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EXHIBIT "8"  
THE COURTYARDS OF CARLISLE, A CONDOMINIUM COMMUNITY

BY-LAWS

19 (e)  
25421

ROBERT P. ZIEGLER  
RECORDER OF DEEDS  
CUMBERLAND COUNTY, PA

JUL 30 2007

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AMENDMENT TO BY-LAWS OF THE COURTYARDS OF  
CARLISLE UNIT OWNERS ASSOCIATION, INC.  
June 13, 2005

Borough of Carlisle  
Cumberland County  
Pennsylvania

Courtyards of Carlisle Unit Owners Association, Inc.  
c/o Sterling Property Management, Inc.  
Sue Whitacre, Association Coordinator  
337 Lincoln Street  
Carlisle, PA 17013  
Telephone: (717) 258-5800  
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BK 0738 PG 3782

## ***FIRST AMENDMENT TO THE BY-LAWS***

This First Amendment to the By-Laws ("First Amendment") is made this 16<sup>th</sup> day of JUNE, 2005, by the Unit Owners of 37 Units in the Courtyards of Carlisle Unit Owners Association.

### **RECITALS:**

The background of this First Amendment is as follows:

R-1. Pursuant to the Declaration of Condominium ("Declaration") recorded on the 22<sup>nd</sup> day of April, 1999 in the Cumberland County Recorder of Deeds Office in Miscellaneous Book 610, Page 678, the Declarant to The Courtyards of Carlisle, A Condominium Community (the "Declarant") created a condominium known as the The Courtyards of Carlisle, A Condominium Community (the "Condominium"). Contemporaneously therewith, the Declarant filed, in the aforesaid Office of the Recorder of Deeds, plat and plans as required by the Pennsylvania Uniform Condominium Act, which plats and plans are recorded in Plan Book 78, Page 117. The Declaration and plats and plans created twelve (12) units. The Declaration and plats and plans have been amended by the Declarant by the filing of ten (10) Amendments to the Declaration and amended plats and plans, to include an additional one hundred sixteen (116) units, as follows:

<u>Amendment</u>	<u>Deed Book &amp; Page</u>	<u>Plan Book &amp; Page</u>	<u># Units</u>
First Amendment	628,760	12,83	12
Second Amendment	644,624	81,9	6
Third Amendment	672,614	83,24	4
Fourth Amendment	683,2441	84,85	10
Fourth Amendment (re-filed)	685,3603	85,9	10
Fifth Amendment	689,1837	85,11	12
Sixth Amendment	700,17	87,84	12
Seventh Amendment	706,1658	88,90	18
Eighth Amendment	710,4252	89,84	16
Ninth Amendment	714,858	90,22	12
Tenth Amendment	723,2019	91,113	14

R-2. Pursuant to the Declaration and Amendments of Declaration of Condominium made and filed in the aforesaid Office of the Recorder of Deeds as listed hereinabove, the By-Laws of the Association have not been amended, to date.

R-3. The Condominium is located in the Borough of Carlisle, Cumberland County, Pennsylvania.

R-4. The Declarant as identified in the Declaration no longer has special voting rights as Declarant. The special voting rights of the Declarant were terminated and were converted to regular voting rights the same as all other Unit Owners in 2004.

R-5. The Unit Owners desire to amend the By-Laws as provided in Article Ten, Amendment of By-Laws, Section 10.01. Section 10.01 provides that the By-Laws may be amended by the affirmative vote of not less than a majority of the Membership at a regular or special meeting of the Membership and the affirmative approval of the majority of the Board.

R-6. As of the date of this First Amendment, there are one hundred twenty-eight (128) Units owned by Unit Owners.

R-7. The number of Unit Owners in attendance has approved this First Amendment. The ratifications and joinders of thirty-seven (37) Unit Owners were counted by two (2) members of the Board of Directors.

