minutes of all meetings of Unit Members and the Executive Board. The Secretary shall perform such other duties and possess such other powers as are incident to that office or as are assigned by the President or the

Executive Board

(d.) A Treasurer, who shall have the custody of the funds and securities of the Association and shall keep or cause to be, kept regular books of account for the Association. The Treasurer shall perform such duties and possess such other powers as are incident to that office or as shall be assigned by the President or the Executive Board. All checks over \$1,000 representing payment on behalf of the Association shall be signed by two officers of the Association, as designated by the Executive Board, and the agreement with any bank shall at all times indicate such requirement. Any other bank accounts or financial assets of the association shall be withdraw able only by the written execution by two officers of the Executive Board, as appointed by the Executive Board from time to time, and all such depository agreements or the like shall reflect such requirements.

Regular business of the board will be determined at the annual meeting by a majority vote of the budget. Any other expenses not discussed at the annual meeting occurring throughout the year over \$500.00 individually or by budget category will require minutes of the meeting at which they were approved, prior to the check being written. (e.) Subject to the provisions herein before set out, an organizational meeting of the Executive Board shall be called by the President and held within five (5) business days following each annual meeting of the Unit Owners, at such time and such places as the newly elected members of the Executive Board shall determine, for the purpose of organization, and such other business as may be brought before the meeting, and no notice thereof shall be required.

(f.) The person elected as president shall only hold that position and no other. The person holding the position of vice president, treasurer, or secretary may be separate individuals or one person may hold any two of the elected offices.

Section 8. Meetings of the Executive Board. Meetings of the Executive Board may be held, without call or notice, at such times and places as the Executive Board may from time to time determine. Section 9. Quorum. A Majority of the members in office shall constitute a quorum at any meeting of the Executive Board, (three members) and the act of a majority of the members at a meeting at which a quorum is present shall be the acts of the Executive Board. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting from time to time, and at any adjourned meeting at which a quorum is present any business may be transacted which could of been transacted at the meeting originally called, without further notice.

Section 10. No compensation of Members of the Executive Board. No member of the Executive Board shall be compensated for acting as such.

ARTICLE IV Fiscal Management

Section 1. The Fiscal year of the association shall begin on the first day of January of each year, except for the first fiscal year of the Association, which shall begin at the date of the recording of the Declaration or at such other date as the Executive Board may decide.

Section 2. Books and accounts of the Association shall be kept by or under the direction of the Treasurer and in accordance with customary accounting principles and practices. Within a reasonable time after the close of each fiscal year, but no later than February 15th, the Executive Board shall furnish the Unit Owners with a reasonably detailed statement of the income and disbursements of the Association for such prior fiscal year. Including Check Register, Accounts Payable, Accounts Receivable, and Balance Sheet.

Section 3. With respect to each fiscal year and within ninety (90) days from the commencement thereof, the Executive Board shall cause an

estimated annual budget to be prepared based on its estimation of the next ensuing annual expenses.

Section 4. If at any time during the course of any fiscal year the Executive Board shall deem existing monthly assessments to be inadequate by reason of revision in its determination of needs, the Executive Board shall prepare a revised estimated annual budget for the balances of such fiscal year, and monthly assessments thereafter shall be determined and paid on the basis of such revision.

Section 5. The Executive Board shall arrange to have available at all reasonable times for any Unit Owner copies of the budgets or revised budgets and reasonably detailed information as relates to same and to contemplated changes in same. Including Check Register, Accounts Receivable, Accounts Payable, and Balance Sheet. Section 6. The Declarant's obligation as a Unit Owner shall be at the rate of full amounts as in the case of any other Unit Owner.

Section 7. Assessments.

A. Prior to January 1989, Maintenance, repair or replacement of a common element shall be within the sole control and shall be the sole responsibility of Declarant. After June 2006, each Unit Owner shall contribute \$200.00 per month toward the maintenance, repair, or replacement of common elements and \$65.00 towards continual capitol improvements.

B. Beginning the next full month after a Unit Owner purchases a unit, he shall pay to the Condominium Association the sum of \$200.00 per month as his contribution toward the expenses of operating and maintaining the common elements.

ARTICLE V Use Restrictions

Section 1. No unit shall be used for any purpose other than as a private dwelling for a person and his immediate family, and must be in compliance with local zoning ordinances pertaining to the number of unrelated occupants, including a member or persons to whom the member shall have leased his Unit, and subject to all provisions with respect to use and occupancy and presence on the Property applicable to the Unit Owner himself. No one may permit or suffer anything to be done or kept upon the property which will increase the rate of insurance on the Property or in the contents thereof, or which will obstruct or interfere with the rights of others or annoy them by unreasonable noises or otherwise, and no one may commit or permit any nuisance or commit or suffer any immoral or illegal act to be committed anywhere in or upon the Property.

Section 2. Each owner shall maintain his Unit in good condition, order and repair, at his own expense. No Unit Owner shall display, hang, store, or use anything whatsoever on his stoop or outside his Unit other than as may be permitted in accordance with the rules and regulations established by the Executive Board. No member may paint, decorate, or otherwise alter or modify in any way the outside of his Unit any canopy awning, covering, radio or television antenna, or structure or addition of any kind whatsoever without the prior written consent of the Executive Board.

