

CODE OF REGULATIONS

ARTICLE 1: NAME AND LOCATION

The name of this condominium is: MAPLEWOOD, Condominium (hereafter called the "Association"). Its principal office is located at 775-785 and 801-811 Galen Drive, State College, Pennsylvania.

ARTICLE 2: DEFINITIONS

Unless the context clearly indicates otherwise the words and phrases used in this Code of Regulations have the same meaning as the identical words and phrases have in the Declaration of Condominium, duly recorded with respect to the property known as MAPLEWOOD.

ARTICLE 3: PURPOSE

The purpose of the Association is to act on behalf of all unit Owners as its members through their Council as their governing body with respect to the administration, maintenance, repair and replacement of certain Property, which has been submitted to the Pennsylvania Uniform Condominium Act (68 Pa. C.S. 3101, et seq.).

ARTICLE 4: IDENTIFICATION OF PROPERTY

The Property, which is subject to the provisions hereof, has been submitted to the provisions of the Act by the recording of a Declaration of Condominium, and by the recording also of a Declaration Plan, in the Office of the Recorder of Deeds of Centre County, Pennsylvania. The Property is described on Sheet No. 1 of said Declaration Plan, as MAPLEWOOD, a Condominium, and is also legally described as is set forth on Exhibit "A" attached hereto, as a part hereof.

ARTICLE 5: MEMBERSHIP

Section 1. Members

The members shall consist of all of the Unit Owners of the Property in accordance with the respective percentage 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. Membership

Membership shall be personal to each Unit Owner. It shall terminate upon a sale, transfer, or other disposition of his ownership interest in the 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 and transferring of membership.

ARTICLE 6: MEETINGS

Section 1. Meeting Place

Meetings of the membership shall be held 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. Meeting Schedule

Not later than the January 10th following the recording of deeds of conveyance aggregating interests of 75 percent or more in the Common Elements and Declarant shall notify all Unit Owners and call the first annual meeting of the Unit Owners by the last day of such January and thereafter the annual meeting of the members shall be held each year on the second Monday of the month of March, or in the event that day is a legal holiday, on the following day. At such annual meetings there shall be elected by ballot of the members, those members of Council then due to be elected in accordance with the provisions of Article 7 of this Code of Regulations. The members shall also transact such other business as may concern the Association and/or the Property.

Section 3. Special Meeting

It shall be the duty of the President to call a Special Meeting of the members as directed by resolution of the Council 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. Meeting Notice

It shall be the duty of the Secretary, or upon his failure or neglect, then any officer or member, to mail by United States Certified Mail, postage prepaid, a notice of 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 current good address for him.

Section 5. Quorum

The presence, either in person or by proxy, of the owners of a majority 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.

Section 6. Adjournment

If at any meeting of members a quorum shall not be in attendance, those members who were 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. Voting

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 a Unit. The Declarant, as described in the Declaration, may exercise the voting rights with respect to all Units titled in the Declarant. Each question presented at a meeting shall be determined by a majority vote of those present, unless by express provision of the Act or this Code of Regulations or of the Declaration, a different vote is required.

Section 8. Proxy

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 only his or her spouse or another member as a proxy. Each proxy must be filed in writing with the Secretary prior to the commencement of a meeting, or at the time that proxies are called for.

ARTICLE 7: COUNCIL

Section 1. Membership

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 three natural individuals, who are each residents of Pennsylvania and who may but need not be Unit Owners, in compliance with the subject to the Unit Property Act of Pennsylvania, the Declaration and the Code. Such board is herein and in the Declaration called the "Council".

Section 2. Powers and Duties

Subject to the limitations and restrictions contained in the Act, the Declaration and this Code, the Council 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 Unit Owners. Such powers and duties of the Council 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 on 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 the business, operation and affairs of the Property and of the Collectivity of Unit Owners, and to define their duties and fix their compensation.
- e. The power to enter into and to 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 designating the signatures therefore.
- g. The power to purchase, hold, sell, convey, mortgage or lease any one or more Units on behalf of the Collectivity of Unit Owners or its designee.
- h. The obtaining of insurance pursuant to Article 10 of the Declaration.