R-8. The Association, by its execution of this First Amendment, joins in this First Amendment to the extent it is required to do so by law and by Section XVII of the Declaration and Article Seven of the By-Laws and to evidence its consent to the terms of this First Amendment and its agreement to be bound by this First Amendment.

NOW, THEREFORE, in accordance with the Condominium Documents and the provisions of 68 Pa.C.S.A. Section 3219, the Unit Owners, INTENDING TO BE LEGALLY BOUND HEREBY, amend the By-Laws as follows:

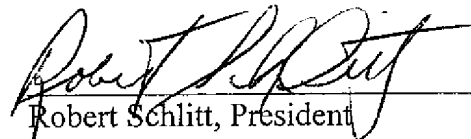
1. Recitals: The above recitals are incorporated herein by reference as if fully set forth at length.
2. Article 4, Section 4.04 was changed from, "the term of each Director's service shall extend until the next annual meeting and/or until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided herein" to read **"the term of service for a Director shall be either one (1) or two (2) years. The specific numbers of Directors who shall serve either one (1) or two (2) years, shall be determined by the Nominating Committee, who shall submit candidates for election to the Membership at the Annual Meeting of the Association."** This change was approved by a vote of 31 in favor, 6 opposed.
3. Article 6, Section 6.02 was changed from "officers of the Association do not have to be Members. There are no special qualifications for Officers other than set forth herein" to read **"Officers of the Association shall be Members of the Association. Officers of the Association shall not be delinquent in payment of assessments, nor shall Officers of the Association be in violation of any Rule or Regulation of the Association."** This change was approved by a vote of 34 in favor, 3 opposed.

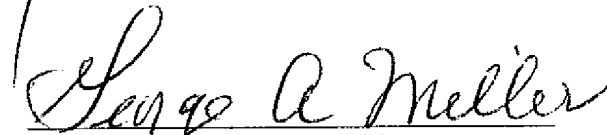
4. Article 4, Section 4.14 was changed from "during the period of Declarant control, Directors of the Association do not have to be Members. After the termination of the period of Declarant control, a majority of the Directors elected by Unit Owners must be Members" to read "**All Members of the Board of Directors of the Association, either elected by Unit Owners or appointed to fill vacancies on the Board, shall be Members of the Courtyards of Carlisle Unit Owners Association, Inc.**" This change was approved by a vote of 30 in favor, 7 opposed.
5. Except as specifically modified and amended, all provisions of the Declaration and By-Laws are hereby ratified and confirmed.

IN WITNESS WHEREOF, this First Amendment is first executed and ratified as of the date first above written.

ATTEST:

COURTYARDS OF CARLISLE  
UNIT OWNERS ASSOCIATION, INC.

  
Robert Schlitt, President

  
George Miller, Vice President

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF Cumberland

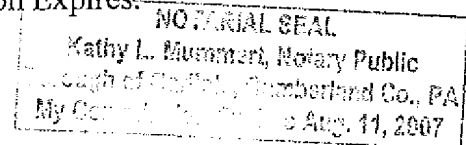
SS:

On this, the 18 day of September, 2006, before me, a Notary Public, the undersigned officers, personally appeared, Robert Schlitt and George Miller, acknowledged themselves to be an Officers of the Board of Directors of the Courtyards of Carlisle Unit Owners Association, Inc., a non-profit corporation, and that they, as such, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of said corporation as Officers of said corporation.

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

Kathy L. Mummert  
Notary Public

My Commission Expires:  
(SEAL)



**BY-LAWS OF THE COURTYARDS OF CARLISLE UNIT OWNERS  
ASSOCIATION, INC.**

**ARTICLE ONE**

**NAME**

1.01 The name of the corporation is The Courtyards of Carlisle Unit Owners Association, Inc., a Pennsylvania non-profit corporation, organized for the purpose of being the "Association" as said term is defined in the Uniform Condominium Act, Title 68, Section 3100, et seq., of the Pennsylvania Consolidated Statutes, 68 Pa.C.S.A. § 3100, as the same may be from time to time amended (the "Act") for The Courtyards of Carlisle, A Condominium Community, which Condominium is situate in the Borough of Carlisle, County of Cumberland, and Commonwealth of Pennsylvania, and which Condominium has been created by the recording of a certain Declaration of Condominium of The Courtyards of Carlisle, A Condominium Community (the "Declaration") and, as such Association, to operate the Condominium and to exercise all of the rights and duties delegated to the Association by the Act, by these By-Laws and by the Declaration.