Section 3. Trash, garbage, and other waste shall be kept only in public sanitary containers and shall be disposed of in such manner as may be prescribed from time to time in rules and regulations established by the Executive Board. No articles or personal property belonging to any Unit Owner shall be stored in any portion of the Common Elements without prior written consent of the Executive Board.

Section 4. Uses and Structures. No unit or any part thereof shall be used for any purpose except as set forth in Section 1 herein, nor shall any business of any kind be conducted therein. No motor vehicle other than a private passenger type shall be stored or parked in the parking area or parked on the Property. No Unit Owner shall have any additional motor vehicles on the premises for purposes of service or hobby such as tearing down or putting together motor vehicles other than changing the oil and washing of the same. There shall be no storing of any old or junked or hobby type car on premises. No business or trade of any kind or noxious or offensive activity shall be carried on in any Unit nor shall anything be done thereon which may or not may be or become an annoyance or nuisance to the occupants of other units. No boat, trailer, tent, shack, or other structure shall be located, or erected or used on any part of the Property, temporarily or permanently other than what has been constructed for use of Unit Owners by the Declarant or the Executive Board.

Section 5. Signs. No signs of any kind shall be displayed to the public view on or in any Unit except one temporary sign of not more than six square feet, advertising the Property for sale or rent. No such sign shall be illuminated.

Section 6. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit on the Property except that dogs, cats, or other domesticated household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and provided that no more than two (2) pets in the aggregate may be kept in any such Unit, and said pets must be housed indoors, and conform to all local ordinances and regulations. The pet owner shall remove all animal feces from the Unit or common element immediately.

Section 7. Nuisances. No Noxious or offensive activity shall be carried on in any Unit, nor shall anything be done thereon which may be or may not become an annoyance or nuisance to the neighborhood. The decision as to whether any activity is noxious or offensive shall be decided exclusively by the Executive Board in such manner as it may elect to make such decision.

Section 8. Mailboxes. Mailboxes shall be retained as the same now are or, as designated by the Executive Board from time to time in the future. No Unit Owner shall keep or maintain a distinctive or different mailbox than as set forth herein.

Section 9. Clothesline. No outdoor clotheslines.

Section 10. Fences. No Fences of any kind, wall, hedge or similar structure shall be placed, erected or maintained anywhere on the property without the written consent of the Executive Board.

Section 11. The Executive Board may adopt such rules and regulations concerning use, occupancy or other matter, including provisions for reasonable limiting or suspending certain rights and/or privileges as it deems appropriate; and may alter such rules and regulations as from time to time it may determine.

Section 12. Violation of any rule or regulation of the Executive Board and/ or of any provision of the Declaration and/or hereof shall give the Executive Board or any representative acting in its behalf in addition to any other rights, the rights also:

a. To enter the Unit in which, or in connection with such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing, person, creature, and/or condition that may exist therein contrary to the intent and meaning hereof without being guilty of trespass or wrong otherwise.

b. To enjoin, abate, or remedy by appropriate legal proceeding, either at law or in equity, the continuance of such breach.

c. To levy as an assessment or charge as a Common Expense against any Unit Owner an amount equal to damages so sustained plus costs of suit and reasonable attorney's fees by virtue of such Unit Owner's committing and/or permitting such violation upon finding thereof by the Executive Board.

Section 13. The Executive Board shall maintain, repair, and replace all common elements, wherever situate, except that in the event such maintenance, repair or replacement was caused by negligence or misuse of a Unit Owner, or of any other occupant of his Unit, such expense shall be charged to such Unit Owner. Each Unit Owner shall maintain, repair and replace, at his own expense, all portions of his Unit as are separate and private to it and him. Each Unit Owner shall be responsible for damage to any other Unit and/or to any common elements caused intentionally, negligently, or by failure to properly take care of his own Unit, whether or not the fault is in him personally and/or in any other occupant of his Unit.

Section 14. Each Unit shall have three (3) parking spaces marked with the respective unit number. Each unit owner may assign these spaces at his discretion, provided the other use restrictions are not violated. These spaces are to be considered common elements and shall be maintained by the executive board.

Section 15. Anything herein or elsewhere to the contrary notwithstanding, the Declarant shall have the right to utilize any Units owned by the Declarant as models or as general or sales offices for as long as he retains full title to the Unit for sale and promotion purposes including the sale and promotion of the Property and purposes and in such manner as the Declarant deems it may reasonably require.

ARTICLE VI Amendments

These By-Laws may be amended or modified at any time, or from time to time, by the action or approval of the Unit Owners owning a majority of the Common Interests; except that regulations affecting the rights of interests of the Declarant shall not be amended or modified without the written consent of the Declarant for a period of one (1) year from the date of the deed for the first sale of a unit.

Resale Certificates

No resale certificate shall be issued to an owner who already owns two (2) units per majority vote April 2003 & 2004.