- i. 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 result in a liability against the Council, the Collectivity of Unit Owners or the Property in excess of \$500 without the prior approval of a Majority of Unit Owners.
- j. To repair or restore the Property following damage or destruction, or a permanent taking by the power or a power in the nature of eminent domain or by an action or deed in lieu of condemnation, not resulting in a termination of the Condominium.
- k. To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Unit Owners, items of personal property necessary to or convenient in the management of the business and affairs of the Collectivity of Unit Owners and the Council and in the operation and management of the Property, including without limitation, furniture, furnishings, fixtures, maintenance equipment, appliances, and office supplies.
- l. To keep adequate books and records as required by Section 2, Article 9 of the Code of Regulations.
- m. The Council may employ a managing agent at a compensation from time to time established by the Council, to perform such duties and services as the Council shall authorize and direct.

Section 3. First Members of the Council

The first members of the Council shall be those persons designated by Declarant who are named in the Declaration. The first members or their respective successors, if any, from time to time designated by Declarant, shall serve until the first annual meeting of Unit Owners and until their successors have been elected. The first annual meeting of the Unit Owners for the purpose of electing First Council Members shall not be held until seventy-five (75%) percent of all of the Units have been settled by delivery of a deed to the first unit owner of each Unit or at the expiration of five (5) years after the date hereof, whichever shall first occur.

Section 4. Election and Term of Office

Subject to the provisions of the preceding section, at the first annual meeting of the Unit Owners and at each annual meeting thereafter, three members of the Council shall be elected to serve until the next succeeding annual meeting and until their respective successors are elected, provided that until the first date on which title to all the Units shall have been conveyed by Declarant to the first Unit Owners other than Declarant in each case, Declarant shall have the right to designate one member of the Council. The term of the member, or his successor or successors from time to time designated by Declarant shall expire within five (5) years after the final such conveyance by Declarant, or sooner if Declarant, at its sole option shall so determine. Until that date, the number of the members of the Council shall not be changed, only two members of the Council shall be elected by the Unit Owners at each annual meeting, and the Units held by Declarant shall be entitled to no votes in each such selection of members of the Council.

Section 5. Removal of Members of the Council

At any regular or special meeting of Unit Owners, any one or more of the members of the Council (other than members designated by Declarant under Sections 3 and 4 of this Article 7, 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 Council 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 Council (other than vacancies in the term of the member to be designated by Declarant under Section 4 of this Article 7, which shall be filled by Declarant) caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, including without limitation by virtue of the expiration of Declarant's right to designate a member of the Council under Section 4 of this Article 7 shall be filled by a vote of a Majority of remaining Members of the Council, even though less than a quorum, promptly after the occurrence thereof, and each person so elected shall be a member of the Council for the remainder of the term so filled.

Section 7. Organization Meeting of the Council

Subject to the provisions of Section 3 hereof, an organization meeting of the Council shall be called by the President and held within five business days following each annual meeting of the Unit Owners, at such time and place as the newly elected members of the Council shall determine, for the purposes of organization, election of officers and such other business as may be brought before the meeting, and no notice thereof shall be required.

Section 8. Regular Meetings of the Council

Regular meetings of the Council may be held, without call or notice, at such times and places as the Council may from time to time determine.

Section 9. Special Meetings of the Council

Special meetings of the Council may be called by the President or by two or more members of the Council, and held on notice by letter or telegram, mailed or delivered for transmission not later than three day prior to the meeting date, specifying the time, place

and purposes of the meeting. No business may be transacted at a special meeting other than as specified in the notice thereof unless all members attend or waive notice.

Section 10. Place of Meetings

Meetings of the Council shall be held at the Property or at such other place within or without the Borough of State College as the Council may specify.

Section 11. Waiver of Notice

Any notice of any meeting of the Council may be waived by any member thereof in writing prior to, at, or subsequent to the meeting, and attendance at the meeting shall constitute a waiver of notice thereof.

Section 12. Effect of Presence at Meetings of the Council

Any member of the Council present at any meeting thereof shall be deemed to have assented to any action taken thereat unless his dissent is entered on the minutes thereof or unless he shall file his written dissent with the Secretary at or immediately following the adjournment thereof, provided that no member may so dissent from any action for which he voted at the meeting.

Section 13. Quorum

A majority of the members in office shall constitute a quorum at any meeting of the Council, and the act of a majority of the members at a meeting at which a quorum is present shall be the acts of the Council. 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 have been transacted at the meeting originally called, without further notice.

Section 14. Action by Written Consent

So long as the Council is composed entirely of designees of Declarant pursuant to Section 3 of this Article III, the members of the Council may act by unanimous written consent in lieu of a meeting. Thereafter the Council shall act only at a duly constituted meeting thereof.

Section 15. Participation in Meetings by Communications Equipment

One or more members of the Council may participate in and be counted for quorum purposes at any meeting of the Council by means of conferences telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 16. No Compensation of Members of the Council

No members of the Council shall be compensated for acting as such.