1.02 The registered office of the corporation shall be located at 33 North Market Street, Lancaster, Pennsylvania 17608, or at such other place within the Commonwealth of Pennsylvania as the Board of Directors may from time to time determine.

1.03 The offices of the Association shall be at 33 North Market Street, Lancaster, Pennsylvania 17608, and may be located at any place within the Commonwealth of Pennsylvania designated by the Board of Directors.

## ARTICLE TWO

### DEFINITIONS

2.01 "Association" shall mean and refer to The Courtyards of Carlisle Unit Owners Association, Inc., its successors and assigns.

2.02 "Articles" means the Articles of Incorporation of the Association.

2.03 "Board" means the Board of Directors of the Association.

2.04 "Director" means a member of the Board.

2.05 "Member" means each and every member of the Association, and "Membership" means all of the Members.

2.06 "Registry" means the listing of the addresses of the Members to be maintained by the secretary of the Association. Such Registry shall reflect:

a. The name of the person to whom all notices shall be sent on behalf of a Member; and

b. The official address of each Member, unless any Member shall designate a different address by written notice, delivered in person or sent by certified mail, return receipt requested, to the secretary of the Association.

2.07 When used in these By-Laws, the following terms (unless the context clearly requires otherwise) shall have the same meanings, respectively, ascribed to them in the Declaration:

a. Assessments;

b. Common Expenses;



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2.04 "Director" means a member of the Board.

2.05 "Member" means each and every member of the Association, and "Membership" means all of the Members.

2.06 "Registry" means the listing of the addresses of the Members to be maintained by the secretary of the Association. Such Registry shall reflect:

a. The name of the person to whom all notices shall be sent on behalf of a Member; and

b. The official address of each Member, unless any Member shall designate a different address by written notice, delivered in person or sent by certified mail, return receipt requested, to the secretary of the Association.

2.07 When used in these By-Laws, the following terms (unless the context clearly requires otherwise) shall have the same meanings, respectively, ascribed to them in the Declaration:

a. Assessments;

b. Common Expenses;

- c. Condominium Documents;
- d. Condominium Property;
- e. Declarant;
- f. Undivided Share; and
- g. Unit.

### ARTICLE THREE

#### MEMBERS, VOTING RIGHTS AND PROXIES

3.01 Upon the conveyance of a fee title or interest of a Unit in the Condominium, such Unit Owner shall automatically become a Member of the Association. Membership in the Association shall not be severable from ownership of a Unit. A Member's rights and obligations to participate in the Association shall terminate upon that Member's sale or other conveyance of the Member's Unit. Each Unit in the Condominium shall be allocated as many votes as are provided in the Declaration, which votes shall be cast by the Members which are the record owners of such Unit.

3.02 Members shall meet at least annually at the office of the Association or at such other place in the Commonwealth of Pennsylvania as determined by the Board and as designated in the notice of such meeting, at 8:00 o'clock P.M. prevailing time, on the first Monday in the month of March of each year. The "Annual Members Meeting" commencing with the year in which the Association has been created, shall be held the first Monday in June at 8:00 p.m.; provided, however, that if that day is a legal holiday, then the meeting shall be held at the same hour on the next succeeding Monday which is not a legal holiday. The purpose of the

annual meeting of Members shall be to hear reports of the officers, to elect Members of the Board after expiration of the period of Declarant control, as hereinafter defined, and to transact any other business authorized to be transacted by Members.