Section 17. Personal Property Located in the Common Elements

Title to any personal property from time to time held for the joint use and enjoyment of all the Unit Owners, whether situated in the Common Elements or elsewhere, shall be vested in all the Unit Owners in accordance with their respective Proportionate Interests and the Council shall have the power and duty on their behalf to purchase or otherwise acquire, hold, and lease, mortgage, sell or otherwise deal in, and to insure, repair or replace the same, as the Council shall from time to time determine.

ARTICLE 8: FISCAL MANAGEMENT

Section 1. Fiscal Year

The fiscal year of the Association shall begin on the first day of January each year, except the first fiscal year of the Association shall begin at the date of the recording of this Code of Regulations or at such other date as the Council shall decide.

Section 2. Books and Accounts

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 not later than by February fifteenth (15th) the Council shall furnish the Unit Owners with a reasonably detailed statement of the income and disbursements of the Association for such prior fiscal year.

Section 3. Budget

- a. With respect to each Fiscal year, and within ninety (90) days from the Commencement thereof, the Council shall cause an estimated annual budget to be prepared based on its estimation of the next ensuing annual expenses, including but not limited to the following items: (a) management and administration expenses; (b) the estimated cost of repairs, maintenance and replacements of Common Elements; (c) the cost of such utilities as may be furnished by the Association; (d) the amount of such reserves as may be reasonably established by the Council, including general operation reserves,

- reserves for contingencies, and reserves for replacements; (e) such other expenses of the Association as may be approved by the Council including operating deficiencies, if any, for prior periods.
- b. By December 1 of each year the Council shall determine and notify each Unit Owner what it has determined to be the estimated monthly assessments of the respective Unit Owners, according to their respective undivided interests in the Common Elements, and according to the needs of such estimated annual budget.
 - c. On or before the first day of each month of the fiscal year covered by such estimated annual budget, each Unit Owner shall pay his respective monthly assessment so determined.
 - d. In the event of delay in the making of the budget and in the announcement of monthly assessments, as above provided, Unit Owners shall continue to pay that amount which had been last established for each to pay as his regular monthly assessment.
 - e. If any Unit Owners should fail or refuse to make payment as due of each assessment duly made against his Unit and him, the amount thereof together with interest thereon as provided by law shall constitute a lien on the interest of such member in the Property. The Council shall have the authority to exercise and enforce any and all rights and remedies provided in the Unit Property Act of Pennsylvania, the Declaration, this Code of Regulations and as are otherwise available at law or in equity for the securing and collecting of unpaid assessments.

Section 4. Budget Revision

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

Section 5. Copies of the Budget

The Council shall arrange to have available at all reasonable times for any Unit Owner copies of budgets and of revised budgets and reasonably detailed information as relates to same, and to contemplated changes in same.

Section 6. Entrance Fee

Upon the purchase of each Unit from the Declarant, or at any time thereafter, at the request of the Council, each Unit Owner, not including the Declarant, shall deposit with the managing agent of the Property, or as may be otherwise directed by the Council an amount equal to three (3) times the monthly assessment relating to such Owner's Unit. Such amount shall be held, together with the amounts similarly deposited by other Unit Owners, as an operating reserve for Common Expenses, and shall be used and applied as the Council may deem necessary. To the extent that the said operating reserve may be depleted, or in the judgment of the Council may be inadequate, the Council may increase the same by a special assessment of such Unit Owners in proportion to their ownership of the Common Elements. The said operating reserve on hand from time to time shall be deemed part of the Common Elements.

Section 7. Declarant's Fee

With respect to any Units which have not been sold by the Declarant and which the Declarant continues to own, the Declarant, for one year from the date of the filing of the Declaration, shall be liable for and pay at the rate of one-half of the regular charges or assessments otherwise due for Units still in Declarant's name, and thereafter 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 8. Continuance of Lien

In the event Owner shall transfer his Unit while an assessment of any kind remains unpaid, the lien of the assessment shall continue to be a charge on the Unit and shall continue as a lien until paid. The Council shall furnish any prospective purchaser with a certificate upon which all unpaid assessments shall be listed together with interest and costs, at any time upon request.

Section 9. Subordination of the Lien to Mortgages

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

ARTICLE 9: USE RESTRICTIONS

Section 1. Residential Use

Except as herein provided at Section 8, below with respect to the uses permitted by the Declarant, no Unit shall be used for any other purpose than as a private dwelling for the member and his immediate family, or by a person and such person's immediate family to whom the member shall have leased his Unit 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. Duties of Owners

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 Council. No member may paint, decorate, or otherwise alter or modify in any way the outside of his Unit, or install 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 Council.