3.03 A special meeting of Members may be called at any time by the Board or by Members entitled to cast at least twenty (20%) percent of the votes which all Members are entitled to cast at the particular meeting. At any time, upon written request of any person who has called a special meeting, the secretary of the Association shall fix the time of the meeting.

3.04 The secretary of the Association shall cause written notice of the annual meeting or any special meeting to be either hand delivered or mailed by prepaid United States mail to the name and address as it appears in the Registry, not less than ten (10) days nor more than sixty (60) days prior to the date of such meeting. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or By-Laws. Any provision herein to the contrary notwithstanding, notice of any meeting may be waived by any Member before, during or after such meeting, which waiver shall be in writing, and in the case of a special meeting, such waiver shall specify the general nature of the business to be transacted.

3.05 The Membership may, at the discretion of the Board, act by written agreement in lieu of a meeting, provided that written notice of the matter or matters to be determined by such Members is given to the Membership at the addresses and within the time periods set forth in Section 3.04 hereof, or is duly waived in accordance with such section. Any determination as to the matter or matters to be determined pursuant to such notice by the number

of persons that would be able to determine the subject matter at a meeting shall be binding on the Membership. Any such notice shall set forth a time period during which a response may be made thereto and shall be filed with the secretary of the Association.

3.06 A quorum of Membership shall consist of persons entitled to cast a majority of the votes of the entire Membership. A Member may join in the action of a meeting by signing and concurring in the minutes thereof, and such signature shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is present at any meeting and a question is presented, the holders of a majority of the voting rights present in person or represented by written proxy shall be required to decide the question. However, if such question is one which, by express provisions of the Act or the Condominium Documents, requires a vote other than such majority, then such express provision shall govern and control the required vote.

3.07 If any meeting of the Membership cannot be organized because a quorum is not in attendance, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. In the case of the adjournment of the meeting, notice to the Members of such adjournment shall, subject to the Act, be in a manner determined by the Board.

3.08 In the case of any meeting called for the election of Directors, those Members who attend the second of such adjourned meetings, although less than a quorum, shall, nevertheless, constitute a quorum for the purpose of the election of Directors; provided, however, that the number of votes present may not be less than ten (10%) percent of the number of votes entitled to be cast.

3.09 In the case of any meeting called for any other purpose, those Members who attend the second of such adjourned meetings, although less than a quorum, shall, nevertheless, constitute a quorum for the purpose of acting upon a resolution or other matter set forth in the notice of said meeting. Such written notice of a second adjourned meeting shall state that those Members who attend shall constitute a quorum for the purpose of acting upon such resolution or other matter. Such written notice shall be given to each Member of record entitled to vote at such second adjourned meeting at least ten (10) days prior to the day named for the second adjourned meeting.

3.10 Minutes of all meetings shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable business hours. The Association shall retain these minutes for a period of not less than seven (7) years.

3.11 The voting rights and procedures of Members shall be as stated in the Declaration, these By-Laws and the Act. There shall be no cumulative voting. No votes allocated to a Unit owned by the Association may be cast. Votes may be cast in person or by written proxy. Proxy is defined to mean an instrument containing the appointment of a person who is duly elected by a Member to vote for him in his place and stead. The proxy shall be in writing and must be filed with the secretary of the Association before the appointed time of the meeting in order to be effective. A proxy is not valid if it is undated or purports to be revocable without notice. Any proxy may be revoked at any time at the pleasure of the Member executing the proxy, notwithstanding any other agreement or provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until actual notice thereof has been given to the

person presiding over the meeting of the Association. In no event shall any unrevoked proxy be valid for a period longer than one (1) year after the date of the first meeting for which the proxy was given unless the proxy specifies a longer time period. A proxy shall not be revoked by the death or incapacity of its maker unless written notice of the death or incapacity is given to the secretary of the Association before the vote for which such proxy was issued is counted or the authority is exercised. No Member shall sell his vote or issue a proxy for money or anything of value.

3.12 At any time prior to the vote on any matter of the Membership, any Member may raise the question of the use of a secret written ballot for the voting on the matter. Any vote to amend the Declaration of Condominium relating to a change in the percentage ownership in the Common Elements or the sharing of Common Expenses shall be conducted by secret ballot. In the event of the use of such secret written ballot, the chairman of the meeting shall call for nominations and election of inspectors of ballots who shall collect and tally such written ballots.

## ARTICLE FOUR

### BOARD OF DIRECTORS

4.01 Number of Directors. The Association shall be managed by a Board of Directors which shall always consist of an odd number of Directors, consisting of not less than three (3) and not more than seven (7) Directors. Members of the Board appointed by the Declarant are, subject to the provisions of the Act, subject to liability as fiduciaries of the Unit Owners for their acts and omissions.

4.02 Election of Directors - Declarant Control. The election and designation of Directors shall be conducted as follows:

The Declarant shall have the right to appoint and remove members of the Board during the period of Declarant control, which extends from the date of the first conveyance of a Unit to a person other than the Declarant until the earlier of (i) five (5) years from the date of the first conveyance of a Unit to a person other than the Declarant; (ii) sixty (60) days after the conveyance of seventy-five (75%) percent of the Units to Unit Owners other than the Declarant; or (iii) Declarant's voluntary surrender of the right to appoint Directors and other rights conferred to the Declarant pursuant to Section 3303C of the Act. During this period of Declarant control, the percentage of Unit Owners required to terminate Declarant control shall be based on the total number of Units that the Declarant has reserved the right to create in the Condominium. The Declarant shall have the right to appoint the initial Board of Directors and officers of the Association. During such period of Declarant control, election of the Board of Directors and officers shall be as follows:

a. No later than sixty (60) days after conveyance of twenty-five (25%) percent of the Units to Unit Owners other than the Declarant, not less than twenty-five (25%) percent of the Members of the Board of Directors shall be elected by Unit Owners other than the Declarant; and

b. No later than sixty (60) days after the conveyance of fifty (50%) percent of the Units to Unit Owners other than the Declarant, not less than one-third (1/3) of the Board of Directors shall be elected by Unit Owners other than the Declarant.



4.03 Subject to the Declarant's rights set forth in Section 4.06 below, vacancies in the Board shall be filled by persons elected by a majority of the remaining Directors. Any such person so elected shall be a Director and shall have all the rights, privileges, duties and obligations of a Director elected at an annual meeting and shall serve the term prescribed in the following section.

4.04 The term of each Director's service shall extend until the next annual meeting and/or until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided herein.

4.05 A Director elected by the Members may be removed from office with or without cause for any reason deemed by the Members to be in the best interest of the Association upon the affirmative vote of three-fourths (3/4) of the total votes of all Members cast at a special meeting. A special meeting to recall a Director elected by Members may be called by ten (10%) percent of the Members. However, before any such Director is removed from office, he shall be notified in writing that a motion to remove him will be made prior to the meeting at which said motion is made, and such Director shall be given an opportunity to be heard at such meeting, should he be present, prior to the vote of his removal. The Board may declare vacant the office of a Director if he is declared of unsound mind by an order of a court of competent jurisdiction, or is convicted of a felony, or for any other proper cause, or if, within sixty (60) days after notice of his election, he does not accept such office either in writing or by attending a meeting of the Board. A Director may be removed from office if, upon the petition of a Member or other Director to a court of competent jurisdiction, he is found to have committed fraudulent or

dishonest acts or to have grossly abused his authority or discretion with reference to the Association or for any other proper purpose.

4.06 A Director designated by the Declarant during the period of Declarant control may be removed only by the Declarant in his sole and absolute discretion and without any need for a meeting or vote. Declarant shall have the unqualified right to name a successor for any Director designated by him and thereafter removed by him, or for any vacancy on the Board as to a Director designated by him, and the Declarant shall notify the Board as to any such removal or vacancy and the name of the respective successor Director and of the commencement date of the term of such successor Director.