Section 3. Trash and Storage

Trash, garbage, and other waste shall be kept only in 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 Council. No articles or personal property belonging to any Unit Owner shall be stored in any portion of the Common Elements without the prior written consent of Council.

Section 4. Electrical and Plumbing

No one may overload the electrical wiring in the building or operate any machinery, appliances, accessories, or equipment in such a manner as to cause, in the judgment of the Council, any unreasonable disturbance, or make any alterations to or connections with the heating or plumbing systems without the prior written consent of Council.

Section 5. Suspension of Rights

The Council may adopt such rules and regulations concerning use, occupancy or other matter, including provisions for reasonably 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 6. Violations

Violation of any rule or regulation of the Council and/or of any provision of the Declaration and/or hereof shall give the Council 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 proceedings, either at law or in equity, the continuance of any such breach.
- c. To levy as an assessment or charge as a Common Expense pursuant to §702 of the Act against any Unit Owner an amount equal to damages so sustained plus costs of suit and reasonable attorneys fees by virtue of such Unit Owner's committing and/or permitting such violation upon finding thereof by the Council.

Section 7. Owner's Negligence or Misuse

Council 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 8. Declarant's Use

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 sale and promotion purposes including the sale and promotion of the property or projects other than the Property and purposes and in such manner as the Declarant deems it may reasonably require.

Section 9. Notice of Sale or Transfer

Prior to the sale, or transfer of any Unit by any Unit Owner, other than the Declarant, such Unit Owner, shall notify in writing the Secretary of the Council of the name and address of the purchaser(s) of such Unit and it shall be the duty of the Secretary of the Council to notify the prospective purchaser(s) in writing of any outstanding charge, assessment or lien against the Unit being sold.

ARTICLE 10: INDEMNIFICATION

Section 1. Reimbursement/indemnification of Council Members

The Association shall reimburse or indemnify each Council Member, officer, and employee of the Association for or against all liabilities and expenses reasonably incurred by or imposed upon him in connection with or resulting from any claim, action, suit or

proceeding whatsoever and however brought and whether the same be in proceedings civil, criminal, administrative, or investigative (hereinafter called "action"), in which he may become involved as a party or otherwise by reason of his being or having been such Council member, officer or employee, or by reason of any action taken or not taken and/or of anything done or not done in such capacity, whether or not he continues to be such at the time such liabilities or expenses are incurred and whether or not such action or omission to act occurred before or after the adoption of this Code of Regulations, provided that (a) the provisions hereof do not apply in respect to any action by or in the right of the Association because such person was guilty of wrongdoing against the Association and (b) they do not apply in respect to all actions wherein such person acted in bad faith.

Section 2. Liabilities and Expenses

As used herein the term "liabilities and expenses" shall include but not be limited to counsel fees and expenses, and disbursements and amounts of judgments, record cost, fines, or penalties, and amounts paid in settlement.

Section 3. Conditions for Reimbursement or Indemnification

Where such person has been wholly successful on the merits in such action, or where indemnification of such person has been awarded by a court, he shall be entitled to indemnification as of right; otherwise, including any instances where such action is terminated by a settlement, the Association shall reimburse or indemnify him only if it shall be determined that such person has met the standards set forth in Section 1, either (a) by the Council acting by a quorum consisting of two or more members other than those involved in the action, or (b) if there are not at least two members then in office other than those involved in the action, by independent legal counsel, who shall deliver to the Association written advice to such effect.

Section 4. Advance Payment

Expenses incurred with respect to any action may be advanced by the Association prior to the final disposition thereof, upon receipt of an undertaking by such person to repay any amounts for which it shall ultimately be determined that he is not entitled to indemnification.

Section 5. Other Rights

The foregoing right of reimbursement or indemnification shall not be exclusive of other rights to which any such person may otherwise be entitled and, in the event of his death, shall extend to his legal representatives.

Section 6. Liability Insurance

The Association shall have the power to purchase and maintain insurance against liabilities as contemplated above on behalf of any person who is or was a Council member, officer, employee, or agent of the Association, or is or was in any capacity serving the Association or Council at the request of either, whether or not the Association would have the power to indemnify him against such insured against liability under the provisions of this section.

ARTICLE 11: AMENDMENTS

This Code of Regulations 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 or interests of the Declarant shall not be amended or modified without the written consent of the Declarant.