4.07 The organizational meeting of a newly elected Board shall be held within ten (10) days of its election at such place and time as may be fixed by the Directors at the meeting at which they were elected. No further notice of the organizational meeting shall be necessary.

4.08 Regular meetings of the Board may be held at such time and place as shall be determined by the Board. Special meetings of the Board may be called at the discretion of the president, or in his absence, the vice president. Special meetings must be called by the secretary at the written request of one-third (1/3) of the Members of the Board.

4.09 Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting. Except in an emergency, notice of a Board meeting shall be posted conspicuously on the Condominium

Property forty-eight (48) hours in advance for the attention of the Members. Any Director may waive notice of a meeting before, during or after such meeting, and such waiver shall be deemed equivalent to the receipt of such notice by such Director.

4.10 A quorum of the Board of Directors shall consist of Directors entitled to cast a majority of votes of the entire Board. Matters approved by a majority of the Directors at a meeting at which a quorum is present shall constitute the official act of the Board, except as specifically otherwise provided in the Declaration or the Act. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time and until a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, notice to the Directors of such adjournment shall, subject to the Act, be determined by the Board.

4.11 Directors shall not receive any compensation by virtue of their service as Directors.

4.12 Minutes of all meetings of the Board shall be kept in a businesslike manner and shall be available for inspection by Members and Directors at all reasonable business hours.

4.13 Meetings of the Board shall be open to all Members. Unless a Member serves as a Director or unless he has been specifically invited by the Directors to participate in the meeting, the Member shall not be entitled to participate in any meeting of the Board, but shall only be entitled to act as an observer.

4.14 During the period of Declarant control, Directors of the Association do not

SCHEDULE OF EXHIBITS TO PUBLIC OFFERING STATEMENT OF  
THE COURTYARDS OF CARLISLE, A CONDOMINIUM COMMUNITY

- Exhibit "1" Proposed Budget
- Exhibit "2" Balance Sheet of Association
- Exhibit "3" Specimen Title Report
- Exhibit "4" Declarant's Statement of Structural and Major Utility Components, Dates of Construction, Condition, Useful Life and Replacement Costs
- Exhibit "5" Specimen Agreement of Sale
- Exhibit "6" Declaration
- Exhibit "7" Articles of Incorporation
- Exhibit "8" By-Laws
- Exhibit "9" Rules and Regulations
- Exhibit "10" Floor Plans
- Exhibit "11" Schedule of Governmental Approvals and Permits
- Exhibit "12" Options

Board may not act on behalf of the Association to:

- a. Amend the Declaration;
- b. Terminate the Condominium;
- c. Elect members of the Board of Directors other than to fill vacancies

in its Membership for unexpired terms; or

- d. Determine the qualifications, powers, duties and terms of officers or members of the Board.

## ARTICLE SIX

### OFFICERS

6.01 Identification of Officers. The officers of the Association shall be a president, vice president, secretary, treasurer and such other officers as the Board may from time to time, by resolution, create.

6.02 Duties of Officers. In addition to powers conferred in the Declaration or in the Act, officers shall have the following duties:

- a. The president shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and any other written instruments, contracts or commitments which may be required or authorized under the Declaration, these By-Laws or the Act; and will co-sign all checks and promissory notes of the Association.

- b. The vice president shall act in place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other

duties as may be required of him by the Board.

c. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; shall keep the corporate seal of the Association and affix it to all papers requiring said seal; shall serve notice of meetings of the Board and Members; maintain the registry; and shall perform all the duties incident to the office of secretary as may be required by the Board.

d. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; shall keep proper books of accounts; shall cause an annual audit of the Association's books to be made at the completion of each fiscal year by such person designated by the Board of Directors; shall prepare an annual budget and statement of income and expenditures to be presented to the Membership at its regular annual meeting, and shall deliver copies to Members within thirty (30) days after such budget is completed. He shall also perform all duties incident to the office of treasurer and such other duties as may be required by the Board.

e. All valid amendments to the Declaration shall be prepared, executed, certified to and recorded by the president and the secretary.

f. All officers and Directors of the Association who control or disburse funds of the Association shall be bonded. The cost of bonding shall be borne as a Common Expense by the Association.

g. Officers of the Association do not have to be Members. There are

no special qualifications for officers other than set forth herein.

6.03 Indemnification. Each officer and Director of the Association, in his capacity as such officer and Director, shall be indemnified by the Unit Owners, and the Association, both jointly and severally, against all expenses and liabilities, including attorney's fees reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been an officer or Director of the Association or any settlement thereof, whether or not he is a Director or officer at the time such expenses and liabilities are incurred. This indemnification shall not prevail in cases where the Director or officer is adjudged guilty of willful misconduct in the performance of his duties. The indemnification by Unit Owners and the Association as set forth in this section shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense.

## ARTICLE SEVEN

### POWERS OF THE ASSOCIATION

7.01 In addition to powers conferred by law, and subject to the provisions of the Declaration, the Association may:

- a. Adopt and amend By-Laws, and amend rules and regulations.
- b. Adopt and amend budgets for revenues, expenditures and reserves, and collect assessments for Common Expenses from Unit Owners.
- c. Hire and terminate managing agents and other employees, agents and independent contractors.
- d. Institute, defend or intervene in litigation or administrative

proceedings in its own name or on behalf of itself or two (2) or more Unit Owners on matters affecting the Condominium.

- e. Make contracts and incur liabilities.
- f. Regulate the use, maintenance, repair, replacement and modification of Common Elements.
- g. Cause additional improvements to be made as part of the Common Elements.
- h. Acquire, hold, encumber and convey, in its own name, any right, title or interest to real or personal property.
- i. Grant easements, leases, licenses and concessions through or over the Common Elements.
- j. Impose and receive any payments, fees or charges for the use, rental or operation of Common Elements.
- k. Impose charges for late payment of assessments, and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, By-Laws and rules and regulations of the Association.
- l. Impose reasonable charges for preparation and recording of amendments to the Declaration, resale certificates required or statements of unpaid assessments.
- m. Provide for the indemnification of its officers and Executive Board and maintain Directors' and officers' liability insurance.
- n. Exercise any other powers conferred by law, the Declaration or these



## ARTICLE EIGHT

### ACCOUNTING RECORDS AND FISCAL MANAGEMENT

8.01 The Association shall maintain accounting records in accordance with good accounting practices which shall be open to inspection by Members or their authorized representatives during normal business hours. Such authorization as a representative of a Member must be in writing and signed by the Member giving such authorization and dated within sixty (60) days of the date of such inspection. Written summaries of accounting records shall be supplied at least annually to the Members upon written request of the Members. Such records shall include a record of all receipts and an account for each Member which shall designate the name of the Member, the amount of the assessment charged to the Member, the amounts and due dates of each assessment and the amounts paid upon such account and balance due. The Board shall also furnish to a member, upon ten (10) days' written notice, a statement in recordable form setting forth the amount of that Member's unpaid assessments levied against the Unit. Such statements shall be binding upon the Board, the Association and every Member of the Association.

8.02 Within sixty (60) days following the end of the first full fiscal year and each fiscal year thereafter, the Board shall supply to Members a complete financial report of actual receipts and expenditures of the previous twelve (12) months, or such shorter period during the initial fiscal year. The report shall show the amount of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications

including, if applicable, types and amounts of reserves. The report shall be deemed to be furnished to each Member upon its delivery or mailing to the Member at the address set forth in the Registry.

8.03 The Board of Directors shall adopt a budget of Common Expenses of the Association for each forthcoming fiscal year (the "Budget") at a special meeting of the Board of Directors (Budget Meeting) called for that purpose, to be held at least thirty (30) days prior to each annual Members meeting. Prior to the Budget Meeting a proposed Budget shall be prepared by or on behalf of the Board, which Budget shall be detailed and shall show the amounts budgeted by amounts and expense classifications.

8.04 Copies of the proposed Budget and notice of the exact time and place of the Budget Meeting shall be mailed to each Member at the Member's address as it appears in the Registry not later than thirty (30) days prior to the Budget Meeting and the Budget Meeting shall be open to Membership. Notwithstanding anything contained herein to the contrary, Members, by majority vote, may reject the Budget of capital expenditure approved by the Board within thirty (30) days after the Board's approval of the Budget of capital expenditure; provided, however, that with respect to any action which may be taken which would increase or decrease the type or standard of maintenance and repair to be performed by the Association, provisions dealing with maintenance and repair of Common Elements under the Declaration shall control over these By-Laws.

8.05 Subject to the requirements of the Declaration, the Board may also include in any such proposed Budget, a sum of money as an assessment for the making of improvements,

additions or alterations to the Condominium as the Board may determine the same to be necessary.

8.06 The depository of the Association shall be in one or more accounts of such federally regulated banks, savings and loan associations or other financial institutions as may be designated from time to time by the Board. Withdrawals of moneys from such accounts shall be made only by checks signed by the persons who are authorized by the Board.

8.07 No Board shall be required to anticipate revenue from assessments or expend funds to pay for Common Expenses not included in the Budget or which shall not be or which shall exceed budgeted amounts. The Board shall not engage in deficit spending. Should there exist any deficiency which results from there being greater Common Expenses than income from assessments, then deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be subject to an assessment to be levied by the Board.

8.08 Should the Board determine that a particular Budget adopted for the then current year results in a surplus, the Board may amend the Budget by calling a special meeting of the Board in like manner as outlined for the initial Budget Meeting. After such meeting, the Board shall have the right to decrease the amount of assessments for the remainder of the fiscal year. In the event there is a surplus at the end of the fiscal year, the Board may refund such excess to Members in proportion to such Members' respective undivided shares. In the event a Unit was transferred during the fiscal year which qualifies for a refund, the refund allocable to such Unit shall be prorated between purchaser and seller of the particular Unit in proportion to the percentage of the fiscal year that each party owned the Unit.

## ARTICLE NINE

### RULES AND REGULATIONS

9.01 The Board may adopt rules and regulations or amend or rescind existing rules and regulations for the operation of the Association and use of the Condominium Property at any regular meeting of the Board, provided, however, that such rules and regulations are not inconsistent with the Condominium Documents or the Act. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed to all Members at the address set forth in the Registry and shall not take effect until forty-eight (48) hours after such mailing.

## ARTICLE TEN

### AMENDMENT OF BY-LAWS

10.01 These By-Laws may be amended by the affirmative vote of not less than a majority of the Membership at a regular or special meeting of the Membership and the affirmative approval of a majority of the Board at a regular or special meeting of the Board. Amendment may be approved at the same meeting of the Board or Membership at which the amendment is proposed and may be proposed by either the Board or the Membership.

10.02 Anything contained in the preceding section of these By-Laws to the contrary notwithstanding, these By-Laws may be amended by the affirmative approval of the majority of the Board at any time during the period of Declarant control.

10.03 No modification or amendment of the By-Laws shall be made by reference to its title or number only. Proposals to amend these By-Laws shall contain the full text of the By-Law to be amended.

10.04 No modification or amendment to these By-Laws shall be adopted which would affect or impair the priority or the validity of any mortgage on a Unit, without the prior written consent of the requisite percentage of first mortgagees as set forth in Article XI of the Declaration, or which would, in the judgment of the Declarant, abridge, amend or alter the rights of the Declarant in any manner, without the prior written consent of the Declarant.